

A hand is shown holding a transit card over a fare reader on a train platform. The fare reader has a 'Peak Display' and a 'Cards' slot. The background is a blurred train platform with red and yellow lights, suggesting motion.

2000 Annual Budget Summary

Chicago Transit Authority



PROPOSED

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CHICAGO TRANSIT AUTHORITY 2000 ANNUAL BUDGET SUMMARY

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Frank Kruesi, President



LETTER FROM THE PRESIDENT



After a slippery start, 1999 was a good year for the CTA and its customers. The planning and decisive action of 1999 yielded substantial results and laid a solid foundation for the aggressive rebuilding agenda that we have set.

Last year's budget stressed the need to rebuild the CTA: our ridership, our commitment to customer service, our spirit, and our infrastructure. I am pleased to report that we have made considerable progress on all fronts. For the second straight year system-wide ridership has grown. Ridership for the first eight months of 1999 has grown by over 4%, exceeding the 5 million ride increase we saw last year.

We have made a number of improvements to make our system more on-time, cleaner, safer, and friendlier, and are initiating new customer service training for our employees. The people of the CTA have been invigorated by the progress and are more committed than ever to doing a great job for our customers. And we have taken tremendous strides in putting together a new capital program to overhaul and improve our buses, trains, tracks, and facilities.

In recent years, a lack of funding meant that the CTA's capital program has been more about holding things together rather than building and sustaining a true capital improvement agenda. But in 1999, we made progress in reversing this unfortunate trend.

Our focus over the past year has been on obtaining the funds necessary to begin New Start projects, purchase rolling stock, and rebuild aging infrastructure. The passage of Governor Ryan's Illinois FIRST and the federal TEA-21 law have provided the opportunity for the CTA to get the funding necessary to advance toward a state of good repair.

Our focus has paid off, and the result is a capital program three and one-half times as large as it was just a year and a half ago. Early in 1998, the CTA had access to funds for only 19% of our \$4.1 billion in capital needs. Now, through combined resources from Springfield and Washington DC, we should be able to fulfill nearly 70% of this mark. As can be seen by the enclosed plan, parts of these funds will be used to rebuild the Douglas Branch of the Blue Line and to expand capacity on the Brown Line. Stations will be refurbished, subways will be cleaned, and facilities will be updated. Moreover, in 2000 we anticipate the delivery of 150 new air-conditioned and accessible buses, the first of nearly six hundred to be introduced over the next 5 years. And the rehabilitation of the 2600-series rail cars will continue to be fast-tracked.

1999 marked the beginning of the rebuilding of the CTA. The challenge for the years ahead will lie in sustaining the forward momentum. Prudent and innovative management is essential.

The 2000 proposed budget provides the tools necessary to make this possible. Additional improvements include the posting of timetables at some key bus stops, similar to those we maintain for our customers at train stations. The number of bus shelters on heavily traveled routes will be significantly expanded. The clean windows and video cameras of Operation Clearview will continue with the installation of cameras on the entire bus fleet.

And we will continue our "Take It" advertising campaign on television and radio, aimed at showing the Chicagoland area the benefits of taking the CTA.

This is not the first "turn of the century" Chicago's transit system has witnessed. We look forward to moving into the next one with an emphasis on rebuilding, sustaining, and improving on the many aspects of the CTA.

For all of these reasons, I am proud to be a customer of the CTA.

Sincerely,


Frank Kruesi

We began nineteen-ninety nine buried under 21 inches of snow – the second largest snowstorm to ever blanket Chicago. In a sense, the problems that arose during the snowstorm highlighted CTA's huge capital issues - operating outdated equipment over aging infrastructure. With passage of Illinois FIRST, we look forward to rebuilding the system and to concentrating on the core principle that guides the CTA: the delivery of on-time, clean, safe, and friendly service.

REBUILDING THE SYSTEM

The most significant problem made evident by the snowstorm was the inability of CTA facilities and vehicles to keep up with customer demand due to years of disinvestment in our capital infrastructure. This past year, CTA successfully lobbied legislators at the federal and state level for new funding for capital investment to move CTA toward a 'state of good repair.' Although our needs are great, the investment provided by the state's transportation funding bill, Illinois FIRST, and the pending approval of the federal transportation funding bill, TEA-21, will allow the CTA to begin some desperately needed repairs. Most significantly, the increased capital funding will allow us to put into place a preventative maintenance program that will reduce unscheduled maintenance and increase bus and rail car availability. This will result in more comfortable and reliable service for our customers.

SUSTAINING THE MOMENTUM

Great strides will be made in 2000 to continue the positive initiatives started in the past year. Ridership has not only stopped its downward spiral, but has rebounded upward, gaining over 12 million rides over the past 12 months. To support this growth, CTA will enhance the programs that contributed to this change and continue to focus on providing on-time, clean, safe and friendly service.

IMPROVING THE PRODUCT

Although we are pleased with the progress made to our service quality over the past year, we know it is just the start. We owe it to our customers to do better. Benchmarking CTA services with other transit agencies and the business sector has yielded great insight into areas of opportunities. By improving the service we provide, CTA hopes to retain our existing customers as well as attract new riders to our system.



REBUILDING THE SYSTEM

Investment in the bus and rail systems is vital if CTA is to continue to meet our current and future customers' needs for safe and efficient mass transit services throughout Chicago and 38 suburbs. One of the lessons we learned from the January snowstorm is that deferred maintenance coupled with a lack of investment in our system adversely impacts our service reliability.

The 2600 series rail cars, which constitute half of our rail cars, were past the point of their midlife overhaul (16 years old) in January when the storm hit. Over 300 of these railcars were knocked out of service by the snowstorm. If adequate funding had been available, these cars would have been rehabilitated, insulating them from the storm.

Bus System

Over the past two years ridership has increased by 3.6 percent. This growth in ridership will continue as long as we provide quality service. Customer surveys have shown that reliability is the primary concern of riders. As such, much attention will be paid to the quality of the components that make the bus more dependable. We will focus on vehicle replacement to improve service reliability levels. Fewer breakdowns mean a better ability to adhere to bus timetables and to allow for real-time vehicle deployment.

The increased ridership demand creates the ability to adapt services to meet passengers' changing

needs. Rush hour, mid-day, evening, night owl, and weekend services can be modified to improve system coverage. Rather than extending service into new areas, CTA is concentrating on improving its existing core service. For example, express routes were implemented on Western Avenue and Cermak Road to bring faster transit services to our cross-town customers.

Aiding reliability is the continuing effort to utilize the Bus Watch program (Bus Service Management System), which enables supervisors and service controllers to monitor and control bus service more effectively. Bus Watch will allow more efficient scheduling of services by pinpointing the exact location of vehicles and offering buses priority at traffic signals. If trials are successful, Bus Watch will be expanded on other selected key routes in the near future.

Improved accessibility at bus stops, when boarding the bus and within the bus, are priorities of CTA. Increasing numbers of CTA buses are either lift-equipped or low-floor, both of which offer transportation benefits to all passengers. Four hundred fifty low-floor buses will be added to our fleet beginning in 2000.

Two years ago, CTA pioneered advanced bus technology through a joint venture with Ballard Corporation to develop hydrogen-powered Fuel Cell buses, whose only emission is water vapor. Innovation continues in 2000 with the introduction of fifteen buses fueled with oxygenated-diesel. Oxygenated-diesel is a low-emission fuel that combines diesel fuel with corn by-products. The use of these cleaner vehicles to reduce pollution is a priority of CTA.



Finally, 490 buses will be retrofitted with air conditioning. These buses will also be rehabilitated to extend their operating life. By the summer of 2002, when all air conditioning retrofits have been performed, and the current 450 new bus purchase has been completed, virtually the entire bus fleet will be air-conditioned.

Rail System

Our system is old, complex and has a long history of under investment. To continue to provide a safe and efficient service, continuous investment is needed in the infrastructure – our trains, stations, track, subways, bridges, and signaling.

To secure more investment in the rail system, the CTA embarked on an ambitious plan to educate citizens and lawmakers of the need to invest in infrastructure improvements. In response, CTA, through Illinois FIRST, secured the local matching funds necessary to obtain federal funding through TEA-21.

Our total infrastructure need is estimated at \$4.1 billion to return the system to a 'state of good repair.' Even with the state and federal funding we expect to receive, we will only have \$2.8 billion to spend on these capital needs.

Two massive rail projects dominate capital requests. First, the Cermak (Douglas) branch of the Blue Line needs to be rehabilitated. This project will modernize all stations, including making the stations ADA compliant, and will eliminate most of the slow zones which have forced extended travel times for our riders.

Under the plan, stations on the Cermak (Douglas) branch of the Blue Line will be completely rebuilt and equipped with modern conveniences. More powerful lighting will be installed to improve safety on the platforms, and elevators will be installed to assist all riders.

CTA hopes that eighty percent of the funds for this project can come from the federal *New Start* category, in which transit agencies from across the country compete for funds. In addition, CTA plans to invest funds for upgrading and renewal of basic infrastructure, the benefits of which are not always immediately apparent to customers. Funds will be spent on improving track, signaling, and communication systems. Through this program, most existing slow zones, areas where trains have to travel at reduced speed because of structural problems, will be eliminated.

Second, ridership gains on the Brown Line exceed current passenger carrying capacity. To accommodate longer trains needed to handle the



increased traffic flow, station platforms will be extended from the current 6-car length to the system maximum 8-car train if the federal funding is approved. Additionally, stations and platforms will become ADA compliant. Similar to the Cermak (Douglas) branch project, CTA hopes to fund most of the Brown Line project by successfully competing for federal *New Start* grants.

December 2002 should also see the receipt of the final mid-life overhauled 2600 series rail car. These cars carry the majority of our rail system riders. Among other renovations, this overhaul upgrades electrical and mechanical systems, repairs the climate control system, and retrofits the car with a front cab to allow for single operator operation. The overhaul also calls for the installation of a redesigned air-intake system to prevent the malfunctions that occurred during the snowstorm of 1999. Furthermore, we will begin the process of replacing the 2200 series rail cars.

SUSTAINING THE MOMENTUM

We are proud of our accomplishments achieved over the past year. But more importantly you, our customers, also showed your satisfaction by using CTA more. To maintain this momentum, we will increase our commitment to providing on-time, clean, safe and friendly service.



Reducing Graffiti

Initiated in 1999, "Operation Clearview," makes it difficult for vandals to permanently damage windows on CTA vehicles. Within twenty-four hours of identification, bus garage personnel remove and replace defaced window shields. Customer surveys indicate that clean windows not only contribute to cleaner vehicles, but also improve the perception of

safety and security for our riders.

To discourage window etchings and to capture violators, nearly one-fourth of our bus fleet was equipped with digital video cameras in 1999. These cameras monitor on-board activity, deter criminal activity, and the recordings are used in the vigorous prosecution of offenders. Preliminary reports indicate a reduction of window etchings on buses monitored by these cameras.

Based on the success of these initiatives, Operation Clearview will be expanded to the remainder of the bus fleet. The remaining 1,400 vehicles will be equipped and monitored with digital video cameras. Complementing full bus fleet coverage, vandal shields will be installed on all 2600 series rail cars during their midlife overhaul.

Improving Communication

Accurate and readily available travel information is an important part of the travel experience. Pinpointing the location of all buses allows the CTA to create accurate bus stop-specific timetables. Tested on eight routes in 1999, bus timetables will be implemented at additional bus routes beginning in 2000 as part of our key route improvement program. The goal is to make our customers' travel within the system more predictable and seamless.

Bus timetables join rail station specific timetables, the RTA travel information center, and the CTA web site in providing a wide range of information to our customers. The CTA Customer Service Hotline (1-888-YOUR-CTA) also enables riders to contact CTA in order to compliment or suggest opportunities for improvement.

Growing Service

Demand for CTA service is increasing on both bus and rail. On the bus system, additional riders in combination with higher automobile congestion have increased travel times for our riders. CTA piloted two express routes in 1999 to meet this customer need. These express buses complement existing service by following the same route but with significantly fewer stops. Increased ridership in the pilot program has prompted CTA to explore other routes primed for express service.

Increased ridership on CTA rail lines has spurred the need for additional service. Overcrowding on Red, Purple, Brown, and Orange Line trains is commonplace during morning and evening rush hours. To alleviate this problem, we are looking at ways to increase peak service in calendar year 2000.



Cleaning the Subway System

Forty years of gunk and grime was swept down the drain in the summers of 1998 and 1999 when subway stations were power washed for the first time in their history: walls and ceilings were power washed, floors were waxed, surfaces were painted, and drains were cleaned. At that time, a commitment was made to our riders to maintain the degree of cleanliness achieved after that deep power washing. Recognizing that the subway is at the heart of the CTA rail system, power washing will continue as an integral part of our annual cleaning program.

Encouraging Travel

Initiatives to make public transportation more attractive include the introduction of new transit cards that meet the needs of particular groups of users. We introduced the University Pass (U-PASS) for full-time university students, to an unparalleled success. In 1998-99, U-PASS riders accounted for over 7 million rides.

Our Visitor Pass provides unlimited rides for a pre-determined number of days, whether it be 1, 3, 5, or 7 days. And for corporate business travelers, our new Transit Benefit Program offers employers and employees significant tax savings for mass transportation usage. These 'niche' programs provide targeted incentives to meet the specific needs of particular groups of riders.



For other customers, our fare simplification initiative cut the cost of a monthly pass by 15 percent and introduced a new 7-Day rolling pass, which has accounted for a significant portion of our ridership growth.

IMPROVING THE PRODUCT

Refining Service Standards

To improve service, we are updating our definition of quality service. We are reevaluating everything from the passenger wait time between trains to the acceptable number of standees on a bus. 'Business as usual' will not suffice in the new millennium. Change is necessary for a population served by the CTA that is undergoing a radical rejuvenation in terms of lower unemployment and higher personal income.

Taking a cue from leaders in the business sector, our higher quality service should result in a more pleasant ride for our customers. Right now, CTA standards define the acceptable passenger capacity on a bus as over 1.75 times the number of seats. On a typical bus with 40 seats, this translates into 30 standees. Riders on these buses will attest that this experience is less than ideal. Although the

elimination of all such loads is not practical, the CTA is committed to preventing overcrowding from being standard practice. By adding service to reduce the acceptable number of standees on a bus or rail car, our customers should have more personal space and a greater opportunity to take a seated journey.

Capitalizing on Human Resources

CTA's ability to fulfill its mission will depend on its ability to attract, develop, and retain people who can make positive contributions to the organization. We recognize that our strength comes from our employees, employees with different backgrounds, different experiences, and different ways of accomplishing things. CTA will begin Phase II of our human resource training and targeted support to meet employee needs.

With our renewed pledge to improve the customer experience, all employees from front-line





workers to top management will receive transit-specific customer service training.

CTA will embark on an ambitious quest to recruit the best and brightest from the top universities in North America. We will also acknowledge and reward the outstanding performance of our employees.

Finally, CTA will seek to finalize a new collective bargaining agreement with unionized employees operating under agreements that expire December 31, 1999. The next labor contract will focus on productivity measures.

Measuring Performance

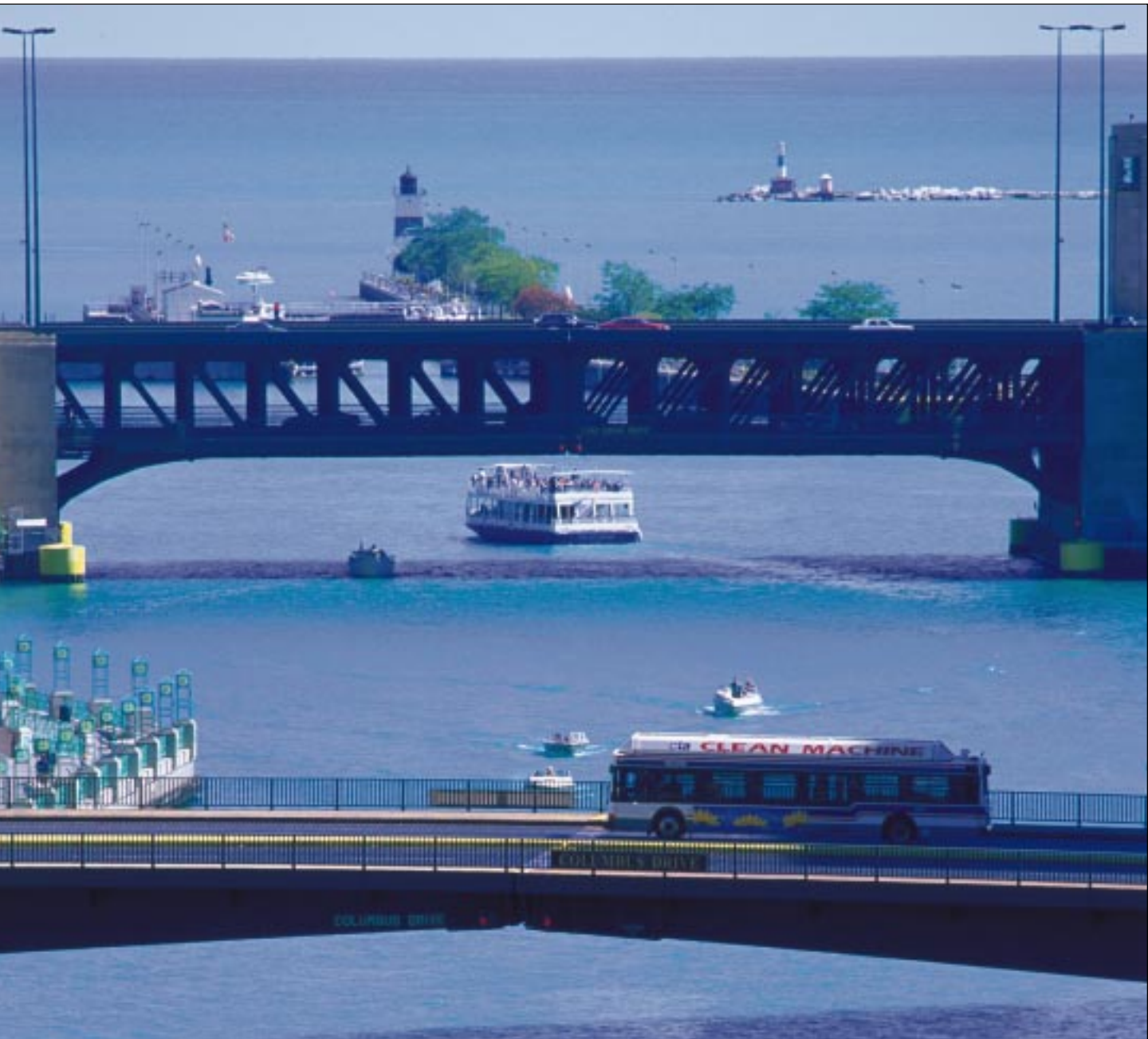
A key to improving the quality of our service is to identify and measure key aspects of our performance. We have put some measures into place, and are identifying additional ones that will produce benefits for our customers and improve the management of our system.

One of our primary goals is to ensure that our resources are managed efficiently and effectively. Working with the budget office, departments will identify specific activities that can benefit from economies of scale, technology and standardization. By better controlling costs, we can free up money for more service improvements. The result will be improvement of overall quality and more effective management.

As an example, CTA's new scheduling system will produce bus stop-specific timetables and offer advanced optimization techniques to produce more efficient schedules. As we fully activate our system, we expect to reduce operating costs while improving the accuracy of the new schedules. Thus, full implementation of this system will allow us to better measure our actual on-time performance compared to our schedule, while providing the most efficient possible service.

CONCLUSION

We are committed to providing on-time, clean, safe and friendly service to our customers, and we are making real progress in improving the quality of our service. More improvements are on the way. This budget recognizes the importance of focusing on measurable, deliverable improvements, and sticking with them. It continues the rebuilding agenda we began last year, and will sustain the growth we are generating.



CTA SALUTES ITS FINEST



Bus Operator Champion John Durnell (Archer Garage)



Rail Operator Champion Michael Sheehan (Midway Terminal)



**Rail Cleanliness Champion
Reginald Crosby (South Section)**



**Rail Customer
Assistant Champion
Theodore Allison
(Midway Terminal)**



**Bus Maintenance Team Champions (l to r)
Richard Dolan, Bryann Hedstrom, and Jeffrey Braswell
(North Park Garage)**



**Rail Maintenance Team Champions (l to r) Daniel Keller,
James Perkins, and Eugene Joliff (Rosemont Shop)**



**AFC Technician Champion
Geoffrey Zommer (901 W. Division)**

1999 OPERATING BUDGET PERFORMANCE



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

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1999 Operating Budget Summary

Nineteen-ninety nine proved to be a banner year for CTA. Although the year started out on a rough note due to the second worst snowstorm to ever grace Chicago, CTA remained on target with the goals set for 1999. Progress was made on new initiatives that provide on-time, clean, safe and friendly service. As we look back over 1999 to grade our progress, we begin our evaluation with the snowstorm and how CTA managed operations during it.

As was stated, it was the second worse snowstorm in Chicago's history. Due to the severity of the storm and the costs incurred by local governments, President Clinton issued an emergency declaration for Illinois. After all the cost were tallied, the January snowstorm cost the Authority \$6.0 million.

Besides the work incurred to remove and clear the snow, 300 of CTA's 2600 series rail cars were out of service. The 2600 series rail cars were 16 years old going into 1999 and were in desperate need of a midlife overhaul. Because of limited capital funding, the rehabilitation was delayed. Had the rehab occurred, these cars would not have been out of service because the electronic components that failed would have been replaced with a new design.

In spite of the many problems that did occur, and the inconveniences our customers experienced, it is important to remember that our system did not stop running. Our bus system operated at 100% of schedule. Our rail maintenance team worked around the clock to get cars back in service. Everyone at CTA, from senior executives to warehouse workers, pitched in to clear snow from rail stations for our customers.

After we made it through the snowstorm, we focused on the goals we set for 1999. The year in review shows the following progress:

- Successful implementation of the fare simplification program. You our customers showed your acceptance of this program by the high usage of the new pass fare media instituted.
- A 3.0% estimated growth in ridership, marking the second consecutive year gain. Again, this growth indicates that our customers are noticing and liking the changes being implemented throughout the system.
- Installation of cameras and video recorders on 461 buses to improve the safety of our passengers.
- Full replacement of etched windows and the application of a vandal shield on the window of 25% of CTA buses to provide a clean environment and a more secure feeling of safety to our passengers.
- Successful completion of the Bus Emergency Communication System (BECS) pilot program. This system utilizes global positioning satellite (GPS) tracking technology to locate a bus when the emergency system is automated by the bus operator. The system allows the operator to send over 300 prerecorded messages electronically to the control center and activates a microphone to allow the control center to monitor communication within the bus.
- Completed installation of automated passenger announcements and two-way intercom system on over 65% of the rail vehicle fleet. The system is scheduled for activation in the second

1999 Operating Budget Summary

quarter of 2000. This is yet another example of improvements to communicate with your CTA.

- Start of the 2600 series rail car mid life overhaul to improve the reliability of the rail system.
- Successful bus timetable pilot program that displayed bus schedules at 8 bus routes and at certain rail connection points.

Although the snowstorm caused us to start the year out with a \$6.0 million deficit, we are happy to report a balanced budget for calendar year 1999. Total Operating expenses for the year are forecasted at \$802.9 million; \$7.1 million higher than budget. System Generated Revenues are forecast at \$418.2 million -- \$7.1 million higher.

Labor expense is projected to finish the year at \$586.0 million, \$11.4 million over budget. A few factors contributed to this variance. First, the January snowstorm resulted in over \$5.0 million of labor expenses related to snow removal and snow related maintenance for the bus and rail system. Second, the production of rebuilt components of bus and rail vehicles was below the level budgeted, thus this labor was not capitalized as expected in the budget. Third, delays in the implementation of the new transportation-timekeeping system prevented the timely phase out of the budgeted positions. Finally, our bus division experienced high overtime as hiring could not keep pace with staff reductions primarily due to retirements and a very tight labor market.

Material expense is forecasted at \$10.2 million more than the budget of \$59.8 million. The higher material was a result of lower production of rebuilt bus and rail components for inventory; and charging of replacement glass, vandal shields, video cameras and recorders for the no tolerance program (Operation Clearview). The no tolerance program was included in the security line item in the 1999 budget.

Lower fuel prices resulted in savings of \$2.7 million for the year. The 1999 average fuel price was estimated at \$0.67 per gallon. Actual prices averaged approximately \$0.12 lower than budget.

The CTA and other municipal agencies negotiated a rate reduction on power costs as part of electric deregulation in Illinois. Power costs were below budget due to an overestimation of 1998 expense that resulted due to uncertainty concerning usage since Commonwealth Edison was seven months behind in its billing.

The Provision For Injuries And Damages represents the amount required by the Metropolitan Transit Act to fund legal expenses and claims and litigated settlements for injuries and damages that occur on CTA property or with CTA vehicles. The provision is estimated annually by external actuaries. This expense is estimated at \$31.0 million in 1999 and is equal to budget.

Provision For Passenger Security is forecast at \$2.5 million, just slightly under budget. This is the amount of expense that is exempted from the recovery ratio calculation per the 1989 reduced fare legislation. This legislation requires CTA to spend 15% of the reduced fare reimbursement on additional security on the system above the 1988 expenditure level.

Paratransit expense is forecast to finish the year on budget at \$27.1 million. For 1999, 1.2 million trips will be provided at an average cost of \$25.03.

1999 Operating Budget Summary

Security line item includes all of the cost for contracted security services on the system. This includes the Chicago Police Department, K-9 guard service, Oak Park Police, Evanston Police and Wells Fargo guard service. The cost of contracted security expense is forecasted at \$19.4 million. This is below budget by \$6.1 million due to the no tolerance expense being charged to the material line item. Adjusting for that reclassification, security expense will exceed budget by \$1.9 million.

Other Services expense line item includes the costs of utilities, maintenance and repair, advertising, leases, contractual services and other. For 1999, this line item is forecast at \$38.0 million, \$1.3 million below budget. Lower expenditures resulted from a reduction in commission expense on fare media sales and lower utility expense.

Fare Revenue exceeds our 1999 estimates by \$3.4 million as a result of higher ridership due primarily to fare simplification, university pass programs, and improved service standards. Ridership is forecast at 436.7 million with bus ridership at 299.9 million and rail at 136.8 million trips. The forecast exceeds our 1999 estimate by 12.0 million rides and represents the second consecutive year with a ridership increase. The average fare, however, is forecast at \$0.837, which compares unfavorably to the budget of \$0.853. The lower fare is indicative of our customers opting for the pass fare media.

Reduced Fare and Contributions From Local Governments are on par with budget. The Reduced Fare revenue is a State reimbursement to CTA for providing a discounted fare to the disabled, elderly and students. Contributions from Local Governments represents the \$3.0 million annual contribution from the City of Chicago and \$2.0 million from the County of Cook as required by the RTA Act.

Revenues from Advertising exceed budget by \$2.0 million due to additional revenues received from wrapped trains and buses and farecard advertising.

Investment Income is forecast at \$9.0 million, \$1.5 million higher due to a higher investable cash balance from the stored value fare cards. Other revenues are also forecast higher than budget due to a partial reimbursement from the Federal Emergency Management Agency (FEMA) for the snow emergency snow removal costs.

Finally, CTA projects a balanced budget as required by law. Public Funding Required For Operations equals the funding mark of \$384.8 million set by RTA. Furthermore, the Recovery Ratio, which measures the amount of operating expenses CTA has to fund from revenues it generates, is forecast at 52.24% -- this exceeds the required ratio by 0.34 percentage points.

Operating Budget Performance - Overview

(In Thousands)	1999 Budget	1999 Projected	(Unfav)/Fav Variance	(Unfav)/Fav % Variance
Operating Expenses				
Labor	\$ 574,630	\$ 586,035	\$ (11,405)	(1.98%)
Material	59,778	70,001	(10,223)	(17.10%)
Fuel -- Revenue Equipment	14,187	11,500	2,688	18.94%
Electric Power -- Revenue Equipment	21,695	17,452	4,243	19.56%
Provision for Injuries and Damages	31,000	31,000	-	0.00%
Purchase of Security Services	25,586	19,442	6,144	24.01%
Purchase of Paratransit	27,060	27,060	(0)	(0.00%)
Other Expenses				
Utilities	16,596	15,668	928	5.59%
Maintenance and Repair	11,945	11,760	185	1.55%
Advertising and Promotion	1,727	1,785	(58)	(3.38%)
Contractual Services	13,479	12,086	1,393	10.34%
Provision for Passenger Security	2,610	2,531	79	3.03%
Leases and Rentals	6,711	7,965	(1,254)	(18.69%)
Travel, Training, Seminars and Dues	410	644	(234)	(56.95%)
Warranty and Other Credits	(13,918)	(14,038)	120	(0.86%)
General Expenses	2,360	2,090	270	11.43%
Total Other Expenses	41,920	40,491	1,429	3.41%
Total Operating Expenses	\$ 795,856	\$ 802,980	\$ (7,124)	(0.90%)
System Generated Revenue				
Fares and Passes	\$ 362,106	\$ 365,500	\$ 3,394	0.94%
Reduced Fare Subsidy	17,400	16,876	(524)	(3.01%)
Advertising, Charter, & Concessions	14,044	15,989	1,945	13.85%
Investment Income	7,468	9,038	1,570	21.02%
Contributions from Local Governmental Units	5,000	5,000	-	0.00%
All Other Revenue	5,028	5,767	739	14.70%
Total System Generated Revenue	\$ 411,047	\$ 418,170	\$ 7,124	1.73%
Public Funding Required for Operations	\$ 384,810	\$ 384,810	\$ -	0.00%
Public Funding Available through RTA	\$ 384,810	\$ 384,810	\$ -	0.00%
Recovery Ratio *	52.36%	52.24%	(0.23%)	(0.44%)
Required Recovery Ratio	51.90%	51.90%	0.00%	0.00%

* Recovery Ratio is computed by dividing Total System Generated Revenue by Total Operating Expenses. By statute, certain expenses are excluded from operating expenses for the calculation.

2000 OPERATING BUDGET



We will seek out and encourage
employees who
Innovative initiate
change,
improvement, learning
and advancement of our goals.

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2000 Operating Budget - Overview

CTA began the century with a huge ridership base that had very few transportation options. As we start a new century our ridership base has now changed to one with many transit options. In response to both changing demographics and competition, the CTA has for the past two years increased ridership by focusing on on-time, clean, safe, and friendly service. Our ridership trend demonstrates that our initiatives are having a positive impact on our service quality.

Although we are pleased with our progress so far, we realize that we have a long way to go. Implementing new programs without completing old ones would thinly stretch our limited resources. Thus, CTA will maintain our focus on providing quality service. We will continue to fund initiatives begun in 1999 and maintain those programs as a regular part of our operations. Additionally, new initiatives aimed at improving our performance have been included in this budget.

Our 2000 initiatives are as follows:

On-Time

- Implement bus timetables on selected key routes
- Improve timetables and on-time performance on the rail system
- Continue the 2600 series rail car rehabilitation
- Accept delivery of 150 new low floor buses
- Rehabilitate almost 500 old buses

Clean

- Power wash subway stations
- Enhance Red Line rail car cleaning initiatives
- Expand Operation Clearview to the entire bus fleet

Safe

- Install video cameras on the entire bus fleet
- Install ADT alarms at several CTA facilities
- Activate two-way intercom system on rail cars
- Increase security staff to patrol and investigate cases
- Increase security budget by 19%

Friendly

- Expand customer service training for operating personnel
- Implement new bus and rail service standards

The budget for year 2000 estimates Operating expenses at \$841.1 million. This is \$38.1 million, or 4.7%, higher than the 1999 full-year forecast, and \$45.2 million, or 5.7% more than the 1999 budget.

Revenues are also estimated at \$841.1 million. Revenues include the public funding received from RTA and system generated revenues. The Public funding mark set by RTA for 2000 is

2000 Operating Budget - Overview

\$402.1 million, \$17.3 million more than 1999. System Generated revenues are estimated at \$439.0 million -- \$27.9 million more than the 1999 budget and \$20.8 million more than the 1999 forecast. For the first time since the 1989 legislation, CTA expects to receive full reimbursement for reduced fares offered to seniors, students and the disabled from the State of Illinois.

A discussion of each of the budgetary line items for expenses and revenues follows.

Operating Expense Discussion

Labor

The 2000 labor cost is estimated at \$613.1 million -- \$38.5 million greater than the 1999 budget. Labor accounts for 85% of the year-over-year increase in total expenses. Contributing to the higher expense are higher wages and health insurance cost, as well as, the lower production of rebuilt bus and rail components, the adoption of the new service standards and additional bus and rail service.

CTA's current collective bargaining agreement expires on December 31, 1999. CTA and the Unions representing its employees will negotiate a new collective bargaining agreement that will focus on productivity improvements.

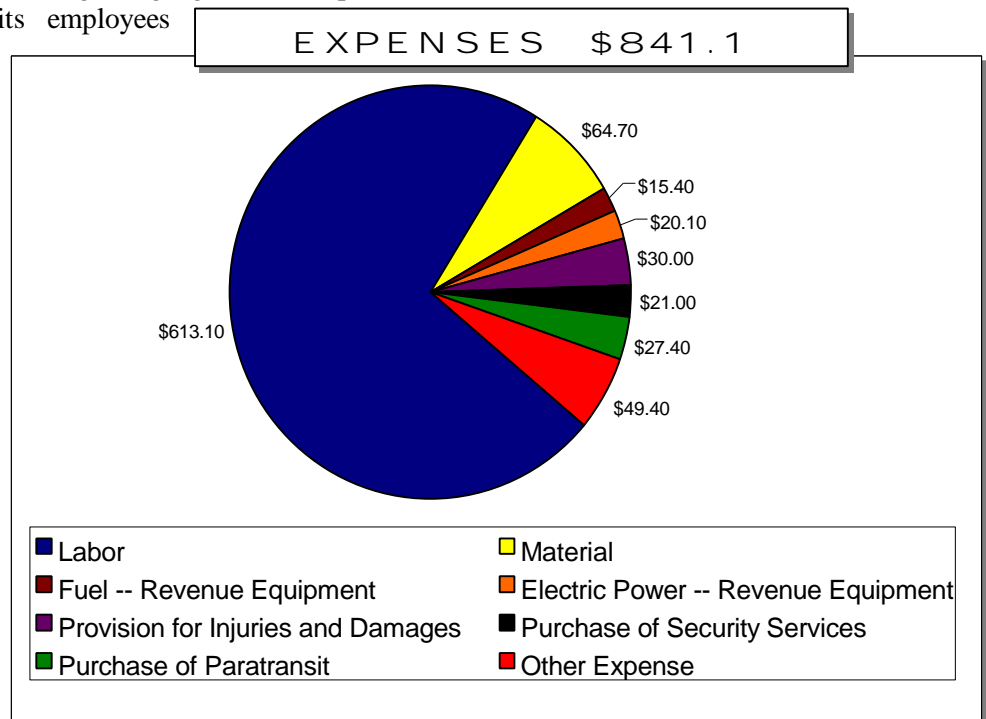
The last rate increase under the current contract was effective September 1, 1999. This increase raised the hourly rate by 3.144%, or \$0.61 per hour to bring the top operator rate to \$20.01 per hour.

Material

This category covers all repair parts for buses, trains, track, structure and signals in the system. The 2000 budget estimates material expense at \$64.7 million, and represents 7.7% of the total expense. Compared to the 1999 budget, material expense is \$4.9 million higher, reflecting inflation and a reduction in staff production of bus and rail components.

Fuel

Diesel fuel for bus revenue service is estimated at \$15.4 million in the 2000 budget. This amount is \$1.2 million higher than the 1999 budget due to an increase in consumption as a result of new



2000 Operating Budget - Overview

service and the adoption of the service standards. The budget is based on 22.9 million gallons at an average price of \$0.67.

Power

The cost of traction power for rail revenue service is estimated to decrease to \$20.1 million. In calendar year 2000, CTA expects to realize the full impact of the recent rate reduction that was negotiated as part of State electric deregulation.

Provision For Injuries & Damages

The Provision For Injuries and Damages is set at \$30.0 million. This amount is \$1.0 million less than the 1999 budget. Provision for Injuries and Damages represents the actuarial estimate of current costs for claims and litigated settlements.

Paratransit Services

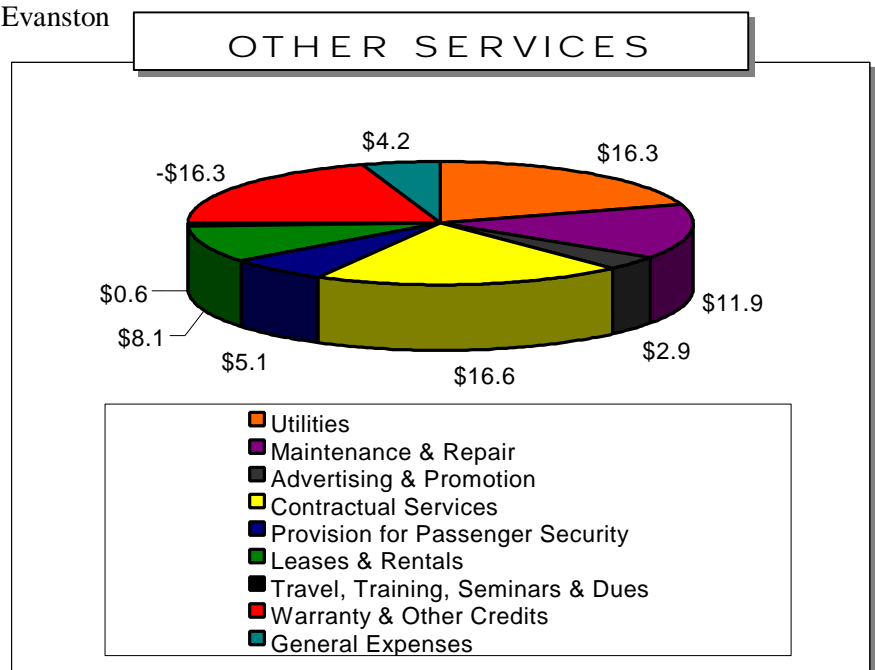
CTA provides door-to-door service for our certified passengers who are unable to use the mainline service. This service is provided by four private carriers and various taxi companies. To use this service, a customer must have completed the certification process with the Regional Transportation Authority. The 2000 budget provides \$27.4 million of funding for 1.1 million trips at an average trip cost of \$24.17.

Security

CTA contracts with the Chicago, Evanston and Oak Park police departments, as well as, K-9 guard and dog teams, and Wells Fargo guard service to protect CTA customers, employees and facilities. The budget provides \$21.0 million for security services. This is \$3.4 million, or 19.4% greater than the 1999 budget after adjusting out the no-tolerance program from the 1999 budget.

Other Services

With a budget of \$49.4 million, this category includes the cost for utilities, leases, advertising, contracted services, travel and training. This amount represents a \$7.5 million, or 18% increase over the 1999 budget. The increase in expense is due to funding for new initiatives for advertising, Y2K readiness, information technology improvements and increases in rents and leases.



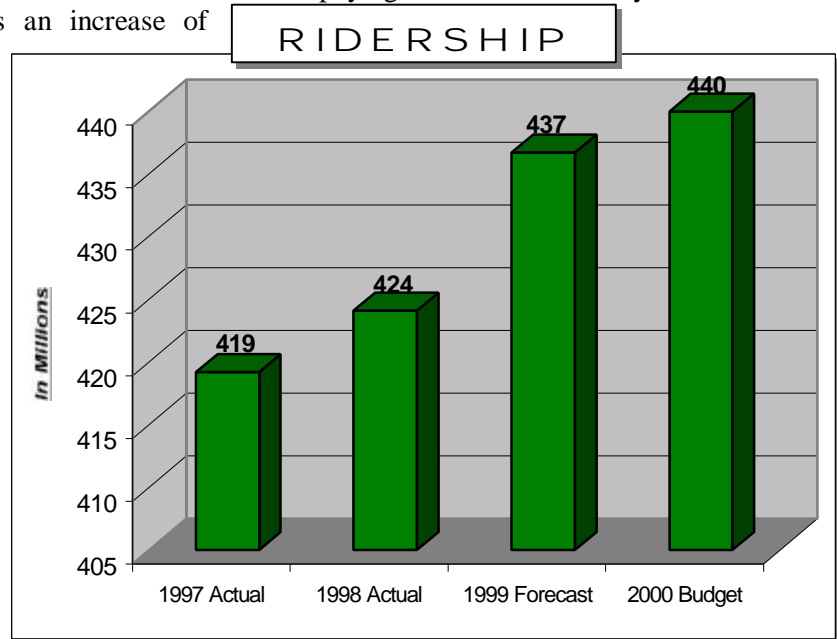
2000 Operating Budget - Overview

System-Generated Revenues Discussion

Fare Revenue

Fare Revenue is the largest component of System-Generated Revenues, accounting for 83.9% of the total. This category includes all revenue from customers paying a fare to ride the system. A year-over-year comparison shows an increase of \$6.3 million raising the 2000 budget for Fare Revenue to \$368.4 million. The increase reflects an increase in ridership. Ridership is estimated at 440.0 million—15.3 million greater than the 1999 budget and 3.3 million higher than the 1999 forecast. The average fare is projected at \$0.84 which approximates the 1999 average running rate.

Ridership growth is estimated at 3.6% over the 1999 budget and is proportionately divided between the bus and rail system. The estimated bus ridership is 303.4 million, while rail is 136.6 million.



Reduced Fare Reimbursement

The State of Illinois reimburses the CTA, Metra and Pace for the cost of providing discounted fares to seniors, students and disabled passengers. In the State's 2000 fiscal year budget, the appropriation for reduced fare was increased by \$20.0 million to \$40.0 million for the Region. These funds are split proportionately between the three Service Boards based on their reduced fare ridership. CTA estimates its share at \$34.2 million. For the first time since the legislation was created in 1989, CTA expects to receive the full reimbursement from the State.

Advertising, Charter & Concessions

The budget of \$17.0 million for Advertising, Charter and Concessions represents an increase of \$3.0 million from the 1999 budget. The increase is largely due to new revenues generated from advertisements on the vehicles and platforms.

Investment Income

Investment Income is estimated at \$9.0 million for 2000. This is up \$1.5 million over the 1999 budget, but mirrors the 1999 forecast. The increase over the 1999 budget results from a combination of a slightly higher investment rate and a higher investable cash balance.

2000 Operating Budget - Overview

Contributions From Local Governments

The RTA Act requires an annual contribution of \$3.0 million from the City of Chicago and \$2.0 million from the County of Cook. Thus, CTA has included \$5.0 million in the 2000 budget.

All Other Revenue

All Other Revenue includes revenue from parking, reimbursement of expenses from contractors working on the right of way, movie companies filming on CTA property, sales of scrap and miscellaneous income. The 2000 budget for Other Revenue is \$5.4 million, a \$0.3 million increase.

Recovery Ratio

On September 15th of each year, the RTA sets a funding mark and Recovery Ratio for each Service Board. The Recovery Ratio measures the amount of funding each Service Board must recover out of internally generated revenues to fund expenses. CTA estimates its recovery ratio at 52.51% in the 2000 budget. This is above the 51.7% Recovery Ratio set by RTA.

2000 Operating Budget - Overview

(In Thousands)

	<u>1998</u> Actual	<u>1999</u> Budget	<u>1999</u> Projected	<u>2000</u> Budget
Operating Expenses				
Labor	\$ 575,409	\$ 574,630	\$ 586,035	\$ 613,122
Material	73,342	59,778	70,001	64,745
Fuel -- Revenue Equipment	11,095	14,187	11,500	15,382
Electric Power -- Revenue Equipment	20,807	21,695	17,452	20,066
Provision for Injuries and Damages	42,000	31,000	31,000	30,000
Purchase of Security Services	18,711	25,586	19,442	21,007
Purchase of Paratransit	27,069	27,060	27,060	27,360
Other Expenses				
Utilities	16,688	16,596	15,668	16,287
Maintenance and Repair	11,655	11,945	11,760	11,865
Advertising and Promotion	3,846	1,727	1,785	2,899
Contractual Services	15,795	13,479	12,086	16,657
Provision for Passenger Security	2,611	2,610	2,531	5,133
Leases and Rentals	8,048	6,711	7,965	8,058
Travel, Training, Seminars and Dues	426	410	644	621
Warranty and Other Credits	(14,705)	(13,918)	(14,038)	(16,323)
General Expenses	1,587	2,360	2,090	4,203
Total Other Expenses	45,951	41,920	40,491	49,401
Total Operating Expenses	\$ 814,384	\$ 795,856	\$ 802,980	\$ 841,082
System Generated Revenue				
Fares and Passes	\$ 363,528	\$ 362,106	\$ 365,500	\$ 368,389
Reduced Fare Subsidy	17,400	17,400	16,876	34,220
Advertising, Charter, & Concessions	14,933	14,044	15,989	16,989
Investment Income	22,804	7,468	9,038	8,991
Contributions from Local Governmental Units	5,000	5,000	5,000	5,000
All Other Revenue	25,663	5,028	5,767	5,367
Total System Generated Revenue	\$ 449,327	\$ 411,047	\$ 418,170	\$ 438,956
Public Funding Required for Operations	\$ 365,058	\$ 384,810	\$ 384,810	\$ 402,126
Public Funding Available through RTA	\$ 377,265	\$ 384,810	\$ 384,810	\$ 402,126
Recovery Ratio *	55.35%	52.36%	52.24%	52.51%
Required Recovery Ratio	51.90%	51.90%	51.90%	51.70%

* Recovery Ratio is computed by dividing Total System Generated Revenue by Total Operating Expenses. By statute, certain expenses are excluded from operating expenses for the calculation.

2000 Department Budget Summary

(In Thousands)

	1998 Actual	1999 Budget	1999 Projected	2000 Budget
Authority Governance	\$ 680	\$ 703	\$ 718	\$ 733
Office of the President	820	801	828	783
Office of Audit	531	693	659	711
General Counsel	11,533	12,708	11,783	13,208
TRANSIT OPERATIONS				
EVP Transit Operations	218	321	438	433
BUS OPERATIONS				
VP Bus Operations	506	341	683	669
Scheduled Transit Operations - Bus	195,937	204,003	206,453	213,142
Bus Garages	103,141	106,013	110,336	110,388
Bus Heavy Maintenance	31,957	28,968	29,730	32,195
Engineering & Technical Service - Bus	2,065	2,028	2,217	2,204
<i>Total Bus Operations</i>	<u>333,607</u>	<u>341,352</u>	<u>349,418</u>	<u>358,599</u>
RAIL OPERATIONS				
VP Rail Operations	694	765	467	396
Scheduled Transit Operation - Rail	74,247	70,868	80,186	75,356
Rail Terminals	66,658	65,188	63,776	58,027
Rail Heavy Maintenance	2,821	1,691	9,373	6,060
Rail Car Appearance	-	-	-	9,110
Engineering & Technical Services - Rail	1,858	1,893	2,041	2,121
<i>Total Rail Operations</i>	<u>146,277</u>	<u>140,404</u>	<u>155,843</u>	<u>151,071</u>
SAFETY, SECURITY, & TRAINING				
VP Safety, Security, & Training	84	177	228	203
Security Services	19,202	26,504	20,296	22,525
System Safety & Environmental Affairs	881	1,643	1,456	1,712
Communication Power/Control	5,641	6,189	5,923	6,395
Training & Instruction	7,940	9,298	8,567	9,514
<i>Total Safety, Security, & Training</i>	<u>33,749</u>	<u>43,812</u>	<u>36,470</u>	<u>40,349</u>
PLANNING				
Sr VP Planning	376	336	329	358
Planning	3,716	4,051	3,490	3,698
Facility & ADA Planning	274	336	637	886
<i>Total Planning</i>	<u>4,366</u>	<u>4,723</u>	<u>4,456</u>	<u>4,943</u>
ADMINISTRATION & PARATRANSIT				
Administration & Paratransit	496	570	291	320
Operations Support Services	1,275	912	679	1,494
Paratransit Operations	27,908	28,051	27,841	28,338
<i>Total Administration & Paratransit</i>	<u>29,680</u>	<u>29,533</u>	<u>28,811</u>	<u>30,152</u>
	\$ 547,897	\$ 560,145	\$ 575,437	\$ 585,548
CUSTOMER SERVICE, FACILITIES & DEVELOPMENT				
EVP Customer Service, Facilities & Develop.	\$ 267	\$ 294	\$ 307	\$ 250
Customer Service	2,249	2,280	2,478	2,492
Market Development/Special Events	185	586	1,141	1,446
Real Estate & Community Development	12,125	7,052	6,749	7,814
Engineering & Construction	4,274	3,290	3,461	3,586

2000 Department Budget Summary

(In Thousands)

	1998 Actual	1999 Budget	1999 Projected	2000 Budget
CUSTOMER SERVICE, FACILITIES & DEVELOPMENT (Continued)				
MAINTENANCE				
VP Maintenance	\$ 147	\$ 183	\$ 51	\$ 184
System Maintenance Support	47,281	51,497	48,802	51,011
Power & Way Maintenance	25,241	24,601	26,810	25,787
Rail Station Appearance	15,913	16,034	17,315	17,682
Facility Maintenance	29,284	25,573	27,574	28,523
<i>Total Maintenance</i>	<u>117,867</u>	<u>117,889</u>	<u>120,551</u>	<u>123,186</u>
	\$ 136,968	\$ 131,391	\$ 134,687	\$ 138,773
MANAGEMENT & PERFORMANCE				
EVP Management & Performance	\$ 403	\$ 312	\$ 477	\$ 339
Communications	7,093	4,810	4,980	6,050
Intergovernmental Affairs	376	531	414	768
DBE Program/EEO/Contract Compliance	659	457	630	628
FINANCE				
Sr VP Finance/Treasurer	577	336	370	526
Accounting Operations	2,311	2,661	2,371	2,665
Treasury	9,601	12,645	10,797	9,794
Comptroller	1,521	2,153	1,705	2,296
Capital Investment	360	317	356	341
<i>Total Finance</i>	<u>14,369</u>	<u>18,113</u>	<u>15,598</u>	<u>15,622</u>
EMPLOYEE SERVICES				
VP Employee Services	646	715	716	609
Industrial Relations	2,063	789	953	1,044
Personnel Services	1,791	1,778	1,774	2,076
Program Compliance	563	549	626	606
Benefit Services	1,414	-	1,509	1,661
Medical Services	1,563	2,965	1,334	1,565
<i>Total Employee Services</i>	<u>8,038</u>	<u>6,797</u>	<u>6,912</u>	<u>7,561</u>
TECHNOLOGY DEVELOPMENT				
Sr VP Technology Development	244	312	403	288
Technology Management	3,946	729	647	635
Management Information Systems	11,989	15,076	13,708	14,160
Revenue Equipment Tech. & Maint.	11,481	10,213	11,981	11,521
<i>Total Technology Development</i>	<u>27,661</u>	<u>26,329</u>	<u>26,739</u>	<u>26,603</u>
PURCHASING/WAREHOUSING				
VP Purchasing/Warehousing	0	201	139	148
Quality Assurance	2,223	2,283	1,875	2,062
Purchasing	2,840	2,814	2,986	2,826
Purchasing & Warehousing Programs	61	-	333	816
Purchasing & Warehousing Business Systems	585	1,440	1,416	722
Warehouse/Stockroom	11,643	11,533	11,544	12,579
<i>Total Purchasing/Warehousing</i>	<u>17,353</u>	<u>18,272</u>	<u>18,292</u>	<u>19,153</u>
	\$ 75,951	\$ 75,620	\$ 74,041	\$ 76,723
Non - Departmental	40,005	13,796	4,828	24,602
TOTAL CTA	\$ 814,384	\$ 795,856	\$ 802,980	\$ 841,082

2000 Department Budget by Line-Item

(In Thousands)

	Labor	Material	Other Services*	Fuel/Power/ Provisions	Total
Authority Governance	\$ 718	\$ 2	\$ 13	\$ -	\$ 733
Office of the President	710	5	69	0	783
Office of Audit	682	3	26	0	711
General Counsel	8,836	56	4,315	-	13,208
TRANSIT OPERATIONS					
EVP Transit Operations	228	7	198	-	433
BUS OPERATIONS					
VP Bus Operations	330	5	335	-	669
Scheduled Transit Operations - Bus	213,142	-	-	-	213,142
Bus Garages	71,888	22,844	275	15,381	110,388
Bus Heavy Maintenance	22,883	9,125	187	-	32,195
Engineering & Technical Service - Bus	2,113	30	61	-	2,204
<i>Total Bus Operations</i>	<u>310,357</u>	<u>32,004</u>	<u>858</u>	<u>15,381</u>	<u>358,599</u>
RAIL OPERATIONS					
VP Rail Operations	386	13	(3)	-	396
Scheduled Transit Operation - Rail	75,356	-	-	-	75,356
Rail Terminals	40,967	16,986	73	-	58,027
Rail Heavy Maintenance	6,738	(770)	92	-	6,060
Rail Car Appearance	8,611	499	-	-	9,110
Engineering & Technical Services - Rail	1,881	181	59	-	2,121
<i>Total Rail Operations</i>	<u>133,939</u>	<u>16,909</u>	<u>223</u>	<u>-</u>	<u>151,071</u>
SAFETY, SECURITY, & TRAINING					
VP Safety, Security, & Training	186	2	15	-	203
Security Services	1,680	6	20,839	-	22,525
System Safety & Environmental Affairs	1,563	34	115	-	1,712
Communication Power/Control	6,086	50	258	-	6,395
Training & Instruction	9,149	212	154	-	9,514
<i>Total Safety, Security, & Training</i>	<u>18,664</u>	<u>304</u>	<u>21,381</u>	<u>-</u>	<u>40,349</u>
PLANNING					
Sr VP Planning	312	9	37	-	358
Planning	3,521	30	147	-	3,698
Facility & ADA Planning	878	4	4	-	886
<i>Total Planning</i>	<u>4,712</u>	<u>42</u>	<u>189</u>	<u>-</u>	<u>4,943</u>
ADMINISTRATION & PARATRANSIT					
Administration & Paratransit	265	0	55	-	320
Operations Support Services	884	9	600	-	1,494
Paratransit Operations	958	5	27,376	-	28,338
<i>Total Administration & Paratransit</i>	<u>2,107</u>	<u>13</u>	<u>28,032</u>	<u>-</u>	<u>30,152</u>
	<u>\$ 470,007</u>	<u>\$ 49,279</u>	<u>\$ 50,880</u>	<u>\$ 15,381</u>	<u>\$ 585,548</u>
CUSTOMER SERVICE, FACILITIES & DEVELOPMENT					
EVP Customer Service, Facilities & Develop.	\$ 237	\$ 4	\$ 9	\$ -	\$ 250
Customer Service	2,298	14	180	0	2,492
Market Development/Special Events	673	8	765	0	1,446
Real Estate & Community Development	1,477	41	6,296	0	7,814
Engineering & Construction	3,411	67	108	0	3,586

* Includes Purchase of Paratransit and Purchase of Security Services

2000 Department Budget by Line-Item

(In Thousands)

	Labor	Material	Other Services*	Fuel/Power/Provisions	Total
CUSTOMER SERVICE, FACILITIES & DEVELOPMENT (Continued)					
MAINTENANCE					
VP Maintenance	\$ 181	\$ 0	\$ 3	\$ -	\$ 184
System Maintenance Support	15,860	1,702	13,383	20,066	51,011
Power & Way Maintenance	21,992	3,079	716	0	25,787
Rail Station Appearance	15,843	1,256	583	0	17,682
Facility Maintenance	18,375	4,345	5,803	0	28,523
<i>Total Maintenance</i>	<u>72,250</u>	<u>10,384</u>	<u>20,487</u>	<u>20,066</u>	<u>123,186</u>
	<u>\$ 80,346</u>	<u>\$ 10,517</u>	<u>\$ 27,844</u>	<u>\$ 20,066</u>	<u>\$ 138,773</u>
MANAGEMENT & PERFORMANCE					
EVP Management & Performance	\$ 324	\$ 1	\$ 14	\$ -	\$ 339
Communications	2,415	430	3,206	-	6,050
Intergovernmental Affairs	355	1	412	-	768
DBE Program/EEO/Contract Compliance	597	10	20	-	628
FINANCE					
Sr VP Finance/Treasurer	420	1	105	-	526
Accounting Operations	2,652	8	5	-	2,665
Treasury	4,933	1,925	2,936	-	9,794
Comptroller	1,850	37	409	-	2,296
Capital Investment	314	8	19	-	341
<i>Total Finance</i>	<u>10,170</u>	<u>1,979</u>	<u>3,473</u>	<u>-</u>	<u>15,622</u>
EMPLOYEE SERVICES					
VP Employee Services	534	10	65	-	609
Industrial Relations	856	5	183	-	1,044
Personnel Services	1,711	12	353	-	2,076
Program Compliance	552	4	51	-	606
Benefit Services	925	6	730	-	1,661
Medical Services	363	9	1,193	-	1,565
<i>Total Employee Services</i>	<u>4,940</u>	<u>46</u>	<u>2,575</u>	<u>-</u>	<u>7,561</u>
TECHNOLOGY DEVELOPMENT					
Sr VP Technology Development	280	2	6	-	288
Technology Management	613	4	18	-	635
Management Information Systems	6,313	422	7,425	-	14,160
Revenue Equipment Tech. & Maint.	9,396	1,061	1,064	-	11,521
<i>Total Technology Development</i>	<u>16,602</u>	<u>1,489</u>	<u>8,513</u>	<u>-</u>	<u>26,603</u>
PURCHASING/WAREHOUSING					
VP Purchasing/Warehousing	137	-	11	-	148
Quality Assurance	1,918	50	95	-	2,062
Purchasing	2,758	42	26	-	2,826
Purchasing & Warehousing Programs	786	-	30	-	816
Purch. & Wrhse. Business Systems	654	4	65	-	722
Warehouse/Stockroom	10,713	246	1,620	-	12,579
<i>Total Purchasing/Warehousing</i>	<u>16,965</u>	<u>341</u>	<u>1,847</u>	<u>-</u>	<u>19,153</u>
	<u>\$ 52,367</u>	<u>\$ 4,297</u>	<u>\$ 20,059</u>	<u>\$ -</u>	<u>\$ 76,723</u>
Non - Departmental	(544)	586	(10,572)	35,133	24,602
TOTAL CTA	<u><u>\$ 613,122</u></u>	<u><u>\$ 64,745</u></u>	<u><u>\$ 92,635</u></u>	<u><u>\$ 70,580</u></u>	<u><u>\$ 841,082</u></u>

* Includes Purchase of Paratransit and Purchase of Security Services

Department Budgeted Positions

	1998 Budgeted Positions	1999 Budgeted Positions	2000 Budgeted Positions
Authority Governance	12	12	12
Office of the President	7	6	6
Office of Audit	11	11	11
General Counsel	119	127	129
TRANSIT OPERATIONS			
EVP Transit Operations	2	2	2
BUS OPERATIONS			
VP Bus Operations	14	3	4
Scheduled Transit Operations - Bus	4,008	4,006	4,016
Bus Garages	1,290	1,295	1,296
Bus Heavy Maintenance	498	500	493
Engineering & Technical Service - Bus	31	31	33
<i>Total Bus Operations</i>	<u>5,841</u>	<u>5,835</u>	<u>5,842</u>
RAIL OPERATIONS			
VP Rail Operations	5	13	4
Scheduled Transit Operation - Rail	1,435	1,397	1,383
Rail Terminals	776	778	597
Rail Heavy Maintenance	239	237	238
Rail Car Appearance	-	-	189
Engineering & Technical Services - Rail	30	30	30
<i>Total Rail Operations</i>	<u>2,485</u>	<u>2,455</u>	<u>2,441</u>
SAFETY, SECURITY, & TRAINING			
VP Safety, Security, & Training	2	2	2
Security Services	27	27	32
System Safety & Environmental Affairs	23	23	23
Communication Power/Control	78	80	92
Training & Instruction	147	150	149
<i>Total Safety, Security, & Training</i>	<u>277</u>	<u>282</u>	<u>298</u>
PLANNING			
Sr VP Planning	3	3	4
Planning	68	67	57
Facility & ADA Planning	5	5	13
<i>Total Planning</i>	<u>76</u>	<u>75</u>	<u>74</u>
ADMINISTRATION & PARATRANSIT			
Administration & Paratransit	3	6	4
Operations Support Services	15	16	15
Paratransit Operations	17	17	17
<i>Total Administration & Paratransit</i>	<u>35</u>	<u>39</u>	<u>36</u>
	<u>8,716</u>	<u>8,688</u>	<u>8,693</u>
CUSTOMER SERVICE, FACILITIES & DEVELOPMENT			
EVP Customer Service, Facilities & Develop.	2	3	2
Market Development/Special Events	5	5	10
Customer Service	39	42	39
Real Estate & Community Development	23	22	23
Engineering & Construction	99	98	99

Department Budgeted Positions

	1998 Budgeted Positions	1999 Budgeted Positions	2000 Budgeted Positions
CUSTOMER SERVICE, FACILITIES & DEVELOPMENT (Continued)			
MAINTENANCE			
VP Maintenance	2	2	2
System Maintenance Support	255	261	257
Power & Way Maintenance	456	455	455
Rail Station Appearance	312	313	317
Facility Maintenance	317	316	318
<i>Total Maintenance</i>	1,342	1,347	1,349
	1,510	1,517	1,522
MANAGEMENT & PERFORMANCE			
EVP Management & Performance	3	3	3
Communications	40	41	41
Intergovernmental Affairs	4	4	4
DBE Program/EEO/Contract Compliance	18	15	15
FINANCE			
Sr VP Finance/Treasurer	5	3	4
Accounting Operations	44	44	45
Treasury	100	103	102
Comptroller	47	46	47
Capital Investment	35	34	34
<i>Total Finance</i>	231	230	232
EMPLOYEE SERVICES			
VP Employee Services	4	4	2
Industrial Relations	10	10	12
Personnel Services	25	26	27
Program Compliance	8	8	8
Benefit Services	13	-	14
Medical Services	6	19	6
<i>Total Employee Services</i>	66	67	69
TECHNOLOGY DEVELOPMENT			
Sr VP Technology Development	2	3	3
Technology Management	10	11	11
Management Information Systems	104	113	97
Revenue Equipment Tech. & Maint.	135	140	140
<i>Total Technology Development</i>	251	267	251
PURCHASING/WAREHOUSING			
VP Purchasing/Warehousing	2	2	1
Quality Assurance	41	39	31
Purchasing	42	44	43
Purchasing & Warehousing Programs	-	-	12
Purchasing & Warehousing Business Systems	10	10	10
Warehouse/Stockroom	207	207	205
<i>Total Purchasing/Warehousing</i>	302	302	302
	915	929	917
TOTAL CTA	11,290	11,290	11,290
Pension	12	12	12

2001 - 2002 OPERATING FINANCIAL PLAN



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

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2001-2002 Operating Financial Plan

Introduction

CTA's two year financial plan provides a framework for future policy discussions and decisions by CTA and RTA. The plan relies on a Regional and National economic outlook and estimates of public support from the RTA.

The U.S. economy continues moderate economic growth in what has been one of the longest periods of sustained economic growth in our country's history. The current economic indicators for GNP, inventories, factory output, and employment reflect an expanding economy. Likewise, the strength of consumer confidence and spending levels continue to buoy retail sales adding to the strength in the economic growth projections. Technology and new jobs growth has contributed to one of the lowest unemployment rates resulting in a tight labor supply. The low unemployment rate coupled with recent collective bargaining settlements may ignite inflation in the near future. The Federal Reserve Bank continues to closely monitor the economy for signs of inflation and appears ready to tighten the money supply. Given the Federal Reserve's clear position on inflation, any indication of positive inflationary movement in the labor market will probably result in an increase in short term interest rates in order to slowdown the economy.

The Public Funding Available for Operation represents the funding "Mark" issued by RTA, based upon the Illinois Bureau of Budget's projection for 2000. Wharton Economic Forecasting Association (WEFA) produces sales tax estimates for 2001 and 2002 by applying various factors to the 2000 Illinois Bureau of Budget sales tax estimate. WEFA has projected sales tax revenue growth for the City of Chicago of 2.8% and 4.0 % for 2001 and 2002, respectively. In suburban Cook County from which the CTA receives 30% of the sales tax revenues, WEFA had forecasted sales tax revenue growth of 3.5% and 4.6% for 2001 and 2002, respectively. The funding mark assigned to the CTA by RTA for 2001 and 2002, however, shows growth rates of 4.2% in 2001 and 1.0% in 2002.

Operating Expenses

The 2001 and 2002 financial projection presented here shows operating expenses of \$863.6 million and \$879.1 million, respectively. This projection represents a 2.7% increase over the 2000 budget and 1.8% over the 2001 plan.

Labor

Year 2001 and 2002 labor costs are estimated to increase by 3.0% and 2.0%, respectively, reflecting rising health insurance and wage expense. Thus labor increases to \$631.6 million and \$643.6 million for the years 2001 and 2002, respectively.

Material and Other Service

Material expense grows annually by 2.0% from fiscal year 2000 to cover inflation. Fuel and Power costs are estimated to remain level at \$15.4 million and \$20.7 million, respectively. Funding for Injuries and Damages remain flat at \$30 million for years 2001-2002 based on actuarial analysis, while costs for Other Services remain constant.

Paratransit expense is not expected to increase due to continuing efforts to upgrade the accessibility of the mainline service.

2001-2002 Operating Financial Plan

Revenue

System generated revenues for 2001 and 2002 are estimated at \$444.6 million and \$455.9 million, respectively. These estimates result in a 1.3% and 2.6% year-to-year increase in revenues.

Fares

Fare Revenue is projected to increase in each plan year due to ridership growth. The financial plan assumes fare revenue to grow by 1.4% in 2001 and by 2.5 % in 2002. The total fare revenues are estimated at \$373.7 million for 2001 and \$383.2 million for 2002. Ridership growth is expected to increase at approximately 1.0% annually.

Advertising, Charter, and Concessions

Revenues from Advertising, Charter, and Concessions are expected to increase in 2001 by 1.8% and in 2002 by 7.0%. The revenues are estimated at \$17.3 million for 2001 and \$18.5 million for 2002.

Investment Income

Investable cash balances and investment rates are projected to remain constant for 2001-2002. The projected revenue for both years is estimated at \$9.0 million.

Public Funding

The current level of public funding for the CTA is projected to increase by 4.2% in 2001 and by 1.0% in 2002. Public support growth rate in FY2002 is less than the projected regional inflation rate. As a result, CTA's projected revenues for 2001 and 2002 have been adjusted to levels that may not be achievable in order to make up for the limited public support, and to produce a balanced budget.

Operating Financial Plan 2001 - 2002 - Overview

(In Thousands)

	1998	1999	1999	2000	Financial Plan	
	Actual	Budget	Projected	Budget	2001	2002
Operating Expenses						
Labor	\$ 575,409	\$ 574,630	\$ 586,035	\$ 613,122	\$ 631,566	\$ 643,558
Material	73,342	59,778	70,001	64,745	66,040	67,361
Fuel -- Revenue Equipment	11,095	14,187	11,500	15,382	15,400	15,400
Electric Power -- Revenue Equipment	20,807	21,695	17,452	20,066	20,668	20,700
Provision for Injuries and Damages	42,000	31,000	31,000	30,000	30,000	30,000
Purchase of Security Services	18,711	25,586	19,442	21,007	21,637	22,286
Purchase of Paratransit	27,069	27,060	27,060	27,360	28,181	29,026
Other Expenses						
Utilities	16,688	16,596	15,668	16,287	16,541	16,788
Maintenance and Repair	11,655	11,945	11,760	11,865	12,050	12,231
Advertising and Promotion	3,846	1,727	1,785	2,899	2,945	2,989
Contractual Services	15,795	13,479	12,086	16,657	16,917	17,170
Provision for Passenger Security	2,611	2,610	2,531	5,133	5,133	5,133
Leases and Rentals	8,048	6,711	7,965	8,058	8,183	8,306
Travel, Training, Seminars, and Dues	426	410	644	621	631	640
Warranty and Other Credits	(14,705)	(13,918)	(14,038)	(16,323)	(16,577)	(16,825)
General Expenses	1,587	2,360	2,090	4,203	4,268	4,332
Total Other Expenses	45,951	41,920	40,491	49,401	50,090	50,763
Total Operating Expenses	\$ 814,384	\$ 795,856	\$ 802,980	\$ 841,082	\$ 863,582	\$ 879,094
System Generated Revenue						
Fares and Passes	\$ 363,528	\$ 362,106	\$ 365,500	\$ 368,389	\$ 373,657	\$ 383,184
Reduced Fare Subsidy	17,400	17,400	16,876	34,220	34,220	34,220
Advertising, Charter, & Concessions	14,933	14,044	15,989	16,989	17,300	18,500
Investment Income	22,804	7,468	9,038	8,991	9,000	9,000
Contributions from Local Governmental Units	5,000	5,000	5,000	5,000	5,000	5,000
All Other Revenue	25,663	5,028	5,767	5,367	5,400	6,010
Total System Generated Revenue	\$ 449,327	\$ 411,047	\$ 418,170	\$ 438,956	\$ 444,577	\$ 455,914
Public Funding Required for Operations	\$ 365,058	\$ 384,810	\$ 384,810	\$ 402,126	\$ 419,005	\$ 423,180
Public Funding Available through RTA	\$ 377,265	\$ 384,810	\$ 384,810	\$ 402,126	\$ 419,005	\$ 423,180
Recovery Ratio *	55.35%	52.36%	52.24%	52.51%	51.79%	52.17%
Required Recovery Ratio	51.90%	51.90%	51.90%	51.70%	51.40%	51.40%

* Recovery Ratio is computed by dividing Total System Generated Revenue by Total Operating Expenses. By statute, certain expenses are excluded from operating expenses for the calculation.

2000 - 2004
CAPITAL IMPROVEMENT PLAN
& PROGRAM



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

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The 2000-2004 Capital Improvement Program

History

The CTA was created as a public body in 1945 and began operation in 1947, but its history begins with private companies founded as early as 1859. Major portions of CTA's physical plant were built between 1892 and 1920: most of the elevated rail system, two of the eight bus garages (Archer and 77th Street), and parts of South and West Shops. Another significant amount of infrastructure was built between 1940 and 1960: the State Street and Dearborn Subways, the Congress Branch of the Blue Line, the North Park and Forest Glen bus garages. The Dan Ryan Branch of the Red Line and the O'Hare Branch of the Blue Line from Logan Square to Jefferson Park opened in 1969-70. The O'Hare Branch was completed to O'Hare in 1983-1984, and the Orange Line to Midway Airport opened in 1993.

The private companies, which operated transit service in Chicago, were continuously in and out of bankruptcy. So from the earliest days of the system, maintenance of the transit physical plant was rarely adequate. The chronic financial problems of the Chicago Rapid Transit and Chicago Surface Lines (the operators of the rapid rail system and most of the street-level system, respectively) led to the creation of the CTA. In the late 1940's and 1950's, the then-new CTA rationalized the system it inherited, and was able to undertake a small program of capital reinvestment using bonds authorized when CTA was created. This did not last long. Also at that time, the City of Chicago completed the Dearborn Subway and built the Congress Branch, which allowed the fledgling CTA to close old facilities that would otherwise have required substantial renewal. That period ended when the Congress Branch opened in 1958. Between 1958 and 1972, CTA was unable to reinvest in its system at anywhere close to the required rate. Facilities built in the 1890's aged remarkably well, but age they did, and by the 1970's CTA staff were actively considering closing rail lines due to conditions which were threatening to become unsafe.

In 1971 the federal government began a program to fund the renewal of public mass transportation systems. In response to these Federal funds, the State of Illinois established a program to assist transit authorities such as the CTA in meeting the requirement for non-federal matching funds. Thus began the CTA's Capital Improvement Program, or "CIP." RTA also provided capital funds, in the 1970's to supplement the State match for federal grants, and beginning in 1990 with its own program of bonded capital debt authorized (and partially reimbursed) in 1989 by the State of Illinois.

To date, the CTA has grant commitments totaling \$4.0 billion, and has received approximately \$150.0 million in government grant funds passed through the City of Chicago and other municipalities. In addition, the City of Chicago and other municipalities have committed \$1.0 billion for other improvements to CTA's assets, but most of this has been for new facilities, rather than renewal.

Despite the programs mentioned above, by 1998 the CTA was approaching a crisis in capital funding. The federal funding level under the then-current authorization, while generous by past standards, were far short of what was needed, and the funds approved by the State of Illinois in 1989 were fully committed. In fact, there was the looming possibility that CTA would not even be able to provide the required 20% matching funds to obtain all the available federal money.

In 1998 and 1999 two pieces of landmark legislation were approved, one in Washington and the

The 2000-2004 Capital Improvement Program

other in Springfield, which dramatically improved CTA's capital funding prospects. First, in May of 1998 Congress approved the *Transportation Equity Act for the 21st Century*, commonly known as *TEA-21*. This legislation increased basic funding levels for public transit renewal. Very significantly, two projects were included as eligible for funding under the "New Starts and System Extensions" program, the first CTA projects ever to so qualify. The projects, to rehabilitate the Douglas Branch of the Blue Line and to expand the capacity of the Brown Line, have a combined federal funding requirement of over \$550.0 million, and funding them as New Starts freed up funds under the baseline, formula program, to meet other needs. With enactment of TEA-21, CTA's five-year capital funding potential grew from \$1.0 billion to almost \$2.0 billion.

However, this was only a potential. Two major problems needed to be resolved in order to obtain this funding. First, CTA needed a State program so that it could fund the 20% match. This, and much more, was accomplished in May, 1999, when the Illinois General Assembly approved a group of bills collectively known as *Illinois FIRST (Financing Infrastructure, Roads, Schools and Transit)*. Illinois FIRST, a five-year program, included:

- \$1.3 billion of bonding authority for RTA to use on behalf of its three service boards, with half allocated to CTA, and the State providing additional financial assistance to RTA to offset the debt service costs,
- \$400.0 million in additional State transit capital funding authority, \$380.0 million in bonds and \$20.0 million in general revenue funds, of which CTA expects to receive approximately \$232.0 million,
- \$300.0 million of additional bonding authority for RTA, to be used if RTA can afford to service that debt from existing revenue sources; CTA expects to receive at least half of this amount, if these bonds are issued.

Thus, *Illinois FIRST* should yield between \$862.0 million and approximately \$1.0 billion to CTA over the next five years. This more than satisfies the requirement to match federal grants, and results in a five-year capital funding forecast of \$2.6 to \$2.8 billion.

"A State of Good Repair"

CTA staff estimates that \$4.1 billion should be committed over the next five years to renew and improve CTA's physical assets. Even this \$4.1 billion would not completely renew CTA's asset base, but is the most funds CTA could productively use. Another five years at a similar level would be needed to accomplish the renewal of CTA's entire physical plant. So, even with the unprecedented level of funding provided by TEA-21 and Illinois FIRST, there remains a deficit of over \$1.3 billion for 2000-04, as well as the large commitment needed in the following five years. Tough choices must still be made.

Our goal is to bring CTA's infrastructure to what engineers call "a state of good repair" and then to maintain it there. What does this mean?

- No buses over the industry standard retirement age of 12 years. In special circumstances,

The 2000-2004 Capital Improvement Program

buses may be kept in service 14 years, but extension beyond 14 creates significant maintenance problems that affect service quality. Any such extension should be based on a life-extending rehabilitation of the buses. All buses should be rehabilitated at mid-life, six or seven years of service. This ensures reliability and rider's comfort, and can reduce maintenance expenses.

- All rail cars rehabilitated at mid-life (12-13 years), overhauled at their quarter-life points (6 and 18 years), and either rehabilitated or replaced at the end of their useful life, 25 years. Vehicle life can be extended to 30 years, but extension beyond 30 begins to raise serious maintenance issues and affects the quality of service we can give our riders. Any such extension should be based on a life-extending rehabilitation of the cars.
- All rail stations in good condition, and able to meet modern standards for passenger comfort, security, reliability, and so on. It is difficult to accomplish this with stations older than 40 years, and nearly impossible with those over 70.
- All rail lines operate at scheduled speeds; no areas are slowed down because of track or structural disrepair. Rail signal systems are fully reliable and meet modern standards of performance.
- Service management systems are fully reliable and incorporate modern features. Such systems are used to send information between CTA's Control Center and its vehicles and stations, and are especially important in dealing with emergencies and service problems.
- All maintenance facilities are designed and kept in good condition, to permit buses and trains to be maintained efficiently and effectively. CTA cannot ensure a quality ride if it lacks the wherewithal to maintain its vehicles. As with stations, 40 years is a desirable standard for replacing maintenance facilities, but CTA's experience is that with suitable maintenance and reinvestment, such buildings can effectively serve for as much as 70 years.
- Certain categories of capital funds can be used to help ensure the adequate maintenance of assets such as buses and rail cars. CTA has judiciously taken advantage of this provision in order to budget for essential services while keeping the bulk of its capital funds committed to replacing or renewing the equipment and facilities we need to provide transit service. It is important to maintain this level of commitment until additional operating funding becomes available.

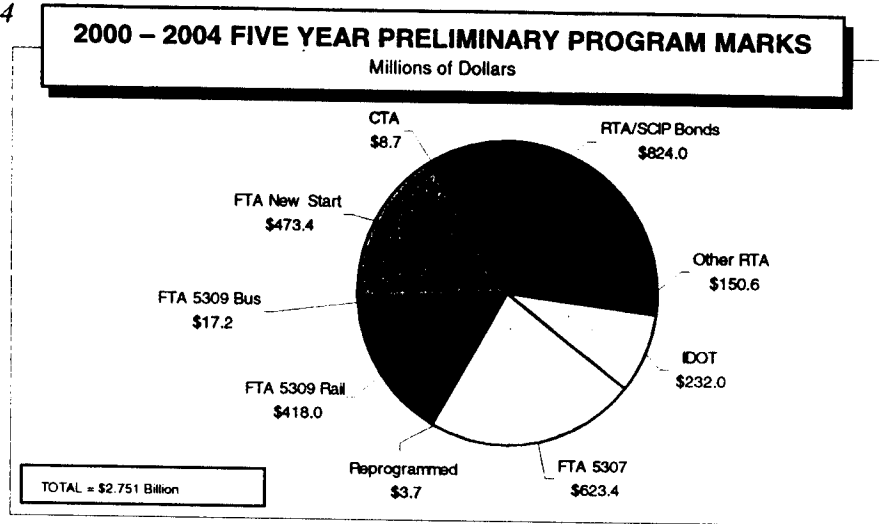
Meeting these standards would significantly improve the comfort and reliability of the services we provide our customers, and yield operational and maintenance benefits for CTA.

The 2000-04 Capital Improvement Program: Funding the CIP

The funding levels used in preparing the CIP are consistent with capital program marks developed by the Regional Transportation Authority (RTA) in consultation with CTA, Metra and Pace. These include \$1.5 billion from the Federal Transit Administration, \$232.0 million from the State of Illinois, \$974.6 million from the RTA (including \$650.0 million of SCIP Bonds administered by RTA and backed by the State of Illinois), \$9.0 million from CTA and \$3.7 million from reprogrammed funds. Total available funding is \$2.751 billion. This is presented in

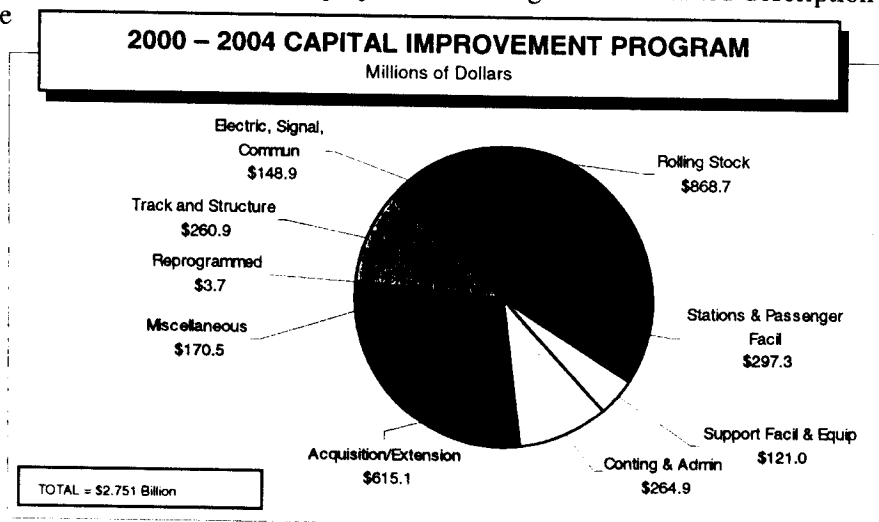
The 2000-2004 Capital Improvement Program

the figure, 2000-04
Five Year
Preliminary
Program Marks.
The Federal funds
are consistent with
TEA-21, and the
State and local
funds with the
RTA financial
structure after
passage of Illinois
FIRST.



The 2000-04 Capital Improvement Program: Proposed Projects

The figure titled *Proposed FY 2000-2004 Capital Improvement Program* shows the proposed program, by category of asset being improved or replaced. The attached table *Proposed FY 2000-2004 Capital Improvement Program* lists each project in the Program. A detailed description of each project can be found in the *Proposed 2000 Annual Budget & Department Detail and 2000-2004 Capital Program* volume of the CTA's 2000 budget documentation.



In summary, the capital program addresses the most critical capital investment needs facing CTA, within the projected funding level.

Each category of projects is discussed below.

PROPOSED FY2000-2004 CAPITAL IMPROVEMENT PROGRAM

(thousands of dollars)

Proj. #	Title	FUNDED	2000	2001-04	5 YEAR TOTAL	OUTYEARS	PROJ TOT
BUS PROJECTS							
ROLLING STOCK							
021.801	Perform Bus Maintenance Activities (ACM)	-	5,782	7,013	12,795	-	12,795
021.802	Perform Bus Maintenance Activities (VO)	-	2,184	1,016	3,200	-	3,200
021.803	Perform Bus Maintenance Activities (CAP)	-	5,000	12,267	17,267	-	17,267
021.804	Perform Mid-Life Bus Overhaul (ACM)	-	-	4,707	4,707	-	4,707
021.805	Perform Mid-Life Bus Overhaul (VO)	-	-	9,868	9,868	-	9,868
021.806	Perform Mid-Life Bus Overhaul (CAP)	-	-	3,927	3,927	-	3,927
021.808	Perform Life Extending Bus Overhaul (VO)	-	6,600	9,949	16,549	-	16,549
031.042	Replace 450 Buses - (Option 2)	80,186	40,000	-	40,000	-	120,186
031.043	Replace Articulated Buses - 75	-	35,000	-	35,000	-	35,000
031.045	Replace Buses - 490 TMC	-	-	600	600	132,000	132,600
031.049	Replace Buses - 467 Flx	-	-	126,690	126,690	-	126,690
031.051	Implement Project Clearview	-	7,400	-	7,400	-	7,400
032.009	Install Air Conditioners on 490 TMC Buses	-	15,000	-	15,000	-	15,000
101.005	Replace Bus Fareboxes	-	700	39,893	40,593	-	40,593
201.008	Purchase Hybrnd Buses - Demonstration	-	100	13,390	13,490	-	13,490
	Sub-Total	80,186	117,766	229,320	347,086	132,000	559,272
STATIONS & PASSENGER FACILITIES							
042.021	Improve Bus Turnarounds - 95th & Dan Ryan	-	1,000	-	1,000	-	1,000
042.821	Improve Bus Turnarounds	-	800	2,585	3,185	-	3,185
090.015	Rehabilitate/Purchase/Install Bus Passenger Shelters	-	400	15,513	15,913	-	15,913
172.009	Rehab Bus Bridge - 69th/ Dan Ryan	-	250	2,318	2,568	-	2,568
172.010	Rehab Bus Bridge - 95th/Dan Ryan	-	250	2,387	2,637	-	2,637
	Sub-Total	-	2,500	22,803	25,303	-	25,303
SUPPORT FACILITIES & EQUIPMENT							
071.020	Bus Garage System Plan	-	400	-	400	-	400
073.056	Reconstruct Bus Garage	-	-	55,893	55,893	-	55,893
081.023	Upgrade Bus Washers and Trash Collection - Forest Glen	314	400	5,835	6,235	-	6,549
084.810	Purchase Maintenance Equipment - Bus	1,000	667	2,873	3,539	-	4,539
	Sub-Total	1,314	1,467	64,601	66,067	-	67,381
RAIL PROJECTS							
ACQUISITIONS/EXTENSIONS							
194.115	CTA Ravenswood Line New Start	7,411	4,278	-	4,278	-	11,690
194.115	CTA Ravenswood Line New Start (Outyear)	-	-	195,845	195,845	98,275	294,120
194.815	CTA Ravenswood Line Other Non-New Start	-	10,608	-	10,608	-	10,608
194.117	Rehab CTA Douglas Branch New Start	14,200	4,278	-	4,278	-	18,478
194.117	Rehab CTA Douglas Branch New Start (Outyear)	-	-	387,095	387,095	-	387,095
194.817	Rehab CTA Douglas Branch Other Non-New Start	-	5,931	-	5,931	-	5,931
194.917	Rehab CTA Douglas Branch-Initial Rehab Non-New Start	-	3,500	3,605	7,105	-	7,105
	Sub-Total	21,611	28,595	586,545	615,140	98,275	735,027
MISCELLANEOUS							
053.004	Rail Service Management System	-	-	3,183	3,183	40,574	43,757
124.101	Improve SCADA Operational System	-	800	1,248	2,048	-	2,048
124.102	Implement SCADA Radio Back-Up System	-	-	824	824	-	824
150.001	Upgrade Safety Equipment - Subways	4,138	1,000	-	1,000	150,705	155,843
202.201	North-South Rail Capacity Study	-	-	773	773	-	773
	Sub-Total	4,138	1,800	6,028	7,828	191,279	203,245
ELECTRIC, SIGNAL, COMMUNICATIONS							
053.015	Install Fiber Optic System - O'Hare	-	1,200	-	1,200	-	1,200
121.016	Replace Substation and Subway Power Distribution Cable	-	-	15,173	15,173	-	15,173
121.017	Replace Skokie Power Distribution	-	500	5,835	6,335	-	6,335
121.840	Substation Renovation Program	-	-	16,692	16,692	15,071	31,762
124.104	Install Traction Power Energy Management System	-	300	-	300	-	300
161.018	Replace Signal System And Rail - Dearborn & Congress Subway	-	4,000	100,140	104,140	-	104,140
161.022	Implement Workers Ahead Warning System	1,446	743	1,624	2,366	-	3,812
162.045	Purchase/Install Interlocking Event Recorders	-	660	-	660	-	660
164.005	Upgrade Rail Crossings	2,350	2,000	-	2,000	-	4,350
	Sub-Total	3,796	9,403	139,464	148,866	15,071	167,732
TRACK & STRUCTURE							
171.035	Renew Structure - Logan Square Connector - O'Hare/Blue Line	37,712	5,700	15,090	20,790	-	58,502
171.107	Rehab Structure - South Loop	14,670	-	5,150	5,150	-	19,820
171.133	Repair Track & Structure Defects (CAP)	-	5,177	-	5,177	-	5,177
171.215	Replace Flange Angles - North Main Line	-	1,500	14,472	15,972	-	15,972
171.216	Replace Flange Angles - Ravenswood	-	3,000	28,945	31,945	-	31,945
173.022	Rehab Viaducts & Retaining Walls - Purple Line	-	-	17,516	17,516	15,071	32,586
173.023	Rehab North Main Line Concrete Structures & Stations	-	-	29,885	29,885	106,653	136,538
181.040	Replace Ties - North Main Line	-	1,900	14,472	16,372	-	16,372
181.041	Replace Ties - State Subway	-	-	2,251	2,251	32,460	34,711
181.045	Upgrade Track - Addison to O'Hare - O'Hare	-	1,003	27,797	28,799	-	28,799
181.810	Renew R.O.W. - Systemwide	7,760	2,122	9,695	11,816	-	19,576
182.040	Replace Ties - Ravenswood	-	3,000	28,945	31,945	-	31,945
186.025	Renew Dan Ryan Special Work	-	-	17,936	17,936	-	17,936
187.045	Footwalk Renewal	-	1,000	4,309	5,309	5,796	11,105
194.001	Reconfigure Harrison Curve	973	20,000	-	20,000	-	20,973
	Sub-Total	61,115	44,402	216,463	260,863	159,980	481,957
ROLLING STOCK							
022.901	Perform Rail Car Maintenance Activities (ACM)	-	5,236	978	6,214	-	6,214
022.902	Perform Rail Car Maintenance Activities (VO)	-	46	-	46	-	46
022.903	Perform Rail Car Maintenance Activities (CAP)	-	5,000	1,898	6,898	-	6,898
022.904	Perform Rail Car "C" Overhaul (ACM)	-	4,500	19,447	23,947	-	23,947
022.905	Perform Rail Car "C" Overhaul (VO)	-	13,500	38,752	52,252	-	52,252
022.906	Perform Rail Car "C" Overhaul (CAP)	-	-	18,102	18,102	-	18,102

(thousands of dollars)

Proj. #	Title	FUNDED	2000	2001-04	5 YEAR TOTAL	OUTYEARS	PROJ TOT
132.030	Rehab Up To 330 Rail Cars (284) - Mid-Life (2600'S)	161,458	16,843	-	16,843	-	178,301
132.030	Rehab Up To 110 Rail Cars (2600 Series) - Option 1 (96)	9,091	28,000	21,932	47,932	-	57,023
132.030	Rehab Up To 110 Rail Cars (2600 Series) - Option 2 (110)	-	31,980	32,124	64,104	-	64,104
132.030	Rehab Up To 110 Rail Cars (2600 Series) - Option 3 (108)	-	-	-	63,270	-	63,270
132.055	Implement Test Cars For New Technology	-	-	10,609	10,609	-	10,609
132.056	Replace 142 Rail Cars (2200's)	-	1,000	204,909	205,909	-	205,909
132.065	Replace Motor Alternators - (2400's)	5,500	5,500	-	5,500	-	11,000
	Sub-Total	176,049	109,605	412,021	521,626	-	697,675
STATIONS & PASSENGER FACILITIES							
124.103	Install RTU's at Stations/SCADA	2,600	-	1,648	1,648	-	4,248
141.014	Reconstruct Rail Station and Associated Track Work - Wilson/Howard	3,620	-	34,842	34,842	-	38,462
141.020	Reconstruct Rail Station - Lawrence/Howard	-	-	7,586	7,586	-	7,586
141.050	Reconstruct Rail Station - Sheridan/Howard	-	-	2,251	2,251	28,982	31,233
141.051	Reconstruct Rail Station - 95th/Dan Ryan	-	-	5,595	5,595	34,778	40,373
141.052	Reconstruct Rail Station - Howard/Red Line (ADA-2010)	1,300	2,500	28,840	31,340	-	32,640
141.202	Reconstruct Rail Station - 47th/Dan Ryan	-	-	16,818	16,818	-	16,818
141.203	Reconstruct Rail Station - 63rd/Dan Ryan	-	-	16,818	16,818	-	16,818
141.204	Reconstruct Rail Station - 69th/Dan Ryan	-	-	14,853	15,853	-	15,853
141.206	Reconstruct Rail Station - 87th/Dan Ryan	-	1,000	14,853	15,853	-	15,853
141.208	Reconstruct Rail Station - 22nd/Cermak/Dan Ryan	-	1,000	1,126	1,126	16,230	17,355
141.209	Reconstruct Rail Station - Garfield/Dan Ryan	-	-	1,126	1,126	16,230	17,355
141.225	Reconstruct Rail Station - Belmont/O'Hare	-	-	983	983	13,911	14,895
141.228	Reconstruct Rail Station - Irving Park/O'Hare	-	-	983	983	13,911	14,895
141.265	Reconstruct Rail Station - Main/Evanston	-	-	16,818	16,818	-	16,818
141.266	Reconstruct Rail Station - Dempster/Evanston	-	-	16,818	16,818	-	16,818
141.269	Reconstruct Rail Station - Oak Park/Congress	-	-	12,051	12,051	-	12,051
141.270	Reconstruct Rail Station - Racine/Congress	-	-	12,051	12,051	-	12,051
141.271	Reconstruct Rail Station - Pulaski/Congress	-	-	12,051	12,051	-	12,051
143.113	Replace Escalators - Subways	-	-	14,022	14,022	-	14,022
143.128	Improve Rail Station Public Address Systems	-	1,500	16,391	17,891	-	17,891
143.160	Upgrade Rail Stations and Facilities	-	3,000	12,927	15,927	-	15,927
143.161	Elevator Rehab - 12 Locations	-	820	-	820	-	820
143.268	Upgrade Rail Station - Forest Park/Desplaines/Congress	-	-	281	281	2,898	3,180
144.010	Upgrade Park and Rides	-	425	-	425	-	425
	Sub-Total	7,520	10,245	261,732	271,977	126,940	406,438
SUPPORT FACILITIES & EQUIPMENT							
074.062	Upgrade DesPlaines Shop and Car Washer	-	-	8,968	8,968	-	8,968
074.066	Expand 98th Shop Capacity	-	150	1,093	1,243	46,389	47,632
082.041	Upgrade Car Washer - Rosemont	-	400	1,648	2,048	-	2,048
082.047	Upgrade Car Washer - Ashland Yard	-	500	3,605	4,105	-	4,105
084.811	Purchase Maintenance Equipment - Rail	-	667	2,873	3,539	-	3,539
	Sub-Total	-	1,717	18,187	19,903	46,389	66,292
SYSTEMWIDE PROJECTS							
MISCELLANEOUS							
052.012	Implement Control Center Projects	45,396	-	26,711	26,711	15,000	87,107
060.810	Implement Computer Systems	10,990	-	13,309	13,309	-	24,300
061.019	Purchase Main Frame Computer Hardware	-	1,750	-	1,750	-	1,750
061.810	Upgrade Office Computer Systems	-	1,250	5,386	6,636	-	6,636
062.026	Implement Maintenance Management Information System	-	3,500	3,605	7,105	-	7,105
062.059	Develop New Chart Of Accounts	-	300	-	300	-	300
062.086	Install Centralized Paratransit Reservation System	-	-	2,060	2,060	-	2,060
062.087	Replace Material Management Imaging System	-	2,000	-	2,000	-	2,000
062.810	Replace Financial Systems	-	8,500	12,030	20,530	-	20,530
085.090	Purchase Material Handling Equipment	-	450	941	1,391	-	1,391
102.030	Implement AFC Projects	-	2,000	16,240	18,240	-	18,240
102.035	Implement Smart Card Technology (Year 2)	1,000	2,300	-	2,300	-	3,300
102.036	Expand Availability of Transit Cards (Year 2)	4,000	2,500	-	2,500	-	6,500
190.033	Implement Quality Assurance Program	2,250	329	1,528	1,857	-	4,107
190.036	Implement Capital Program Oversight and Audit	-	250	585	835	-	835
193.810	Miscellaneous & Unanticipated Capital	1,350	2,000	8,000	10,000	-	11,350
203.800	Capital Asset Preservation Program (CAP)	-	-	45,219	45,219	-	45,219
	Sub-Total	64,986	27,129	135,614	162,743	15,000	242,730
SUPPORT FACILITIES & MAINTENANCE							
070.010	Improve Facilities (CAP)	-	5,177	-	5,177	-	5,177
076.008	Implement Additional Mart Improvements	-	-	1,298	1,298	-	1,298
076.810	Replace/Repair Roofs Various Locations	4,045	711	3,063	3,774	-	7,819
084.812	Purchase Maintenance Equipment - Facilities Equipment	-	667	2,873	3,539	-	3,539
086.057	Purchase Non-Revenue Vehicles	2,670	4,000	17,237	21,237	-	23,907
	Sub-Total	6,715	10,555	24,471	35,025	-	41,740
	Sub-Total Projects	-	365,184	2,117,249	2,482,427	784,934	3,694,792
	Contingencies/Administration	-	44,291	220,629	264,920	-	264,920
	SUB-TOTAL	-	409,475	2,337,878	2,747,347	784,934	3,959,712
DEOBLIGATED/REOBLIGATED							
141.018	Reconstruct Rail Station Garfield/South Main Line	-	3,680	-	3,680	-	3,680
	Program Total New Projects	-	413,155	2,337,878	2,751,027	784,934	3,963,392
196.001	Rehabilitate Rail Lines	2,680	(2,680)	-	(2,680)	-	-
301.216	Contingencies	1,051	(1,000)	-	(1,000)	-	51
	Sub-Total Deobligated Projects	3,731	(3,680)	-	(3,680)	-	51
	GRAND TOTAL, MATCHED	-	409,475	2,337,878	2,747,347	784,934	3,963,443

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Bus - Rolling Stock

Background: CTA operates approximately 1,876 buses on 131 routes, serving approximately 940,000 weekday passengers who board at over 12,000 bus stops. When all bus purchases funded through the FY 1999 CIP are completed, CTA's bus fleet will consist of the following buses:

Series	Manufacturer	No. of Buses	Entered Service
7100	MAN (articulated buses)	75	1982
9800/4000	Flyer/MAN	140	1983/1985
4400	TMC	490	1991
5300	Flxible	466	1991
6000	Flxible	330	1995
5800	New Flyer (low floor)	65	1995
—	Nova	150	2000
—	Nova	160	2000-01
	TOTAL	1876	

The federal government funds replacement of standard and articulated transit buses when they reach 12 years of age. This has become the industry's benchmark, and buses are designed, operated, and maintained with the expectation that they will be retired at or shortly after their twelfth anniversary in service. CTA has often had to operate buses for a longer time because it lacked sufficient funds to replace buses on time. This led to passenger discomfort, lower reliability, and increased maintenance costs. With the funds made available by TEA-21 and Illinois FIRST, CTA can move aggressively to improve this situation.

Beyond replacing overage vehicles, CTA could further improve the quality of its fleet and the service to its riders by changing its maintenance practices from fixing problems after they occur, to a preventive maintenance program that would replace failure-prone items before they break. CTA can accomplish this in part by starting a program to overhaul its buses in the middle of their lives, around 5 to 7 years of age. While the life of the bus may be 12 years, many components need to be replaced or refurbished during that life span, and a planned overhaul can do this in a systematic fashion. Such a program has been eligible for federal capital funding since 1995, but CTA has not been able to afford such a commitment. TEA-21 and Illinois FIRST now allow us to consider such a program.

The Proposed Program: The 2000 CIP includes funding of \$117.7 million for Bus Rolling Stock; 5-year funding is \$347.1 million. This program is a bold new initiative for CTA. It funds an aggressive overhaul of buses at the middle of their useful lives. Standard (40-foot long) and articulated buses are designed to provide 12 years of service. CTA plans to rehabilitate all buses at 5-7 years of age and then replace them when they reach 12-13 years of age. CTA received approximately 960 buses in 1991, over half the current fleet. All of these buses reach maintenance intervals at the same time, which creates maintenance scheduling problems and also presents a severe funding issue in trying to replace them all at once. Therefore, CTA will rehabilitate 490 of these buses to extend their useful lives to approximately 15 years, allowing us to smooth out the replacement cycle. This rehabilitation will also add air conditioning to these buses. In combination with replacing other old buses, CTA's bus fleet will be 100% air conditioned by Summer, 2003. The Five-Year Program will replace the other 467 buses received

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in 1991. In addition, the 2000 CIP will fund replacement of 140 standard buses (the third year of a three-year program to replace approximately 450 overage standard buses), and 75 overage articulated buses. The CIP also continues to provide budgetary support to the maintenance of the bus fleet.

This program will have profound benefits. By investing in a preventive maintenance program centered on the timely overhaul and replacement of buses, CTA will significantly improve the comfort, quality, and reliability of its service, while reducing operating expense. The proportion of the fleet available for service will rise, as well.

In addition to the above program aimed at improved maintenance, CTA will also expand Operation Clearview to its entire bus fleet. This program was piloted at two garages in 1999 and is now ready to be fully implemented. It will replace etched glazing with vandal-resistant materials. Surveillance equipment will also be installed on all buses, using capital funds. This will reduce vandalism from etching and graffiti, as well as deter other criminal activity. Over 95 percent of CTA's buses will be so equipped by the end of 2001.

Finally, CTA will proceed to test low emission bus technology through participation with other transit properties in the acquisition and testing of buses using small motors and batteries. Additionally, CTA will repower its three fuel cell buses with new fuel cells that are more compact and efficient than the ones originally installed and explore using ethanol, derived from corn, as fuel.

Evaluation:

1. **On-time** performance will be enhanced by having fewer bus breakdowns.
2. **Cleanliness** will be enhanced because buses will be thoroughly cleaned and their interior accommodations improved in the mid-life and life-extending overhauls, and new buses will replace overage buses. Environmental cleanliness will be enhanced as old buses are replaced by new ones that meet current EPA standards, and as our tests of low emission technologies continue.
3. **Safety** will be enhanced by having buses in better condition, with all systems working optimally and the latest safety features installed, and by Operation Clearview's deterrent effect on crime.
4. **Friendly-Service** will be friendlier because the passenger accommodations on the buses will be cleaner, more comfortable, and more modern. Buses that now lack air conditioning or full accessibility features will be upgraded or replaced.
5. **Encumbering Funds** – These overhaul and replacement initiative projects can all be specified and needed contracts let.
6. **Accomplishment**-These projects will show significant benefits before 2004.
7. **State of Good Repair**- Replacing and overhauling buses on a schedule consistent with the best practices in the industry will move the bus fleet to a state of good repair.
8. **Equity**- CTA's entire service area will benefit from an improved bus fleet.

Year 2000 Activities: In addition to the proposed program, previously funded activities will include the start of production and delivery of 310 replacement buses now under contract, and initiation of the bus vehicle overhaul and life extending rehab programs. Another major activity is the purchase of Bus Service Management System (BSMS) equipment for the bus fleet

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including radios and mobile data terminals to support bus operations. As new buses arrive in the year 2000 they will have BSMS equipment installed concurrent with the equipment installed on the existing 267 buses at 77th Garage.

Bus - Stations and Passenger Facilities

Background: CTA owns or leases approximately 115 bus turnarounds and has passenger shelters located at over 1,000 of its 12,200 bus stops. The vast majority of the 940,000 weekday rides our passengers take begin or end at these locations. Many of the bus turnarounds need to be rehabilitated. The bus turnarounds are located to provide starting and ending points for routes, function as passenger boarding/disembarking locations, and provide comfort stations for drivers on break or awaiting scheduled start times. Bus passenger shelters protect passengers awaiting the arrival of buses. Currently, only 9% of all bus stops have passenger shelters.

The Proposed Program: The CIP provides five-year funding of \$25.3 million to upgrade turnarounds and implement an aggressive bus shelter upgrade and installation program. \$2.5 million in FY 2000 will rehabilitate bus turnarounds at 95th/Dan Ryan and Madison/Austin on the west side, and design the rehabilitation of the bus turnaround bridges over the Dan Ryan Expressway at 69th and 95th Streets. In FY 2000 \$400,000 will plan an aggressive bus installation/rehab program. Special emphasis will be directed towards key bus routes, those core high volume routes carrying most of our passengers. New shelters may have integrated signage and route information and include other passenger amenities such as benches and bike racks suitable for specific locations. The program goal is to improve the bus passenger's experience. FY 2001-2004 budgets over \$15.0 million to install 1,000-2,000 shelters, and repair others as identified by survey. This program will have immediate benefits. By targeting turnarounds and shelters most in need of repair or replacement and providing new shelters where they are most in need, CTA will greatly improve the comfort and quality of our service.

Evaluation:

1. **On-time** – Bus turnaround and bus bridge projects contribute to achieving CTA's goal of providing on-time service to our passengers.
2. **Cleanliness** will be improved due to new and rehabilitated bus passenger shelters and turnarounds.
3. **Safety** will be enhanced by having shelters, turnarounds, and bridges in better condition, with new shelter material and new and improved concrete and asphalt.
4. **Friendly** – Service will be friendlier because passenger shelters will provide a comfortable area to wait for arriving buses. Improved turnarounds will provide a better passenger environment.
5. **Encumbering funds** – These projects can all be designed and needed contracts let.
6. **Accomplishment** – These projects will show significant benefits before 2004.
7. **State of Good Repair** – Replacing and improving shelters and turnarounds most in need of repair, is consistent with CTA's goals of achieving a state of good repair for our system.
8. **Equity** – CTA's entire service area will benefit from this improvement program.

Year 2000 Activities: In addition to the proposed program, previously funded activities in the Year 2000 would provide for the replacement and installation of 100 bus shelters and the upgrade of 100 existing shelters.

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Bus - Support Facilities and Equipment

Background: CTA operates approximately 1,876 buses serving 131 routes from eight bus garages. Four of the garages were built within the past twenty years, incorporating features required for modern bus operations. The other four are all more than forty-five years old, and two were originally built as streetcar barns at the turn of the century, and later converted to bus garages.

Three of these four older garages, Archer, Forest Glen, and North Park, occupy sites too small to efficiently operate the fleets housed there. Bus movements are hindered by confined layout, and awkward maneuvers are required to move vehicles within the site. All four old garages suffer from general deterioration of structural and mechanical systems that comes with age, which makes it more difficult to maintain the buses garaged there. These conditions require that all four garages eventually be rebuilt either at their current locations, or at alternative sites.

The Proposed Program: The 2000 CIP has funding of \$1.5 million for bus support facilities and equipment, 5-year funding totals \$66.1 million. First year funding of \$400,000 will provide for a study of CTA's garage needs. This study will evaluate operating characteristics at each older facility, and identify elements needing rehabilitation or replacement. To evaluate complete garage replacement, the bus system's operating needs will be assessed, and alternative sites considered. Sufficient funding is identified in the five-year period to replace one of the garages, to be determined based on the study results. Also funded in the program is a new bus washer and a trash collection system at Forest Glen Garage. This equipment will help improve the appearance of buses operating from that facility. Also proposed is an annual procurement of necessary vehicle maintenance equipment.

Evaluation:

1. **On time performance** will be enhanced as upgraded or new garages and maintenance facilities provide the environment to keep buses in better operating condition which prevents breakdown.
2. **Cleanliness** will be enhanced. Bus washers and trash collection systems help keep the inside and the outside of buses clean.
3. **Safety** will be enhanced because upgraded facilities will facilitate buses being better maintained.
4. **Friendly** – Customer comfort will be enhanced by better maintained buses.
5. **Encumbering funds** - These projects can all be designed and contracts let.
6. **Accomplishment** – These projects will show significant benefits before 2004.
7. **State of Good Repair** – Replacing deteriorated garages with new ones promotes a state of good repair. Newly built garages will help to maintain buses in a state of good repair.
8. **Equity** – Garage improvements benefit all whose service comes from that garage.

Year 2000 Activities: In addition to the proposed program, previously funded activities include the following: Continuing remediation and replacement of fueling systems and underground storage tanks at North Park Garage.

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Rail - Acquisitions/Extensions

Background: The 9.1-mile Ravenswood (Brown) Line operates from Kimball Terminal on the northwest side of Chicago to the Loop. There are nineteen Brown Line stations. Since 1979, the Ravenswood Line's ridership has increased 36% and currently provides an average of approximately 90,000 weekday rides. While service has been augmented to meet increased demand, ridership is nearing capacity. Trains operate at "crush" loads during peak periods, beyond CTA's loading standards. Many passengers are forced to let several trains pass before they are able to board. Short-term capacity increases will bring service levels up to the maximum capacity of the track signal system, but will still not add sufficient capacity to fully relieve the existing overcrowded conditions. Expanding capacity to accommodate increased demand will require lengthening trains from six to eight cars. An increase to eight car trains will require the extension of station platforms and expansion of yard storage capacity to accommodate them.

The Douglas Branch of the Blue Line was constructed in two phases; in 1896 with completion in 1902. An Engineering Conditions Assessment (ECA) was performed between 1989 and 1992 to evaluate the condition of CTA's rail system. As part of this effort, CTA performed an inspection and rating of the condition of the CTA's system, structure, track, signal systems and stations. The results of the ECA indicated rehabilitation of the Douglas Branch to be a high priority. Essentially, the elevated structure has exceeded 100 years of service and is in dire need of rehabilitation.

The Proposed Program: The 2000 CIP includes funding of \$28.6 million for continued design of various elements of the projects; 5-year funding is \$615.1 million. The Ravenswood project includes platform extensions at seven elevated stations and four at-grade stations on the Ravenswood Line, five elevated stations on the North Main Line, and two elevated stations on the Ravenswood Loop Connector. A third station on the Ravenswood Loop Connector, Merchandise Mart, can already accommodate eight car trains and is fully accessible. Elevated stations will receive elevator access, while at-grade stations will get ramps to provide accessibility. Two of the stations on the North Main Line, Fullerton and Belmont, are four-track facilities and share operations with CTA's Red and Purple (Express) Line. These stations are surrounded by a densely populated area, with limited space for expansion, and will require a significant effort to effect their expansion.

Also, in order to handle increased train operations, Kimball Yard trackage will be expanded, and four of the line's substations will be upgraded to accommodate the increased electrical demands of longer trains. Additionally, track, structure, signal systems, interlocking plants and other support systems will be modified as needed to accommodate the line extension. Staging will be required to maintain operations during construction.

Rehabilitation of the Douglas Branch of the Blue Line will be accomplished in three phases. Phase I will replace the existing iron structure with concrete bents and cross girders. These will be constructed in between the existing steel bents so that the line may continue to operate during rehabilitation. Track, ties and steel stringers will also be replaced. Stations will be reconstructed as the track structure is being built. Six stations will be replaced in coordination with bent replacement. Three stations, Hoyne, California, and Central Park will be reconstructed during the first year of Phase I. Installation of a fiber optic backbone for the Blue Line is also included in Phase I. The reconstructed stations will be equipped with equipment requiring fiber optic lines

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such as audio-visual signs for passengers with disabilities. An important function of Phase I is real estate acquisition. Six stations will require the acquisition of land and/or air rights in order to meet accessibility requirements. Land is also required for substations. Land and air rights will be identified and title searches will be conducted during preliminary engineering.

Phase II of the project involves rehabilitating the existing structure, track and construction of column bases and foundations on the north section of the elevated structure from Loomis Incline to Wood Street.

Phase III consists of improvements to the ballasted section of the Douglas Branch from Kildare to 54th Avenue. Also included in this phase is the expansion of 54th Yard to allow for increased car storage, a new terminal and transportation offices and a new station at Kildare/Kostner. Traction power substations will also be constructed during this phase. Once land acquisition has taken place, and the trackwork is complete, including the yard; then signal work will begin.

Federal funds for these projects depend on an upcoming evaluation by FTA and negotiating special grant contracts ("Full Funding Grant Agreement's") with FTA.

Evaluation:

1. **On-time** performance will be enhanced - lengthening of platforms on the Ravenswood Line to accommodate eight-car trains will increase capacity and eliminate overcrowded conditions which increase dwell times at stations. Track, structure, and selected yard improvements on the Douglas Line will eliminate slow zones.
2. **Cleanliness** will be enhanced because stations will be reconstructed or rehabilitated.
3. **Safety** - Rehabilitated track and structure on the Douglas Line will result eliminate the need to reduce speed to maintain safety. Stations will be modern and well lit which is a crime deterrent. Overcrowding on the Ravenswood Line will be reduced.
4. **Friendly-Service** will be friendlier because passenger accommodations in stations will improve. New station layout will facilitate passenger flow. Ravenswood stations will be less crowded. All new stations will be fully accessible and sufficient capacity will exist to serve all riders.
5. **Encumbering funds** - These projects can all be designed and needed contracts let.
6. **Accomplishment**-These projects will show significant benefits once completed. Many of these benefits, especially on the Douglas Line, will occur by 2004.
7. **State of Good Repair**- Reconstructing the Douglas Branch of the Blue Line is a large step in CTA's goal of achieving a "state of good repair" systemwide
8. **Equity**- Much of CTA's service area will benefit from these projects. The Brown Line extension benefits not only Brown Line riders but also riders of the Red and Purple Lines that share common stations such as Belmont and Fullerton. Douglas Branch riders represent a variety of neighborhoods and a diverse collection of racial and ethnic groups.

Year 2000 Activities: In addition to the proposed program, previously funded activities include: design of substations, signal and communication systems; elevated and at-grade stations, and 54th Yard improvements on the Douglas Branch of the Blue Line. Efforts on the Ravenswood include design of: substations; signal and communication systems; and platform extensions and accessibility improvements for eleven elevated stations and four-at-grade stations. Also included is the design of Belmont and Fullerton Stations.

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Rail - Miscellaneous

Background: Rail projects that do not lend themselves to specific categories are grouped within this category. Many deal with operational issues of a broad nature such as rail management utilizing voice and data communications, strategic studies of rail operation within corridors and general safety related projects.

The Proposed Program: The program has FY 2000 CIP funding of \$1.8 million and 5-year funding of \$7.8 million. FY 2000 funding will replace emergency pumps in the subways and provide operational upgrades to the Control Center Supervisory Control and Data Acquisition (SCADA) systems. Funding in FY 2001-2004 will provide additional upgrades to SCADA and initiates design and development of a new rail service management system for voice and data communication with train operators/supervisors and the monitoring of important train operating systems. Funding is also provided to study the most efficient operational use of our four-track right-of-way on the North Main Line.

The above projects will provide broad-based benefits to the Authority. By investing capital dollars in rail communications and operational control systems. CTA will significantly improve the safety, quality, and reliability of its service.

Evaluation:

1. **On-time** performance will be enhanced through better radio communications. Faster speeds and on-time performance will be elements of the North-South Rail Capacity Study.
2. **Cleanliness** - Not a primary goal of these projects.
3. **Safety** will be improved through the upgrading of emergency equipment in the subways and by modernizing CTA communications internally, and with the Police and Fire Departments. Upgrading and improving the power control monitoring system also promotes safety by more effective and immediate monitoring of power and emergency equipment resulting in efficient identification and isolation of malfunctioning equipment.
4. **Friendly** – Improved communication between the Control Center and field personnel will allow for more reliable and timely system information for riders.
5. **Encumbering Funds** – These projects can all be designed and needed contracts let.
6. **Accomplishment** – These projects will show significant benefits before 2004.
7. **State of Good Repair** – Replacing and modernizing emergency and communication equipment is consistent with accomplishing a state of good repair.
8. **Equity** – CTA's entire service area will benefit from these improvements.

Year 2000 Activities: In addition to the proposed program, previous funded activities include continued replacement of roofs at substations and rapid transit stations.

Rail – Power-and-Way, Electric, Signal and Communication

Background: Much of CTA's rail power and communication systems are old and inadequate for today's communications needs. Interlocking Event Recorders that provide essential trouble shooting information for each interlocking plant should be replaced. CTA needs expanded communications capacity to accommodate fare control and SCADA (Supervisory Control and Data Acquisition) systems. These systems monitor and control power distribution, signal, and vehicle location systems, as well as providing communication links to CTA's Control Center and

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Revenue Systems Center. A modern fiber optics plant is required to implement these systems. Substation cable systems are in urgent need of replacement. The Franklin substation was installed in 1912 and is at the end of its useful life. Failure of this substation would lead to service disruptions. The catenary and support structures on the Skokie (Yellow) Line are aged and deteriorated. Approximately 70 support structures that were constructed in the 1920's require replacement. In general, replacing the power distribution system will decrease power shutdowns and service disruptions. Substation facilities, signal systems, and equipment also require replacement due to age and deterioration, as do the signal systems in the Congress and Dearborn Subway which are over 40 years old. The CTA is also implementing a Workers Ahead Warning System at 63 locations where a motor operator's ability to see workers on the right-of-way is impaired. Grade crossing gates at several locations are antiquated and are in need of replacement. Reducing the likelihood of injuries to both the public and CTA employees is imperative to the CTA.

The Proposed Program: The 2000 CIP includes funding of \$9.4 million for Electric, Signal, and Communication projects; 5-year funding is \$149.0 million. This program funds an aggressive modernization of CTA's power, signal, and communication equipment. Power distribution and substation renovation is planned in order to maintain a reliable power supply without service disruptions. Also, CTA is expanding its communications capacity to the Control Center and Revenue Systems Center. Installation of fiber optic cable on the O'Hare Line is planned under this category, which will provide reliable high volume communication capabilities.

Also planned under this category is the replacement of the 40+ year-old Dearborn Subway and Congress Branch signal system in order to ensure safe train operation. In keeping with our overall initiatives on safety, crossing gates at ten grade crossings will be replaced, incorporating modern safety standards. CTA is also continuing to implement a Workers Ahead Warning System at 63 locations. This program provides safer working conditions for our employees. By investing in up to date communications and safety equipment, CTA will significantly improve the reliability of its rail service by reducing delays on the rail system and prevent injury and fatalities.

Evaluation:

1. **On-time** - Performance will be enhanced by having a reliable power supply and reducing the likelihood of grade crossing accidents.
2. **Clean** - Not a primary goal of this program.
3. **Safety** - will be enhanced by having rail power signal and communication equipment in better condition with all systems working optimally and the latest safety features installed. Both the public and CTA employees will benefit.
4. **Friendly** - Enhanced communications with operating employees and riders make for a friendlier system.
5. **Encumbered Funds** - These projects can all be designed and needed contracts let.
6. **Accomplishments** - These projects will show significant benefits before 2004.
7. **State of Good Repair** - Replacing obsolete rail electrical signal and communication equipment will move the CTA to a state of good repair and eliminate power disruptions, potential signal system failures, and loss of communications that could result in an extended service disruption until repairs could be made.
8. **Equity** - CTA's entire service area will benefit from improved rail electrical, signal service and enhanced communication capacities.

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Year 2000 Activities: In addition to the proposed program, previously funded activities include replacement of the State Street Subway signal system from Fullerton Avenue to 17th Street and continued implementation of the SCADA system.

Rail - Power-and-Way, Track and Structure

Background: CTA has approximately 220 miles of track on over 100 miles of right-of-way, providing approximately 450,000 weekday rides. The extensive rail system has operational and support needs in order to achieve and maintain a high quality level of service. Rail system structural repair and renewal are some of the most pressing needs the Authority has at this time. A backlog of deferred maintenance has forced continued imposition of slow zones to ensure operational safety.

The Proposed Program: The 2000 CIP includes funding of \$44.4 million proposed for structural repair and renewal projects. The five-year funding total will be approximately \$260.9 million. Most of these funds will be used to repair or replace deteriorated track and structural elements that are well beyond their design life. Elements planned for replacement or upgrading include structural steel flange angles, ties, footwalk, and special trackwork. Also included in this program is repair of structural defects and right-of-way renewal. Funding will also provide for the renewal of concrete structures and viaducts on the Purple Line. As is the case with the track structural elements, these concrete structures are very old and badly deteriorated.

This is an aggressive renewal and replacement program for the Authority. This program will have many unheralded benefits. By actively targeting track and structural elements and concrete structures most in need of repair/renewal, CTA will preserve the integrity of its rail network. In its present condition, the track and structure cannot sustain operations at original design speeds, causing slow zones to be imposed on over 20 miles of track throughout the system (representing 8% of system trackage). This FY 2000 - 2004 program is anticipated to eliminate approximately 80% of all the current slow zones.

Projects include renewal of the structure of the Milwaukee Avenue elevated on the O'Hare Branch of the Blue Line. Funding is also included for the renewal of special track work on the Dan Ryan Line, repair of structural defects systemwide, structure repair on the South Loop, tie replacement in the State Street Subway, and replacement of footwalk, flange angles, ties, and right-of-way renewal throughout the system. Power and way plus track and structure improvements for the Douglas Branch of the Blue Line are covered under the Rail Acquisition/Extension section of the FY 2000 - 2004 CIP.

Evaluation:

1. **On-Time** performance will be greatly improved by eliminating most existing slow zones.
2. **Cleanliness** - replacement of deteriorated structural elements and subsequent protective coating will improve the appearance of our elevated structure.
3. **Safety** will be ensured due to new track and structural elements.
4. **Friendly** - Service will be friendlier because of a faster, more comfortable ride on newly profiled track and structure.
5. **Encumbering funds** - These projects can all be designed and needed contracts let.
6. **Accomplishment** - These projects will show significant, tangible benefits before 2004.
7. **State of Good Repair** - Renewal of track and structural elements most in need of repair, is

The 2000-2004 Capital Improvement Program

consistent with the CTA's goal of achieving a state of good repair for our system.

8. **Equity** – Practically all rail riders will directly benefit from this improvement program.

Year 2000 Activities: In addition to the proposed program, previously funded activities which will occur during 2000 include continued renewal of the Milwaukee Avenue elevated structure. General rehabilitation of rail lines is also a multi-year project that is on going. Under this program CTA personnel will continue to correct rail infrastructure, including structural elements, track systems, stations, yards, traction power and other associated components, as discovered during routine scheduled engineering/maintenance inspections of the system. Congress Branch track renewal will continue in FY 2000 replacing ties to improve track condition and resolve slow zones.

Rail Rolling Stock

Background: CTA operates approximately 1,190 rail cars. In 1998, rail system ridership totaled 133,281,627 unlinked passenger trips. The CTA's rail fleet consists of the following cars:

Series	Manufacturer	No. of Rail Cars	Entered Service
2200	Budd	142	1969-70
2400	Boeing Vertol	194	1976 - 1978
2600	Budd	597	1981 - 1987
3200	Morrison Knudsen	<u>257</u>	1992 - 1994
	TOTAL	1190	

The transit industry's benchmark for replacement of rail cars is 25 years of age. Rail cars are designed, operated, and maintained with the expectation that they will be retired at or shortly after their 25th anniversary of service. CTA has often had to operate rail cars for a longer time because it lacked sufficient funds to retire them. CTA has also lacked sufficient funds to adequately rehabilitate rail cars. This leads to passenger discomfort, lower reliability, and increased maintenance costs. With the funds made available by TEA-21 and Illinois FIRST, CTA can move aggressively to improve this situation.

Beyond replacing overage vehicles, CTA could further improve the quality of its fleet and the service to its riders by changing its maintenance practices from fixing problems after they occur (often in service), to a preventive maintenance program that would replace failure-prone items before they break. CTA can accomplish this in part by starting a program to overhaul its rail cars at ¼, ½, and ¾ of their service lives. While the life of the rail cars is 25 years, many components need to be replaced or refurbished during that life span, and a planned overhaul can do this in a systematic fashion. Such a program has been eligible for federal capital funding since 1995, but CTA has not been able to afford such a commitment. TEA-21 and Illinois FIRST now allow us to consider such a program.

The Proposed Program: The Program has 2000 CIP funding of \$109.6 million, 5-year funding is \$521.6 million. Similar to the Bus Rolling Stock category, there is a major new commitment to the rail fleet. Funding is continued for the mid-life rehabilitation of 598 2600 Series rail cars (including one 3200 Series car permanently paired with a 2600 Series car), completing this project by 2002. It also funds the replacement of 142 rail cars purchased in 1969-70. These are

The 2000-2004 Capital Improvement Program

the last cars in the fleet not accessible to wheelchair users. All new cars will be fully accessible. In addition there is a new initiative to overhaul and provide preventive maintenance to CTA's rail fleet at quarter-life intervals. A rail car is designed to last 25-30 years. CTA has already begun a mid-life (year 12) rehabilitation program, and will now add overhauls at approximately year 6 and year 18. The Program also continues to support the budget for routine maintenance of rail cars.

This program promises the same sort of benefits as the Bus Rolling Stock program. As rail cars are overhauled, rehabilitated, or replaced, the number of substandard cars will decline, until there are few or none by 2004. This will improve service comfort, quality and reliability, while reducing the cost of unscheduled maintenance. This initiative may free-up enough cars to ease overcrowding, due to ridership growth, on the Ravenswood (Brown) Line and complement the proposed platform extension program on that line. Moderate ridership growth on CTA's other lines, as projected, might be accommodated with the increased car availability without buying new rail cars (at a cost of over \$1.0 million each).

Evaluation:

1. **On time performance** will be enhanced because there will be fewer rail car breakdowns.
2. **Cleanliness** is enhanced because rail cars will be thoroughly cleaned with interior elements being replaced and/or improved in the mid-life rehabilitation work.
3. **Safety** will be enhanced because major components and sub-systems on the rail cars will be new or serviced and replaced at closer intervals or prior to failure.
4. **Friendly- Service** will be friendlier because the passenger accommodations on the rail cars will more comfortable and upgraded.
5. **Encumbering funds** – These projects can all be designed and needed contracts let.
6. **Accomplishments** – These projects will show significant benefits before 2004.
7. **State of Good Repair**- Rehabbing and overhauling rail cars on a schedule consistent with best practices in the industry will move the rail car fleet to a state of good repair and enable the Authority to plan for new car purchases in future years.
8. **Equity**-CTA's entire service area will benefit from an improved rail car fleet

Year 2000 Activities: In addition to the proposed program, previously funded activities include completion of rehabilitation work and delivery on the 2600 Series rail car base order (284 cars). Approximately 150, 2600 Series rail cars will be rehabilitated in the year 2000. Preparations and rehabilitation work will begin on the 2600 Series rail cars for Option One (96-car) order. Also replace motor alternators on 194, Series 2400 rail cars to improve reliability and reduce operating costs.

Rail Stations and Passenger Facilities

Background: Aside from the Ravenswood and Douglas stations that are proposed for expansion, rehabilitation or reconstruction under the New Start Program, CTA must make a major capital investment in approximately 34 additional rail station on lines that are older and have never been rehabilitated. The specific rehabilitation needs are: nine stations on the Congress, six stations on the Dan Ryan, six stations on the Evanston, four stations on the O'Hare, and nine stations on the North Main Line including Howard Terminal.

The Proposed Program: The 2000-04 CIP includes funding of \$272.0 million for the design and major reconstruction of 12 stations, the design of six stations for future reconstruction, and design

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for rehabilitation of DesPlaines Terminal. In addition, major investment will be made to rehabilitate platform to mezzanine escalators in the Loop and eight elevators that receiving overhaul. While addressing the need to reconstruct 18 stations, CTA proposes to fund a five-year station upgrade program for \$15.0 million to maintain service quality at stations not yet receiving major reconstruction. Other projects in the program will upgrade rail station public address systems, and park-and-ride facilities.

Evaluation:

1. **On-time** - rehabilitated and upgraded rail stations provide for improved pedestrian traffic flows on and off of trains that contributes to our on-time performance.
2. **Cleanliness** will be enhanced because stations and park-and ride facilities will be thoroughly cleaned and upgraded.
3. **Safety** will be enhanced by having stations reconstructed or in better condition. Improving elements such as lighting will have be a crime deterrent.
4. **Friendly**- Service will be friendlier because the passenger accommodations in and around stations and passenger facilities will be more comfortable and modern; full accessibility to stations will be provided.
5. **Encumbering funds** – These projects can all be designed and needed contracts let.
6. **Accomplishment**-These projects will show significant benefits before 2004. CTA is working diligently to make improvements to the way we provide service. These initiatives will increase ridership by improving stations and passenger facilities.
7. **State of Good Repair**- Upgrading, rehabilitating and replacing stations and passenger facilities will enhance the ride quality of our rail system.
8. **Equity**- Rail stations to be improved are distributed throughout CTA's service area.

Year 2000 Activities: In addition to the proposed program, previously funded activities include continued construction of the following: Green Line Stations - Pulaski, Garfield, Indiana, and Conservatory Drive; Blue Line Station – Western Avenue. We will complete the Neighborhood Rail Station Improvement Program, that consists of ADA upgrades, relocation of electrical equipment, general station house repair, replacement and repair of stairs and flooring, construction of communication rooms, and installation of audio/visual equipment, where necessary at the following stations: **Blue Line** – O'Hare, Jefferson Park, Montrose, Irving Park, Addison, Logan Square, Western, UIC-Halsted, Kedzie-Homan, and Forest Park; **Red Line** – Loyola, Bryn Mawr, 95th, 87th, 79th, 69th, 63rd, Garfield, 47th, Sox/35th, and Cermak/Chinatown; and **Brown Line** – Merchandise Mart.

Rail - Support Facilities and Equipment

Background: Rail support facilities provide the important function of maintenance, repair and cleaning of the rail car fleet and the rail right-of-way. The cleaning, inspection, and minor repairs performed at terminal shops keep the rail fleet ready for service. Yet many of CTA's rail shops and terminals, where this type of work is accomplished, require upgrading and updating. Facilities and equipment must be kept in a good state of repair if effective and expedient maintenance operations are to occur.

The Proposed Program: The 2000 CIP includes funding of \$1.7 million for rail support facilities and equipment. 5-year funding is \$19.9 million. This program provides funding to upgrade or build car washers at the DesPlaines Shop, Ashland Yard and Rosemont Shop. The

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existing system of car washing at these locations is inefficient, labor intensive and at some locations only permits four-car train sets to be washed. New and upgraded systems will provide additional capacity with a corresponding increase in efficiency and decrease in associated labor costs.

In addition to replacing the car washing systems at the DesPlaines Shop, expansion of that maintenance shop to accommodate eight-car sets is planned, which includes modernizing the shop's electrical service.

Also funded is a study of expanding of 98th Shop. Alternative options for expansion also need to be explored and evaluated since there is limited land at this location. A modern shop facility is required at the south end of the heavily used Red Line. The south end of the Red Line has no indoor washing facility and maintenance capacity is inadequate. also included is the purchase of rail maintenance equipment to upgrade CTA's ability to maintain the rail car fleet at an acceptable level of reliability.

Evaluation:

1. **On-time** performance of train service is dependent on support from maintenance facilities and equipment. Improvements in these areas will enhance on-time performance.
2. **Cleanliness** will be enhanced through additional washing capacity.
3. **Safe-Improved** maintenance facilities will enhance rail safety. Clean rail cars will have a deterrent effect on crime and will enhance safety.
4. **Friendly-** passenger comfort will increase due to better maintained cars.
5. **Encumbering funds** – These projects can all be designed and needed contracts let.
6. **Accomplishment-** These projects will show significant benefits before 2004.
7. **State of Good Repair-** Expanding and upgrading maintenance shop facilities will bring both the facilities and the vehicles they serve to a “state of good repair”.
8. **Equity-** CTA's Blue, Green and Red Line service areas will benefit from cleaner, better maintained rail cars.

Year 2000 Activities: In addition to the proposed program, previously funded activities that continue in 2000 include reconstruction of Skokie Shops rail maintenance facility.

Systemwide – Miscellaneous

Background: In order for the CTA to function effectively and efficiently, computer systems must be modern and up to date. Existing and projected information demands require updated and new applications to process the information required to manage CTA's complex system. The Authority is dependent on computer systems for functions such as scheduling, accounting, payroll, and control of budgets. Various administrative methods of operations throughout the system are in need of new and updated systems to better provide data and information for present and future management decisions.

The automated fare control system is another high technology system that requires updating to keep pace with customer needs. As new opportunities to utilize this system are developed, the hardware and software to make these enhancements must be introduced. Finally, a comprehensive, preventive maintenance and shop control system is required at Skokie Shops and South Shops which would improve daily vehicle maintenance decisions.

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The Proposed Program: The 2000 CIP includes funding of \$27.1 million for this category; 5-year funding is \$163.0 million. This program aims to prepare the CTA to start a new century of service with computer and high technology systems to improve the efficiency and effectiveness of CTA operations.

Automated Fare Control system improvements will continue to provide the CTA with highly accurate revenue, and ridership data, while decreasing operational costs associated with cash handling, cash accounting, and revenue loss. This program provides for the continuing automation of the fare collection system to allow for faster passenger entry and access to the system. This new technology will result in an increase in revenue accountability and revenue security.

Specific automated fare control improvements include new bus fareboxes, expanded availability of fare and vending for bus passengers, and expanded implementation of smart card technology.

Computer system enhancements include replacing of the Authority's financial software system, implementation of a maintenance management information system, and continuing deployment of desktop computers. One improvement with direct customer benefit is a new centralized paratransit reservation, system and dispatching.

Finally, various control center improvements will improve management of CTA operations and speed restoration of service following a disruption.

Evaluation:

1. **On-time** performance will be enhanced with upgraded Control Center technology to address service problems quicker, with less human intervention.
2. **Cleanliness** – Smart Cards will reduce the quantity of paper farecards thus reducing litter at stations and bus stops.
3. **Safety** – will be enhanced by better Control Center response to bus and rail emergency situations.
4. **Friendly** – a centralized paratransit reservation system will reduce user frustration.
5. **Encumbering funds** – These projects can all be designed and contracts let.
6. **Accomplishment** – These projects will show significant benefits before 2004.
7. **State of Good Repair** – Computer systems will be brought up to date.
8. **Equity** – Upgrading various Authority computer systems benefits all bus and rail system users.

Year 2000 Activities: In addition to the proposed program, previously funded activities include purchase and installation of computer hardware and software for various departments; purchase and installation of communication systems and associated hardware and software; development and implementation of a General Manager Enterprise Management Support Systems (GEMSS) to collect and evaluate service data; development of a Information System Corporate Strategy plan and implementation of a Law Department Management System. Also included is the development and implementation of a Transit Scheduling System and Rail/Pick Timekeeping System; and installation of off-site automated farecard vending machines. Purchase and installation of farecard point-of-sale devices throughout the CTA service area is also ongoing.

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Systemwide – Support Facilities and Equipment

Background: In order for CTA to maintain its infrastructure and rolling stock, it must have functioning support facilities, equipment, and non-revenue vehicles. Many of the CTA's support facilities, and much of the equipment, and non-revenue vehicles are aged, obsolete and require replacement.

The Proposed Program: The 2000 CIP includes funding of \$10.6 million for facilities support and equipment projects; 5-year funding is \$35.0 million. The program includes annual funding to support: the purchase of needed facilities maintenance equipment; a modest roof renewal program; a facilities improvement program including improvements to the Merchandise Mart offices and the replacement of non-revenue vehicles such as equipment trucks and supervisory vehicles, on an annual bases.

Evaluation:

1. **On-Time** performance will be enhanced through better facilities, tools and equipment that are used to service rolling stock and CTA facilities that provide service to the public.
2. **Cleanliness** will be improved because of new and efficient maintenance equipment and facilities improvements.
3. **Safety** will be enhanced for both passengers and employees through the use of new tools, equipment and non-revenue vehicles.
4. **Friendly** – The projects in the category support staff efforts to provide efficient, friendly service.
5. **Encumbering funds** – These projects can be designed and needed contracts let.
6. **Accomplishment** – These projects will show significant benefits before 2004.
7. **State of Good Repair** – Replacing tools, equipment and non-revenue vehicles on a regular basis and performing necessary facility repairs will improve the overall condition of our assets and bring the system closer to a state of good repair”.
8. **Equity** – CTA's entire service area will benefit from the above mentioned projects.

Year 2000 Activities: In addition to the proposed program, previously funded activities include the purchase, inspection and placing into service of a variety of maintenance equipment and non-revenue vehicles.

Deobligated/Reobligated

Background: CTA continually evaluates its funded program to identify excess funds that can be redirected to current program needs. This effort in most cases requires that funds be deobligated from current contracts and reobligated to current projects.

The Proposed Program: In FY 1997, CTA funded a project, Rehabilitate Rail Lines; to support that year's budgeted activities. Unspent funds remaining from that year's project, in combination with associated excess contingency funds, totaling \$3.7 million are being reprogrammed to support reconstruction of Garfield Station on the Green Line.

Evaluation:

1. **On-Time** - Improved Garfield Station layout will provide for more timely passenger flow through the station.

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2. **Cleanliness** will be improved by the station's renewal.
3. **Safety** will be enhanced by having a new station. Improved station layout and lighting will deter crime.
4. **Friendly** – Passenger accommodations will be more comfortable and modern. Full accessibility will be provided.
5. **Encumbering funds** – Singular projects can be designed and needed contracts let.
6. **Accomplishment** – This project will be completed before 2004.
7. **State of Good Repair** – Replacing Garfield station will promote a state of good repair of our system.
8. **Equity** – Garfield Station is located within the South Side Empowerment Zone. Investment in this station may promote surrounding economic development.

CTA's Capital Investment Needs versus Projected Funding

How well does CTA's proposed Capital Improvement Program meet the goal of putting its system in a state of good repair?

Staff estimates that CTA should program \$4.1 billion between 2000 and 2004, to address all capital investment needs that are within our capacity. However, only \$2.75 billion is projected to be available from federal and state sources, a mere 67% of the needed investment.

The majority of these funds are from federal sources under *TEA-21*, but State and local sources are nearly as large. Still, the funding gap is considerable. Some of the needs that will not be addressed are:

Bus - Rolling Stock

Replacing 490 TMC buses that were purchased in 1991, and will be 13 years of age in 2004 would require additional capital funding of \$132.0 million. Instead we are undertaking life-extending rehabilitation of these buses so that they are operable until they can be replaced.

Bus – Stations and Passenger Facilities

In order to continue meeting our commitment of providing shelter for bus passengers in inclement weather, approximately \$13.8 million in capital funding is required to continue the rehabilitation and installation of an additional 1,700 bus passenger shelters, systemwide.

Bus – Support Facilities and Equipment

Approximately \$59.8 million in additional capital funding is required for bus support facilities and equipment. Under this category, FY 2000 – 2004 capital funding will provide for the design and replacement of one over-aged garage. However, CTA operates eight garages for buses. Four garages will be over 50 years old in 2003, and two will be over 90 years old. At least one additional garage should be replaced in the next five years, but funding is inadequate to do so.

Rail - Acquisition/Extension

\$98.6 million in additional capital funding is required to complete reconstruction and capacity expansion of the Ravenswood Brown Line beyond funding provided in the FY 2000-2004 Program. Based on the project's staging, these funds may not be needed until 2005-2006.

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Rail - Miscellaneous

Approximately \$192.8 million in additional capital funding is required to purchase and install safety equipment in the State Street and Dearborn Subways and to complete purchase and implementation of the Rail Service Management System. These items have been deferred to the next Five Year Program cycle (FY2005-2009).

Rail – Power and Way, Electric, Signal, Communication

The projects under this category are very important to the safe and on-time operation of the system. Approximately \$52.5 million in additional capital funding is required to complete the renovation of substations and associated equipment, for contact rail heaters, and for the replacement of the Tower 18 signal system.

Rail – Power and Way, Track and Structure

Rail track and structure deteriorates with usage and over time. If the track and structure is not maintained, slow zones must be implemented in order to ensure safety. Under this category there is an unfunded capital need of approximately \$268.7 million. Unfunded or under funded projects include the following: complete the rehabilitation of viaducts and retaining walls on the Evanston/Purple Line; complete the replacement and rehabilitation of concrete structures and stations on the North Main Line; replacement of ties in the State Street Subway; additional footwalk renewal, systemwide; track replacement at Ashland Yard and replacement of special trackwork, both on the Englewood/Green Line; track and tie renewal on the Dan Ryan/Red Line; and protective coating on the Loop and South Loop connector.

Rail – Rolling Stock

No additional capital funding is required under this category for new car purchases because the entire rail car fleet of 1,190 will be either overhauled or rehabilitated to extend their service life under the proposed FY 2000 – 2004 CIP. Planned under this category are ¼-life overhaul on the 2400 and 3200 Series rail cars, mid-life rehabilitation of the 2600 Series rail car, and replacement of the 2200 Series rail car.

Rail – Stations and Passenger Facilities

Sufficient funds are not available to address all capital funding needs associated with this category. A critical funding need of approximately \$251.2 million exists for the additional reconstruction of one station on the Howard/Red Line, three stations on the Dan Ryan/Red Line, two stations on the O'Hare/Blue Line, one station on the Congress/Blue Line, and one station on the Evanston/Purple Line. Additional funding is also required for the installation of bus-holding lights, station lighting, tactile edging, and audio-visual signage at rail stations.

Rail – Support Facilities and Equipment

If rail maintenance facilities and equipment are old, in poor condition, and obsolete, the cost of maintaining our vehicles will be high and the quality will suffer. Under this category there exists an unfunded need of approximately \$158.7 million. Unfunded capital projects include the expansion of 98th Shop, reconstruction of West Shops and a rail maintenance vehicle shop at 61st-63rd on the Green Line. Rail car washing equipment upgrades are required at Howard Shop and Harlem yard. Addressing these capital funding needs would allow the CTA to better maintain its infrastructure and vehicles.

The 2000-2004 Capital Improvement Program

Systemwide – Miscellaneous

Approximately \$131.3 million additional capital funding is required under this category to continue implementing Control Center projects, fiber optics and various fare control system enhancements.

Systemwide – Support facilities and Equipment

Additional capital funding of approximately \$45.7 is required under this category for the purchase of additional non-revenue vehicles that help maintain buses, railcars, facilities and right-of-way, and for the rehabilitation or replacement of the general office facilities. The recommended program resolves many problems, but the indicated additional funds would be needed to attain a state of good repair by 2004.

Looking Ahead

Much of CTA's physical plant was built before World War I, and most of the rest between 1940 and 1970. We continue to operate on rail structure over 100 years old. Prior to 1972, CTA and the private companies that preceded it chronically underfunded capital reinvestment. Significant amounts of Federal and State capital grant funds became available starting in 1972, and to date over \$4.0 billion in grants have been received. These funds have been enormously important to allow CTA to continue to meet the service requirements of its riders, but advancing age and usage of very old facilities is pushing our reinvestment needs faster than current funding programs can solve.

In 1998 and 1999, the federal and state governments authorized significant increases in public transportation funding. These programs expire at the end of 2003 (federal) and 2004 (state). CTA's success in these programs was dependent on critical support from Mayor Daley, members of the Chicago City Council, and our Congressional and General Assembly delegations. With their support, the CTA took the first step to secure New Start funding to rehabilitate the Douglas Branch, now the most deteriorated portion of our system, as well as to serve the burgeoning North Side communities by expanding the passenger capacity of Brown Line Stations. They also helped secure the state funds needed to match the enlarged federal program.

It is now up to CTA, along with Metra and Pace, to put their capital funds to work, most importantly to improve service to the riding public and the communities we serve, but also to firmly establish that public investment in transit is wise. We will spend these sums on **good projects**, which we will complete in a **timely manner**, and thereby demonstrate that **TEA-21 and Illinois FIRST** should be renewed, at even higher funding levels, before they expire.

APPENDICES



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

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Creation of Agency

Transit in Chicago: The first 100 years

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

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

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

Chicago Surface Lines

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

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

Chicago Motor Coach Company

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

Chicago Rapid Transit Company

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

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

Massive Modernization by CTA

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

Chicago Transit Authority Transit Facts

Creation of CTA

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

CTA Governance

- The CTA's governing arm is the Chicago Transit Board, which consists of seven members: The Mayor of Chicago appoints four, subject to approval by the City Council and the Governor. The Governor, subject to approval of the State Senate and the Mayor of Chicago appoints three.
- In 1974, the Regional Transportation Authority (RTA) was created by state legislation. The RTA serves as CTA's fiscal oversight agency.

Service Area & Population

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

Ridership

- 440.0 million trips projected in 2000.
- Over 1.4 million trips per weekday.

Bus Service

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

Train Service

- 1,190 train cars make over 1,900 weekday trips on 7 routes.
- There are 289 miles of track, including yard track, with 142 stations.

Paratransit Service

- The CTA contracts with four carriers and nineteen taxicab companies that provide door-to-door service for riders with disabilities.
 - 1,135,746 trips projected in 2000.
-

FUNDING SOURCES & ALLOCATION

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

Sales Tax Revenue

RTA has authority to levy a sales tax (3/4% in Cook County, 1/4% in the five collar counties) and a tax on automobile rentals. At this time, RTA has levied only the sales tax. In addition, the RTA receives from the Occupation and Use Tax Replacement Fund, a sum equal to the amount generated by a 1/4% sales tax in Cook County.

The 2000 budget for sales tax revenue for the Region is \$629.0 million. Sales tax revenue is distributed by legislative formula per the RTA Act. The first fifteen percent is allocated to RTA to fund RTA's budget. The remaining 85% is distributed by formula as follows:

Chicago Tax Revenue:	100% to CTA
Suburban Cook Tax Revenue:	55% to Commuter Rail 30% to CTA 15% to Suburban Bus
Collar County Tax Revenue	70% to Commuter Rail 30% to Suburban Bus

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

Federal Assistance (Federal Transit Administration)

RTA is the region's recipient of federal assistance which previously included both operating and capital funds. RTA's 2000 budget for federal funds is \$404.9 million, none of which is allocated for operating purposes. Capital funds are allocated based on the approved capital program.

State Assistance

The State of Illinois also provides both operating and capital funds to the RTA. The operating funds come from the State's Public Transportation Fund (PTF) which is provided each month in an amount equal to 25% of the net revenue realized from the RTA sales tax. RTA has the option to use PTF funds for capital purposes if it so desires. RTA's 2000 Budget includes \$157.9 million in PTF funds. PTF funds are allocated among the Service Boards based on RTA's discretion. RTA must adopt a balanced budget reflecting at least a 50% revenue recovery ratio before it can receive the State PTF funds.

The capital funds from the State overwhelmingly come from the proceeds of Transportation Bonds; a small amount of General Revenue Funds (GFR) are also available. These are limited to capital purposes. They are primarily used for the local share of federally-funded capital projects and they are approved on a

project-specific basis. RTA's 2000 Budget includes \$ 76.0 million in state bond proceeds, and \$4.0 million in General Revenue Funds.

Operating funds in the form of Additional State Assistance (ASA) are provided in the budget as well as reimbursements for reduced fare. The RTA 2000 budget includes \$ 44.5 million for ASA and \$40.0 million for reduced fare reimbursements. The reduced fare reimbursements are allocated to the three service boards based on reduced fare ridership.

Interest Earnings/Other

This source represents earnings on funds not required for immediate use or disbursement. The vast majority of these funds are invested in certain obligations of the United States Government and its agencies. The RTA's 2000 budget for interest earnings and other is \$16.0 million.

Service Board Fund Balance

Service Boards are funded to their approved budget levels. If they require less funding during the year, this difference goes into their fund balance. This fund balance may be used for other projects or to fund operating expenses in future years. In 2000 CTA will use \$8.7 million of its fund balance for capital projects.

Capital Financing

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

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

Through the passage of **Illinois FIRST**-a Fund for Infrastructure, Roads, Schools and Transit, (a five year public works program)-CTA secured the local matching funds necessary to obtain federal funding through TEA-21. Transit was allocated \$4.1 billion dollars for bus, rail, and other mass transit infrastructure needs in Northeastern Illinois and other cities with established transit districts. CTA expects to receive almost \$2.8 billion from both state and federal sources to spend on capital needs.

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

- Section 3008, "New Clean Fuels" authorizes funds for purchase or lease of clean fuel vehicles and related facilities, to improve existing facilities for clean fuel buses, and to repower, retrofit, or rebuild pre-1993 engines under certain conditions.
- Section 3037, "Job Access and Reverse Commute Grants" authorizes grants for both reverse commute

projects, defined as transportation for suburban job opportunities along with transportation to welfare recipients (individuals who receive or received aid under a State program funded under part A of Title IV of the Social Security Act) and eligible low-income individuals (those with family incomes at or below 150% of the poverty line).

Section 5309, "Capital Investment Program" authorizes grants for Fixed Guideway Modernization projects, with funds allocated by statutory formula, and Bus projects, which are at the discretion of FTA, within the levels authorized and appropriated by Congress. Congress often earmarks Bus funds, thereby reducing FTA discretion. Finally, New Starts are authorized in this section, with annual Congressional appropriation and allocation to special projects.

- Section 5307, "Urbanized Area Formula Program" authorizes grants for any capital, operating or planning purpose (with operating use subject to a cap). Funds are allocated by statutory formula, to all qualifying urbanized areas in the country, with the amount based on Congressional authorization and appropriation. The FTA program also includes two new sources of funds, authorized in late 1991 under the Intermodal Surface Transportation Efficiency Act (ISTEA). These are:
 - The Surface Transportation Program (STP), funded from the Highway Trust Fund, but with local flexibility to fund either transit or highway projects. Programming decisions are made by IDOT and local municipalities. CTA has never directly received STP funds.
 - The Congestion Mitigation and Air Quality Improvement Program (CMAQ), to fund transit, highway, or non-traditional projects with the specific intent to improve the Chicago region's air quality. Programming decisions are made by the Chicago Area Transportation Study (CATS) and IDOT. CTA has been successful in pursuing CMAQ funds, having received over \$51.0 million from 1992 to 1998.

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

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

Procedures

Each year, the local agencies involved in public transportation grant programs (primarily the City of Chicago, RTA and the three service boards - CTA, Metra and Pace) estimate the availability of Federal, State and local capital grant funds for the next five years, and how funds should be allocated among the agencies. (For example, CTA is allocated 50% of the \$1.3 billion in SCIP debt capacity authorized in Illinois FIRST, and is usually allocated 58% of FTA, RTA Discretionary and IDOT funding.) Each agency then develops a capital program to use the expected funds to the best advantage. Precise allocations of FTA/IDOT/RTA funds for 2000 are still subject to adjustment based on final agreements in this area as well as pending decisions regarding CMAQ and STP (flexible) funds. The funding marks used in this document are the best presently available.

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

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

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

THE ANNUAL BUDGET PROCESS

The Budget & Financial Plan Process

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

Budget Development

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

The RTA's sales tax forecast is based on the most recent Sales Tax Revenue estimate provided by the State Bureau of the Budget (BOB). The BOB is required to submit to the Regional Transportation Authority by July 1 of each year an estimate of Sales Tax Revenues to be received by the CTA (Authority) for the next fiscal year. The RTA uses this estimate and the sales tax growth rates as provided by WEFA to prepare the annual budget funding "Mark" and to estimate sales tax for the two years of the financial plan.

Budget Adoption

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

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

Budget Execution & Administration

After the proposed budget and financial plan are adopted, the budget execution and administration phase begins. Detailed budgets of revenues and expenses calendarized for the 12 months of the budget year are forwarded to the RTA. The Authority's actual monthly financial performance is measured against the monthly budget and reported to the RTA Board.

Amendment Process

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

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

If the Authority submits a revised financial plan and budget which show the Marks will be met within a four quarter period, then the RTA Board shall continue to release funds.

ACCOUNTING SYSTEM & BUDGETARY CONTROL

The Chicago Transit Authority ("CTA") was formed in 1945 pursuant to the Metropolitan Transportation Authority Act passed by the Illinois Legislature. The CTA was established as an independent governmental agency (an Illinois municipal corporation) "separate and apart from all other government agencies" to consolidate Chicago's public and private mass transit carriers.

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

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

In 1995 the CTA changed its financial reporting to a calendar year. Prior to 1995, the CTA operated on a 52 week fiscal year composed of four quarters of "four week, four week, and five week" periods. Periodically a 53-week fiscal year was required to keep the fiscal year aligned with the calendar.

Management of the Authority is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the Authority are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived, and that the evaluation of cost and benefits requires estimates and judgments by management.

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

As a recipient of federal, state, and RTA financial assistance, the Authority is also responsible for ensuring that the internal control system is adequate to ensure compliance with applicable laws and regulations related to those programs. This internal control system is subject to periodic evaluation by management and the internal audit staff of the Authority, as well as an annual audit by an independent accounting firm.

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

The Metropolitan Transportation Authority Act requires that no maintenance in excess of budget be made without approval of the Chicago Transit Board.

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

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

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

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

HISTORICAL FINANCIAL SUMMARY

	1999 Projected	1998 Actual	1997 Actual	1996 Actual	1995 Actual	1994 Actual	1993 Actual	1992 Actual	1991 Actual	1990 Actual
OPERATING EXPENSES (IN MILLIONS)										
Labor	586.0	575.4	573.7	570.2	541.2	550.0	573.3	563.6	543.2	528.2
Material	70.0	73.3	50.8	57.3	66.9	70.1	61.5	63.3	63.2	66.8
Fuel -- Revenue Equipment	11.5	11.1	15.1	17.5	14.8	15.9	15.5	15.7	16.7	18.8
Electric Power-Revenue Equipment	17.5	20.8	23.6	23.5	20.6	17.3	21.3	21.3	22.2	20.0
Provision for Injuries & Damages	31.0	42.0	32.1	30.0	30.0	34.1	27.4	22.4	66.3	22.4
Passenger Security	19.4	2.6	2.6	2.6	2.9	15.1	11.3	10.4	11.7	9.8
Paratransit	27.1	27.1	26.1	24.9	23.3	21.4	18.6	16.7	14.9	13.8
All Other Expenses	40.5	62.1	57.0	44.0	49.7	41.2	31.9	37.5	29.7	37.3
	803.0	814.4	781.0	770.0	749.4	765.1	760.8	750.9	767.9	717.1
SYSTEM GENERATED REVENUE (IN MILLIONS)										
Fares / Passes	365.5	363.5	360.3	357.1	341.9	363.6	355.0	352.3	321.2	335.6
Reduced Fare Reimbursements	16.9	17.4	17.0	17.3	19.3	21.6	20.4	24.5	31.5	34.1
Other	35.8	68.4	30.0	26.8	31.9	18.4	17.9	16.3	18.6	19.5
	418.2	449.3	407.3	401.2	393.1	403.6	393.3	393.1	371.3	389.2
PUBLIC FUNDING REQUIRED FOR OPERATIONS (IN MILLIONS)										
Operating Deficit	384.8	365.1	373.5	368.8	356.3	361.5	367.5	357.8	396.6	327.9
Loan Payment RTA	-	-	3.7	3.7	3.7	10.0	-	-	-	-
Damage Reserve Plan Payment	-	-	-	-	5.0	5.0	5.0	-	-	-
	384.8	365.1	377.2	372.5	365.0	376.5	372.5	357.8	396.6	327.9
PASSENGER TRIPS (IN MILLIONS)										
Bus	299.8	291.7	289.3	303.3	307.3	332.7	327.8	371.3	393.1	422.1
Rail	136.9	132.4	129.9	124.1	119.3	122.9	118.2	120.0	134.9	146.3
	436.7	424.1	419.2	427.4	426.6	455.6	446.0	491.3	528.0	568.4
VEHICLE MILES (IN MILLIONS)										
Bus	65.9	64.9	69.0	70.8	72.3	73.1	73.3	74.2	74.0	74.0
Rail	53.7	53.3	51.2	48.4	45.6	50.9	56.4	55.3	56.5	54.8
	119.6	118.2	120.2	119.2	117.9	124.0	129.7	129.5	130.5	128.8
ACTIVE PASSENGER EQUIPMENT										
Bus	1,878	1,872	1,961	1,976	2,041	2,079	2,081	2,170	2,170	2,170
Rail	1,190	1,160	1,152	1,152	1,192	1,230	1,236	1,204	1,214	1,216
	3,068	3,032	3,113	3,128	3,233	3,309	3,317	3,374	3,384	3,386

HISTORICAL FINANCIAL SUMMARY

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
	Projected	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
FARE STRUCTURE (AT YEAR END)										
Full Fare	1.50	1.50	1.50	1.50	1.50	1.25 ²	1.25 ²	1.25 ²	1.20 ²	1.00 ²
Bus	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.25	1.25
Rail										
Children, Students, Elderly & Handicapped	0.75	0.75	0.75	0.75	0.60	0.60 ³	0.60 ³	0.55 ³	0.40 ³	0.40 ³
Bus	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.65	0.45	0.45
Rail	0.30	0.30	0.30	0.30	0.25	0.30	0.30	0.30	0.25	0.25
Transfer Charge - Full Fare	0.15	0.15	0.15	0.15	0.10	0.15	0.15	0.15	0.15	0.15
Transfer Charge - Reduced Fare										
NUMBER OF EMPLOYEES (AT YEAR END) (IN THOUSANDS) ³	11.2	11.3	11.4	12.6	12.6	12.8	13.0	13.1	13.1	13.0
OPERATING LABOR HOURS (IN MILLIONS)	20.2	20.1	20.9	20.8	20.7	21.6	21.9	22.3	23.2	23.6
TOP BUS OPERATOR HOURLY WAGE RATE (AT YEAR END)	20.01	19.19	18.72	18.35	18.35	17.60	17.30	17.00	15.90	14.95

Footnotes

1 For purposes of comparison, all years have been converted to a basis of 364 days except 1996 which has 366 days.

2 Fare is during non-peak hours. During peak hours, fare is same as rail fare.

3 Includes part-time employees.

2000 OPERATING BUDGET STATISTICS SUMMARY

The following summarizes some of the key highlights of the FY2000 operating statistics for Bus and Rail Operations, as well as, other areas within the CTA.

MAINLINE SERVICE

In FY2000, CTA expects ridership to continue on an upward trend. Average weekday daily ridership, Saturday, and Sunday for both bus and rail are estimated to increase by 1.2% from the 1999 Projection.

Bus and rail vehicle miles are estimated to increase by 0.3% and 0.7%, respectively, from the 1999 projection as a result of CTA implementing the new service standards and some new service. At the same time, Bus passenger trips per vehicle mile are expected to increase by 0.4% to 4.56 trips per mile. Rail passenger trips per vehicle mile are projected to decrease by 0.3% to 2.54.

For FY2000, Bus STO hours are projected to increase by 0.9%, while Bus miles per STO hour will approximate 1999 at 8.7. Rail STO hours are forecast to decline by 2.7%, however, rail miles per STO hour should increase 3.5%. The lower rail STO hours are due to achievement of some operating efficiencies in FY 2000. Bus trips per STO hour will approximate 1999 at 39.6 and rail trips per STO should increase by 3.5%.

The Bus Division operates 131 bus routes with 12,200 bus stops. The Rail Division operates seven routes with 142 rapid transit stations. The number of ADA Accessible Stations are unchanged at 50.

The average fare per trip in FY2000 approximates the 1999 projection at \$0.84 per trip.

EXPENSES

In FY2000, total operating hours are estimated to decrease 0.2%, while total non-operating hours are estimated to increase 6.9%. Bus operating expense per mile is projected to increase 2.0% to \$5.41 per mile and operating expense per trip is estimated to increase 1.7% to \$1.19 per trip. At the same time, rail operating expense per mile is projected to decrease by 3.7% to \$2.79 per mile, while operating expense per trip is estimated to decline by 3.5% to \$1.10 per trip. The change in bus and rail is due to the increase in wage rates and health insurance costs. Rail expense per trip declines due to a combination of ridership growth and operating efficiencies

On December 31, 1999 CTA's collective bargaining agreement will expire. CTA and the Unions representing its employees are negotiating a new collective bargaining agreement. The top operator rate for FY2000 will be negotiated. Bus Operator labor expense is estimated to increase 2.8% to \$3.22 per mile. However, Rail STO labor expense per mile is expected to decrease by 6.7% to \$1.39 per mile.

The cost of maintaining vehicles are estimated to increase in FY2000 -- bus maintenance expense per mile increases by 1.4% to \$2.15 per mile and rail maintenance expense per mile increases by 4.2% to \$1.24.

Capital expenditures for FY2000 are forecast at \$226.9 million, an increase of 24% from 1999 projected. The number of Capital Job Orders will increase to 740.

SECURITY

Security expense per Mile is forecast to increase 11% and security expense per trip will approximate 1999 at \$0.05 in FY2000.

PARATRANSIT OPERATIONS

For FY2000, Paratransit expense is estimated at \$27.4 million, a 1.1% increase over the 1999 projected. Average cost per trip in FY2000 is estimated to decrease to \$24.17 per trip, a decrease of 3.4%. The number of Paratransit trips provided is estimated at 1,038,278 and TAP trips are estimated at 97,468.

Operating Statistics

SERVICE	1996 ACTUAL	1997 ACTUAL	1998 ACTUAL	1999 PROJECTED	2000 BUDGET
Average Daily Ridership					
Weekday	1,388,608	1,369,813	1,379,919	1,433,295	1,450,497
Saturday	810,500	785,107	804,884	796,705	806,265
Sunday	511,100	501,415	508,618	511,312	517,448
Passenger Trips:					
Bus	303,267,000	289,252,527	291,740,232	299,755,445	302,232,205
Rail	124,052,906	129,957,253	132,390,362	136,898,470	137,767,795
Total	427,319,906	419,209,780	424,130,594	436,653,915	440,000,000
Vehicle Miles:					
Bus	70,844,700	69,008,700	64,888,800	65,987,530	66,244,291
Rail	48,363,400	51,193,200	53,341,800	53,782,510	54,201,051
Total	119,208,100	120,201,900	118,230,600	119,770,041	120,445,342
Passenger Trips per Vehicle Mile:					
Bus	4.28	4.19	4.50	4.54	4.56
Rail	2.57	2.54	2.48	2.55	2.54
Vehicles Required for Service:					
Annual Average Number of Buses	1,610	1,610	1,533	1,559	1,600
Annual Average Number of Rail Cars	910	910	926	926	926
Vehicles Owned by CTA (at Fall Fleet Assignment):					
Number of Buses	1,976	1,961	1,874	1,878	1,878
Number of Rail Cars	1,162	1,152	1,180	1,190	1,192
Miles per Average Vehicles Required:					
Bus	44,003	42,863	42,328	42,327	41,403
Rail	53,147	56,256	57,605	58,080	58,532
Average Age of Vehicles (at year end):					
Buses	6.4 years	7.4 years	8.6 years	9.3 years	8.5 years
Rail Cars	13.1 years	13.6 years	15 years	16 years	17 years
STO Hours:					
Bus	8,014,330	7,904,801	7,474,130	7,567,420	7,638,240
Rail and Agents	3,504,587	3,414,799	2,779,528	2,713,574	2,638,325
Miles per STO Hour:					
Bus	8.8	8.7	8.7	8.7	8.7
Rail and Agents	13.8	14.6	19.2	19.8	20.5
Trips per STO Hours:					
Bus	38.2	36.6	39.0	39.6	39.6
Rail and Agents	36.4	38.1	47.6	50.4	52.2

Operating Statistics

	1996 ACTUAL	1997 ACTUAL	1998 ACTUAL	1999 PROJECTED	2000 BUDGET
BUS OPERATIONS					
Number of:					
Runs Scheduled	1,101,314	1,080,800	1,102,680	1,114,560	N/A
Runs Filled	1,082,536	1,038,859	1,090,551	1,106,758	N/A
Road Calls	20,630	18,355	17,158	18,000	N/A
Bus Routes	140	139	129	131	131
Bus Stops	12,800	12,800	12,210	12,200	12,200
Passenger Trips per Bus Stop	23,693	22,598	23,894	24,570	24,773
RAIL OPERATIONS					
Number of:					
Rail Routes	7	7	7	7	7
Rapid Transit Stations	118	140	140	140	142
Passenger Trips per Station	1,051,296	928,266	945,645	977,846	970,196
ADA Accessible Stations	30	50	50	50	50
* Note: Change in reporting from runs to trips					
EXPENSES					
Operating Hours	20,766,943	20,975,101	20,064,947	20,227,218	20,191,753
Non-Operating Hours	2,129,733	1,583,660	1,076,555	1,032,145	1,103,867
Top Operator Pay	\$18.35	\$18.72	\$19.19	\$20.01	N/A
Operating Expense per Mile					
Bus Operations	\$4.92	\$4.96	\$5.14	\$5.30	\$5.41
Rail Operations	\$3.42	\$2.19	\$2.74	\$2.90	\$2.79
Operating Expense per Trip					
Bus	\$1.15	\$1.18	\$1.14	\$1.17	\$1.19
Rail	\$1.33	\$1.16	\$1.10	\$1.14	\$1.10
	139,564,059				
Bus Operator Labor Exp. per Mile	\$2.92	\$2.96	\$3.02	\$3.13	\$3.22
Bus Maintenance Exp. per Mile	\$1.97	\$1.96	\$2.08	\$2.12	\$2.15
Bus Maintenance Exp. per Vehicle	\$70,629.58	\$68,973.51	\$72,021.72	\$74,582.27	\$75,923.14
Number of Buses Overhauled	0	0	120	150	500
Rail STO Labor Expense per Mile	\$1.80	\$1.71	\$1.39	\$1.49	\$1.39
Rail Maintenance Expense per Mile	\$1.41	\$1.21	\$1.30	\$1.19	\$1.24
Rail Maintenance Expense per Vehicle	\$58,558.05	\$53,776.63	\$58,766.39	\$53,593.17	\$56,322.79
Number of Rail Cars Rehabbed	2	0	0	130	170
Capital Expenditures	\$317,574,868	\$186,128,738	\$131,905,855	\$182,703,946	\$226,999,999
No. of Capital Job Orders in Progress	814	818	647	694	740
REVENUE					
Average Fare per Trip	\$0.83	\$0.86	\$0.86	\$0.84	\$0.84
Public Funding per Trip	\$0.87	\$0.88	\$0.86	\$0.88	\$0.91
SAFETY					
Accidents per 100,000 Miles (Vehicle and Passenger):					
Bus	5.43	6.39	6.71	6.71	6.65
Rail	0.19	0.28	0.26	0.26	0.26

Operating Statistics

	1996 ACTUAL	1997 ACTUAL	1998 ACTUAL	1999 PROJECTED	2000 BUDGET
SECURITY					
Security Expense per Mile	\$0.11	\$0.13	\$0.16	\$0.17	\$0.19
Security Expense per Trip	\$0.03	\$0.04	\$0.04	\$0.05	\$0.05
PARATRANSIT					
Number of Trips Provided By:					
Paratransit	1,053,186	1,097,584	1,103,486	1,064,322	1,038,278
Taxi	116,860	86,533	70,311	102,421	97,468
Number of Routes Offering Mainline Lift Service					
	75	75	75	75	75
Total Paratransit Expense	\$24,943,743	\$26,072,496	\$27,069,066	\$27,060,000	\$27,360,000
Average Cost per Trip	\$21.32	\$22.02	\$23.06	\$25.03	\$24.17

COMPARATIVE PERFORMANCE ANALYSIS

The following profiles operating data for the CTA and seven other comparable transit agencies, using statistics published by the Federal Transit Administration (FTA) in its National Transit Database.

The information compiled is for fiscal years ending in calendar year 1997, that is the latest year for which published data are available. Also shown is the five-year history of the CTA's performance using the same measures as in the comparison with other transit systems.

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

PEER COMPARISON

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

FINANCIAL

The CTA performed well in the financial area. Efficiency measured in terms of cost per vehicle mile and vehicle hour was substantially more favorable than the average peer group: 7.69% lower on a per mile basis and 18.76% lower on a vehicle hour basis. In terms of effectiveness, CTA's cost was 8.17% higher per passenger than the peer group, but CTA's revenue per passenger was 19.46% higher than the group's average. CTA recovered 45.48% of its operating cost from fare revenue, compared to an average of 41.78% for the group.

OPERATIONS

About 62.4% of all CTA employees were directly involved in transportation service at the end of 1997. This was higher than the 58.2% average for the comparison group. The CTA's safety record is approximately 2.85 accidents per 100,000 miles, slightly higher than the peer group average of 2.68 accidents per 100,000 miles.

In 1997, 88.3% of CTA's operators' salaries paid were for productive platform time. CTA's revenue hours per transportation employee were 2.2% more than the average. Total miles per active revenue vehicle were below the peer group average by 8.05%.

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

MAINTENANCE

Maintenance employees accounted for 30.7% of CTA total employees; this is below the group average of 35.2%. CTA's maintenance cost per vehicle mile was below the group average by \$.20 per mile, or 13.52% lower than the group average. Vehicle miles per maintenance employee was lower than the group average by 1.93%.

ADMINISTRATION

Active revenue vehicles per administration employee averaged 4.26 at the end of 1997, compared to only 2.79 in the comparison group. Miles and revenue per administrative employee were above the peer group average by 45.7% and 41.2% respectively, while passengers to administrative employee ratio was also above the average by 19.1%.

CTA'S FIVE YEAR PERFORMANCE

For all transportation modes, CTA has been fairly consistent over the last five years. Service over the time frame has remained relatively stable. The fleet size has averaged about 3,203 vehicles. Platform time, as a percent of operators' wages, increased 0.21 percentage points since 1993. Maintenance cost per vehicle mile has only increased 0.08% since 1993 and 1996.

The less favorable ratios in the analysis are related to ridership. A reduction in passengers from 1993-1997 and increased operating costs resulted in a 10.59% increase in cost per passenger. As a result, fare revenue per passenger has increased to offset the ridership cost.

Comparative Performance Analysis

	CTA		Group Ave.*	CTA vs. Group Ave.	COMPARISON GROUP						MUNI	MARTA	
	CTA	Ave.*			NYCTA	SEFTA	WMATA	MBTA	LACMTA	999			
ALL MODES													
VEHICLES													
Active revenue vehicles	3,074	2,852		7.77%	9,657	2,330	2,070	1,610	2,282	999	1,019		
Available for maximum service (owned)	3,318	3,144		5.54%	9,760	2,706	2,113	2,430	2,775	1,052	1,170		
FINANCIAL													
Efficiency													
1. Cost per vehicle mile	\$6.57	\$7.12		-7.69%	\$7.09	\$7.62	\$7.10	\$6.47	\$7.09	\$10.30	\$4.17		
2. Cost per vehicle hour	\$80.10	\$98.60		-18.76%	\$96.39	\$110.01	\$118.37	\$103.64	\$98.91	\$89.31	\$73.56		
Effectiveness													
1. Cost per passenger	\$1.80	\$1.67		8.17%	\$1.32	\$2.10	\$1.89	\$1.73	\$1.88	\$1.25	\$1.49		
2. Revenue per passenger	\$0.82	\$0.69		19.46%	\$0.92	\$0.88	\$0.98	\$0.50	\$0.55	\$0.45	\$0.53		
3. Fare revenue as a % of operating costs	45.48%	41.78%		8.86 p.pis.	69.41%	41.65%	51.87%	28.88%	29.58%	35.72%	35.35%		
OPERATIONS													
Efficiency													
1. Platform time as a % of pay hours	88.31%	0.00%		0 p.pis.	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
2. Transportation employees as a % of total employees	62.44%	58.21%		4.23 p. pis.	68.03%	54.20%	48.69%	48.29%	66.86%	61.48%	59.90%		
3. Revenue hours per transportation employee	1,326	1,298		2.20%	1,339	920	1,238	1,634	1,237	1,314	1,403		
4. Total miles per active rev. vehicle	38,066	41,400		-8.05%	42,574	31,822	40,331	48,064	43,575	25,678	57,755		
5. Peak-to-base vehicle ratio	1.90	1.70		11.71%	1.50	1.72	2.66	1.47	1.43	1.46	1.64		
6. Total accidents per 100,000 miles	2.85	2.68		6.61%	4.24	3.85	3.19	1.92	1.36	3.60	0.59		
Effectiveness													
1. Passengers per revenue vehicle mile	3.69	4.92		-25.06%	5.63	4.06	4.35	3.93	4.45	8.96	3.08		
2. Passengers per revenue vehicle hour	48.58	65.05		-25.33%	78.55	58.09	68.70	64.84	57.16	74.66	53.37		
3. Passengers per employee	41,768	52,142		-19.90%	72,144	35,263	42,604	57,886	48,590	62,056	46,450		
4. Passengers per capita	64.67	84.82		-23.75%	138.08	72.44	95.21	115.19	33.89	59.96	78.96		
MAINTENANCE													
Efficiency													
1. Maintenance employees as a % of total employees	30.69%	35.19%		4.50 p. pis	51.50%	37.20%	41.97%	35.42%	21.88%	30.60%	27.75%		
2. Maintenance cost per vehicle mile	\$1.25	\$1.45		-13.52%	\$1.37	\$1.66	\$1.32	\$1.36	\$1.33	\$2.33	\$0.75		
Effectiveness													
1. Vehicle miles per road call for mechanical failure	6,283	8,936		-29.69%	13,439	3,483	8,999	20,472	2,559	2,623	10,978		
2. Vehicle miles per maintenance employee	37,318	38,054		-1.93%	26,175	26,065	27,257	43,793	58,740	24,664	59,683		
3. Peak vehicle requirement as a % of active rev. vehicles	77.91%	75.63%		2.28 p. pis	77.82%	69.01%	77.00%	71.86%	71.21%	72.07%	74.48%		
ADMINISTRATION													
Efficiency													
1. Active revenue vehicles per admin employee	4.26	2.79		52.33%	3.31	3.12	2.95	1.79	2.55	3.59	2.25		
Effectiveness													
1. Miles per administrative employee	162,004	111,173		45.72%	140,722	99,391	118,941	85,982	110,980	92,275	129,918		
2. Passengers per administrative employee	608,147	510,613		19.10%	758,260	410,018	460,476	355,228	431,346	782,845	376,116		
3. Revenue per administrative employee	\$ 498,559	\$ 353,123		41.19%	\$ 697,279	\$ 357,998	\$ 451,345	\$ 177,771	\$ 239,269	\$ 350,415	\$ 197,783		

Comparative Performance Analysis

	1993	1994	1995	1996	1997	1997 vs. 1993	1997 vs 1996
C.T.A. - ALL MODES							
VEHICLES							
Active revenue vehicles	3,202	3,313	3,258	3,167	3,074	-4.00%	-2.94%
Available for maximum service (owned)	3,317	3,309	3,162	3,420	3,318	0.03%	-2.98%
FINANCIAL							
Efficiency							
1. Cost per vehicle mile	\$6.11	\$6.61	\$6.48	\$6.21	\$6.57	7.60%	5.86%
2. Cost per vehicle hour	\$79.55	\$82.33	\$80.17	\$76.06	\$80.10	0.70%	5.32%
Effectiveness							
1. Cost per passenger	\$1.63	\$1.72	\$1.78	\$1.70	\$1.80	10.59%	6.03%
2. Revenue per passenger	\$0.77	\$0.76	\$0.77	\$0.80	\$0.82	6.47%	2.47%
3. Fare revenue as a % of operating costs	46.92%	44.51%	43.48%	47.12%	45.48%	-1.44 p.pts.	-1.64 p.pts.
OPERATIONS							
Efficiency							
1. Platform time as a % of pay hours	88.10%	88.80%	87.40%	88.40%	88.31%	0.21 p.pts.	-0.09 p.pts.
2. Transportation employees as a % of total employees	58.60%	63.00%	61.40%	59.53%	62.44%	3.84 p.pts.	2.94 p.pts.
3. Revenue hours per transportation employee	1,244	1,308	1,320	1,396	1,326	6.63%	-4.98%
4. Total miles per active rev. vehicle	38,589	36,262	36,110	37,386	38,066	-1.35%	1.82%
5. Peak-to-base vehicle ratio	1.87	1.88	1.86	1.86	1.90	1.41%	1.95%
6. Total accidents per 100,000 miles	2.69	2.97	3.16	2.51	2.85	6.12%	13.72%
Effectiveness							
1. Passengers per revenue vehicle mile	3.8	3.91	3.7	3.69	3.69	-2.90%	0.00%
2. Passengers per revenue vehicle hour	53.17	51.84	48.92	48.81	48.58	-8.64%	-0.48%
3. Passengers per employee	38,729	44,080	41,114	42,152	41,768	7.85%	-0.91%
4. Passengers per capita	68.2	70.04	65.11	65.49	64.67	-5.17%	-1.25%
MAINTENANCE							
Efficiency							
1. Maintenance employees as a % of total employees	32.90%	31.10%	31.50%	32.70%	30.69%	-2.21 p.pts.	-2.01 p.pts.
2. Maintenance cost per vehicle mile	\$1.25	\$1.39	\$1.34	\$1.25	\$1.25	0.08%	0.08%
Effectiveness							
1. Vehicle miles per road call for mechanical failure	6,358	5,094	5,563	6,205	6,283	-1.18%	1.25%
2. Vehicle miles per maintenance employee	31,449	35,743	34,735	35,328	37,318	18.66%	5.63%
3. Peak vehicle requirement as a % of active rev. vehicles	78.17%	74.20%	73.73%	75.50%	77.91%	-0.26 p.pts.	2.41 p.pts.
ADMINISTRATION							
Efficiency							
1. Active revenue vehicles per admin employee	3.12	5.22	4.27	3.87	4.26	36.41%	9.97%
Effectiveness							
1. Miles per administrative employee	120,432	189,457	154,150	144,833	162,004	34.52%	11.86%
2. Passengers per administrative employee	451,456	750,222	579,437	544,122	608,147	34.71%	11.77%
3. Revenue per administrative employee	\$345,505	\$572,869	\$447,521	\$436,478	\$ 498,559	44.30%	14.22%
CPI All Urban Consumers (U.S. city average) ¹	432.7	444	456.5	469.9	480.8	11.12%	2.32%

Comparative Performance Analysis

	1993	1994	1995	1996	1997	1997 vs. 1993	1997 vs 1996
C.T.A. - BUS MODE							
VEHICLES							
Active revenue vehicles	2,072	2,079	2,028	1,975	1,804	-12.93%	-8.66%
Available for maximum service (owned)	2,081	2,079	2,028	1,976	1,882	-9.56%	-4.76%
FINANCIAL							
Efficiency							
1. Cost per vehicle mile	\$6.63	\$6.99	\$6.99	\$6.88	\$7.29	9.93%	5.93%
2. Cost per vehicle hour	\$68.95	\$72.54	\$72.16	\$69.43	\$73.09	6.01%	5.27%
Effectiveness							
1. Cost per passenger	\$1.45	\$1.56	\$1.64	\$1.55	\$1.67	15.41%	7.96%
2. Revenue per passenger	\$0.76	\$0.76	\$0.77	\$0.74	\$0.76	0.64%	3.36%
3. Fare revenue as a % of operating costs	52.48%	49.00%	46.85%	47.44%	45.71%	-6.67 p.pts.	-1.73 p.pts.
OPERATIONS							
Efficiency							
1. Platform time as a % of pay hours	89.40%	90.40%	88.40%	89.70%	89.25%	-0.15 p.pts.	-0.45 p.pts.
2. Transportation employees as a % of total employees	62.90%	66.80%	64.30%	61.90%	66.80%	3.9 p.pts.	4.9 p.pts.
3. Revenue hours per transportation employee	1,377	1,456	1,463	1,553	1,504	9.24%	-3.14%
4. Total miles per active rev. vehicle	34,403	35,567	35,473	34,552	36,609	6.41%	5.95%
5. Peak-to-base vehicle ratio	1.8	1.72	1.68	1.7	1.7	-5.42%	0.15%
6. Total accidents per 100,000 miles	3.66	4.18	4.29	3.71	4.15	13.27%	11.75%
Effectiveness							
1. Passengers per revenue vehicle mile	4.67	4.56	4.33	4.5	4.43	-5.15%	-1.56%
2. Passengers per revenue vehicle hour	48.61	47.49	44.81	45.6	44.57	-8.32%	-2.26%
3. Passengers per employee	42,100	46,189	42,137	43,818	44,784	6.38%	2.21%
4. Passengers per capita	48.09	48.81	45.06	44.48	42.35	-11.94%	-4.79%
MAINTENANCE							
Efficiency							
1. Maintenance employees as a % of total employees	28.10%	27.20%	29.00%	30.80%	26.20%	-1.9 p.pts.	-4.6 p.pts.
2. Maintenance cost per vehicle mile	\$1.47	\$1.52	\$1.57	\$1.48	\$1.59	8.29%	7.56%
Effectiveness							
1. Vehicle miles per road call for mechanical failure	3,668	3,135	3,433	3,615	3,592	-2.07%	-0.63%
2. Vehicle miles per maintenance employee	32,729	37,927	34,172	32,098	39,241	19.90%	22.25%
3. Peak vehicle requirement as a % of active rev vehicles	82.77%	81.72%	81.71%	80.50%	83.76%	0.99 p.pts.	3.26 p.pts.
ADMINISTRATION							
Efficiency							
1. Active revenue vehicles per admin employee	2.96	4.8	4.15	3.93	4.02	35.74%	2.23%
Effectiveness							
1. Miles per administrative employee	101,979	170,809	147,054	135,719	147,088	44.23%	8.38%
2. Passengers per administrative employee	467,319	765,814	625,666	600,865	640,598	37.08%	6.61%
3. Revenue per administrative employee	\$354,995	\$584,869	\$481,742	\$442,952	\$489,964	38.02%	10.61%
CPI All Urban Consumers (U.S. city average) ¹	432.7	444	456.5	469.9	480.8	11.12%	2.32%

Comparative Performance Analysis

	1993	1994	1995	1996	1997	1997 vs. 1993	1997 vs 1996
C.T.A. - RAIL MODE							
VEHICLES							
Active revenue vehicles	1,130	1,234	1,230	1,192	1,190	5.31%	-0.17%
Available for maximum service (owned)	1,236	1,230	1,134	1,152	1,150	-6.96%	-0.17%
FINANCIAL							
Efficiency							
1. Cost per vehicle mile	\$6.15	\$6.48	\$6.18	\$5.74	\$6.09	-0.97%	6.11%
2. Cost per vehicle hour	\$107.09	\$119.71	\$112.52	\$100.92	\$104.64	-2.29%	3.68%
Effectiveness							
1. Cost per passenger	\$2.09	\$2.09	\$2.09	\$2.03	\$2.06	-1.63%	1.27%
2. Revenue per passenger	\$0.79	\$0.76	\$0.78	\$0.80	\$0.82	3.40%	2.11%
3. Fare revenue as a % of operating costs	37.62%	36.64%	37.47%	39.36%	39.73%	2.11 p.pts.	0.37 p.pts.
OPERATIONS							
Efficiency							
1. Platform time as a % of pay hours	82.10%	80.20%	81.70%	81.60%	83.56%	1.46 p.pts.	1.96 p.pts.
2. Transportation employees as a % of total employees	50.50%	55.40%	55.50%	55.10%	55.60%	5.1 p.pts.	0.5 p.pts.
3. Revenue hours per transportation employee	938	953	977	1,064	991	5.69%	-6.82%
4. Total miles per active rev. vehicle	40,710	37,433	37,161	42,082	42,834	5.22%	1.79%
5. Peak-to-base vehicle ratio	2.06	2.39	2.43	2.32	2.4	16.39%	3.35%
6. Total accidents per 100,000 miles	1.56	1.25	1.62	1.06	1.11	-28.70%	4.94%
Effectiveness							
1. Passengers per revenue vehicle mile	2.97	3.14	2.99	2.86	2.98	0.31%	4.17%
2. Passengers per revenue vehicle hour	67.99	75.26	71.62	66.22	66.91	-1.59%	1.04%
3. Passengers per employee	32,223	39,721	38,788	38,831	36,883	14.46%	-5.02%
4. Passengers per capita	19.93	21.14	19.94	20.91	22.23	11.56%	6.33%
MAINTENANCE							
Efficiency							
1. Maintenance employees as a % of total employees	41.70%	39.00%	36.70%	36.30%	37.72%	-3.98 p.pts.	1.42 p.pts.
2. Maintenance cost per vehicle mile	\$1.03	\$1.18	\$0.99	\$0.93	\$0.81	-21.44%	-12.99%
Effectiveness							
1. Vehicle miles per road call for mechanical failure	N/A	N/A	N/A	N/A	212,388	N/A	N/A
2. Vehicle miles per maintenance employee	26,272	32,725	35,671	37,795	33,005	25.63%	-12.67%
3. Peak vehicle requirement as a % of active rev. vehicles	69.73%	61.43%	60.57%	67.30%	70.92%	1.19 p.pts.	3.62 p.pts.
ADMINISTRATION							
Efficiency							
1. Active revenue vehicles per admin employee	3.46	6.13	4.49	3.79	4.35	25.84%	14.89%
Effectiveness							
1. Miles per administrative employee	140,680	229,582	166,819	159,396	186,509	32.58%	17.01%
2. Passengers per administrative employee	413,975	713,614	494,385	451,352	552,544	33.47%	22.42%
3. Revenue per administrative employee	\$325,218	\$545,246	\$386,423	\$359,951	\$451,355	38.79%	25.39%
CPI All Urban Consumers (U.S. city average) ¹	432.7	444	456.5	469.9	480.8	11.12%	2.32%

¹ CPI-U, Base Period: 1967 = 100 (Source: Bureau of Labor Statistics)

Comparative Fares

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

Bus Rank	Rail Rank	City (System)	Peak Fares (Dollars)		Transfer	Off-Peak (Dollars)	Passes ¹
			Bus	Rail		Full Fare	
1	1	Philadelphia (SEPTA)	1.60	1.60	0.40	Same	D,M,W
2	17	San Diego (MTDB)	1.50 - 1.75	1.00 - 2.25	Free	Same	M
2	2	Chicago (CTA)	1.50	1.50	0.30	Same	Accom, M, SV, V
2	2	Atlanta (MARTA)	1.50	1.50	Free	Same	M,W,WED,SV,V
2	2	New York City (NYCTA)	1.50	1.50	Free	Same	SV,V
2		Minneapolis (MTC)	1.50 - 2.00		Free	1.00-1.50	M,31day,SV
7	6	Los Angeles (LACMTA)	1.35	1.35	0.25	0.75	M,2W,W
7	6	Baltimore (MDOT)	1.35	1.35	None	Same	M,D,W
7		Milwaukee (MCT)	1.35		Free	Same	W
10	2	Pittsburgh (PAT)	1.25 - 3.50	1.50 - 2.00	0.25	1.25 - 1.60	A,M,6M,SS,W
10		Oakland (AC Transit)	1.25		0.25	Same	M
10	8	Buffalo (NFTA)	1.25	1.25	0.25	Same	M
10	8	Miami (MDTA)	1.25	1.25	0.25	Same	W
10	8	Denver (RTD)	1.25	1.25	Free	0.75	A,D,M,1W
10	8	Cleveland (GCRTA)	1.25 - 1.50	1.25 - 1.50	Free	Same	A,D,FD,M,W,V
10	8	St. Louis (Bi-state)	1.25	1.25	0.10	Same	D,3D,M,W
17	14	Portland (Tri-County MTD)	1.15 - 1.45	1.15 - 1.45	Free	Same	A,D,M,1W
18	14	Washington D.C. (WMATA)	1.10 - 2.50	1.10 - 3.25	0.10	1.10 - 2.10	2W,M*,SV*
19		Seattle (Metro)	1.00 - 1.75		Free	0.85 - 1.10	A,M,3M
19	13	Newark (NJ Transit)	1.00 - 21.45	1.20 - 7.45	0.45	Same	M,W*,2W,WED
19	17	Orange County (OCTD)	1.00 - 3.00	1.00 - 3.00	Free	Same	M
19		Houston (Metro)	1.00 - 3.50		Free	Same	M,W,D
19		New Orleans (RTA)	1.00		0.25	Same	D,3D,M
19	17	Dallas (DART)	1.00	1.00	Free	Same	D,M,W
19	17	San Francisco (Muni)	1.00	1.00	Free	Same	D,3D,M,W
26		Cincinnati (SORTA)	0.80 - 1.40		0.10	0.65 - 1.25	M, MW, WED, SV
27	21	Boston (MBTA)	0.60 - 2.50	0.85 - 2.00	None	Same	M,V
	14	San Francisco (BART)		1.10 - 4.70	Free	Same	SV

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

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

COMPARATIVE FAREBOX RECOVERY RATIO

City (System)	Fare Revenue	Expense	Recovery Ratio ¹
Chicago (CTA)	\$361,879,700	\$818,857,700	44.19%
Peer Group			
New York City (NYCTA)	\$2,038,334,500	\$2,966,678,300	68.71%
Washington D.C. (WMATA)	\$317,127,200	\$619,878,800	51.16%
Philadelphia (SEPTA)	\$270,356,000	\$668,449,000	40.45%
Boston (MBTA)	\$214,755,500	\$574,132,200	37.41%
Atlanta (MARTA)	\$89,732,400	\$257,006,900	34.91%
San Francisco (Muni)	\$98,007,300	\$282,500,900	34.69%
Los Angeles (LACMTA)	\$218,414,100	\$732,561,000	29.82%
Other Selected Transit Systems			
San Francisco (BART)	\$149,464,800	\$267,737,000	55.83%
New York (PATH)	\$67,700,000	\$145,949,000	46.39%
Cleveland (GCRTA)	\$43,598,000	\$186,806,300	23.34%

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

Source: 1997 National Transit Database published by the Federal Transportation Administration.

Glossary of Terms

Accommodation Pass	A monthly reduced fare pass for unlimited riding privileges for disabled and paratransit RTA Reduced Fare Card holders, valid for use on both CTA and Pace.
ADA	The Americans with Disabilities Act of 1990. Federal legislation mandates that all new buses and all rail lines be made wheelchair accessible, and that alternative transportation be provided where customers within ¼ of a mile of regular service are not able to use the regular service.
AFC	The automated fare collection system.
Block Runs	Runs that are scheduled between Monday and Friday encompassing a 10 hour shift straight pay. No overtime is paid.
Bus Trip	The trip made by a bus from one end of its route to the other end (a one-way trip).
Budget Marks	The Regional Transportation Authority Act, as amended in 1983, calls for RTA to advise each of its Service Boards by September 15th of each year of its required revenue recovery ratio for the subsequent year, and the public funding to be available. These figures are referred to as budget marks.
Deferred Operating Assistance	Positive budget variances from the prior year or years that can be used to fund deficits or capital expenditures in future years, with budgetary approval from RTA.
Financial Plan	In addition to an annual budget, the Regional Transportation Authority Act, as amended in 1983, requires RTA and its Service Boards to develop a financial plan for the two years subsequent to the upcoming budget year. In combination with the annual budget, this provides a three-year projection of expenses, revenues, and public funding requirements.
Fund Balance	Fund balance is the cumulative amount that has not been used by which total revenues (including Public Funding) exceed (or are exceeded by) expenses over a series of years. Annual budget surpluses (or deficits) generally add to (or subtract from) the Fund Balance. This balance is available to (from) the Fund Balance. This balance is available to fund current or future operating or capital needs.
Headway	The time span between service vehicles (bus or rail) on specified routes.
Illinois First	A fund for Infrastructure, Roads, Schools, and Transit designed to build, repair, and upgrade Illinois' critical infrastructure.
Infrastructure	The basic installations and facilities on which the continuance and growth of a community depend. For the CTA, this means such facilities as elevated structure, track, repair shops, bus garages, rail terminals, and power substations, etc.
Labor Base	This is the labor expense for time actually worked. It excludes holidays, sick time, and vacation time.
Labor Load	The cost of fringe benefits. It includes compensated absences, FICA, Medicare, pension contribution, and health insurance calculated as a percentage of the labor base.
Non-Operating	Expenses and revenues recorded as capital.
Off-Peak	Non-rush hour time periods.
Peak	Rush hour time periods which are from 6:00 AM to 10:00 AM in the morning and from 3:00 PM to 7:00 PM in the afternoon and evening.
Platform Time	The time a transit vehicle is in revenue service.

Glossary of Terms

Positive Budget Variance	Refers to the difference between a Service Board's operating deficit and its RTA budget appropriation in a given year.
Public Funding	Funding received from the Regional Transportation Authority. Generally refers to funding for operating purposes.
Purchase of Paratransit Service	The amount of money paid to outside vendors to provide door-to-door transportation to certified disabled riders.
Recovery Ratio	The ratio or percentage of operating expenses that must be recovered from system-generated revenue. Also referred to as revenue recovery ratio, farebox recovery ratio, and system-generated revenue recovery ratio. Certain operating expenses may, by law be excluded from the calculation.
Reduced Fares	Discounted fare for children age 7–11, grade and high school students (with CTA ID), seniors 65 and older (with RTA ID), and riders with disabilities (with RTA ID) except Paratransit Riders.
Run	STO personnel assignment of work for the day.
Service Board	The Regional Transportation Authority Act, as amended in 1983, refers to the CTA, Metra (the commuter rail system), and Pace (the suburban bus system) as Service Boards.
SPTO	STO personnel that are restricted to weekend work, at a lower pay rate, and who receive no fringe benefits from the CTA.
STO	The portion of labor that represent Scheduled Transit Operations. This classification includes bus operators, motormen, conductors, and customer assistants.
System-Generated Revenue	Revenue generated internally by CTA. Includes fares, charter revenue, advertising, investment income, income from local governments per a provision of the Regional Transportation Authority Act, and a subsidy for reduced fare riders per 1989 legislation.
TEA-21	Federal transportation package which reauthorized the Federal Transit Program for six years (1998-2003). Grants can pay up to 80 percent of a capital project, with the remaining 20 percent funded from local sources.
Top Operator Rate	The top hourly rate for Bus Operators and Rail Motormen, based on employee seniority within the job, as specified by the union contract.
Train Trip	The trip made by a train (from two to eight rail cars) going from its original terminal to its destination terminal (a one-way trip).
Trick	A part of the daily working schedule of a transit system employee. Also known as a shift.
Unlinked Passenger Trip (or Unlinked Trip)	Each boarding of a transit vehicle by a passenger is counted as an unlinked passenger trip. A single journey by one passenger, consisting of one or more unlinked trips (boardings), is referred to as a linked trip.
Warranty & Credits	Reimbursement for repairs made under warranty or any other compensation for money spent.

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

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