Preliminary September Ridership

- **System**: 5.1% UP 4.0 Mil.
- **Bus**: 5.7% UP 2.6 Mil.
- **Rail**: 4.1% UP 1.4 Mil.
Year-to-date Through September

System: 21.8 Mil. UP 5.3%

Bus: 16.7 Mil. UP 6.7%

Rail: 5.1 Mil. UP 3.1%
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

Diesel Fuel Price Per Gallon

Original '08 Budget

ctads
ENERGY: $40 Million

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

Traction Power Cost Per Kilowatt Hour

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.06</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0.07</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0.08</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0.09</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0.10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

34% Original ‘08 Budget

25% Increase
7% of the 2009 budget

Inflationary pressure driving up cost of materials (especially in construction)

Continue to look at smarter ways to purchase materials

Material costs increased from ‘07 to ’08 budget

- **Steel**: 18%
- **Sheet Metal**: 8.5%
- **Wire & Cable**: 6.2%
- **Asphalt**: 28%

Original ‘08 Budget

Source: Bureau of Labor Statistics
Free rides for 2009 estimated at $35.8 million

Program Start: March 17th

Average CTA Senior Free Rides By Day:
- 3/1/2008: 28,256
- 4/1/2008: 71,357
- 5/1/2008: 82,142
- 6/1/2008: 87,695
- 7/1/2008: 90,234
- 8/1/2008: 91,903
- 9/1/2008: 94,637

Military Service Program, Total Weekly Rides:
- 1-Aug: 5,954
- 11-Aug: 7,998
- 18-Aug: 8,544
- 25-Aug: 13,042
- 1-Sep: 14,124
- 8-Sep: 15,588
- 15-Sep: 16,746

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.

### Sales Tax

- RTA Projected: $146,064
- Funds Received: $145,209

### Chicago Real Estate Transfer Tax
Apr. – Sep. 2008

- RTA Projected: $42,000
- Funds Received: $22,061*

* Preliminary Estimate for Sep.

48%
‘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
Examples of Leaning the CTA

- Analyzed and “leaned” key operations
- Eliminated 396 positions

Procurement and Warehousing
- Abolished outmoded inventory control function and replaced with private sector model

<table>
<thead>
<tr>
<th>Year</th>
<th>Department Headcount</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>233</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>198</td>
<td>$1.7 Million</td>
</tr>
</tbody>
</table>

Bus Maintenance
- Focus on industry lean model
- Leveraged Federal money to lease new buses

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>98</td>
<td>$7.7 Million</td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Revenues vs. Expenses
2009 Projected Revenue Vs. Expenses

**Revenue**

- **Other Revenues**
  - Reduced Fare Subsidy: $65.8
  - Fares & Passes: $476.81
  - Real Estate Transfer Tax: $67.5
  - Formula: $155.3
  - Discretionary: $198.1
  - Sales Tax: $302.4
  - **Total Other Revenues**: $1,282.2

**Addl. Expenses**

- Bus Fuel/Power: $196.2*
- Material: $142.8
- Labor: $94.8
- **Total Addl. Expenses**: $890.6

**Total**

- **Total Revenues**: $1,324.4
- **Total Expenses**: $1,324.4

---

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

Without belt tightening in ‘08/’09 the deficit would have been twice as large.

2009 Revenue Vs. Expenses

$1,324.4 B. EXPENSES
$1,282.2 B. REVENUE

2008 Belt Tightening
$36.3 Million

$42.2 Mil. Deficit

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

Labor, Fuel, Power,
Revenue Equipment,
Material and Other Expenses
Recommended Operating Budget
2009 Budget by Function

- Labor: 67%
- Other: 10%
- Security: 3%
- Injury/Damages: 3%
- Power: 2%
- Bus Fuel: 8%
- Material: 7%
- Other: 3%
Impact of Labor Cuts

- 3% Contractual Wage Increase
- 1.6% 2009 Labor Costs
Doomsday resulted in operator shortages which led to significant OT expenditures.
Pension Obligation Liabilities

Pension Obligation Bond Debt Service

Dollars in Millions

2009: 131.4
2010: 131.4
2011: 131.4
2012: 141.4
2013: 156.6
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

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

$1,282.2 REVENUE

$1,324.4 EXPENSES

$95.4

$558.9

$723.3
CTA Historical Pass Structure

Price per pass

- 30 day pass ($75)
- 7 day pass ($20)
- 5 day pass ($18)
- 3 day pass ($12)
- 2 day pass ($9)
- 1 day pass ($5)

Rail Transit Card & Bus cash base fare ($2.00)
Bus & Rail Chicago card & Bus Transit Card base fare ($1.75)
Transfers ($0.25)
## Proposed Fare Structure

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

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
Smart Spending: Steering Through the Economic Slow Down

President’s 2009 Budget Recommendations
One card, three ways to go

A seamless way to travel through the city using just one card. Bus, train and now 200 I-GO cars.

Get your card today!
(773) 278-4446 • igocars.org • transitchicago.com

CTA/I-GO JOINT FARECARD
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
Chicago Card Plus is an electronic farecard with its balance maintained in an online account.

New joint card will work the same way.