

PRESIDENT'S REPORT

October 6, 2010



RECENT GRANT AWARDS



Bus Garage Rehabilitation & Equipment Upgrades Grant



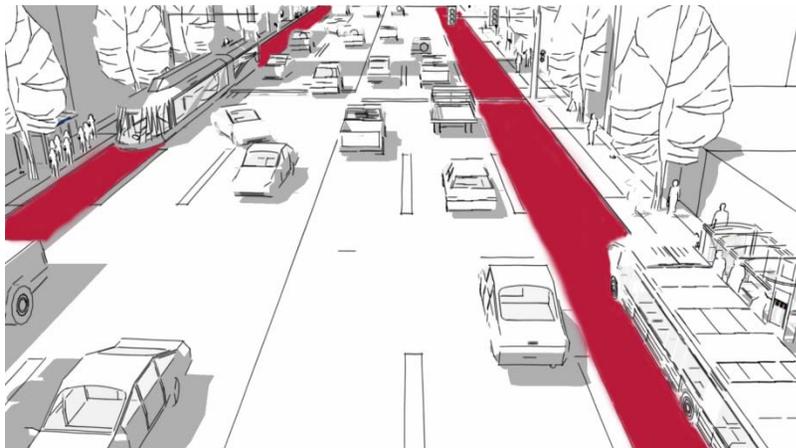
New Transit Asset Management System Grant



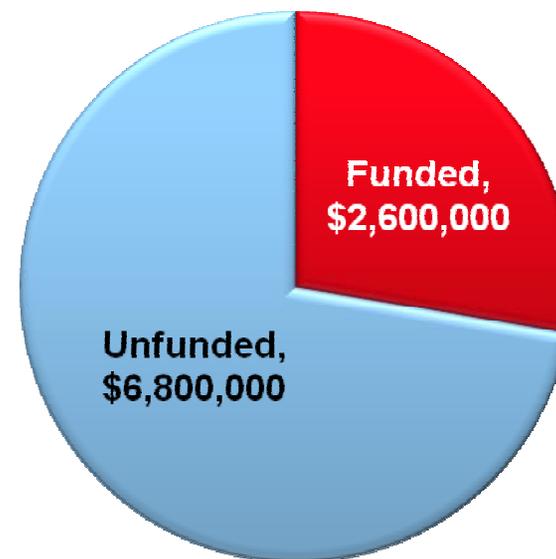
COMPETITIVE GRANT APPLICATIONS

- In 2010, CTA has applied for 43 competitive grants and been awarded \$53 million thus far
- Continue to aggressively pursue additional capital funding under competitive grant programs

Total Capital Need 2011 – 2015: \$9.4 billion
(in thousands)



Bus Rapid Transit Grant



MEETINGS IN WASHINGTON D.C.

- Emphasized importance of investing in CTA infrastructure
- Discussed critical funding needs
- Outlined state of good repair projects



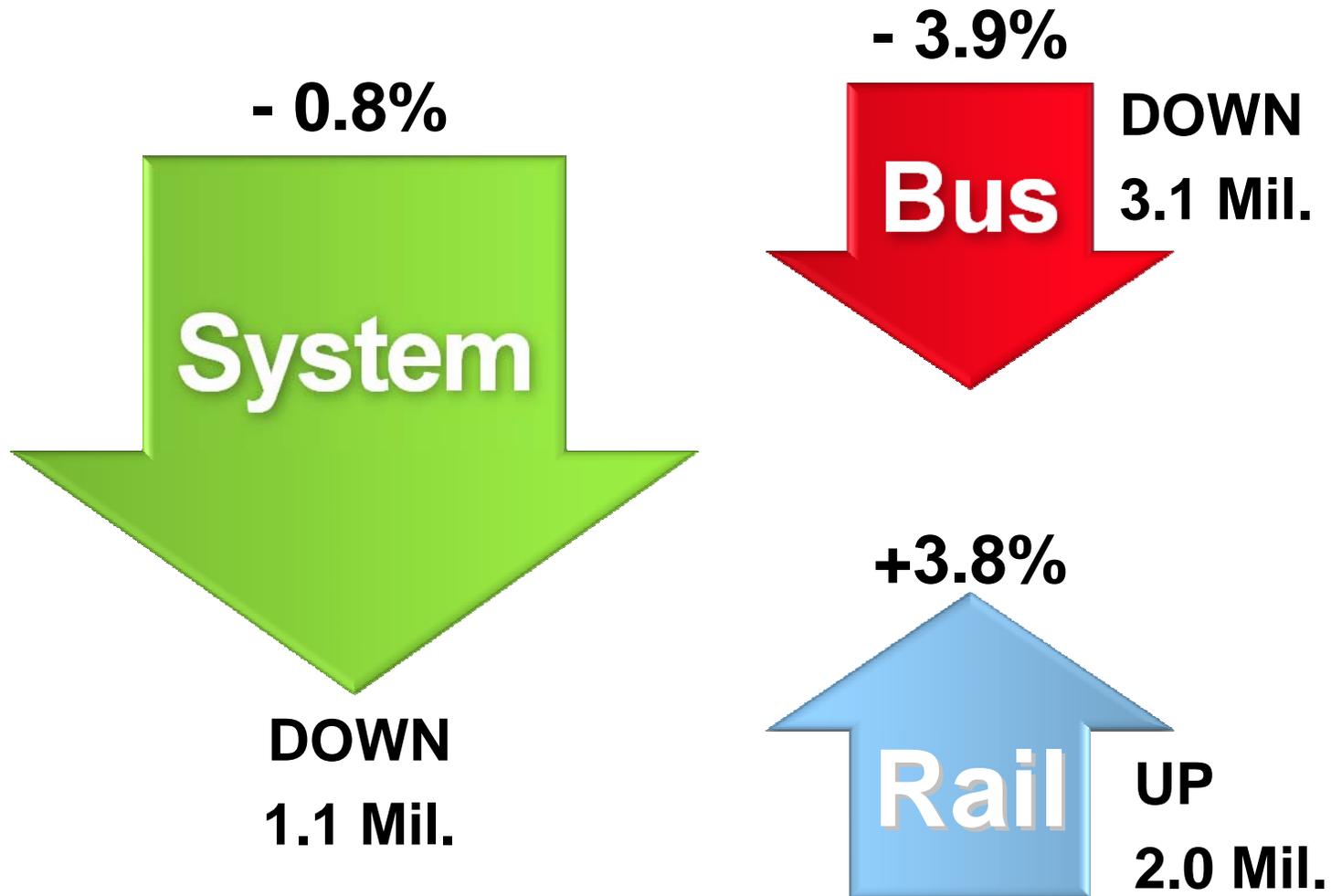


SAIGON SISTERS – OPEN FOR BUSINESS



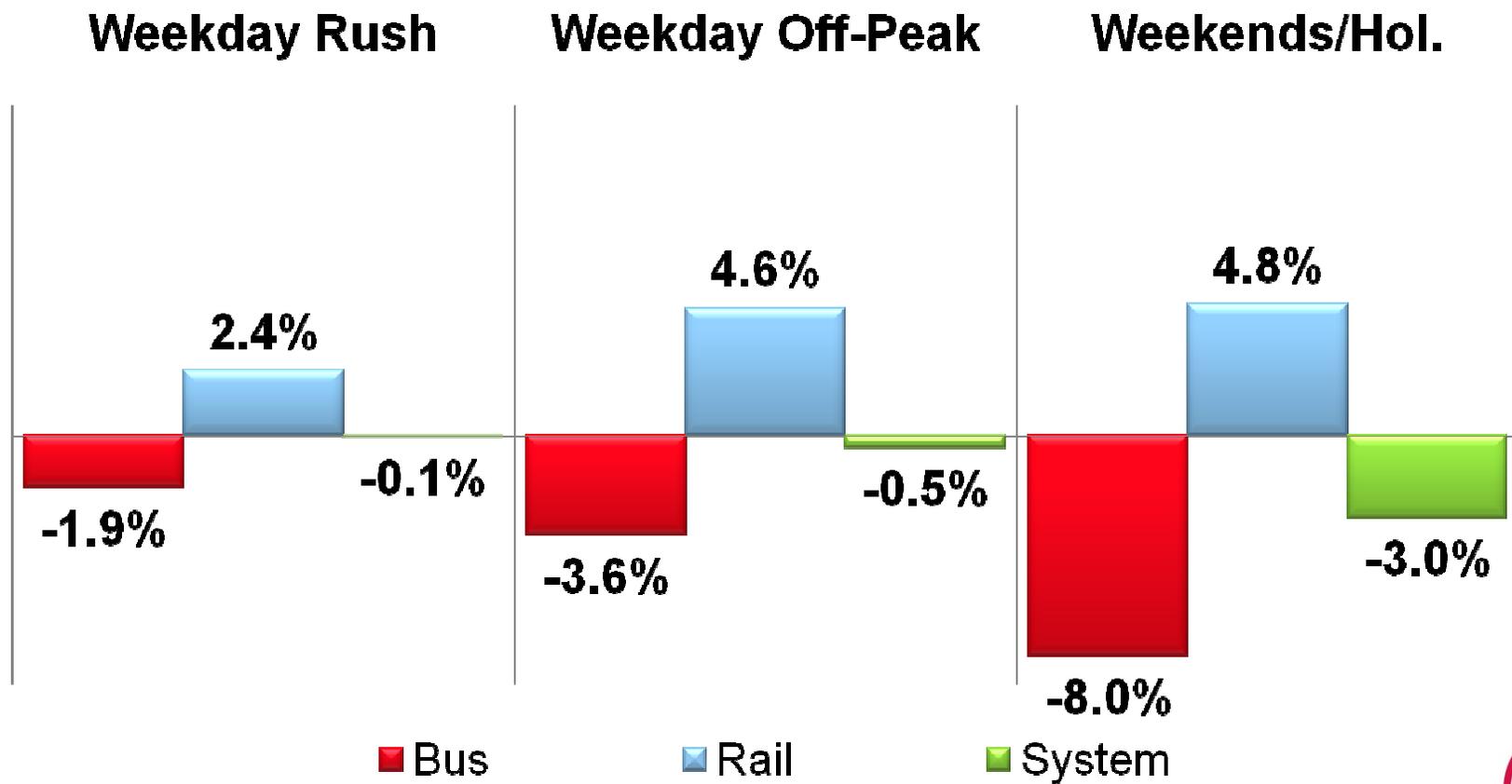
3RD QUARTER 2010 RIDERSHIP

- 133.7 million rides provided from July thru September



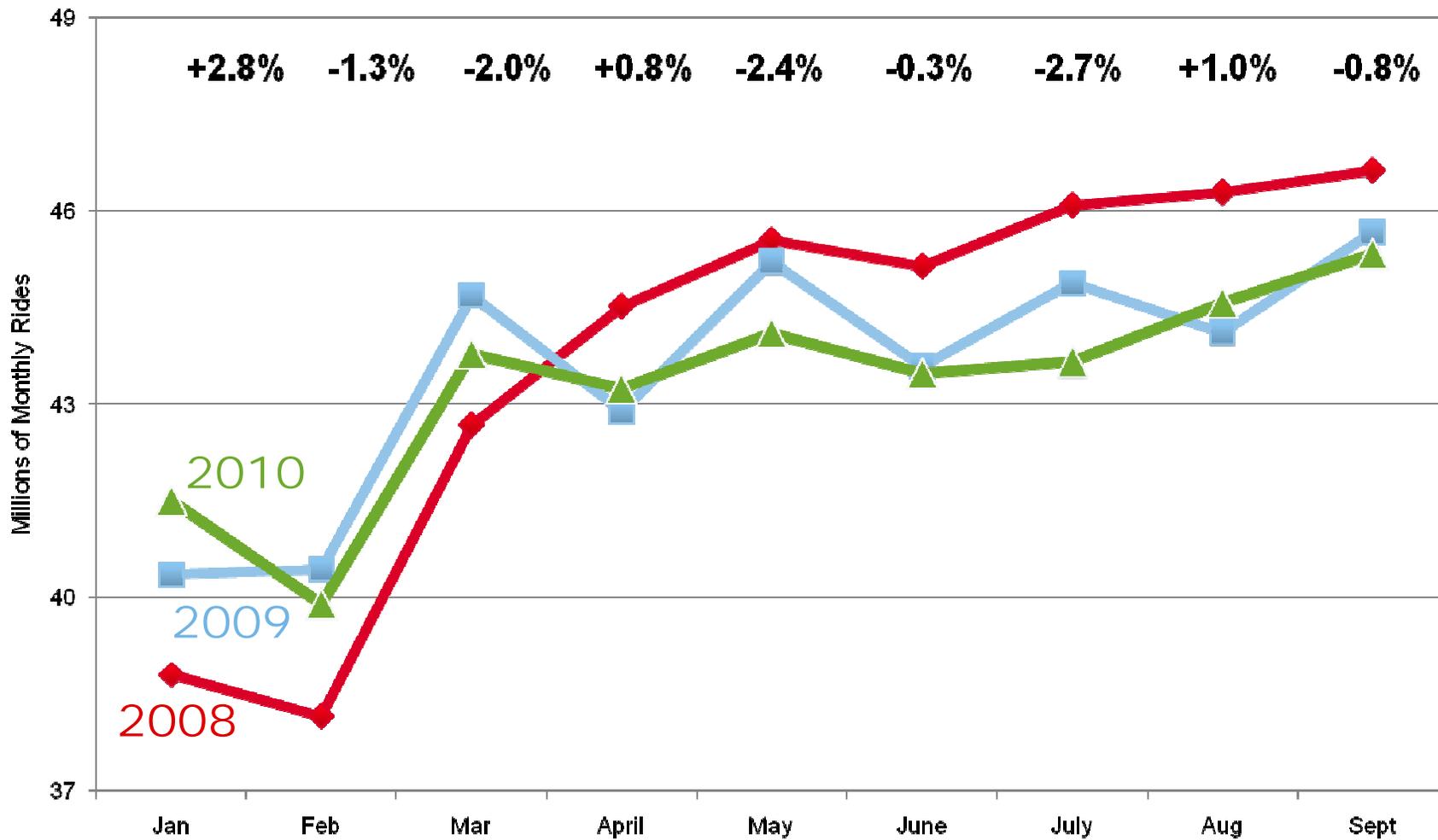
3RD QUARTER, CHANGE BY TIME PERIOD

- Ridership fairly stable during rush
- Off-peak, particularly weekends, has suffered from economy and service cuts



MONTH-BY-MONTH RIDERSHIP, 2008-10

- Year-to-Date ridership is down 0.6% compared to 2009



Data are adjusted to account for year-to-year calendar differences.





*DISCIPLINED MANAGEMENT AGAIN IN
2011*



2011 EXPENSES

Expense Drivers

ATU – Bus/Rail Union (3.5% Increase)	+\$12M
Prevailing Wage – Trade Coalition	+\$12M
Healthcare/Pension and Other Benefits	+\$74M
POB Debt Service Increase	+\$30M
Security Services and Other Contracts	<u>+\$2M</u>
<i>Subtotal</i>	<i>+\$130M</i>

Labor costs make up 70% of CTA's budget

Savings

Fuel	(\$9M)
Power	(\$8M)
Materials	(\$5M)
Reduction to Injuries and Damages	(\$15M)
Position Eliminations	(\$7M)
Labor Controls (Turnover & Overtime)	<u>(\$19M)</u>
<i>Subtotal</i>	<i>(\$63M)</i>

Labor controls and fuel / power hedging help offset increased expenses

\$67M increase versus 2010 budget

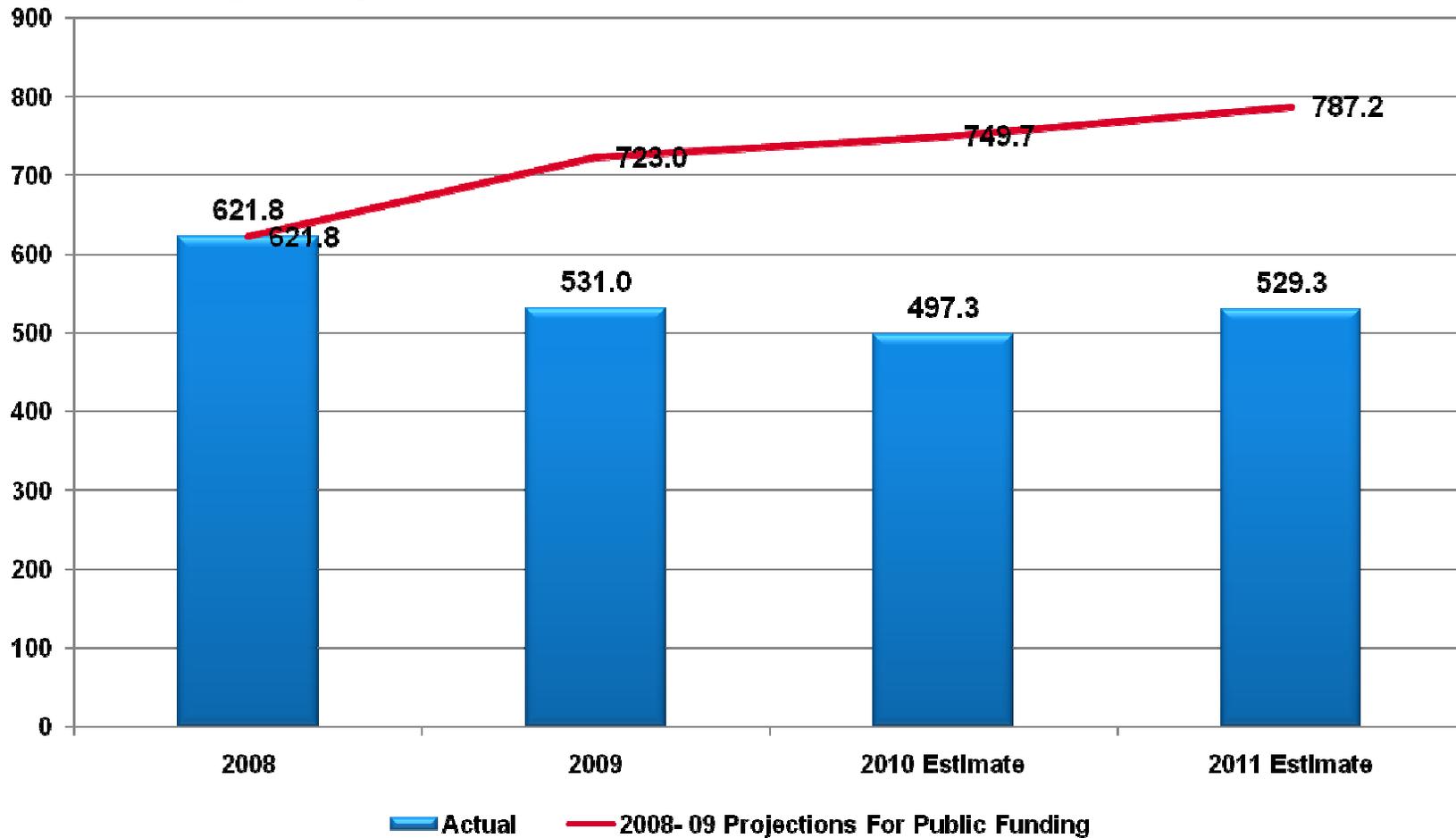


DISCIPLINED & STRATEGIC MANAGEMENT

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



UNDERPERFORMING PUBLIC FUNDING



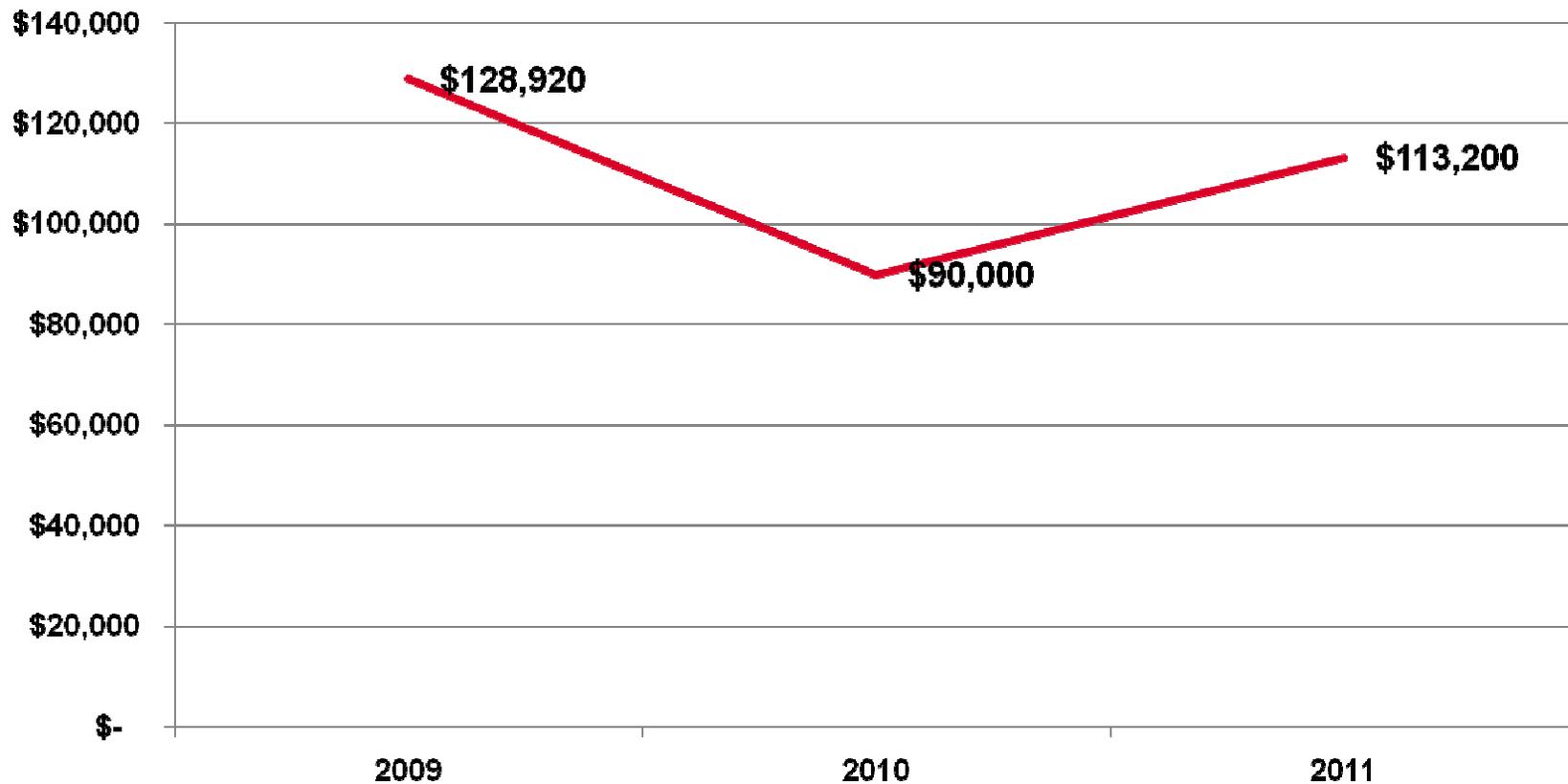
Public funding in 2011 is \$92.5 million less than in 2008 and \$257.9 million less than projected in 2008-09



USE OF CAPITAL FUNDS

- \$113.2M in capital funding for preventive maintenance used to balance 2011 operating budget.

Capital Transfers to Operating Budget
(in thousands)



2011 PROPOSED OPERATING BUDGET

(IN THOUSANDS)

Labor	\$931,179
Material	\$72,762
Fuel	\$54,487
Power	\$30,070
Injuries & Damages	\$15,000
Security Services	\$34,109
Other Expenses	\$200,149
Total Expenses	\$1,337,756

Farebox	\$523,660
Non-Farebox	\$60,591
Public Funding	\$529,305
State Fare Agreement	\$83,000
Reduced Fare Subsidy	\$28,000
Capital Transfer	\$113,200
Total Revenues	\$1,337,756

Balanced



LOOKING FORWARD

- Commitment to improving the customer experience



cta train tracker estimated arrivals

Pink Line toward 54th/Cermak	arriving	12:19 pm
Green Line toward 63rd St	5 min	Wednesday July 8
Orange Line toward Midway	6 min	67°F
Green Line toward 63rd St	12 min	
Purple Line Express toward Linden	13 min	

transitchicago.com



STATE CAPITAL FUNDING

- State of Illinois has committed \$1.3 billion to CTA since 2009
 - First payment of \$253.7M expected by end of 2010
 - Mid-Life Bus Overhaul \$15.3M
 - Rail Car Overhaul \$60.8M
 - Facility Rehabilitation Program \$1.9M
 - Traction Power Phase I \$57.0M
 - Rehabilitation of Rail Stations – Systemwide \$16.7M
 - Implement Security & Communication \$12.0M
 - Security Cameras – Stations & Yards \$14.8M
 - Track and Structural Renewal \$12.2M
 - Loop Ties & Track \$45.0M
 - Viaducts & Retaining Walls – Purple Line \$18.0M
- \$253.7M**





*PUBLIC TRANSPORTATION IS VITAL TO THE
REGION*



APPENDIX 1: 2010 VERSUS 2011 BUDGET

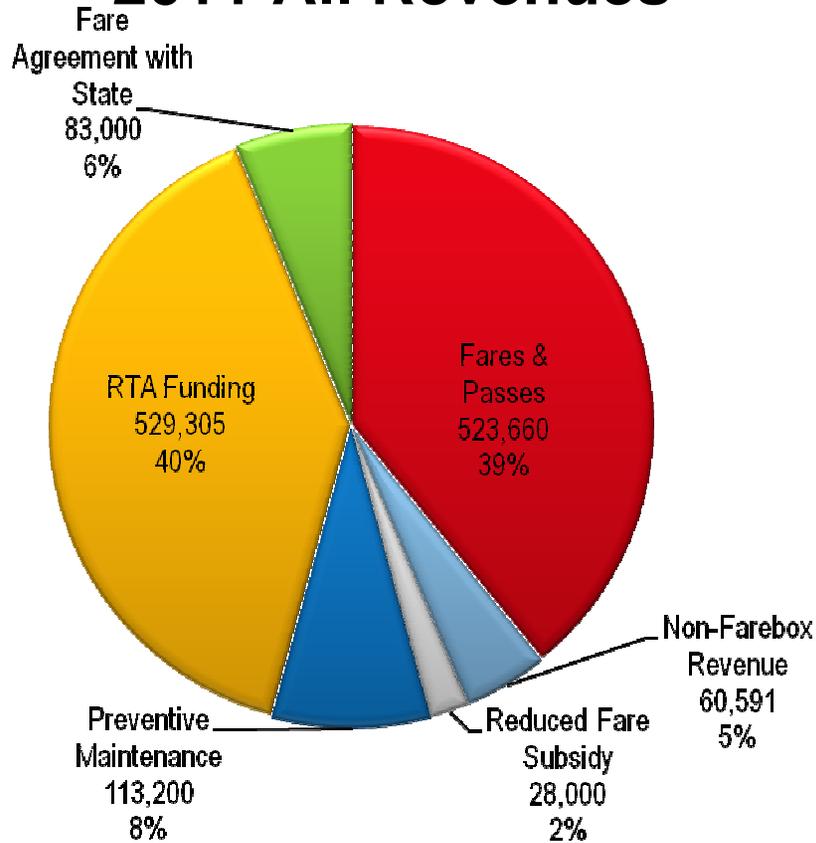
	Budget 2010	Proposed 2011	\$ Variance	% Variance
Operating Expenses				
Labor	852,081	931,179	79,098	9.3%
Material	77,724	72,762	-4,962	-6.4%
Fuel	63,879	54,487	-9,392	-14.7%
Power	38,176	30,070	-8,106	-21.2%
Provision for Injuries and Damages	28,000	15,000	-13,000	-46.4%
Purchase of Security Services	33,181	34,109	928	2.8%
Other Expenses	178,004	200,149	22,145	12.4%
Total Operating Expenses	\$ 1,271,045	\$ 1,337,756	\$ 66,711	5.2%
System Generated Revenue				
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%
Total System Generated Revenue	\$ 600,706	\$ 612,251	\$ 11,545	1.9%
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%
Total Funding	\$ 670,339	\$ 725,505	\$ 55,166	8.2%
Total Operating Revenues	\$ 1,271,045	\$ 1,337,756	\$ 66,711	5.2%



APPENDIX 2: 2011 REVENUES

(IN THOUSANDS)

2011 All Revenues



2011 Public Funding

