



## **President's Report April 2010**

Good Morning, Chairman Peterson and members of the CTA Board.

For your consideration is a resolution developed with the intent to recognize the CTA's sustainability initiatives and pledge support for their advancement in the future.

Next week marks the 40<sup>th</sup> Anniversary of Earth Day. The CTA has an impressive track record on Green Initiatives, but we always strive to do more and make environmentally-friendly decisions whenever possible. We will acknowledge and celebrate Earth Day; by devoting a section to our web site to highlight "green" initiatives. Many people know that our fleet includes hybrid buses, but they might not know that our headquarters, this building, is LEED Gold certified, or that we recycle items such as engine oil and antifreeze.

This new Web feature will highlight six categories: sustainable transportation, clean vehicles, multimodal connections, efficient facilities, resource recycling and a list of environmental grants applied for by the agency.

We will also be displaying "Going Green" facts on vehicles and on digital display screens at rail stations.

We have dubbed one of our hybrid buses as the CTA "EcoBus" and will be using it as our green ambassador. Apart from remaining in regular service, it will make appearances at various expositions and festivals across the city including the ChicaGO Green Festival this coming Saturday.

CTA's sustainability efforts are not limited to Earth Day activities. The CTA has an internal "Green Team" dedicated to advancing green initiatives at the CTA and identifying potential funding for these projects.

For example, to decrease energy costs, we've installed high speed garage doors at seven locations and are seeking funding to install more. The high speed doors close 50 times faster than a conventional door and save on energy costs since they don't allow as much heat or air to escape as the conventional doors.

We also want to install new boilers and rooftop air handling equipment at some facilities to reduce costs and lower the CTA's carbon footprint by limiting the use of fossil fuels. We're also training as many as 20 of our in-house architects and engineers to be LEED certified.

CTA also has received a Congestion Mitigation and Air Quality (CMAQ) grant to retrofit some buses with diesel particulate filters next year. Diesel particulate filters are designed to remove diesel particulate matter or soot from the exhaust gas of a diesel engine.

We have New Flyer buses with low-emission engines that met the federal EPA standards at the time they were purchased in 2006. The standards changed in 2007 and we want to determine how we can upgrade these buses to meet current standards. All the buses CTA purchased after 2007 are equipped with the filters during manufacture.

The CTA also serves a key function in the Chicago Climate Action Plan by reducing energy use and emissions for the Chicago region. In addition, the agency contributes to the Illinois Climate Change advisory group and works with the American Public Transportation Associations' Climate Change working group.

And I want to note that board members Jacky Grimshaw and Katherine McClain bring considerable professional dedication and experience in sustainability to the CTA. They are engaged in CTA's sustainability efforts and continue to bring new ideas to the table. We're fortunate to have them and welcome their involvement.

---

As I report to you each month, we carefully monitor operations so that we remain within budgeted targets. Because we eliminated more than 1000 positions in February, one metric we've been monitoring carefully is attrition.

During any given month we lose about 30 employees. They leave this agency for various reasons, whether retirements, illness, new jobs or termination.

We recently finalized a plan that will allow us to replace those employees who have left by attrition, by calling back some employees who were laid off earlier this year – thus maintaining service levels.

Laid off employees have recall rights for one year. We will call people back in order of seniority but within job function.

Since the February 7 service reductions, we've lost 34 bus and rail operators due to attrition. So we are moving to fill those positions and will continue to recall union employees on an as needed basis as other positions open up.

For non-union employees, decisions will be made on a case by case basis.

In this economy, it was very difficult to lay off employees, even though it was necessary to produce a balanced budget. I'm glad that we are now able to bring some people back to work.

We expect our initial recall will be for 21 full time bus operators, 5 part time bus operators and 8 Combined Rail Operators. We'll be analyzing our manpower and budget needs continually so that we can maintain the right balance between controlling costs and providing the level of service we need to provide.

---

We want to remind customers who acquired their Chicago Card Plus or Chicago Card four years ago that these cards will expire this year and that free replacement cards are available.

Nearly 88,000 cards are set to expire between now and the end of the year.

We have email addresses for Chicago Card Plus users and registered Chicago Card users, so those cardholders will be reminded via e-mail that their cards are due to expire. Customers with registered cards can transfer their card balance to a new replacement card.

Customers with unregistered Chicago Cards will need to check the expiration date of their card. They can do that online, at passenger information units in most CTA rail stations; by calling 1-888-YOUR-CTA or by visiting the CTA Sales Center here on the 2<sup>nd</sup> floor.

---

Before the Board today there is a lease agreement between the CTA and Saigon Sisters, LLC for space at CTA's main office building at 567 W. Lake Street that was previously occupied by Quiznos. Saigon Sisters is a restaurant that offers a variety of Vietnamese cuisine.

The lease agreement, with terms for up to 10 years with a five-year extension option, is estimated to generate at least \$540,000 of additional revenue for the CTA over the life of the agreement.

It's good news all around. They will make some capital improvements to the property and provide another convenient dining choice for our employees. And, of course, revenue from the lease agreement will contribute to the operating budget. The agreement with Saigon Sisters was developed through the services of Transwestern Commercial Services, which manages the headquarters building and acts as the broker for the CTA to lease retail space within the building.

---

Now I would like to give you a report on ridership for the first quarter of 2010. In a nutshell, despite the service reductions, our ridership has been better than expected. Between January and March, we provided 124.5 million rides which was only 0.2% fewer than the first quarter of 2009.

We started the year with strong ridership and began to see the drops in February, to coincide with the service reductions.

The loss has been on the bus side, which is down 2.2%. Rail ridership, on the other hand, is up nearly 3%.

Rush hour ridership is down 1.4%, but we've seen gains in off peak hours and on weekends and holidays.

Although our initial ridership is off to a better than expected start, we remain cautious as we move into the late Spring. At this time of year, ridership levels are usually higher than earlier in the year - the month of May is the third busiest month - so crowded conditions may be more noticeable, and we could see a dip in ridership. We will continue to monitor it carefully.

---

Finally, I want to take a few minutes to recognize Paul Fish and Gia Morris who will both be retiring at the end of the month. As the Vice-Presidents of Budget and Capital Finance and of Human Resources, respectively, Paul and Gia have been instrumental in developing and executing plans to help the CTA navigate through everything the economy has thrown at us the last few years. Everything we do affects our budget and affects our workforce, so Paul and Gia have been deeply involved in all our major initiatives. I want to thank them for their hard work, their dedication to the CTA and their professionalism.

Thank you. This concludes my report.