

President's Report

October 10, 2008





RIDERSHIP



Preliminary September Ridership

5.1%



System

**UP
4.0 Mil.**

5.7%



Bus

**UP
2.6 Mil.**

4.1%



Rail

**UP
1.4 Mil.**

Year-to-date Through September

5.3%



System

**UP
21.8 Mil.**

6.7%



Bus

**UP
16.7 Mil.**

3.1%



Rail

**UP
5.1 Mil.**



Smart Spending:

Steering Through the



Economic Slow Down

President's 2009 Budget Recommendations





'09 BUDGET DRIVERS

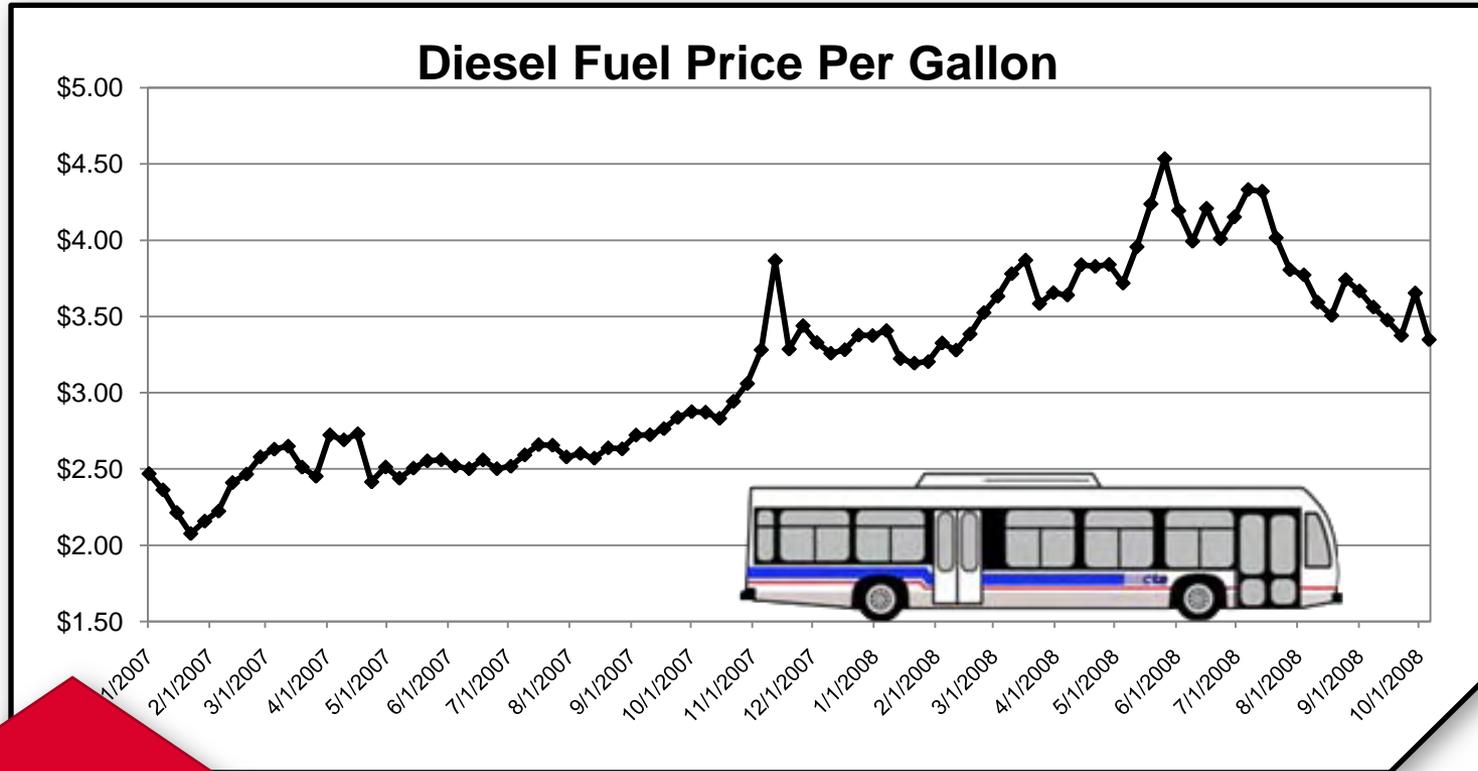


2009 Budget Drivers

- **Fuel**
- **Energy**
- **Materials**
- **Free Rides**
- **Lower Tax Revenues**

BUS FUEL: \$102.8 Million

- 8% of the budget
- \$54 million more than in 2008



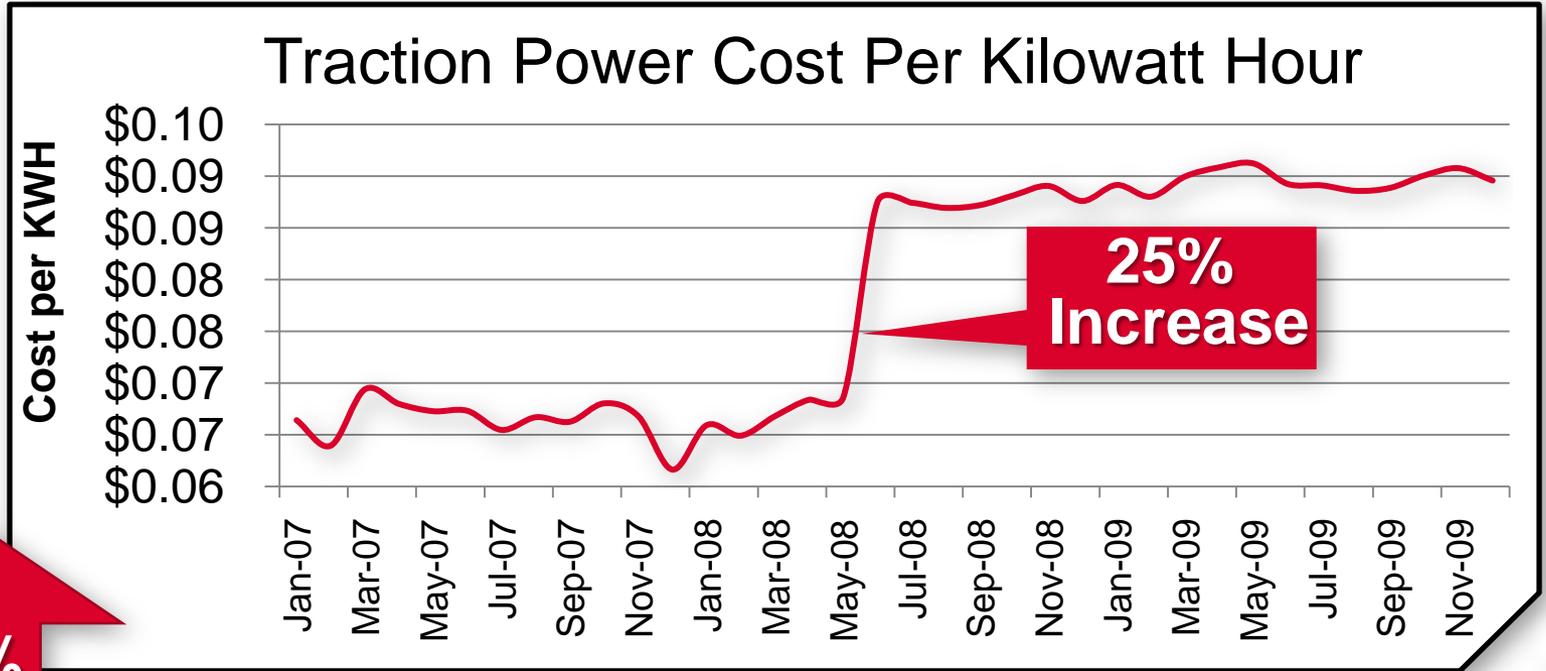
112%

Original '08
Budget



ENERGY: \$40 Million

- 3% of the budget
- Increase impacted by 2008 rate hike



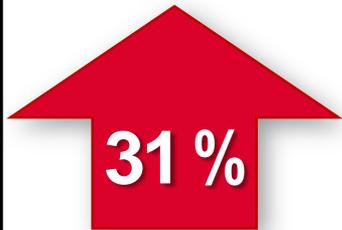
34%

Original '08
Budget



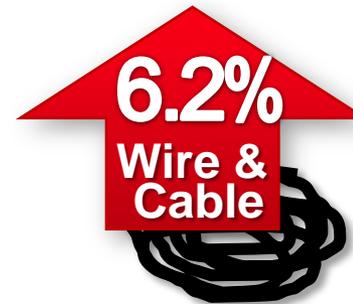
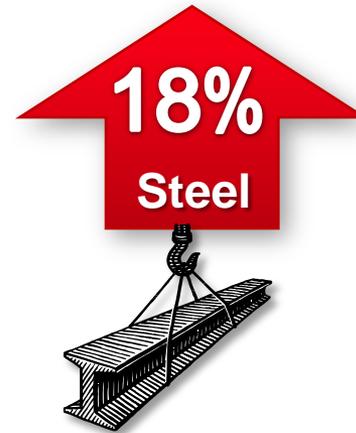
MATERIAL: \$94.8 Million

- 7% of the 2009 budget
- Inflationary pressure driving up cost of materials (especially in construction)
- Continue to look at smarter ways to purchase materials



Original '08 Budget

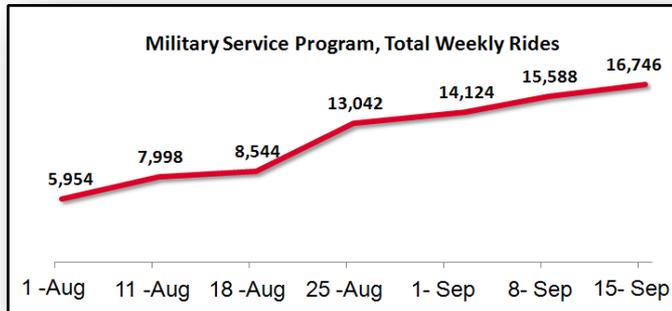
- Material costs increased from '07 to '08 budget



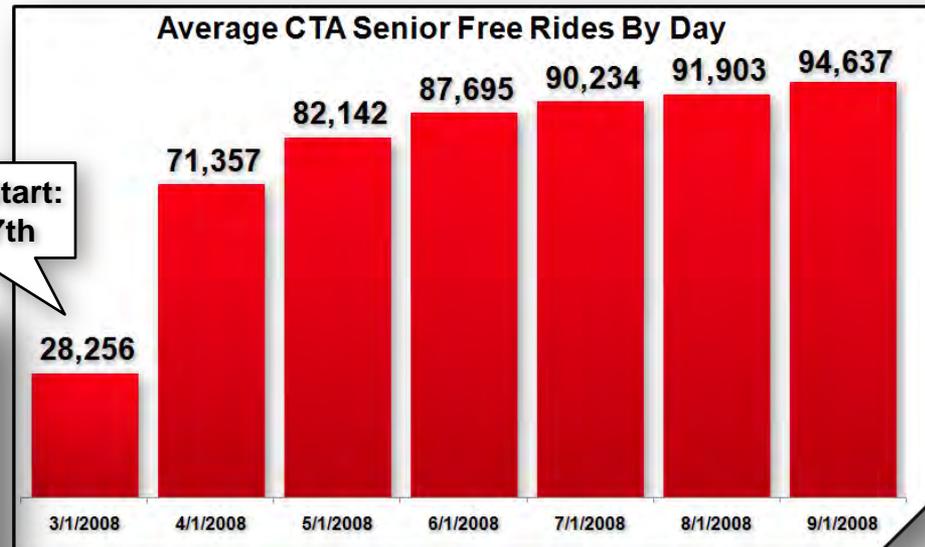
Source: Bureau of Labor Statistics

2009 Free Rides

- Free rides for 2009 estimated at \$35.8 million



Program Start:
March 17th

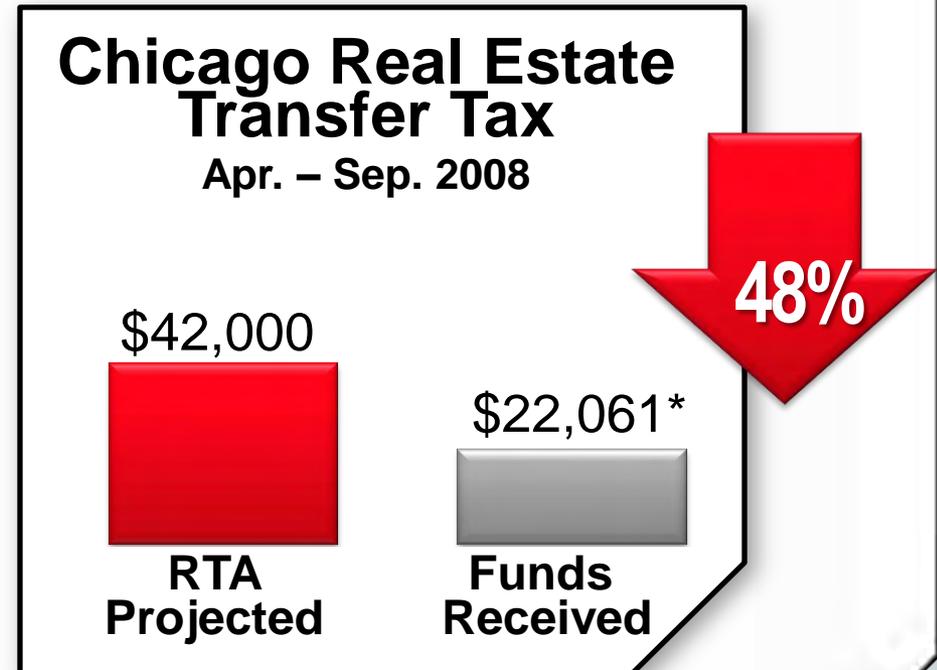
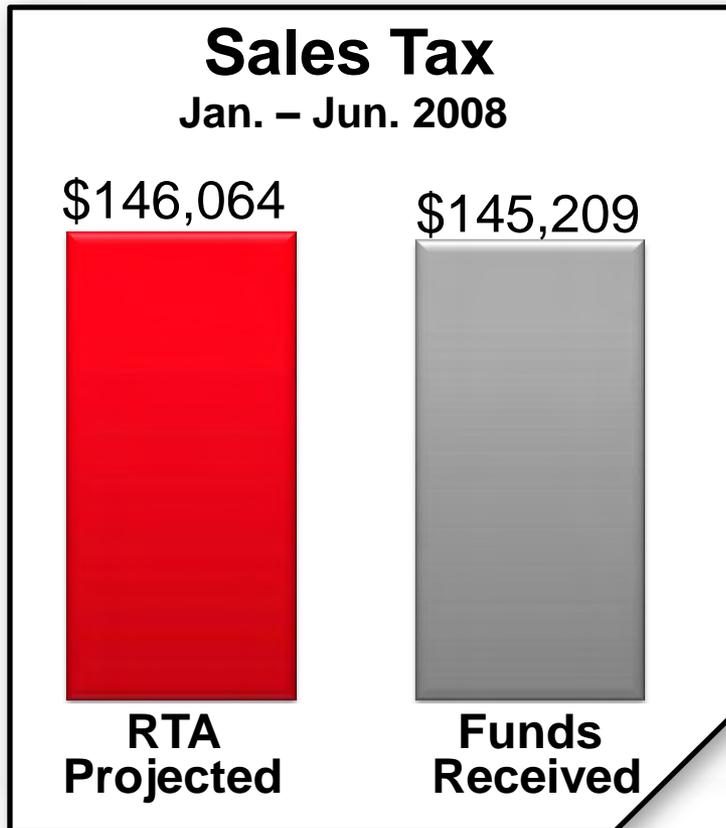


People w/ Disabilities
Ride Free Program



2008 Tax Revenues

- 2008 budget projections for the Cook County Sales Tax are in line at mid-year
- Proceeds from the Chicago Real Estate Transfer Tax fell well below projections



* Preliminary Estimate for Sep.





'08/'09 PROPOSED BELT TIGHTENING



Smart Spending

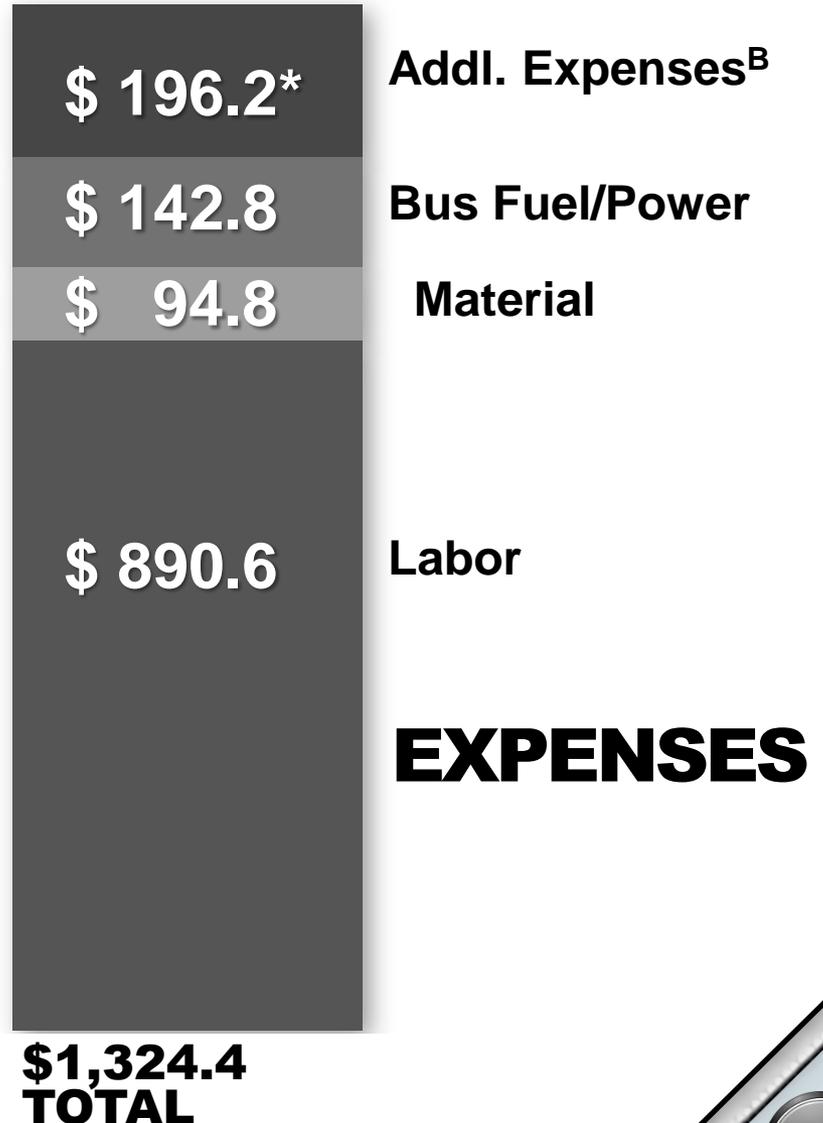
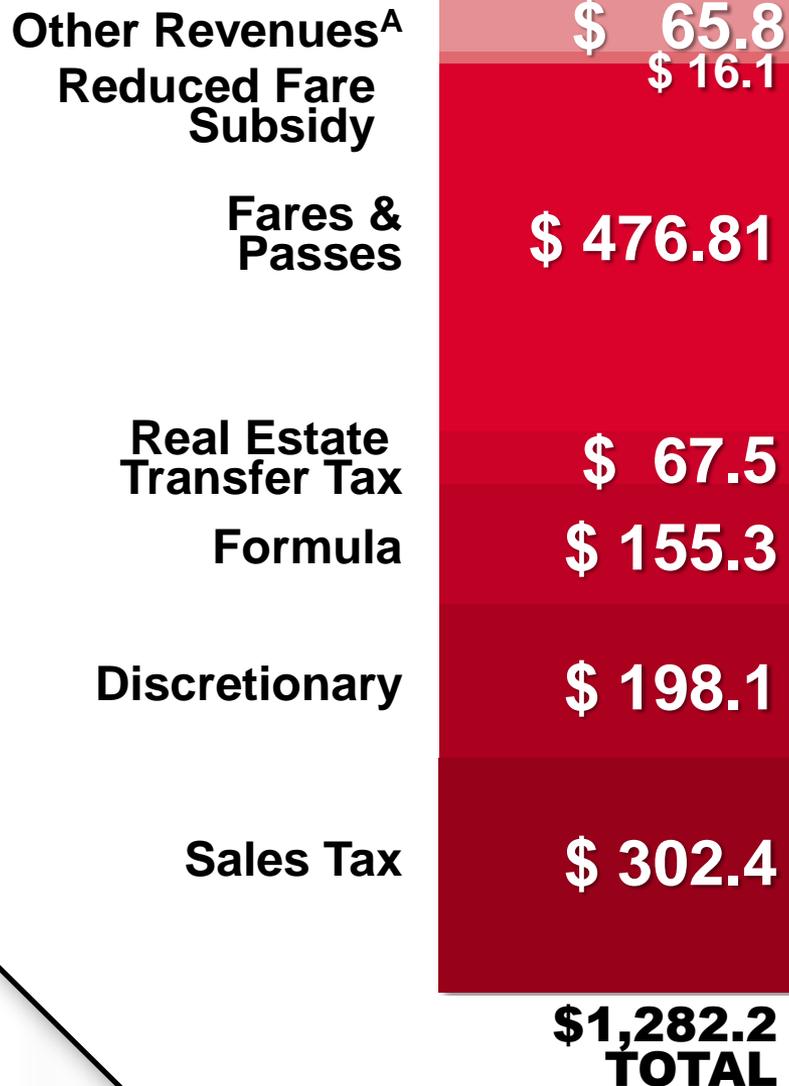
- **Departments received a “mark” as much as 20% lower than the 2008 budget (non-safety)**
- **Departments required to examine the service they provide for the dollars spent**
- **Final product includes performance goals for 2009**
- **Bottom line: We’re providing the same service with 396 fewer employees**
- **In addition there is a reduction of 101 capital positions and 135 FTEs associated with construction projects**



Revenues vs. Expenses



2009 Projected Revenue Vs. Expenses



A. Other Revenues = Investment Income, Statutory Contributions and Advertising, Charter and Concessions

B. Addl. Expenses: Injuries/Damages, Security, Pension Obligation Bond Debt Service, Utilities, Maintenance/Repairs, etc.



2009 Revenue Vs. Expenses

- Without belt tightening in '08/'09 the deficit would have been twice as large

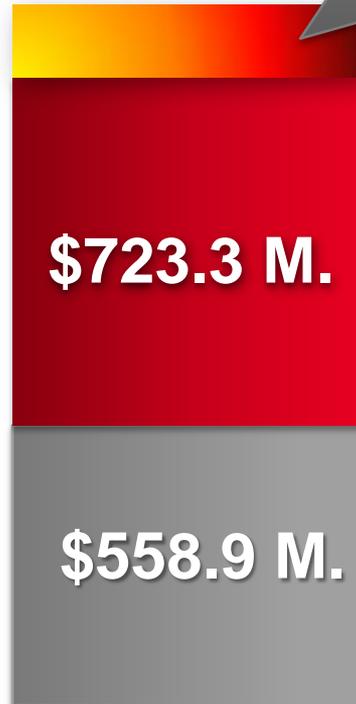
2008 Belt Tightening
\$36.3 Million

Labor, Fuel, Power,
Revenue Equipment,
Material and Other
Expenses



**\$1,324.4 B.
EXPENSES**

\$42.2 Mil. Deficit



**\$1,282.2 B.
REVENUE**

PUBLIC FUNDING

Sales Tax, Real Estate
Transfer Tax. And
Formula and Discretionary
Funds

SYSTEM GENERATED

Fares and Passes,
Reduced Fare Subsidy,
Advertising, Charter and
Concessions,
Investment Income,
Statutory and Other
Revenues

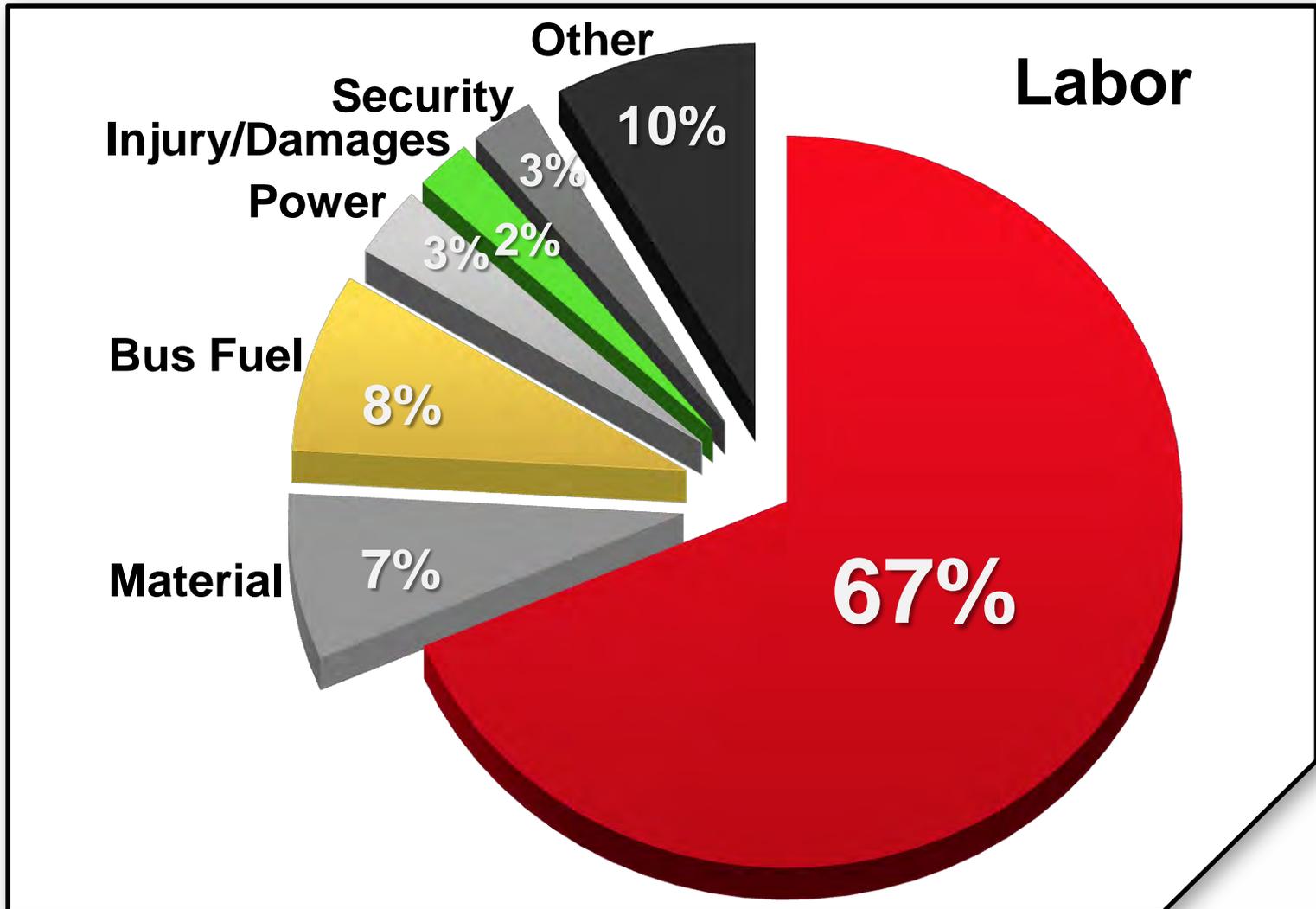




Recommended Operating Budget



2009 Budget by Function



Impact of Labor Cuts



3%

Contractual
Wage Increase

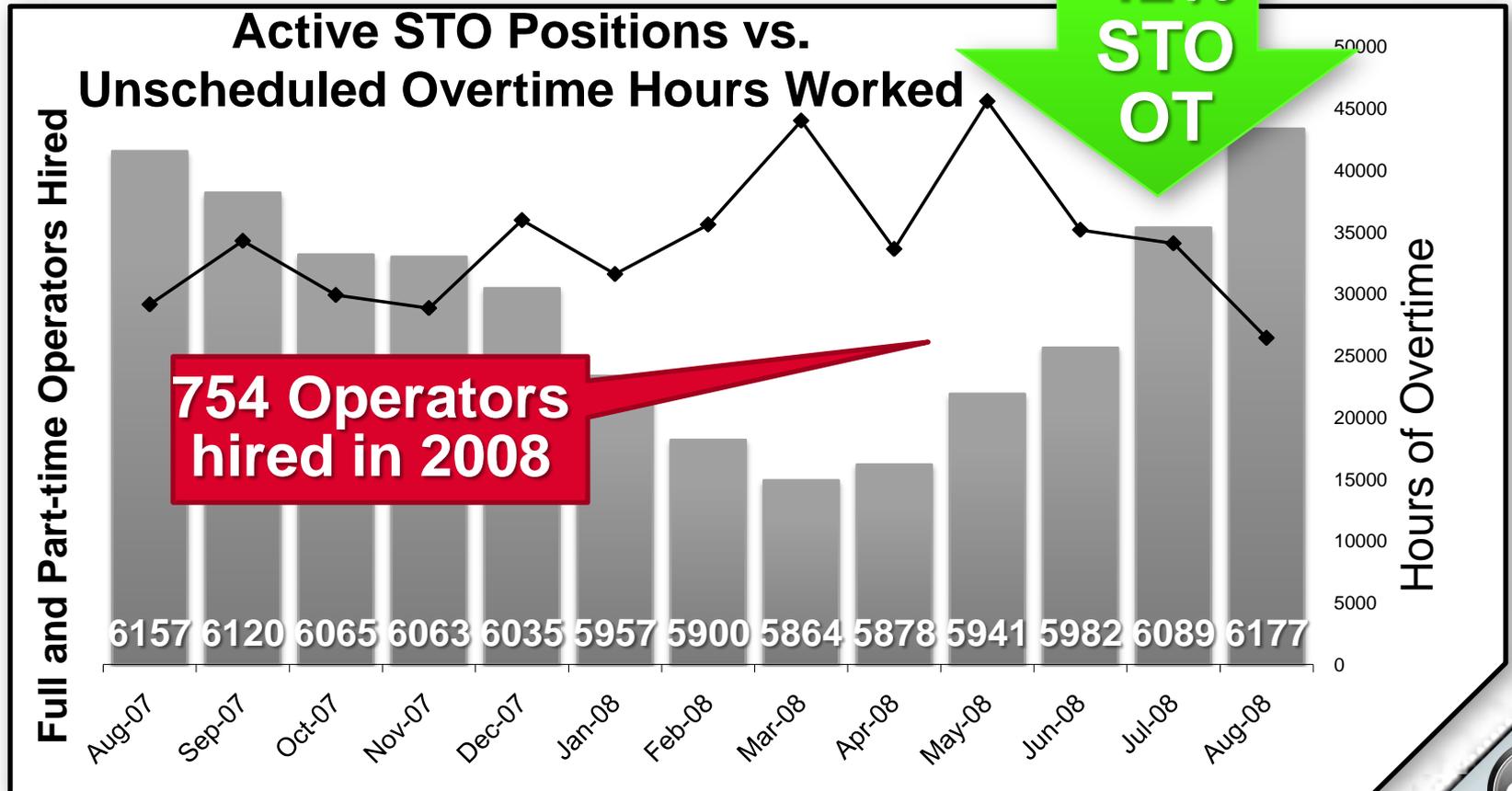


1.6%

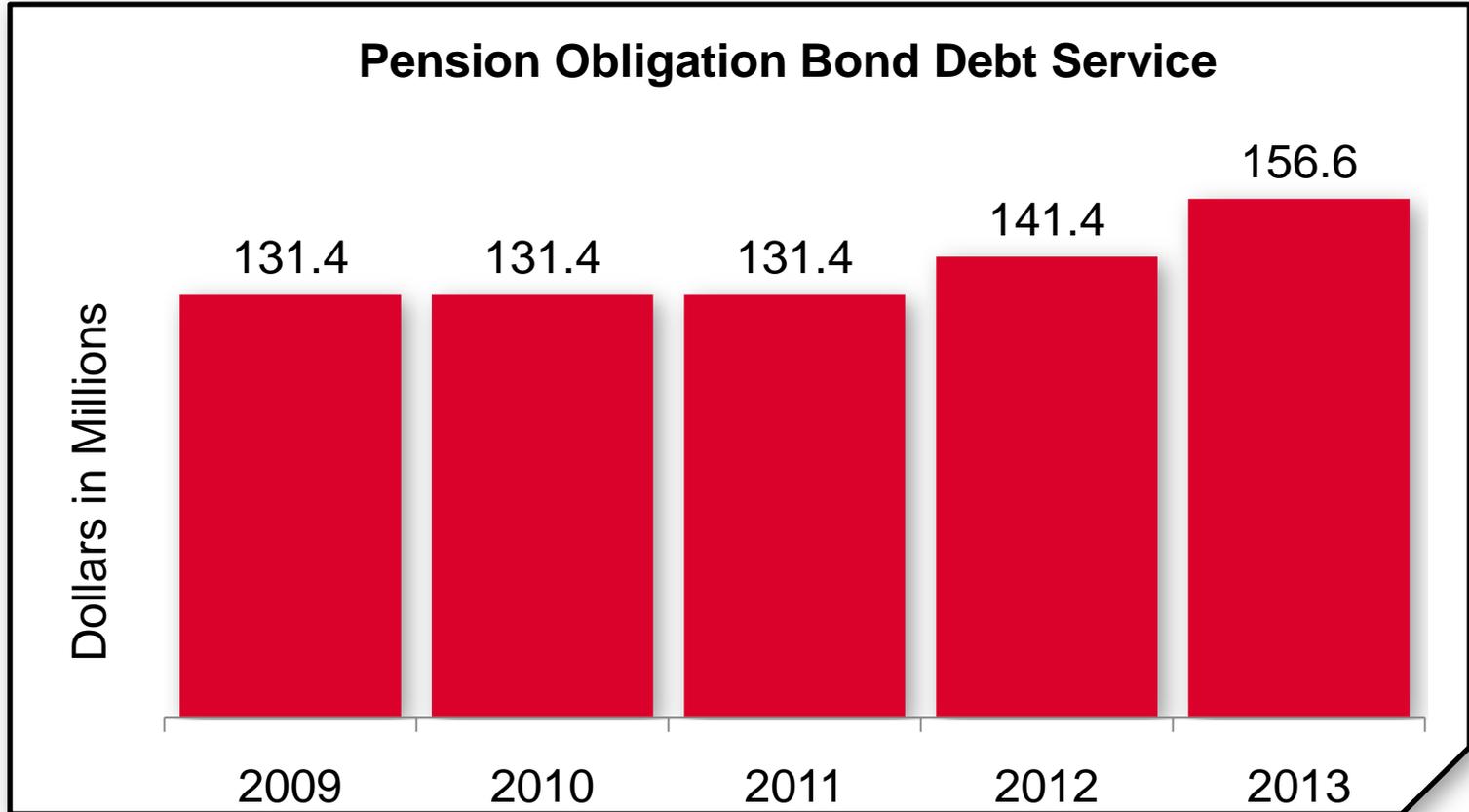
2009 Labor
Costs

Aggressive Hiring Plan Saves Money

- Doomsday resulted in operator shortages which led to significant OT expenditures



Pension Obligation Liabilities





Closing the Gap



2009 Revenue Vs. Expenses

- Fare increase to close the gap

\$42.2 Mil. Deficit

PUBLIC FUNDING

Sales Tax, Real Estate
Transfer Tax, And
Formula and Discretionary
Funds

\$ 723.3

SYSTEM GENERATED

Fares and Passes,
Reduced Fare Subsidy,
Advertising, Charter and
Concessions,
Investment Income,
Statutory and Other
Revenues

\$558.9

**\$1,282.2
REVENUE**

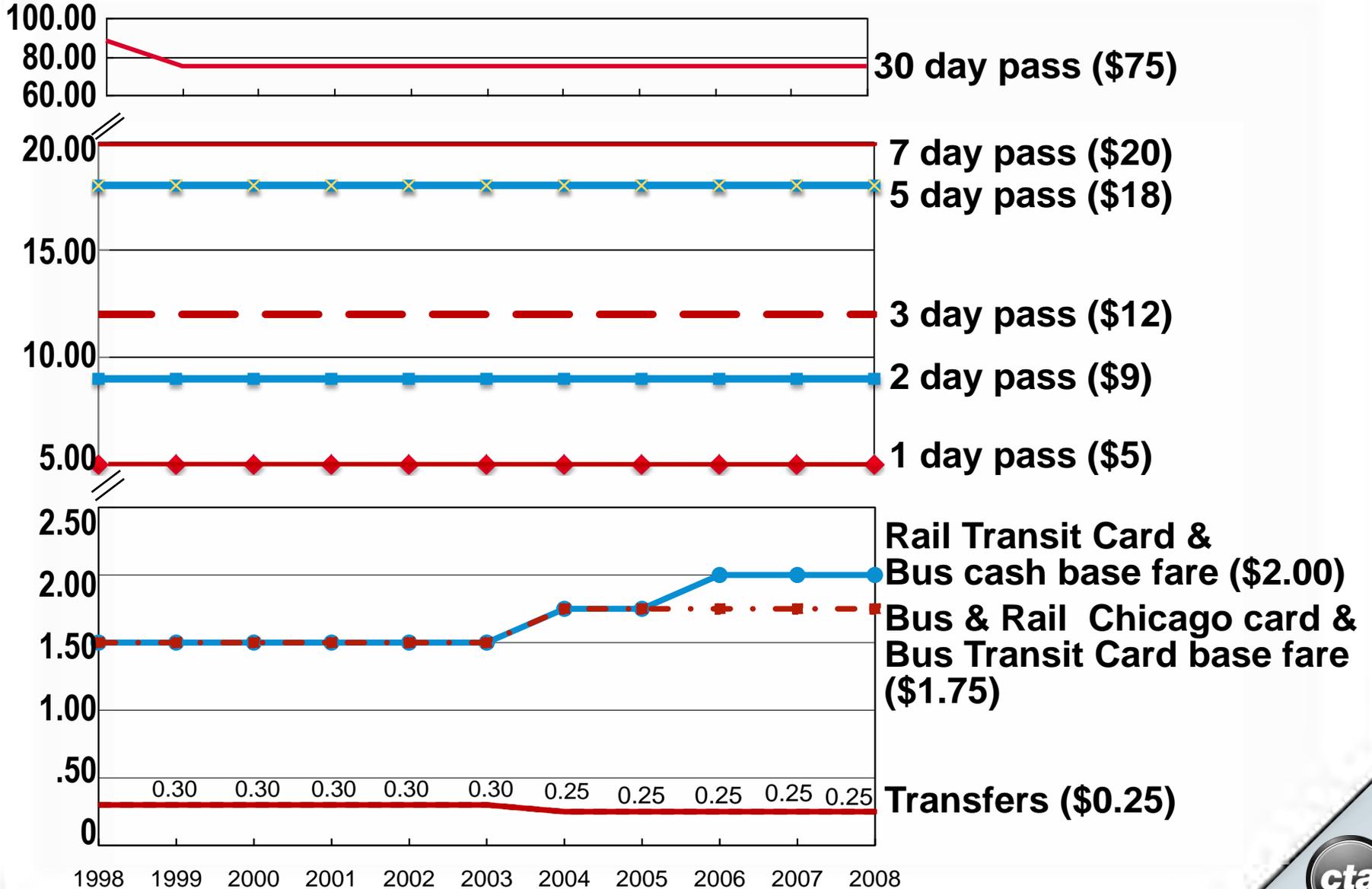
**\$1,324.4
EXPENSES**

Labor, Fuel, Power,
Revenue Equipment,
Material and Other



CTA Historical Pass Structure

Price per pass



Proposed Fare Structure

CTA FARE TYPES	CURRENT FARE STRUCTURE (EFFECTIVE 1/1/2006)	PROPOSED FARE STRUCTURE (EFFECTIVE 1/1/2009)
Full Fare Transit Card (TC) Bus	\$1.75	\$2.00
Full Fare TC Rail	\$2.00	\$2.25
Full Fare Chicago Card (CC) Bus	\$1.75	\$2.00
Full Fare CC Rail	\$1.75	\$2.25
Full Fare Cash (bus only)	\$2.00	\$2.25
TC or CC Transfer ¹	\$0.25	\$0.25
Chicago Card Bonus ²	10%	Eliminated
1-Day Pass	\$5.00	\$6.00
2-Day Visitor Pass	\$9.00	Eliminated
3-Day Visitor Pass	\$12.00	\$15.00
5-Day Visitor Pass	\$18.00	Eliminated
7-Day Pass	\$20.00	\$24.00
Full Fare 30-Day Pass	\$75.00	\$90.00
U-Pass ³	-	20% Increase
Reduced Fare ⁴ TC or CC	\$0.85	Unchanged
Reduced Fare Cash (bus only)	\$1.00	Unchanged
Reduced Fare TC or CC Transfer	\$0.15	Unchanged
Reduced Fare 30-Day Pass	\$35.00	Unchanged

¹ Transfer fare allows two additional rides within two hours of the first boarding

² For every \$20 purchase of pay-per-use fares, \$22 of value is added to the card

³ Available through participating universities only; price change effective 2009 Fall Term

⁴ Reduced fares offered to eligible customers only

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CTA/I-GO JOINT FARECARD



New Card Provides Traveler Options



- CTA and I-GO Car Sharing announce a joint smart card
- Can be used to gain access to I-GO vehicles and ride the CTA
- Provides strategic connections
- Program part of CTA's commitment to promote the use of public transportation



New Option Available at Year's End



- Register online for both services
- Single card works on CTA buses and trains and unlocks their reserved I-GO vehicle
- Current Chicago Card Plus cardholders and I-GO members who wish to take part in the program will need to re-register in order to be considered

My other car's a **bus.**

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- **Chicago Card Plus is an electronic farecard with its balance maintained in an online account**
- **New joint card will work the same way**

My other car's a **train.**

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