

# ***PRESIDENT'S REPORT***

**October 21, 2009**



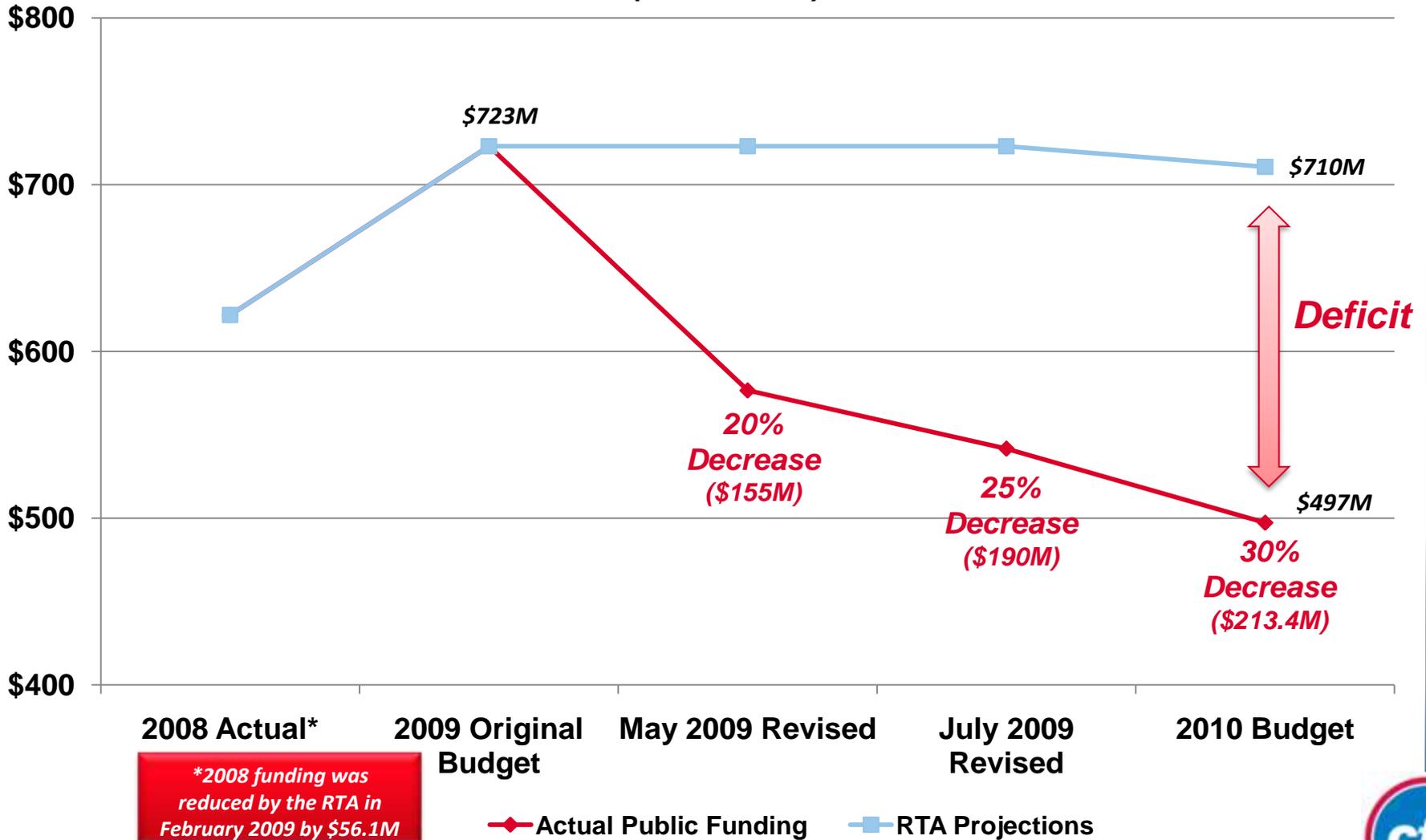
# ***STATE OF THE BUDGET***

- Operating budget facing **\$300 million** shortfall
- Not a CTA specific problem
  - Effects of the recession are being felt nationwide
- CTA revenue sources are very sensitive to the economy

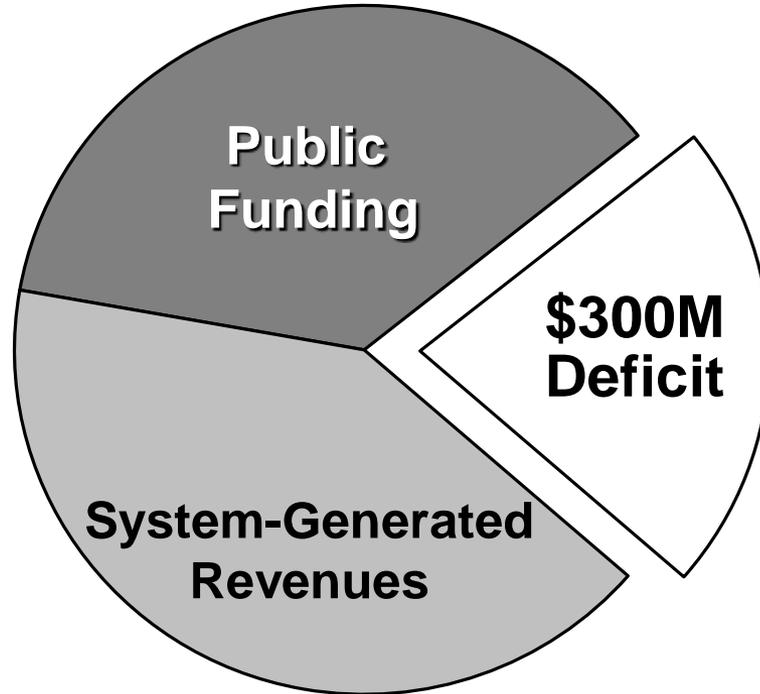


# 2009 IN REVIEW

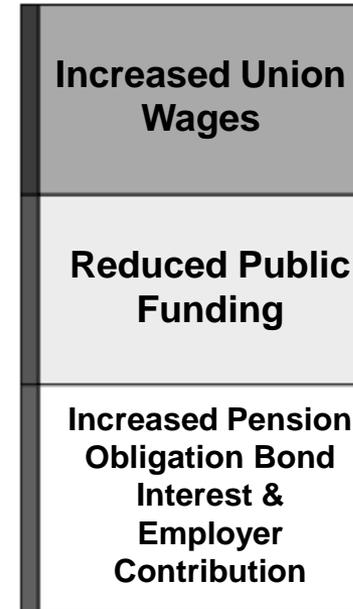
**Comparison of RTA 2008 Funding Projections vs. Actual Public Funding  
(in millions)**



# **\$300M** SHORTFALL



## Contributing Factors



# ***MANAGEMENT EFFICIENCIES***

- Elimination of up to 100 non-union jobs, furloughs, unpaid holidays, and reduction of intern and fellows programs will save \$21M
- Scaling back contracts, reducing expenditures, and hedging fuel will save \$11M
- Requesting contract reductions from all vendors



# **\$300M BUDGET SHORTFALL**

- Actions Required

- Administrative cuts will continue to be a part of the solution
- Capital funds will again be used to supplement operating costs

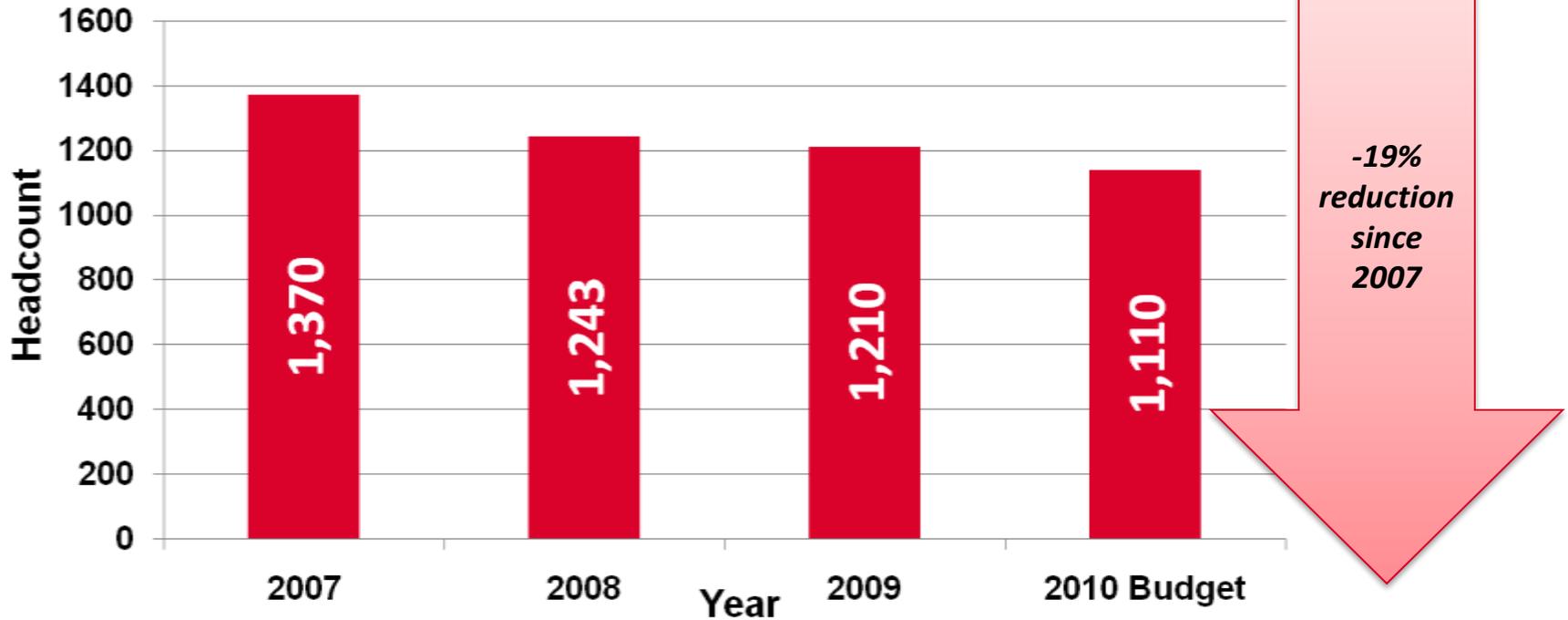
- Options

- Fare increase
- Service reductions
- Union actions
- Legislative actions
  - Use of state capital
  - Full subsidy for free and reduced fares



# Non-Union Workforce Change

CTA Non-Union Workforce

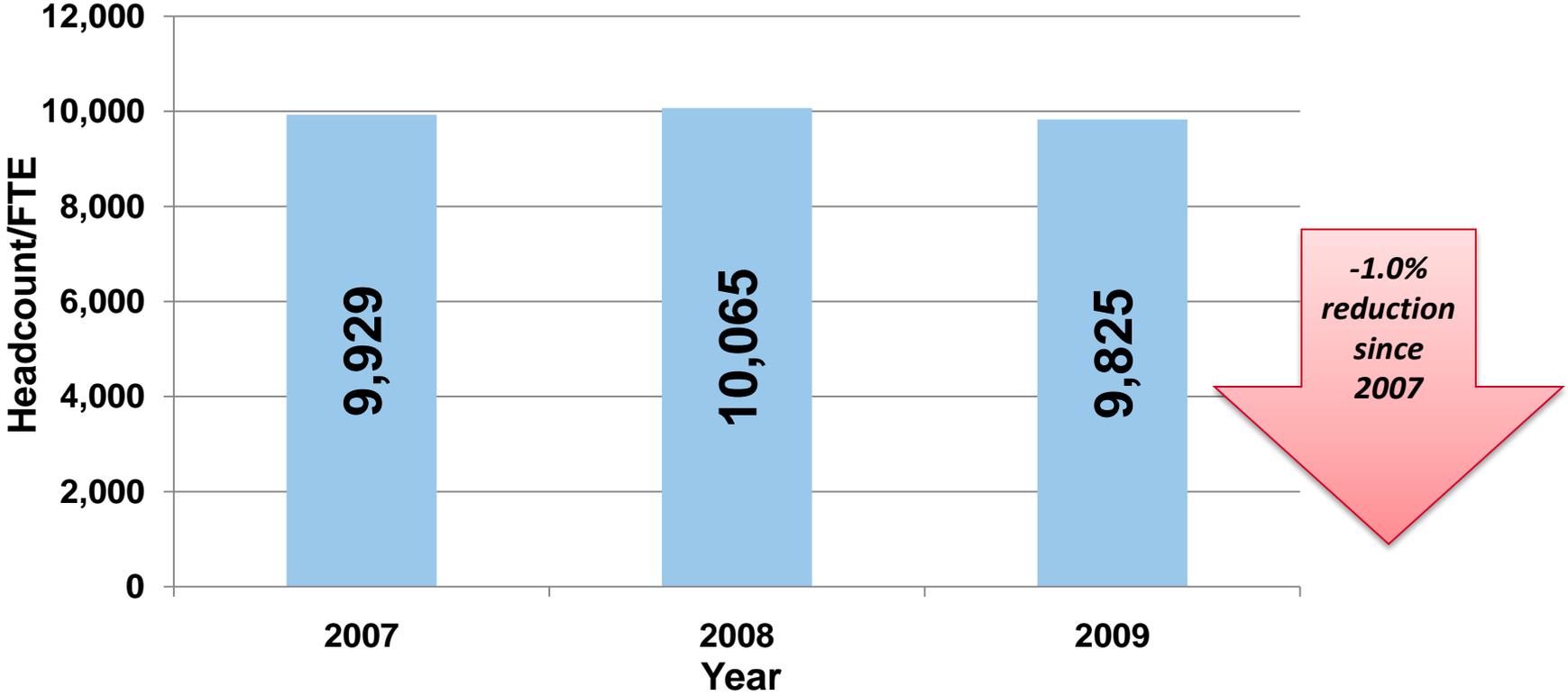


	2008	2009	2010 Budget
Yr / Yr % Change	-9.3%	-2.7%	-8.3%



# UNION WORKFORCE CHANGE

## CTA Union Workforce



	2008	2009
Yr / Yr % Change	1.4%	-2.4%



# OPTIONS

**\$300,900,000** 2010 Projected Deficit

\$32,000,000\* Deferral of Non-Union Salary Increases, Furloughs, Management Restructuring, and Fuel Hedging

\$90,000,000\* Use of Capital Preventive Maintenance

\$83,300,000\* Fare Increases

\$95,600,000\* Service Efficiencies

} **Customer Impact**

Legislative Actions

Union Actions

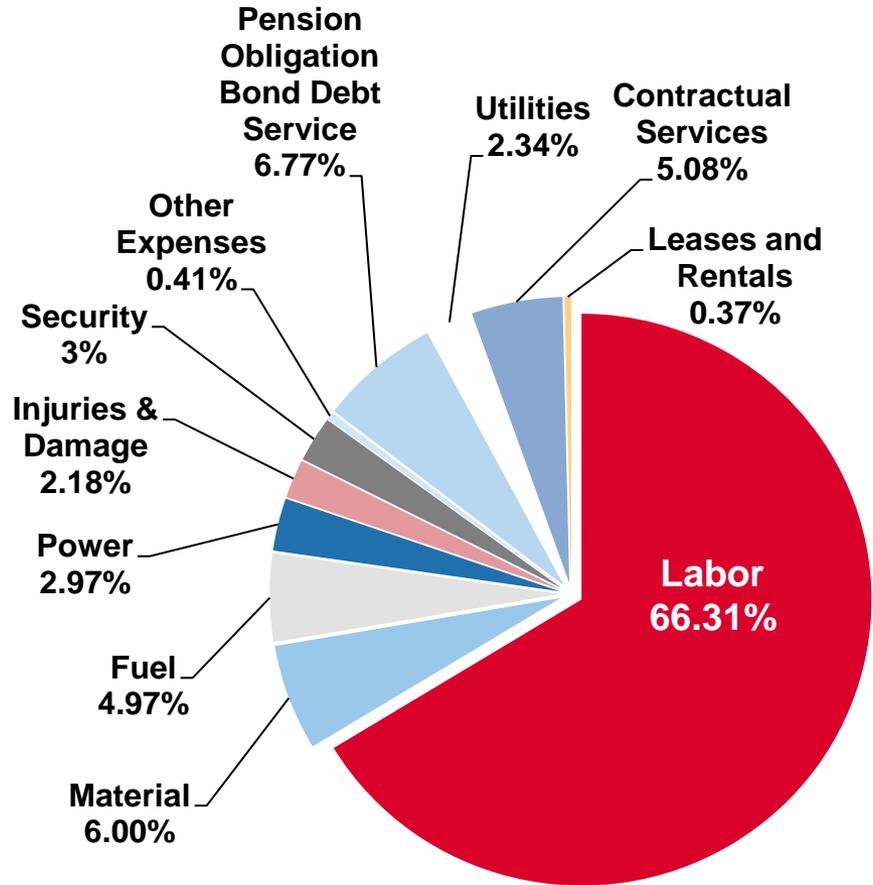
**\$300,900,000** Total 2010 Budget Options

\* These dollar amounts are estimates.



# PROPOSED EXPENSES

Labor	\$852.1M
Material	\$77.1M
Fuel	\$63.9M
Power	\$38.2M
Injuries & Damages	\$28.0M
Security Services	\$33.2M
Pension Obligation Bond Debt Service	\$106M
Utilities	\$30.1M
Contractual Services	\$65.3M
Leases and Rentals	\$4.8M
Other Expenses	\$5.3M

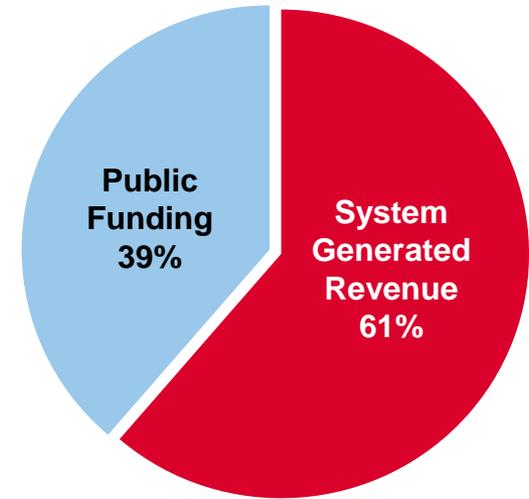


**Total Expenses \$1.285B**



# PROPOSED REVENUES

<b>System-Generated Revenues</b>	<b>\$787.7M</b>
Fares and Passes	\$604.4M
Reduced Fare Subsidy	\$16.1M
Advertising and Concessions	\$22.9M
Investment Income	\$1.8M
City/County Contributions	\$5.0M
Preventive Maintenance	\$90.0M
All Other Revenue	\$47.5M



**Public Funding** **\$497.3M**

**Total Revenues** **\$1.285B**



# ***GUIDING PRINCIPLES - FARES***

- Fare Increase Guiding Principles
  - Limit fare increase for regular bus service
  - Create an extra cost for rail service and express bus routes
  - Balance fare increases and service cuts



# PROPOSED BASE FARE INCREASES

Service	Current Fares	February 7, 2010 Regular Fares
Regular Bus	\$2.25	\$2.50
Express Bus	\$2.25	\$3.00
Rail	\$2.25	\$3.00
Reduced Fare Cash	\$1.00	No Change
Reduced Fare/ Fare Card	\$0.85	No Change



# ***PROPOSED PASS FARE INCREASES***

<b>Pass Type</b>	<b>Current</b>	<b>February 7, 2010</b>
1-Day Pass	\$5.75	\$8.00
3-Day Pass	\$14.00	\$18.00
7-Day Pass	\$23.00	\$30.00
30-Day Pass	\$86.00	\$110.00
Reduced 30-Day Pass	\$35.00	No Change



# ***GUIDING PRINCIPLES - SERVICE***

- Maintain the most service possible for those who can least afford it
- Minimize rush hour service impact
  - Preserve as much service as possible to get people to and from work
  - Retain operational integrity of rail system
- Maintain key regional connections, where possible
- Maintain Night Owl network
- Maximize efficiency of all bus routes and rail lines
- Eliminate X-routes where corresponding local route exists
- Spread the burden in an equitable manner
  - Reduce frequencies
  - Reduce total daily service hours



# ***PROPOSED RAIL SERVICE***

- All rail lines and days of service are retained
- Hours of service are maintained
- Frequencies are reduced – primarily in off-peak hours



# ***NIGHT OWL NETWORK***

- No reduction in Night Owl service
- Preserve service for 3rd shift workers who have few transportation options



# PROPOSED BUS SERVICE

- Service restructured to maximize capacity
- Express Route Eliminations (9)
  - X3 King Drive Express
  - X4 Cottage Grove Express
  - X9 Ashland Express
  - X20 Washington/Madison Express
  - X49 Western Express
  - 53AL South Pulaski Limited
  - X54 Cicero Express
  - X55 Garfield Express
  - X80 Irving Park Express
- Service Hour Modifications (41)
  - All key routes: 4:00 am - 12:30 am
  - All support routes: 4:30 am - 10:30 pm
  - Average number of service hours reduced = 1.5 hours

# ***SERVICE EFFICIENCIES***

- Proposed Service Efficiencies Include:
  - Closing of Archer Garage
  - Retirement of 1995 bus fleet (287 buses)
  - Elimination of nine express routes of 150 bus routes
  - 1,067 estimated union positions reduced

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