

# ***PROPOSED 2011 BUDGET***

***Meeting the Challenge of a  
Struggling Economy***



# 2011 BUDGET SUMMARY

## ■ Economy continues to challenge revenues

- Public funding continues to underperform when compared to 2008-09 projections

## ■ Expenses continue to increase

- Contractual union increases
- Pension obligation increases

## ■ Disciplined management and use of capital necessary to balance budget

## ■ Balanced with no fare increase and no service reductions

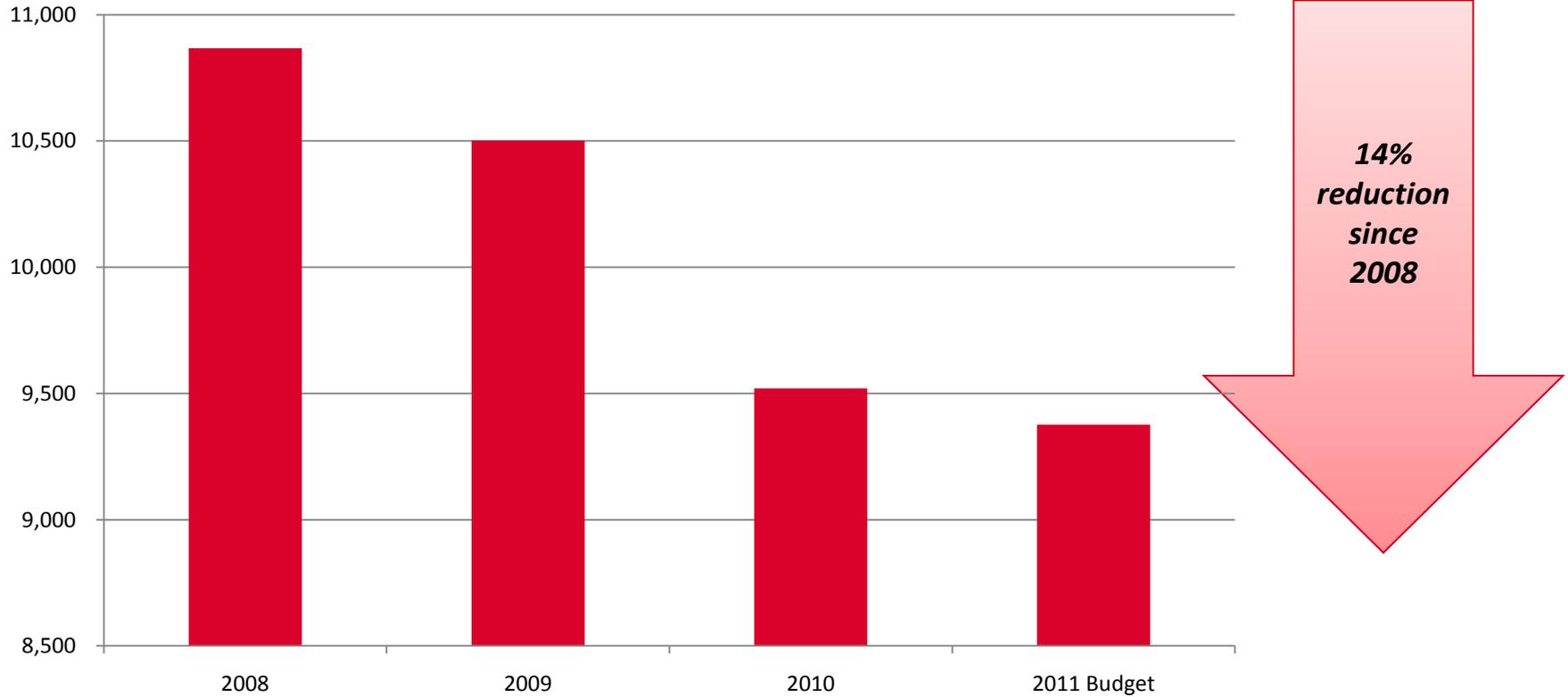


# **DISCIPLINED & STRATEGIC MANAGEMENT SAVED \$53.6M IN 2011 BUDGET**

<b>Hiring Control</b>	\$13.7 million
<b>Furlough and Unpaid Holidays</b>	\$9.7 million
<b>Fuel Hedging</b>	\$9.4 million
<b>Power Hedging</b>	\$8.1 million
<b>Position Elimination</b>	\$7.2 million
<b>OT Reduction</b>	\$5.5 million
	<hr/>
	<b>\$53.6 million in savings</b>

# CTA CONTINUES TO CONTROL LABOR COSTS

## CTA Budgeted Positions\*

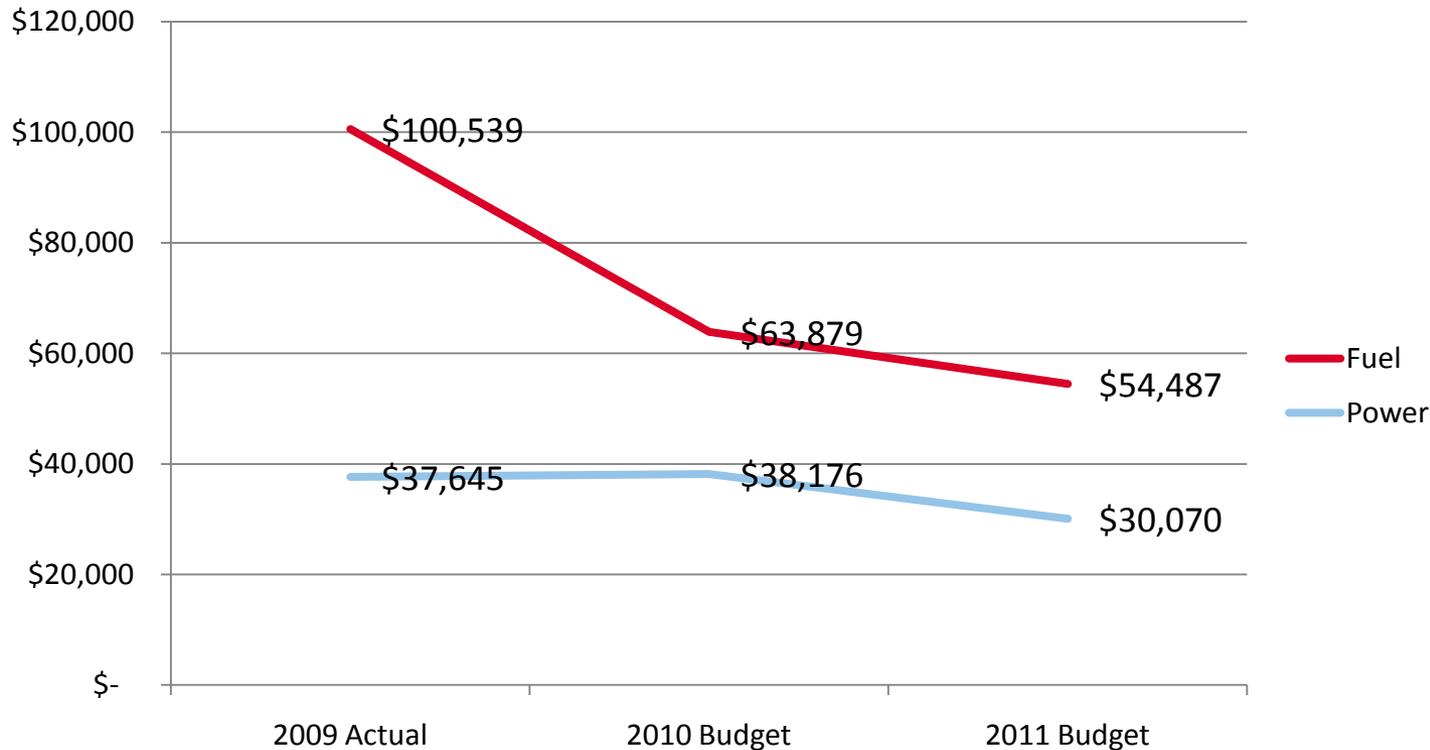


**14%  
reduction  
since  
2008**

\* Includes STO Full-Time Equivalents

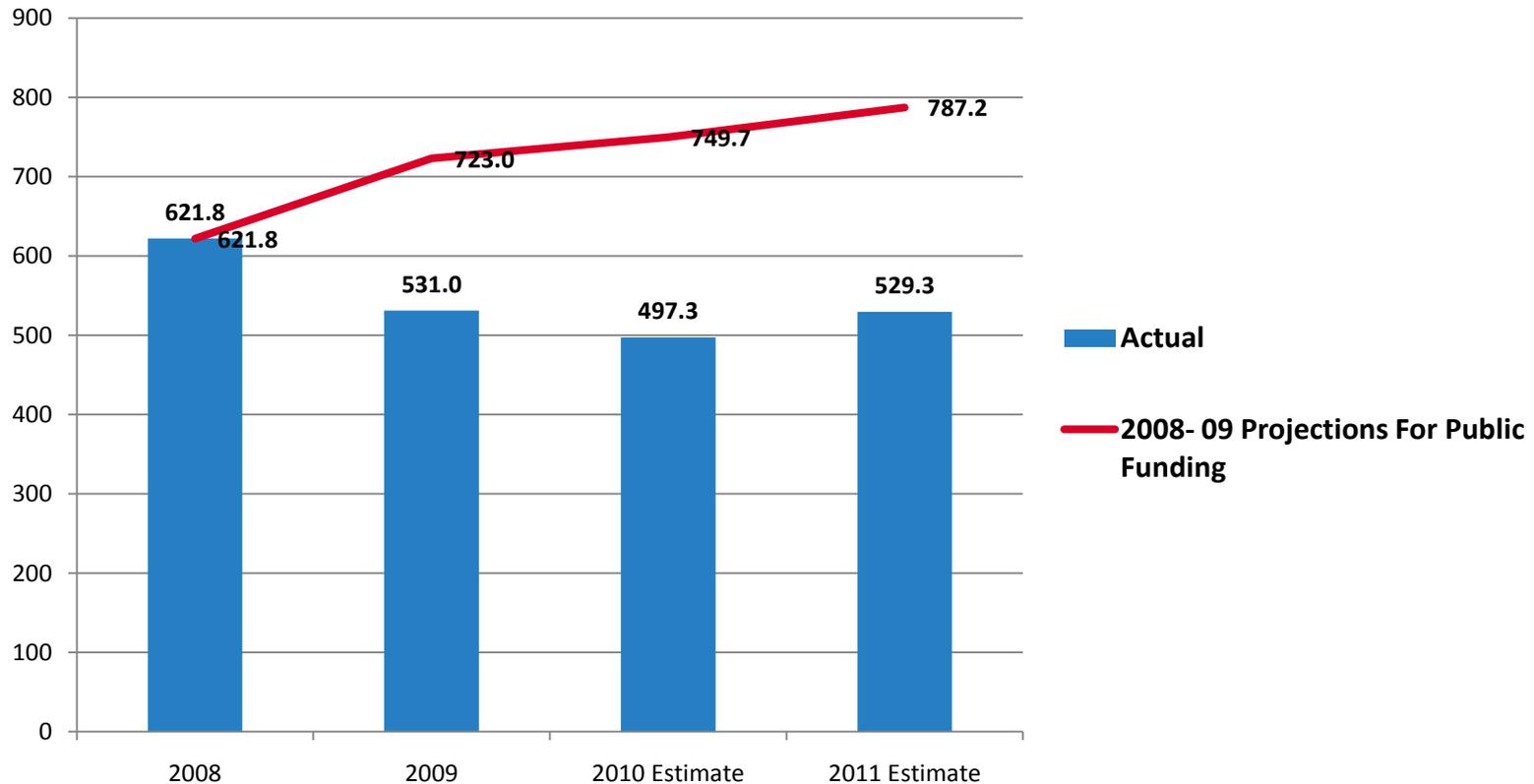


# CTA FUEL & POWER COSTS CONTINUE TO DECLINE



- Strategic hedging is projected to save \$7.7 million in 2010
- Hedging is projected to save an additional \$17.5 million in 2011 compared to the 2010 budget.

# ***PUBLIC FUNDING CONTINUES TO UNDERPERFORM***



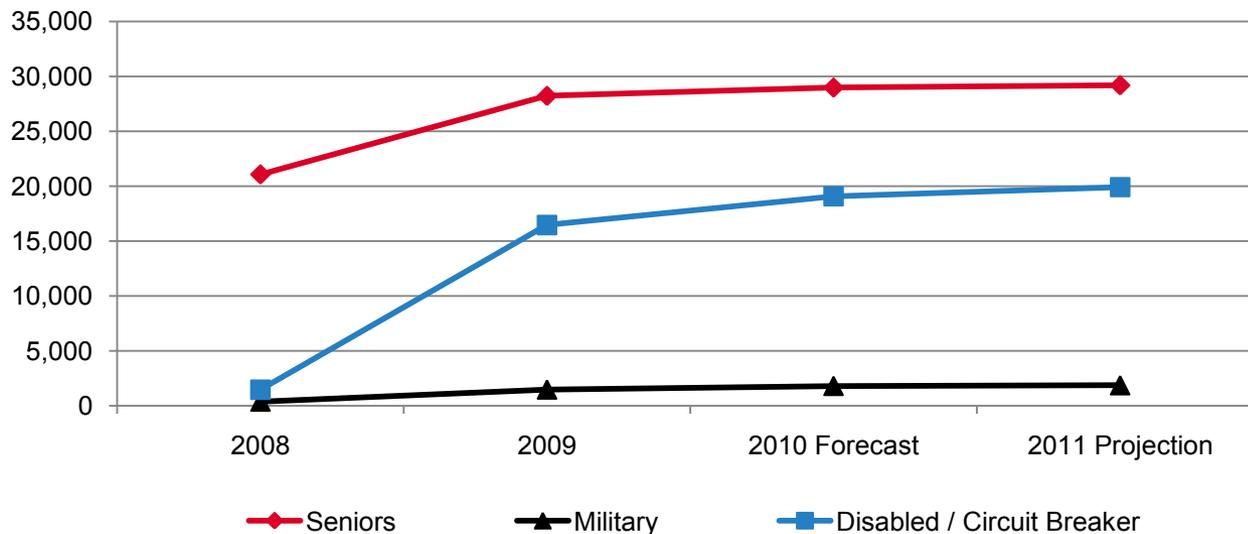
***Public funding in 2011 is \$92.5 million less than in 2008 and \$257.9 million less than projected in 2008-09.***



# GROWTH OF NEW FREE RIDES

- Since 2008, the CTA has been mandated to provide free rides to:
  - Seniors
  - People with disabilities under state's Circuit Breaker program
  - Military Service Program (active military personnel or disabled veterans)
- In 2010, the CTA provided 49.8M free rides
- In 2011, the CTA will provide approximately 51M free rides

**Free Rides Provided from 2008 to 2010**  
(In Thousands)



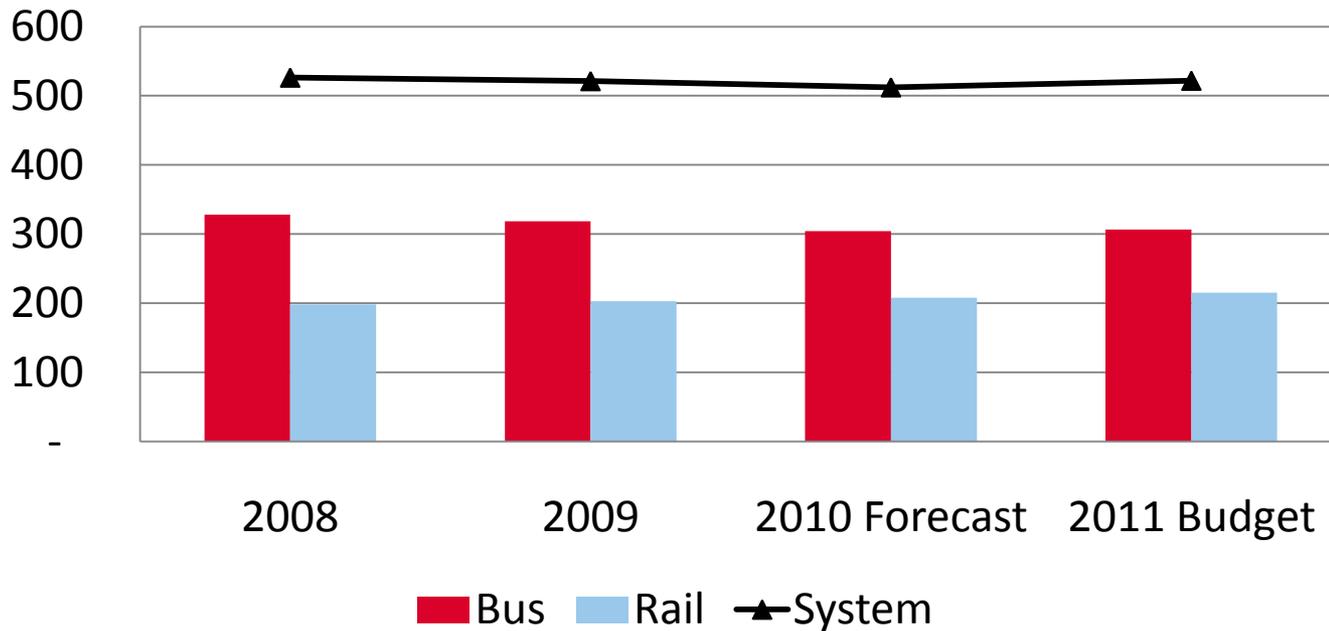
# 2011 RIDERSHIP

■ The CTA projects an increase of 1.9% in systemwide ridership versus the 2010 forecast

■ Bus: Increase less than 1%

■ Rail: Increase 3.4%

## Historical Ridership (In Millions)



# 2010 VERSUS 2011 BUDGET

	Budget 2010	Proposed 2011	\$ Variance	% Variance
<b>Operating Expenses</b>				
Labor	852,081	931,179	79,098	9.3%
Material	77,724	72,762	-4,962	-6.4%
Fuel	63,879	54,487	-9,392	-14.7%
Power	38,176	30,070	-8,106	-21.2%
Provision for Injuries and Damages	28,000	15,000	-13,000	-46.4%
Purchase of Security Services	33,181	34,109	928	2.8%
Other Expenses	178,004	200,149	22,145	12.4%
<b>Total Operating Expenses</b>	<b>\$ 1,271,045</b>	<b>\$ 1,337,756</b>	<b>\$ 66,711</b>	<b>5.2%</b>
<b>System Generated Revenue</b>				
Fares and Passes	521,417	523,660	2,243	0.4%
Reduced Fare Subsidy	32,200	28,000	-4,200	-13.0%
Advertising, Charter & Concessions	22,876	18,924	-3,952	-17.3%
Investment Income	1,832	850	-982	-53.6%
Statutory Required Contributions	5,000	5,000	0	0.0%
All Other Revenue	17,381	35,817	18,436	106.1%
<b>Total System Generated Revenue</b>	<b>\$ 600,706</b>	<b>\$ 612,251</b>	<b>\$ 11,545</b>	<b>1.9%</b>
Transfer from Capital - Preventive Maintenance	90,000	113,200	23,200	25.8%
Fare Agreement with State	83,000	83,000	0	0.0%
Public Funding Available through RTA	497,339	529,305	31,966	6.4%
<b>Total Funding</b>	<b>\$ 670,339</b>	<b>\$ 725,505</b>	<b>\$ 55,166</b>	<b>8.2%</b>
<b>Total Operating Revenues</b>	<b>\$ 1,271,045</b>	<b>\$ 1,337,756</b>	<b>\$ 66,711</b>	<b>5.2%</b>



# LOOKING FORWARD

- The CTA remains committed to its customers
  
- Throughout 2011 and beyond, the CTA will meet the challenges of the struggling economy by:
  - Managing and reducing costs
  - Negotiating savings on labor
  - Restructuring benefits
  - Pursuing competitive grants
  - Partnering with state and federal governments
  - Seeking means to increase non-farebox revenues