

ORDINANCE NO. 021-117

AN ORDINANCE ADOPTING A
BUDGET FOR CALENDAR YEAR
2022 AND FINANCIAL PLAN FOR
CALENDAR YEARS 2023–2024

WHEREAS, The Chicago Transit Authority (“Authority”) has prepared and published a proposed 2022 Annual Operating Budget and 2023–2024 Financial Plan setting forth operational expenditures; and

WHEREAS The Authority held a meeting on November 4, 2021 with the Board of Commissioners of Cook County, Illinois as required by Section 34 of the Metropolitan Transit Authority Act (“MTA Act”); and

WHEREAS, The Authority held a public hearing on November 11, 2021 on the proposed 2022 Annual Operating Budget and proposed 2023–2024 Operating Financial Plan as required by Section 34 of the MTA Act; and

WHEREAS, The Chicago Transit Board has considered the results of said meeting and hearing and reviewed the proposed Budget and Financial Plan; and

WHEREAS, The amount of total funding, including the public funding that the Chicago Transit Authority will receive in 2022 from the Regional Transportation Authority, is sufficient to meet budgetary requirements; and

WHEREAS, The Regional Transportation Authority Act, 70 ILCS 3615/4.11, requires that the Chicago Transit Authority submit to the Regional Transportation Authority a 2022 Annual Budget and Program and 2023–2024 Financial Plan; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. This ordinance, designated the Calendar Year 2022 Budget Ordinance, is hereby approved.

SECTION 2. The Calendar Year 2022 Operating Budget is contained in Exhibit A hereto and incorporated herein by reference.

SECTION 3. The Calendar Years 2023–2024 Financial Plan is contained in Exhibit B hereto and incorporated herein by reference.

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SECTION 4. The Calendar Year 2022 Operating Budget and the 2023-2024 Financial Plan are subject to such amendment as may be required by adoption of the Regional Transportation Authority's 2022 Budget.

SECTION 5. The amounts designated for the Calendar Year 2022 Operating Budget contained in Exhibit A attached hereto and incorporated herein by reference are hereby appropriated to the uses and purposes set forth therein.

SECTION 6. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

November 17, 2021

Assistant Secretary

November 17, 2021

Exhibit A – Ordinance No. 021-117
Calendar Year 2022 Operating Budget (Dollars in Thousands)

| | <u>Proposed 2022 Budget</u> |
|---|-----------------------------|
| <u>Operating Expenses</u> | |
| Labor | \$ 1,241,207 |
| Material | 102,578 |
| Fuel | 35,440 |
| Power | 36,480 |
| Provision for Injuries and Damages | 31,680 |
| Purchase of Security Services | 26,269 |
| Other Expenses | |
| Pension Obligation Bonds (Net) | 104,332 |
| Contractual Services | 134,666 |
| Utilities, Non-Capital Grant, Travel, Leases, Other | 24,462 |
| Other Debt Service | 9,682 |
| Other Expenses Total | 273,143 |
| Total Operating Expenses | <u>\$ 1,746,797</u> |
| <u>System Generated Revenue</u> | |
| Fare and Passes | \$ 293,925 |
| Reduced Fare Subsidy | 14,606 |
| Advertising, Charter & Concessions | 26,742 |
| Investment Income | 500 |
| Statutory Required Contributions | 5,000 |
| Other Revenue | 28,137 |
| System Generated Revenue | <u>\$ 368,910</u> |
| <u>Public Funding</u> | |
| Sales Tax I | \$ 431,244 |
| Sales Tax II | 51,655 |
| PTF II | 78,954 |
| RETT | 65,617 |
| PTF II on RETT | 16,393 |
| Non-Statutory Funding | 271,713 |
| ICE | 6,806 |
| Public Funding | <u>\$ 922,382</u> |
| Allocated Federal Relief Funds | \$ 299,281 |
| Budget Balancing Actions* | 156,224 |
| Total Operating Revenue | <u>\$ 1,746,797</u> |
| Balance | <u>\$ -</u> |
| Recovery Ratio** | 56.86% |
| Required Recovery Ratio | 54.75% |

* Budget Balancing Actions includes ARP (American Rescue Plan) funds to be allocated by RTA.

** Recovery ratio is calculated by dividing System-Generated Revenue by Operating Expenses. The calculation includes (i) in-kind revenues and expenses for security provided by the City of Chicago, (ii) excludes security expenses, Pension Obligation Bond debt service, ICE grant and depreciation and (iii) includes a portion of senior free ride revenue and certain grant revenues. The recovery ratio calculation includes \$333.7 million of CARES funding and \$62.0 million of CRRSA funds for 2021 forecast, \$299.3 million of CRRSA funds and \$156.2 million of budget balancing actions for 2022, and \$478.3 million and \$503.3 million of budget balancing actions for 2023 and 2024, respectively.

Note: Totals may not add due to rounding

Exhibit B – Ordinance No. 021-117
Calendar Years 2023 - 2024 Financial Plan (Dollars in Thousands)

| | 2023 Plan | | 2024 Plan |
|---|---------------------|-----------|------------------|
| <u>Operating Expenses</u> | | | |
| Labor | \$ 1,303,268 | \$ | 1,368,431 |
| Material | 106,681 | | 110,948 |
| Fuel | 41,294 | | 40,629 |
| Power | 35,099 | | 35,495 |
| Provision for Injuries and Damages | 31,680 | | 31,680 |
| Purchase of Security Services | 27,845 | | 29,516 |
| Other Expenses | | | |
| Pension Obligation Bonds (Net) | 104,332 | | 104,332 |
| Contractual Services | 138,556 | | 142,563 |
| Utilities, Non-Capital Grant, Travel, Leases, Other | 25,685 | | 26,969 |
| Other Debt Service | 13,958 | | 20,808 |
| Other Expenses Total | 282,532 | | 294,673 |
| Total Operating Expenses | \$ 1,828,399 | \$ | 1,911,372 |
| <u>System Generated Revenue</u> | | | |
| Fare and Passes | \$ 323,750 | \$ | 353,017 |
| Reduced Fare Subsidy | 14,606 | | 14,606 |
| Advertising, Charter & Concessions | 29,630 | | 30,410 |
| Investment Income | 1,000 | | 1,250 |
| Statutory Required Contributions | 5,000 | | 5,000 |
| Other Revenue | 30,668 | | 33,141 |
| System Generated Revenue | \$ 404,654 | \$ | 437,424 |
| <u>Public Funding</u> | | | |
| Sales Tax I | \$ 441,766 | \$ | 454,577 |
| Sales Tax II | 50,788 | | 49,836 |
| PTF II | 81,088 | | 83,440 |
| RETT | 67,218 | | 69,168 |
| PTF II on RETT | 16,805 | | 17,292 |
| Non-Statutory Funding | 280,776 | | 289,155 |
| ICE | 6,972 | | 7,174 |
| Public Funding | \$ 945,414 | \$ | 970,642 |
| <u>Allocated Federal Relief Funds</u> | | | |
| Budget Balancing Actions* | 478,331 | | 503,305 |
| Total Operating Revenue | \$ 1,828,399 | \$ | 1,911,372 |
| Balance | \$ - | \$ | - |
| Recovery Ratio** | 57.71% | | 58.39% |
| Required Recovery Ratio | 54.75% | | 54.75% |

* Budget Balancing Actions includes ARP (American Rescue Plan) funds to be allocated by RTA.

** Recovery ratio is calculated by dividing System-Generated Revenue by Operating Expenses. The calculation includes (i) in-kind revenues and expenses for security provided by the City of Chicago, (ii) excludes security expenses, Pension Obligation Bond debt service, ICE grant and depreciation and (iii) includes a portion of senior free ride revenue and certain grant revenues. The recovery ratio calculation includes \$333.7 million of CARES funding and \$62.0 million of CRRSA funds for 2021 forecast, \$299.3 million of CRRSA funds and \$156.2 million of budget balancing actions for 2022, and \$478.3 million and \$503.3 million of budget balancing actions for 2023 and 2024, respectively.

Note: Totals may not add due to rounding