

ORDINANCE NO. 024-141

AN ORDINANCE ADOPTING A
BUDGET FOR CALENDAR
YEAR 2025 AND FINANCIAL
PLAN FOR CALENDAR YEARS
2026-2027

WHEREAS, The Chicago Transit Authority (“Authority”) has prepared and published a proposed 2025 Annual Operating Budget and 2026–2027 Financial Plan setting forth operational expenditures; and

WHEREAS, The Authority held a public hearing on November 7, 2024 on the 2025 Proposed Operating Budget and 2026–2027 Proposed Operating Financial Plan as required by Section 34 of the Metropolitan Transit Authority Act (“MTA Act”); and

WHEREAS The Authority held a meeting on October 23, 2024 with the Board of Commissioners of Cook County, Illinois as required by Section 34 of the MTA Act; and

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

WHEREAS, In recognition of comments provided by our riders, employees, and the public, this ordinance reflects that the Authority will earmark \$3,324,763.00 to allow the Authority to seek further community input and pursue initiatives and pilot programs to improve public safety. This increase will be reflected in the Contractual Services expense item. This change does not affect the Total Operating Expenses in the proposed 2025 Annual Operating Budget. This change is also reflected in the 2026-2027 Financial Plan; and

WHEREAS, The amount of total funding, including the public funding that the Chicago Transit Authority will receive in 2025 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 2025 Annual Budget and Program and 2026–2027 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 2025 Budget Ordinance, is hereby approved.

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SECTION 2. The Calendar Year 2025 Operating Budget is contained in Exhibit A hereto and incorporated herein by reference.

SECTION 3. The Calendar Years 2026–2027 Financial Plan is contained in Exhibit B hereto and incorporated herein by reference.

SECTION 4. The Calendar Year 2025 Operating Budget and the 2026–2027 Financial Plan are subject to such amendment as may be required by adoption of the Regional Transportation Authority’s 2025 Budget.

SECTION 5. The amounts designated for the Calendar Year 2025 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 13, 2024

Secretary

November 13, 2024

Exhibit A – Ordinance No. 024- 141
Calendar Year 2025 Operating Budget (Dollars in Thousands)

	<u>2025 Proposed Budget</u>
<u>Operating Expenses</u>	
Labor	1,448,229
Material	153,351
Fuel	48,476
Power	56,806
Provision for Injuries and Damages	22,262
Purchase of Security Services	85,148
Other Expenses	
Pension Obligation Bonds (Net)	86,947
Contractual Services	194,184
Utilities, Non-Capital Grant, Travel, Leases, Other	43,260
Other Debt Service	17,860
Other Expenses Total	342,251
Total Operating Expenses	<u>\$ 2,156,522</u>
 <u>System Generated Revenue</u>	
Fare and Passes	369,089
Reduced Fare Subsidy	17,432
Advertising, Charter & Concessions	33,271
Investment Income	5,000
Statutory Required Contributions	5,000
Other Revenue	26,160
System Generated Revenue	<u>\$ 455,952</u>
 <u>Public Funding</u>	
Sales Tax I	528,932
Sales Tax II	68,130
PTF II	97,693
RETT	57,485
PTF II on RETT	14,059
Non-Statutory Funding - PTF I	316,225
Non-Statutory Funding - Sales Tax I	39,351
ICE*	-
Public Funding	<u>\$ 1,121,875</u>
 Federal Relief Funds	 \$ 578,695
 Budget Balancing Actions**	 -
 Total Operating Revenue	 <u>\$ 2,156,522</u>
 Short-term Borrowing Balance	
 Recovery Ratio***	 55.57%
Required Recovery Ratio	42.00%

* Budget Balancing Actions have not yet been determined

** 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 also includes Federal Relief Funds as well as Budget Balancing Actions.

Note: Totals may not add due to rounding

Exhibit B – Ordinance No. 024- 141
Calendar Years 2026 - 2027 Financial Plan (Dollars in Thousands)

	<i>2026 Plan</i>	<i>2027 Plan</i>
<u>Operating Expenses</u>		
Labor	1,506,158	1,566,405
Material	157,951	162,690
Fuel	47,312	47,381
Power	60,551	61,667
Provision for Injuries and Damages	23,152	24,079
Purchase of Security Services	87,802	90,536
Other Expenses		
Pension Obligation Bonds (Net)	87,575	87,575
Contractual Services	199,910	205,808
Utilities, Non-Capital Grant, Travel, Leases, Other	45,700	46,607
Other Debt Service	17,860	21,196
Other Expenses Total	351,045	361,186
Total Operating Expenses	\$ 2,233,972	\$ 2,313,943
<u>System Generated Revenue</u>		
Fare and Passes	376,471	380,236
Reduced Fare Subsidy	17,432	17,432
Advertising, Charter & Concessions	34,934	36,681
Investment Income	5,000	5,000
Statutory Required Contributions	5,000	5,000
Other Revenue	27,468	28,842
System Generated Revenue	\$ 466,305	\$ 473,190
<u>Public Funding</u>		
Sales Tax I	542,685	556,794
Sales Tax II	67,154	65,339
PTF II	101,302	104,133
RETT	66,108	76,024
PTF II on RETT	16,527	19,006
Non-Statutory Funding - PTF I	327,294	335,803
Non-Statutory Funding - Sales Tax I	41,336	41,311
ICE*	-	-
Public Funding	\$ 1,162,406	\$ 1,198,410
Federal Relief Funds	\$ 66,308	\$ -
Budget Balancing Actions**	\$ 538,952	\$ 642,343
Total Operating Revenue	\$ 2,233,972	\$ 2,313,943
Short-term Borrowing		
Balance		
Recovery Ratio***	55.43%	55.57%
Required Recovery Ratio	42.00%	42.00%

*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 federal relief funds. The Illinois legislature granted temporary recovery ratio relief for fiscal years 2021, 2022 and 2023 due to the ongoing pandemic.

Note: Totals may not add due to rounding