CTA: Investing in Chicago

President's 2015 Budget Recommendations

Rendering of future design

CTA FY15 Budget

Chicago Transit Board

Terry Peterson, Chairman
Appointed by: Mayor, City of Chicago

Jacquelyne Grimshaw, Vice Chairman
Appointed by: Governor, State of Illinois

Ashish Sen
Appointed by: Governor, State of Illinois

Robert Lewis
Appointed by: Governor, State of Illinois

Rev. Charles E. Robinson
Appointed by: Mayor, City of Chicago

Alejandro Silva
Appointed by: Mayor, City of Chicago

Kevin Irvine
Appointed by: Mayor, City of Chicago

Forrest Claypool, President

Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Chicago Transit Authority, Illinois for the Annual Budget beginning January 01, 2014. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan,and as a communications device.

This award is valid for a period of one year only.

Chicago Transit Authority

transitchicago.com

1-888-YOUR-CTA

14JN67

CTA FY15 Budget

Table of Contents

(THIS PAGE INTENTIONALLY LEFT BLANK)

CTA FY15 Budget

Letter from the President

Dear CTA Customers:

Three and a half years ago, when I was appointed by Mayor Emanuel, the Chicago Transit Authority had a reputation for financial instability. Bus and rail service cuts, part of regular "doomsday" budgets, created uncertainty and concern for our workers and millions of passengers.

In 2011, we inherited our own doomsday threat—a $308 million operating deficit on a $1.3 billion budget, and a legacy of borrowing scarce capital dollars to plug operating budgets. Basic employee training programs did not exist, victims of long-ago budget cuts.

Crime was a growing concern.

Much of our infrastructure was old and neglected.

Our bus and rail fleets were aging rapidly. Maintenance costs and breakdowns were soaring. Our repair and maintenance facilities were degraded.

Against this backdrop, we went to work—cutting waste, imposing efficiencies, re-negotiating archaic union contracts—and bringing a long overdue balance between fares and pass discounts, ensuring that fares would remain unchanged for two-thirds of our customers.

For a fourth straight year, this administration presents a budget that is balanced without spending capital dollars on operations. We continue to increase service levels while fares remain flat. The CTA is at last fiscally sound.

But a great organization's financial health must be matched by a healthy commitment to its employees — the front line workers who deliver service. To ensure that every CTA employee receives the instruction they need, we created a dynamic Learning and Support unit that has brought best practices and state-of-the-art training to the CTA.

The Learning and Support unit also led our vastly expanded second-chance program by partnering with social services agencies to train and prepare ex-offenders and substance abusers to maximize their chances of success. Many graduates of this important program have been hired full time by the CTA, and others have moved on to good jobs at other private and public organizations.

To drive down violent crime, we developed tighter and more sophisticated coordination with Chicago police. In addition, we invested in more officers on the transit beat and new technology, saturating our system with thousands of security cameras.

Letter from the President

By the end of 2013, all of our 145 rail stations had multiple cameras and cameras were installed in every rail car. Today the CTA boasts more than 23,000 cameras, significantly improving our ability to solve crimes and prosecute offenders. In the first half of 2014, the total number of violent crimes and thefts on buses, trains and rail stations fell more than 34 percent compared with the first half of 2013. Robberies and thefts, which are the most common crimes on the CTA, dropped 35 percent and 18 percent, and aggravated assault and aggravated battery incidents also declined.

The 2015 budget also continues the $5 billion transit modernization initiative begun under Mayor Emanuel in 2011. This includes renewals, renovations and in some cases full reconstructions of one third of our 145 rail stations. It contains major reconstruction projects beginning in 2014 such as the 95th Street Terminal and the Wilson station, as well as a new Green Line station at McCormick Place and station rehabilitations on the Blue Line as part of the four-year modernization of the O'Hare branch.

More projects are in the pipeline that will benefit generations of riders for decades to come. Those include investments to increase service capacity, such as the Red and Purple Modernization Program to completely rebuild our busiest infrastructure, and the proposed Red Line Extension project on the South Side to provide rail service in a transit-dependent region with limited rail access.

Additional investments have included replacing an entire rail line, the Red Line South, providing a smoother, more reliable railroad that shaves as much as 20 minutes off a round-trip. We've been attacking deteriorating track and structure issues across our system, including the Brown, Blue, Orange and Purple Lines, and have reduced slow zones by 20 percent, or nearly 5 miles, since May 2011.

We're buying new buses and rail cars and replacing ones beyond their useful lifespans. And, we're significantly improving our maintenance facilities to provide better and more efficient servicing of our bus and rail fleet.

Also since 2011, we've added service to nearly every train line as well as the most popular bus routes and installed hundreds of Train Tracker displays to make commuting easier.

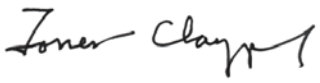
We've added more than 700 customer assistants at our rail stations to help the pubic and added more janitors for cleanliness as well as strengthened our standards for clean trains and buses.

Despite early setbacks, the CTA in 2014 fully transitioned to a new, modern, open fare payment system, Ventra, replacing aging, obsolete fare payment systems that were nearly 20 years old. The CTA is the first major U.S. transit agency to adopt such a system, which is contactless and account-based, offering greater payment flexibility and account

management that has never before been offered. The new system also resolves the need for the CTA to make costly upgrades and maintenance on fare equipment.

All of that said, we still face major challenges. The CTA continues to face a precipitous climb in recent years in the number of state-mandated free rides, accompanied by a significant cut in the state funding for those rides, a loss of funding that must be made up elsewhere. While free and reduced rides cost the agency over $100 million annually, the State provides a small and shrinking share of support for these mandated programs.

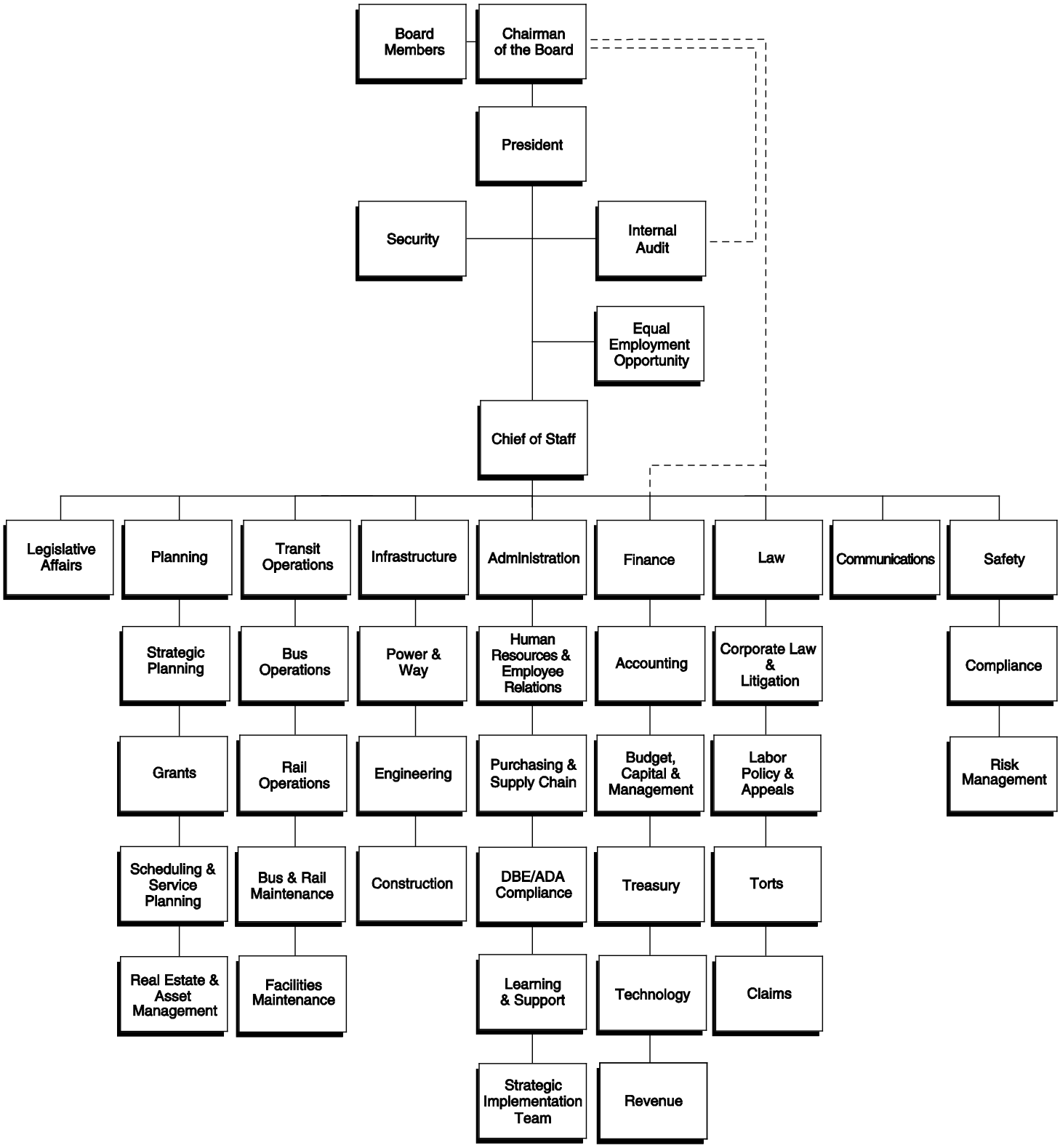
Despite hurdles, the CTA is steadfast in its commitment to providing reliable, affordable transportation in a fiscally responsible and efficient way. By running a financially sound agency that strategically invests in its infrastructure and its people, we have moved the CTA much closer to providing the transit system that we owe our customers and taxpayers.



Forrest Claypool

(THIS PAGE INTENTIONALLY LEFT BLANK)

Organizational Chart



(THIS PAGE INTENTIONALLY LEFT BLANK)

Executive Summary

Overview

The Chicago Transit Authority, which provides more than half a billion rides each year and nearly 1.7 million rides each weekday, has been an essential part of Chicago and the region for more than 65 years. The CTA's bus and rail network is the second largest in the nation, linking millions to jobs and contributing to economic vibrancy for the region.

Under the leadership of Mayor Rahm Emanuel, 2014 was a successful year as the agency continued its historic investment into its bus and rail system. By doing so, the CTA moved toward the mayor's goal of creating a world-class, 21st century transit system, which benefits Chicago's regional economy by attracting and keeping employers, creating new jobs and drawing people to live, work, and play in our city.

Since 2011, the CTA has continued an ambitious, unprecedented capital investment plan that canvasses the entire transit system. That includes modernizing rail and bus fleets and upgrading rail stations and track structures to bring the agency's massive infrastructure inventory into a state of good repair.

2014 offered South Side riders a brand-new Red Line South railroad, and the CTA completed the transition to a modern fare-payment system that replaced outdated systems that were nearly 20 years old. The CTA also announced plans to increase capacity and service as well as to further modernize its rail system for the benefit of current and future generations of riders.

Though the CTA has made significant progress in modernizing and improving service, it has does so in a continually challenging economic and political landscape.

The CTA continues to face a precipitous climb in recent years in the number of state-mandated free rides, accompanied by a significant cut in the state funding for those rides, a loss of funding that must be made up elsewhere. While free and reduced rides cost the agency more than $100 million annually, the State's subsidy to cover the cost was cut in half in 2013, though later restored. However, the legislature has kept the halved subsidy in its 2015 fiscal budget (July 1, 2014-June 30, 2015). That reduced subsidy—from about $28 million annually to $14 million, will affect CTA's 2015 budget if it is not restored by the legislature.

Additionally, the CTA annually must comply with 2008 state legislation requiring the CTA to rapidly and fully fund pension and health care trusts. Passed just before the Great Recession began, the legislation has imposed a continually escalating annual burden on CTA's operating budget—adding tens of millions of dollars in the last two years alone.

Despite the challenges, for a fourth straight year the CTA's annual spending plan is balanced, prudent and responsible, reflecting ongoing management initiatives and reforms that have been put into place since 2011. The CTA again presents a balanced budget and delivers the financial stability that taxpayers and customers expect and deserve. This includes, also for a fourth year, avoiding the devastating past practice of previous administrations of transferring precious capital funds—which pay for construction and preventative maintenance—to help balance the CTA's operating budget.

The CTA is committed to managing the agency's daily transit operations efficiently and responsibly to provide top-notch service to our customers and contribute to the economic vitality of the Chicago region.

2014: Creating World-Class Transit

Infrastructure Investment

Continuing a historic, unprecedented infrastructure investment plan begun in 2011, the CTA continued to make significant progress on several strategic long-term plans to make transit better, safer and more reliable. Since 2011, under the leadership of Chicago Mayor Rahm Emanuel, the CTA has completed, begun or announced a historic $5 billion of investment across its system.

Red Ahead

This investment includes the Red Line, the backbone of the CTA's rail system and the busiest rail line.

Following the successful $86 million renewal of seven Red Line North Side stations (the Red North Station Interim Improvement Project) in 2012 and the $425 million Red Line South Reconstruction project in 2013, the CTA in the fall of 2014 moved forward with its ambitious Red Line investment—with the fall groundbreakings for both the new $240 million 95th Street Terminal on the South Side and the $203 million Wilson station on the North Side.

Wilson station, Red Line

The Wilson project, which will begin this fall and is expected to be completed in 2017, will completely rebuild Wilson into a new, modern transfer station for Red and Purple lines for the comfort and convenience of CTA passengers.

The ambitious project includes moving tracks, adding accessible entrances and completely rebuilding the stationhouse, and will generate transit-oriented development that will benefit Chicago's Uptown neighborhood.

Upon completion of project work in late 2017, the main stationhouse of the newly reconstructed Wilson station will feature public artwork by internationally acclaimed artist, designer and engineer Cecil Balmond.

95th Street Termnal, Red Line

The new 95th Street Terminal, at 95th Street and the Dan Ryan Expressway, will replace an outdated, cramped facility that serves more than 20,000 people and more than 1,000 CTA and Pace bus trips each weekday. The new facility will span both the north and south sides of 95th Street and be connected by a pedestrian skywalk that eliminates the need to cross 95th at street level—increasing safety for our customers.

Mayor Rahm Emanuel and elected officials broke ground in September 2014 on the historic $240 million project to reconstruct the 95th Street Red Line Terminal—the city's busiest multi-modal facility. The new, modern and more spacious terminal will be a showcase destination befitting 21st Century transit riders.

From platform through mezzanine to street level, the look and feel of the Red Line's Harrison station was transformed. The station is now brighter, cleaner and safer and features new and unique design elements reflecting its surrounding neighborhood. It's also the first station to feature all LED lighting.

Harrison station, Red Line

The CTA in 2014 completed a $10 million renovation of the Harrison Red Line station, which included rehabilitating the three station entrances and the mezzanine area, platform improvements and adding CTA Train Tracker displays to benefit the 1.4 million people who use it each year.

Clark/Division, Red Line

The Chicago Department of Transportation (CDOT), in conjunction with the CTA, continued its $86 million, three-year major rehabilitation of the Red Line's Clark/Division subway station, the first major renovation of that station since it opened in 1943. The station opened a new entrance LaSalle and Division in 2014 and will be fully renovated by mid-2015. CDOT is managing the Clark/Division project.

Red Line Extension

In 2014 the CTA continued to make progress in its proposed $2.3 billion Red Line Extension (RLE) project that would extend the Red Line from 95th Street to the vicinity of 130th Street with new stations at 103rd Street, 111th Street, Michigan Avenue, and 130th Street. The 5.3-mile extension would provide rapid transit rail access to a Far South Side area that does not have direct CTA rail service, providing improved access to jobs and education. In August 2014, following public comments and open houses held in May 2014, the CTA narrowed the number of route alternatives for the project to one preferred alternative with two options, and identified $5 million of funding to continue the required federal environmental planning process, the Environmental Impact Study (EIS). The CTA will hold public hearings in 2015 to gather feedback on the two options of the preferred alternative as part of the EIS process.

Red and Purple Modernization

Also in 2014, the CTA announced the first phase of the Red and Purple Modernization project (RPM), a plan to completely rebuild the northern section of the Red Line and the parallel Purple Line that currently serves about 40 percent of all CTA rail customers.

The proposed $1.7 billion Phase One would rebuild four CTA stations—Lawrence, Argyle, Berwyn and Bryn Mawr. It also includes building a bypass at Clark Junction, located north of the Belmont station, to mitigate traffic congestion where Brown, Red and Purple Lines intersect—the daily gridlock affects train traffic across the system and essentially caps the CTA's ability to add service for the future, a concern given that weekday rush-period ridership in the RPM corridor grew by 40 percent in the last five years. CTA's projections show by 2030, CTA will need to double the number of trains as ridership trends upwards.

The project received support in 2014 by the Federal Transit Administration, which awarded $35 million in Core Capacity Program funds for the first phase, which will assist in the completion of the preliminary design for both Phase One components.

Blue Line—O'Hare branch

In 2014, the CTA began the $492 million *Your New Blue* program, its largest investment in O'Hare branch since Blue Line was extended to O'Hare from Jefferson Park in 1983-84. The CTA completed the first phase, which included track improvement work to eliminate all slow zones between Logan Square and Damen to make rail service smoother, faster and more reliable. The CTA in fall 2014 began the second part of the project, the renovation of the California, Damen and Western stations. The four-year *Your New Blue* project will upgrade 13 stations; improve tracks and signals; install new water-management systems and repairs to ensure dry and clean subway stations; and upgrade traction power to improve service and reliability.

The first task under the Your New Blue project was the replacement of deteriorated rail ties and track components along the Milwaukee elevated track structure between the Damen and Logan Square stations. The trackwork was completed in August 2014.

UIC Halsted station, Blue Line

As part of the Illinois Department of Transportation's I-90/94 at I-290 Circle Interchange improvements planning project, the CTA began work on the $16 million upgrade of the UIC-Halsted station on the Blue Line to reconstruct the station entrance, add an elevator and update other features of the stationhouse. The work is expected to be completed in 2015.

Brown and Purple Lines/Ravenswood Connector

The CTA in 2014 made significant progress on the first phase of its $71.2 million Ravenswood Connector project to improve the elevated Brown and Purple Express lines between the Chicago and Armitage stations, known as the Ravenswood Connector, for track and rail structure rehabilitation. The first phase of the work has included structural repairs, including replacing flange angles, the critical brackets that strengthen the elevated structure and support the tracks. The second phase of project work began in late 2014 and continue into 2015 with the replacement of deteriorated rail ties along the renewed infrastructure.

Orange Line/18th Street Connector

The CTA completed major rehabilitation work on the 18th Street Connector—a half-mile stretch of elevated structure that carries Orange Lines trains traveling to/from the Loop. The $25 million rehabilitation project is providing Orange Line customers with smoother and more reliable service.

Expanded public art at CTA stations

The CTA in the last few years has worked to significantly expand its collection of public artwork at rail stations that reflect the surrounding neighborhoods and communities by hiring critically acclaimed local, national and international artists. In 2014 the CTA announced or began installation for several stations to provide customers with a more pleasant transit experience. The collection will add 21 new original works of art as part several projects since 2012, including the Red North Station Interim Improvement Project (seven North Side stations, completed in 2012), Red Line South Reconstruction Project (eight stations, completed in 2013) and several upcoming projects, including Wilson Station, 95th Street Terminal and stations on the O'Hare branch of the Blue Line as part of the Your New Blue project. These art projects are in addition to the more than 50 works of art at 41 stations along its eight rail lines.

Substation improvements

Key to meeting current and future ridership needs is adequate power for the CTA's rail system. The CTA has continued its investment into additional traction power that can meet current power demand as well as supply additional power for future increases in service as needed. Project work in 2014 included $66.5 million of major upgrades at the Armitage, Farwell and Hill substations. Farwell and Hill were expected to be completed before the end of 2014 and the Armitage work is anticipated to be done in the first quarter of 2015.

The CTA in 2014 also began $35 million of significant upgrades at its Kimball, Princeton and State substations and expects to complete that work in 2015.

A look at the Farwell substation prior to project work being completed. The new substation was powered up and operating in mid-September 2014.

In all, the CTA plans to expand or enhance a total of 21 substations to provide additional power capacity.

Fleet modernization

Rail and bus fleet upgrades

The CTA continued to upgrade its rail and bus fleets in 2014 as part of a major fleet modernization program. This included adding a total of more than 500 new "5000 series" rail cars to the Pink, Green, Yellow, Purple and Red Lines by the third quarter of 2014. The CTA is expected to take delivery of a total of 714 5000-series by mid-2015. Also in 2014, the CTA planned to fully retire 2400-series rail cars that were built in 1976-1978, which are being replaced by 5000-series cars.

The CTA in October 2014 began seeking new bids for the next generation of rail cars, the 7000-series, with a new procurement to encourage a wide range of bids from rail-car manufacturers around the world. The 7000-series rail cars will replace CTA's oldest rail cars that are more than 28 years old.

The CTA in 2014 added new buses to its fleet as part of its bus fleet modernization announced in 2012, which included buying as many as 550 new buses and overhauling more than 1,000 buses to improve performance and reduce maintenance costs. During 2014, the CTA began introducing the first of 300 40-foot "standard" clean diesel buses manufactured by Nova Bus, replacing buses purchased by the CTA in 2000-2002. The CTA continued to perform "mid-life" overhauls on more than 1,000 buses purchased between 2006 and 2007, extensive work that included engines, transmissions, suspensions, heating and air-conditioning systems, interior seating, exterior repair and repainting. Overhauls are expected to be completed in 2015.

Earlier this year, CTA received the first of the 300 new 40-foot "standard" size clean diesel buses manufactured by Nova Bus. The new buses, which replace those purchased in 2000-2002, are more fuel efficient, have brighter LED lighting and are equipped with 10 surveillance cameras.

CTA in late 2014 was in the process of introducing its first all-electric powered buses. Under the $2.5 million project, which is funded by federal grants, CTA is the first of any major U.S. transit agency to add all electric-powered buses to its fleet. The electric buses provide a cleaner, quieter ride that reduces fuel costs and significantly decreases emissions, improving air quality for customers and the general public.

CTA facilities upgrades

The CTA continued to make significant progress during 2014 on its $205 million program to upgrade bus and maintenance facilities to improve fleet reliability. That program, announced in 2012, has included the repair and replacement of critical maintenance systems, including bus and rail cars hoists, wash racks and inspection pits, improving building safety and electrical systems, replacements of roofs, heating systems and repairs to masonry walls to maintain safe and dry environments for improved maintenance of bus and rail cars, expanding the North Park garage to improve bus servicing areas and installing security cameras and other security features in CTA facilities. In 2014, the CTA anticipated completion of its bus hoists at five bus facilities that were beyond their useful life, which has improved CTA's ability to efficiently and safely service its vehicle fleet.

Service improvements

The CTA continued to make commuting easier and more convenient for its customers with a number of service enhancements in 2014.

All eight rail lines have camera-equipped rail cars following the installation of more than 3,300 high-definition, 360-degree cameras to CTA's existing rail car fleet.

Safety and security

The CTA has undertaken a number of steps to improve safety and security for our passengers and our employees, and those efforts are working. During the first six months of 2014, violent crimes on buses, trains and at stations/platforms declined by more than 34 percent compared with the first half of 2013, following strategic efforts made by the CTA and the Chicago Police Department to reduce crime and increase safety.

Those initiatives have included the major expansion of the CTA's bus and rail surveillance camera network by more than 5,000 cameras in 2014 to a total of more than 23,000 cameras systemwide, a 28 percent increase. The cameras have significantly aided in making more arrests and securing convictions. Strategies have included expanding police patrols

and crime trend reduction missions on the CTA system; increased undercover operations targeting pick-pocket theft rings, vandalism and other crimes. In 2014, the CTA's entire fleet had security cameras, with the exception of a small number of 2400-series rail cars that were being gradually retired by late 2014.

Ventra

In July 2014 the CTA became the first major U.S. transit agency to adopt and fully implement an open fare payment system, Ventra, which replaced both the CTA and Pace Bus' separate fare payment systems that were nearly 20 years old. The new fare system is a contactless, account-based system that offers greater payment flexibility, faster boarding, account management, and balance protection for registered customers, and resolves the need for the CTA to make costly upgrades and maintenance on fare equipment that was reaching the end of its useful life. It also uses an open standard that allows customers to pay using devices such as bank cards and cell phones to pay for their fares without using a separate fare card. The new fare payment system brings the CTA in compliance with state legislation passed in 2011 that mandates a regional fare payment system for CTA, Pace and Metra by 2015. In October 2014, the CTA, Metra and Pace announced they will develop a Ventra mobile app that will allow users to pay for rides on all three transit systems with a few taps on their mobile devices. The app will allow customers to add transit value and load unlimited-ride passes on their Ventra card, check account balances and receive real-time account alerts. The Ventra app will also allow Metra riders, for the first time, to purchase and display tickets on their smartphones using a Ventra account or personal credit or debit card.

As part of ongoing efforts to improve the customer experience, the CTA this year rolled out new a Train Tracker upgrade that allows it to customize the display of train arrival and service alert information for each sign throughout the system based on its location within a station.

Technology improves commuting

The CTA in 2014 continued its expansion of its popular Bus and Train Tracker displays to make commuting for customers even easier and more convenient by providing them timely information on the next bus and train arrivals. Since 2011, the CTA has installed 279 digital Bus Tracker displays at bus shelters serving multiple, high-traffic routes and is on track to have 1,000 Train Tracker displays installed at rail stations by early 2015.

By 2014, every CTA station not slated for a major reconstruction had at least one Train Tracker display.

The CTA has also begun the implementation of a new Computer Aided Dispatch (CAD) software system that will allow the CTA to track buses in real-time to improve the efficiency and reliability of bus operations for customers. The technology will allow the CTA to see issues such as bus-bunching and gaps in service in real-time to more quickly implement solutions to benefit customers.

Bus Rapid Transit

The CTA worked closely with the Chicago Department of Transportation (CDOT) to develop final plans for the planned Bus Rapid Transit for the Central Loop Corridor, which will include designated curbside bus-priority lanes on two miles of downtown streets used by six bus routes, keeping buses moving through an area that has suffered from significant congestion and connecting to Union Station and Ogilvie Transportation Center.

The CTA and CDOT continued to study a proposed plan to implement Bus Rapid Transit on a 16-mile stretch of Ashland Avenue. Both agencies worked with area stakeholders to develop the plan, and held two public meetings to review the results of the Environmental Assessment for the project. The CTA will continue to review comments to inform the design, and further public outreach will take place before the plan is finalized. In addition, the project needs to secure funding before it can begin.

Student fares, free rides on the first day of school

In 2014, the CTA again offered deeply discounted fares of just 75 cents for bus or train rides on school days, after Mayor Emanuel and the CTA lowered student fares from 85 cents in 2013. The CTA also for a fourth straight year—since fall 2011—offered free rides to students and guardians on the first day of school for Chicago Public Schools as part of its First Day, Free rides program, which was sponsored for a third year by Sun-Times Media Productions.

Management initiatives

The CTA is committed to running an agency that is operationally and fiscally responsible and efficient, and continuously strives to be a more productive agency for the benefit of customers and taxpayers.

Winter 2014: Polar vortex

In January and February 2014, Chicago endured the coldest winter in 35 years and the snowiest weather ever recorded. This weather, which shattered weather records, shut down schools and businesses for days. Despite the enormous operational challenges created by the sub-zero temperatures and extremely heavy snowfall, the CTA was able to maintain normal service for its customers with only minor issues. The Chicago Tribune noted the CTA's efforts,

saying "in terms of performance, we would reserve praise for the workers and management of the Chicago Transit Authority, which made an impressive recovery from the severe conditions."

Veteran hiring

In 2014, the CTA increased its hiring of U.S. military veterans, more than doubling the number of veterans to more than 350 in 2014 in four years. Recognizing the value of military experience, CTA President Claypool in 2012 signed an executive order creating a veteran hiring preference, and since then veterans have increasingly joined the CTA in a wide variety of positions, from bus operators and flagmen to mechanics and customer-service assistants, as well as managers and coordinators.

Ex-offender apprentice program

In 2014 the CTA and the Amalgamated Transit Union (ATU) Local 308 reinstated a transformational second-chance program consisting of 65 rail car servicer apprenticeships that provide employment opportunities for non-violent ex-offenders, people completing substance-abuse programs, victims of spousal abuse and others. The program had ended in late 2013, and with its reinstatement, the CTA is able to offer a total 265 apprenticeships (65 rail, 200 bus apprentices) to motivated individuals who want to rebuild their lives. This program provides benefits to transit customers by supplementing the cleaning work of permanent CTA crews, and helps participants increase self-sufficiency and reduce recidivism.

Labor partnership

The CTA believes in forging collaborations with labor to create good jobs and better serve customers. Whereas past administrations laid workers off as part of doomsday budgets, Mayor Emanuel's administration has wiped out a $308 million deficit, cooperatively renegoti-

Under Mayor Emanuel's administration, CTA has expanded its second-chance apprentice program, with apprentices gaining valuable job experience and moving on to full-time CTA employment or other full-time employment.

The CTA's historic project labor agreement promotes employment opportunities to disadvantaged workers on many projects, including Your New Blue renovation work at the California station.

ated union contracts (the first negotiated settlement in decades) and improved and added service, creating more union jobs.

Jobs created during this administration include the more than 1,000 new, good-paying union positions the CTA has created over the past three years. As part of our efforts to improve service and bring formerly contracted jobs in-house, the CTA has increased its workforce by more than 10 percent, hiring hundreds of bus drivers, rail operators, flagmen, janitors and customer service assistants.

The CTA in 2013 reached a project labor agreement (PLA) with the Chicago and Cook County Building and Construction Trades Council that now requires contractors working on most CTA construction projects to provide employment opportunities to disadvantaged workers as established by the Federal Workforce Investment Act (WIA). The agreement was modeled after CTA's successful efforts to promote job opportunities related to WIA on the Red Line South Reconstruction project in 2013. In 2014, because of that agreement, the CTA placed WIA goals on several major projects, including the 95th Street Terminal Project, the Wilson Station Reconstruction Project, the Ravenswood Connector project and station work that is part of the *Your New Blue* project, which will create thousands of jobs.

The CTA and the Chicago Federation of Labor (CFL) worked in partnership in an effort to create good-paying U.S. jobs related to Request for Proposal issued by the CTA in October 2014 for the next generation of rail cars, the 7000-series. Specifically, the CTA agreed to include a "U.S. employment" provision that will ask bidders to provide the number and type of new jobs they will create related to the production of the new rail cars. The provision will also ask bidders to outline their job recruitment and workforce training plans.

Workers' compensation

The CTA continued its efforts to better scrutinize and manage workers' compensation claims following years of exponential growth in claims. Effective January 1, 2014, a strategic move was made to hire in-house workers' compensation claims adjusters versus having claims administered by a third-party administrator. CTA has put protocols in place with regards to investigation, including the recovery of video footage as part of the review process. Through August 2014, 833 claims have been filed and 298 (35.7 percent) have been denied. In addition to more comprehensive review procedures, the adjusters have placed an emphasis on the medical management of claims to ensure that proper treatment is administered to safely expedite injured employees' return to work, either in a modified Transitional Return to Work (TRTW) program or release to full-duty. As a result, the average number of claims

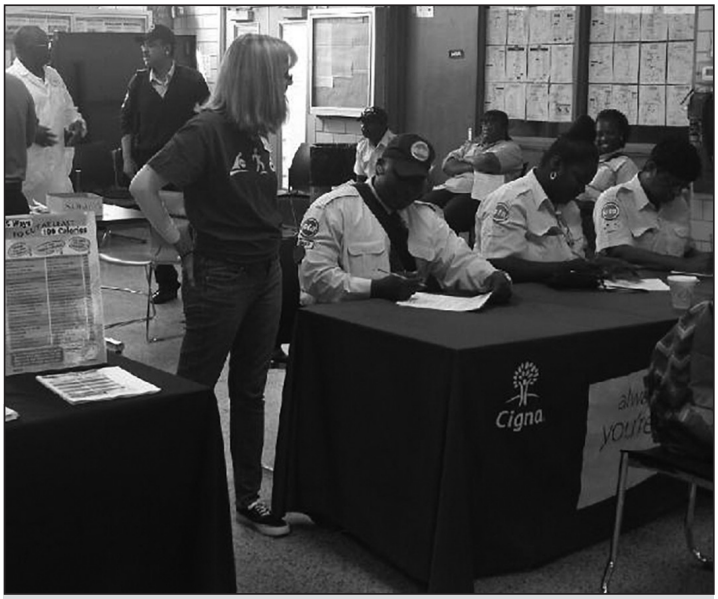
and average number of temporary total disability days have decreased, while the number of employees engaged in TRTW program has increased.

Worker absenteeism

Employee absenteeism rates continue to be well below the high levels of 2011, due to new management initiatives aimed at reducing unnecessary time off. The reduced absenteeism—due to better management of frequent causes of absenteeism such as sick leave and job-related injuries—is on pace to save the CTA more than $10 million annually compared to 2011.

Health care costs

After years of climbing health care costs, the CTA on January 1, 2014 implemented a new medical benefit administrator, Cigna, and strategic benefit plan changes based on the collective bargaining agreements. The plan changes included the elimination of HMO and one PPO option, while still providing generous benefits to our employees and their eligible dependents. The CTA has taken the additional steps of focusing on wellness and employee engagement, which include the launch of an interactive website; promotion of a "Benefits in the Field" campaign, and sponsoring on-site biometric health screenings to give employees immediate feedback on their health. Partnering with Cigna, employees now have access to free Lifestyle Management Programs and chronic condition management programs via online and telephone coaching focusing on weight management, stress management and smoking cessation. CTA projects it will reduce annual healthcare costs by 16.4 percent from the new employee benefit program.



The CTA is proactively encouraging healthier lifestyles for employees through free wellness screenings and online and telephone coaching on weight management, smoking cessation and other health issues.

Raising minimum wage

The CTA began requiring all CTA contractors and subcontractors to pay their eligible employees a minimum wage of $13 per hour for CTA contracts advertised as of November 15, 2014. The CTA was the first Chicago sister agency to raise the minimum wage requirement following an executive order signed by Mayor Emanuel that required a $13 per hour minimum wage for similar work performed under City of Chicago contracts.

Bond ratings

In recognition of the CTA's focus and success in operating a major transit agency within its financial means and meeting stringent mass transit criteria, Standard & Poor's raised its long-term rating to A+ stable from A on CTA's building refunding revenue bonds issued by the Chicago Public Building Commission. This rating upgrade on March 20, 2014, reflects S&P's view of CTA's strong economic fundamentals and financial flexibility and high fare-box recovery ratio; solid management, financial and governance policies and practices; and very strong market position, low industry risk and low cyclicality and volatility of earnings during economic cycles.

Members of CTA's DBE Outreach team at one of several outreach events held in 2014 for upcoming capital improvement projects.

Additionally, CTA's 2014 Sales Tax Receipts Revenue Bonds issued in the amount of $555 million for capital projects was rated AA stable by both Standard & Poor's and Kroll Bond Rating Agency. It was the CTA's first rating from Kroll.

Smart financing - TIFIA

In April 2014, CTA closed its first TIFIA (Transportation Infrastructure Finance and Innovation Act) loan for $79.2 million to be invested in the 95th Street Station project. This represents CTA's first TIFIA loan and will save the agency more than $20 million. TIFIA financing lowers costs by providing funds that can be drawn down as needed during the project, rather than borrowed all at once, and financed at an interest rate tied to the federal government's low borrowing rate.

Outreach

The CTA continued its commitment to diversity efforts, with significant outreach in 2014, including hosting or participating in more than two dozen outreach events for small minority-owned businesses interested in doing business with the CTA. Some of the events to meet

with CTA representatives and prime contractors were related to major CTA projects that included the 95th Street Terminal project, *Your New Blue* station modernization, the Wilson Station reconstruction project and the Ravenswood Connector modernization to improve Brown and Purple Line trains. The CTA also was participated in a number of small business and industry events to provide assisted to DBE businesses and businesses seeking DBE designation.

Cleaner buses and trains

The CTA has placed a high priority on the cleanliness of its trains and buses. In 2014, it expanded an already stricter regular cleaning regimen on buses after adopting a new, much more thorough standard for bus cleanliness two years ago to dramatically improve their cleanliness for the safety and comfort of passengers. The length and frequency of deeper bus cleanings beyond daily spot cleanings have increased; employees continue to be retrained on the new standards and cleaning procedures; and employees are held accountable for their job performance through regular bus inspections. The CTA has also implemented changes to its rail cleaning program in 2014, including increasing the frequency of deep cleanings, in addition to daily cleanings, and ensuring accountability by performing regular assessments on cleaning performance.

2015: Full Speed Ahead

The CTA is entering into a fourth year of historic investment and modernization of its transit system, parts of which are more than a century old. These efforts include bringing CTA's infrastructure into a state of good repair as well as preparing for future ridership growth as the region's population and economy grow.

Red Ahead

The CTA is well into its $1 billion Red Ahead program, a comprehensive plan for maintaining, modernizing, and expanding Chicago's most-traveled rail line. The program has already accomplished rehabilitating eight Red Line stations on the North Side in 2012 and the complete reconstruction of the Red Line South in 2013.

In 2015, construction will be under way on the large-scale reconstruction of two key Red Line stations, the 95th Street Terminal on the southernmost point of the Red Line and reconstruction of the Wilson Station on the north side into a modern, Red-Purple transfer station. Work on both projects began in the fall of 2014.

The new 95th Street Terminal will provide customers with a more spacious, brighter and safer travel environment, featuring a covered walkway between the bus and rail terminals.

95th Street Terminal, Red Line

The $240 million 95th Street Terminal project will expand and upgrade the 95th/Dan Ryan station, which is the south terminal of the CTA Red Line that connects Far South Side communities to job centers throughout the region and serves as a transit gateway for the South Side and suburbs. Built in 1969, the station serves as both an integrated bus and train terminal. It is one of CTA's busiest with 24-hour Red Line service and more than 1,000 CTA and Pace bus trips, which all combine to about 20,000 total passengers on a typical weekday. These buses connect Far South Side communities to the CTA rail network. There are roughly 300,000 people who live within walking distance of the CTA bus routes serving the 95th Terminal.

Wilson Station, Red Line

The $203 million Wilson Station Reconstruction project will transform Wilson into a modern, more spacious and accessible stationhouse with three entrances. The Wilson project also includes significant relocation and reconstruction of 2,200 feet of century-old elevated tracks, signals and supporting infrastructure, and creating a station that will be a new transfer point between the Red and Purple Express rail lines.

Red Line Extension

The CTA in 2015 will continue its progress on the proposed $2.3 billion Red Line Extension (RLE) project, which seeks to extend the Red Line by 5.3 miles from the existing 95th Street Terminal to 130th Street with new stations at 103rd Street, 111th Street, Michigan Avenue, and 130th Street. Each new station would include bus and parking facilities. This critical project would provide rapid transit rail access to a transit-dependent Far South Side area that does not have direct CTA rail service, and would improve access to jobs and education. Based on community feedback and as part of the federally required Environmental Impact Study

(EIS) process, the CTA in 2014 narrowed the number of route alternatives for the project to one "preferred alternative" with two options from five proposals and identified $5 million of funding to continue the required federal environmental planning process forward.

In 2015, the CTA will hold additional public hearings to gain additional feedback on the Red Line Extension and the two options of the preferred alternative, both of which will include building the extension south of 95th along Interstate 57 to the Union Pacific Railroad from 99th to 118th Streets (one option places the Rail Extension west of the tracks; the second option on the east of the tracks). From there it would transition to an at-grade profile and then continue southeast along the Northern Indiana Commuter Transportation District Chicago South Shore & South Ben Railroad right-of-way and eventually terminate at 130th Street. The CTA anticipates completing the Draft EIS and holding public hearings to allow the public to comment on the Draft EIS in 2015.

Red and Purple Modernization, Phase One

After announcing the proposed $1.7 billion Phase One for the Red and Purple Modernization project, the CTA will move forward in 2015 with the first phase. Phase One includes rebuilding four CTA stations—Lawrence, Argyle, Berwyn and Bryn Mawr and building a rail bypass at Clark Junction, located north of the Belmont station, to mitigate traffic congestion where Brown, Red and Purple Lines intersect, which is severely constraining CTA's ability to add future service on a corridor that has had remarkable weekday rush-period ridership growth of 40 percent over the last five years. The CTA anticipates completing the Environmental Assessment (EA) and holding public hearings to allow the public to comment on the EA in 2015.

Blue Line—Forest Park branch

The CTA in 2014 issued preliminary recommendations on how to significantly modernize the Forest Park branch of the Blue Line how best to address modernization needs of its 56-year-old infrastructure, station/terminal needs, customer access points and Park & Ride access on the West Side and neighboring suburbs, including Oak Park and Forest Park. The recommendations included complete track reconstruction, signal and power upgrades and significant station improvements. The study was done in conjunction with the Illinois Department of Transportation's (IDOT) planning for the Circle Interchange and Reconstruction of the I-290 Expressway and the Village of Oak Park. The CTA will continue its work with IDOT on the planning process for the I-290/Blue Line corridor, as transit related improvements are planned to occur in coordination with Eisenhower Expressway improvements.

Illinois Medical District station, Blue Line

A major $23 million rehabilitation of the Blue Line's Illinois Medical District CTA station is planned to begin in 2015. Constructed in 1958, the station is the closest CTA rail stop for the nation's largest urban medical district, the Illinois Medical District (IMD), which is home

to four major hospital systems with more than 29,000 employees, 2,200 hospital beds and which receive about 75,000 visitors each day. The project will make all three station entrances accessible to customers with disabilities and complete additional stationhouse upgrades to improve the customer experience.

Brown and Purple Lines/Ravenswood Connector

The CTA will continue the $71.2 million Ravenswood Connector project to significantly improve the elevated Brown and Purple Express lines between the Chicago and Armitage stations. The project includes track and elevated rail structure rehabilitation, the latter which has already begun and will continue in 2015. The CTA began the trackwork portion, including replacing deteriorated rail ties and other track components, in late 2014 through 2015. The entire project is expected to be completed by the end of 2015, and the result of the two-year effort will be improved speed and reliability for Brown and Purple Line trains.

As a result of the wireless communications upgrade, both customers and emergency responders will have more reliable wireless coverage in CTA's Red and Blue Line subways.

Subway communications network, Blue and Red Lines

The CTA in 2015 will complete a project to upgrade wireless communications in CTA's 22 miles of subways tunnels and underground facilities to 4G cellular technology to increase the speed and reliability of all major wireless carriers in subway tunnels. The upgraded network will offer better and more robust voice and high-speed data services throughout the subway platforms and tunnels and improve safety by providing more reliable communication between CTA personnel and emergency responders. It will replace existing infrastructure that dates back to 2005—before most smartphones, tablets and social networks were introduced—and which is inadequate to support modern wireless data needs.

Bus management technology

The CTA in 2015 will complete the implementation of its new Computer Aided Dispatch (CAD) software to track the location of every in-service CTA bus in real-time, to improve the efficiency and reliability of bus operations for customers. The technology will allow the CTA to see issues such as bus-bunching and gaps in service as it happens to more quickly implement solutions and improve service.

Upcoming rail, bus fleet improvements

The CTA's rail fleet will be significantly younger in 2015. By mid-2015, the agency will have taken delivery of its entire order of 714 5000-series rail cars manufactured by Bombardier Transit Corp. These cars that are replacing decades-old rail cars including ones manufactured nearly four decades ago and provide customers with more comfortable rides on the Red, Yellow, Purple, Green and Pink Lines.

The CTA in 2015 will also complete a life-extending overhaul of the 2600-series rail cars and begin the overhaul of its 3200-series on the Brown and Orange Lines, rail cars that were manufactured 1992-1993, to extend their lifespans by an additional six years, lower maintenance costs and increase reliability and comfort for customers.

And, the CTA anticipates in 2015 selecting a bidder for the next generation of rail cars, the 7000-series, to replace 2600-series rail cars that are currently more than 28 years old. The CTA will take delivery of the first of the new 7000-series cars by the end of the decade and anticipates purchasing up to 846 cars.

The CTA's bus fleet will continue to be modernized as well. The CTA in 2014 began taking delivery of its order of 300 new buses and will have this base order completed in 2015. These buses, manufactured by Nova Bus, are more comfortable and reliable and replace buses purchased by the CTA in 2000-2002. The CTA in 2015 also expects to complete "mid-life" overhauls on more than 1,000 buses purchased in 2006-2007 to extend their lifespans, increase reliability and passenger comfort and lower maintenance costs.

Cermak/McCormick Place station, Green Line

By 2015, the CTA will welcome its 146th rail station, the new Cermak/McCormick Place Green Line station at the intersection of Cermak Avenue/State Street. The station will serve as a critically needed train station on the Near South Side and provide easy rail access to the McCormick Place convention center. The project has been managed by the Chicago Department of Transportation (CDOT).

Crews pre-assemble steel tubing that will be lifted into place with cranes to create the tunnel covering the tracks and platform area of the new Cermak-McCormick Place Green Line station.

Old will soon meet new, when work begins in 2015 to make the Quincy Loop Elevated station wheelchair accessible with the addition of two elevators and other ADA compliant features.

Quincy station, Loop

Beginning in 2015, the CTA will start its $15 million restoration of the historic Quincy station, which will include installing two elevators, replacing stairs, as well as painting, lighting improvements, and other repairs—while retaining the historic appearance of the station, one of the few surviving original Loop 'L' stations. The Quincy station, built in 1897, is one of the CTA's oldest stations, and was last renovated 25 years ago in 1988.

Washington-Wabash station, Loop

Construction is expected to begin in Construction is expected to begin in 2015 on a new elevated Washington-Wabash rail station, which will be constructed between Madison and Washington streets and serve the Brown, Green, Orange, Pink and Purple lines. The $75 million Washington-Wabash Station, which will consolidate the CTA's existing and closely situated Randolph-Wabash and Madison-Wabash stations, will serve as a gateway for Millennium Park and the Loop and will enhance passenger convenience, improve train speeds, decrease operating costs and provide accessibility for all riders. The project is being managed by the Chicago Department of Transportation (CDOT).

Bus Rapid Transit

The CTA will continue to work closely with the Chicago Department of Transportation (CDOT) in finalizing and implementing plans for the planned Bus Rapid Transit for the Central Loop Corridor, which will include designated curbside bus-priority lanes on two miles of streets —Madison, Washington, Canal and Clinton. The Central Loop BRT corridor, which is being managed by CDOT in collaboration with the CTA, will serve Union Station, Ogilvie Transportation Center, CTA subways and Navy Pier. It is used by six routes with more than 1,000 bus trips per day, making it one of the busiest bus corridors in the nation. Construction is expected to begin in 2015.

The CTA will continue to study Bus Rapid Transit for the Ashland Corridor, taking into account public comments and technical analyses that have been done as part of the project's development and the federal environmental review process. The design will be subject to further public comment and dependent on the receipt of project funding.

Substation improvements

The CTA in 2015 will continue its long-term plan to increase power capacity and reliability to its rail system. That includes the completion $35 million of modernization and upgrade work at the Kimball, Princeton and State substations, which will increase the reliability of the rail system's traction power and provide needed upgrades to substation facilities. This project is expected to be completed in 2015. Also beginning in 2015 will be significant upgrades at the Milwaukee, East Lake, and Broadway substations to increase power capacity and replace obsolete traction power equipment at all three substations and build a new substation at Hubbard to replace the existing Illinois substation. The work will also include repairs to substation buildings, including AC power, lighting and other upgrades.

The Morgan Green/Pink Line station is an example of how increasing access to modern, affordable public transportation creates local economic growth. Since the station's opening two years ago, it has been a key factor in attracting new residential developments and businesses to the West Loop neighborhood.

Preparing for the future, now

The Chicago region needs a reliable public transportation network that provides affordable, reliable and safe transportation service to everyone.

A strong transit system benefits the Chicago regional economy. Transit needs to be efficient and convenient, connecting neighborhoods and communities, and linking people with jobs and education. It's why people live and work here and why companies, including GE Capital Transportation and Google, have recently chosen to locate headquarters here. Transit is key to promoting job growth and prosperity.

Since 2011, Mayor Emanuel has rolled out a wide-ranging infrastructure improvement plan with transit as a major focus. The CTA continues to aggressively pursue the goals of bringing its infrastructure into a state of good repair and undoing years of disinvestment, twinned with investing in the transit system for future ridership growth, will benefit millions of Chicagoans for decades to come.

(THIS PAGE INTENTIONALLY LEFT BLANK)

2014 Operating Budget Performance Summary

Introduction

The first quarter of 2014 was part of one of the coldest and snowiest winters ever recorded in Chicago. This "Polar Vortex" delivered a record number of sub-zero days and days with snowfall. Both types of weather have the dual impacts of increasing costs and reducing ridership and revenue. The CTA prioritized providing reliable service during the winter despite the additional costs incurred. To maintain uninterrupted service, the CTA had to incur higher expenses, including increased overtime to keep tracks clear day and night, more material to fix vehicle parts that were stressed in the cold, and a spike in electricity price and volume needed to keep trains running and facilities operational.

The Authority's balanced 2014 operating budget allowed it to weather a difficult start to the year and continue customer service improvements and President Claypool's modernization agenda. These include investments in CTA's highest priority: the safety and security of its passengers. Resources dedicated to security enhancements included an enhanced safety department and installation of a total of 23,000 vehicle and rail station cameras.

Several upgrades to the fleet and operations continued in 2014. A projected total of 202 additional new "5000 Series" rail cars and the initial 100 new "7900 Series Nova" buses will be delivered by the end of 2014. As more of the new trains are put into service, customers will experience smoother rides and fewer delays. CTA is also undertaking an unprecedented effort to perform mid-life overhauls on nearly 1,030 buses to make them like-new, which is now more than half-way complete. The project work is part of a larger bus modernization project announced by Mayor Rahm Emanuel in 2012, and has created nearly 100 new local jobs and is providing customers with cleaner, brighter buses and more reliable service. The remainder of the overhauls is expected to be complete by mid-2015.

2014 performance data show how these investments are already paying off. Miles between rail vehicle defects were well above target in every month so far this year with the exception of January. Miles between bus service disruptions due to equipment was above target every month this year. (See the Performance Management section for details.)

The CTA is also investing in improving the customer experience. An increase in rail service in 2014 resulted less crowded trains—an initiative that began in 2013. The CTA also increased the focus on keeping its fleet clean by bolstering the rail car appearance group. Continued work on design and testing of new bus and rail scheduling software will make service more reliable in future years.

2014 Operating Budget Performance

The CTA is making these improvements today without sacrificing its ability to invest in the future. In 2014, the Authority will, for the third consecutive year, avoid transferring capital funds to the operating budget to cover day-to-day operational expenses, thus preserving funds to invest in long-term improvements in the fleet and facilities.

These investments were possible because the Authority took an aggressive approach to controlling costs and enhancing revenue. The savings achieved due to reductions in redundant and inefficient staffing in late 2013, a lower-cost fuel procurement and more efficient fleet, and investments in technology carried through in 2014. Employee absenteeism rates continue to be well below the high levels when President Claypool began his tenure, leading to millions in savings in overtime coverage and excessive payments.

The labor agreement with the Amalgamated Transit Union reached in late 2012— the first negotiated deal with ATU in decades—continued to benefit the Authority's bottom line. Cost of living increases were substantial enough to provide real increases in employee wages compared to inflation—helping CTA employees support their families while working toward a secure retirement—but reasonable enough to allow the CTA to continue to structurally balance its budget. In addition, a restructuring in employee health care plans yielded significant savings.

As to non-personnel costs, the CTA projects to finish 2014 with lower contractual services cost than anticipated due to careful project management. An opportunistic approach to fuel purchasing will led to about $4M in savings versus budget. This allowed the agency to absorb significant increases in electricity costs, due primarily to the polar vortex and higher pricing, without affecting the budget.

Material costs are projected to be above the budgeted level in 2014. Severe weather partially contributed to this negative variance. It is also a consequence of increases in service to support the capital program and ridership demand. More service means more mileage for buses and trains and more frequent inspections and part replacement.

The CTA continues to roll out its vendor-managed inventory agreement with Genuine Parts Company/NAPA. Under the agreement NAPA has ownership of CTA material inventory until the time CTA needs to put specific parts into service. CTA increased its operational efficiencies while allocating fewer resources and reducing inventory.

On the revenue side, the CTA saw lower ridership in the first quarter, particularly in January due to the extreme cold temperatures. Chicago Public Schools closed schools on four days; many commuters stayed home from work. However, rail passenger trips performed ahead of targets after January, which was a benefit to overall revenue.

The CTA continues to work with the State of Illinois and the RTA to closely monitor statutory free rides. Every year, the CTA provides over $100 million in free and reduced

rides to qualifying individuals as a result of state and federal mandates. In 2014, these free rides and their financial burden continued to grow. The goal is to insure that everyone entitled to receive the benefits of these valuable programs does so in a way that is fiscally sustainable.

Meanwhile the Authority was able to sell properties to boost overall revenue, including $2 million for an unused bus garage site at North and Cicero. Miscellaneous other property sales yielded close to $1M of additional revenue. Rental agreements will be above budget by at least $500K in 2014, mainly driven by an increase in ATM concession fees. Advertising revenue on vehicles and platforms are ahead of budget and projected to finish positive by about $200K.

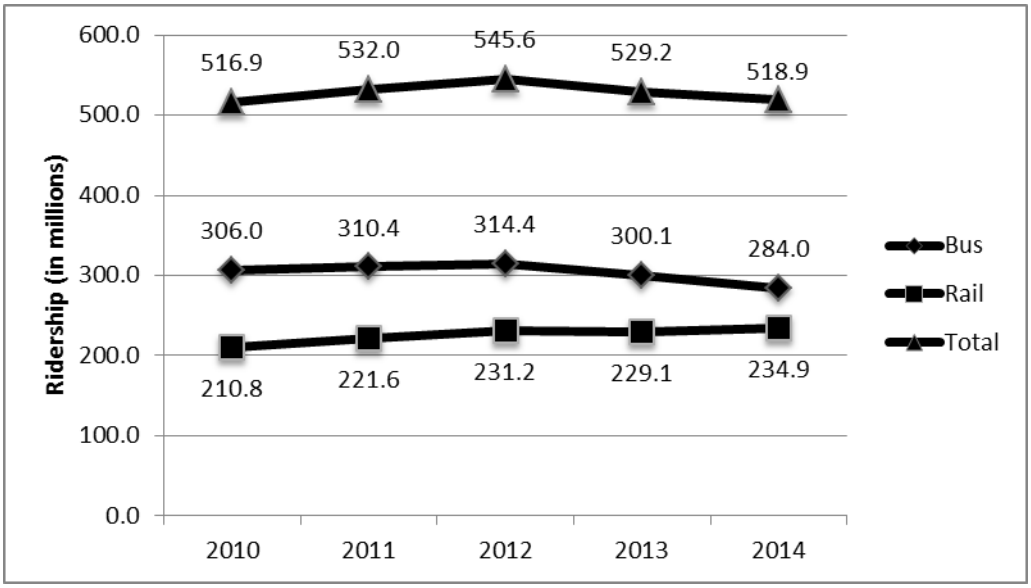
The CTA completed the transition to its new Ventra "open standards" payment system in July, 2014. Ventra allows customers to pay with cash, fare cards, credit cards, and, in the future, mobile phones and other methods. In fall 2014, CTA, along with Pace and Metra, announced that transit users across the Chicagoland area will be able to fully access CTA, Metra and Pace from the smartphone in their pocket starting next year thanks to a first-ever Ventra mobile app that can be used to pay for rides on all three transit systems with a few taps on their mobile devices. Customers can also protect against card loss or theft by registering the card and managing their accounts on line.

Ridership

Ridership in 2014 is forecasted to be 518.9 million passenger trips, a 2.0 percent decrease from the 532.2 million trips in 2013. The bus ridership forecast is for 284.0 million, a 5.4 percent decrease versus 2013, while rail ridership is projected to be 234.9 million trips, a 2.5 percent increase. If rail ridership meets the projected 2014 target, it will be the highest rail ridership total in decades.

Bus ridership was most affected by the Polar Vortex in January. Ridership was down over four million trips in January alone. Had the record-cold January through March been in line with the budgeted projection, 2014 bus ridership would be down less than one percent versus 2013. Even with the decrease, bus ridership is in line with historical levels. With more normal winter weather, the CTA expects bus ridership to begin to rebound.

2014 Operating Budget Performance



Average weekday ridership for 2014 is projected at 1.6 million per day, which is 2.0 percent lower than 2013 weekday ridership. This is mainly attributable to a projected 5.7 percent decrease in weekday bus ridership. Weekday rail ridership is up 2.4 percent.

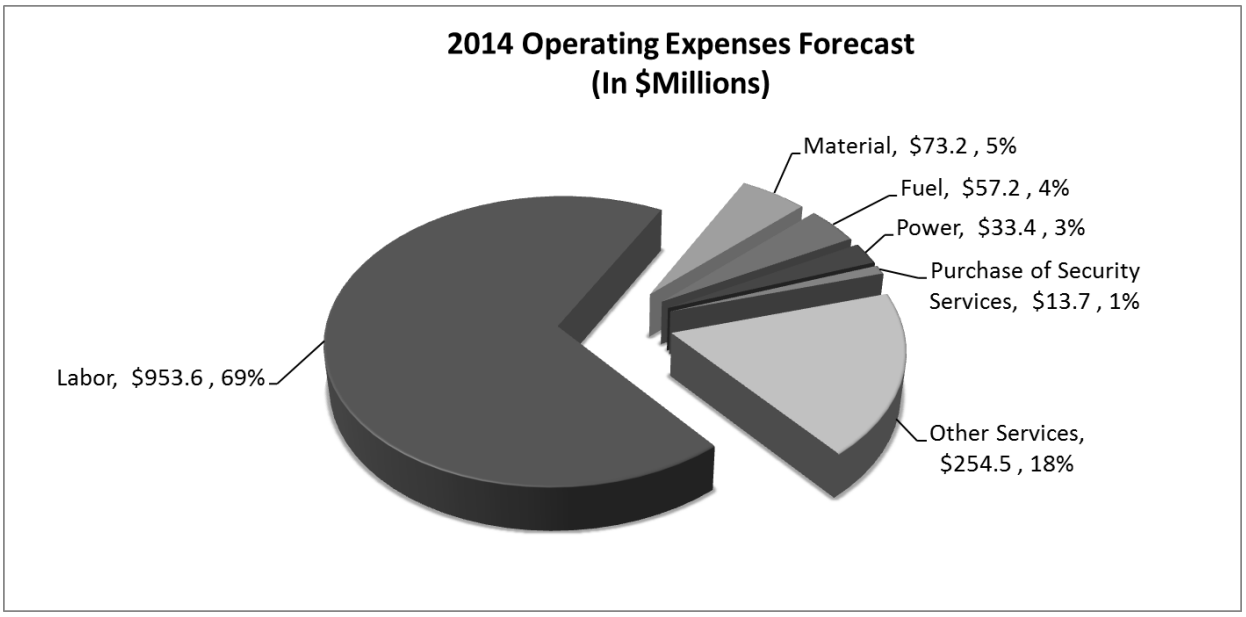
Average Saturday ridership for 2014 is projected at 1.0 million per day, which is a decrease of 6.5 percent from 2013 Saturday ridership. The 9.7 percent decrease in bus ridership and the 2.5 percent decrease in rail ridership contributed to this system wide decrease.

Average Sunday/holiday ridership for 2014 is projected at 0.8 million per day, which is a 3.5 percent increase from 2013 Sunday/holiday ridership. This was driven by the 0.5 percent increase in bus ridership and an increase in rail ridership of 7.2 percent.

Operating Expenses

The CTA expects to finish the year on budget. Operating expenses for 2014 are estimated to be at $1,385.6 million. This is within $1 million of the 2014 budget. The forecasted total is $19.4 million over 2013 actuals.

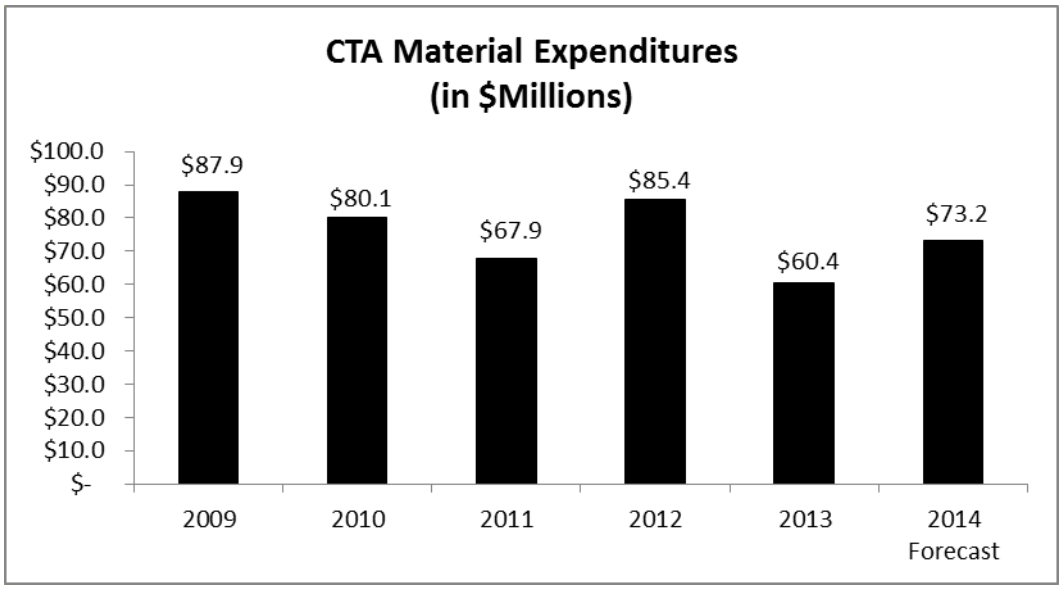
2014 Operating Budget Performance



The 2014 **labor** expense is projected to be $953.6 million, which is $5.3 million or less than one percent higher than the 2013 actual labor costs and $20.1 million below the 2014 budget. The main reason for the savings versus budget was additional vacant positions throughout the year and additional savings in group benefits, including the restructuring in employee health care plans included as part of the four-year labor agreement. The plans provided incentives for employees to use in-network care and better cost sharing. The CTA also limited labor cost growth by tightly controlling hiring.

Material spending for 2014 is forecasted to be $73.2 million, which is $12.8 million more than 2013 actual expenses. The CTA benefited from additional RTA support in 2013 for material expenses which was not available in 2014. In addition, the severe weather at the beginning of the year led to more frequent parts changes and parts breakdowns. The CTA prioritized providing reliable service during the winter despite the additional costs incurred. Material costs have continued to run high since then because of an increase in service miles to support construction projects and increased demand. Vehicle inspections and part replacement schedules are set based on miles of vehicle use. As service increased, mileage increased, resulting in more frequent parts replacement.

2014 Operating Budget Performance



Diesel **fuel** expenditures for revenue equipment are forecasted to end the year at $57.2 million. This is $4.6 million less than the 2013 actual total and $3.0 million below the original budget. The savings are due to lower prices and lower consumption. While prices were lower than budget for most of the year, the CTA also managed its purchases to take advantage of drops in price. Fuel consumption for 2014 is projected to be 17.7 million gallons, a large decrease over the 18.8 million gallons consumed in 2013. A mild summer helped lower consumption because of the reduced need for air conditioning. The CTA also used a diesel blend that offered better fuel efficiency.

In 2014, as in previous years, the CTA entered into hedge agreements with counterparties to reduce price risk. With these agreements, if the price of gas increases beyond the budgeted level, the value of the hedges also increases to offset. The hedging process that is in place by the CTA includes daily reviews of the commodities market and bi-weekly meetings with industry consultants to discuss hedging recommendations. As of September 2014, the CTA has locked in 99 percent of the projected fuel consumption for the year at an average price of $3.16 per gallon compared to a budgeted level of $3.26 per gallon.

In 2015, to take advantage of falling fuel prices, the CTA has negotiated a fixed price for diesel, eliminating the need for a financial hedge.

Electric (traction) **power** expenses are projected to end the year at $33.4 million, a $7.2 million increase over 2013 actual expenses and a $6.0 million increase compared to budget. Almost all of the excess costs were in the first quarter of 2014. Electricity prices during the days of the extremely cold winter skyrocketed. The price increases were set by electricity grid operators in an attempt to curtail use and prevent blackouts. However, CTA continued to run service, and was exposed to these price increases. Power consumption also

increased. More electricity was needed to heat rail cars in use during the day and to heat them overnight in preparation for service the next day.

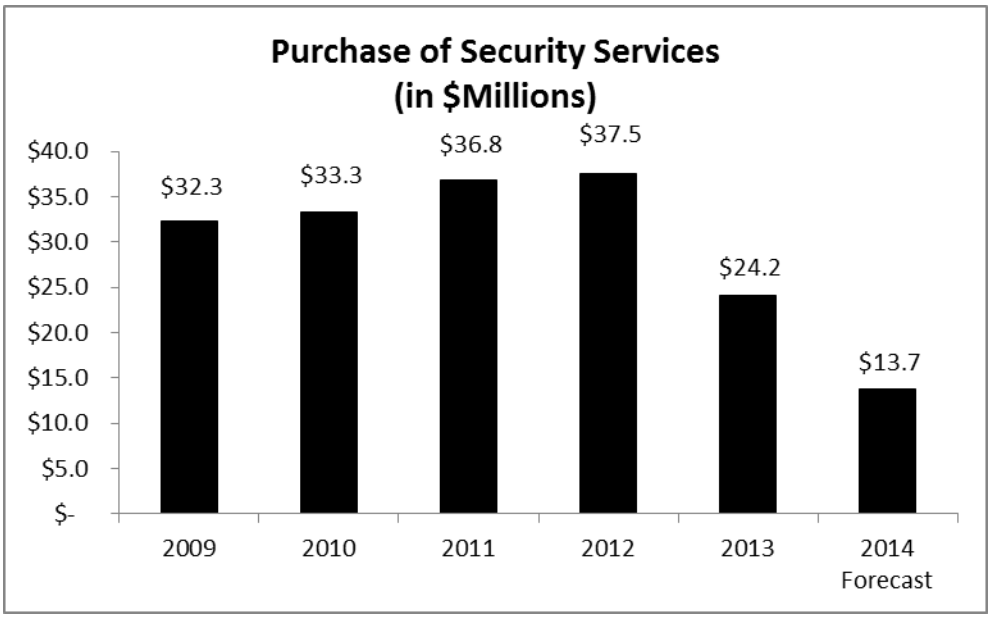
CTA's long-term hedging strategy allows the CTA to purchase wholesale power for its base load electricity supply in advance. Even though the CTA enters into fixed price agreements for future months, these agreements are for a portion of the expected consumption. Higher prices for the spot market volume plus the increase in use meant much higher costs than anticipated. In total this year, about 80% of the negative variance was due to higher prices and 20% was due to higher consumption.

Provision for injuries and damages represents expenses for claims and litigation for incidents that occur on CTA property, as well as incidents involving CTA vehicles. This amount is suggested by the CTA's actuaries and reviewed annually. It is based on actual claims history and future projections. The amount in the injuries and damages reserve exceeds total projected liabilities. As planned, the CTA expects not to contribute to the fund in 2014.

Purchase of Security Services expenses are forecasted to be $13.7 million, $10.5 million below 2013 actual expenses and $0.4 million under the 2014 budget. The 2014 forecast includes an anticipated $0.7 million retroactive wages to the Chicago Police Department based on the new police collective bargaining agreement.

In 2013, CTA shifted much of its rail station security services responsibilities from private contractors to in-house Customer Service Assistants as a result of the 2012 collective bargaining agreement. These expenses are now included in the Labor expense category. The remaining security services budget consists of expenditures for intergovernmental service agreements with officers from the Evanston, Oak Park and Chicago police departments, as well as contracts with other private security firms. The Public Transportation Section of the Chicago Police Department also provides services to CTA customers during the course of its regular patrols, at an estimated value of $22 million. These costs are paid for by the City of Chicago as in-kind services rendered to the CTA.

2014 Operating Budget Performance



Other expenses are projected to be $254.5 million, as compared to the 2014 budget of $247.6 million and the 2013 actual total of $245.3 million. This category includes interest on pension obligation bonds, utilities, maintenance and repair contracts, advertising, commissions, consulting, insurance, leases and rentals, and other general expenses. The 2014 forecast is only slightly over budget. Within the category, however, there were significant variances from budget. Additional expenses include $7.2 million in non-capital grant expenses versus the budgeted level. This is a pass-through grant which is offset by an equal amount of grant revenue (classified as Other Revenue). Utilities, including electricity and natural gas, are also projected to be unfavorable to budget.

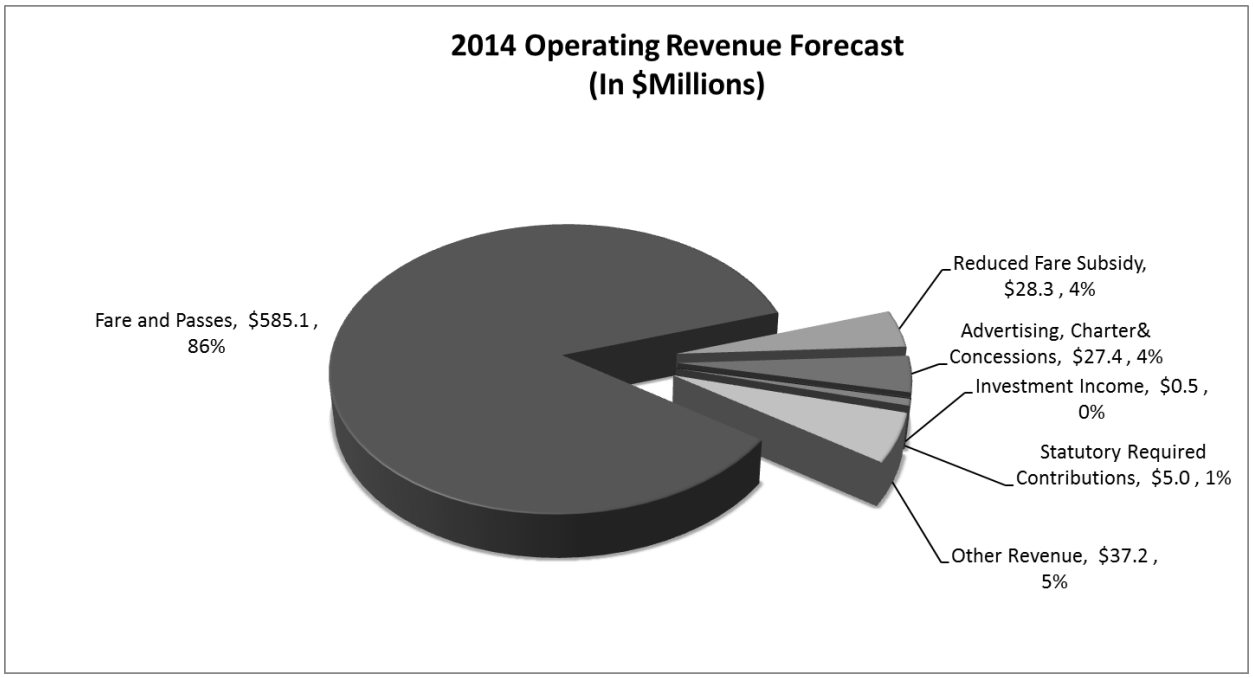
These were offset by savings in pension obligation bond debt service. The CTA also forecasts savings in technology and facility maintenance contracts.

Operating Revenues

System-Generated Revenues

System-generated revenues are projected to be $683.5 million. This is $7.6 million more than the original budget of $675.9 million, and a $14.6 million increase over the 2013 actual level.

2014 Operating Budget Performance



Regular **fares and passes** make up the majority of system-generated revenues. Revenue from fares and passes is forecast to be $585.1 million. CTA increased the price of passes and other fare categories on January 14, 2013. Fare and pass revenue is projected to be $11.1 million more than the 2013 actual amount but lower than the original 2014 budget. Farebox revenue is projected to be down mainly due to the drop in ridership, partially due to the extreme weather in the first quarter. The average fare paid in 2014, including cross-platform transfers, is projected to be $1.13.

The **reduced-fare subsidy** is the State of Illinois' reimbursement to the CTA, Metra and Pace for discounted and free fares given to students, seniors, and people with disabilities. The forecasted total for 2014 is $28.3 million. In May 2013, the State of Illinois cut the normal subsidy in half, threatening to cost the CTA nearly $14 million. The Illinois Department of Transportation had set a total of about $34 million for the reduced-fare program for the fiscal year, an amount subsequently cut to $17.6 million by the Illinois General Assembly. This funding reduction was set to cost the CTA about $6.9 million in the first half of 2014 after already reducing CTA revenues by $6.9 million in 2013. This amount was restored in May 2014 for the state fiscal year beginning in July 2013. The amount projected for 2014 includes all of the amount restored from the 2014 state budget cut even though it spanned the 2013 and 2014 CTA budget years. The amount is not higher because the subsidy was then subsequently cut again from the state fiscal year 2015 budget beginning in July 2014. The CTA continues to work with the other service boards and the RTA to restore this critical piece of funding to its historic levels for an important federal and state mandate.

Advertising, charters and concessions revenues in 2014 are projected to be $27.4 million. While this is $2.2 million less than budget, it still represents a $1.7 million increase over 2013 actuals. The year-over-year growth is due to a boost in ad sales, rentals and concession fees. Single-vendor station sponsorship contributed to CTA's advertising revenue, including Apple at North/Clybourn and Google at Fullerton station. Specialty media, like wraps on elevators, in tunnels and on stairs, helped boost revenue up $1 million from 2013.

Investment income is estimated to be $0.5 million, which is slightly more than the 2013 actual. The level of investment income is minimal primarily because of historically low interest rates. Income is also low because the State of Illinois is late in payments of public transportation funds. This forces the CTA to keep more cash on hand and thus leaves less available for short-term investments.

Statutory required contributions will meet the budgeted amount of $5.0 million per the Regional Transportation Authority Act, which requires the City of Chicago and Cook County to contribute $3.0 million and $2.0 million, respectively, to CTA operations each year.

Other revenues, which include parking fees, sale of real estate, rentals and sale of CTA merchandise, are projected to be $37.1 million, which is $10.9 million more than the 2014 budget. One reason for the increase is the receipt of an additional $7.2 million in non-capital grant revenue that was not in the original budget, offset by related grant expenditures. It is also due to an increase in rental and parking revenue and sales of properties occurring in 2014.

Public Funding

Public funding projected for 2014 is $718.2 million. This funding is comprised of sales tax, discretionary funding from the RTA, and real estate transfer tax (RETT) from the City of Chicago. This is $9.3 million higher than the original budget, the result primarily of higher than expected real estate transfer tax revenues in Chicago due to a higher volume of transactions. According to City of Chicago projections, the RETT will reach $60.6 million in 2014. This is 26 percent higher than originally projected for 2014.

2014 Operating Budget Schedule

	Budget 2014	Forecast 2014	Favorable/ (Unfavorable) vs. Budget
Operating Expenses			
Labor	$ 973,700	$ 953,576	$ 20,123
Material	61,800	73,160	(11,361)
Fuel	60,246	57,246	3,000
Power	27,444	33,431	(5,986)
Provisions for Injuries and Damages	-	-	-
Purchase of Security Services	14,087	13,654	433
Other Expenses	247,572	254,487	(6,915)
Total Operating Expenses	**$ 1,384,849**	**$ 1,385,555**	**$ (706)**
System Generated Revenue			
Fare and Passes	$ 593,050	$ 585,117	$ (7,933)
Reduced Fare Subsidy	21,464	28,321	6,857
Advertising, Charter & Concessions	29,651	27,426	(2,225)
Investment Income	494	499	5
Statutory Required Contributions	5,000	5,000	-
Other Revenue	26,308	37,166	10,859
Total System Generated Revenue	**$ 675,967**	**$ 683,529**	**$ 7,562**
Public Funding			
Total Public Funding	**$ 708,882**	**$ 718,181**	**$ 9,299**
Total Revenue	**$ 1,384,849**	**$ 1,401,710**	**$ 16,861**
Recovery Ratio*	58.4%	59.3%	
Required Recovery Ratio	54.0%	54.0%	
Balance	**$ -**	**$ 16,156**	**$ 16,156**

*Recovery ratio is calculated by dividing the System-Generated Revenues over Operating Expenses. The calculation includes in-kind revenues and expenses for security provided by the City of Chicago, excludes security expenses, POB debt and includes some grant revenues.

(THIS PAGE INTENTIONALLY LEFT BLANK)

President's 2015 Proposed Operating Budget Summary

Introduction

The 2015 Operating Budget enhances service levels while freezing fares. The CTA continues to add rail and bus service where needed as demand dictates. At the same time, the efficient operation of services at the CTA means that fares will be held stable for the third consecutive year.

The CTA will provide over half a billion rides in 2015 with a continual emphasis on building a world class transit system. Over the past several years, the Authority has taken measures to generate operating efficiencies which allows an increase in investments to grow, improve, and modernize service. The management initiatives are aimed at enhancing the customer service experience with increased service levels, a magnified focus on safety and security, investments in bus and rail fleets, stations, track structures and enhanced technology.

In 2014, the CTA made extensive investments, upgrading its bus and rail fleet. As part of an order of 300 new 40-foot clean diesel buses manufactured by Nova Bus, the CTA expects delivery of 100 buses by the end of the 2014 with the remainder delivered in 2015. In addition, the complete overhaul of over 1,000 buses continued throughout 2014 and will complete in 2015, essentially delivering almost an entirely new or fully overhauled bus fleet.

To continue modernization and upgrade of the rail fleet, CTA expects to add approximately 170 of the newest generation 5000-series rail cars, currently in service on the Pink, Green and Red Lines in 2015, to complete the full order of 714 cars. Delivery of these buses and rail cars will continue throughout 2015. In addition, the overhaul of the 3200-series rail cars will not only extend the life and reliability of that fleet, currently on the Orange and Brown Lines, but will add customer amenities such as LED interior lighting and electric exterior route signage. The upgrades to bus and rail fleets provide customers with a more comfortable commute and will reduce the long-term costs of repairs to an aging fleet.

Another major initiative in 2014 was the reinstatement of the Rail Apprentice Program for cleaning rail cars. The CTA and the Amalgamated Transit Union (ATU) Local 308 agreed to reinstate the program. Sixty-five rail apprenticeships were made available to ex-offenders and others in life-changing, second chance programs. Combined with a similar program with ATU Local 241, offering 200 bus servicer apprenticeships for cleaning buses, the program increases CTA's apprentice program to 265 positions and represents one of the largest ex-offender training programs in the nation.

CTA's focus remains on safety and security for customers, employees and the public, with strategic efforts made with the Chicago Police Department. Safety initiatives include increased investments to strengthen the Safety Department, expansion of police patrols and rail saturation efforts. The CTA added over 5,000 cameras in 2014 on rail cars, at rail stations, and at CTA facilities. This constitutes an increase of 28 percent new cameras compared to 2013. During the first six months of 2014, violent crimes on buses, trains and at stations/platforms declined more than 34 percent compared with the first half of 2013.

Investments in technology include the upgrade of the subway wireless service to 4G. The 4G service will replace the 10 year old 2G Distributed Antenna System (DAS). The upgraded subway wireless network will improve the customer experience by offering better and more robust services capable of supporting tablets and smartphone capabilities, and it will also address system safety by providing more reliable communication between CTA personnel and emergency responders. In 2015, CTA will implement various hardware and software upgrades, which will yield long-term efficiencies and enhance data tracking. An example of this is the CAD/AVL system for buses to allow better communication directly with bus operators to improve service reliability.

The 2015 Operating Budget continues to build on the efficiencies already in place and reflects additional investments in a world class transit system, while keeping its base fares flat. These investments in fleet inventory, facilities, safety efforts, technology, and personnel, will result in cost-effective service to customers.

Ridership

The CTA estimates system-wide ridership will increase to 522.5 million in 2015, 0.7 percent above the 518.9 million rides forecasted in 2014.

Factors that influence ridership point to growth. The Chicago-area unemployment rate has dropped from as high as 10.4 percent in 2010 to 7.6 percent in 2014, year-to-date. The total number of employed in the Chicago region is 3.8 million in 2014. This is the fourth consecutive year of gains in employment and the highest total since 2008, before the recession.

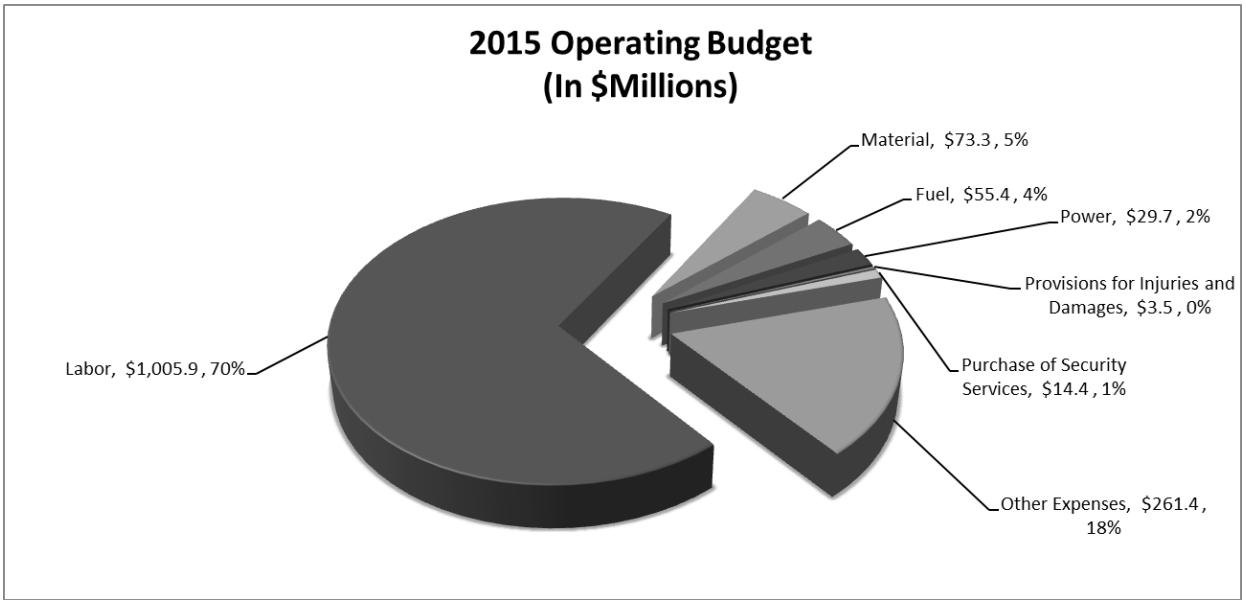
The costs of other methods of commuting also affect CTA ridership. Gas prices have declined in the summer and fall of 2014, after declining in 2013 as well. However, street parking in the Central Business District has reached $6.50 per hour. Garage parking, meanwhile can cost $30 per day or more. The CTA's base fares of $2.00 for bus and $2.25 for rail continue to provide real value for millions of Chicago-area residents.

Service & Fares

The President's 2015 Proposed Budget contains no change in fares. In addition, the proposed budget includes a slight increase in overall service levels, primarily for rail service, to accommodate demand and maintain standards of minimal crowding. Demand for the CTA's bus and rail services remains strong and the CTA will focus on continuing to improve the level of service to its customers while also enhancing quality and reliability. The CTA will also open a new rail station in 2015 on the Green Line at Cermak/McCormick Place bringing the number of rail stations up to 146.

Operating Expenses

The proposed operating budget is $1,443.7 million, a $58.9 million or 4.5 percent increase compared to the 2014 forecast.



Labor expenses are budgeted to be $1,005.9 million, an increase of $52.3 million from the $953.6 million forecast for 2014. This reflects contractual wage increases, group insurance and other fringe expenses, added bus and rail services levels, additional bus and rail car service apprentices, an increase in vehicle cleaning resources, and an enhanced safety unit.

Material expenses are budgeted to be $73.3 million. This is up $11.5 million from the $61.8 million budget for 2014 and on par with the 2014 forecast. The 2014 forecast captured the impact of the Polar Vortex. The 2015 increase in material expenses is mainly due to increased service levels, including alternative service provided for construction projects, and improvements in facilities maintenance.

Fuel expenses in 2015 are budgeted at $55.4 million, which is $1.9 million less than the 2014 forecast. The fuel budget will be managed using the CTA's strategic fixed price purchasing policy. Fixed fuel purchase is projected at 90% of projected 2015 usage, with both D1 and D2 blends. Fuel prices in 2015 are budgeted at $3.00 per gallon, representing the average price the CTA has locked in for 2015 at the time of budgeting. This includes the price of supply and delivery combined and represents significant savings compared to the $3.26 per gallon budgeted in 2014.

The CTA will continue to purchase **electric power** using an actively managed block purchase approach, which allows the CTA to purchase wholesale power for its base load electricity supply in advance. Electricity consumed above or below the block quantity is settled at the real-time market price. The 2015 proposed budget estimates the cost of electric power for revenue equipment at $29.7million, which is $3.7 million less than the 2014 forecast. The decrease in expenses versus forecast is based on the expectation that the 2014 winter—the coldest in Chicago's history—will not be repeated in 2015. If the winter is severe, however, the CTA will be protected from high prices; the Authority has already purchased about 80 percent of its anticipated power needs in advance. Thus only the remaining 20 percent would be exposed to price fluctuations.

The CTA has budgeted a $3.5 million contribution to the **provisions for injuries and damages** fund in 2015. The recommended provision is determined by the CTA's actuaries based on actual claims history and future projections. It has been determined that the current value of the reserve fund is sufficient and the 2015 projection is a conservative estimate.

Purchase of security services is budgeted at $14.4 million, up from a projected $13.7 million in 2014. The 2015 total is higher due to a slight increase in the K-9 contract costs. Also, the comparatively lower 2014 forecast reflects a one-time security grant received early in the year that will not be provided in 2015. The remaining budget covers inter-governmental agreements with the police departments of Chicago, Oak Park, and Evanston, plus some contract security services for the protection of bus garages and other CTA facilities.

Other expenses are budgeted to be $261.4 million, an increase of $6.9 million over the $254.5 million forecast for 2014. This increase reflects the normal escalation of contractual expenses and additional maintenance support for the CTA's camera systems and support technology. The Other expenses category includes all contractual services and supports the $13 per hour minimum wage established in 2014 for certain contractual services.

Operating Revenues

The CTA has two main revenue categories: system-generated revenues and public funding.

Total Revenue (in thousands)	2015 Budget
Fares and Passes	$589,212
Reduced Fare Subsidy	28,322
Advertising, Charter & Concessions	30,017
Investment Income	682
Statutory Required Contributions	5,000
All Other Revenue	34,286
Total System Generated Revenue	**$687,519**
Public Funding	**$756,184**
Total 2015 Revenue	**$1,443,703**
Total 2015 Expenses	**$1,443,703**

System-Generated Revenues

System-generated revenues include fares and passes, reduced-fare subsidy, advertising and concessions, investment income, statutory required contributions from Chicago and Cook County, and other miscellaneous revenues. In 2015, system-generated revenue is budgeted to be $687.5 million, representing a $4.0 million increase when compared to the 2014 forecast.

Revenues from **fares and passes** are budgeted at $589.2 million in 2015. This is an increase of $4.1 million over the 2014 forecast. The increase is the result of the growth in ridership, projected at 0.7 percent overall (0.4 percent for bus and 1.1 percent for rail). In accordance with state law, the CTA continues to provide free rides to seniors and people with disabilities participating in the state's Circuit Breaker Program, active military personnel, and veterans with disabilities.

The CTA provides approximately seventy-six million reduced and free-fare trips annually to qualified riders based on federal, state, or local mandates. The foregone revenue from these rides is in excess of $100 million. The state provides partial support for this mandate, with the **reduced-fare subsidy**. The subsidy is a reimbursement provided to local transit agencies by the Illinois General Assembly. The 2014 subsidy was cut and then reinstated for that state fiscal year. The subsidy was subsequently cut in the State's 2015 budget,

beginning in July 2014. Consistent with guidance from the RTA, the 2015 proposed budget assumes the reduced fare subsidy will return to original levels for the entirety of the 2015 State Fiscal Year, resulting in a total of $28.3 million for 2015.

Advertising, charters and concessions revenues include advertisements on buses, trains and stations, income from concessions, and other non-farebox revenue. The 2015 budget is $30 million, which is a $2.6 million increase over the 2014 forecast. The CTA will continue to work to expand digital advertising and increase advertising sales.

Investment income for 2015 is budgeted at $0.7 million, the same as projected for 2014. Interest rates hovering near zero percent plus the State of Illinois' continued late payment of public transportation funds mean CTA's conservative cash investments will yield minimal income.

Statutory required contributions remain unchanged in 2015, budgeted at $5.0 million. The Regional Transportation Authority Act requires the City of Chicago to contribute $3.0 million and Cook County to contribute $2.0 million each year toward CTA operations. These required cash contributions are in addition to in-kind contributions from the City of Chicago. The Chicago Police Department's Public Transportation Section provides approximately $22.0 million of in-kind security services to the CTA as part of its regular patrols. Meanwhile Cook County provides in-kind services through the Sheriff's Work Alternative Program (SWAP). Under the SWAP program, non-violent offenders in Cook County supplement existing CTA employees to clean bus turnarounds and garages.

All **other revenue** includes non-capital grants, parking charges, rental revenue, third-party contractor reimbursements, and filming fees, among other varied income sources. This category is budgeted in 2015 at $34.3 million, a decrease of $2.88 million compared to the 2014 forecast. The decrease is due primarily to sales of property in 2014. Non-capital grants are provided by external sources and add an identical amount of revenues and expenses to the budget.

Public Funding

The forecasted amount of **public funding** available for CTA operations is determined primarily by the RTA, and is based on the RTA's revenue projection for the year and the approved funding marks of the RTA Board. Public funding has three sources: sales tax revenue, public transportation funds (PTF), and the real estate transfer tax (RETT). The three funding sources are authorized under state statutes passed in 1983 and 2008. A diagram of public funding received by RTA and the way in which it is allocated among the three Service Boards is included in the Operating Funding Summary in the appendices.

The RTA retains 15 percent of the sales tax collections authorized in 1983, leaving 85 cents of every dollar to flow directly to the service boards via the formula established by the state legislature. Of these remaining funds, the CTA receives 100 percent of the taxes collected in Chicago and 30 percent of taxes collected in suburban Cook County. Of the funding available from the 0.25 percent sales tax and PTF authorized by the 2008 legislation, the CTA receives 48 percent of the remaining balance after allocations are made to fund various programs. Additionally, the 2008 legislation authorized a $1.50 per $500 increase in RETT, all of which is collected in Chicago. The CTA receives 100 percent of the increased RETT authorized in 2008 and a 25% state PTF match on the RETT.

Public funding available through the RTA is budgeted to be $756.2 million in 2015. This does not include the Innovation Coordination and Enhancement (ICE) funds which are now distributed to the service boards by formula via the RTA and can be used in the operating or capital budget. This is a $38.0 million increase over the 2014 forecast or 5.3 percent. The increase represents continued improvement in sales tax receipts anticipated over the next year. ICE funds are programmed in the 2015-2019 Capital Improvement Plan.

President's 2015 Proposed Operating Budget Schedule (in thousands)

	Actual 2013	Budget 2014	Forecast 2014	Proposed Budget 2015
Operating Expenses				
Labor	$ 948,272	$ 973,700	$ 953,576	$ 1,005,919
Material	60,353	61,800	73,160	73,331
Fuel	61,836	60,246	57,246	55,396
Power	26,174	27,444	33,431	29,736
Provisions for Injuries and Damages	0	-	-	3,500
Purchase of Security Services	24,160	14,087	13,654	14,427
Other Expenses	245,336	247,572	254,487	261,393
Total Operating Expenses	**$ 1,366,130**	**$ 1,384,849**	**$ 1,385,555**	**$ 1,443,703**
System Generated Revenue				
Fare and Passes	$ 574,029	$ 593,050	$ 585,117	$ 589,212
Reduced Fare Subsidy	21,948	21,464	28,321	28,322
Advertising, Charter & Concessions	25,677	29,651	27,426	30,017
Investment Income	370	494	499	682
Statutory Required Contributions	5,000	5,000	5,000	5,000
Other Revenue	41,946	26,308	37,166	34,286
Total System Generated Revenue	**$ 668,970**	**$ 675,967**	**$ 683,529**	**$ 687,519**
Public Funding				
Total Public Funding	**$ 697,161**	**$ 708,882**	**$ 718,181**	**$ 756,184**
Total Revenue	**$ 1,366,130**	**$ 1,384,849**	**$ 1,401,710**	**$ 1,443,703**
Recovery Ratio*	59.2%	58.4%	59.3%	57.0%
Required Recovery Ratio	52.0%	54.0%	54.0%	54.5%
Balance	**$ -**	**$ -**	**$ 16,156**	**$ -**

	2014 Budgeted Positions	2015 Budgeted Positions
Total CTA without STO**	4,339	4,475
Bus STO positions***	3,708	3,733
Rail STO positions***	1,614	1,679
Total CTA	**9,661**	**9,887**

*Recovery ratio is calculated by dividing System-Generated Revenue by Operating Expenses. The calculation includes in-kind revenues and expenses for security provided by the City of Chicago, excludes security expenses, POB debt services, and includes some grant revenues.
**STO: Scheduled Transit Operations
***STO Full-Time Equivalents

President's 2016-2017 Proposed Operating Financial Plan Summary

Introduction

As this two-year financial plan shows, the structural deficits and doomsday scenarios of the past do not have to dictate CTA's future. Since 2012, the CTA has maintained an operating budget that does not depend on transferring capital funds to the operating budget or other unsustainable practices. The efficiencies captured in prior years can "pay forward" long-term savings to help maintain a balanced budget.

The long-term trend for the CTA is positive. Rail ridership is expected to continue its upward growth while bus ridership remains stable and robust. During 2016-2017, several significant capital projects will take place to enhance the system, including the continuation of the Red Ahead and Your New Blue programs, as well as the construction of a new, modern rail station at Washington/Wabash. CTA is also continuing its bus and rail fleet modernization plans, providing CTA customers with a more efficient, smooth, and reliable fleet—and avoiding the millions of dollars in additional maintenance that CTA would incur if work were deferred.

This administration has made major investments in modernizing the CTA over the last four years resulting in more stable operations and better financial stability. In 2014, the CTA's sales tax bonds maintained their strong AA stable outlook and the general obligation bonds were upgraded to A+. When the CTA issued $555 million of new, long-term bonds in June 2014, the market reacted favorably and acknowledged the stability of the CTA and the benefits of investing today to insure long-term sustainability.

The severe winter of 2014 proved that the CTA is resilient in the face of tough challenges. Not only did the CTA meet the operational challenge of providing reliable service during the worst winter ever recorded in Chicago, it met the financial challenge of balancing the budget in spite of the increased costs necessary to provide that service. This is the result of realistic budgeting and active financial and risk management when events do not go according to plan. The financial plan for 2016-2017 continues this practice of planning for realistic cost and revenue scenarios, and maintaining the ability to adapt as circumstances change. It does not contain one-time measures to balance the budget at the expense of the long-term. But it does provide the resources to continue the modernization agenda well into the future.

The CTA customers will be the ultimate beneficiaries of these efforts. Collectively, these improvements will build a transit agency that is more reliable, efficient, safe, clean, and customer-friendly. The value of this work will be realized as more and more people choose the CTA.

Operating Expenses

Total operating expenses are budgeted at $1,443.7 million in 2015. Operating expenses are expected to grow 2.8 percent to $1,484.5 million in 2016 and 2.2 percent to $1,517.1 million in 2017.

Labor expenses, including base salaries, benefits, and payroll taxes, are projected to be $1,005.9 million in 2015, $1,016.4 million in 2016 and $1,026.6 million in 2017. This is a 1.0 percent increase each year. Labor costs are projected to increase based on expected increases in the cost of benefits, such as healthcare and the employer contributions to the CTA pension, and wage increases. It is important to note that the current labor agreement that affects the majority of CTA employees expires at the end of 2015. The labor cost trajectory for the 2016-2017 period will be determined, in large part, by the outcome of collective bargaining negotiations and continued efficiency gains.

The financial plan projects **material** to be $73.3 million in 2015 and then grow by 4.0 percent in 2016 to reach $76.3 million and then by 2.0 percent to total $77.8 million in 2017. These increases allow for potential growth in the size of the fleet and the associated maintenance costs. It also accounts for an aging infrastructure where many parts must be replaced, rather than repaired. Finally, many of the newer vehicles are coming off warranty in the next few years, meaning the CTA will bear the full costs of scheduled maintenance and unplanned repairs.

The proposed financial plan projects **fuel** costs to equal $57.1 million in 2016 and $58.8 million in 2017. After several years of hedging fuel prices, the CTA has entered into a fixed price agreement for all of 2015. This will provide fuel for 90 percent of anticipated consumption next year. The plan for 2016-2017 assumes a 3.0 percent growth rate from the 2015 fixed price base, which is a conservative projection based on the substantial drop in oil prices in the summer and fall of 2014. The Authority is also working to reduce consumption by exploring alternative bus storage locations during midday and overnight. These locations would be closer to the start and end of the routes, meaning less fuel would be needed to drive to and from bus garages. Already, the CTA saves over two hundred thousand dollars annually because of more efficient fleet storage.

In 2016 and 2017, the CTA projects rail **electric power** costs to be $28.6 million and $29.5 million, respectively. As of October 2014, the Authority has entered into forward purchase agreements with its power supplier for 80 percent of the estimated consumption for the year. These forward purchases cover both 2015 and 2016. The amounts reflected in the financial plan are the sum total of the pre-purchases, the market price of the 20 percent of power to be purchased at spot market prices, and a contingency to be used in case the harsh winter of 2013-2014 repeats.

The damage reserve fund has been adequately funded for the last two years, obviating the need to replenish the fund. However, beginning in 2015, the CTA plans to resume

contributions to **provisions for injuries and damages**, with $3.5 million reserved. The financial plan calls for this to increase to $12.0 million in 2016 and $20 million in 2017. The amount of actual deposits to the fund may be adjusted based on the annual actuarial valuation of the fund's liabilities. The amount needed to fund this reserve is based on actual experience, the projected future balance in the reserve, and the liabilities projected for the following year.

According to the 2016-2017 plan, **purchase of security services** is projected to be $14.6 million in 2016 and $14.7 million in 2017. This is a 0.9 percent increase each year. This is due to contractual increases built into the contracts with private security firms and police departments. The inter-governmental agreement with the Chicago Police Department expected to be in place in from 2013 to 2015 caps spending at $10 million per year, which limits the overall growth rate for security expenses. Security costs dropped in 2013 and 2014 as the CTA shifted its resources from contractual security guards to CTA employees.

Other expenses include utilities, advertising, equipment, software maintenance, accounting, engineering, legal fees, banking fees and commissions, interest and principal on the outstanding pension obligation bond, payments for the 2014 sales tax bond, and other consulting services. Other expenses are budgeted to be $261.4 million in the 2015. The financial plan includes $279.6 million in 2016 and $289.8 million in 2017. The financial plan includes the payments on the 2014 sales tax bonds of $15 million in additional debt service in 2016 and a total of $29 million additional in 2017. Excluding these costs, and the fixed payment of the Pension Obligation Bond, other expenses are projected to increase by 3.0 percent in 2016 and 2017.

Operating Revenues

Overall **operating revenues**, including system-generated revenues and public funding, are projected to increase at a modest rate over the two-year financial plan. From the 2015 budgeted level of $1,443.7 million, operating revenues are projected to increase 2.8 percent in 2016 to $1,484.5 million and 2.2 percent in 2017 to $1,517.1 million.

System-Generated Revenues

From a base of $589.2 million, **fare revenue** is projected to increase to $595.1 million in 2016 and $604.0 million in 2017. These 1.0 and 1.5 percent year-over-year increases are realistic but still conservative estimates. Fare revenue is expected to benefit from an improving area labor market and the continuing growth of expenses related to vehicle ownership and use, including gas prices and parking costs.

The two-year plan assumes the recent **reduced-fare subsidy** cut proposed by the Illinois state legislature in 2013 and 2014 will not continue into the future. The plan projects funding will be $28.3 million in 2016 and 2017. This amount is still a fraction of the nearly $100 million in actual free and reduced rides provided by the CTA.

The two-year financial plan projects revenue from **advertising, charters, and concessions** to grow at a 3.0 percent rate. This yields a projected $30.9 million in 2016 and $31.8 million in 2017. Advertising revenue has been a strong category for growth recently, and is expected to continue to increase over the next few years.

Investment income in 2016 and 2017 is expected to be low due to reduced cash on hand because of late payments from the state. The plan also assumes the historically low interest rates will continue through 2017. Investment income is expected to be $0.7 million in 2016 and in 2017.

Statutory required contribution revenues are forecast to continue to be $5.0 million per year. The Regional Transportation Authority Act requires that the City of Chicago contribute $3.0 million annually and that Cook County contribute $2.0 million annually to CTA operations.

Other revenue is expected to grow by $0.3 million in 2016 and $0.7 million in 2016 due to an anticipated increase in corporate sponsorship and other types of revenue, such as parking and rental fees. These revenues are derived from parking fees, rental properties, third-party contractor reimbursements, fees from filming, non-capital grants from the federal government and other sources, and other miscellaneous revenues. The planned totals are $34.6 million and $35.3 million in 2016 and 2017, respectively.

Public Funding

The RTA provides **public funding** marks for the financial plan. The RTA funding plus Real Estate Transfer Tax revenue from the City of Chicago provides the total public funding projections. The RTA marks increase by 2.0 percent in 2016 and 2.7 percent in 2017.

The **recovery ratio** measures the percentage of expenses that a Service Board must pay against the revenue that it generates. System-generated revenues, operating expenses, and certain statutory exclusions are used in the calculation. The RTA Act requires the region to fund 50 percent of its expenses through revenues generated by the three Service Boards—the CTA, Metra, and Pace. The estimated recovery ratios for the CTA in 2016 and 2017 are 55.8 percent and 55.2 percent, respectively—considerably higher than the regional requirement.

President's 2016-2017 Proposed Operating Financial Plan Schedule

	Forecast 2014	Proposed Budget 2015	Plan 2016	Plan 2017
Operating Expenses				
Labor	$ 953,576	$ 1,005,919	$ 1,016,399	$ 1,026,563
Material	73,160	73,331	76,265	77,790
Fuel	57,246	55,396	57,058	58,770
Power	33,431	29,736	28,597	29,455
Provisions for Injuries and Damages	-	3,500	12,000	20,000
Purchase of Security Services	13,654	14,427	14,560	14,696
Other Expenses	254,487	261,393	279,615	289,835
Total Operating Expenses	**$ 1,385,555**	**$ 1,443,703**	**$ 1,484,493**	**$ 1,517,109**
System Generated Revenue				
Fare and Passes	$ 585,117	$ 589,212	$ 595,104	$ 604,030
Reduced Fare Subsidy	28,321	28,322	28,322	28,322
Advertising, Charter & Concessions	27,426	30,017	30,918	31,845
Investment Income	499	682	689	696
Statutory Required Contributions	5,000	5,000	5,000	5,000
Other Revenue	37,166	34,286	34,629	35,321
Total System Generated Revenue	**$ 683,529**	**$ 687,519**	**$ 694,661**	**$ 705,214**
Public Funding				
Total Public Funding	**$ 718,181**	**$ 756,184**	**$ 789,833**	**$ 811,895**
Total Revenue	**$ 1,401,710**	**$ 1,443,703**	**$ 1,484,493**	**$ 1,517,109**
Recovery Ratio*	59.3%	57.0%	55.8%	55.2%
Required Recovery Ratio	54.0%	54.5%	54.5%	54.5%
Balance	**$ 16,156**	**$ -**	**$ -**	**$ -**

*Recovery ratio is calculated by dividing System-Generated Revenue over Operating Expenses. The calculation includes in-kind revenues and expenses for security provided by the City of Chicago, excludes security expenses, POB debt services, and includes some grant revenues.

(THIS PAGE INTENTIONALLY LEFT BLANK)

Five-Year Capital Improvement Program

"The City of Chicago is focused on building a 21st century public transportation infrastructure to match our rapidly growing economy. Chicago's future depends on our ability to improve our existing infrastructure to meet new demand and today is a strong step toward fulfilling that vision,"

Mayor Rahm Emanuel, August 7, 2014

In keeping with Mayor Rahm Emanuel's aforementioned statement, the Chicago Transit Authority's (CTA) proposed Fiscal Year (FY) 2015 - 2019 Capital Improvement Program (CIP) will provide the City of Chicago and its neighboring communities with a reliable transportation system that benefits all riders.

This proposed CIP continues the over $5 billion of investment initiated since 2011. CTA's FY 2015-2019 $2.4 billion CIP funding continues to enhance the quality of life for our customers, neighbors and employees. This projected CIP incorporates significant technological advancements, continues to improve safety and provides dependable public transportation.

Funding for this plan contains an increased multi-year funding commitment from multiple sources, including the state of Illinois, federal competitive grants, local funds, Transportation Infrastructure Finance and Innovation Act (TIFIA), Tax Increment Financing (TIF) and CTA funding.

This CIP maintains its aggressive plan to improve the nation's second-largest transit system, which provides more than 1.7 million rides each weekday. CTA's capital program for FY 2015-2019 includes funding that will provide safe, convenient, and affordable transportation options that enhances the quality of life for everyone in the Chicago metropolitan region. CTA believes the region's transit riders should have access to a world class public transportation system with a variety of choices. Public transportation helps increase economic opportunity throughout our city and region.

With this five year plan the CTA is moving forward in building a 21st century transit system to serve every neighborhood. From new technology to new terminals, to train station improvements, to public artwork at facilities and train stations, to making a clean environment, to improving safety and security, just to name a few. The CTA is committed to moving people around the city of Chicago and its neighboring communities – getting them to and from their destinations safely and on time.

"***Your New Blue"*** **-** The CTA is undertaking a comprehensive renovation project, *Your New Blue*, to upgrade the Blue Line O'Hare Branch infrastructure, which stretches over 19 miles from downtown Chicago to O'Hare International Airport. This work is part of the larger, four-year $492 million investment in

the Blue Line that will provide faster, more comfortable and more reliable commutes on the O'Hare Branch of the Blue Line and in the Kimball and Dearborn subways. *Your New Blue* will prepare CTA for current and projected increased ridership demands.

In addition to connecting people to O'Hare airport, the Blue Line provides transportation to the Chicago Central Business District and the O'Hare employment center, which are the first and second largest employment centers in Illinois respectively. It also connects people with major universities and medical centers throughout the region. *Your New Blue* will increase capacity, improve reliability, reduce crowding, decrease travel times from downtown to O'Hare, and make the system and stations safer and more accessible. This project includes track renewal along the Milwaukee Blue Line and improvements to three historic stationhouses at Damen, Western, and California along with improvements to the other stations, including adding elevators to the Addison station.

Your New Blue will reduce maintenance costs, help modernize the system, increase safety, provide faster service, eliminate slow zones, and update stations with contemporary amenities. CTA customers will have facilities that are visually appealing, clean, and equipped with amenities that enhance their CTA experience.

Quincy Station Accessibility Improvements - CTA will add two accessible elevators and other substantial customer improvements at the Quincy Loop "L" Station. Currently, only three of the nine Loop stations are fully compliant with the Americans with Disabilities Act (ADA) guidelines. Quincy is a high-ridership station that serves the Brown, Orange, Pink, and Purple Lines. The station is a major multi-modal transfer point for 10 CTA bus routes and provides easy connections to Union Station and the LaSalle Street Metra Station. Built in 1897, the historic Quincy station is recognized as a historic property by the City of Chicago's Landmark Division and is eligible for the National Register of Historic Places.

The project will utilize $15.7 million of available city tax-increment financing (TIF) funds to make the historic Quincy station accessible to customers. Station improvements will include the replacement of two sets of entrance stairs, as well as painting, lighting improvements, and other repairs while retaining the historic appearance of the station, one of the few surviving original Loop 'L' stations. Renewal work will include refurbishing station surfaces, including woodwork, doors, railings, ceilings and framing.

Quincy station was last renovated 25 years ago in 1988. It is now in need of additional of upgrades and repairs.

With an annual ridership of over 2.2 million on the Brown, Orange, Pink, and Purple lines, Quincy is one of the busiest Loop "L" stations. These improvements will better serve the existing high volume of riders and provide passenger facilities that will lead to a modern, safe, and pedestrian-friendly station.

Illinois Medical District (IMD)/Medical Center Accessibility Improvements - Constructed in 1958, the station is the closest CTA rail stop for the nation's largest urban medical district, the IMD, which is home to four major hospital systems – the University of Illinois Hospital & Health Sciences System, the John H. Stroger Jr. Hospital of Cook County, Rush University Medical Center and the Jesse Brown VA Medical Center. This project will improve accessibility for patients by making the station's three entrances accessible to customers with disabilities. With the exception of the Damen entrance that was renovated in 1998, the station has otherwise only received minor patchwork repairs since it first opened 56 years ago.

The Chicago Transit Board has approved $23 million of city tax-increment financing (TIF) funds made available through Mayor Rahm Emanuel's "Chicago Neighborhoods Now" program for the project. The project will improve all three entrances of the IMD station. The main stationhouse on Ogden Avenue will receive an accessible elevator and new stairs. The project will reconstruct two station-to-platform ramps at auxiliary entrances at Damen Avenue and Paulina Street to comply with ADA guidelines. In addition, the project includes improving station and platform lighting; installing additional security cameras and CTA Bus and Train Tracker displays, and repairs to the station platform canopy. The two auxiliary entrances, at Damen and Paulina, will receive new flooring, wall/ceiling finishes, fare-payment equipment and customer assistant kiosks.

This much needed rehabilitation project will greatly improve customer service and strengthen the medical district, which serves as an incubator for about 30 emerging technology-based companies as well as the primary station for Malcolm X College and the United Center. Over the last five years, ridership at the IMD Blue Line station has increased by 53%, to nearly 1.1 million station entries last year, making IMD the third-busiest station on the Blue Line's West Side Forest Park branch.

Ravenswood Connector - In 2013, the CTA began major improvement work on the elevated structure and track ('L') between Armitage and the Loop, currently used by Brown Line and Purple Line Express service. Track renewal scheduled to begin in 2015 will result in faster, safer and more reliable service on a key segment of the Brown and Purple Lines, used by about 700 trains on a typical weekday. The work will eliminate over two miles of slow zones where trains slow down to as little as 15 M.P.H. to ensure safe operation.

Wilson Station Reconstruction - The reconstruction of the Wilson Red Line station began in 2014. The $203 million Wilson project will replace the badly deteriorated stationhouse, built in 1923, with a new, modern and accessible station that will also serve as a new transfer point between Red and Purple Line service. This Project work also includes the reconstruction of 2,200 feet of century-old elevated tracks, signals and supporting infrastructure that will be relocated from the street and sidewalks along Broadway and Wilson to the west to create a safer and more pedestrian-friendly environment. The Project will be an anchor for revitalization and economic development in the Uptown neighborhood. This comprehensive station work will be performed within the footprint of the existing station, which is located in the Uptown Square Historic District, and with minimal impact to rail service. This project is being funded by the Illinois Department of Transportation (IDOT) Bonds and a Bus Livability grant from the Federal Transit Administration (FTA).

4G Subway Cellular

CTA plans to upgrade its underground cellular network to provide continuous, reliable mobile phone service in all CTA subway platforms, mezzanines and tunnels. The upgraded network will offer better and more robust voice and high-speed data services and improve communication between CTA personnel and emergency responders. It will replace existing infrastructure that dates back to 2005—well before most modern smartphones and tablets were introduced—which is inadequate to support current wireless data needs. Modernizing the transportation system will boost ridership, bolster long-term regional economic growth and lead to a more enjoyable ride for customers throughout the system.

The wireless upgrade is part of several ongoing technology improvements, including expansion of Train Tracker and Bus Tracker functionality, digital information and train tracker screens at rail stations, and a dramatically expanded security camera network.

Facilities State of Good Repair (SOGR) - The majority of this initiative focuses on the upgrade of the agency's seven bus maintenance, storage and repair facilities as well as equipment used for repairs. The remainder will go towards upgrades at rail maintenance and repair facilities. Of the agency's seven bus maintenance, storage and repair facilities, four are approximately 20-30 years old having been built between 1984 and 1995. The remaining three facilities are more than 55 years old. Rehabilitation of the bus maintenance and repair facilities has begun and will continue through 2016/2017. Work will include the repair or replacement of critical maintenance systems, including bus fueling/servicing facilities, bus hoists, inspection pits and wash racks; expansion of the

maintenance facility to accommodate the increased number of articulated buses in the fleet; and the installation of a new surveillance camera network and other security enhancements at all bus facilities.

New Rail Cars – The current CIP continues the Authority's efforts to modernize the transit system to improve service and benefit customers. A total of $513 million will be allocated for rail car procurement over the five-year period in preparation for expected award in 2016 for the next generation of railcars, the 7000 Series. This major capital investment will replace hundreds of aging cars that are or will be well beyond their intended service life. This initiative will improve service reliability across the system as well as the implementation of new efficiencies that create a smoother, more comfortable ride.
The first of the 7000 Series railcars will be placed into revenue service starting in 2018/2019. The proposed contract order will provide for the production of approximately 400 cars (with further options to purchase up to a total of 846 cars). This series is designed to replace the oldest rail cars in the CTA's fleet, reducing the average age of the CTA's fleet to about 10 years by 2024.

In ongoing efforts to modernize the rail fleet, CTA continues to replace its aging railcars. CTA's current contract calls for the purchase of 714 new 5000-Series rail cars. Over 500 of these rail cars were in service in 2014. CTA expects to have all cars in revenue service as of the third quarter of 2015.

New Buses (Electric) – In order to meet the Authority's commitment to further reduce its emissions footprint the CTA purchased two new all-electric buses. CTA will rigorously test the new vehicles on actual bus routes and assess their ability to operate in Chicago's tough environment of extreme heat and cold with heavy passenger loads. CTA is funding this purchase through the FTA's Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) and Federal Highway Administration's (FHWA) Congestion Mitigation and Air Quality (CMAQ) programs. Unlike the vehicles from CTA's previous bus purchases, which have been for diesel or diesel-electric hybrid buses, the two buses will operate solely on electricity and must be able to travel up to 100-miles on a single charge.

The CTA's goal is to reduce diesel emissions and improve the quality of life for our customers and residents of the Chicago metropolitan area. The purchase of these new

buses will reduce exposure of customers and bus employees to diesel pollutants and yield reductions in air-borne pollutants that threaten public health.

Bus Fleet – The CTA continues to improve its bus fleet by purchasing and replacing aging buses. CTA is to complete the delivery of 300 new clean diesel buses in 2015 and through the spring of 2016. CTA also plans to issue a contract to purchase up to 150 additional buses in 2015. These buses will be low floor, fully accessible, air conditioned, and conventional clean diesel transit buses.

Revenue Fleet Overhaul – CTA continues the mid-life bus overhaul program which entails the overhauling of more than 1,000 buses which began in 2013 and is expected to be completed by 2015. These buses represent approximately 56% of the current bus fleet. In 2015, the CTA will begin work on the overhaul of 208 Artic Hybrid buses placed into service in 2008. The overhaul of the 3200 Series railcars will begin in 2015 which will provide for a life extending overhaul on 258 rail cars, representing 28% of the existing rail car fleet.

Public Art on CTA – The CTA is home to an impressive collection of art including mosaics, image transfer artworks and sculptures. More than 50 artworks are exhibited at 41 CTA stations along the Pink, Red and Brown Lines and are seen daily by hundreds of thousands of CTA customers as well as regional, national and international visitors. The original artworks contribute to each station's identity and enhance travel for customers. Art in CTA facilities promotes a friendly, inviting atmosphere for these stations, which function as gateways to the communities they serve. Continuing this commitment to an enhanced transit experience, the FTA has provided funding to the CTA to commission artists to provide original artwork for stations that have recently been renovated or are planned for near-term.

This CIP continues its meaningful impact on the system's state of good repair. The investments will reduce operating costs in some areas and avoid escalating costs in others. By driving down expenses, the CTA will be able to leverage operating funds to supplement scarce capital funding and continue to further improve the system.

The table below lists each category of projects in the proposed program. Descriptions of each project are detailed in the following section.

Proposed FY 2015 – 2019 Capital Improvement Plan & Programs

CHICAGO TRANSIT AUTHORITY
FY 2015-2019 Capital Program
CTA Board Ordinance

in $ thousands

Title	FY2015	FY2016-2019	5-Year Funding
Bus Projects			
Rolling Stock			
Perform Bus Maintenance Activities	-	7,335	7,335
Perform Mid-Life Bus Overhaul	42,479	22,445	64,923
Replace Buses	74,734	118,669	193,403
Subtotal	**117,213**	**148,448**	**265,661**
Rail Projects			
Acquisitions & Extensions			
Rehabilitate Blue Line - O'Hare Branch	185,663	20,624	206,287
Red Line Extension	-	5,000	5,000
North Main Line - RPM	35,000	7,145	42,145
Subtotal	**220,663**	**32,769**	**253,433**
Power & Way Electrical, Signal, Communications			
Replace/Upgrade Power Distribution and Signals	24,953	65,655	90,607
Subtotal	**24,953**	**65,655**	**90,607**
Power & Way Track & Structure			
Infrastructure Safety & Renewal Program	27,939	68,741	96,680
Subtotal	**27,939**	**68,741**	**96,680**
Rolling Stock			
Perform Rail Car Overhaul	21,853	70,492	92,345
Perform Rail Car Maintenance Activities	-	7,281	7,281
Purchase Rail Cars	437,000	76,030	513,030
Subtotal	**458,853**	**153,802**	**612,655**
Systemwide Projects			
Miscellaneous			
Information Technology	1,989	8,332	10,320
Equipment and Non-Revenue Vehicles Replacement	4,875	63,615	68,490
Rehabilitate Rail Stations	52,500	52,333	104,833
Rail Station - 95th Street Terminal Expansion	-	10,000	10,000
Implement Security & Communication Projects	14,500	19,000	33,500
Program Management	6,690	26,160	32,850
Bond Repayment, Interest Cost, & Finance Cost	136,968	572,294	709,262
ICE Projects	20,694	-	20,694
Subtotal	**238,215**	**751,734**	**989,949**
Support Facilities & Equipment			
Improve Facilities - Systemwide	67,689	74,800	142,491
Subtotal	**67,689**	**74,800**	**142,491**
Capital Project Total	**1,155,526**	**1,295,949**	**2,451,475**
Marks	**1,155,526**	**1,295,949**	**2,451,475**
Marks/Variance	**-**	**-**	**-**

Proposed FY 2015 – 2019 Capital Improvement Plan & Programs

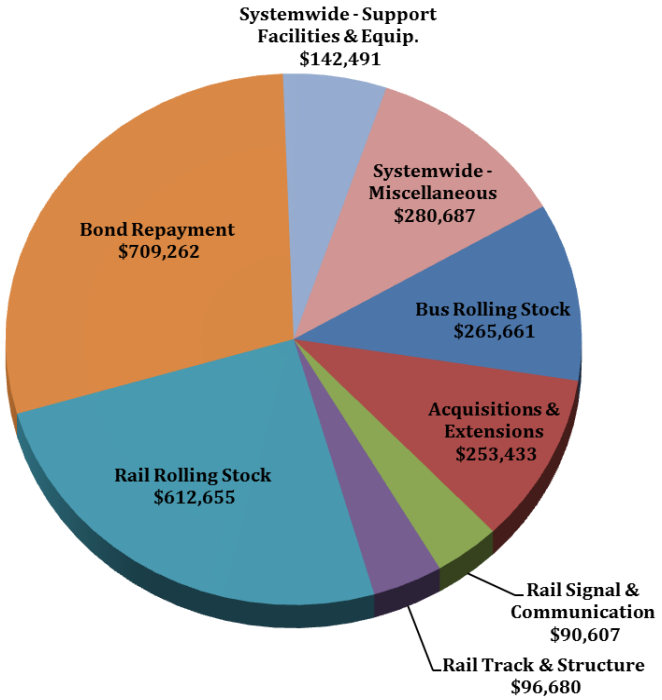
Uses of Funds

Twenty project categories comprise the CTA's proposed FY 2015-2019 capital plan. Each project within these programs is evaluated in an annual review process. Evaluation criteria include: customer and employee safety, reductions to travel time, increased customer comfort and convenience, system security, impact on system reliability, compliance with regulations, and community impact.

With the exception of the bond repayment category, rail system projects receive a significantly larger portion of the proposed capital program funding than bus projects, due partly to the need to maintain an exclusive right-of-way while buses operate on streets maintained by other units of government. The capital projects proposed for FY 2015-2019 and beyond are intended to address the CTA's most critical needs for the bus and rail system, customer facilities, and system wide support.

The following figure shows the proposed FY 2015-2019 Capital Improvement Program by general category of asset improved or replaced.

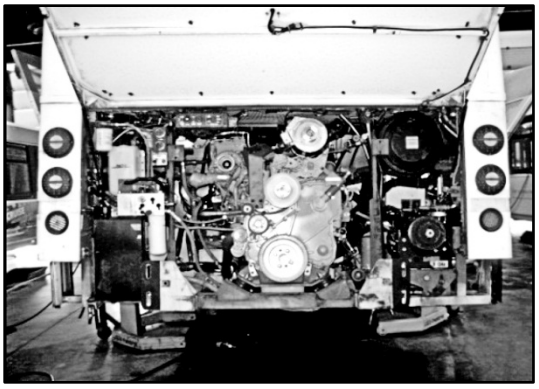
FY 2015-2019
Capital Improvement Program by Category
(in $ thousands)



Total Budget: $2.45 Billion

Bus Projects

❖ Perform Bus Maintenance Activities

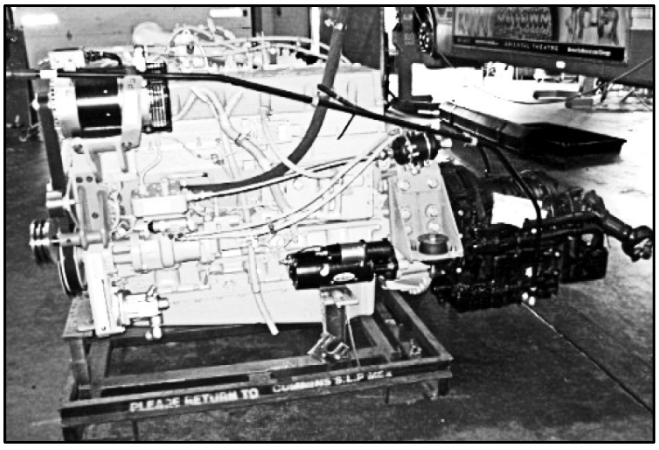


Purpose: The CTA has embarked on an aggressive bus maintenance program to schedule the replacement of parts nearing the end of their useful life. By investing in a program centered on maintaining buses, the CTA will improve the comfort, quality, and reliability of its service while reducing operating expenses.

Funding/Description of Proposed Work/ Major Elements: The CTA has programmed $7.3 million to provide for bus maintenance activities during FY 2015-2019. This funding will provide for ongoing bus vehicle maintenance efforts to support the removal and installation of components, including the replacement of filters, brake maintenance, and suspension system upgrades.

Budget Impact: As more buses are cycled through the program, unscheduled maintenance on buses will be significantly reduced. If the CTA fails to perform standard maintenance on its buses, there will be a continual increase in operating costs, and reduced reliability of service.

❖ Perform Mid-Life Bus Overhaul



Purpose: The Bus Overhaul and Upgrade Program will allow the CTA to extend the useful life of buses by performing scheduled tasks that will result in decreased equipment downtime and a reduction in unscheduled maintenance. Unscheduled maintenance occurs when buses fail while in service. This disrupts operations, inconveniences customers and increases operating costs.

Funding/Description of Proposed Work/Major Elements: The CTA has programmed $64.9 million for this CIP. Funding will provide for the continued overhaul of the New Flyer-Series buses and will provide for the expense of the overhaul of Articulated Hybrid Buses. In addition, the bus overhaul also includes the on-going installation of the TopoDyn software program and the all-electric engine cooling fan drive system. Both provide for

improved fuel economy and funding was provided by a Congestions Mitigation Air Quality grant from the Chicago Metropolitan Agency for Planning.

Budget Impact: The performance of routine bus overhaul and upgrades will result in an overall reduction in operating costs as it is more costly to operate and maintain older, outdated and worn-out equipment. If the CTA fails to consistently perform required bus maintenance activities, service disruptions will continue to increase, and could possibly result in removal of the asset from revenue service.

❖ **Replace Buses**

Purpose: The CTA is committed to providing its customers with the highest quality bus service. Buses put into service between 2000 and 2002 have reached the end of their useful life and are due for replacement with a mix of clean diesel and diesel-electric hybrid buses equipped with current, proven, heavy-duty clean propulsion technologies.

Exterior of the new Nova bus

Funding/Description of Proposed Work/Major Elements: On January 11, 2013, the Chicago Transit Board approved the purchase of up to 300 clean diesel, forty-foot buses from Nova Bus. The $148 million contract contained an option to purchase an additional 150 buses.

As part of the CTA's bus modernization plan, in FY 2015, the CTA will continue to invest $25.5 million for the completion of the purchase of up to 300 new buses that will be ADA-compliant, air conditioned, and technologically innovative. Programmed funds include the option for an additional 150 new buses. In addition, the CTA will spend $14.5 million in FY2015 to lease buses. A total of 193.4 million will be invested over the five year period.

Interior of the new Nova Bus

The new Nova buses feature many improvements. The new vehicles are more fuel efficient and comply with 2013 EPA requirements and 2014 Fuel Efficiency and Greenhouse Gas emission standards. The new buses feature a sleeker body design, larger windows, brighter LED lighting, seamless flooring, 10 surveillance cameras per bus and improved safety barriers between customers and the bus operators.

Budget Impact: Purchasing new, fully-accessible, air-conditioned, technologically-advanced buses reinforces the CTA's commitment to quality bus service for their customers. The purchase of new buses will result in an overall reduction in operating costs. It is more costly to operate and maintain older, outdated, and worn-out equipment. If new buses are not purchased, the CTA will continue to experience increased operating costs, reduced fleet reliability, and decreased service for its customers.

Rail Projects

❖ **Rehabilitate Blue Line – O'Hare Branch/*Your New Blue* (YNB)**

Purpose: The goal of this project is to upgrade the Blue Line O'Hare Branch infrastructure that stretches over 19 miles from downtown Chicago to O'Hare International Airport and carries more than 26 million passengers per year. That includes upgrading slow zones and modernizing outdated stations.

The YNB project is underway with track renewal and station rehabilitation work on the Damen, Western and California stations, followed by power upgrades and rehabilitation of the remaining stations on the O'Hare Branch, and finishing with rail signal renovations. This Project calls for upgrades which include the following:

- Track renewal intended to reduce slow zones on the Milwaukee elevated portion of the O'Hare Branch
- Station Improvements with emphasis on the safety, security, and accessibility
- Full rail signal replacement between O'Hare and Jefferson Park allowing slow zones to be lifted, improving the safety and reliability for entire O'Hare Branch
- Power upgrades and replacement of equipment to improve reliability and allow for increase service, reducing crowding and dwell time.

Funding/Description of Proposed Work/Major Elements: Funding of $206.2 million has been allocated for this five year plan to upgrade slow zones and outdated stations; modernized stations to better meet the needs of riders in 2014 and beyond. Also, these upgrades include: faster service that will save passengers 10 minutes between downtown and O'Hare. Furthermore, the project will bring brighter lights, cleaner, drier tunnels and, in some stations, a new elevator, improved entrances and new public artwork for customers and the community to enjoy. The investment is also expected to generate 1,300 new jobs during construction.

Budget Impact: This project will reduce maintenance costs, help modernize the system, increase safety, provide faster service, eliminate slow zones, and update stations with contemporary amenities. Without these improvements, there will be continued

degradation of aging structures and stations that will lead to increased maintenance costs and compromised service in the future.

❖ **South Main Line/Red Line Extension (RLE)/Phase One**

Purpose: The purpose of this project is to extend the Red Line from the existing 95th Street Terminal to the vicinity of 130th Street. The initial phase of this major capital project calls for the planning and analysis of alternatives to construct or provide services. This project is one part of CTA's effort to extend and enhance the entire Red Line and is an identified GOTO 2040 fiscally-constrained project.

Funding/Description of Proposed Work/Major Elements: This CIP $5 million has been allocated for the Red Line Extension (RLE) Phase One projects. Funding will provide for a DRAFT Environmental Impact Statement (EIS) and additional conceptual engineering for the corridor from 95th Street Station on the Red Line to 130th/Stony Island.

The EIS will include an evaluation of a No Build Alternative, a Transportation System Management Alternative, the Locally Preferred Union Pacific Railroad Heavy Rail Transit (HRT) Alternative, and the Halsted Street HRT Alternative. The EIS will describe the alternatives, the existing environmental setting, the potential impacts from construction and operation of the alternatives, and proposed mitigation measures to reduce or eliminate potential impacts.

Budget Impact: This project will significantly improve access to job opportunities, educational institutions, health facilities, and other resources for residents of the South side of Chicago.

❖ **North Main Line/Red-Purple Modernization (RPM)/ Phase One**

Purpose: At nearly 100 years old, the Red and Purple lines have reached the end of their useful life spans. The Red and Purple lines carry more than 20% of all CTA rail rides and serves customers in some of the Chicago's densest neighborhoods. Rush hour ridership has jumped 40% in the last five years alone. The aging Red Line has reached capacity, and CTA cannot add trains to meet rising demand.

Funding/Description of Proposed Work/Major Elements: This CIP $42.1 million has been allocated for the Red and Purple Modernization (RPM) Phase One projects. Funding would upgrade old, deteriorating infrastructure and stations along Chicago's busiest rail line, thereby increasing train capacity and improving customer service for generations to come.

The major share of the CIP project funds are from the FTA Core Capacity program award. These funds will allow the CTA to continue the early stages of the planning for the first phase of this project. The $35 million grant is a strong indicator of support from the FTA and, upon completion of the federal planning requirements; the CTA anticipates receiving federal funding to provide for a significant share of construction costs.

The first phase of RPM Phase One would include two main components: 1) construction of a Red-Purple Bypass north of the Belmont station to eliminate delays where the Red, Purple, and Brown lines all intersect; and 2) building new ADA accessible stations at Lawrence, Argyle, Berwyn, and Bryn Mawr. In addition, selected portions of the line will receive new track, bridges and viaducts, as well as electrical upgrades.

Budget Impact: RPM Phase One will rebuild vital infrastructure for Chicago's future and deliver all the benefits of modern transit service. This section of CTA's rail system has seen ridership growth of 40% in the last five years and without this investment in capacity expansion the CTA will not be able to accommodate future growth. These improvements will result in faster, smoother rides, and greatly improve the CTA customer experience. With wider, longer station platforms, service efficiencies, and upgraded electrical and signal capacity, CTA can run longer and more frequent trains during rush hour, which will reduce passenger wait times and alleviate overcrowding. Operating a busy rail line on outdated infrastructure will result in unusually high maintenance costs, frequent repairs that disrupt service and slow travel for customers.

❖ **Replace or Upgrade Power Distribution and Signals**

Purpose of Project: Replacement and upgrading of the signal and power distribution system must be accomplished in order to provide continued safe and smooth transit operation. Replacing power distribution system will minimize the possibility of power shutdowns and service disruptions, and will continue to eliminate slow zones. Most of CTA's substations have reached the end of their useful life and cannot provide the needed power, or require redundancy to keep the system operating. CTA is taking major steps to upgrade or replace overloaded and deteriorated substations and tactical traction power for the purpose of assuring reliable power for CTA trains on portions of the Brown, Blue and Red Lines.

Funding/Description of Proposed Work/Major Elements: The FY 2015-2019 funding of $90.6 million will support the rehabilitation of existing substations at Kimball and Illinois (Brown), Lake and Milwaukee (Blue), State, Broadway and Princeton (Red). Funding will

also provide for replacement and upgrading of the signal and power distribution system systemwide.

Budget Impact: Benefits include lower maintenance costs, more efficient power usage, improved reliability of service, increased speeds and reduced headways, and elimination of the risk of fire damage prone to old cabling and old equipment in existing substations. If existing substations are not replaced or upgraded, maintenance costs and service delays will continue to increase.

❖ **Infrastructure Safety and Renewal Program**

Purpose: To systematically replace ties and fasteners which have deteriorated to a point where they no-longer provide adequate rail connection and gauge throughout the system. There are numerous tunnels, viaducts and retaining walls that require significant maintenance to keep them in a state of good repair and many have reached the end or surpassed their useful life and are in need of replacement. Defective track and structure must be repaired in order to maintain safe and reliable service. As structural elements are identified, that requires immediate repair or replacement, CTA's field forces are dispatched to the site to repair or replace the necessary component in order to eliminate the need to impose slow zones.

Funding/Description of Proposed Work/Major Elements: Funding will provide for the replacement of ties, running rail, and third rail, ballast, and drainage systems. Also, track and structure renewal work continues in order to remove and prevent slow zones on the CTA 'L' system. The structure rehabilitation project will include elevated supports, embankments, subway ventilation, tunnels, viaducts and retaining walls.

CTA has programmed $96.6 million in FY 2015-2019 to rehabilitate track and structural elements systemwide and will spend $7.9 million in FY 2015 for elevated track and structure repairs systemwide and $20.0 million for subway ventilation. Ongoing work continues in part for rehabilitation of Ravenswood Connector and Purple Line Express track and upgrades to the right-of-way along elevated structure throughout the rail system.

As a part of regular maintenance, the CTA inspects, detects, and repairs conditions that might require slow zones, such as loose, aging, or deteriorating track ties and other infrastructural elements. Major funding has been allocated this CIP for CTA's Ravenswood Connector and the ventilation system and they are as follows:

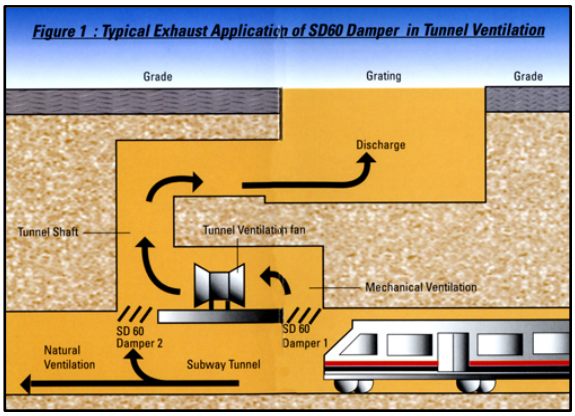
- **Ravenswood Connector --** The CTA is committed to aggressively tackling its slow zone rehabilitation program. As the rail structure ages, certain

elements such as ties, rail, column base, and fasteners deteriorate. This prompts the CTA to impose a safety slow zone to reduce operating speed over sections of transit right-of-way. In late 2013, CTA began major improvement work on the Ravenswood Connector between Armitage and the Loop. This section of the 'L' was originally constructed in the late 19th century. It connected the Loop to Wilson and service began around 1900. The rehabilitation program will result in faster, safer and more reliable service on a key section of the Brown and Purple line. The work will eliminate over two miles of slow zones to ensure safe and faster transit operation. Infrastructural work includes the repair and replacement of components on the steel structure between the Armitage and Merchandise Mart Stations. Work on this project includes repair and replacement of over a thousand steel structural components, replacement of deteriorated rail ties, and track components. To minimize the impact to service, most of the work will be performed late at night and on the weekends. During reconstruction, trains traveling in both directions will operate on a single track which will result in longer travel time. Maintenance costs will increase and operational costs may increase as more runs will be required in order to maintain the existing headways. When reconstruction work is completed, train speed can be increased and reliability will be greatly improved.

- **Loop Track Renewal --** The Loop 'L' is the most travelled segment of all train lines throughout the system. Five out of eight rail lines travel through Loop every weekday and connect passengers to Blue Line O'Hare branch as well as Red Line subway. This rail segment is critical to the entire system; in that, if there is a delay of any kind within the Loop, it creates a ripple effect across the system. The Loop track renewal project will replace special track work at Tower 18 and Tower 12 junctions, which are located at Lake/Wells and Wabash/Van Buren respectively. In addition, up to 11,500 feet of elevated rail and track components are near the end of their useful life and are in need of replacement. The affected areas are Wells and Van Buren streets; a portion of elevated track along Wabash between Adams and Van Buren; and the Hubbard Curve, which is located north of the Merchandise Mart station. Some of the existing track components and ties, as well as many of the right-of-way elements such as elevated structure are in need of replacement for ease of operation. This project will systematically replace and upgrade these components in order to reduce the need to impose slow zones due to the deteriorating condition of right-of-way elements. When completed, train speed can be increased and reliability will be greatly improved. In addition, improvements to the footwalk will provide greater access to maintenance personnel and facilitate emergency evacuation for customers.

- **Subway Ventilation --** The ventilation system will be upgraded at the underground portion of the Red Line through downtown Chicago. Three electrical substations will be upgraded to improve reliability and ensure that service levels can be maintained. The FY 2015-2019, CIP will spend $20.0 million in rehabilitating or replacing of underground network ventilation system within the subway. This project will provide for materials, tools, equipment and associated components that are necessary for the upgrade of the select subway fan plants located along the State Street Subway on the Red Line. The subway ventilation equipment is over 50 years old in the State Street and Dearborn Subways. Spare parts are no longer readily available making this important equipment very difficult to maintain. CTA's immediate focus is on upgrading electrical panels that control fans. Due to the deteriorating condition of equipment, CTA is finding it difficult for its legacy subway system to achieve current standards (NFPA 130). CTA has existing 2006 NTSB finding on its ventilation system. The existing system is designed for fresh air and pressure relief, not for modern life-safety standards.

  Trains running in a subway system can be viewed as moving heat sources, with the heat primarily being generated by the train braking systems. Inefficiencies in the propulsion system as well as on-board auxiliary systems such as air conditioning units and passengers on board the trains also produce heat. In addition, train movement also drives air inside the tunnels, stations and vent shafts respectively. Trains usually move through system stopping at stations as scheduled and for various reasons trains may come to a halt inside the tunnel. It is also possible that a train will catch fire and become stranded within the tunnel due to an emergency. Therefore, the ventilation system must provide an acceptable environment in terms of both temperature and air quality during normal operation. The CTA's ventilation system must also be capable of providing fresh air to stranded train passengers during congested mode and fans can control smoke movement to provide a safe evacuation route during emergency. This is to ensure that environmental pollutant level and temperature within such structures are maintained at acceptable levels. In addition, the dampers play a vital role in controlling the direction of airflow and migration of smoke within the tunnels during emergency ventilation activation as a result of fire within the tunnel. The emergency ventilation allows rapid removal of smoke and heat within the tunnel to permit safe evacuation of the train's occupants and the entry of fire-fighting personnel to the scene of fire. These fan plants are necessary to provide adequate airflow rates that are required for comfort and emergency.



Budget Impact: The CTA's goal for this proposed capital plan is to continue to eliminate or significantly minimize structural slow zones throughout the system, thereby increasing ridership and revenue and lowering maintenance and operating costs. This project avoids deferral of track renewals that would otherwise lead to a fall-back practice of piecemeal patching of deficiencies on a "worst first" basis.

- **Perform Rail Car Overhaul**

Purpose of Project: The CTA plans to undertake a life extending overhaul of the 3200-Series cars, with an average rail fleet age of 21 years. Rail car overhaul currently underway will allow major components of the cars to operate effectively until the planned replacements can be put in revenue service. When delivery of the new 5000-Series cars is complete in 2015, the 3200-Series cars will represent approximately 20% of the CTA rail revenue fleet. By the end of 2015, the CTA will have retired up to 500 over-aged rail cars; yet preventive and corrective maintenance measures must continue to ensure reliable service for transit riders, placing a growing strain on operating and maintenance budgets. Rehabilitating the rail fleet will improve the reliability, comfort, and cost-effectiveness of transit service, making it more attractive and beneficial to the riding public.

Funding/Description of Proposed Work/Major Elements: The FY 2015-2019 CIP will provide funding of $92.3 million for a multi-year overhaul program to refurbish the 3200-Series, a select group of the 2600-Series rail cars, and begin the quarter-life overhaul for CTA's newest cars the 5000-Series. The 3200-Series consists of 258 rail cars, which are scheduled to receive an extensive overhaul, 100 of the 2600-Series cars will receive a life-extending overhaul, and funds are planned for the initial staging of work for the 5000-Series.

The overhaul for the 3200-Series cars will consist of major upgrades to various subsystems and other components. In 2015, work will be completed to extend the life of 100 of the 2600-Series rail cars. The first of the 5000-Series rail cars were introduced into revenue service beginning in 2011/2012 and will be due a quarter life overhaul starting in 2019.

Budget Impact: It is more costly to operate and maintain older, outdated, and worn-out equipment. Without aggressive and costly maintenance programs in place, the CTA's fleet will continue aging and will grow ever more prone to breakdowns in service, with significant impacts to transit riders.

❖ **Perform Rail Car Maintenance Activities**

Purpose of Project: The funding for this project will provide an ongoing overhaul program that consists of tasks necessary to keep rail cars in revenue service through systematic inspection, detection, and prevention of incipient failure.

Funding/Description of Proposed Work/Major Elements: The CTA plans to spend $7.2 million in FY 2015-2019 on the rail car fleet to correct critical defects and operational deficiencies discovered during inspections of rail cars. The CTA's schedule maintenance program consists of planned preventive maintenance work to maintain rail car performance.

While major overhaul work is performed quarterly and on a mid-life cycle basis, additional focused maintenance work is required at certain intervals, outside of the overhaul, of the car's life. Specific component campaign work is conducted when it is identified that certain tasks must be completed before the component reaches the end of its useful life and failing with an increased frequency.

Budget Impact: The CTA can expect an overall reduction in operating costs as it continues to extend the life of the existing fleet by performing preventive maintenance and rehabilitation on rail cars. If preventive maintenance is not performed routinely, the CTA will see a continual increase in operating costs, reduced reliability, and decreased availability of service.

❖ **Purchase Rail Cars**

Purpose: This project provides the initial funding for the next generation 7000-Series cars. CTA will advertise for proposals in the fourth quarter of 2014. In 2015, the CTA will undergo a complete pre-award screening process prior to selection of the successful bidder. The CTA anticipates awarding a contract for the 7000-Series cars in early 2016. The 7000-Series rail car order will provide for the purchase of up to 846 rail cars. This order is planned to replace the existing 2600 and 3200-Series cars which will be beyond

their standard life of 25 years at the time of delivery of the new 7000-Series cars. A smaller number of new rail cars are planned to provide for additional service needs. Replacement of aged rail cars will provide the CTA with modern, updated vehicles that will decrease maintenance and operating costs while enhancing customer comfort.

Also, as each new 5000-Series rail car is placed into revenue service the CTA continues to make significant gains in reducing the age of the rail fleet. Through 2015, the CTA will have received and placed into revenue service 714 new rail cars which will replace cars the oldest over 40 years and minimally at 30 years old.

Funding/Description of Proposed Work/Major Elements: The CTA has programmed $513 million over the five-year period for the purchase of new 7000-Series rail cars. In addition to prior funding, current funds will provide for the first of multiple phases of funding which will be required to procure up to 846 cars. Future funds will be required to meet the later phases of this proposed order. The new cars will replace the 2600 and 3200-Series rail cars that at time of replacement will be at the end of their useful service lives. FY 2015-2019 allocates funding for initial phase of the 7000-Series.

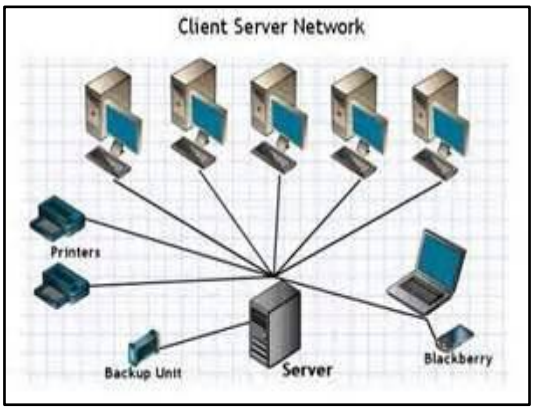
Replacing these rail cars provide the CTA with modern, updated vehicles that will decrease maintenance and operating costs while enhancing customer comfort. The new fleet of rail cars is the first in the CTA's fleet to utilize alternating current (AC) propulsion, a technology that permits dynamic braking regeneration, lower energy and maintenance costs, smoother rides, and improved reliability.

Budget Impact: The rail car purchase project will decrease the maintenance costs and hours needed to maintain older rail cars. If new rail cars are not purchased, the CTA will continue to experience increased operating costs, reduced reliability in the fleet, and decreased service for its customers.

Systemwide Projects

- **Information Technology (IT)**

Purpose: The purpose of the laptop and personal computer (PC) replacement project is to provide service to business units by replacing PCs and laptops at the end of their useful life.



Funding/Description of Proposed Work/Major Elements: The proposed CIP allocates $10.3 million in FY 2015-2019 for cyclical replacement of computers and associated components.

Programmed funds will also provide for an IT maintenance program. Annual funds have been planned for an IT maintenance program to refresh technologies for high usage devices such as Uninterrupted Power Supply (UPS), radios, telephones, cameras, dynamic signs, public announcement microphones, and mobile fleet communications, among others. This maintenance program will provide for the repair/replacement/upgrade of IT devices and/or systems, software or firmware release upgrades, emergency restoration, subject matter expertise support, and system monitoring.

Over time, computer systems reach their useful life and therefore need to be modernized or changed. Current information systems demand new applications and will be best met by systems with faster speed and greater reliability and efficiency.

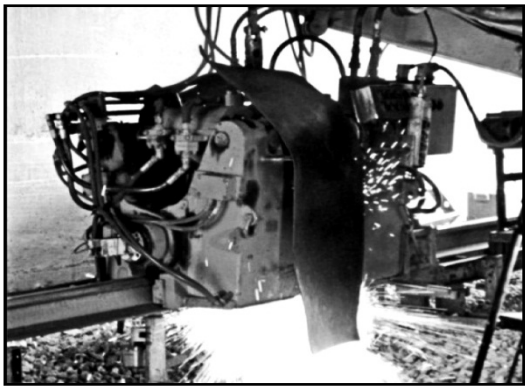
Budget Impact: If the CTA does not implement the PC replacement project, employees will continue using the out-of-date desktops and laptops that exist today. The new equipment and software will improve productivity and improve efficiency.

❖ **Equipment and Non-Revenue Vehicle Replacement**

Purpose: This project funds the procurement of a variety of equipment and non-revenue vehicles that are needed to maintain buildings, grounds and CTA infrastructure and Open Fare Equipment.

Funding/Description of Proposed Work/Major Elements: The CTA plans to expend $68.4 million in FY 2015-2019 to purchase equipment and non-revenue vehicles and Open Fare Equipment. This project will provide for the purchase of capital-eligible tools that will be used to repair rolling stock and other infrastructure elements that are critical for the support of bus and rail transit operations. In addition, the project will purchase equipment for the new Open Fare Standard System (OSFS) known as “Ventra”.

Budget Impact: Productivity will increase due to the availability of additional non-revenue vehicles in the system. Maintenance crews need durable and sometimes specialized vehicles to transport to work sites. In the past, these vehicles have been obtained through short-term leases due to the lack of capital funds. Purchasing the vehicles that the CTA needs to customize and retain for years makes more economic sense over the long term. In addition, the new Open Fare system is expected to result in a savings of more than $50 million to the CTA over the life of the 12-year contract, and resolves the need for the CTA and Pace to upgrade and maintain fare collection equipment that was at the end of its useful life.



❖ Rehabilitate Rail Stations

Purpose: The CTA will continue its initiative to rehabilitate and reconstruct rail stations systemwide. Upgrades of rapid-transit stations will include stationhouse reconstruction; enhanced lighting that provides greater security resulting in decreased vandalism; repair of stairs, flooring, platforms, and canopies.

The CTA currently has 145 rail stations of which 98 are fully accessible to people with disabilities, per the Americans with Disabilities Act (ADA) guidelines. Based on funding availability, the addition of elevators and escalators would be installed to provide greater accessibility where needed.

Harrison Station Fare Area Before

Funding/Description of Proposed Work/Major Elements: The proposed CIP allocates $52.5 million in FY 2015 and $52.3 million in FY 2016-2019 to rehabilitate and reconstruct rail stations. Throughout this planned program, the CTA will continue to maintain the upkeep and appearances of the rail stations.

Harrison Station Fare Area After

Renovation of the Red Line continues with the rehabilitation of the Harrison station. Funding for this $10 million project is from local tax-increment financing (TIF), made available through Mayor Rahm Emanuel's Chicago Neighborhoods Now program. The Harrison Station Rehabilitation project is part of the City's larger $92 million investment in Near South Side transportation options announced by Mayor Emanuel in August 2013.

The renovation of the Harrison station on the Red Line continues CTA commitment to its customers.

Budget Impact: The CTA's station renewal efforts will reduce maintenance costs, help modernize the system, increase safety, enhance accessibility, provide station amenities, and increase ridership. Without improvements, there will be continued degradation of

structures and stations that will lead to increased maintenance costs and compromised service in the future. CTA customers will enjoy facilities that are visually appealing, clean, and equipped with amenities that enhance their CTA experience.

Rail Station – 95th Street Terminal Expansion

Purpose: The purpose of this project is to improve accessibility and safety for riders by relieving congestion, adding new bus bays, widening customer waiting areas, adding terminal entrances, and providing pick-up/drop-off space for Para-transit riders.

Funding/Description of Proposed Work/ Major Elements: Total cost for this project is $240 million. The Terminal Project will be funded by various Federal sources, such as Transportation Investment Generating Economic Recovery (TIGER) and FTA Bus Livability grants. A Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan will also be used for the project. In addition, IDOT and RTA bonds will contribute to the project.

Work on the station project began in 2014 and is expected to be completed by the end of 2016. The construction will replace the existing, cramped station with a brand new terminal having a different design providing a better layout for customers accessing the station from 95th Street as well as passengers boarding buses and trains. The new arrangement will not only benefit rail customers, but will allow for more efficient bus operations and provide a safer, more convenient pedestrian environment. Upon full implementation, the new 95th Street Terminal will provide an expanded modern, pedestrian-friendly terminal with improved passenger access to buses and trains.

The station is one of CTA's busiest stations serving 20,000 customers on an average weekday, using both the southern terminal of the Red Line and a bus terminal for more than 1,000 CTA and Pace bus trips. These buses connect the far south side communities to CTA's rail network. There are roughly 300,000 people who live within walking distance of the CTA bus routes serving the 95th/Dan Ryan Terminal.

Budget Impact: These improvements will better serve existing high volume of riders, provide safer passenger access to buses and the train station, and expand passenger facilities that will lead to a modern, safe and pedestrian-friendly transit center with fewer delays and shorter travel times.

❖ **Implement Security and Communication Projects**

Purpose: The objective for this project is to strengthen security strategies that will protect the CTA's critical surface infrastructure, the traveling public, and CTA employees from crime and/or acts of terrorism. Also, continue to enhance the Chicago Police Department's (CPD) efforts to provide visible security and crime prevention while patrolling rapid transit routes within the City of Chicago.

Funding/Description of Proposed Work/Major Elements: FY 2015-2019 funding of $33.5 million will continue to enhance the multi-agency investment between the CTA and the CPD by adding another layer of anti-terrorism precautions to protect our high-risk, high-consequence mass transit assets and operations from terrorist activities. The CTA continues to purchase and install a security system to strengthen and harden critical infrastructure against the risks associated with potential terrorist attacks.

FY 2015 funding of $11.5 million will continue to enhance the CTA's Radio Frequency Identification (RFID) program, and $3.0 million is to continue upgrade and implement necessary security components throughout the system. This project is a continuation of the CTA's efforts to implement security systems at rail stations, rail facilities, yards and along rail rights-of-way.

The RFID system will provide real-time train positioning data that will be overlaid on signal indications to provide raw data to Quick-Track arrival.

CTA Train Tracker, which is accessible through a browser and web-enabled mobile devices. This project is an innovative information service that now provides estimated arrival times for 'L' train service. Train Tracker works by locating in-service trains and estimating arrival times at stations based on recent travel times. If arrival times cannot be predicted because trains are outside the range of designated "readers", the system provides scheduled information.

Budget Impact: Investing in security equipment will have a positive impact on the budget as more customers continue to ride buses and trains rather than driving to their destinations. The anti-terrorism security enhancement is expected to reduce crime and the costs associated with criminal activity.

❖ **Program Management**

Purpose: This project provides funding for a program management team to assist CTA staff in the planning and management of the agency's Capital Construction Program.

Funding/Description of Proposed Work/Major Elements: The scope of work for Program Management includes developing project master plans (PMPs) to delineate initial work scope, schedule and budgets for different types of capital projects; creating precise schedule, cost estimates, and implementation plans to deliver projects; assisting CTA Engineering in the synchronization and analysis of design plans and specifications; and maintaining up-to-date asset information and developing project requests for the capital plan. Funding for this project is allocated at $32.8 million for FY 2015-2019.

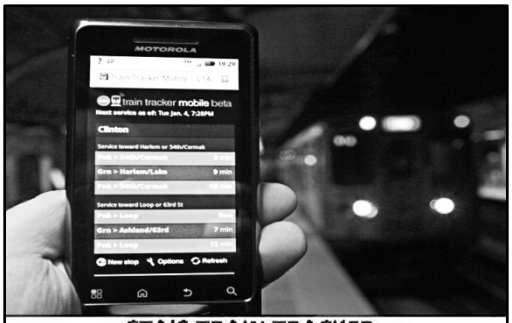
Budget Impact: Contracting for these services eliminates the need for the CTA to add or reduce staff as construction levels change over time. If the CTA does not implement a program management team, it will incur costs for full-time staff who can manage various project and strategic initiatives.

❖ **Bond Repayment, Interest and Finance Cost**

Purpose: This project continues to fund debt service and the cost of issuance of bonds, notes and other indebtedness incurred by the CTA when it uses long term debt to finance crucial capital activities.

Funding/Description of Proposed Work/Major Elements: FY 2015–2019 funding will provide for the payment of principal and interest costs associated with financing the bond series issued in 2004, 2006, 2008, 2010, and 2011. CTA bond funds enhance the authority's infrastructure, facilities and rolling stock. Enhancements include the replacement of signal systems in various subway tunnels, replacement of substations throughout the system, and expansion/replacement of bus and rail rolling stock. Funding for this project is allocated at $709 million for FY 2015-2019.

Budget Impact: These projects will help the CTA to continue meet the vital needs of a growing and interdependent region. The issuance of bonds allows the CTA to accelerate capital investments and thereby minimize increases in operating and maintenance costs.



CTA'S TRAIN TRACKER

❖ **RTA Innovation, Coordination, and Enhancement (ICE) program**

Purpose: The ICE program is an RTA competitive funding program, established as part of the 2008 Mass Transit Reform Legislation. The program provides operating and capital assistance to enhance the coordination and integration of public transportation and to develop and implement innovations to improve the quality and delivery of public transportation. Projects funded through this program advance the vision and goals of the RTA by providing reliable and convenient transit services and enhancing efficiencies through effective management, innovation and technology.

Funding/Description of Proposed Work/Major Elements: The CTA plans to expend $20.6 million in FY 2015-2019 to develop and deploy a Ventra mobile application to enhance the customer experience. This first of its kind mobile application will enhance the customer experience by providing an application to manage Ventra accounts, purchase fare products, receive account alerts, gain scheduling and trip planning information, interact with customer service and purchase tickets. CTA will also purchase communications equipment and launch various marketing campaigns to inform customers of new enhancements at the CTA. In addition, CTA will implement systems for automated downloads of camera information at rail terminals and/or select bus garages, which provide for better access to camera data without manual downloading on an as needed bases. Several software and hardware enhancements will be implemented to improve efficiency and automate and integrate CTA's business processes related to Bus and Rail Operations & Maintenance. The Maintenance Management Information System (MMIS) upgrades will replace the hardware and software used in bus and rail maintenance facilities, replacing hardware that is past its expected life of service.
The current enterprise system requires updating. CTA will upgrade the system to avoid disruptions to CTA business.

Budget Impact: The new equipment will improve the customers riding experience and efficiency. Upgrading CTA's enterprise reporting system will avoid disruptions to CTA business.

Support Facilities & Equipment

❖ Improvement Facilities Systemwide

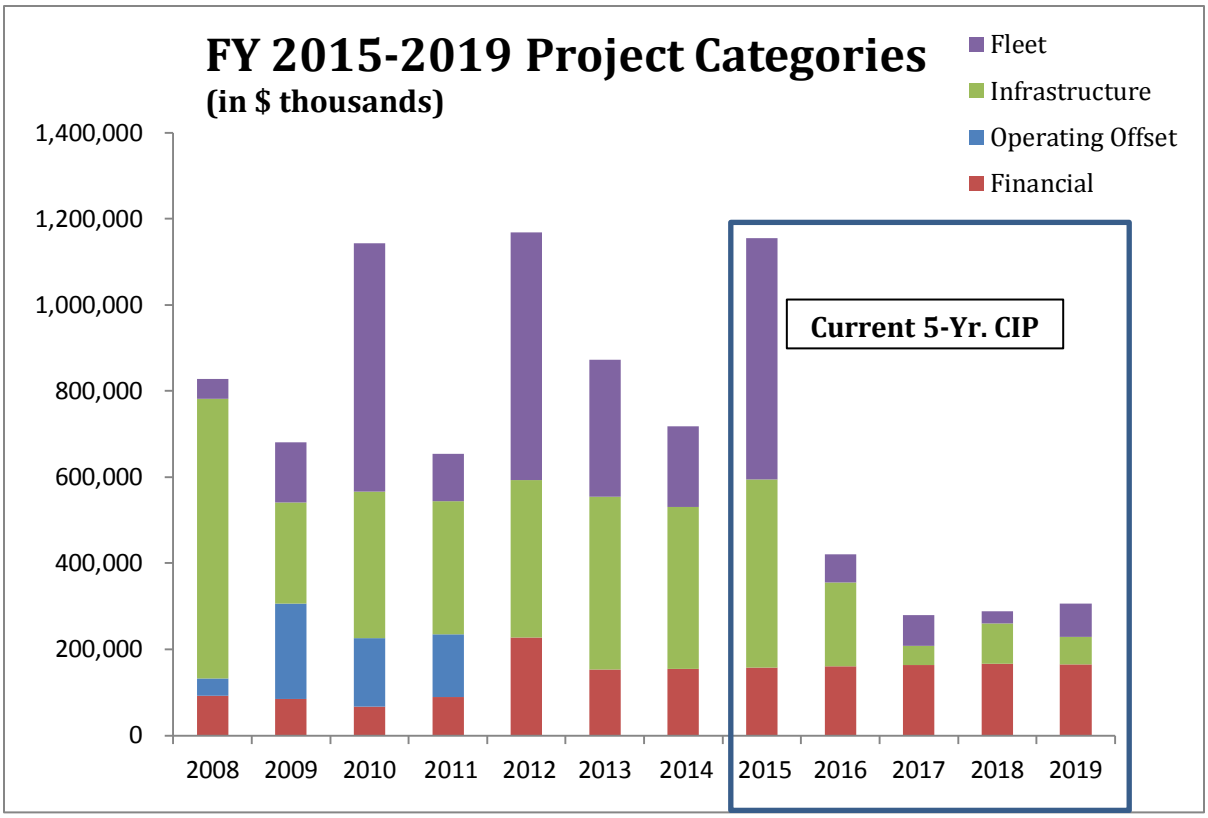
Purpose of Project: This project will provide for a transit improvement program to repair or replace facility deficiencies.

Funding/Description of Proposed Work/Major Elements: The rehabilitation of systemwide support elements is essential to providing safe, on-time transit service. The CTA has seven active bus garages, 10 rail terminals, 17 park-and-ride lots, 106 bus turnarounds, and a variety of other maintenance and support facilities. Both bus and rail operations depend on system support to continue providing timely and efficient service to the CTA's customers.

This CIP proposes to spend $67.6 million on facility improvements in FY 2015, including upgrades to various support facilities throughout the system. A total of $74.8 million has been allocated in FY 2016-2019 to construct or improve the CTA's bus and rail facilities.

Budget Impact: The CTA expects to see an overall reduction in operating costs. Maintaining facilities in a state of good repair will reduce operating expenses and costly repairs.

Capital Program Asset Category Comparison



The graph above compares the capital funding programmed by broad asset categories. The capital program is inherently varied, as projects require a commitment of funding when they reach the construction or delivery stage. The graph compares the make-up of the previous six years with the funding programmed for the five-year program included in this CIP. The fleet category represents programming for bus and rail fleets; the infrastructure category includes all construction projects; the operating offset category is comprised of the portion of the capital program used to fund capital-eligible costs included in the operating budget; and the financial category includes funding to support the capital bond program, as well as for other long-term financing such as bus lease and purchase arrangements.

The flow of capital asset replacement or rehabilitation varies widely from year to year, resulting in an irregular funding level for asset categories. Significant funding was set aside for two separate construction programs, the first fully funded in 2007–2008, and the second currently underway in 2012–2015. Both of the initiatives focused on efforts to reduce slow zones on the rail system, to renew facilities, and stations. Funding programs for CTA rail fleet renewal are reflected with the 2010, 2012 and 2015 spikes in funding for the purchase of the 5000-Series and next generation 7000-Series rail cars. In 2015, the CTA will begin the planned overhaul of the 3200-Series rail cars. Funding is provided for

the bus fleet renewal program from 2012-2015. The CTA is expected to receive approximately 500 new buses, and to overhaul more than 1,000 of existing buses. Financial instruments are lower in FY 2010-2011 as a result of a bond restructuring completed in FY 2010. The financial category shows a net increase in FY 2012-2017. CTA bonds issued in 2005 are retired, and this is offset by the start of payments on the bonds issued in fiscal years 2010 and 2011.

Sources of Funds

Federal Funding

The current two year transportation authorization called Moving Ahead for Progress in the 21st Century (MAP-21) expires at the end of FY 2014 federal budget year which was September 30, 2014.

MAP-21 took important initial steps toward simplification and consolidation of federal highway and transit programs, contained a greater focus on asset management and preservation, and articulated principles of goals and performance measurement in the development and implementation of federal surface transportation programs. MAP-21 places emphasis on performance management and in the establishment of the new and consolidated performance programs. MAP-21 required states and metropolitan planning organizations to set targets for transit condition and performance, and it directed the FTA to undertake a rule-making process to establish measures for determining whether the targets have been met.

On July 31, 2014 Congress passed legislation to provide short-term funding to the Federal Highway and Mass Transit Trust Funds. Congress gave approval of transfer of funds from the general funds of the Treasury to Trust accounts. Without this infusion of funds into the Trust accounts by August 1, 2014 the FTA would have been required to significantly cutback federal funds due to depletion of funds in the Trust accounts. Despite efforts to pass a long-term transportation bill, this is a short-term bill extending program authorization through May 2015. This is a one-time infusion of funds of which more than half of the costs are offset by changes to the pension funding rules for private sector pension plans.

The President's (President Obama) initiative called The Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America Act, or GROW AMERICA Act, is a $302 billion, four year transportation reauthorization proposal to replace MAP-21. The GROW AMERICA Act provides increased and stable funding for the Nation's highways, bridges, transit, and rail systems. The Administration's proposal is funded by supplementing current, gas sales tax, revenues with $150 billion in one-time transition revenue from pro-growth business tax reform. Previously, under MAP-21, revenues from gas sales tax which have remained constant since 1993 were insufficient to meet authorized needs and resulted in an annual

shortage of approximately $16 billion. Funding gaps were filled by Congress redirecting funds from the General Treasury to the Mass Transportation Trust accounts. The President's initiative draws from two sources to fund the four year plan which includes the existing gas sales tax and a second supplemental source through tax reform measures. Both sources will provide sufficient funding to prevent Trust Fund insolvency for four years and increase investments to meet national economic goals.

State Funding

Within the state of Illinois, a number of grants are available through the Illinois Department of Transportation (IDOT). Money is available to IDOT through federal funds in order to reduce motor vehicle, pedestrian, and bicycle crashes, fatalities, and injuries, and to increase safety for all users of the State's roadways.

The traditional avenue for the state transit funding is through a legislative mandated bond program general for a five year period. The current State Transportation Series B Bond fund was appropriated under two legislative programs: Illinois Jump Start, which was appropriated in FY 2009 and recently has been authorized in part, and Illinois Jobs Now, which was appropriated and authorized in FY 2010. The CTA's share from both legislative programs totals $1.4 billion. The state of Illinois Jobs Now includes funding for mass transit agencies to replace, upgrade, and enhance infrastructure system wide, provides state funding over a five-year period, which began in FY 2010 and ended in FY 2014. Through 2014, the CTA will have received $1.17 billion of funds in total from these programs and the remaining funds of $220.9 million are expected in 2015. A new five year state transit bond authorization will be required to provide the match for federal funds anticipated from next multi-year federal transit authorization expected in 2014 or early 2015.

TIFIA Loan Program

The Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) established a Federal credit program for eligible transportation projects under which the U.S. Department of Transportation (DOT) may provide three forms of credit assistance – secured (direct) loans, loan guarantees, and standby lines of credit. TIFIA was created because state and local governments that sought to finance large-scale transportation projects with tolls and other forms of user-backed revenue often had difficulty obtaining financing at reasonable rates due to the uncertainties associated with these revenue streams. The savings to CTA from TIFIA financing come from two primary sources: (1) CTA withdraws TIFIA funds on an "as needed" basis during the project, similar to a line of credit, rather than accruing interest on funds before they are used and (2) the interest rate on this borrowing is set at the federal government's rate, which has been 1.0%-1.5% lower than traditional financing. TIFIA financing is a highly recommended form of government borrowing because it improves the affordability of the debt and maximizes borrowing capacity.

Proposed FY 2015 – 2019 Capital Improvement Plan & Programs

CTA's multi-year capital plan is funded through a variety of sources including local, state and Federal funds. The constraints of these sources limit CTA's capital plan. By adding a TIFIA loan as a financing source for capital projects, Federal, state, and local funds can be directed to other portions of the capital plan.

The CTA received a federal TIFIA loan for $79.2 million as part of an overall $240 million funding package to renovate the Red Line's 95th Street Terminal. In combination with bond sales, state and other federal funds, CTA can now proceed with the construction of the much needed multi-modal station.

Regional Transit Authority Bonds (State of Good Repair) Funding
The Regional Transit Authority (RTA) proposes to issue $100 million in bonds available for the three Service Boards – CTA, Metra, and Pace – to program for projects in 2015. As bonding capacity is made available from retirement of existing capital debt obligations, the RTA policy is to issue new long term capital debt of which the proceeds are meant to fund capital projects for each of the three Service Boards. Bond funds will be allocated as follows: 50% will go to the CTA, 45% to Metra, and 5% to Pace. Funding of the debt service for these bonds will be sourced from non-statutory Sales Tax I and Public Transit Funds I revenue.

Proposed FY 2015 – 2019 Capital Improvement Plan & Programs

The following table details the funding sources supporting this CTA Capital Improvement Program.

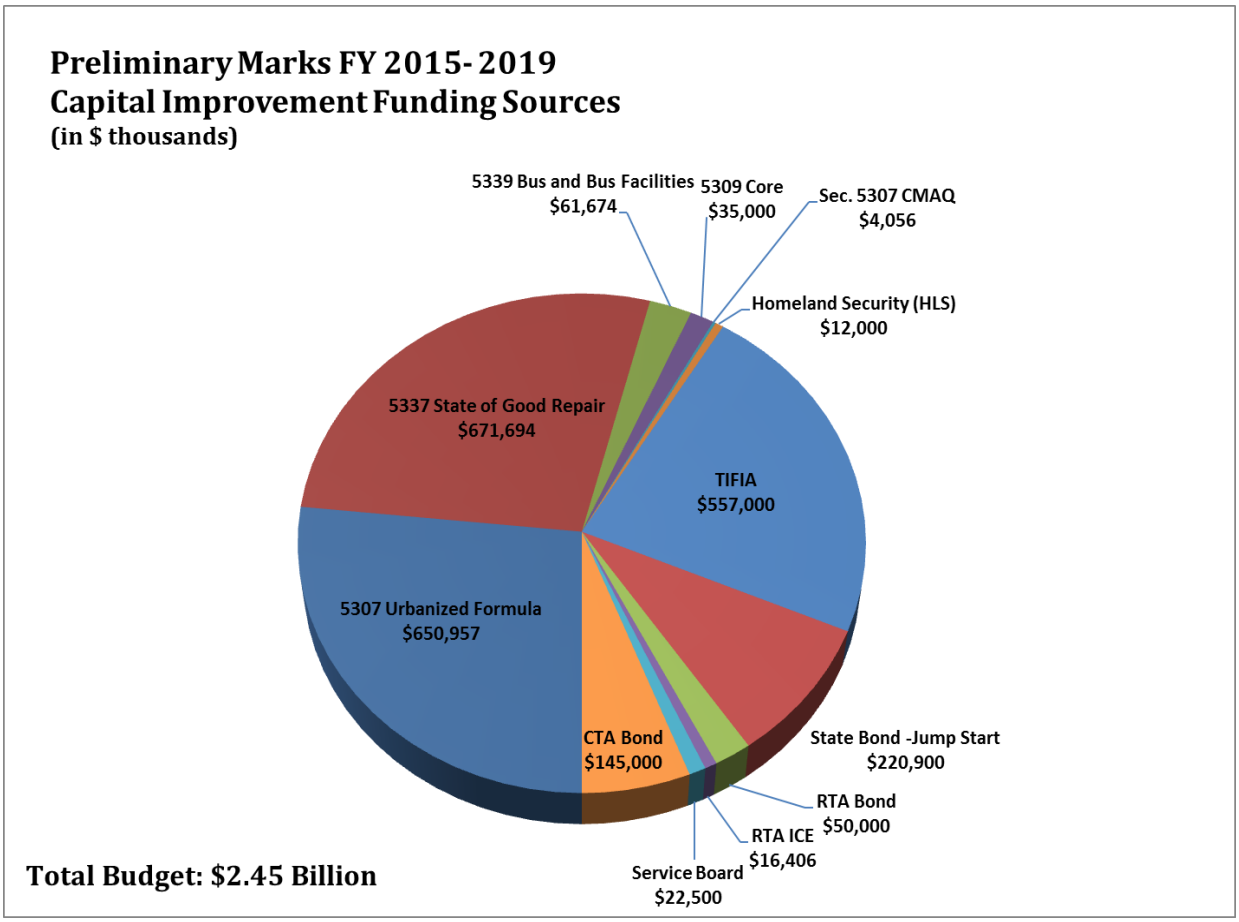
CHICAGO TRANSIT AUTHORITY
FY 2015 - FY 2019 CIP FIVE-YEAR PROGRAM MARKS
(in $ thousands)

NEW FUNDS	2015	2016	2017	2018	2019	TOTAL
5307 Urbanized Formula	125,579	125,579	129,347	133,227	137,224	650,957
5337 State of Good Repair	129,580	129,580	133,467	137,471	141,595	671,694
5339 Bus and Bus Facilities Formula	11,898	11,898	12,255	12,622	13,001	61,674
Subtotal FTA	**267,057**	**267,057**	**275,069**	**283,321**	**291,821**	**1,384,325**
Sec. 5309 Core	35,000	-	-	-	-	35,000
Sec. 5307 CMAQ	-	4,056	-	-	-	4,056
Homeland Security (HLS)	3,000	3,000	3,000	3,000	-	12,000
TIFIA	557,000	-	-	-	-	557,000
Other Federal	**595,000**	**7,056**	**3,000**	**3,000**	**-**	**608,056**
Available Federal	**862,057**	**274,113**	**278,069**	**286,321**	**291,821**	**1,992,381**
State Bond II -Jump Start	220,900	-	-	-	-	220,900
Subtotal State Funding	**220,900**	**-**	**-**	**-**	**-**	**220,900**
RTA Bond	50,000	-	-	-	-	50,000
RTA ICE	16,406	-	-	-	-	16,406
Service Board	1,875	1,875	1,875	1,875	15,000	22,500
CTA Bond	-	145,000	-	-	-	145,000
CTA Operating Funds	4,288	-	-	-	-	4,288
Other local	**72,569**	**146,875**	**1,875**	**1,875**	**15,000**	**238,194**
Available State/Local	**293,469**	**146,875**	**1,875**	**1,875**	**15,000**	**459,094**
NEW FUNDING AVAILABLE	**1,155,526**	**420,988**	**279,944**	**288,196**	**306,821**	**2,451,475**

The funding levels used in preparing the proposed FY 2015-2019 CIP reflect the capital resources available to the CTA from the FTA, DHS, IDOT and RTA. Funding includes $1.9 billion from the Federal Transit Administration (FTA), $145 million from CTA-issued bonds, $221 million from state of Illinois bonds, and $50 million from RTA bonds.

The total projected available funding is $2.45 billion. A summary of this funding is presented in the following chart:

Proposed FY 2015 – 2019 Capital Improvement Plan & Programs



CTA Bonds

In 2014, the CTA issued sale tax bonds which generated $541.5 million in proceeds dedicated to funding capital projects. Funds will provide for asset renewal throughout system operation and support functions. These funds are leveraged with state, RTA and federal sources to allow the CTA to start, advance, or continue a series of major capital projects the size of which is unprecedented to the CTA. Initiatives like the following:

- Overhaul of 258 rail cars, the 3200-Series cars
- Repair/replacement of critical maintenance systems and facility improvements
- Upgrade rail power at key junctions on the Blue/Brown/Red Lines
- Rehabilitation of structure on the Ravenswood Loop Connector
- Purchasing new rail cars
- Remove track slow zones throughout the system
- Planning/Preliminary Engineering for Red/Purple Modernization project
- Planning for the Extension of South Red Line

Tax-exempt bond financing offers an efficient and cost effective way to supplement scarce federal funding and accelerate critical projects. Over the years, inadequate capital funding

has substantially hindered the CTA's efforts to maintain a state of good repair, much less expand or enhance its system. By constructing projects on an expedited schedule, the CTA can reduce costs, improve service, and better promote ridership on the system. These benefits outweigh the future bond financing costs, particularly in the current historically-low interest-rate environment.

The FY 2015-2019 program includes $145 million in capital bond proceeds. This bond issue is currently planned in 2016, but actual timing of issuance will be determined by projects schedule and current draw on 2014 Bond receipts. By drawing down on 2014 Bond receipts until funds are essentially exhausted, the CTA will avoid unnecessary financing costs related to issuance of the planned bonds. Meanwhile with the existing 2014 issue and the planned 2016 issue, the CTA can advance critically important projects which otherwise would need to be deferred for years and significantly increase system maintenance costs with continual degradation of assets.

Major projects funded with 2016 capital bonds include:

- Facilities SOGR Program and Station Renewal Program
- Major rail line improvements (Brown, Blue, and Red Lines)
- Track & structure renewal (slow zone remediation)
- Traction Power and Signal improvements

The CTA's customers will experience the benefits of capital investment through improved safety, service quality, speed, and reliability.

Competitive Grant Opportunities

CTA submitted grant applications seeking funds from several Federal and State competitive grant programs, including Alternative Analysis (AA), Bus and Bus Facilities/State of Good Repair grants (SOGR), Bus and Bus Facilities/Bus Livability Initiatives, Clean Fuels Program, the Transportation Investment Generating Economic Recovery (TIGER) or TIGER Discretionary Grant program, TIGER Transportation Infrastructure Finance and Innovation Act (TIFIA), Innovation, Coordination, and Enhancement program (ICE), Unified Work Program (UWP), Congestion Mitigation and Air Quality grant (CMAQ), and Department of Homeland Security (DHS) grants. Most recently the CTA sought after the Core Capacity funding -- the Red and Purple Line Modernization is now the first project in the country to receive funding through the new program.

With an ever-growing need for capital funds to move vital projects forward, the CTA continues to aggressively pursue these opportunities. The CTA has requested funding for a variety of projects, including the following:

Implementation of a Transit Asset Management System
The goal of a Transit Asset Management System (TAMS) program is to minimize life-cycle costs for managing and maintaining transportation assets. Through the use of management systems, engineering and economic analysis, and other tools, the CTA can more comprehensively view the overall need and evaluate collected data before making decisions as to how specific resources should be deployed.

The CTA has received various competitive funds totaling $7.9 million from the FTA to support the TAMS program. In FY 2013, CTA received an additional $375,000 from the Chicago Metropolitan Agency for Planning to continue the program.

Innovation, Coordination, and Enhancement (ICE) Program
This RTA program provides capital assistance to enhance the coordination and integration of public transportation and to develop and implement innovations to improve the quality and delivery of public transportation.

An ICE program award totaling $4.6 million, previously provided by the RTA, is now available. In FY 2014, the RTA approved a grant to fund the Real Time Arrival Information for Bus Stop Signs project. This project continues the installation, in bus shelters, of additional LED/LCD Real-Time Bus Arrival Signs in the CTA service area. The displays provide real-time bus arrival information and other related transit announcements for customers using multiple modes of transportation.

ICE funding was also provided for Customer Information Displays. This project will continue to support the CTA's effort to install Digital Customer Information Displays and non-digital customer focused information throughout the system. Digital displays provide real time bus tracker and/or train tracker information as appropriate, system status updates and CTA customer alerts. These are interspersed with paid advertisements, time and weather information. The paid advertisements support the operation of the displays and provide a source of revenue to the CTA. Also, at many rail stations there is a lack of uniformity in the types of non-digital information displayed due to the lack of an integrated display system. The non-digital display project seeks to clearly convey travel and service information to customers. Funding will provide for the design, fabrication, and installation of up to 60 transit information panels and transit information pylons at up to 46 stations on the rail system (Blue, Purple, Red, Orange, Green and Pink Lines).

In addition, this ICE grant provides for the funding of Train Tracker Signage. This project will support CTA's effort to continue the installation of train tracker signage throughout the CTA rail system. The Train Tracker signs provide for reliable and convenient transit information for our riding public. The rail system now features 475 display train tracker screens and at least one at every station.

Moreover in FY 2015 the RTA will provide $16.4 million in ICE funds for Ventra Implementation Improvements, which will include a Ventra Mobile App, communication equipment and outreach, video enhancements for bus garages and rail terminals, which will provide automated downloads of camera information at rail terminals and bus garages and software and hardware enhancements to improve efficiency.

Congestion Mitigation and Air Quality (CMAQ) Grant

The CMAQ program funds surface transportation improvements designed to improve air quality and mitigate congestion. An $8.1 million grant will provide for the cost differential to retrofit up to 32 sixty-foot conventional diesel-powered buses to hybrid diesel electric buses. Hybrid buses offer a wide range of benefits, including significantly lower emissions, increased efficiency, and decreased maintenance costs, when compared to conventional diesel buses. Emissions reductions are a function of the electric drive, ultra-low-sulfur diesel (ULSD) fuel and improved fuel economy, and particulate trap technology.

Core Capacity Program

The Federal Transit Administration awarded CTA $35 million in Core Capacity Program funds to implement the first phase of the Red and Purple Modernization Program (RPM), a plan to completely rebuild the northern section of the Red Line and the parallel Purple Line that currently serves about 40% of all CTA rail customers.

The Core Capacity award will fund the first phase of one of the largest capital improvement projects in CTA's history - a $1.7 billion initiative to expand train capacity and modernize the Red and Purple Lines. The first phase involves work in two important areas: rebuilding the Lawrence, Argyle, Berwyn and Bryn Mawr stations to make them fully accessible and

creating a bypass north of the Belmont station to accommodate future ridership growth and alleviate a major service bottleneck. This section of the CTA rail system has experienced ridership growth of 40% in the last five years and will be unable to accommodate future generations of customers unless capacity in the corridor is expanded. To address these issues, the proposed project includes signalization improvements, increased traction power capacity, platform expansions, a new flyover, station consolidation, and additional tracks. In addition, funds will cover project development expenses, which include both preliminary design and engineering and environmental planning.

Core Capacity funds are intended for substantial corridor based investments in existing fixed-guideway systems that will increase capacity in the corridor by not less than 10%. The RPM project's current estimated capital cost is $4.7 billion, which includes some state of good repair items and some core capacity improvement items. CTA estimates the project will result in a 20 to 50% increase in capacity.

Homeland Security -- Transit Security Grant Program

The Transit Security Grant Program (TSGP) is one of the Department of Homeland Security's (DHS) grant programs that directly support transportation infrastructure security activities. DHS focuses its available transit security grant dollars on the highest-risk systems and has identified critical infrastructure assets that are vital to the functionality and continuity of major high risk transit systems and whose incapacitation or destruction would have a debilitating effect on national security, public health, safety, or any combination thereof. Operators of public transportation agencies (which include intra-city bus, commuter bus, ferries, and all forms of passenger rail), compete for funding both locally and nationally.

The CTA is a direct recipient of TSGP awards and utilizes funding to protect critical transit infrastructure and the traveling public from acts of terrorism. The Chicago Police Department (CPD) acts as the primary security provider for the CTA within the City of Chicago. The CTA and CPD have entered into separate intergovernmental agreements for each TSGP award in order to certify the TSGP relationship between the two agencies. These agreements define how funding will be used to meet CPD's investment costs and reporting requirements, etc.

In Fiscal Year 2014, DHS awarded $90,000,000 to promote sustainable, risk-based efforts to provide terrorism detection, deterrence and response capabilities for the nation's highly valuable and highly vulnerable transit infrastructure system. Eligibility for TSGP funding is based upon daily ridership of transit systems that serve the nation's key high-threat urban areas. The Department of Homeland Security is committed to working with the nation's response community in the national effort to combat terrorism and secure our homeland.

Unified Work Program (UWP)
In order to fulfill federal planning regulations, the Unified Work Program (UWP) lists planning projects the Chicago Metropolitan Agency for Planning (CMAP) and other regional agencies undertake each year to enhance transportation in northeastern Illinois. The UWP is designed to run in conjunction with the state of Illinois' fiscal year timeline of July 1-June 30. The final UWP document includes the transportation planning activities to be carried out in the region, detailing each project's description, products, costs and source of funding. Funding for FY 2015 has been awarded by CMAP in the amount of $820,000 to fund CTA two projects.

- Program Development has received $500,000 to facilitate CTA's efforts to coordinate the provision of capital projects for customers in its service area and to identify projects within the Chicago-area regional five-year Transportation Improvement Program.

- CTA will utilize $320,000 in UWP funding for Automating Special Transit Services. The overall goal of 'Automating Special Transit Services' is to automate the dispatching and assignment of CTA special (supplemental) bus and rail service.

During FY 2015-2019, the CTA will continue to aggressively pursue additional funding under these competitive grant programs.

Unfunded Capital Need

In FY 2010, the FTA published the National State of Good Repair Assessment Study, which provided a comprehensive analysis of the costs required to bring the nation's rail and bus transit systems into good operating order. The report showed that transit agencies nationwide are struggling to maintain aging assets. The deferred maintenance backlog is estimated to be $50 billion for the seven largest transit agencies, including the CTA, and approximately $78 billion for all 690 transit systems nationwide.

An update was provided as a part of the 2013 Status of the Nation's Highways, Bridges and Transit: Conditions and Performance (known as the C&P report), issued jointly by FTA and FHWA in February, 2014. The deferred maintenance and replacement backlog is estimated to be conservatively at $86 billion (in 2010 dollars). This backlog is expected to grow by $2.5 billion each year – unless sufficient dedicated funding is made to make investments to slow or stop the growing maintenance deficit.

The RTA's asset condition assessment originally prepared in 2010 and last updated at the end of 2012 defines the RTA's region total capital reinvestment needs over a 10-year period estimated at $33.4 billion, which includes investment needs for CTA, Metra, and Pace. According to the RTA's analysis, the CTA's share of this total 10-year reinvestment need is $21.4 billion or 64.1% of the total regional amount. This includes $12.9 billion to address existing backlog and an additional $8.5 billion to address normal reinvestment

needs expected over the 10-year period. More than 60% of CTA's reinvestment needs are to address assets that are overdue replacement or rehabilitation.

CTA total 10-year reinvestment need of $21.4 billion is split between approximately 80% for rail and 20% for bus assets.

The region's backlog and 10-year investment needs have grown nearly 5% since the previous assessment, in inflation-adjusted dollars. The shortage of capital funds needed to support the region systems will continue to present significant obstacles to achieving a state of good repair for the region and specifically for the CTA.

The CTA continues investing in upgrading or replacing system assets, yet the unfunded capital need continues to grow with each year. Even if the entire capital backlog was funded, the CTA estimates a need of $950 million annually just to keep the system in a state of good repair. The average funding level over the period FY 2015-2019 is $489.9 million.

The CTA routinely evaluates the additional funding needed to reach a state of good repair. The CTA's unfunded capital needs have manifested themselves in a variety of ways across its system.

Right-of-Way

- Over 30% of rail right-of-way is past the standard useful life guideline of 40 years. On the most deteriorated sections, slow zones are established to provide safer service. Slow zones cripple the system; 21.6 miles (9.5%) of the CTA's rail system tracks are currently (July, 2014) designated as slow zones. The Brown, Blue and Purple Lines contain over 76% of the system slow zones. Capital track work projects are currently focused on these Lines to remediate and prevent future slow zones.

- Twenty-seven percent of traction power that distributes power along the right of way throughout the rail system is overage.

Rail Stations

- There are 63 of 145 stations (43%) that are past their useful life; 16 stations (11%) are more than 90 years old; as of 2014, 48 stations (33%) are not accessible to the disabled. These aging stations cannot support the demands of current ridership and use.

- Water infiltration is a constant battle in subway stations. This infiltration is particularly problematic along the Blue Line subway, where leaks from water and sewer mains result in corrosion and degradation of the infrastructure of these stations.

- Approximately 50% of the escalators in the system are beyond their standard useful life guideline of 25 years, with some escalators dating back to the 1950s. The

escalators suffer from repeated failures and many do not meet current safety standards.

- Elevators on the system experience extraordinary wear and tear from riders and weather conditions, making them difficult to maintain without major capital work throughout their useful life. Elevators are critical to maintain the accessibility of our system for the elderly, disabled, and families with strollers. The CTA invests $4 million annually to keep existing elevators and escalators operational.

Rail Elevated Structures

- More than 50% (52%) of rail structures have exceeded their standard useful life guideline of 80 years and the replacement cost is estimated at $2.4 billion. Within 10 years, this cost is estimated to increase to approximately $4.5 billion if no major capital investments are made.

- The vast majority of viaducts on the Red and Purple Lines date back to the early 1900s. These require permanent exterior braces, regular removal of loose concrete, and netting to protect traffic below.

Rail Subway Structures

- State Street and Dearborn Subways were built in 1943 and 1951 and are in need of ongoing maintenance which includes shoring and grouting of the tunnels. Ventilation and lighting systems are in need of replacement throughout all subways to provide for a secure and improved environment for transit operation in the subway.

Rolling Stock

- Aging equipment decreases reliability, which creates delays for riders. In 2015, when delivery of cars is complete from the current rail car order, 32% of the CTA's rail fleet will be beyond its useful life guidelines. Currently, 25% of the bus fleet is past its useful life guidelines.

Maintenance Facilities

Although the CTA has funds programmed for this program, the level of funding is insufficient to bring all facilities to a state of good repair standard.

- Maintenance facilities require significant improvements to adequately support the bus and rail fleet. Six of the CTA's maintenance buildings are more than 100 years old and have not received substantial rehabilitation. The CTA has been forced to rely heavily on these outdated facilities, recently closing a bus garage that was built to store horse-drawn trolley operations at the turn of the 20th century, and demolishing a rail equipment maintenance shop built for the 1893 World's Fair that was no longer structurally sound. Neither facility has been replaced.

- Electrical switch gear at two garages (Forest Glen and North Park) dates from the late 1950s and if these systems are not replaced, generators will need to be rented at a cost of $3 million per year. The reduction in power capacity could mean a 10% decrease in the number of buses in service for a total loss of 25 buses per facility and 50 fewer buses in service systemwide.

- Three of the CTA's seven bus garages have boilers purchased in the mid-1980s that have exceeded their useful life guideline of 25 years and require significant ongoing costs to keep them from failing. New energy-efficient boilers save the CTA 20% on gas bills and require less maintenance.

Substations
Although the CTA has funds programmed for this program, the level of funding is insufficient to bring all facilities to a state of good repair standard.

- Fifty percent of the substations that power the rail system and 30% of cables that distribute power to the track right of way are beyond their useful life guidelines. These aging substations reduce reliability of service and result in slow service because they provide insufficient power to the system to meet demand. Some of which were built during the initial subway system construction during the 1950s. The CTA rail system has its own power distribution system which includes electric substations and cable along the rights-of-way. Substations contain transformers to convert electric power from the power company's utility grid and supply it to the third rail to run trains. Many of the CTA's substations cannot provide the appropriate power levels or required redundancy to keep the system operating.

Operating Budget Impact of Capital Program Projects

A robust capital improvement program not only enhances customer service, safety and reliability, but it also minimizes the steady increases in operating and maintenance costs, and thereby allows the CTA to operate more efficiently. The $2.4 billion in capital investments planned for the next five years will allow the CTA to achieve cost savings and curtail the increases in maintenance costs that would result from a lack of investment. The following highlights the impact of capital investments on key areas of the operating budget.

Investments in the bus fleet resulting in the 2014-2016 expected delivery of 450 buses and the overhaul of New Flyers which make up over 55% of the existing fleet, CTA has reduced material expenses and expects further reductions with delivery of the full order.

The purchase of 714 new modern rail cars replacing 650 over aged rail cars when delivery of cars is completed by mid-2015, CTA expects substantial annual costs savings in maintenance material and power costs in the range of $8 to $10 million annually. Within the five year timeframe of the CIP, due to investment in the next generation of 7000-Series

rail cars replacing the remaining aged cars in the fleet, the average age of the fleet will be approximately ten years old.

A significant investment is being made in the Blue Line O'Hare Branch which will reduce the travel times between downtown to O'Hare Airport by ten minutes compared with conditions before the project. The time savings for each and every train not only produces a better, faster ride for customers, but also a reduction in the overall operating costs of the service.

CTA is planning to embark on an energy performance contracting (EPC) project to determine a comprehensive set of energy and water efficiency improvements for several CTA facilities. CTA will leverage the energy projects at multiple bus and rail facilities to make an investment that will return value annually in the form of lower energy and operational costs. Work may include replacing outdated, inefficient lighting and controls, mechanical equipment and high-bay doors with modern, energy-efficient lighting, controls and equipment. There are several opportunities within CTA's portfolio for energy reductions as identified based on site assessments completed to date. CTA will contract with the Energy Service Company (ESCO) to perform detailed audits of existing equipment and provide recommended system replacements and improvements.

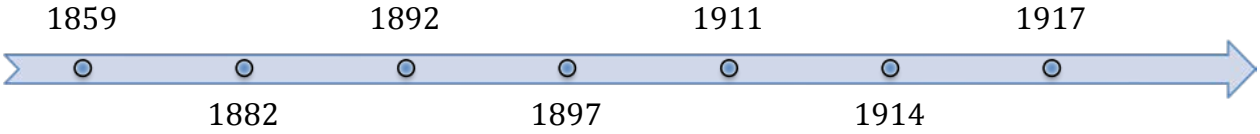
The types of projects outlined in this CIP have similar impacts to the bottom line.

Computerized Analysis – Estimating the Operating Cost Impacts of Capital Projects
A task force consisting of members of the RTA and the three Service Boards (CTA, Pace, Metra) is developing and working to test the "Decision Tool", a computerized system to be used to assist with annual budget planning and capital project prioritization. This method will allow for targeted identification and quantification of potential operating savings that could result from certain capital investments, while also providing other benefits.

Capital Program Acronyms

AA	Alternative Analysis
ADA	Americans with Disabilities Act
APB	Accounting Principles
ARRA	American Recovery and Reinvestment Act
BAB	Build America Bonds
BLS	Bureau of Labor Statistics
BOB	State Bureau of Budget
BRT	Bus Rapid Transit
CAC	Capital Advisory Committee
CBO	Congressional Budget Office
CDOT	Chicago Department of Transportation
CIP	Capital Improvement Program
CMAP	Chicago Metropolitan Agency for Planning
CMAQ	Congestion Mitigation and Air Quality Improvement Program
CPD	Chicago Police Department
CPI	Consumer Price Index
CTA	Chicago Transit Authority
DBE	Disadvantaged Business Enterprise
EIA	Energy Information Administration
EIS	Environmental Impact Statement
EPA	Environmental Protection Agency
FFGA	Full Funding Grant Agreement
FHWA	Federal Highway Administration
FIRST	Illinois Fund for Infrastructure, Roads, Schools and Transit
FTA	Federal Transit Administration
GROW AMERICA Act	Generating Renewal, Opportunity, & Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America Act
ICE	Innovation, Coordination, and Enhancement Fund of RTA
IDOT	Illinois Department of Transportation
ISTEA	Intermodal Surface Transportation Efficiency Act
JARC	Job Access Reverse Commute
LPA	Locally Preferred Alternative
MAP-21	Moving Ahead for Progress in the 21st Century
PE	Preliminary Engineering
RPM	Red and Purple Modernization Project
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users
TEA-21	Transportation Equity Act for the 21st Century
TIF	Tax Increment Financing
TIFIA	Transportation Infrastructure Finance and Innovation Act
TIGER	Transportation Investment Generating Economic Recovery
TIGGER	Transit Investments for Greenhouse Gas and Energy Reduction
TOPS	Transit Operations Planning System
UMT	Urban Mass Transportation
UMTA	Urban Mass Transportation Authority
UPRR	Union Pacific Railroad
UPS	Uninterrupted Power Supply
USDOT	United State Department of Transportation
UWP	Unified Work Program

History of the Agency



1859

The beginning of public transit in Chicago; early service is horse drawn.

1882

The Chicago City Railway obtains rights to operate San Francisco-style cable cars.

1892

The Chicago and South Side Rapid Transit Company opens on June 6, bringing elevated train service to Chicago. At the turn of the century, four separate transit railroads are operating in Chicago. The first trains, powered by steam, are quickly converted to electricity.

1897

Elevated trains are built along available rights-of-way, often above alleys and less heavily used streets. The Loop opens, connecting rapid transit lines serving the North, South and West sides of Chicago.

1911

The rapid transit companies form a trust that, in 1913, allows free transfers between the carriers for the first time. This also marks the start of through-routing trains between the North and South Sides.

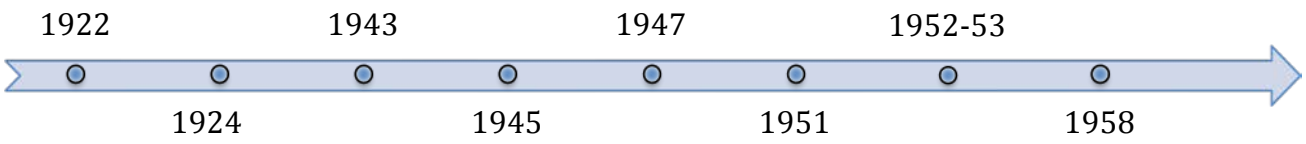
1914

On February 1, four streetcar companies unite under a single management, the Chicago Surface Lines. At its peak, the Chicago Surface Lines operates along 1,100 miles of track and becomes the largest and most heavily-used streetcar system in the world.

1917

Buses are first used in Chicago as the Chicago Motor Bus Company is created. Bus use is limited to Chicago boulevards and parks.

History of the Agency



1922
The Chicago Motor Coach Company succeeds the Chicago Motor Bus Company.

1924
The four rapid transit 'L' companies merge to create the Chicago Rapid Transit Company.

1943

To ease traffic congestion, the U.S. Department of the Interior, the Public Works Administration, and the City of Chicago finance the State Street Subway.

1945
The Chicago Transit Authority, an independent government agency, is formed when the Illinois General Assembly passes the Metropolitan Transit Authority Act. In the same year, the City of Chicago passes an ordinance granting the CTA the exclusive right to own and operate a unified, local transportation service. Voters pass the Act and Ordinance in a referendum on June 4.

1947
The CTA begins operations by issuing $105 million in revenue bonds to purchase assets of the Chicago Surface Lines and the Chicago Rapid Transit Company.

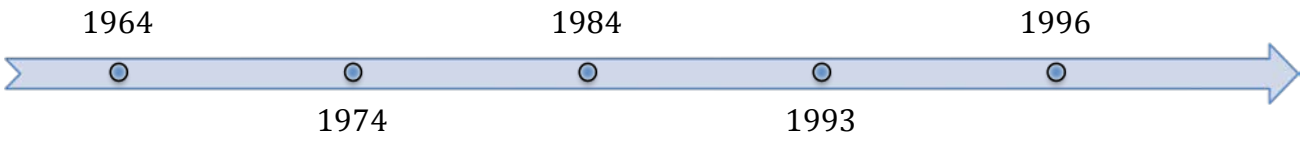
1951
The Dearborn Street subway opens.

1952-53
Through additional bond issues, the Chicago Motor Coach Company, a portion of the Chicago Aurora and Elgin Railway, and the Chicago, Milwaukee, St. Paul and Pacific Railroad rights-of-way are added to the CTA.

1958

The Congress branch opens along the median of the newly-built Congress expressway, connecting Forest Park with the Loop through the Dearborn Street subway, with trains continuing to Logan Square on the northwest side.

History of the Agency



1964

The CTA obtains federal funding to create the first "light rail" service, the Skokie Swift. The Skokie Swift operates on track lines purchased by the CTA from the Chicago North Shore & Milwaukee Railway. Eventually, the overhead wire is eliminated and the trains become two cars, allowing the Skokie Swift to become a popular rail shuttle and suburban inter-city bus link.

1974

By the early 1970s, the popularity of car travel and declining ridership levels threaten the financial stability of the local public transit providers, including the CTA. Therefore, the Illinois General Assembly creates the Regional Transportation Authority (RTA) as a fiscal and policy oversight agency committed to providing an efficient and effective public transportation system. Today, the RTA continues to provide fiscal oversight to the CTA, Metra and Pace.

1984

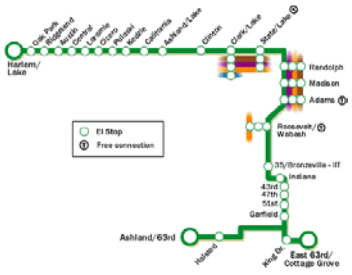
The CTA responds to changing demographics during the 1970s by expanding the West-Northwest Service from Logan Square to Jefferson Park, and then along the Kennedy Expressway median to River Road in Rosemont. Finally, the northwest transit extension is completed at O'Hare Airport, providing a station within the airport terminal.

1993

The Dan Ryan branch, formerly linked to the Englewood and Jackson Park branches, is linked with the Howard branch. The new Lake to Englewood-Jackson Park service is rerouted to use the Loop Elevated. The Midway Orange Line is completed, linking the downtown elevated Loop to the Southwest side airport. Its completion makes Chicago the only city in the United States with public transportation connecting two major airports.

1996

The CTA celebrates the re-opening of the rehabilitated Green Line, improving the service to customers on the West and South sides of Chicago.



CTA FY15 Budget

History of the Agency

2006 2009 2010 2011 2012 2014

2006

The CTA introduces the Pink Line as part of a package of bus and rail service improvements for the West Side and western suburbs. The Pink Line provides more frequent service and improved travel times between the 54th/Cermak station and the Loop.

2009

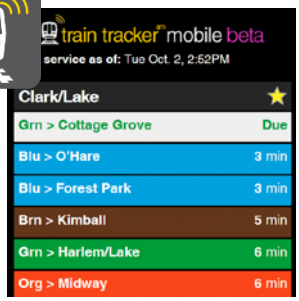
The final regularly-scheduled bus routes are added to the CTA Bus Tracker. Customers are able to access information online and via text messaging, and receive email notification of predicted arrival times and service alerts.

2010

The CTA begins testing the prototypes of a brand new family of 'L' cars, the 5000-series rail cars. These advanced cars result in a smoother, more comfortable ride and provide both operational and maintenance efficiency.

2011

Train Tracker is launched in January 2011, providing customers with information on estimated train arrival times for all rail stations across the CTA's eight rail lines.



2012

The CTA rolls out large investments in expanding and improving rail service, including launching the 5000-seres 'L' cars into revenue service, opening new stations in the West Loop and Skokie, and rehabilitating seven stations on the North Red Line that are over 100 years old.

2014

In July, transition to Ventra, a new fare payment system, was completed. Ventra is built on open standards, which means customers can also pay using contactless bankcards and mobile phones. Ventra combines the convenience of a contactless card and an account-based system with the ability to have any type of fare value or pass – or both – on one card.

Transit Facts

Creation of CTA

The CTA was created by state legislation and began operating on October 1, 1947, after acquiring the properties of the Chicago Rapid Transit Company and the Chicago Surface Lines. On October 1, 1952, the CTA became the sole operator of City of Chicago transit when it purchased the Chicago Motor Coach System.

CTA Governance

The CTA's governing arm is the Chicago Transit Board, which consists of seven members. The Mayor of Chicago appoints four board members, subject to the approval of the City Council and the Governor of Illinois. The Governor appoints three board members, subject to the approval of the State Senate and the Mayor of Chicago.

In 1974, the Regional Transportation Authority (RTA) was created by state legislation. The RTA serves as the CTA's fiscal oversight agency.

Service Area	
Area	234 square miles of Chicago and 35 nearby suburbs
Population	3.53 million
Coverage	82% of public transit trips in the six-county Chicago metropolitan area

Ridership (2014 Forecast)	
Average Weekday	1,646,088
Average Saturday	999,286
Average Sunday/Holiday	791,410

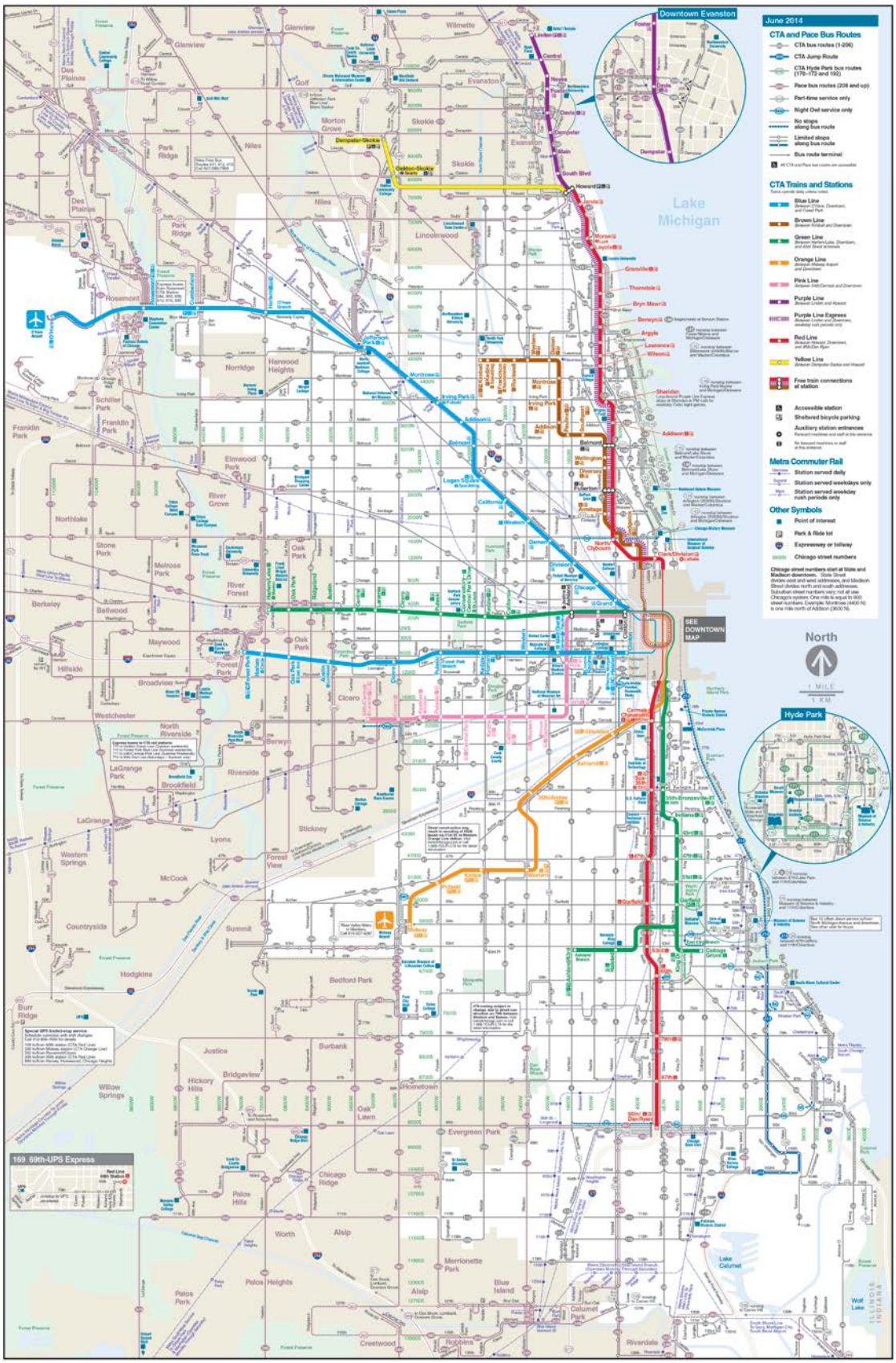
2015 Budget	
Operating Budget	$1,443.7 million
Capital Budget	$802 million
Budgeted Positions	9,887

Bus	
Number of Buses	1,885
Routes	128
Stops	11,048
Bus Route Miles	1,307
Bus Miles Traveled per Day	161,099
Ridership (2014 Forecast)	284.0 million

Rail	
Number of Rail Cars	1,400
Stations	145
Rail Track Miles	224.1
Rail Miles Traveled per Day	221,399
Ridership (2014 Forecast)	234.9 million

(THIS PAGE INTENTIONALLY LEFT BLANK)

System Map

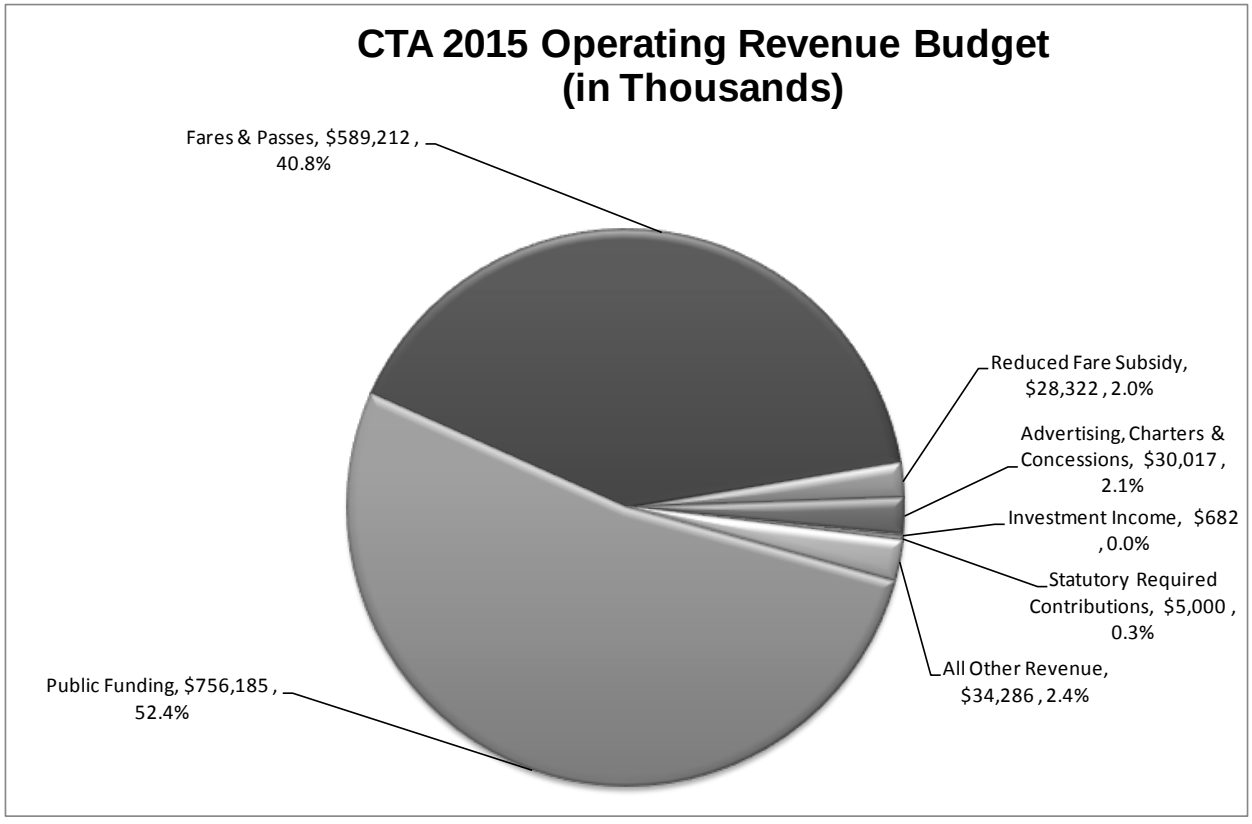

Downtown Evanston
June 2014
CTA and Pace Bus Routes
CTA bus routes (1-206)
CTA Jump Route
CTA Hyde Park bus routes (170–172 and 192)
Pace bus routes (208 and up)
Part-time service only
Night Owl service only
No stops along bus route
Limited stops along bus route
Bus route terminal
CTA Trains and Stations
Blue Line
Brown Line
Green Line
Orange Line
Pink Line
Purple Line
Purple Line Express
Red Line
Yellow Line
Free train connections at station
Accessible station
Sheltered bicycle parking
Auxiliary station entrances
Metra Commuter Rail
Station served daily
Station served weekdays only
Station served weekday rush periods only
Other Symbols
Point of interest
Park & Ride lot
Expressway or tollway
Chicago street numbers
Lake Michigan
SEE DOWNTOWN MAP
North
1 MILE
1 KM
Hyde Park
169 69th-UPS Express

(THIS PAGE INTENTIONALLY LEFT BLANK)

Operating Funding Summary

The CTA's total estimated revenue for 2015 is $1,443.7 million. There are two primary sources of operating revenue for the CTA: System-generated revenue through fares and other sources, and public funding, mostly through the Regional Transportation Authority (RTA). System-generated revenue is projected at $687.5 million for 2015 and public funding is projected at $756.2 million. The following table represents 2015 estimated revenue by source.

Total CTA Revenue - All Sources (in thousands)	2015
Fares and Passes	$589,212
Reduced Fare Subsidy	$28,322
Advertising, Charters and Concessions	$30,017
Investment Income	$682
Statutory Required Contributions	$5,000
All Other Revenue	$34,286
Public Funding	$756,185
Total Revenue	$1,443,704



Operating Funding Summary

The following is a description of sources of system-generated revenues and public funding for the CTA.

System-Generated Revenues

The CTA's system-generated revenue is forecast at $687.5 million for 2015. This revenue is derived from the sale of fares and passes, subsidies for reduced fare riders, advertising, investment income, statutory required contribution from local governments by provision of the RTA Act, and other revenues. These revenues are further defined below.

Fares and Passes

Revenue from fares and passes is forecast at $589.2 million in 2015 and is the largest portion of system-generated revenue. The CTA's revenue from fare and passes includes cash fares and full-fare and reduced-fare cards utilizing the Ventra system. The CTA also sells 30-day full fare and reduced fare passes, along with one-, three- and seven-day passes, which can be loaded onto and Ventra card. Additional pass revenue comes from the CTA's U-Pass for local university students, bulk sales of passes, and METRA Link-Up passenger revenue. Disposable one-day passes and single ride tickets are also available to customers at Ventra machines.

Reduced Fare Subsidy

This funding represents the reimbursement of revenues foregone by the Service Boards due to providing reduced and free fares to students, the elderly and riders with disabilities as mandated by federal and state law. The funding is subject to the terms of the grant agreement, state statute and annual state appropriation. Reimbursement amounts are allocated to the Service Boards based on reduced-fare passenger trips taken during the grant year. Reduced fare subsidy is forecast at $28.3 million in 2015, assuming that the $14 million cut for state fiscal year 2015 will be restored.

Advertising, Charters and Concessions

Advertising, charters and concessions revenue for 2015 is forecast at $30.0 million. The bulk of this revenue is received through advertisement on buses and rail cars and in rail stations. This forecast also includes: concession revenue from 85 concessions within the CTA's 145 rail stations, revenue generated from billboards, ATM and vending machine contracts, and revenue from Special Contract Guarantees, which includes agreements for transportation services for the University of Chicago and other employers.

Operating Funding Summary

Investment Income

Year	Investment Income (in millions)	Federal Funds Rate (at year end)
2006	$11.6	5.25
2007	$12.1	4.25
2008	$3.8	0-0.25
2009	$1.3	0.12
2010	$0.6	0.18
2011	$0.6	0.07
2012	$0.7	0.09
2013	$0.4	0.08
2014 Forecast	$0.5	0.08
2015 Budget	$0.7	0.10

The 2015 budget for investment income is $0.7 million. This is consistent with recent performance.

The variation from nearly a decade ago is attributed to significant changes in short-term interest rates. The federal funds rate has dropped from to a high of 5.25 percent in June of 2006 to near zero at the end of 2008. In August 2011, the Federal Open Market Committee (FOMC) decided to keep the target range for the federal funds rate at zero to 0.25 percent and has kept the same policy range target. While the accommodative Fed policy is expected to end in October 2014, the FOMC is expected to keep short-term rates very low depending on economic and employment conditions at least through mid-2015.

Statutory Required Contributions

The RTA Act requires the City of Chicago and Cook County to annually contribute $3 million and $2 million, respectively, towards CTA operations.

Statutory Required Contributions (in millions)	2015
Contributions - City of Chicago	$3.0
Contributions - Cook County	$2.0
Total	**$5.0**

All Other Revenue

The CTA forecasts $34.3 million in other revenue for 2015. Revenues in this category include safety and security grants, parking fees, rental revenue, third-party contractor reimbursements and filming fees. An increase in the amount of pass-through security grants for the Chicago Police Department (matched by an equal expense) increases the budget in this category by $9 million in 2015. Additional revenue is derived from 35 real estate leases across the system, as well as leases within the CTA headquarters building. Parking revenues include Park & Ride Facilities (17 facilities with approximately 6,000 spaces), under 'L' parking rentals and long-term parking agreements.

Public Funding

Most of the CTA's public funding for operating and capital needs is funneled through the

RTA. Under the RTA Act, as amended in 2008, some of the funds are allocated to the Service Boards based on a set formula; other funds are allocated based on the RTA's discretion. The sources and allocations are outlined below.

Sales Tax Revenue per 1983 Formula

RTA Sales Tax is the primary source of operating revenue for the RTA and the three Service Boards. The tax is authorized by Illinois statute, imposed by the RTA in the six-county region of northeastern Illinois and collected by the state. The sales tax is the equivalent of one percent on sales in the City of Chicago, one percent on sales in Cook County and 0.25 percent on sales in the collar counties of DuPage, Kane, Lake, McHenry and Will. The one percent sales tax in Cook County is comprised of one percent on food and drugs and 0.75 percent from all other sales, with the state then providing a "replacement" amount to the RTA equivalent to 0.25 percent of all other sales. Proceeds from the RTA Sales Tax are distributed to the CTA, Metra and Pace, and primarily fund operating costs not recovered through the farebox. The RTA retains 15 percent of the total sales tax and passes the remaining 85 percent to the Service Boards according to the Operating Funding Allocation Chart found later in this section.

	Chicago Sales Tax Revenue	Suburban Cook Sales Tax Revenue	Collar County Sales Tax Revenue
CTA	100%	30%	0%
Metra	0%	55%	70%
Pace	0%	15%	30%
Total:	**100%**	**100%**	**100%**

The 2015 Sales Tax Budget per the 1983 Formula for the Region is estimated to be $845,394,000 and is distributed to the RTA and three Service Boards as follows:

(in thousands)	Chicago Sales Tax Revenue	Suburban Cook Sales Tax Revenue	Collar County Sales Tax Revenue	Total
CTA	$ 240,111	$ 109,459	$ -	$ 349,569
Metra	-	$ 200,674	$ 79,528	$ 280,203
Pace	-	$ 54,729	$ 34,084	$ 88,813
RTA	$ 42,372	$ 64,388	$ 20,049	$ 126,809
Total:	**$ 282,483**	**$ 429,250**	**$ 133,661**	**$ 845,394**

** Amounts may not match other tables in document due to rounding.*

In addition, the RTA will distribute at its discretion any funds remaining from the initial allocation of the 15 percent sales tax distribution that are in excess of the RTA's funding needs.

Operating Funding Summary

Federal Assistance (Federal Transit Administration)

The RTA is the region's designated recipient of federal assistance, which previously included both operating and capital funds. The FTA eliminated operating assistance for the RTA in 1998.

Public Transportation Fund

As authorized by the RTA Act, the Illinois State Treasurer transfers from the State General Revenue Fund an amount equal to 25 percent of the RTA sales tax collections (or gasoline or parking taxes, if imposed by the RTA). The treasurer transfers this amount to a special fund, the Public Transportation Fund (PTF), and then remits it to the RTA on a monthly basis. Remittance requires an annual appropriation by the State of Illinois. The RTA uses these funds at its discretion to fund the needs of the Service Boards, RTA operations, debt service and capital investment.

State Assistance

The RTA Act provides supplemental state funding in the forms of additional state assistance and additional financial assistance (collectively, "State Assistance") to the RTA in connection with its issuance of Strategic Capital Improvement Program (SCIP) bonds. The funding equals debt service amounts paid to bondholders of the SCIP bonds issued by the RTA, plus any debt service savings from the issuance of refunding or advanced refunding SCIP bonds, less the amount of interest earned by the RTA on the proceeds of SCIP bonds. The RTA Act limits the amount of State Assistance available to the RTA to the lesser of the debt service or $55 million. Remittance requires an annual appropriation made by the State of Illinois.

2008 Legislation

The 2008 state funding package increased the percentage of state sales tax dedicated to mass transit and gave authority to the City of Chicago to increase the Real Estate Transfer Tax (RETT) to support the CTA. In addition, the legislation also provided for long-term pension reforms that will increase the funded ratio of the CTA's pension to 90 percent by 2059.

CTA FY15 Budget

Operating Funding Summary

2015 RTA Proposed Service Board Operations Funding (in thousands)

2015 Service Board Funding	RTA	CTA	Metra	Pace - Mainline	Pace - Paratransit	Total
Sales Tax (1983 Formula)	$ 338,158	$ 349,570	$ 280,203	$ 88,813		**$ 1,056,743**
Sales Tax and PTF (PA 95-0708)		$ 119,086	$ 96,757	$ 32,252	$ 149,703	**$ 397,798**
CTA - RTA Non-Statutory	$ (207,121)	$ 207,121				**$ -**
Real Estate Transfer Tax (25% PTF)		$ 15,902				**$ 15,902**
RTA Suburban Community Mobility Funds				$ 23,271		**$ 23,271**
RTA South Suburban Job Access Fund	$ (7,500)			$ 7,500		**$ -**
Metra - RTA Non-Statutory	$ -		$ -			**$ -**
Pace - RTA Non-Statutory	$ (4,227)			$ 4,227		**$ -**
RTA Non-Statutory (Other)	$ (1,875)	$ 900	$ 731	$ 244		**$ -**
State Funding for ADA					$ -	**$ -**
ICE Funding	$ 11,636					**$ 11,636**
Total RTA Funds	$ 129,071	$ 692,578	$ 377,691	$ 156,307	$ 149,703	**$ 1,505,350**
Real Estate Transfer Tax (City of Chicago)		$ 63,607				**$ 63,607**
Total Funding	**$ 129,071**	**$ 756,185**	**$ 377,691**	**$ 156,307**	**$ 149,703**	**$ 1,568,957**
2013-2015 ICE Funding/Metra-RTA Fund Balance		$ 16,406	$ 19,330	$ 4,443	$ 8,500	$ 48,679
Revised Total Funding	**$ 129,071**	**$ 772,591**	**$ 397,021**	**$ 160,750**	**$ 158,203**	**$ 1,617,636**

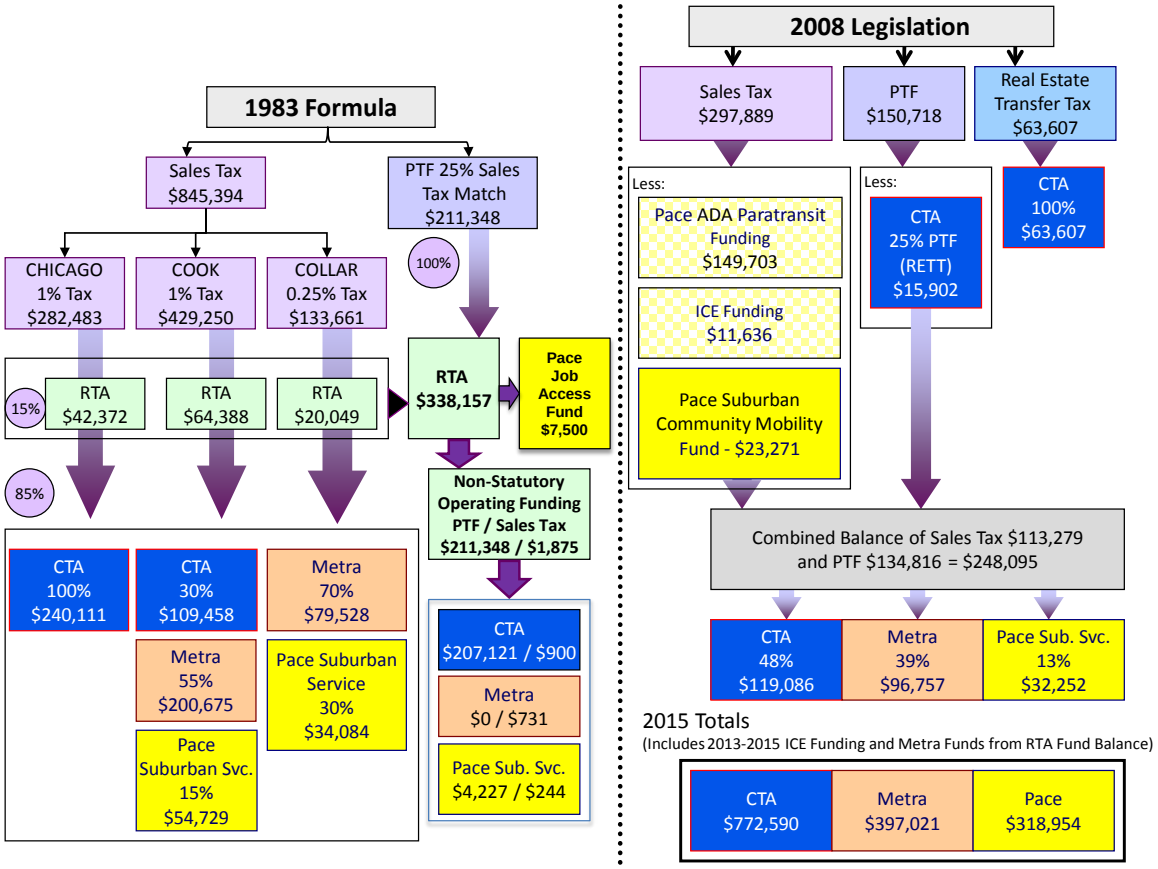
* *Numbers may not precisely add due to rounding.*

CTA FY15 Budget

Operating Funding Summary

2015 Budget - Operating Funding Allocation Chart (in thousands)

*Amounts may not match other tables in document due to rounding.



Transit Agency	Funding	%
CTA	$ 756,185	48.2%
Metra	$ 377,691	24.1%
Pace - Mainline	$ 156,307	10.0%
Pace - Paratransit	$ 149,703	9.5%
RTA	$ 129,071	8.2%
Total	**$ 1,568,957**	**100%**

2013-15 ICE Funding and RTA Fund Balance	CTA	Metra	Pace	ADA
2015 ICE share:	$ 5,585	$ 4,538	$ 1,513	
2014 ICE share:	$ 5,370	$ 4,363	$ 1,454	
2013 ICE share:	$ 5,451	$ 4,429	$ 1,476	
RTA fund balance funding:		$ 6,000		
State ADA funding:				$ 8,500
Total	**$ 16,406**	**$ 19,330**	**$ 4,443**	**$ 8,500**

**2013-2015 ICE Funding and Metra RTA Funds balance detail found above in corresponding table.*

(THIS PAGE INTENTIONALLY LEFT BLANK)

Debt Management Policy Guidelines

On October 14, 2004, the Chicago Transit Board approved an ordinance adopting Debt Management Policy Guidelines (the "Debt Policy"). The Debt Policy serves as a management tool to ensure that the CTA identifies transactions that utilize debt in the most efficient manner, and provides for full and timely repayment of all borrowings. Additionally, the Debt Policy outlines a means of achieving the lowest possible cost of capital within prudent risk parameters, as well as ensuring ongoing access to the capital markets. The Debt Policy applies to all short- and long-term bonds and notes, other long-term lease obligations, and interest rate exchanges. The Debt Policy does not cover commodity hedging, leveraged leases, long-term operating leases, short-term leases and bank obligation transactions. The general debt issuance guidelines outlined in the Debt Policy are summarized below.

Use of Debt

It is the CTA's preference to use a pay-as-you-go funding mechanism for all capital projects. As such, CTA explores the use of available cash to fund all or part of a particular capital improvement project and other long-term financial needs before proposing the use of leverage. However, the CTA recognizes that the size, scope and timing of particular projects in its capital improvement plan, cash flow sufficiency and capital market opportunities may necessitate the use of debt. The Debt Policy allows for the issuance of either long-term or short-term debt. The financing purpose determines the type of debt the CTA would use.

Short-Term Debt Obligations

Short-term debt may be used by the CTA as a cash management tool to provide interim financing or to bridge temporary cash flow deficits within a fiscal year. Currently, the CTA has no outstanding short-term debt obligations.

Long-Term Debt Obligations

The Debt Policy prohibits the use of long-term debt to fund operations. However, long-term bonds are deemed appropriate to finance essential capital activities and certain management initiatives. The CTA may also use long-term lease obligations to finance or refinance capital equipment. Prior to entering into any lease financing, the Authority will evaluate three factors: the useful life of assets financed, the terms and conditions of the lease, and the budgetary, debt capacity and tax implications.

Credit Ratings

The Debt Policy recognizes the need for a credit rating strategy focused on achieving the best economic value for the CTA. A major goal of the CTA's debt program is to attain a

proper balance between minimizing borrowing costs and maximizing financial flexibility. As of October 7 2014, CTA's underlying ratings on outstanding debt were as follows:

	Sales and Transfer Tax Receipts Revenue Bonds	Sales Tax Receipts Revenue Bonds	Building Revenue Bonds (PBC debt)	Capital Grant Receipts Revenue Bonds
Moody's	A1	A1	A2	A3
S&P	AA	AA	A+	A
Kroll	AA	AA	Not Rated	Not Rated
Fitch	Not Rated	Not Rated	Not Rated	BBB

Debt Limitations

Attaining a proper balance between minimizing borrowing and maximizing financial flexibility is a key goal of the CTA debt program. The CTA is not subject to statutory debt limitations for capital investment. However, the Debt Policy does limit the aggregate amount of the CTA's un-hedged, long-term variable rate debt to a maximum of 20 percent of all outstanding long-term debt obligations.

Other Provisions

The CTA may secure credit enhancement in the form of municipal bond insurance or a letter/line of credit for all or a portion of each bond issue. The Debt Policy also allows the Authority to issue debt on either a taxable or tax-exempt basis and to use interest rate exchange agreements when such agreements will reduce the expected interest rate costs, hedge fluctuations in interest rates, or gain efficiency in structuring and restructuring debt.

Current Debt

Long-term debt includes capital lease obligations and bonds payable, as described below.

Lease/Leaseback Agreements

The CTA entered into several economically defeased lease and leaseback agreements in fiscal years 1995 through 2003. These agreements were entered into with various third parties and pertain to certain assets of the CTA, including rail lines and equipment, rail cars, facilities, buses and qualified technology equipment. Under the lease/leaseback financings, the CTA entered into a long-term lease for applicable assets with trusts established by equity investors; trusts which concurrently leased the respective assets back to CTA under sublease agreements. Each sublease contains a fixed date and a fixed price purchase option that allows the CTA, at its option, to purchase the assets back from the lessor. As of December 31, 2013, the total obligations due under the capital lease agreements, which have been economically defeased, were approximately $1.45 billion.

Other Capital Leases

2008 Bus Lease

During 2008, the CTA entered into a lease-purchase agreement to finance the purchase of 150 sixty-foot New Flyer articulated hybrid buses and certain related parts and equipment with a book value of $71.7 million at December 31, 2013. The terms of the agreement allow the CTA to lease the buses for 12 years and retain ownership at the conclusion of the lease. Lease payments are due every June 1 and December 1 of each year, beginning on December 1, 2008. The present value of the future payments to be made by the CTA under the lease was approximately $78.9 million as of December 31, 2013. Annual principal and interest debt service payments of $13,085,425 are payable from 2014 to 2019 and a final amount of $6,542,713 in 2020.

Public Building Commission of Chicago

SCHEDULE I: $91,340,000 Building Revenue Bonds (Public Building Commission on behalf of Chicago Transit Authority) Series 2006 Lease Payment Schedule 2014-2033				
PAYMENT YEAR	**PORTION OF LEASE PAYMENT ATTRIBUTABLE TO INTEREST**	**PORTION OF LEASE PAYMENT ATTRIBUTABLE TO PRINCIPAL**	**TOTAL LEASE PAYMENT**	**DEBT OUTSTANDING (as of 12/31)**
2014	$3,891,669	$2,295,000	$6,186,669	$74,690,000
2015	$3,782,775	$2,405,000	$6,187,775	$72,285,000
2016	$3,659,400	$2,530,000	$6,189,400	$69,755,000
2017	$3,529,650	$2,660,000	$6,189,650	$67,095,000
2018	$3,403,969	$2,785,000	$6,188,969	$64,310,000
2019	$3,271,913	$2,915,000	$6,186,913	$61,395,000
2020	$3,122,413	$3,065,000	$6,187,413	$58,330,000
2021	$2,965,163	$3,225,000	$6,190,163	$55,105,000
2022	$2,799,788	$3,390,000	$6,189,788	$51,715,000
2023	$2,621,456	$3,565,000	$6,186,456	$48,150,000
2024	$2,429,175	$3,760,000	$6,189,175	$44,390,000
2025	$2,226,525	$3,960,000	$6,186,525	$40,430,000
2026	$2,012,981	$4,175,000	$6,187,981	$36,255,000
2027	$1,787,888	$4,400,000	$6,187,888	$31,855,000
2028	$1,550,719	$4,635,000	$6,185,719	$27,220,000
2029	$1,300,688	$4,890,000	$6,190,688	$22,330,000
2030	$1,037,138	$5,150,000	$6,187,138	$17,180,000
2031	$759,413	$5,430,000	$6,189,413	$11,750,000
2032	$466,725	$5,720,000	$6,186,725	$6,030,000
2033	$158,288	$6,030,000	$6,188,288	$0
Total:	**$46,777,736**	**$76,985,000**	**$123,762,736**	

Debt Administration

On March 31, 2003, the Public Building Commission of Chicago (PBC) issued $119 million of Building Revenue Bonds, Series 2003 (Chicago Transit Authority; PBC Bonds). The PBC used the proceeds of these bonds, among other things, to acquire the site for and construct a 12-story office building. The PBC leased the building to the CTA for a 20-year term to be used as CTA headquarters. Rent payments due to the PBC from the CTA under the lease are general obligations of the CTA payable from any lawfully-available funds. Upon satisfaction of all of the obligations of the CTA under the lease and payment, or provision for payment, of the PBC Bonds in full, the PBC will transfer title of the leased premises to the CTA.

On October 26, 2006, the PBC issued Building Refunding Revenue Bonds for the benefit of the CTA in the amount of $91.3 million. The proceeds of the bonds were used to advance refund to the PBC, Series 2003 bonds. The original, executed lease in connection with the Series 2003 bonds was amended accordingly. The CTA is obligated to pay to the Trustee on behalf of the PBC on or before February 15 of each year in which the headquarters lease is in effect, rent which equals the debt service on the PBC bonds due through and including September 1 of that calendar year. The source of funds for the PBC lease payments is primarily FTA grant funds. The present value of future payments to be made by CTA under the lease is approximately $76.9 million as of December 31, 2013.

Certificates of Participation

In August 2008, the Bank of New York Mellon issued Certificates of Participation (COP) totaling $78.4 million on behalf of the CTA with an interest rate of 4.725 percent. The COPs were used to finance the purchase of 200 (40 ft.) New Flyer low floor buses and certain related parts and equipment. On August 1, 2008, the CTA entered into an installment purchase agreement with the Bank of New York Mellon. The obligation of the CTA to make installment payments is an unconditional obligation and is payable from legally available funds. The installment agreement requires the CTA to make annual COP payments to the Bank of New York Mellon which are remitted to the COP holders. Scheduled maturity dates occur at various times through December 1, 2020. During 2013, CTA amended the original 2008 agreement that amended terms and reduced interest rates. The total principal and interest remaining to be paid on the COPs as of December 31, 2013, was $55.22 million. Principal and interest paid in 2013 ranges from $7.8 to $7.9 million per year. Annual principal and interest debt service payments of $8,470,192 are required to be made from 2014 to 2020.

Bonds Payable-Capital Grant Receipt Revenue Bonds

Capital Grant Receipts Revenue Bonds, Series 2004A and 2004B

SCHEDULE II: $250,000,000 Capital Grant Receipts Revenue Bonds (Federal Transit Administration 5307 Formula Funds) Series 2004A and Series 2004B Total Debt Service 2014-2016				
PAYMENT YEAR	**INTEREST PAYMENT**	**PRINCIPAL PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)**
2014	$3,353,119	$26,085,000	$29,438,119	$51,455,000
2015	$1,982,532	$27,385,000	$29,367,532	$24,070,000
2016	$631,838	$24,070,000	$24,701,838	$0
Total:	**$5,967,489**	**$77,540,000**	**$83,507,489**	

On October 20, 2004, the CTA issued Capital Grant Receipts Revenue Bonds, Series 2004A and Series 2004B (Federal Transit Administration Section 5307 Formula Funds; together referred to as the 2004 Bonds). Par value of the 2004 Bonds was $250 million, with $150 million in Series 2004A and $100 million in Series 2004B. The 2004 Bonds are solely secured via Federal Transit Administration 5307 Urbanized Area Formula funds.

The proceeds of the 2004 Bonds will be used to pay for, or reimburse the CTA for prior expenditures relating to a portion of certain capital improvement projects identified by the CTA ("2004 Projects"). These capital improvements must be approved by the CTA Board as well as the RTA, and are included in the CTA Capital Plan. The 2004 Projects include infrastructure improvements such as facility rehabilitation, rail station reconstruction, replacing and upgrading track, structure and signal systems, communication infrastructure improvements, and replacing the bus and rail fleets. The 2004 Projects may be substituted from time to time, provided there are funds in the 2004 Project Account of the Construction fund.

The 2004 Bonds bear interest ranging from 3.60 percent to 5.25 percent. Interest is payable semi-annually on June 1 and December 1 and the remaining bonds mature serially through June 1, 2016. The debt service obligations are paid by the capital funds.

The Capital Grant Receipts Revenue Bonds, Refunding Series 2010 refunded the maturities dated June 1, 2010 through June 1, 2011 of the 5307 (Series 2004A, 2004B and 2006A) and 5309 (Series 2008 and 2008A) bonds.

The Capital Grant Receipts Revenue Bonds, Refunding Series 2011 refunded the maturity dated June 1, 2016 of the 5307 Series 2004B bonds and the maturities dated June 1, 2012 and June 1, 2016 through June 1, 2020 of the 5307 Series 2006A bonds.

Debt Administration

Capital Grant Receipts Revenue Bonds, Series 2006A

SCHEDULE III: $275,000,000 Capital Grant Receipts Revenue Bonds (Federal Transit Administration Section 5307 Formula Funds) Series 2006A Total Debt Service 2014-2021				
PAYMENT YEAR	**INTEREST PAYMENT**	**PRINCIPAL PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)**
2014	$8,605,125	$10,395,000	$19,000,125	$166,905,000
2015	$8,072,375	$10,915,000	$18,987,375	$155,990,000
2016	$7,799,500	$0	$7,799,500	$155,990,000
2017	$7,181,500	$24,720,000	$31,901,500	$131,270,000
2018	$5,888,500	$27,000,000	$32,888,500	$104,270,000
2019	$4,431,625	$31,275,000	$35,706,625	$72,995,000
2020	$2,860,125	$31,585,000	$34,445,125	$41,410,000
2021	$1,035,250	$41,410,000	$42,445,250	$0
Total:	**$45,874,000**	**$177,300,000**	**$223,174,000**	

On November 1, 2006, the CTA issued Capital Grant Receipts Revenue Bonds, Series 2006A (Federal Transit Administration Section 5307 Formula Funds) in the amount of $275 million, in anticipation of the receipt of grants from the federal government pursuant to a full-funding grant agreement. The bonds were issued to provide funds to finance or reimburse the CTA for expenditures relating to a portion of the costs of capital improvements to the Transportation System referred to as the "2006 Project."

The Series 2006A bonds bear interest ranging from 4.0 percent to 5.0 percent. Interest is payable semi-annually on June 1 and December 1 and the remaining bonds mature serially through June 1, 2021. The debt service obligations are paid by the capital funds.
The Capital Grant Receipts Revenue Bonds, Refunding Series 2010 refunded the maturities dated June 1, 2010 through June 1, 2011 of the 5307 (Series 2004A, 2004B and 2006A) and 5309 (Series 2008 and 2008A) bonds.

The Capital Grant Receipts Revenue Bonds, Refunding Series 2011 refunded the maturity dated June 1, 2016 of the 5307 Series 2004B bonds and the maturities dated June 1, 2012 and June 1, 2016 through June 1, 2020 of the 5307 Series 2006A bonds.

Debt Administration

Capital Grant Receipts Revenue Bonds, Series 2008 (5309) and 2008A (5307)

SCHEDULE IV: $250,000,000 Capital Grant Receipts Revenue Bonds (Federal Transit Administration Section 5307 & 5309 Formula Funds) Series 2008 Total Debt Service 2014-2026				
PAYMENT YEAR	**INTEREST PAYMENT**	**PRINCIPAL PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)**
2014	$11,457,206	$7,060,000	$18,517,206	$217,500,000
2015	$11,137,100	$7,365,000	$18,502,100	$210,135,000
2016	$10,778,900	$7,700,000	$18,478,900	$202,435,000
2017	$10,384,275	$8,085,000	$18,469,275	$194,350,000
2018	$9,969,900	$8,490,000	$18,459,900	$185,860,000
2019	$9,523,763	$8,910,000	$18,433,763	$176,950,000
2020	$9,043,650	$9,380,000	$18,423,650	$167,570,000
2021	$8,538,338	$9,870,000	$18,408,338	$157,700,000
2022	$7,533,882	$28,395,000	$35,928,882	$129,305,000
2023	$6,003,900	$29,890,000	$35,893,900	$99,415,000
2024	$4,393,463	$31,460,000	$35,853,463	$67,955,000
2025	$2,698,500	$33,110,000	$35,808,500	$34,845,000
2026	$914,682	$34,845,000	$35,759,682	$0
Total:	**$102,377,559**	**$224,560,000**	**$326,937,559**	

On April 16, 2008, the CTA issued Capital Grant Receipts Revenue Bonds, Series 2008A (Federal Transit Administration Section 5307 Formula Funds) and Series 2008 (Federal Transit Administration Section 5309 Formula Funds) in the amount of $250 million, in anticipation of the receipt of grants from the federal government pursuant to a full-funding grant agreement. The bonds were issued to provide funds to finance or reimburse the CTA for expenditures relating to a portion of the costs of capital improvements to the Transportation System referred to as the "2008 Project." The Federal Transit Administration's section 5307 program is a formula grant program for metropolitan areas providing capital, operating or planning assistance for mass transportation. The section 5309 program is a formula grant program providing capital assistance for the modernization of existing rail systems.

The Series 2008 (5309) and Series 2008A (5307) bonds bear interest ranging from 3.50 percent to 5.25 percent. Interest is payable semi-annually on June 1 and December 1 and the remaining bonds mature serially through June 1, 2026. The debt service obligations are paid by the capital funds.

The Capital Grant Receipts Revenue Bonds, Refunding Series 2010 refunded the maturities dated June 1, 2010 through June 1, 2011 of the 5307 (Series 2004A, 2004B and 2006A) and 5309 (Series 2008 and 2008A) bonds.

Debt Administration

Capital Grant Receipts Revenue Bonds, Series 2008A (5309)

SCHEDULE V: $175,000,000 Capital Grant Receipts Revenue Bonds (Federal Transit Administration Section 5309 Formula Funds) Series 2008A Debt Service 2014-2026				
PAYMENT YEAR	**INTEREST PAYMENT**	**PRINCIPAL PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)**
2014	$7,687,525	$8,150,000	$15,837,525	$137,945,000
2015	$7,269,775	$8,560,000	$15,829,775	$129,385,000
2016	$6,831,025	$8,990,000	$15,821,025	$120,395,000
2017	$6,358,475	$9,440,000	$15,798,475	$110,955,000
2018	$5,837,463	$9,935,000	$15,772,463	$101,020,000
2019	$5,276,050	$10,480,000	$15,756,050	$90,540,000
2020	$4,711,475	$11,055,000	$15,766,475	$79,485,000
2021	$4,144,850	$11,610,000	$15,754,850	$67,875,000
2022	$3,549,850	$12,190,000	$15,739,850	$55,685,000
2023	$2,909,100	$12,800,000	$15,709,100	$42,885,000
2024	$2,169,000	$13,470,000	$15,639,000	$29,415,000
2025	$1,336,500	$14,280,000	$15,616,500	$15,135,000
2026	$454,050	$15,135,000	$15,589,050	$0
Total:	**$58,535,138**	**$146,095,000**	**$204,630,138**	

On November 20, 2008, the CTA issued Capital Grant Receipts Revenue Bonds, Series 2008A (Federal Transit Administration Section 5309 Formula Funds) in the amount of $175 million, in anticipation of the receipt of grants from the federal government pursuant to a full-funding grant agreement. The bonds were issued to provide funds to finance or reimburse the CTA for expenditures relating to a portion of the costs of capital improvements to the Transportation System referred to as the "2008 Project."

The Series 2008A (5309) bonds bear interest ranging from 5.0 percent to 6.0 percent. Interest is payable semi-annually on June 1 and December 1 and the remaining bonds mature serially through June 1, 2026. The debt service obligations are paid by the capital funds.

The Capital Grant Receipts Revenue Bonds, Refunding Series 2010 refunded the maturities dated June 1, 2010 through June 1, 2011 of the 5307 (Series 2004A, 2004B and 2006A) and 5309 (Series 2008 and 2008A) bonds.

Debt Administration

Capital Grant Receipts Revenue Bonds, Refunding Series 2010 (5307) and Refunding Series 2010 (5309)

SCHEDULE VI: $90,715,000 Capital Grant Receipts Revenue Bonds (Federal Transit Administration Section 5307 & 5309 Formula Funds) Refunding Series 2010 Total Debt Service 2014-2028				
PAYMENT YEAR	**TOTAL INTEREST**	**TOTAL PRINCIPAL**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)**
2014	$4,535,750	$0	$4,535,750	$90,715,000
2015	$4,535,750	$0	$4,535,750	$90,715,000
2016	$4,535,750	$0	$4,535,750	$90,715,000
2017	$4,535,750	$0	$4,535,750	$90,715,000
2018	$4,535,750	$0	$4,535,750	$90,715,000
2019	$4,535,750	$0	$4,535,750	$90,715,000
2020	$4,535,750	$0	$4,535,750	$90,715,000
2021	$4,535,750	$0	$4,535,750	$90,715,000
2022	$4,535,750	$0	$4,535,750	$90,715,000
2023	$4,535,750	$0	$4,535,750	$90,715,000
2024	$4,535,750	$0	$4,535,750	$90,715,000
2025	$4,535,750	$0	$4,535,750	$90,715,000
2026	$4,535,750	$0	$4,535,750	$90,715,000
2027	$3,429,375	$44,255,000	$47,684,375	$46,460,000
2028	$1,161,500	$46,460,000	$47,621,500	$0
Total:	**$63,555,625**	**$90,715,000**	**$154,270,625**	

On May 6, 2010, the CTA issued Capital Grant Receipts Revenue Bonds, Refunding Series 2010 (Federal Transit Administration Section 5307 Formula Funds) (Federal Transit Administration Section 5309 Formula Funds), in the amount of $90.7 million, in anticipation of the receipt of grants from the federal government pursuant to a full-funding grant agreement. The bonds were issued to refund a portion of the outstanding 5307 and 5309 bonds and to pay costs of issuance.

The Refunding Series 2010 bonds bear interest of 5.0 percent. Interest is payable semi-annually on June 1 and December 1 and the bonds mature on June 1, 2027 and June 1, 2028. The debt service obligations are paid by the capital funds.

Debt Administration

Capital Grant Receipts Revenue Bonds, Refunding Series 2011(5307)

SCHEDULE VII: $56,525,000 Capital Grant Receipts Revenue Bonds Refunding Series 2011 Debt Service 2014-2029 (Federal Transit Administration Section 5307 Urbanized Area Formula Funds)				
PAYMENT YEAR	**TOTAL INTEREST**	**TOTAL PRINCIPAL**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)**
2014	$2,864,525	$0	$2,864,525	$56,525,000
2015	$2,864,525	$0	$2,864,525	$56,525,000
2016	$2,864,525	$0	$2,864,525	$56,525,000
2017	$2,864,525	$0	$2,864,525	$56,525,000
2018	$2,864,525	$0	$2,864,525	$56,525,000
2019	$2,864,525	$0	$2,864,525	$56,525,000
2020	$2,864,525	$0	$2,864,525	$56,525,000
2021	$2,864,525	$0	$2,864,525	$56,525,000
2022	$2,699,650	$6,595,000	$9,294,650	$49,930,000
2023	$2,353,125	$6,920,000	$9,273,125	$43,010,000
2024	$1,980,244	$7,285,000	$9,265,244	$35,725,000
2025	$1,593,581	$7,665,000	$9,258,581	$28,060,000
2026	$1,186,575	$8,060,000	$9,246,575	$20,000,000
2027	$975,000	$0	$975,000	$20,000,000
2028	$975,000	$0	$975,000	$20,000,000
2029	$487,500	$20,000,000	$20,487,500	$0
Total:	**$35,166,875**	**$56,525,000**	**$91,691,875**	

On October 26, 2011, the CTA issued the tax-exempt Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Program, in the amount of $56,525,000, along with a premium of $1,805,528, in anticipation of the receipt of grants from the federal government pursuant to a full funding grant agreement. The bonds were issued to provide funds to refund a portion of the outstanding 5307 (Series 2004B and 2006A) bonds.

The Series 2011bonds bear interest ranging from 4.5 percent to 5.25 percent. Interest is payable semiannually on June 1 and December 1, and the bonds mature serially from June 1, 2022 to June 1, 2029.

Bonds Payable-Sales Tax Revenue Bonds

Sales and Transfer Tax Receipts Revenue Bonds, 2008A Series (Pension Funding) and 2008B Series (Retiree Health Care Funding)

SCHEDULE VIII: $1,936,855,000 Sales and Transfer Tax Receipts Revenue Bonds (Public Acts 94-839 and 95-0708) Series 2008A and 2008B Total Debt Service 2014-2040				
PAYMENT YEAR	**INTEREST PAYMENT**	**PRINCIPAL PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)**
2014	$129,537,659	$27,040,000	$156,577,659	$1,874,075,000
2015	$127,834,139	$28,740,000	$156,574,139	$1,845,335,000
2016	$126,023,519	$30,550,000	$156,573,519	$1,814,785,000
2017	$124,098,869	$32,475,000	$156,573,869	$1,782,310,000
2018	$122,052,944	$34,520,000	$156,572,944	$1,747,790,000
2019	$119,878,184	$36,695,000	$156,573,184	$1,711,095,000
2020	$117,566,399	$39,010,000	$156,576,399	$1,672,085,000
2021	$115,108,769	$41,465,000	$156,573,769	$1,630,620,000
2022	$112,496,474	$44,080,000	$156,576,474	$1,586,540,000
2023	$109,455,395	$47,120,000	$156,575,395	$1,539,420,000
2024	$106,204,586	$50,370,000	$156,574,586	$1,489,050,000
2025	$102,729,560	$53,845,000	$156,574,560	$1,435,205,000
2026	$99,014,793	$57,560,000	$156,574,793	$1,377,645,000
2027	$95,043,729	$61,530,000	$156,573,729	$1,316,115,000
2028	$90,798,774	$65,775,000	$156,573,774	$1,250,340,000
2029	$86,260,957	$70,310,000	$156,570,957	$1,180,030,000
2030	$81,410,270	$75,165,000	$156,575,270	$1,104,865,000
2031	$76,224,636	$80,350,000	$156,574,636	$1,024,515,000
2032	$70,681,290	$85,895,000	$156,576,290	$938,620,000
2033	$64,755,394	$91,820,000	$156,575,394	$846,800,000
2034	$58,420,732	$98,150,000	$156,570,732	$748,650,000
2035	$51,649,364	$104,925,000	$156,574,364	$643,725,000
2036	$44,410,588	$112,165,000	$156,575,588	$531,560,000
2037	$36,672,324	$119,905,000	$156,577,324	$411,655,000
2038	$28,400,078	$128,170,000	$156,570,078	$283,485,000
2039	$19,557,630	$137,015,000	$156,572,630	$146,470,000
2040	$10,104,965	$146,470,000	$156,574,965	$0
Total:	**$2,326,392,017**	**$1,901,115,000**	**$4,227,507,017**	

On July 30, 2008, the CTA issued Sales and Transfer Tax Receipts Revenue Bonds in the amount of $1.94 billion to fund the employee retirement plan and to create a retiree health care trust. The bonds were sold in two tranches: a $1.3 billion Series A to fund the employee retirement plan, and a $640 million Series B to fund a permanent trust that was established to cover other post-employment benefits for retiree health care. The bonds are secured primarily by a pledge of and lien on the Sales Tax Receipts Fund and the Transfer

Tax Receipts Fund deposits. The bonds were issued pursuant to the pension and retiree health care reform requirements set forth in Public Acts 94-839 and 95-0708.

Public Act 94-839 required the CTA to make contributions to its retirement system in an amount which, together with the contributions of its participants, interest earned on investments and other income, was sufficient to bring the total assets of the retirement system up to 90 percent of its total actuarial liabilities by the end of fiscal year 2058. Additionally, Public Act 94-839 required that the Retirement Plan's pension and retiree health care programs be separated into two distinct trusts by December 31, 2008.

Public Act 95-0708 modified this directive slightly and added a number of other requirements. First, a new Retirement Plan Trust will be created to manage the Retirement Plan assets. Second, CTA contributions and employee contributions were increased. Third, in addition to the requirement that the Retirement Plan be 90 percent funded by the end of 2059, there is a new requirement that the Retirement Plan be funded at a minimum of 60 percent by September 15, 2009. Any deviation from the stated projections could result in a directive from the State of Illinois Auditor General to increase the CTA and employee contributions. Fourth, Public Act 95-708 authorized the CTA to issue $1.9 billion in pension obligation bonds to fund the pension and retiree health care. Finally, the legislation provides that the CTA will have no future responsibility for retiree healthcare costs after the bond funding. In accordance with Public Act 95-708, all retiree healthcare benefits were to be paid from the newly established Retiree Health Care Trust no earlier than January 1, 2009 but no later than July 1, 2009.

The Series 2008A and 2008B bonds bear interest ranging from 5.1 percent to 6.9 percent. Scheduled interest on the 2008A and 2008B bonds was funded through June 1, 2009 and June 1, 2010, respectively, with bond proceeds and interest earnings thereon. Interest is payable semi-annually on June 1 and December 1 and the bonds mature serially on December 1, 2012 through June 1, 2040. The debt service obligations are paid by the operating funds.

Debt Administration

Sales Tax Receipts Revenue Bonds, Series 2010A and Taxable Series 2010B (Build America Bonds)

SCHEDULE IX: $550,000,000 Sales Tax Receipts Revenue Bonds Series 2010A and 2010B Total Debt Service 2014-2040				
PAYMENT YEAR	**INTEREST PAYMENT**	**PRINCIPAL PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)**
2014	$32,976,651	$0	$32,976,651	$550,000,000
2015	$32,976,651	$5,715,000	$38,691,651	$544,285,000
2016	$32,702,701	$7,675,000	$40,377,701	$536,610,000
2017	$32,318,951	$9,925,000	$42,243,951	$526,685,000
2018	$31,832,201	$10,415,000	$42,247,201	$516,270,000
2019	$31,333,751	$10,915,000	$42,248,751	$505,355,000
2020	$30,798,001	$11,510,000	$42,308,001	$493,845,000
2021	$30,214,444	$12,095,000	$42,309,444	$481,750,000
2022	$29,583,085	$12,720,000	$42,303,085	$469,030,000
2023	$28,900,021	$13,405,000	$42,305,021	$455,625,000
2024	$28,166,767	$14,135,000	$42,301,767	$441,490,000
2025	$27,372,380	$14,930,000	$42,302,380	$426,560,000
2026	$26,446,720	$15,855,000	$42,301,720	$410,705,000
2027	$25,463,710	$16,835,000	$42,298,710	$393,870,000
2028	$24,419,940	$17,880,000	$42,299,940	$375,990,000
2029	$23,311,380	$18,985,000	$42,296,380	$357,005,000
2030	$22,134,310	$20,155,000	$42,289,310	$336,850,000
2031	$20,884,700	$21,400,000	$42,284,700	$315,450,000
2032	$19,557,900	$22,725,000	$42,282,900	$292,725,000
2033	$18,148,950	$24,135,000	$42,283,950	$268,590,000
2034	$16,652,580	$31,820,000	$48,472,580	$236,770,000
2035	$14,679,740	$33,785,000	$48,464,740	$202,985,000
2036	$12,585,070	$35,875,000	$48,460,070	$167,110,000
2037	$10,360,820	$38,090,000	$48,450,820	$129,020,000
2038	$7,999,240	$40,455,000	$48,454,240	$88,565,000
2039	$5,491,030	$42,955,000	$48,446,030	$45,610,000
2040	$2,827,820	$45,610,000	$48,437,820	$0
Total:	**$620,139,509**	**$550,000,000**	**$1,170,139,509**	

Debt Administration

On March 23, 2010, the CTA issued Sales Tax Receipts Revenue Bond Series 2010A and Taxable Series 2010B (Build America Bonds) in the amount of $550 million to fund or reimburse the Authority for prior expenditures of the "2010 Project", capitalize a portion of interest on the bonds, fund a portion of the consolidated debt service reserve fund on the bonds, and to pay costs of issuance on the bonds. The Series 2010B Bonds are issued as bonds designated as "Build America Bonds" under the provisions of the American Recovery and Reinvestment Act of 2009. The 2010 Project means, collectively, capital improvements to the transportation system and specifically the purchase of rail cars, rail car overhaul and rehabilitation, and the replacement and upgrade of rail track and structure.

The Series 2010A bonds bear interest ranging from 4.0 percent to 5.0 percent with interest payable semi-annually on June 1 and December 1, commencing December 1, 2010. The Series 2010A bonds mature serially on December 1, 2015 through December 1, 2019. The Taxable Series 2010B bonds bear interest ranging from 5.07 percent to 6.20 percent with interest payable semi-annually on June 1 and December 1, commencing December 1, 2010. The Taxable Series 2010B bonds mature annually each December 1, 2020 through December 1, 2040. The debt service obligations are paid by the capital funds.

Debt Administration

2011 Sales Tax Receipts Revenue Bonds

SCHEDULE X: $476,905,000 Sales Tax Receipts Revenue Bonds Series 2011 Total Debt Service 2014-2040				
PAYMENT YEAR	**INTEREST PAYMENT**	**PRINCIPAL PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)**
2014	$7,122,990	$0	$7,122,990	$476,905,000
2015	$16,963,405	$0	$16,963,405	$476,905,000
2016	$24,965,288	$0	$24,965,288	$476,905,000
2017	$24,965,288	$0	$24,965,288	$476,905,000
2018	$24,965,288	$0	$24,965,288	$476,905,000
2019	$24,965,288	$0	$24,965,288	$476,905,000
2020	$24,965,288	$0	$24,965,288	$476,905,000
2021	$24,965,288	$14,090,000	$39,055,288	$462,815,000
2022	$24,260,788	$14,800,000	$39,060,788	$448,015,000
2023	$23,520,788	$15,540,000	$39,060,788	$432,475,000
2024	$22,704,938	$16,360,000	$39,064,938	$416,115,000
2025	$21,846,038	$17,220,000	$39,066,038	$398,895,000
2026	$20,941,988	$18,120,000	$39,061,988	$380,775,000
2027	$19,990,688	$19,075,000	$39,065,688	$361,700,000
2028	$18,989,250	$20,080,000	$39,069,250	$341,620,000
2029	$17,935,050	$21,135,000	$39,070,050	$320,485,000
2030	$16,825,463	$22,250,000	$39,075,463	$298,235,000
2031	$15,657,338	$23,425,000	$39,082,338	$274,810,000
2032	$14,427,525	$24,655,000	$39,082,525	$250,155,000
2033	$13,133,138	$25,950,000	$39,083,138	$224,205,000
2034	$11,770,763	$27,315,000	$39,085,763	$196,890,000
2035	$10,336,725	$28,755,000	$39,091,725	$168,135,000
2036	$8,827,088	$30,265,000	$39,092,088	$137,870,000
2037	$7,238,175	$31,860,000	$39,098,175	$106,010,000
2038	$5,565,525	$33,540,000	$39,105,525	$72,470,000
2039	$3,804,675	$35,305,000	$39,109,675	$37,165,000
2040	$1,951,163	$37,165,000	$39,116,163	$0
Total:	**$453,605,220**	**$476,905,000**	**$930,510,220**	

On October 26, 2011, the CTA issued the Sales Tax Receipts Revenue Bonds, Series 2011, in the amount of $476,905,000, along with a premium of $21,392,000. The bonds were issued to pay for, or reimburse the CTA for prior expenditures relating to (i) the purchase of rail cars to replace existing cars and (ii) the finance of any other capital project designated by the CTA Board as part of the 2011 Project.

The Series 2011 bonds bear interest ranging from 5.0 percent to 5.25 percent. Scheduled interest on the 2010 bonds will be funded through December 1, 2015 with proceeds of the 2011 bonds and interest earnings thereon. Interest is payable semiannually on June 1 and December 1 and the bonds mature serially on December 1, 2021 through December 1, 2040.

2014 Sales Tax Receipts Revenue Bonds

SCHEDULE XI: $555,000,000 Sales Tax Receipts Revenue Bonds Series 2014 Total Debt Service 2014-2049				
PAYMENT YEAR	**INTEREST PAYMENT**	**PRINCIPAL PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)**
2014	$0	$0	$0	$555,000,000
2015	$0	$0	$0	$555,000,000
2016	$14,298,394	$0	$14,298,394	$555,000,000
2017	$28,596,788	$0	$28,596,788	$555,000,000
2018	$28,596,788	$0	$28,596,788	$555,000,000
2019	$28,596,788	$0	$28,596,788	$555,000,000
2020	$28,596,788	$0	$28,596,788	$555,000,000
2021	$28,596,788	$0	$28,596,788	$555,000,000
2022	$28,596,788	$0	$28,596,788	$555,000,000
2023	$28,596,788	$0	$28,596,788	$555,000,000
2024	$28,596,788	$0	$28,596,788	$555,000,000
2025	$28,596,788	$0	$28,596,788	$555,000,000
2026	$28,596,788	$0	$28,596,788	$555,000,000
2027	$28,596,788	$0	$28,596,788	$555,000,000
2028	$28,596,788	$0	$28,596,788	$555,000,000
2029	$28,596,788	$0	$28,596,788	$555,000,000
2030	$28,596,788	$0	$28,596,788	$555,000,000
2031	$28,596,788	$0	$28,596,788	$555,000,000
2032	$28,596,788	$0	$28,596,788	$555,000,000
2033	$28,596,788	$0	$28,596,788	$555,000,000
2034	$28,596,788	$0	$28,596,788	$555,000,000
2035	$28,596,788	$0	$28,596,788	$555,000,000
2036	$28,596,788	$0	$28,596,788	$555,000,000
2037	$28,596,788	$0	$28,596,788	$555,000,000
2038	$28,596,788	$0	$28,596,788	$555,000,000
2039	$28,596,788	$0	$28,596,788	$555,000,000
2040	$28,596,788	$0	$28,596,788	$555,000,000
2041	$28,596,788	$50,180,000	$78,776,788	$504,820,000
2042	$26,087,788	$52,690,000	$78,777,788	$452,130,000
2043	$23,453,288	$55,325,000	$78,778,288	$396,805,000
2044	$20,687,038	$58,090,000	$78,777,038	$338,715,000
2045	$17,782,538	$60,995,000	$78,777,538	$277,720,000
2046	$14,580,300	$64,195,000	$78,775,300	$213,525,000
2047	$11,210,063	$67,565,000	$78,775,063	$145,960,000
2048	$7,662,900	$71,115,000	$78,777,900	$74,845,000
2049	$3,929,363	$74,845,000	$78,774,363	$0
Total:	**$854,611,372**	**$555,000,000**	**$1,409,611,372**	

Debt Administration

On June 18, 2014, CTA issued the Sales Tax Receipts Revenue Bonds, Series 2014, in the amount of $555,000,000, along with a premium of $45,153,612. The bonds were issued to pay for (i) the purchase of rail cars to replace existing cars and (ii) the finance of any other capital project designated by the CTA Board as part of the 2014 Project. The Series 2014 bonds bear interest ranging from 5 percent to 5.25 percent. Scheduled interest on the 2014 bonds will be funded through June 1, 2016 with proceeds of the 2014 bonds and interest thereon. Interest is payable semiannually on June 1 and December 1 and the bonds mature serially on December 1, 2041 through December 1, 2049.

TIFIA Loan-Farebox Receipts Revenue Bonds

2014 Farebox Receipts Revenue Bonds (95th Street Terminal Improvement Project)

SCHEDULE XII: $79,200,000 Farebox Receipts Revenue Bonds Series 2014 Total Debt Service 2020-2050				
PAYMENT YEAR	**INTEREST PAYMENT**	**PRINCIPAL PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)**
2014	$0	$0	$0	$0
2015	$0	$0	$0	$21,183,523
2016	$0	$0	$0	$80,702,642
2017	$0	$0	$0	$83,551,950
2018	$0	$0	$0	$86,501,856
2019	$0	$0	$0	$89,555,912
2020	$1,594,655	$1,674,151	$3,268,806	$89,448,989
2021	$3,130,715	$1,732,746	$4,863,461	$87,716,243
2022	$3,070,069	$1,793,392	$4,863,461	$85,922,851
2023	$3,007,299	$1,856,161	$4,863,460	$84,066,690
2024	$2,942,334	$1,921,127	$4,863,461	$82,145,563
2025	$2,875,095	$1,988,366	$4,863,461	$80,157,197
2026	$2,805,502	$2,057,959	$4,863,461	$78,099,238
2027	$2,733,474	$2,129,987	$4,863,461	$75,969,251
2028	$2,658,924	$2,204,537	$4,863,461	$73,764,714
2029	$2,581,765	$2,281,696	$4,863,461	$71,483,018
2030	$2,501,906	$2,361,555	$4,863,461	$69,121,463
2031	$2,419,252	$2,444,209	$4,863,461	$66,677,254
2032	$2,333,704	$2,529,757	$4,863,461	$64,147,497
2033	$2,245,163	$2,618,298	$4,863,461	$61,529,199
2034	$2,153,522	$2,709,939	$4,863,461	$58,819,260
2035	$2,058,674	$2,804,787	$4,863,461	$56,014,473
2036	$1,960,507	$2,902,954	$4,863,461	$53,111,519
2037	$1,858,904	$3,004,557	$4,863,461	$50,106,962
2038	$1,753,744	$3,109,717	$4,863,461	$46,997,245
2039	$1,644,904	$3,218,557	$4,863,461	$43,778,688
2040	$1,532,254	$3,331,207	$4,863,461	$40,447,481
2041	$1,415,662	$3,447,799	$4,863,461	$36,999,682
2042	$1,294,989	$3,568,472	$4,863,461	$33,431,210
2043	$1,170,093	$3,693,368	$4,863,461	$29,737,842
2044	$1,040,825	$3,822,636	$4,863,461	$25,915,206
2045	$907,033	$3,956,428	$4,863,461	$21,958,778
2046	$768,558	$4,094,903	$4,863,461	$17,863,875
2047	$625,236	$4,238,225	$4,863,461	$13,625,650
2048	$476,898	$4,386,563	$4,863,461	$9,239,087
2049	$323,368	$4,540,093	$4,863,461	$4,698,994
2050	$164,467	$4,698,994	$4,863,461	$0
Total:	**$58,049,485**	**$91,123,140**	**$149,172,625**	

Debt Administration

On April 24, 2014, CTA entered into a definitive loan agreement with the United States Department of Transportation, an agency of the United States of America, acting by and through the Federal Highway Administrator under the TIFIA (Transportation Infrastructure Finance and Innovation Act) loan program.

The principal amount of the TIFIA Loan shall not exceed $79,200,000; provided, that in no event shall the maximum principal amount of the TIFIA Loan disbursed by the TIFIA Lender, together with the amount (excluding any interest that is capitalized) of any other credit assistance provided under the Act, exceed thirty-three (33%) of reasonably anticipated Eligible Project Costs and the total federal funding, inclusive of the TIFIA Loan and all federal direct or indirect grants, shall not exceed eighty percent (80%) of reasonably anticipated Eligible Project Costs.

As evidence of CTA's obligation to repay the TIFIA Loan, CTA issued to the lender a registered farebox receipts revenue bond in the amount of $79.2 million dated April 24, 2014 with a maturity date of December 1, 2050 bearing an interest rate of 3.5% and the loan amortization schedule.

Debt Administration

Summary of Total Bond Debt Service for all Outstanding Bonds (excluding 2008 Bus Leases

SCHEDULE XIII: TOTAL BOND DEBT SERVICE SCHEDULE (2014-2049)				
PAYMENT YEAR	**INTEREST PAYMENT**	**PRINCIPAL PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)**
2014	$212,032.218	$81,025,000	$293,057,218	$4,251,715,000
2015	$217,419,026	$91,085,000	$308,504,026	$4,181,813,523
2016	$235,090,839	$81,515,000	$316,605,839	$4,159,817,642
2017	$244,834,070	$87,305,000	$332,139,070	$4,075,361,950
2018	$239,947,327	$93,145,000	$333,092,327	$3,985,166,856
2019	$234,677,636	$101,190,000	$335,867,636	$3,887,030,912
2020	$230,659,068	$107,279,151	$337,938,219	$3,781,318,989
2021	$226,099,879	$135,497,746	$361,597,625	$3,645,821,243
2022	$219,126,123	$123,963,392	$343,089,515	$3,521,857,851
2023	$211,903,621	$131,096,161	$342,999,782	$3,390,761,690
2024	$204,123,044	$138,761,127	$342,884,171	$3,252,000,563
2025	$195,810,716	$146,998,366	$342,809,082	$3,105,002,197
2026	$186,909,828	$155,807,959	$342,717,787	$2,949,194,238
2027	$178,020,650	$148,224,987	$326,245,637	$2,800,969,251
2028	$169,150,895	$157,034,537	$326,185,432	$2,643,934,714
2029	$160,474,128	$137,601,696	$298,075,824	$2,506,333,018
2030	$152,505,874	$125,081,555	$277,587,429	$2,381,251,463
2031	$144,542,127	$133,049,209	$277,591,336	$2,248,202,254
2032	$136,063,932	$141,524,757	$277,588,689	$2,106,677,497
2033	$127,037,720	$150,553,298	$277,591,018	$1,956,124,199
2034	$117,594,385	$159,994,939	$277,589,324	$1,796,129,260
2035	$107,321,291	$170,269,787	$277,591,078	$1,625,859,473
2036	$96,380,039	$181,207,954	$277,587,993	$1,444,651,519
2037	$84,727,010	$192,859,557	$277,586,567	$1,251,791,962
2038	$72,315,374	$205,274,717	$277,590,091	$1,046,517,245
2039	$59,095,027	$218,493,557	$277,588,584	$828,023,688
2040	$45,012,990	$232,576,207	$277,589,197	$595,447,481
2041	$30,012,450	$53,627,799	$83,640,249	$541,819,682
2042	$27,382,777	$56,258,472	$83,641,249	$485,561,210
2043	$24,623,380	$59,018,368	$83,641,748	$426,542,842
2044	$21,727,862	$61,912,636	$83,640,498	$364,630,206
2045	$18,689,571	$64,951,428	$83,640,999	$299,678,778
2046	$15,348,857	$68,289,903	$83,638,760	$231,388,875
2047	$11,835,298	$71,803,225	$83,638,523	$159,585,650
2048	$8,139,798	$75,501,563	$83,641,361	$84,087,087
2049	$4,252,731	$79,385,093	$83,637,824	$4,698,994
2050	$164,465	$4,698,994	$4,863,459	$0
Total:	**$4,671,052,025**	**$4,423,863,140**	**$9,094,915,165**	

Annual Budget Process

Budget Calendar

The RTA Act requires the RTA Board to adopt a consolidated annual budget and two-year financial plan. The budgetary process contains three phases: budget development, budget adoption, and budget execution and administration.

July

- Budget call from the RTA

September

- RTA releases and approves budget and two-year financial plan marks

October

- Budget release to public

November

- Public hearing
- Cook County Board meeting
- CTA Board approval
- Submit budget to the RTA

December

- RTA Board Approval

Budget Adoption

July 18	RTA releases the requirements that the Service Boards must follow for the development of their 2015 budget, two-year financial plan, and five-year capital program.
September 15	RTA announces marks. The RTA Board is required by the RTA Act to set operating funding marks for the three Service Boards by September 15. The marks include estimates of available operating funding for the budget and financial plan, and a required recovery ratio (the ratio or percentage of operating expenses that must be recovered from system-generated revenues) for the budget. Upon issuance of the budget marks, the CTA revises its expenses and revenues to conform to the marks.
October 27	CTA Budget released to the public. The statute requires that documents be available for public inspection 21 days prior to the public hearing.
November 17	Public Hearing to be scheduled to receive comments from the

public.

November 19 Budget presentation to Cook County Board. The CTA presents the budget to the Cook County Board after the Public Hearing but prior to the CTA adoption of the budget, as required by the RTA Act.

November 19 Chicago Transit Board vote. The Chicago Transit Board incorporates any changes and adopts the budget and two-year financial plan.

November 19 Budget submission to the RTA. The RTA Act requires that the CTA, by November 15, submit its detailed budget and financial plan to the RTA. In 2014 due to the calendar of Cook County Board this submission cannot occur earlier than November 19. The budget must conform to the marks set by the RTA by the statutory deadline of September 15.

December 17 RTA Board vote on consolidated regional budget. The RTA Board adopts the proposed budget and financial plan upon the approval of 12 of the RTA's 16 directors.

RTA Statutory Requirements for Budget Approval

The RTA Board adopts the proposed budget and plan upon the approval of 12 of the RTA's 16 directors. If the budget meets the RTA's criteria, which are identified in the RTA Act and outlined below, then the RTA is required to adopt the budget. If the RTA Board does not approve the budget, the RTA Board cannot release any funds for the periods covered by the budget and two-year financial plan, except the proceeds of sales taxes due by the statutory formula to the CTA, until the budget conforms to the criteria specified in the Act.

The criteria for budget and plan approval per RTA Act are:

1. **Balanced Budget**: The budget and plan show a balance between (A) anticipated revenues from all sources including operating subsidies and (B) the costs of providing the services specified and of funding any operating deficits or encumbrances incurred in prior periods, including provision for payment when due of principal and interest of outstanding indebtedness.
2. **Cash Flow:** The budget and plan show cash balances including the proceeds of any anticipated cash flow borrowing sufficient to pay with reasonable promptness all costs and expenses incurred.
3. **Recovery Ratio**: The budget and plan provide for a level of fares or charges and operating or administrative costs for the public transportation provided by or subject to the system-generated revenue recovery ratio.
4. **Assumptions**: The budget and plan are based upon and employ assumptions and projections, which are reasonable and prudent.
5. **Financial Practices**: The budget and plan have been prepared in accordance with

sound financial practices as determined by the RTA Board.

6. **Other Requirements**: The budget and plan meet such other financial, budgetary, or fiscal requirements that the RTA Board may by rule or regulation establish.
7. **Strategic Plan**: The budget and plan are consistent with the goals and objectives adopted by the RTA Board in the Strategic Plan.

Budget Execution & Administration

After the proposed budget and financial plan are adopted, the budget execution and administration phase begins. Detailed budgets of operating revenues and expenses calendarized for the 12 months of the budget year are forwarded to the RTA. The CTA's actual monthly financial performance is measured against the monthly budget and reported to the RTA Board. Detailed capital grant applications are prepared and submitted to funding agencies. Quarterly capital program progress reports are provided to the RTA Board to monitor expenditures and obligations for capital program items.

Amendment Process

As the CTA monitors actual performance, changes may be required to the budget. The RTA might revise its sales tax forecast, which could result in less public funding for the CTA. This in turn would require reduced spending to meet the revised funding mark and recovery ratio.

When the RTA amends a revenue estimate because of changes in economic conditions, governmental funding, a new program, or other reasons, the CTA has 30 days to revise its budget to reflect these changes. The RTA's Finance Committee must approve all amendments before they are recommended to the RTA Board for approval. The budget may also be amended based upon financial condition and results of operations if the CTA is significantly out of compliance with its budget for a particular quarter. The RTA Board, by a vote of 12 members, may require the CTA to submit a revised financial plan and budget, which show that the marks will be met in a time period of less than four quarters. If the RTA Board determines that the revised budget is not in compliance with the marks, the RTA will not release discretionary funds. RTA discretionary funds include monies from the Public Transportation Fund (PTF), discretionary sales tax and other state funding. If the Authority submits a revised financial plan and budget which show the marks will be met within a four-quarter period, then the RTA Board shall continue to release funds.

As capital projects proceed, changes may be required to project budgets. Capital funding marks may be revised based on actual federal or state appropriations actions. When revisions are necessary, the CTA will amend its five-year capital program and submit the changes to the RTA for RTA Board action.

(THIS PAGE INTENTIONALLY LEFT BLANK)

Accounting System and Financial Controls

Organization Overview

The CTA was formed in 1945 pursuant to the Metropolitan Transportation Authority Act passed by the Illinois Legislature. The CTA was established as an independent governmental agency (an Illinois municipal corporation) "separate and apart from all other government agencies" to consolidate Chicago's public and private mass transit carriers. The City Council of the City of Chicago granted the CTA the exclusive right to own and operate a unified, local transportation system.

The Regional Transportation Authority Act provides for the funding of public transportation in the six-county region of Northeastern Illinois. The Act established a regional oversight board, the RTA, and designated three Service Boards: the CTA, the Commuter Rail Board and the Suburban Bus Board. The Act requires, among other things, that the RTA approve the annual budget of the CTA; that the CTA obtain agreement from local governmental units to provide an annual monetary contribution of at least $5 million for public transportation and that the CTA, collectively with the other Service Boards, finance at least 50 percent of operating costs, excluding depreciation and certain other items, with system-generated revenues.

Financial Reporting Entity

In conformance with Governmental Accounting Standards Board (GASB) standards, the CTA includes in its financial statements all funds over which the Chicago Transit Board exercises oversight responsibility. Oversight responsibility is defined to include the following considerations: selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, and scope of an organization's public service and/or special financing relationships.

Based on the above criteria, the fund established for the employees' pension plan has been determined not to be part of the reporting entity. The plan is a legal entity, which is separate and distinct from the CTA. The plan is administered by its own board of trustees comprised of five union representatives, five representatives appointed by the CTA, and a professional fiduciary appointed by the RTA. The CTA has no direct authority and assumes no fiduciary responsibility with regards to the employees' pension plan. Accordingly, the accounts of the plan are not included in the CTA's financial statements.

Based upon the criteria set forth by the GASB, the CTA is not considered a component unit of the RTA because the CTA maintains separate management, exercises control over all operations, and is fiscally independent from the RTA. Because governing authority of the CTA is entrusted to the Chicago Transit Board - comprised of four members appointed by the Mayor of the City of Chicago and three members appointed by the Governor of the State of Illinois - the CTA is not financially accountable to the RTA and is not included as a

component unit in the RTA's financial statements. As statutorily required, the CTA is combined in pro forma statements with the RTA.

Budget and Budgetary Basis of Accounting

The CTA is required under Section 4.01 of the RTA Act to submit for approval an annual budget to the RTA by November 15th of each year. The budget is prepared on a basis consistent with generally accepted accounting principles (GAAP), except for the exclusion of certain income and expenses. These amounts include provision for injuries and damage in excess of budget, depreciation expense, pension expense in excess of pension contributions, revenue from leasing transactions, interest income, expense from sale/leaseback transactions, and capital contributions.

The Act requires that expenditures for operations and maintenance in excess of budget cannot be made without the approval of the Chicago Transit Board. All annual appropriations lapse at fiscal year-end. The RTA, in accordance with the RTA Act, has approved, for budgetary-basis presentation, the CTA's recognition of the amounts of the injury and damage reserve and pension contribution in the approved annual budget. Provisions in excess of the approved annual budget that are unfunded are excluded from the recovery ratio calculation.

Public funding assistance, administered through the RTA, provides the public funding revenue for the budgets of the Service Boards. Favorable variances from budget remain as operating assistance to the CTA.

The RTA approves the proposed budget based on four criteria:

- That the budget is in balance with regard to anticipated revenues from all sources, including operating subsidies, costs of providing services and funding operating deficits;
- That the budget provides for sufficient cash balances to pay, with reasonable promptness, costs and expenses when due;
- That the budget provides for the CTA to meet its required system-generated revenue recovery ratio;
- That the budget is reasonable and prepared in accordance with sound financial practices, and complies with such other RTA requirements as the RTA Board of Directors may establish.

The RTA monitors the CTA's performance against the budget on a quarterly basis. If, in the judgment of the RTA, this performance is not substantially in accordance with the CTA's budget for such period, the RTA shall so advise the CTA and the CTA must, within the period specified by the RTA, submit a revised budget to bring the CTA into compliance with the budgetary requirements listed above.

Accounting System and Financial Controls

Financial Reporting

Overview

The CTA's financial statements are prepared in conformity with GAAP. GASB is the accepted standard-setting body for establishing governmental accounting and reporting principles. The CTA applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case the GASB prevails.

Basis of Presentation

The financial statements provide information about the CTA's business-type and fiduciary (Open Supplemental Retirement Plan) activities. Separate financial statements for each category are presented. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The financial statements for the CTA's business-type activities are used to account for the CTA's activities that are financed and operated in a manner similar to a private business enterprise. Accordingly, the CTA maintains its records on the accrual basis of accounting. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized, and all assets and liabilities associated with the operation of the CTA are included in the balance sheet.

The financial statements for the fiduciary activities are used to account for the assets held by the CTA in trust for the payment of future retirement benefits under the Open Supplemental Retirement Plan. The assets of the Open Supplemental Retirement Plan cannot be used to support CTA operations.

Fiscal year

The operating cycle of the CTA is based on the calendar year. Prior to 1995, the CTA operated on a 52-week fiscal year composed of four quarters of "four week, four week, and five week" periods. Periodically, a 53-week fiscal year was required to keep the fiscal year aligned with the calendar.

Internal Controls

Overview

CTA management is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the CTA are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the

preparation of financial statements in conformity with GAAP. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived; and that the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The CTA's internal accounting controls are reasonable under the existing budgetary constraints, and adequately safeguard assets as well as provide reasonable assurance of proper recording of all financial transactions.

Each year, the CTA conducts internal and external audits to test the adequacy of its internal control system. Where weaknesses are identified, the CTA takes immediate action to correct such weaknesses to ensure a sound internal control system.

Single Audit

As a recipient of federal, state and RTA financial assistance, the CTA is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is subject to periodic evaluation by management and the internal audit staff of the CTA, as well as external auditors.

As part of the CTA's single audit, tests are performed to determine the adequacy of the internal control system, including the portion related to federal financial assistance programs, as well as to determine that the CTA has complied with applicable laws and regulations.

Budgeting Controls

In addition, the CTA maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget appropriated by the Chicago Transit Board and approved by the RTA. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established for total operating expenses. The CTA also maintains a position control system which requires that every job that is not part of scheduled transit operations be budgeted on an annual basis.

Financial Policy

Financial Planning Policies

Financial planning policies incorporate both short- and long-term strategies focused on the principles of a balanced budget. These policies ensure proper resource allocation and the continued financial viability of the organization. The CTA reviews the policies on an annual basis as part of the budget process to ensure continued relevance to the organization's goals and objectives.

A Balanced Budget

The budget reflects the short-term goals of the agency. Following development, adoption and implementation of the annual budget, the CTA continually monitors actual monthly financial performance against the budget. Each month, the CTA performs a detailed line-by-line analysis of revenues and expenses to determine operating variances. This includes reviewing position headcount, analyzing material and other expenses, examining revenue scenarios for potential shortfalls, applying seasonality spread in relation to business activities, and conducting continuous audits to ensure a balanced budget. Where potential year-end variances to budget are projected, the CTA uses various strategies to manage the variance. A monthly financial performance report is produced and submitted to the CTA and RTA boards for their review.

The RTA Act requires the CTA to have a balanced budget each year. As such, the CTA takes care in the development of its budget to ensure that assumptions and estimates used to develop the budget are reasonable. The CTA analyzes data from recent years and develops forecasts that are built on actual expense trends. The CTA also researches market trends and consultants' studies that could impact fuel and healthcare expenses. All expenses match available revenues at the time of the budget, including system-generated and other revenues, as well as public funding.

Long-Range Planning

The CTA also develops a longer-range plan for the period beyond the current budget and two-year financial plan. This ten-year plan assesses the implications of current and proposed budgets, policy priorities and financial assumptions. Additionally, external economic studies, demographics and traffic patterns are used to estimate the future transit needs of the Chicago metropolitan area, as well as to establish the future system requirements of the CTA. Current infrastructure needs, as well as system growth needs, are developed, prioritized and incorporated into the long-term plan.

Capital Investment Planning

The CTA continuously maintains an inventory and assessment of the condition of all major capital assets. A detailed five-year capital program prioritizes the short-term capital needs that are necessary to bring the system to a state of good repair, as well as to maximize customer benefits in the regional transit system. A 20-year capital program condition and assessment report provides a broader list of the CTA's capital investment needs.

Revenue Policies

The principal operating revenues of the CTA are bus and rail passenger fares, which are established by the CTA's Board. The CTA also recognizes as revenue the rental fees received from concessionaires, the fees collected from advertisements on CTA property, and other miscellaneous operating revenues. A clear understanding of CTA revenue sources is essential to maintaining a balanced budget and for providing quality service to customers.

Revenue Diversification

The CTA's revenue diversification policy allows the agency to manage potential fluctuations in individual revenue streams. Organizational units are encouraged to submit additional revenue ideas for consideration. The CTA has embarked upon numerous alternative revenue enhancements, such as vending machines and ATMs on the system, wireless communications in the subway tunnels, digital communications, and parking under the elevated rights-of-way. Additionally, creative financing transactions have produced millions of dollars over the past few years. The CTA continues to find ways to enhance system advertising, charters and concession revenues, as well as revenue from investments.

Use of One-Time Revenues

Extraordinary revenues from the sale of surplus assets provide one-time benefits to the CTA. These additional revenues are used to fund non-recurring expense items.

Expenditure Policies

CTA expenditures include the costs of operating the mass transit system, administrative expenses, and depreciation on capital assets. Prudent expenditure planning, monitoring and accountability are key elements of fiscal stability.

Debt Capacity, Issuance and Management

These policies serve as a management tool to ensure that the CTA:

- may utilize leverage as part of its overall funding strategy to speed up investment in the system;
- utilizes debt in the most efficient and effective manner to fund operating and capital improvement programs; and
- makes full and timely repayment of all borrowings.

Moreover, the policy provides broad guidelines to ensure that the agency achieves the lowest possible cost of capital within prudent risk parameters, secures ongoing access to the capital markets, and authorizes the appropriate amount, type and structure of debt for various financing situations.

Expenditure Accountability

Each month, the CTA compares its operating and capital performance to budget. Any deviations from budget are reviewed and corrective measures are implemented by the appropriate organizational units. Each unit is responsible for maintaining budget compliance. Actual capital expenditures are also reviewed monthly and adjustments to capital projects spending are made accordingly.

(THIS PAGE INTENTIONALLY LEFT BLANK)

Economic Indicators

Overview

CTA ridership and revenue are influenced by whether residents have jobs and how much it costs to get to them. The local labor market and commuting costs are, in turn, influenced by national economic conditions. Meanwhile, long-term ridership and public funding trends can also provide context for economic conditions.

Locally and nationally, the employment situation has improved since the recession. The total number employed is higher and the unemployment rate is lower than a few years ago. However, these numbers are still far from where they were before the recession and the pace of job growth is slow. It may be years before employment fully recovers from recessionary losses.

Increasing commuter costs provide incentives to take mass transit. Gas prices have decreased slightly from the previous year, but remain high nonetheless. Locally, increases in downtown parking costs have also increased the relative value of public transportation.

The national economy has achieved modest growth in the last few years; market indicators suggest investors are becoming more concerned with growth than with immediate risk.

These factors' effects on ridership can be seen in year-to-date ridership calculations: with federal and local transit funding increasing, ridership has increased nationally and regionally as well. If this trend continues, ridership numbers may return to pre-recession values within the next two years.

Employment

The seasonally-adjusted non-farm employment in the Chicago metropolitan area recovered to a monthly average of 3,784,843 in August 2014 since reaching a low point of 3,607,825 in 2010. However, the payroll is still well below the peak of 3,872,358 in 2007.

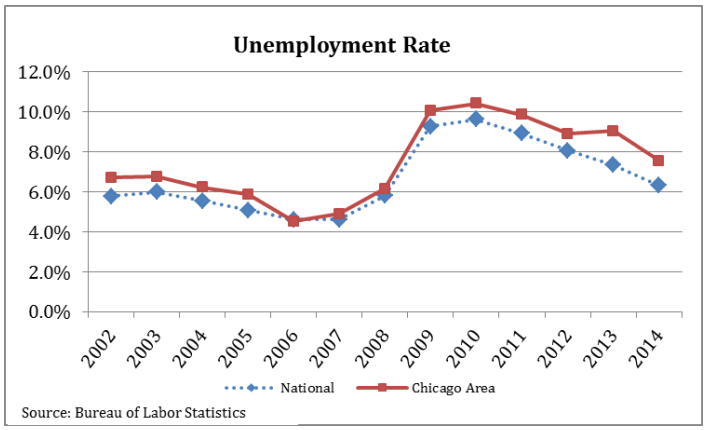
The 0.4 percent increase in payroll in the Chicago area from 2013 to 2014 year-to-date is outpaced by the national 1.7 percent increase during the same time period. However we are seeing steady improvement since the lows point in 2009 with a -5.2 percent decrease.

Total Non-Farm Employment 2002-2014 (in Thousands)
(2014 is year-to-date monthly average, seasonally adjusted)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
National	130,341	129,996	131,732	133,997	136,403	137,935	137,170	131,220	130,272	131,849	133,705	135,882	138,257
% Change		-0.3%	1.3%	1.7%	1.8%	1.1%	-0.6%	-4.3%	-0.7%	1.2%	1.4%	1.6%	1.7%
Chicago Area	3,799	3,756	3,755	3,791	3,844	3,872	3,845	3,645	3,608	3,656	3,713	3,770	3,785
% Change		-1.1%	0.0%	1.0%	1.4%	0.7%	-0.7%	-5.2%	-1.0%	1.3%	1.6%	1.5%	0.4%

Economic Indicators

Unemployment Rate

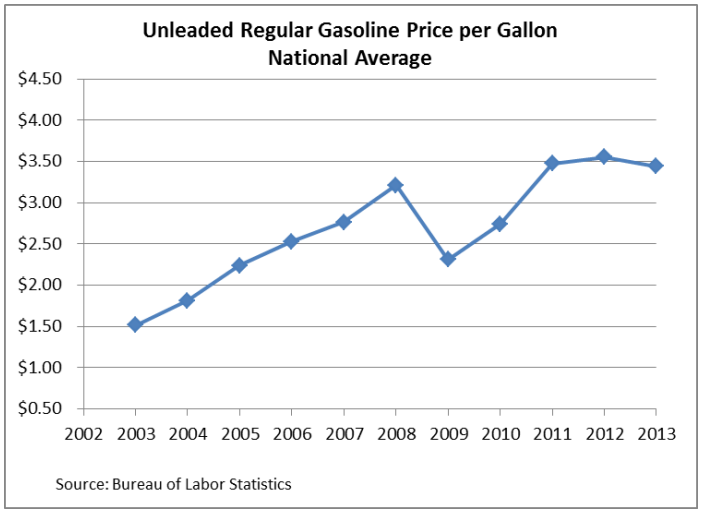


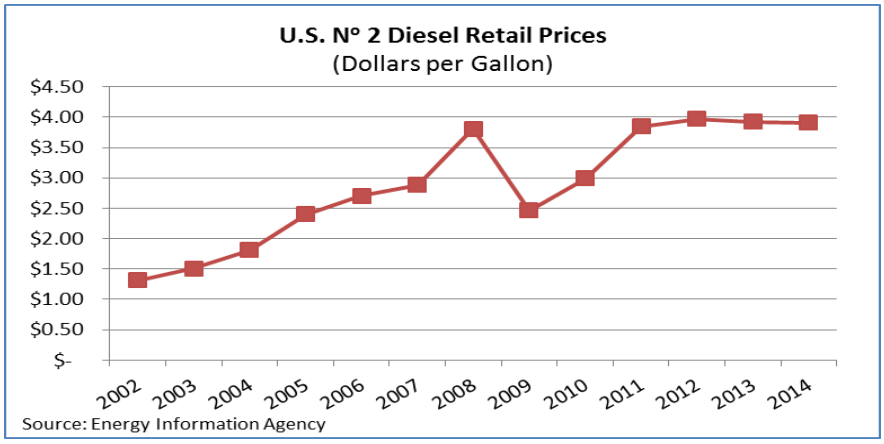
The Chicago metropolitan area seasonally-adjusted unemployment rate averaged 7.6 percent through August 2014, the lowest rate since 2008. This compares to a 6.3 percent national average which is also the lowest rate since 2008. This represents a better than one percent decrease in unemployment for both the Chicago area and national rate vs 2013.

Fuel Prices

Nationally, consumer gas prices have continued to fluctuate in 2014. Prices during this period have ranged from a low of $3.24 in January to a high of $3.64 in June.

The average price for Unleaded Regular Gasoline in 2014 through September is $3.46 per gallon.



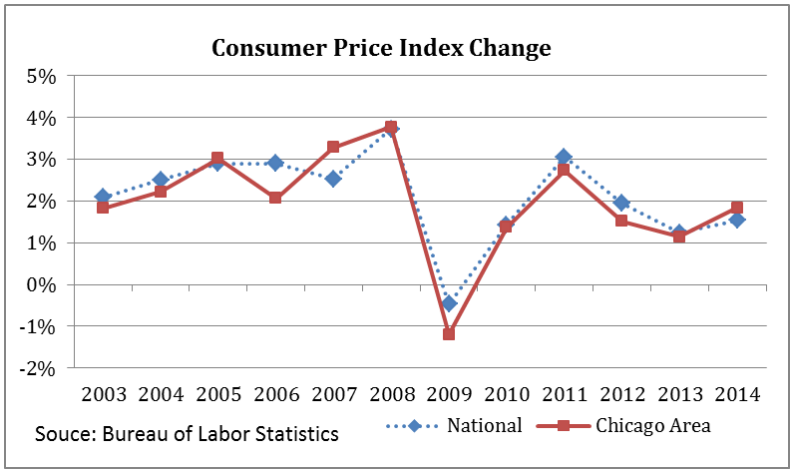


Diesel fuel prices showed a similar pattern, with the monthly average falling from a 2014 peak of $4.00 in March 2014 down to $3.79 per gallon by September 2014, for a year-to-date average of $3.91 per gallon.

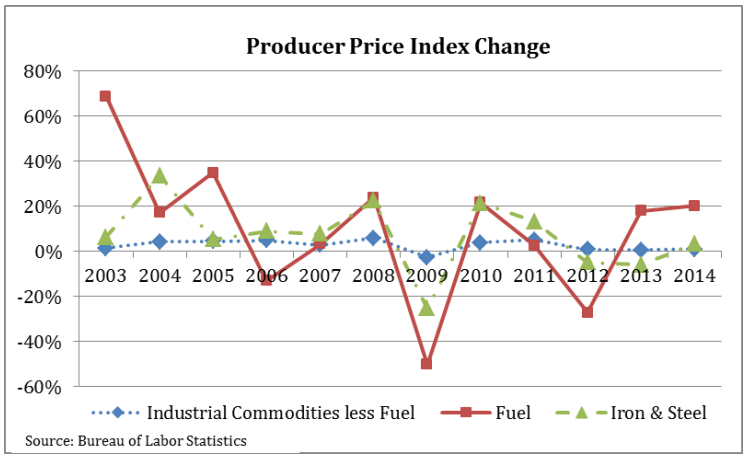
Economic Indicators

Consumer Price Index (CPI)

The CPI measures the average change over time in the prices paid by urban consumers for a fixed set of consumer goods and services. An increase in the index, such as the one experienced in 2014 to date, means consumers have to pay more in dollars to buy the same goods and services. The CPI increased by 1.84 percent in the Chicago area and by 1.53 percent nationally, up from the 1.14 percent and 1.24 percent increases seen in 2013, respectively.



Producer Price Index (PPI)

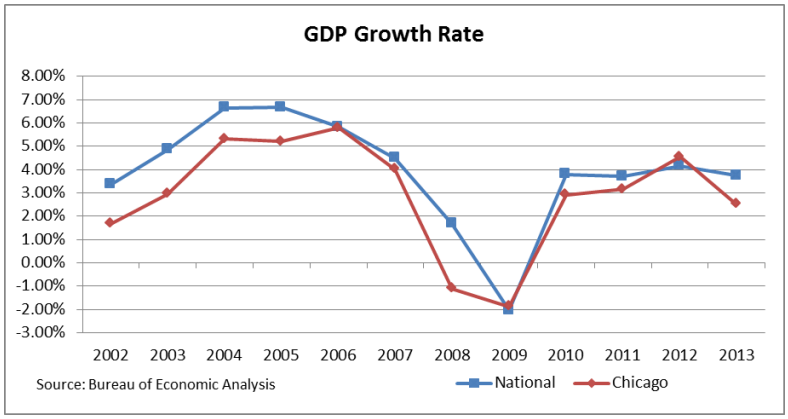


The PPI measures average changes in prices received by domestic producers for their output. Three commodity categories are selected for trend illustration: industrial commodities (less fuel), fuel, and iron and steel. While industrial commodities less fuel experienced little change in PPI (up 1.0 percent from 2013), the fuel PPI increased drastically, by 20.2 percent, from 2013, and iron and steel saw a 3.2 percent increase in the index.

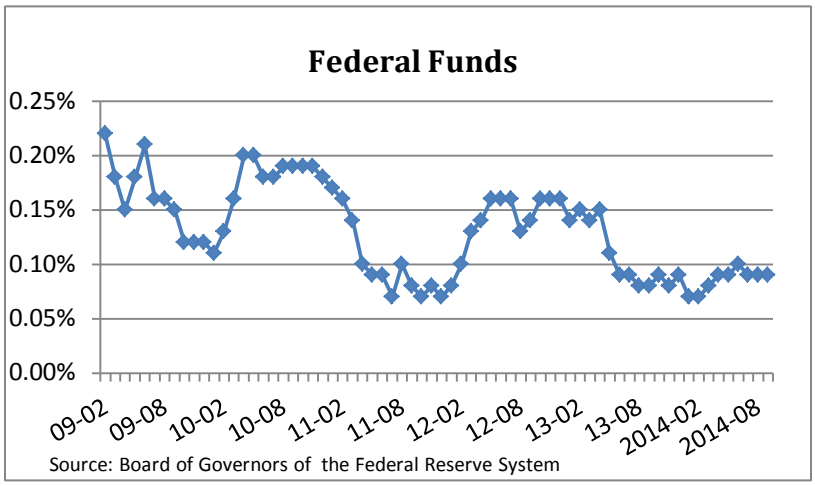
Gross Domestic Product

National GDP grew by 3.74 percent in 2013 however it is slightly lower than the 4.16 percent increase in 2012.

Similarly the latest data for Chicago's GDP shows a 2.50 percent increase in 2013 while lower than the 4.54 percent increase in 2012.



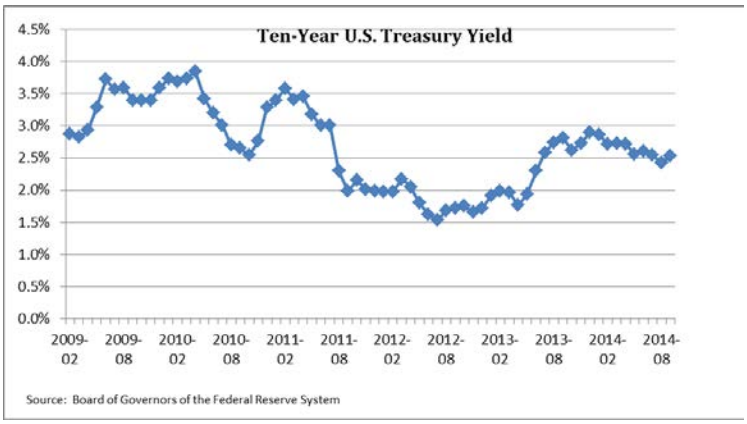
Federal Funds Rate (FFR)



The FFR is the interest rate at which banks lend balances at the Federal Reserve to other depository institutions. The rate was 0.10 percent in June, the highest since June 2013. Since May 2013, the rate has stayed between 0.07 percent and 0.1 percent throughout 2014. The Federal Reserve anticipates that low growth economic conditions will continue to warrant these historically low FFR levels throughout 2014.

Ten-Year U.S. Treasury Yield

The ten-year Treasury note is the most frequently-quoted security for analysis of the US government bond market's performance, used to convey the market's perspective on longer-term, macroeconomic expectations. Yields have remained steady in 2014 through August, ranging from the year high of 2.86 in January to the low of 2.42 in August. This indicates that investors are beginning to regain confidence in the market and become more concerned with the potential for higher returns than preserving their capital in "safe" investments.

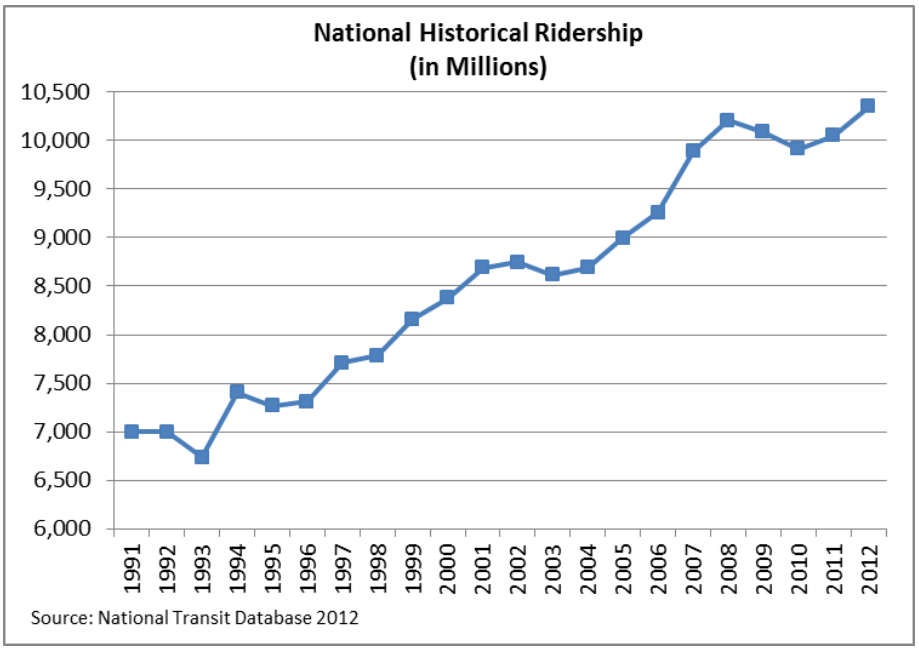


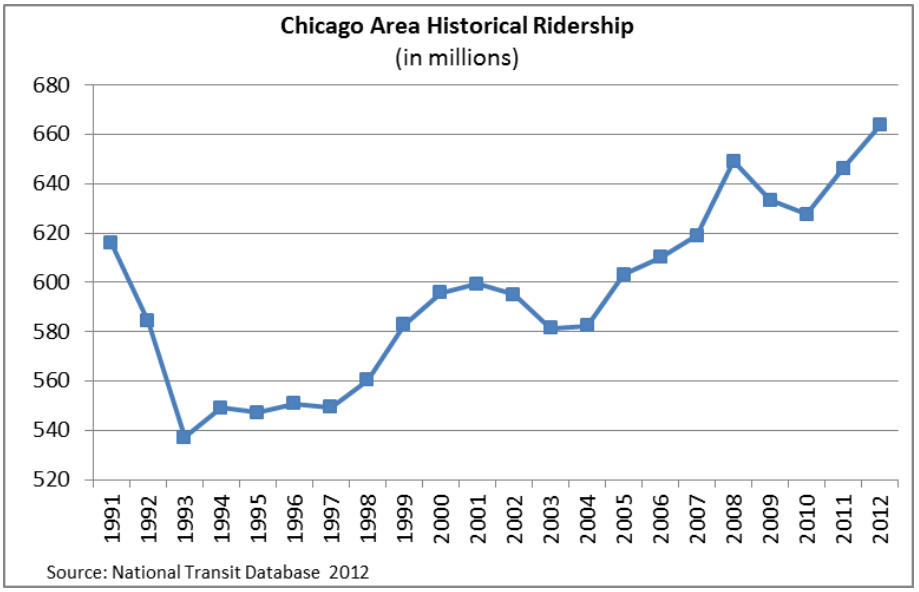
Historical Ridership and Public Funding

Ridership has been increasing nationally overall over the last 20 years, with dips associated with recessions in the early 1990s, the early 2000s and in 2009-2010. National ridership increased by 2.6 percent from 2011 to 2012, with over 10.3 billion trips serviced.

Economic Indicators

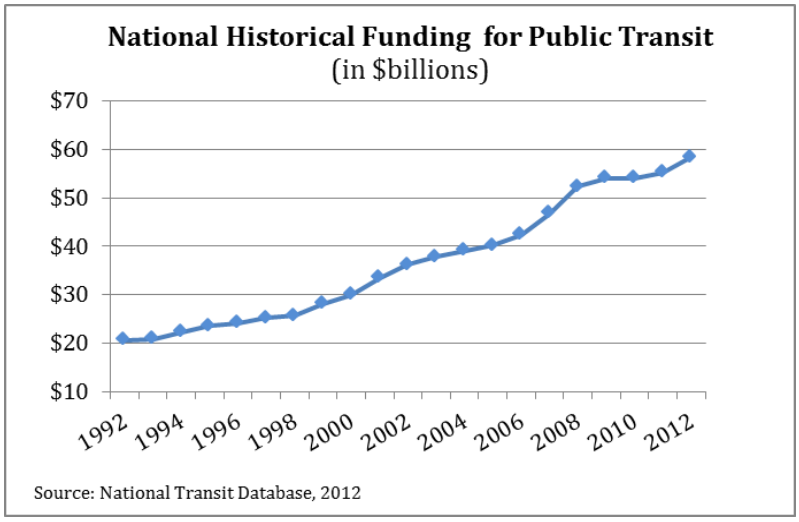
In the Chicago metropolitan area, ridership dropped off significantly in the early 1990s and took about 20 years to recover. It peaked in 2008, but has receded slightly since then. Ridership jumped by 2.7percent in 2012, to a total of 664 million riders.

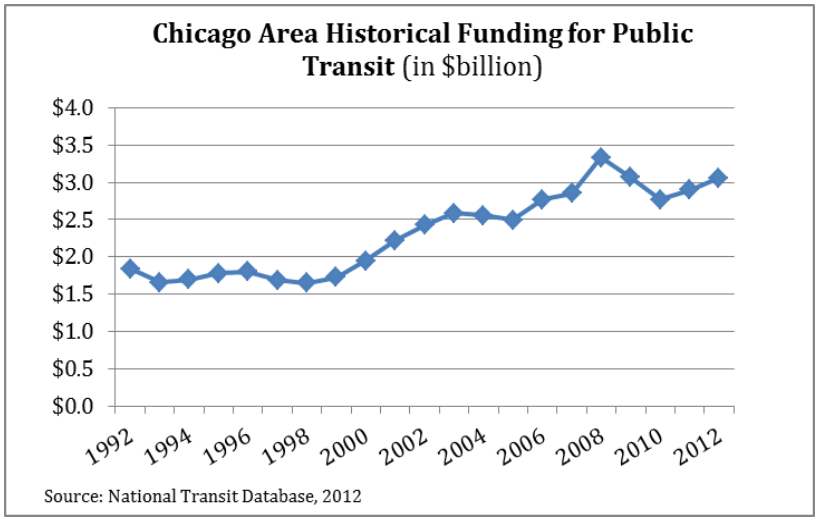




Economic Indicators

National funding for mass transit has increased steadily over time, reaching an all-time high of $58.4 billion in 2012; this represents a 5.9 percent increase over the prior year. Locally, public funding reached a high of $3.3 billion in 2008, but has declined in past years and is currently at 3.1 billion in 2012. This represents a 5.6 percent increase in funding from 2011.

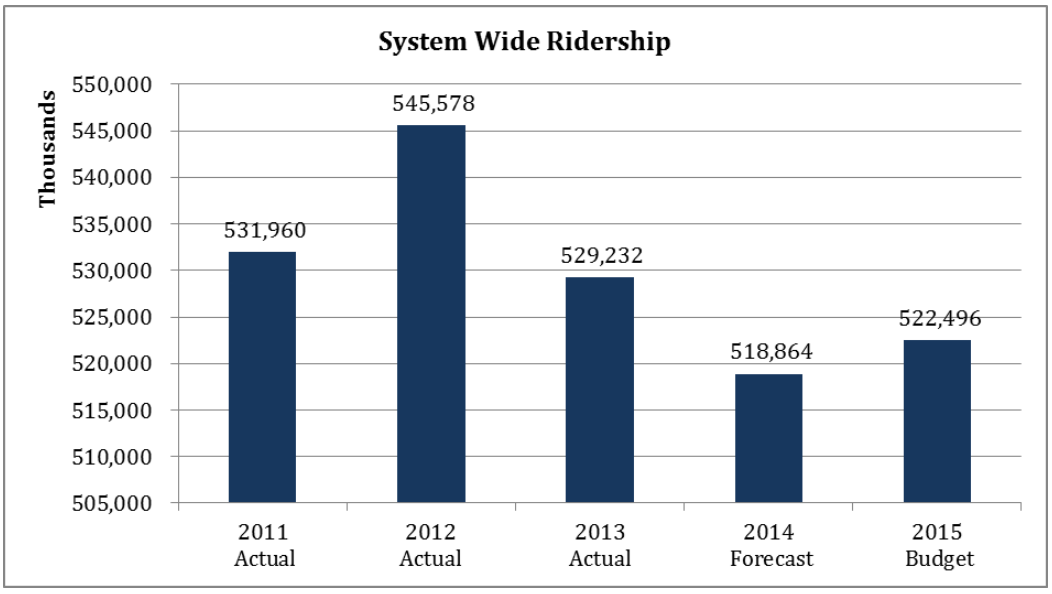




CTA FY15 Budget

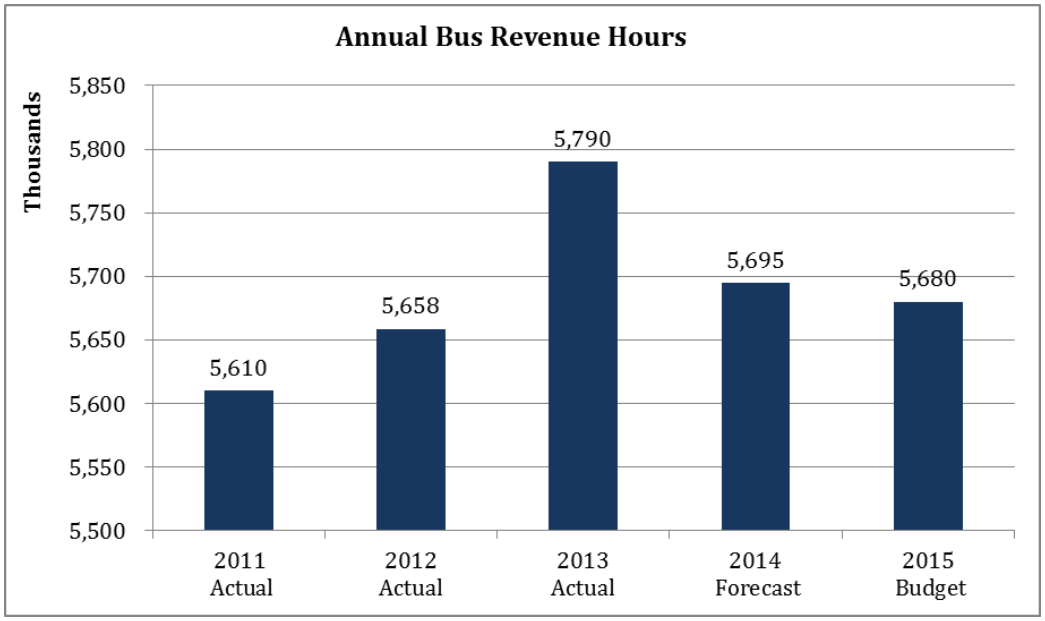
Operating Statistics - System

Characteristics	2011 Actual	2012 Actual	2013 Actual	2014 Forecast	2015 Budget
Ridership					
Avg. Daily Weekday	1,688,245	1,725,614	1,683,492	1,646,088	1,651,135
Avg. Daily Saturday	1,087,653	1,119,953	1,069,230	999,286	1,006,262
Avg. Daily Sunday	771,137	801,840	764,515	791,410	812,597
System Wide Ridership	531,960,253	545,577,917	529,232,404	518,864,223	522,496,273
Expense					
Top Operator Rate	$29.65	$30.32	$30.77	$31.50	$32.32
Capital Expenditures	$426,437,007	$489,526,914	$1,047,671,240	$783,466,070	$802,000,000
Revenue					
Avg. Fare per Trip	$0.99	$1.01	$1.08	$1.13	$1.13
Public Funding per Trip	$1.32	$1.18	$1.32	$1.37	$1.42



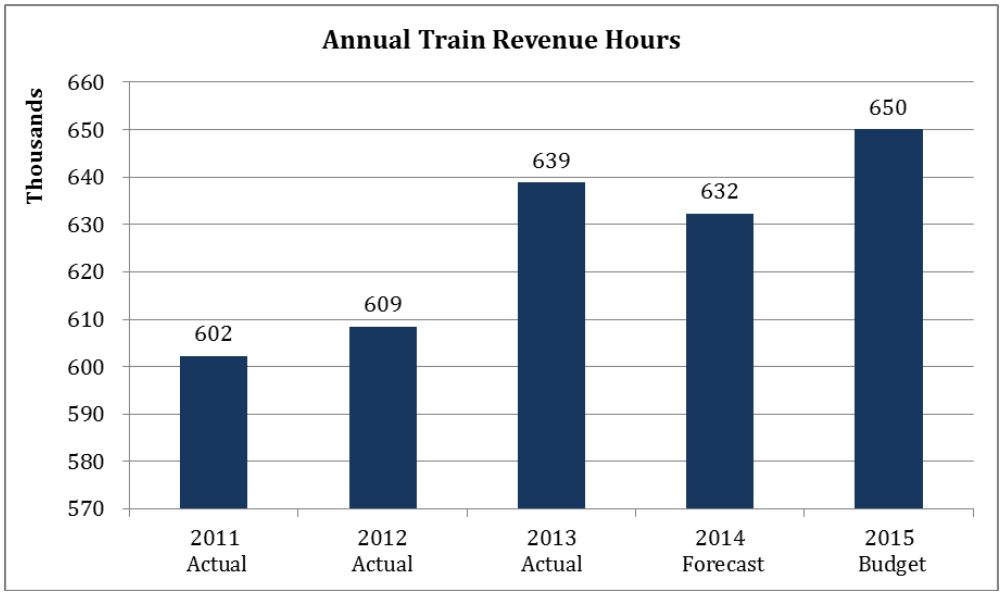
Operating Statistics – Bus

Characteristics	2011 Actual	2012 Actual	2013 Actual	2014 Forecast	2015 Budget
Expense					
Scheduled Transportation Expense	$357,290,339	$366,978,017	$367,575,334	$375,332,008	$378,677,844
Garage Maintenance Expense	$141,772,849	$143,098,232	$144,752,363	$146,215,432	$149,964,528
Support Expense	$21,771,738	$20,666,076	$21,768,715	$19,139,511	$21,424,406
Heavy Maintenance Expense	$39,062,071	$39,326,786	$41,816,963	$45,810,802	$42,952,985
Other Expenses	$27,877,208	$25,567,956	$26,158,792	$29,601,427	$34,664,969
Total Operating Expense	**$587,774,205**	**$595,637,067**	**$602,072,167**	**$616,099,180**	**$627,684,732**
Fuel Expense	$57,272,807	$62,908,135	$61,835,960	$56,926,619	$55,396,187
Miles					
Annual Vehicle Revenue Miles	52,084,841	52,427,711	53,446,534	52,506,736	52,370,218
Trips					
Annual Unlinked Trips	310,373,063	314,423,578	300,116,357	283,981,821	285,117,749
Vehicles					
Annual Vehicle Revenue Hours	5,609,913	5,658,426	5,790,071	5,694,802	5,679,995
Vehicles Operated in Maximum	1,527	1,777	1,877	1,629	1,629
Vehicles Owned by CTA	1,782	2,003	2,117	1,867	1,885
Average Age of Vehicles	5.3	6.3	7.1	7.1	6.5



Operating Statistics – Heavy Rail

Characteristics	2011 Actual	2012 Actual	2013 Actual	2014 Forecast	2015 Budget
Expense					
Scheduled Transportation Expense	$121,140,268	$127,618,731	$141,666,655	$147,052,759	$151,203,777
Terminal Maintenance Expense	$46,768,940	$45,972,131	$44,694,310	$47,196,605	$43,366,950
Support Expense	$32,238,282	$30,406,716	$35,571,091	$35,499,683	$43,138,360
Heavy Maintenance Expense	$24,390,753	$23,162,417	$22,733,173	$18,868,496	$21,261,005
Rail Car Appearance Expense	$10,723,004	$11,572,621	$11,822,901	$12,912,636	$13,993,738
Other Expenses	$6,995,116	$7,498,464	$7,287,106	$8,193,943	$10,289,578
Total Operating Expense	**$242,256,364**	**$246,231,081**	**$263,775,237**	**$269,724,123**	**$283,253,409**
Power Expense	$28,098,778	$25,020,026	$26,173,990	$33,430,610	$29,735,890
Miles					
Annual Rail Car Revenue Miles	64,248,735	65,222,890	69,046,006	70,168,885	72,133,614
Trips					
Annual Unlinked Trips	221,587,190	231,154,339	229,116,047	234,882,402	237,378,524
Vehicles					
Annual Train Revenue Hours	602,315	608,516	638,825	632,356	650,062
Vehicles Operated in Maximum	980	980	1,319	1,365	1,327
Vehicles Owned by CTA	1,200	1,240	1,351	1,400	1,400
Average Age of Vehicles	27	25	22	18	18



(THIS PAGE INTENTIONALLY LEFT BLANK)

Performance Management at the CTA

The CTA's performance management process is designed to improve efficiency, promote accountability, and enhance the experience of our customers. Performance management is a systematic process at the CTA involving all departments and employees in the accomplishment of the agency's goals. While some departments have more direct contact with the public than others, the CTA recognizes that all departments are interconnected, and that individual performance affects the organization's ability to meet its goals.

Performance management allows the CTA to focus its limited resources to fulfill its mission to provide transit service. Performance Management segments its goals into the following areas:

Safe	The CTA will reduce the number of accidents involving customers, employees, and the general public.
On-Time	The CTA will reduce system delays and successfully manage intervals between its vehicles to provide predictable and reliable service for customers. Construction and other projects will be completed within the allocated budget and time frame to minimize impacts to consumers.
Clean	The CTA will maintain and strive to improve the cleanliness standard for all vehicles, stations, and work areas to provide a safe and comfortable atmosphere for riders.
Courteous	The CTA will maintain the highest standards of customer service through timely, reliable, and clear communication with customers, considerate employees, and efficient operational practices.
Efficient	The CTA will responsibly and effectively manage resources to boost performance and provide safe, reliable, and affordable transit for customers.

Each department throughout the agency is responsible for focusing its resources to meet these goals. Performance management establishes a level of accountability necessary throughout the organization by requiring that all departments establish results-oriented measures—both financial and non-financial—that are aligned with these goals. Results are continually monitored throughout the year and based on these results, resources and programs are adjusted to enhance outcomes where necessary and possible.

Performance Management

	CTA Monthly Performance	2014 Monthly Target	2013 Monthly Average	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014
RIDERSHIP	Total Ridership (in millions)	44.5	44.1	38.0	39.6	44.7	44.3	44.9	42.6	43.4
	Rail Ridership (in millions)	20.0	19.0	17.5	17.8	20.1	20.4	20.3	20.2	20.8
	Bus Ridership (in millions)	24.5	25.0	20.5	21.8	24.6	23.9	24.6	22.4	22.6
	Total (Year to Date, in millions)	308.0	44.1	38.0	77.6	122.3	166.5	211.4	254.0	297.4
	% Change Over Prior Year (Year to Date)	0.3%	-2.5%	-10.7%	-6.9%	-4.1%	-3.5%	-3.4%	-3.4%	-3.4%
ON-TIME	Rail Delays of 10 Minutes or More	78	82	81	70	67	41	57	71	65
	% of Slow Zone Mileage	N/A	13.5%	11.2%	11.4%	11.8%	11.8%	13.1%	12.6%	9.7%
	% of Big Gap Intervals, Bus	4.0%	4.6%	4.8%	5.5%	5.0%	4.2%	5.3%	5.2%	4.7%
	% of Bunched Intervals, Bus	3.0%	3.1%	3.2%	3.9%	3.2%	2.6%	3.6%	3.2%	2.9%
EFFICIENT	Mean Miles Between Reported Rail Vehicle Defects	3,950	4,960	3,159	4,601	5,785	6,604	6,730	6,064	6,979
	Miles Between Reported Bus Service Disruptions Due to Equipment	5,000	5,564	6,675	6,357	6,410	6,979	6,976	6,214	6,462
	Average Daily Percent of Bus Fleet Unavailable for Service	12.6%	12.2%	14.3%	13.9%	12.6%	12.6%	12.3%	13.6%	13.3%
	Average Daily Percent of Rail Fleet Unavailable for Service	11.0%	9.1%	13.1%	12.7%	10.6%	9.1%	9.4%	11.2%	11.0%
SAFE	Bus NTD Security-Related Incidents per 100,000 miles	N/A	0.15	0.21	0.10	0.23	0.26	0.23	0.26	0.11
	Rail NTD Security-Related Incidents per 100,000 miles	N/A	0.09	0.07	0.13	0.15	0.09	0.20	0.02	0.17
	Bus NTD Safety-Related Incidents per 100,000 Miles	N/A	0.48	0.43	0.45	0.44	0.53	0.44	0.31	0.48
	Rail NTD Safety-Related Incidents per 100,000 Miles	N/A	0.04	0.10	0.07	0.05	0.02	0.00	0.09	0.03
CLEAN	Average Interior Rail Clean Inspection Score	90.0%	98.1%	97.8%	95.0%	94.0%	93.6%	94.2%	88.1%	88.6%
	Average Interior Bus Clean Inspection Score	85.0%	81.8%	80.4%	81.2%	75.5%	81.5%	81.7%	82.7%	84.9%
COURTEOUS	% of Customer Complaints Not Closed Out Within 14 Days	3%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	CTA Customer Service Hotline Average Wait-time (†)	0:02:00	0:01:53	0:00:13	0:00:09	0:00:09	0:00:10	0:00:15	0:00:12	0:00:16
	Reported Ramp Defects (Service Disruptions)	N/A	73	231	220	156	85	95	93	88
	% Buses with Defective AVAS	2.0%	1.2%	1.7%	1.3%	1.2%	1.1%	1.0%	1.2%	1.2%
	Reported ADA Complaints	N/A	46	27	35	55	47	75	53	80

Legend

Meeting or exceeding target:
Within 10% of target:
Missing target by more than 10%:
Measure does not have a target:

Definitions of CTA Monthly Performance Metrics

	CTA Monthly Performance Metrics	Definition
RIDERSHIP	**Total Ridership (monthly, in millions)**	Number of rides registered on the bus and rail systems.
	Rail Ridership (monthly, in millions)	Number of rides registered on the rail system.
	Bus Ridership (monthly, in millions)	Number of rides registered on the bus system.
	Total (Year to Date, in millions)	Number of rides registered on the bus and rail systems, year to date.
	% Change Over Prior Year (Year to Date)	Number of rides registered on the bus and rail systems, year to date (including rail-to-rail transfers) divided by the number of rides registered on the bus and rail systems previous year, year to date.
ON-TIME	**Rail Delays of Ten Minutes or More**	Rail delays of ten minutes or more reported to the Control Center by an Operator, a Controller, or a Supervisor.
	% of Slow Zone Mileage	Miles of revenue track that have slow zones. Slow zones range from 6 mph to 35 mph.
	% of Big Gap Intervals, Bus	Number of bus intervals (time between two buses at a bus stop) that are double the scheduled interval and greater than 15 minutes, divided by the total number of weekday bus intervals traveled during the month.
	% of Bunched Intervals, Bus	Number of bus intervals (time between two buses at a bus stop) that are 60 seconds or less divided by the total number of weekday bus intervals traveled during the month.

	CTA Monthly Performance Metrics	Definition
EFFICIENT	**Mean Miles Between Reported Rail Vehicle Defects**	Miles traveled during the month divided by the number of reported defects for the month.
EFFICIENT	**Miles Between Reported Bus Service Disruptions Due to Equipment**	Miles traveled during the month divided by number of reported service disruptions due to equipment for the month.
EFFICIENT	**Average Daily Percent of Bus Fleet Unavailable for Service**	Daily average number of buses unavailable for service for any reason divided by the total number of buses in the fleet.
EFFICIENT	**Average Daily Percent of Rail Fleet Unavailable for Service**	Daily average number of rail cars unavailable for service for any reason divided by the total number of rail cars in the fleet.
SAFE	**Bus NTD Security-Related Incidents per 100,000 miles**	Number of occurrences of bomb threats, robbery, larceny, burglary or arrests/citations for fare evasion, trespassing, vandalism and assault on the bus system divided by traveled miles divided by 100,000.
SAFE	**Rail NTD Security-Related Incidents per 100,000 miles**	Number of occurrences of bomb threats, robbery, larceny, burglary or arrests/citations for fare evasion, trespassing, vandalism, and assault on the rail system divided by traveled miles divided by 100,000.
SAFE	**Bus NTD Safety-Related Incidents per 100,000 Miles**	Any event where one or more of the following occurs on the bus system: Individual dies at the time or within 30 days of the event; one or more persons suffer bodily damage as a result of the event requiring immediate medical attention away from the scene; property damage in excess of $25,000.
SAFE	**Rail NTD Safety-Related Incidents per 100,000 Miles**	Any event where one or more of the following occurs on the rail system: Individual dies either at the time or within 30 days of the event; one or more persons suffer bodily damage as a result of the event requiring immediate medical attention away from the scene; property damage in excess of $25,000.

Performance Management

	CTA Monthly Performance Metrics	Definition
CLEAN	**Average Days Between Completed Rail Detail Cleans**	Two-month, rolling average number of days between detail cleans on rail cars for those rail cars which were cleaned at least twice during the two month period.
CLEAN	**Average Days Between Completed Bus Detail Cleans**	Three-month, rolling average number of days between detail cleans on buses for those buses which were cleaned at least twice during the three month period.
COURTEOUS	**% of Customer Complaints Not Closed Out Within 14 Days**	Number of open and overdue complaints (complaints not closed out by a department within 14 days) as of the last day of the month divided by the total number of complaints received during that month.
COURTEOUS	**CTA Customer Service Hotline Average Wait-time**	Average number of minutes a customer waits on the CTA hotline before his/her call is answered.
COURTEOUS	**Reported Lift Defects (Service Disruptions)**	Number of reported lift defects that resulted in a disruption of service.
COURTEOUS	**Reported Ramp Defects (Service Disruptions)**	Number of reported ramp defects that resulted in a disruption of service.
COURTEOUS	**% Buses with Defective AVAS**	The percent of buses experiencing navigation issues (not calling out stops for at least part of the day), broken operator log on screens, odometers reporting zero distance and Bus Link issues, meaning no data will be received from the bus. This does not measure defective destination signs.
COURTEOUS	**% Functional Destination Signs**	The percent of buses, audited by Bus Quality Control (QC), with defective destination signs.
COURTEOUS	**Reported ADA Complaints**	Number of reported complaints to Customer Service identified as ADA-related.

Department Overviews and Facts

Service Area & Population

- 234 square miles of Chicago and 35 nearby suburbs.
- The service area has 3.53 million people.

Ridership

- Over 519 million trips projected for 2014.
- Approximately 1.6 million trips per weekday.

Operations Departments

Bus Operations and Maintenance

- On average, provides 867,971 rides per weekday.
- Maintains reliable service with over 4,024 bus operators driving 1,816 buses traveling 179,030 miles each weekday over 128 routes serving 11,051 bus stops. The fleet will grow by 100 buses in 2014 to reach a total of 1,916.
- Manages seven Bus Garages and one Heavy Maintenance Shop.
- In the fall of 2014, the average age of the fleet was 7.9 years old.

Rail Operations and Maintenance

- On average, provides 744,558 rides per weekday.
- Maintains reliable service with approximately 1,081 rail operators and 1,390 rail cars traveling 221,733 miles each weekday over eight routes with 145 stations.
- Manages 9 Rail Terminals and one Heavy Maintenance Shop.
- In summer of 2014, the average age of the fleet was 17.95 years old.

Facilities Engineering

Facilities Engineering

- Complete life safety requirements per applicable codes to systems requiring mandated testing, maintenance and inspections.
- Clean and maintain more than 210 locations, including 145 rail stations, 9 terminals, 7 bus garages, 12 rail yards, as well as 224.1 miles of the rail rights-of-way.
- Completed 40,648 work orders in 2013 for the CTA platforms, terminals, garages, buildings and rights-of-way.
- Provide real estate management services to protect and maintain the value and integrity of all CTA properties.

Infrastructure

Power & Way Maintenance

- Inspects and maintains 224.1 miles of revenue track at least every seven days, 86.2 miles of elevated structure once every two years, and the full length of contact rail ("third rail") two times per year.
- Inspects and maintains 813 signals, 1,064 rail track switches, 1,835 track circuits and 24,000 vital signal relays.
- Responsible for all power substations, including maintaining all traction and contact rail power distribution including 600 miles of traction power cable.

Construction

- Responsible for ensuring that major capital construction projects related to CTA track, structure, power, signal, rail stations, and rail and bus maintenance facilities are delivered on time, on budget, and conform with all applicable standards, regulations and requirements.
- Responsible for overseeing and integrating program management and construction management services to assist in the monitoring and controlling of multiple capital construction projects.
- Responsible for developing uniform procedures and processes that assist in the design, construction and administration of the capital program.

Engineering

- Responsible for providing technical support to Facilities and Power & Way Maintenance.
- Responsible for developing and maintaining the technical standards for track, structure, power, signal, rail stations and other transit support facilities.
- Responsible for maintaining the engineering records and "as built" drawings.
- Responsible for CTA utilities, including traction power, water and gas at CTA locations.
- Responsible for supporting the capital program and providing capital design project management as needed.
- Responsible for preparing design packages for CTA construction projects including projects constructed by CTA forces, JOC Contractors and General Contractors.
- Responsible for representing CTA on all engineering issues associated with work performed by other agencies or private entities that may impact CTA's infrastructure or operations.
- Responsible for ensuring that quality processes are developed and followed for all construction, maintenance and procurement activities.

Administration Operations Support

Purchasing & Supply Chain

- Purchasing processes over 1,000 contracts covering hundreds of millions of dollars in annual expenditure to secure the best prices and ensure the most responsible use of CTA funds, as well as adherence to all funding agencies' regulations.

- Supply Chain Operations is responsible for the efficient stocking, managing, and distribution of material and supplies to all CTA maintenance facilities and stock rooms throughout the service network.

Technology

- Maintains and upgrades all CTA technology infrastructure including computer hardware, application software and communications equipment.
- Responsible for all communication system infrastructure.

Communications

- Customer Service provides a number of services including intake, analysis and routing of customer concerns, customer refunds, travel information, maps and brochures, and support for onsite public forums.
- Compiles customer feedback that is obtained via an inbound call center at 1-888-YOUR-CTA, the primary customer service e-mail address (feedback@transitchicago.com), the website (www.transitchicago.com), and through U.S. mail. Call volume averages 500 calls daily, and the Customer Feedback Programs group responds to an average of 200 e-mails daily.

2014 Performance by Department

Bus Operations

Bus Operations provides over 300 million rides per year, or over 57 percent of all rides taken on the CTA system. Customers rely on the CTA's buses daily for commuting to and from work, as well as for errands and recreational trips. The CTA recognizes that customers value frequent, on-time service.

To ensure that customers can depend on buses running on-time, Bus Operations continually monitors the reliability of service. One measure which is tracked regularly is the amount of "big gaps" experienced by CTA customers each day. A "big gap" is defined as an instance when the interval in between buses is 15 minutes and two times the scheduled interval.

Bus Operations hosts weekly and monthly discussion sessions with bus operators regarding service reliability and also works with Bus Service Management (BSM) to coordinate service. In addition, BSM leverages technology such as Bus Tracker and Real Time Bus Management (RTBM) to monitor the routes and make real-time adjustments to service.

In 2014, Bus Operations maintained a big gaps average of 5.3 percent, which is above the 2014 target of 4 percent or less. The department is continuously examining new approaches to improve this number in order to reach the target by the end of the year.

Bus Operations Performance Measures	2014 Target	2014 Current Performance (Jan-Jul)	Service Level with Proposed Budget
% of Big Gap Intervals	4.0%	5.3%	4.0%
% Intervals Bunched	3.0%	3.2%	3.0%

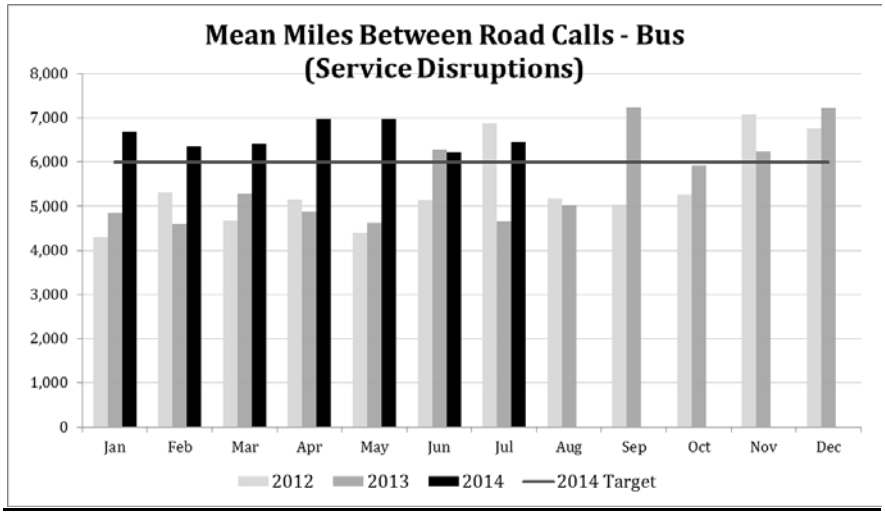
Bus Maintenance

The safety and reliability of buses is paramount. Bus Maintenance is responsible for the maintenance of the CTA bus fleet composed of 1,816 buses. This includes both mechanical maintenance and regular cleaning of bus interiors and exteriors.

In 2014 Bus Maintenance changed the reporting method and target of Mean Miles between Defects (MMBD) to include all defects (BO) and service disruptions (RC) reported by the Control Center. As part of the performance management process, Bus Maintenance set a goal of providing a fleet reliability of 3,000 miles between defects in 2014. A defect is classified as any failure that requires the bus to be inspected or repaired by a bus mechanic outside of its normal inspection cycle.

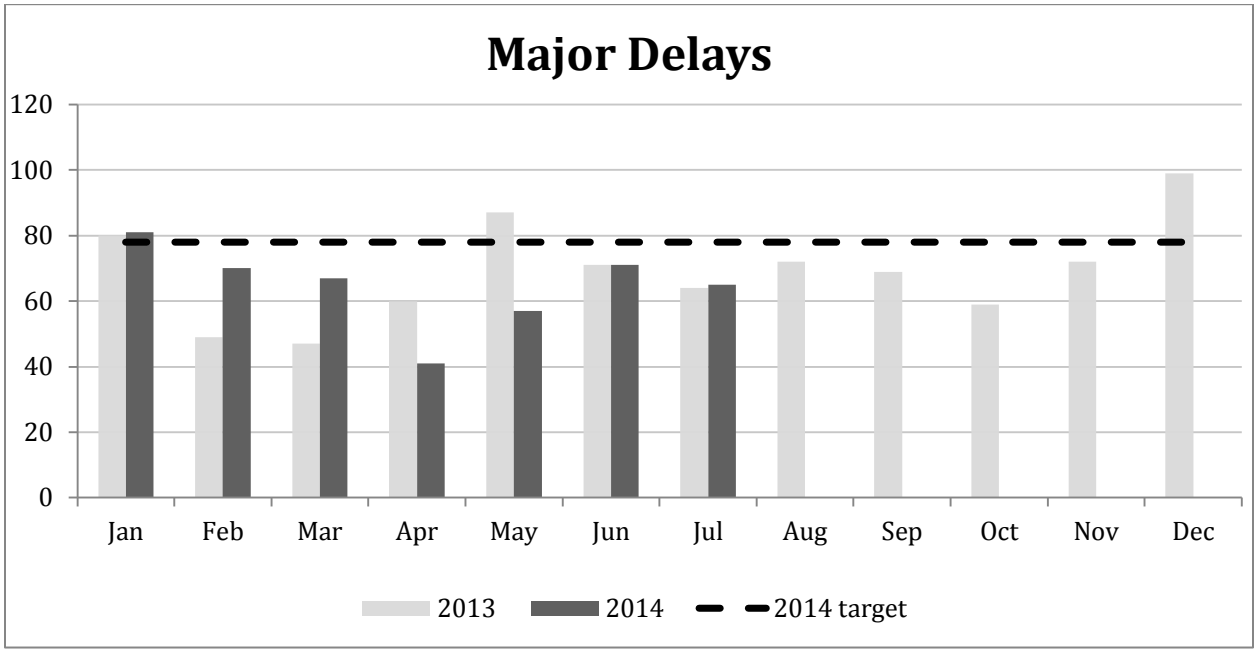
Bus Maintenance Performance Measures	2014 Target	2014 Current Performance (Jan-Jul)	Service Level with Proposed Budget
Mean Miles between Defects	3,000	2,199	3,000
Bus Interior Clean Quality Inspection Score	85%	81.1%	85%

In 2014, the CTA decided to track both Mean Miles between Defects as well as Mean Miles between Road Calls (MMBRC - service disruptions). The target for MMBRC was increased to 6,000 miles between Road Calls (service disruptions), over double the performance from five years earlier. In early 2009, the bus fleet was running an average of approximately 2,500 miles between service disruptions. The target has been increased each year since that time. In 2012, Bus Maintenance increased their target to 4,500 miles, and again in 2013, the target was 5,000 miles between service disruptions.



Rail Operations

Rail customers expect the CTA's trains to provide frequent, fast, reliable service. In order to constantly improve the rail customer's experience, Rail Operations continues to focus on reducing major delays (delays to service that exceed ten minutes) as a top priority.

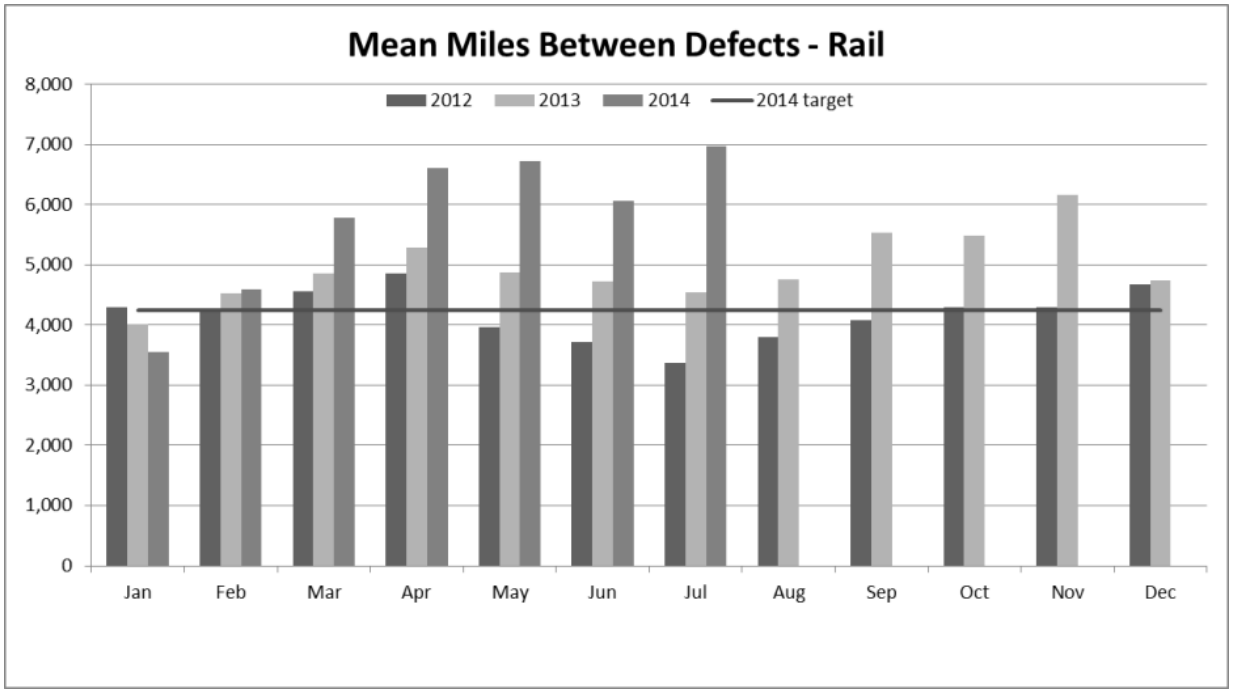


The target in 2014 was 78 or fewer major delays per month. The average number of monthly delays through July 2014 is 65 or 16.7 percent under the target. In 2013, the average number of major delays was 82 or 5.1 percent over the target. Average monthly delays for 2012, at 105, were 34.6 percent higher than the target. The influx of new 5000 Series cars on the Pink, Green, and Red Lines, as well as an increase in various rehabilitative construction and maintenance projects, aided in decreasing major delays.

In April 2013, the CTA began tracking the number of incidents more transparently by filtering out those not directly under its control (such as sick passengers, bridge lifts and police investigations). By measuring only incidents that are under the control of the CTA, this Major Delay metric allows the agency to better track and create accountability for resolving issues.

Rail Maintenance

Rail Maintenance is responsible for maintaining the safe mechanical functioning of CTA trains, as well as for regular cleaning and heavy maintenance repairs or rebuilds of train systems. A well-maintained, clean train minimizes delays and provides a safe and comfortable environment for passengers.



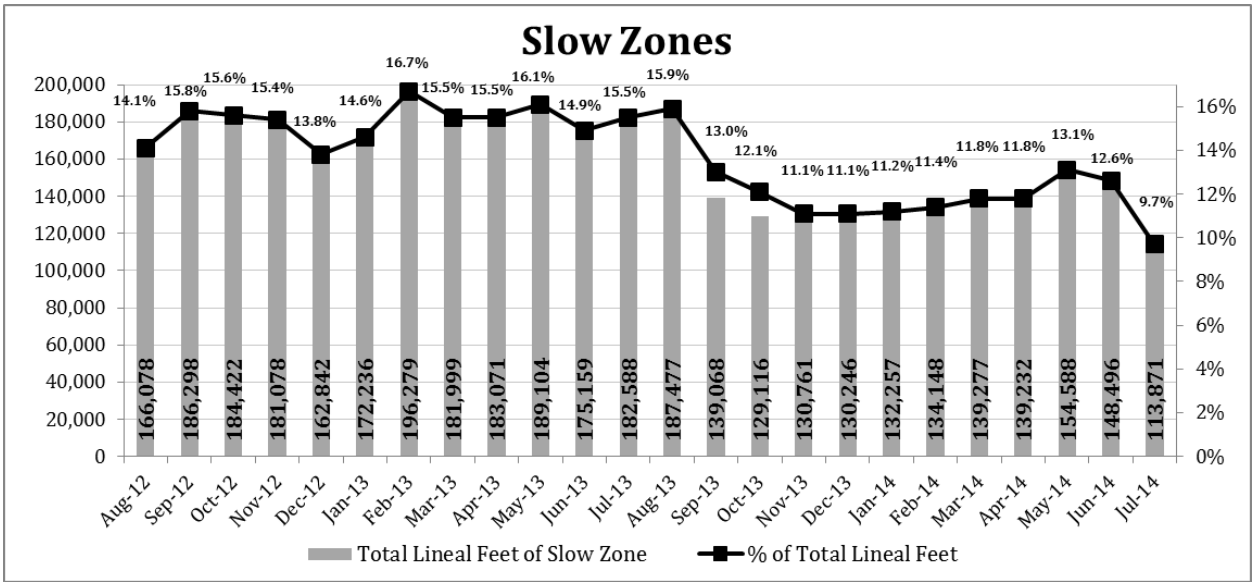
Rail Maintenance continues to focus on improving the mean miles between vehicle defects (or the average miles a train runs before encountering a defect to one of its systems) and on improving preventive maintenance and reducing the most common defects, as well as repeat defects (a defect that repeats within 30 days of the original defect).

The introduction of new 5000 Series cars and the retirement of the oldest series of cars completed in July 2013 have increased mean miles between service disruptions, to an average of 6,593 miles in the 2014 (compared to 3,985 miles in the same time frame in 2012).

Rail Maintenance Performance Measures	2014 Target	2014 Current Performance (Jan-Jul)	Service Level with Proposed Budget
Mean Miles between Defects	4,250	6,593	5,400
Rail Interior Clean Quality Inspection Score	95%	91.8%	90%

Power and Way

Power and Way is responsible for maintaining rail infrastructure, including the track, structure, power, and signal systems. As part of the performance management process, a large focus for Power and Way has been minimizing slow zones across the rail system. Replacing or repairing old rails and ties eliminates slow zones and makes rail customers' trips quicker, safer, and more comfortable.



In 2014, the Milwaukee Blue Line Track project will remove 16,585 lineal feet of slow zones and the Orange - 18th Street Connector (Dan Ryan Track) will remove 7,903 lineal feet of slow zones, which will allow the Authority to end 2014 with only 8% slow zones.

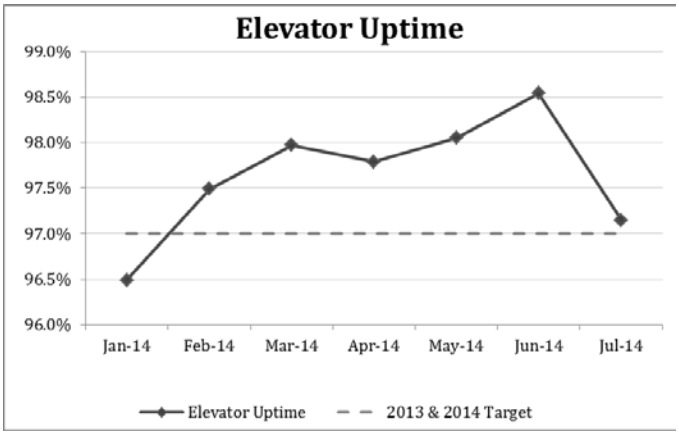
In 2015, the Brown Line Ravenswood Loop Connector project will remove 14,274 lineal feet of slow zones and the Loyola retaining wall project will remove 3,384 lineal feet of slow zones.

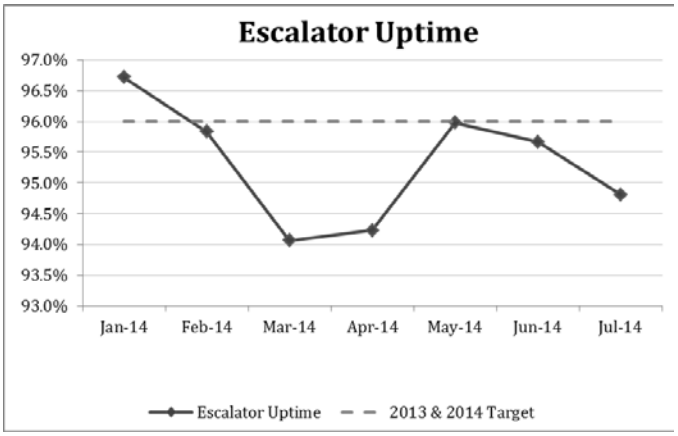
Throughout this process, there are predictions that slow zones can be added or removed. Key metric maintenance indicators and associated goals to support this effort are:

- Track Inspection: Minor defects identified for removal, current monthly average is 1,552.
- Track Maintenance: Defects removed, current monthly average is 1,744
- Compliance with GPS: goal is 100%, Inspectors currently at 95% and Maintenance at 94.7%.

Facilities Engineering

Facilities Engineering operates, maintains, repairs, and cleans CTA properties and equipment. It provides the personnel and supervision to remodel, rehabilitate, construct, and install facilities, offices, equipment, and devices throughout 5,000,000 square feet of CTA property. This is done in a cost efficient manner for both the general public and CTA departments, permitting the Authority to provide a safe, functional, healthy, and clean environment.





An important function of Facilities Engineering is maintaining elevators and escalators to ensure customer comfort and accessibility. Escalators are maintained in-house, while elevators are inspected by CTA personnel and maintained by a contractor.

Facilities Engineering has a set goal of 97% uptime for elevators and 96% uptime for escalators since 2009. That is, elevators and escalators should be available at least 97% and 96% of the time, respectively, that stations are open for service. With the exception of the month of January during extreme weather conditions, Facilities Engineering exceeded its goal for elevator up-time.

Escalator up-time dipped to just above 94% and did meet the goal of 96% in May 2014. As escalators have been taken out of service for scheduled maintenance, up-time performance declined in June and July of 2014. However, the average up-time for January through July improved from 94.7% in 2013 to 95.3% in 2014. Facilities Engineering continues to administer an aggressive escalator rehab program.

Facilities Performance Measures	2014 Target	2014 Current Performance (Jan-Jul)	Service Level with Proposed Budget
Elevator Uptime	97%	97.6%	97%
Escalator Uptime	96%	95.3%	96%

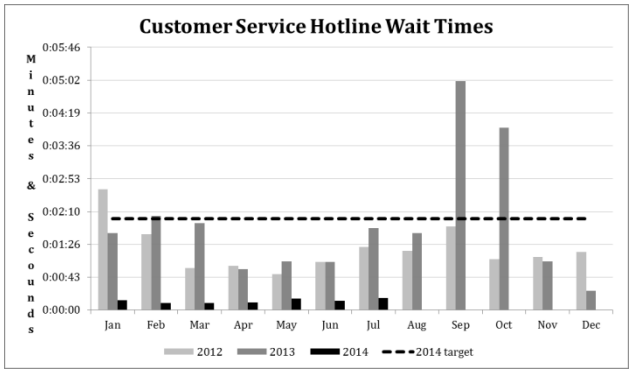
Technology

The Technology Department provides necessary solutions and services to support the CTA and its riders. For example, in 2012, Technology completed the installation of multiple high-definition cameras at each of the 145 CTA train stations. This security and safety initiative is being expanded with camera installation at CTA bus and rail yard facilities to ensure the riding public's safety. In 2013, it aided in continuing the installation of monitors at numerous train stations in order to provide commuters with real-time arrival times and system alerts. In 2014, Technology initiated a project to replace and consolidate the current workforce allocation software with a more efficient system in 2015.

In addition to technology infrastructure upgrades, Technology is also responsible for the day-to-day reliability of CTA applications and online tools, including the Bus and Train Trackers. CTA Tracker information is now available by e-mail and text messaging to riders. Riders can access CTA Bus and Rail Tracker, along with instructions on how to receive notifications by e-mail or text message, on the CTA website at www.transitchicago.com which was accessed over 24 million times in 2013.

Technology Performance Measure	2014 Target	2014 Current Performance (Jan-Aug)	Service Level with Proposed Budget
Bus Tracker Application Availability	99.5%	99.6%	99.5%

Communications



The CTA's Communications Department is responsible for a wide range of communications functions, all designed to provide clear, concise, timely and helpful information to CTA customers and Chicago residents. Various printed materials and electronic channels provided by the department inform customers about CTA service, projects and programs, which are designed to help them understand and efficiently use CTA buses and trains in Chicago and its suburbs.

The Communications Group also manages CTA's Customer Service hotline, 1-888-YOUR-CTA. This hotline is one of the main ways customers receive information about CTA service and provide feedback on the quality of their experience. The CTA recognizes that when customers call our Customer Service Hotline, they expect prompt and courteous service. The Customer Service Department was held to a target of two minutes (lowered from two minutes and thirty seconds in 2012) in 2014 and has exceeded that target thus far in 2014.

Communications Performance Measures	2014 Target	2014 Current Performance (Jan-July 2014)	2015 Service Level with Proposed Budget
Average Call Response Time (Overall)	2:00	0:12	2:00
Average Call Response Time (General Inquiries)	2:00	0:12	2:00
Average Call Response Time (Chicago Card)	2:00	0:13	Not applicable*

*Chicago Card was phased out in 2014.

Peer Comparison

Overview

To illustrate the CTA's performance in relation to its peers, the following comparative performance analysis utilizes the 2012 National Transit Database (NTD)[1]. The selection of comparison transit agencies is based upon the size of the urban area served, the urban characteristics of the service area, and the size of the transit system. The analysis is then conducted on a modal basis (i.e. bus versus heavy rail). For each mode, the CTA is compared with five peers.

The comparison group includes:

MBTA	Massachusetts Bay Transportation Authority
NYCT	New York City Transit
SEPTA	Southeastern Pennsylvania Transportation Authority
WMATA	Washington Metropolitan Area Transit Authority
MARTA	Metropolitan Atlanta Rapid Transit Authority (for heavy rail comparison only)
LACMTA	Los Angeles County Metropolitan Transportation Authority (for bus comparison only)

Comparative Agency Profiles

Agency	City	Population of Service Area	Square Miles of Urban Area Served	Fleet Size	Rapid Rail Track Miles
CTA	*Chicago*	*8,608,208*	*2,443*	*3,071*	***224.1***
MBTA	Boston	4,181,019	1,873	2,195	**185.0**
NYCT	New York	18,351,295	3,450	10,713	**656.0**
SEPTA	Philadelphia	5,441,567	1,981	2,331	**104.7**
WMATA	Washington, D.C.	4,586,770	1,322	2,611	**106.3**
MARTA	Atlanta	4,515,419	2,645	1,036	**47.6**
LACMTA	Los Angeles	12,150,996	1,736	2,656	**87.8**

The comparative analysis measures the performance in four areas: service efficiency, cost effectiveness, service maintenance and reliability, and service level solvency. Specific indicators are assigned to measure the performance in each dimension.

[1] The data from NTD is self-reported by the participating transit agencies following guidelines and procedures established by the Federal Transit Administration.

Comparative Performance Analysis

Definitions of Comparative Performance Measurement

Area	Indicator	Definition
Service Efficiency	Operating Expense per Vehicle Revenue Mile	Total operating cost divided by the total number of miles that vehicles travel while in revenue service.
	Operating Expense per Vehicle Revenue Hour	Total operating cost divided by the total number of hours of transit service provided.
Cost Effectiveness	Operating Expense per Passenger Mile	Total operating cost divided by the total number of miles traveled by passengers.
	Operating Expense per Unlinked Trip	Total operating cost divided by the total number of passengers boarding public transportation vehicles.
Service Maintenance & Reliability	Average Fleet Age	The mean of the difference between year of manufacture and year under consideration for all vehicles in the active fleet.
	Miles between Major Mechanical Failures	The average number of miles that vehicles travel while in revenue service between failures of some mechanical elements or a safety concern that prevents the vehicle from completing a scheduled trip or from starting the next scheduled trip.
Service Level Solvency	Fare Recovery Ratio[2]	The proportion of operating costs that are covered by fare revenue paid by passengers.
	Capital Funds Expended per Passenger Trip	Expenses related to the purchase of capital assets divided by the total number of unlinked passenger trips provided.

[2] The recovery ratio in this section follows the NTD definition. It differs from the calculation of the RTA recovery ratio, which is set forth in the RTA Act.

Comparative Performance Analysis

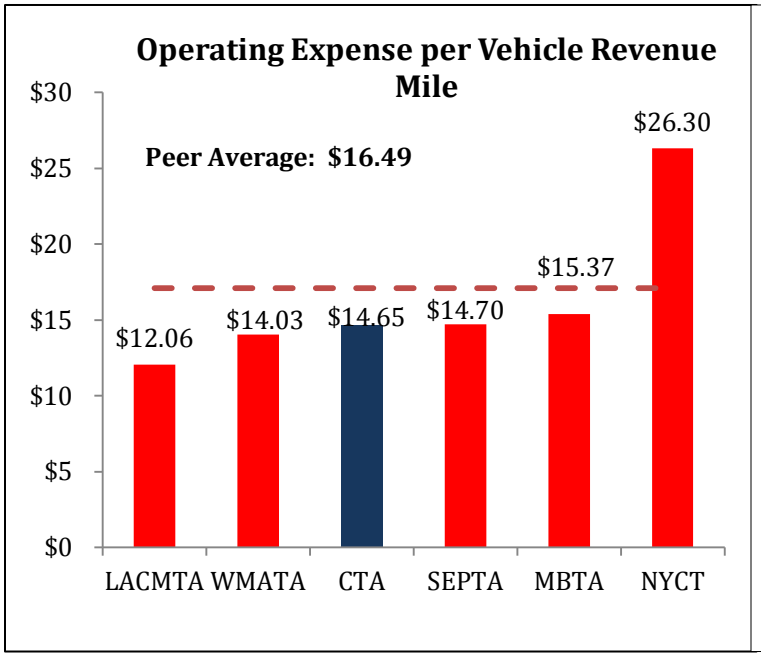
Urban Bus

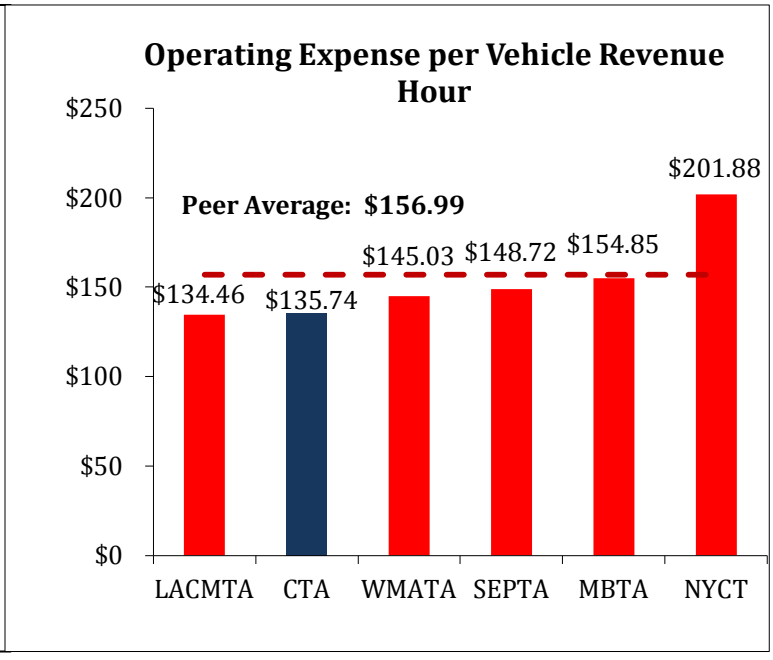
Comparative Characteristics of Urban Bus

Urban Bus Characteristics (number in millions)	CTA	MBTA	LACMTA	NYCT	SEPTA	WMATA
	Chicago	Boston	Los Angeles	New York	Philadelphia	Washington D.C.
Operating Expense	$768.1	$372.3	$902.0	$2,502.0	$596.3	$565.8
Capital Funds Expended	$94.8	$25.5	$242.7	$505.7	$57.5	$214.5
Fare Revenue	$288.6	$82.4	$272.6	$870.5	$177.8	$137.5
Vehicle Revenue Mile	52.4	23.5	69.2	95.1	40.6	39.2
Vehicle Revenue Hour	5.7	2.4	7.4	12.4	4.0	3.9
Passenger Mile	725.1	301.8	1,469.7	1,808.2	561.6	415.8
Total Number of Unlinked Trip	314.4	116.5	352.2	805.4	189.0	136.8
Total Number of Major Mechanical Failures (thsnd)	6.2	1.9	8.2	13.5	5.9	5.2

Service Efficiency

CTA urban bus had a lower operating expense per vehicle revenue mile and vehicle revenue hour than the peer average, ranking the third most efficient for expense per vehicle revenue mile and second only to Los Angeles for expense per vehicle revenue hour.

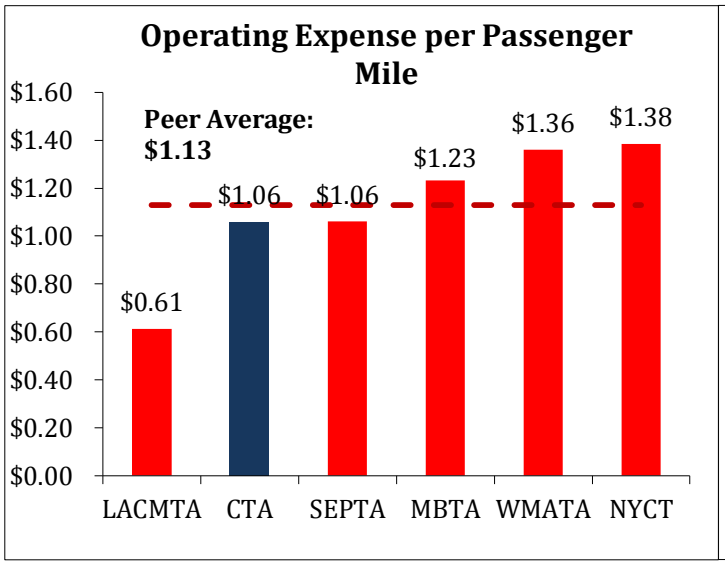


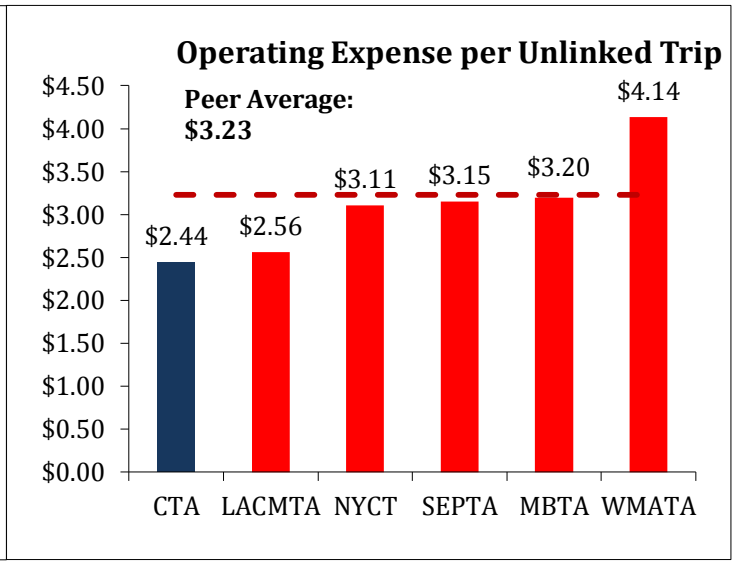


Comparative Performance Analysis

Cost Effectiveness

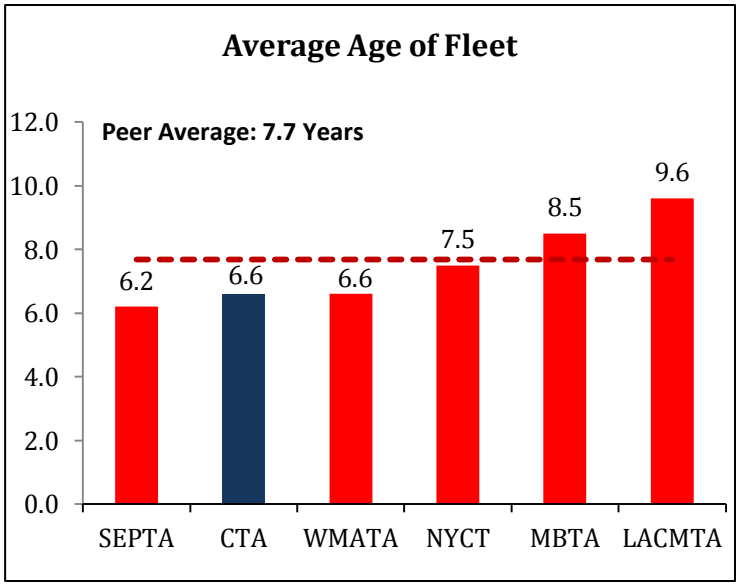
Both measures show that CTA urban bus had better performance than the peer average in the area of cost effectiveness. It ranked first for lowest operating expense per unlinked trip, and tied for second in operating expense per passenger mile.

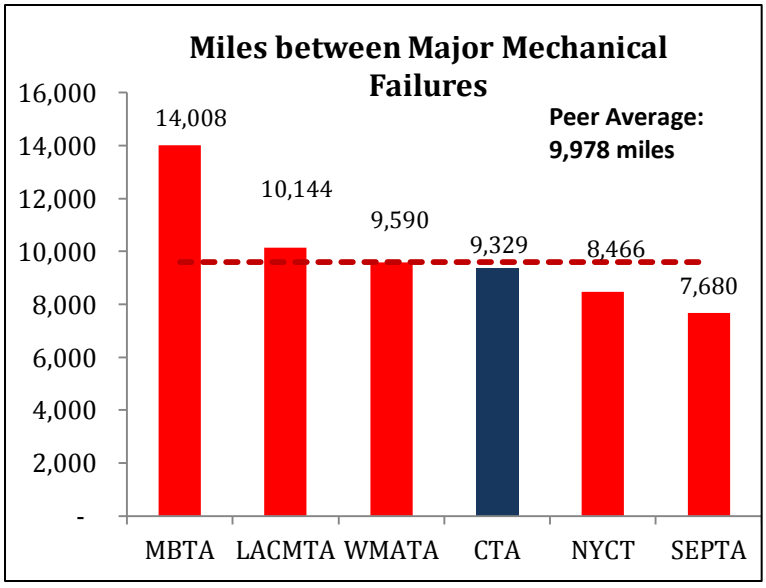




Service Maintenance & Reliability

Due to an influx of new buses, the CTA continued to have a lower than average fleet age. It tied for second in average age of fleet. The CTA bettered the peer average by 649 miles, ranking fourth in miles between major mechanical failures.

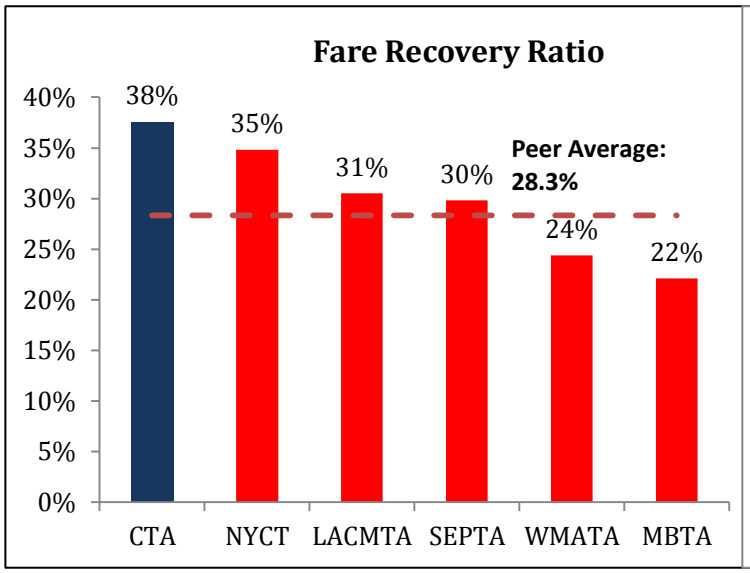


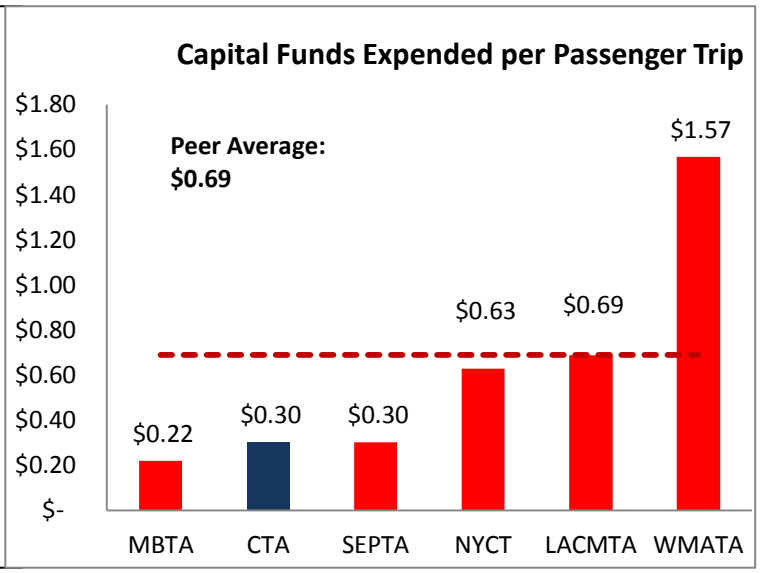


Comparative Performance Analysis

Service Level Solvency

Solvency refers to the capability to meet financial obligations, including covering long-term fixed expenses. Among its peers, the CTA achieved the highest level of bus fare recovery ratio and had a lower than average level of capital funds expended per passenger trip, tied for second among the comparison group.





Heavy Rail

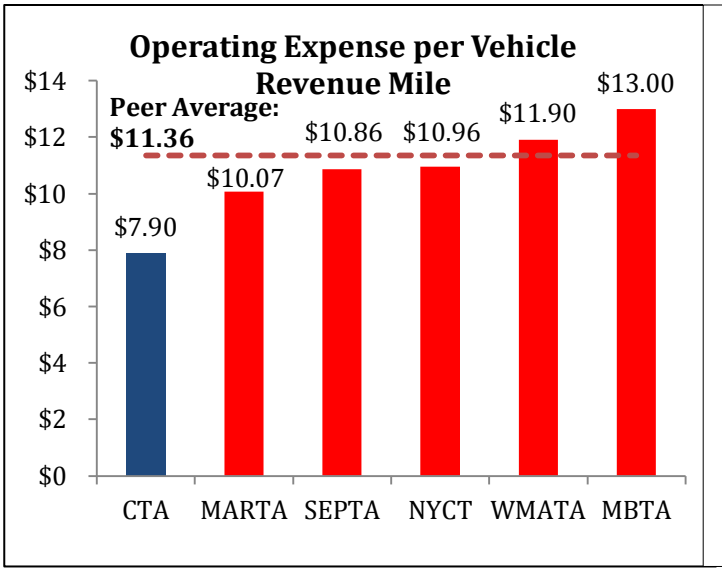
Comparative Characteristics of Heavy Rail

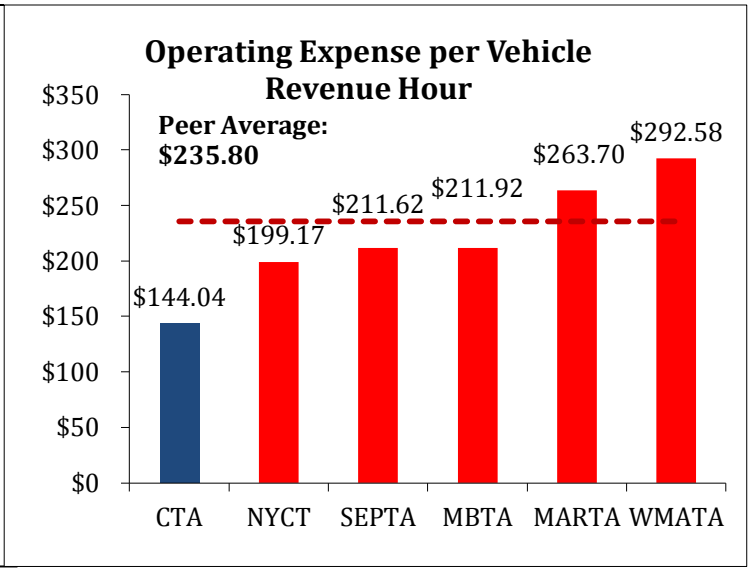
Heavy Rail Characteristics (number in millions)	CTA	MARTA	MBTA	NYCT	SEPTA	WMATA
	Chicago	Atlanta	Boston	New York	Philadelphia	Washington, D.C.
Operating Expense	$515	$178	$309	$3,744	$184	$844
Capital Funds Expended	$201	$115	$161	$2,709	$48	$233
Fare Revenue	$263	$70	$162	$2,742	$97	$569
Vehicle Revenue Mile	65.2	18	24	342	17	71
Vehicle Revenue Hour	3.58	0.67	1.46	18.80	0.87	2.88
Passenger Mile	1,541	463	582	10,327	457	1,585
Total Number of Unlinked Trip	231	73	167	2,570	103	285
Total Number of Major Mechanical Failures (hndrds)	2.9	7.4	5.4	21.1	1.0	14.8

Comparative Performance Analysis

Service Efficiency

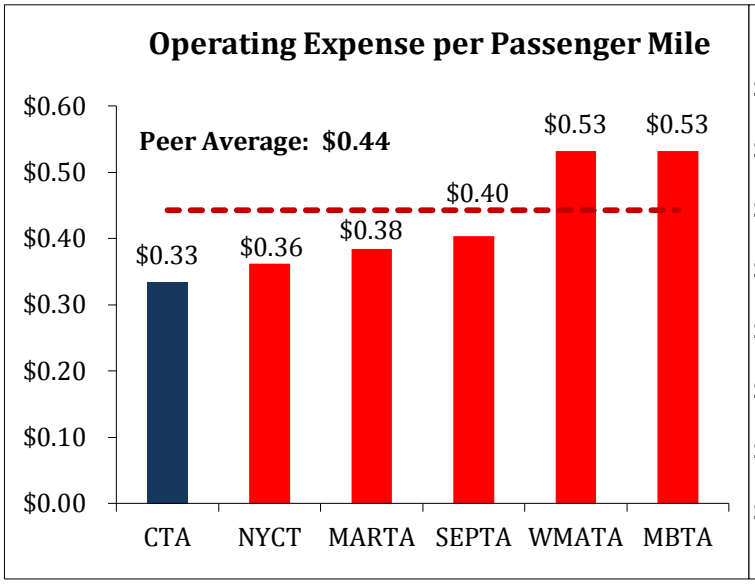
CTA heavy rail achieved superior service efficiency, ranking at the top for both operating expense per vehicle revenue mile and operating expense per vehicle revenue hour. The two indicators were 30.5% and 38.9% below the peer average, respectively.

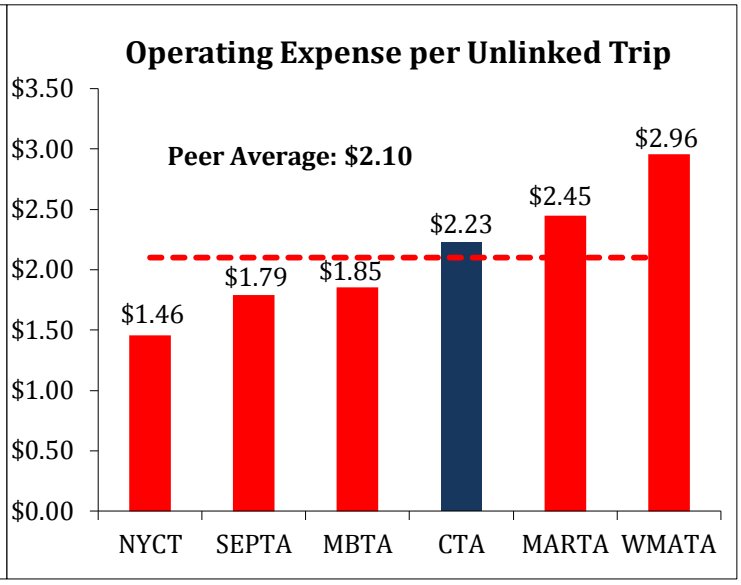




Cost Effectiveness

CTA had the lowest expense per passenger mile amongst its peers, but was thirteen cents above peer average in operating expense per unlinked trip.

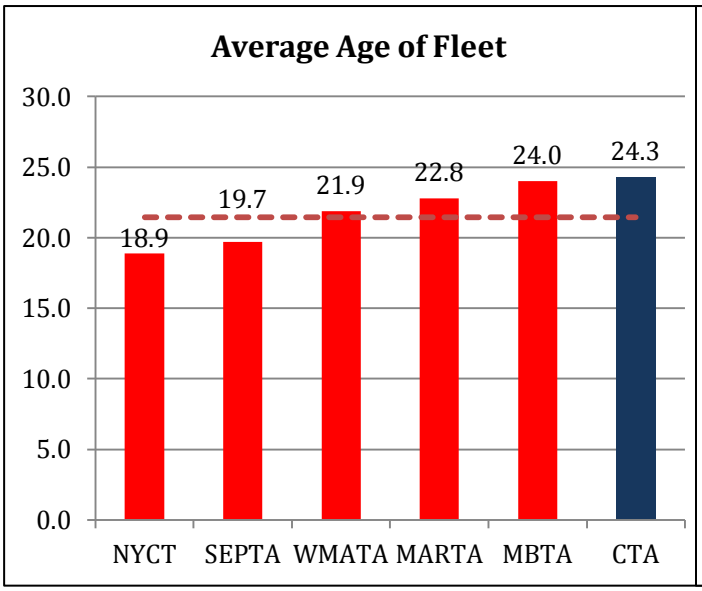


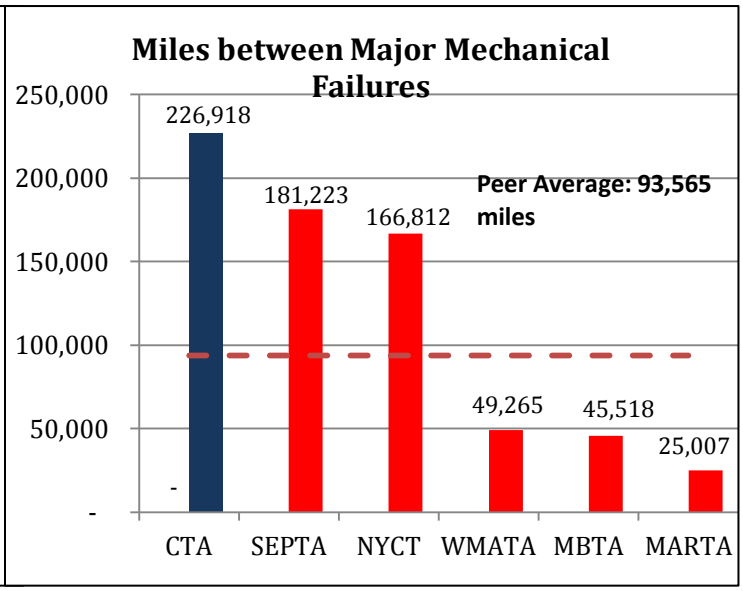


Comparative Performance Analysis

Service Maintenance & Reliability

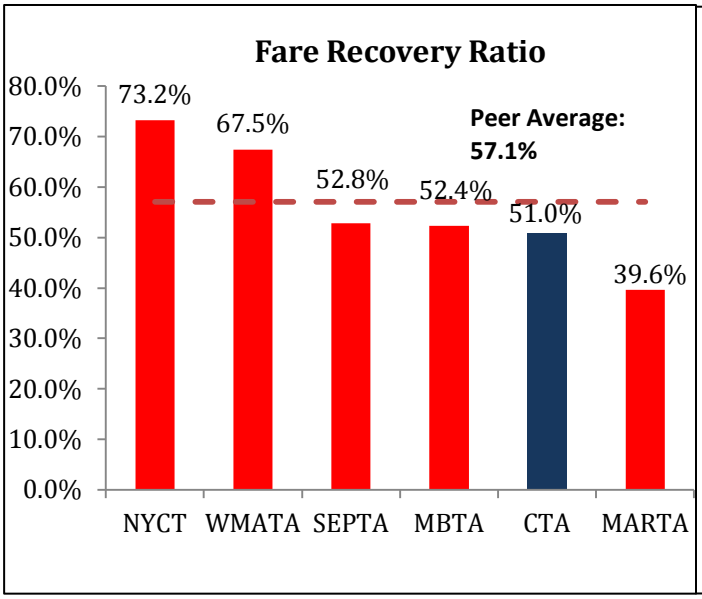
Despite having the oldest fleet, CTA heavy rail ranked first in miles between major mechanical failures, with performance well above the peer average.

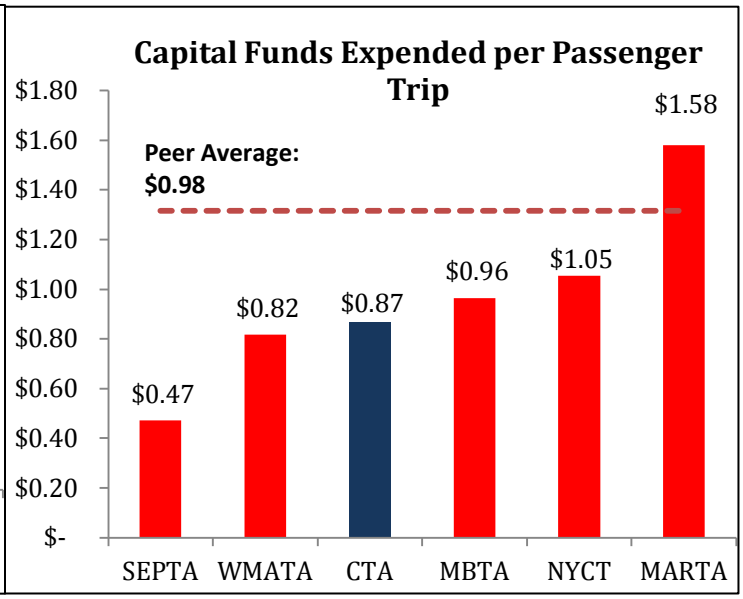




Service Level Solvency

CTA Rail's Fare Recovery Ratio was the second lowest compared to the peer average, but its capital expenditure per passenger trip was eleven cents lower than the peer average.





(THIS PAGE INTENTIONALLY LEFT BLANK)

Climate Change Impact on the CTA

The CTA is engaged in ongoing efforts to increase the resilience of its infrastructure, operations, and ridership to observed and projected impacts of climate change. Climate models developed under the Chicago Climate Action Plan predict that days with high temperatures over 80°F will increase by 40-80% by 2100.

In an effort to mitigate the impact of climate change, the Chicago Transit Authority partners with multiple local, regional and national initiatives, including participating in the Sustainable Chicago 2015 action task force. The CTA was also selected by the Federal Transit Administration (FTA) as one of seven FTA-funded climate adaptation pilots. The study builds on projected climate change impacts under the Chicago Climate Action Plan.

The FTA-funded pilot study focused on detailed adaptation strategies developed for three CTA system areas: rights-of-way flooding, rail heat kinks, and signal house overheating. The study built a life-cycle cost analysis (LCCA) model to demonstrate how certain investments made today project future costs associated with climate change, such as extreme heat and precipitation.

The CTA is incorporating the recommendations of the climate adaptation pilot into the capital program, including station renewals.

Midday Bus Storage Program

CTA continues to seek ways to improve the fuel efficiency and consumption through innovative programs. One such program is a midday bus storage program. The midday bus storage program began in 2012 with 18 buses when CTA parked buses in downtown Chicago rather than "deadheading" of-service back to peripheral garages. The program has expanded to three sites and over 30 buses in 2014.

In the first year of service, the program saved 25,000 gallons of fuel. In 2015, the program is expanded to over 30 buses and will save nearly 50,000 gallons of fuel and reduce 175,000 "deadhead" miles, the equivalent of driving around the earth seven times.

The midday storage program has also resulted in the reduction of 557 metric tons of CO2-equivalent emissions. Finally, the program also improved operational performance of CTA buses by reducing late departures by 50%.

Infrastructure and Facilities

In 2014, CTA continued implementation of energy management software, EnergyCAP Enterprise. The EnergyCAP software program software will allow CTA to analyze energy consumption by facility and also track energy savings through retrofits and other measures, including Greenhouse Gas calculations. The program was initiated by the RTA.

The CTA also entered into an Investment Grade Audit (IGA) service contract with Ameresco to develop solutions to reduce energy costs. A draft IGA for two bus garages (Chicago and 74th) has been submitted and is currently under review by CTA facilities.

Electric Buses

In order to meet the Authority's commitment to further reduce its emission footprint, the CTA purchased two new all-electric buses. CTA will rigorously test the new vehicles in 2015 on actual bus routes and assess their ability to operate in Chicago's tough environment of extreme heat and cold with heavy passenger loads. Unlike the vehicles from CTA's previous bus purchases, which have been for diesel or diesel-electric hybrid buses, the two buses will operate solely on electricity and must be able to travel up to 100-miles on a single charge.

The CTA's goal is to reduce diesel emissions and improve the quality of life for our customers and residents of the Chicago metropolitan area. These buses eliminate tailpipe emissions. The purchase of these new buses will reduce exposure of customers and bus employees to diesel pollutants and yield reductions in air-borne pollutants that threaten public health.

Fare Structure

No fare changes are proposed for 2015

Fare Group	Current Fare Structure
CTA Regular Fare Types	
Full Fare Bus [1]	$2.00
Full Fare Rail [1]	$2.25
Full Fare Cash (Bus Only)	$2.25
Transfer	$0.25 (1st), free (2nd)
Ventra Ticket (price includes 2 transfers) [2]	$2.50 + fee
1-Day Pass	$10.00
3-Day Pass	$20.00
7-Day Pass	$28.00
7-Day Pass (CTA/Pace)	$33.00
30-Day Pass (CTA/Pace)	$100.00
Metra Link-Up	$55.00
CTA Reduced Fare Types [3]	
Reduced Fare Bus	$1.00
Reduced Fare Rail	$1.10
Reduced Fare Cash (Bus Only)	$1.10
Transfer	$0.15 (1st), free (2nd)
30-Day Reduced Pass	$50

CTA Student Fare [4]	
Bus & Rail on Student Permit	$0.75
Transfer	$0.15 (1st), free (2nd)
Student Fare Cash (Bus Only)	$0.75

O'Hare Station Fare [5]	
Full Fare on Ventra cards and Ventra Tickets	$5.00

Stadium Express Bus	
#128 Soldier Field Express [6]	$5.00 round-trip $2.50 reduced fare

Notes

[1] Indicates fares paid with Ventra Card or registered contactless credit/debit cards, unless otherwise indicated.

[2] An additional 50 cent limited use fee is applied to the fare on a Ventra Ticket.

[3] The CTA offers reduced fares via a RTA reduced-fare permit to seniors and persons with disabilities as required by 49 CFR Part 609. In addition, the CTA also offers reduced fares to children age 7-11. Free rides are offered to low-income seniors and persons with disabilities as required by 70 ILCS 3605/51(b) & 70 ILCS 3605/52. Children under the age of 7 are free at all times when riding with an adult.

[4] Student Fares are for elementary and high school students on school days only, 5:30 a.m. to 8:30 p.m. Students are required to have a Student Riding Permit to be eligible for this fare.

[5] Special $5 pricing at O'Hare station is not applicable to the following customers: registered Ventra Cards using a purchased period-pass; registered contactless credit/debit cards using a purchased period-pass; O'Hare Airport-based employees using an employer-issued Ventra Card; reduced fares; student fares; and U-Pass.

[6] The #128 Soldier Field Express is a service jointly managed by CTA and Metra, scheduled to operate for all Chicago Bears home games at Soldier Field, and other agreed-upon events. Period-Passes, Student Fares and UPass fares are not accepted on the #128. Reduced fares are for customers displaying the RTA reduced-fare permit and children ages 7 to 11. Statutory free rides (seniors and persons with disabilities) and children under the age of 7 are free on the #128.

Comparative Fare Structure

All displayed fares are cash-based. Each transit agency has its own card-based system and fares, which are not reflected here.

CITY SYSTEM	Bus Fare	Express Bus Fare	Rail Fare	Reduced Fare (Senior/Disabled)
CHICAGO (CTA)	**$2.00**	**---**	**$2.25**	**$1.00 - Bus $1.10 - Rail**
ATLANTA (MARTA)	$2.50	---	$2.50	$1.00
NEW YORK CITY (MTA)	$2.50	$6.00	$2.50	$1.25
PHILADELPHIA (SEPTA)	$2.25 [1]	---	$2.25 [2]	Senior: Free Disabled: $1.00
BOSTON (MBTA)	$2.10	$4.75 (Inner) $6.80 (Outer)	$2.65	$0.80 – Bus $1.05 – Rail
WASHINGTON D.C. (WMATA)	$1.75	$4.00 Regular $2.00 Senior/Disabled	$2.15 - $5.90 [3]	$0.85
LOS ANGELES (LACMTA)	$1.75	$2.50 Regular $1.95 Senior/Disabled	$1.75	$0.75 Rush Hours; $0.35 Non-Rush Hours

CTA Historical Fare Structure

Year	Bus Fare	Rail Fare	Transfer	Reduced Fare
1991 - 2003	$1.50	$1.50	$0.30	$0.75
2004 - 2005	$1.75	$1.75	$0.25	$0.85
2006 - 2008	$1.75	$2.00	$0.25	$0.85
2009 - 2012	$2.00	$2.25	$0.25	$0.85
2013 -	$2.00	$2.25	$0.25	$1.00 - Bus $1.10 - Rail

[1] Zone charge may apply.

[2] Zone charge may apply.

[3] The fares are zone based and depend on hours traveled. Full fares are paid during peak hours varying from $2.15 to $5.90, with a $0.40 fee added to regular fares during the peak-of-the-peak periods (weekday 7:30-9:00 a.m. and 3:00-7:00 p.m., based on the starting time of the trip).

(THIS PAGE INTENTIONALLY LEFT BLANK)

Acronyms

AA	Alternatives Analysis
ADA	Americans with Disabilities Act
APB	Accounting Principles Board
ARRA	American Recovery and Reinvestment Act
BAB	Build America Bonds
BLS	Bureau of Labor Statistics
BOB	State Bureau of the Budget
BRT	Bus Rapid Transit
CAC	Capital Advisory Committee
CBO	Congressional Budget Office
CIP	Capital Improvement Program
CDOT	Chicago Department of Transportation
CMAP	Chicago Metropolitan Agency for Planning
CMAQ	Congestion Mitigation and Air Quality Improvement Program
CPD	Chicago Police Department
CPI	Consumer Price Index
CTA	Chicago Transit Authority
DBE	Disadvantaged Business Enterprise
EIA	Energy Information Administration
EIS	Environmental Impact Statement
FASB	Financial Accounting Standards Board
FFGA	Full Funding Grant Agreement
FICA	Federal Insurance Contribution Act
FOMC	Federal Open Market Committee
FTA	Federal Transit Administration
FY	Fiscal Year
GAAP	General Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GDP	Gross Domestic Product
GFOA	Government Finance Office Association
ICE	Innovation, Coordination and Enhancement Fund of RTA
IDOT	Illinois Department of Transportation
JARC	Job Access and Reverse Commute Program
LACMTA	Los Angeles County Metropolitan Transportation Authority
LIBOR	London Interbank Offered Rate
LPA	Locally Preferred Alternative
MBTA	Massachusetts Bay Transportation Authority
NTD	National Transit Database
NYCT	New York City Transit
OPEC	Organization of Petroleum Exporting Countries
PBC	Public Building Commission of Chicago

POB	Pension Obligation Bond
PPI	Producer Price Index
RTA	Regional Transportation Authority
RETT	Real Estate Transfer Tax
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users
SCIP	Strategic Capital Improvement Program
SEPTA	Southeastern Pennsylvania Transportation Authority
SOGR	State of Good Repair
STIP	State Transportation Improvement Program
STO	Scheduled Transit Operations
SWAP	Sheriff's Work Alternative Program
TEA-21	Transportation Equity Act for the 21st Century
TIFIA	Transportation Infrastructure Finance and Innovation Act
TIGGER	Transit Investments for Greenhouse Gas and Energy Reduction
TIP	Transportation Improvement Program
TSP	Traffic Signal Prioritization
UWP	Unified Work Program
WMATA	Washington Metropolitan Area Transit Authority

Glossary

2008 Legislation
The amendments to the RTA Act in 2008 included the following policies affecting the CTA budget: 1) Increased the RTA sales tax to 1.25 percent in Cook County and 0.75 percent in the collar counties; 2) Prescribed a new distribution of revenues for the incremental sales tax increase and Public Transportation Fund match; 3) Established an Innovation, Coordination, and Enhancement (ICE) Fund, an ADA Paratransit Fund, and a Suburban Community Mobility Fund and 4) The chair of the CTA no longer was on the RTA Board.

Accessible
As defined by the FTA, a site, building, facility, or portion thereof that complies with defined standards and that can be approached, entered and used by persons with disabilities.

Accounting Principles Board (APB)
The former authoritative body of the American Institute of Certified Public Accountants (AICPA). It was created by the AICPA in 1959 and issued pronouncements on accounting principles until 1973, when it was replaced by the Financial Accounting Standards Board (FASB).

Accrual Basis
A method of accounting in which revenues are reported in the fiscal period when they are earned, regardless of when they are received, and expenses are deducted in the fiscal period they are incurred, whether they are paid or not.

Alternatives Analysis (AA) Study
To conduct the Study is the first step of the FTA's process in order to be qualified for New Starts funding. The Study is designed to examine all the potential transit options available and to determine a locally preferred alternative. Among the projects that were authorized for further analysis by the United States Congress, the CTA has completed the Studies for the Red Line Extension south of 95th, the Orange Line Extension to Ford City, and the Yellow Line Extension north of Dempster Avenue in Skokie.

Americans with Disabilities Act (ADA)
The Americans with Disabilities Act (ADA) of 1990, including changes made by the ADA Amendments Act of 2008, became effective on January 1, 2009. This federal act requires many changes to ensure that people with disabilities have access to jobs, public accommodations, telecommunications and public services, including public transit. Examples of these changes includes mandating that all new buses and rail lines be wheelchair accessible and that alternative transportation be provided to customers unable to access the transit system.

Acronyms & Glossary

American Recovery and Reinvestment Act (ARRA)
An economic stimulus package enacted in February 2009 to create jobs and promote investment and consumer spending during the recession. The Act includes federal tax cuts, expansion of unemployment benefits and other social welfare provisions as well as domestic spending in education, health care and infrastructure, including the energy sector.

Articulated Bus
A high-capacity passenger bus that flexes in the middle.

ADA Paratransit Fund
A fund created by the 2008 Legislation to fund regional paratransit services provided by Pace.

Accounting Principles Board
Former authoritative body of the American Institute of Certified Public Accountants, which issued a series of accountants opinions constituting much of what is known as GAAP.

Big Gap
An instance when the time in between buses is more than double the scheduled interval and also creates a gap of more than 15 minutes.

Bond
An interest-bearing promise to pay a specified sum of money on a specified date in the future.

Build America Bonds (BAB)
A subsidy provided by the American Recovery and Reinvestment Act that provides for a wider pool of capital financing funding for state, county and municipal entities, such as the CTA.

Bureau of Labor Statistics (BLS)
The Bureau of Labor Statistics of the U.S. Department of Labor is the principal federal agency responsible for measuring labor market activity, working conditions, and price changes in the economy. Its mission is to collect, analyze, and disseminate essential economic information to support public and private decision-making. As an independent statistical agency, BLS serves its diverse user communities by providing products and services that are objective, timely, accurate, and relevant.

Bus Rapid Transit (BRT)
BRT is an enhanced bus system that operates on bus lanes or other transitways in order to combine the flexibility of buses with the efficiency of rail. By doing so, BRT operates at faster speeds, provides greater service reliability and increased customer convenience.

Acronyms & Glossary

Capital Advisory Committee (CAC)
The Capital Advisory Committee is comprised of members from local universities as well as leaders from the business community. The purpose of the CAC is to solicit expert advice from external professionals in carrying out the CTA's capital process including the selection of projects for funding and advising the CTA in closing the funding gap.

Capital Budget
A formal plan of action for a specified time period for purchases of fixed assets using capital grants.

Capital Expense
Expenditures that acquire improve or extend the useful life of any item with an expected life of three or more years and a value of more than $5,000 (e.g. rolling stock, track and structure, support facilities and equipment, and stations and passenger equipment). It can also include the costs associated with the long-term maintenance of these assets, such as bus overhaul programs, rail overhaul programs and preventive maintenance. Also referred to as a capital improvement.

Capital Grant
Funds received from grantor funding agencies used to finance construction, renovation, and major repairs or the purchase of machinery, equipment, buildings, or land.

Capital Improvement Program (CIP)
A strategic and comprehensive financing program in which available capital funds are identified and targeted toward key capital renewal and improvement needs of the CTA system to yield the greatest customer benefit.

Chicago Card
A stored-value farecard that has an embedded microchip that can be read to register fares by the fare equipment when touched to the touchpad on the front of rail station turnstiles and bus fareboxes on all CTA routes and Pace buses. Value is added with cash at CTA vending machines or off-site Touch-n-Go devices.

Chicago Card Plus
A farecard with its balance maintained in an online account rather than stored on the card itself. Value is added with credit cards or through electronic transit benefit deductions only. The card also features online reloading — customer accounts automatically reload each time their account value falls below the pre-selected reload amounts.

Chicago Department of Transportation (CDOT)
The Chicago Department of Transportation (CDOT) is responsible for public way infrastructure including planning, design, construction, maintenance and management.

Acronyms & Glossary

Collar Counties
The five counties that surround Cook County as identified in the RTA Act: Will, Kane, DuPage, Lake, and McHenry counties.

Chicago Metropolitan Agency for Planning (CMAP)
The agency that integrates land use planning and transportation planning for the counties of Cook, DuPage, Kane, Kendall, Lake, McHenry and Will in northeastern Illinois. CMAP and its partners aim to remove barriers to cooperation across geographical boundaries and subject areas such as land use, transportation, natural resources, housing, and economic development.

Congestion Mitigation & Air Quality Improvement Program (CMAQ)
A program initially authorized by the Intermodal Surface Transportation Efficiency Act (ISTEA) in 1991 that provided $6.0 billion in funding for surface transportation and other related projects to contribute to air quality improvements and reduce congestion. It was reauthorized in 2005 under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) and provides funding to State Departments of Transportation, Metropolitan Planning Organizations, and transit agencies to invest in projects that reduce criteria air pollutants regulated from transportation-related sources. The Program provides the CTA with funding totaling $19.92 million over a period of five years (2011-2015).

Congressional Budget Office
Branch of the federal government that provides economic data to Congress.

Consumer Price Index (CPI)
A measure estimating the average price of consumer goods and services purchased by households. CPI measures a price change for a market basket of goods and services from one period to the next within the same area and is used as a measure of the increase in the cost of living (i.e. economic inflation).

Corridor
A defined study area considered for significant transportation projects such as highway improvements, bus transitways, rail lines, or bikeways (e.g. Dan Ryan corridor, Western Avenue corridor).

CTA Board Member Terms of Office
Board member terms are in seven year increments. Board members may be appointed to terms already in progress, in which case they may serve until the end of that term.

Depreciation
An accounting term that recognizes the loss in value of a tangible fixed asset over time attributable to deterioration, obsolescence, and impending retirement. Applies particularly to physical assets like vehicles, equipment, and structures.

Acronyms & Glossary

Disadvantaged Business Enterprise (DBE)
The Disadvantaged Business Enterprise (DBE) program is intended to ensure nondiscrimination in the award and administration of contracts.

Discretionary Funds
Funds that the RTA allocates, at its discretion, to the Service Boards. These funds include Public Transportation Funds and a portion of the 15 percent of the RTA Sales Tax.

Energy Information Administration (EIA)
The U.S. Energy Information Administration (EIA) collects, analyzes, and disseminates independent and impartial energy information to promote sound policymaking, efficient markets, and public understanding of energy and its interaction with the economy and the environment.

Environmental Impact Statement (EIS)
An Environmental Impact Statement (EIS) is a document required by the National Environmental Policy Act for federal government agency actions significantly affecting the quality of the human environment. As a tool for decision making, an EIS describes the positive and negative environmental effects of proposed agency action and cites alternative actions.

Fare
The amount charged to passengers for bus and rail services.

Farebox
Equipment used for the collection of bus fares.

Farecard
Electronic fare media used for payment of fares.

Federal Funds Rate
The interest rate at which banks lend balances at the Federal Reserve to other banks overnight. The rate is set by the Federal Open Market Committee (FOMC). The FOMC's long term goals are price stability and sustainable economic growth in the economy.

Federal Open Market Committee (FOMC)
Branch of the Federal Reserve that is responsible for open market operations, such as the purchase and sale of U.S. treasuries and federal agencies securities.

Federal Transit Administration (FTA)
The federal agency which provides financial and planning assistance to help plan, build, and operate rail, bus, and paratransit systems through grant programs.

Acronyms & Glossary

Federal Insurance Contributions Act (FICA)
Social Security payroll taxes are collected under the authority of FICA.

Financial Accounting Standards Board (FASB)
The FASB establishes and improves standards of financial accounting and reporting for the guidance and education of the public, including issuers, auditors, and users of financial information.

Financial Plan
In addition to an annual budget, the Regional Transportation Authority Act, as amended in 2008, requires that all transit agencies prepare a financial plan encompassing the two years subsequent to the budget year. This provides a three-year projection of expenses, revenues and public funding requirements.

Fiscal Year (FY)
A fiscal year is a 12-month period used for calculating annual financial reports in organizations. The CTA's fiscal year runs congruent to the calendar year, beginning on January 1 and ending on December 31.

Full Funding Grant Agreement (FFGA)
Grant agreements authorized under federal transit law that establish the terms and conditions for federal financial participation in a New Starts project. The FFGA defines the project, sets the maximum amount of federal New Starts funding for a project, covers the period of time for completion of the project, and facilitates efficient management of the project in accordance with applicable federal statutes, regulations, and policy.

Fund Balance
The excess of funding for a given period of time, referring to unreserved/undesignated funds. Annual budget surpluses (or deficits) generally add to (or subtract from) the fund balance.

Funding (Budget) Marks
The Regional Transportation Authority Act, as amended in 1983, calls for the RTA to advise each of its Service Boards by September 15th of the public funding to be available for the following year, as well as the required recovery ratio.

Generally Accepted Accounting Principles (GAAP)
GAAP is the standard framework of guidelines for financial accounting, mainly used in the United States. It includes the standards, conventions and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements.

Governmental Accounting Standards Board (GASB)
The GASB establishes and improves standards of state and local governmental accounting and financial reporting.

Acronyms & Glossary

Gross Domestic Product (GDP)
As a measure of economic activities, it is the amount of goods and services produced in the United States in one year. It is calculated by adding together the market values of all of the final goods and services produced in a year and reported by the U.S. Bureau of Economic Analysis.

Government Finance Office Association (GFOA)
The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices, and promoting their use through education, training, facilitation of member networking, and leadership.

Headway
The time span between when one service vehicle (bus or rail) leaves a stop/station and when the following vehicle arrives at the same stop/station on specified routes. Also called service frequency.

Heavy Rail
An electric railway with the capacity for a heavy volume of traffic. Heavy rail is characterized by high-speed passenger rail cars and trains operating on fixed rails in separate rights-of-way from which all other vehicular and foot traffic is excluded.

Hedge
A type of investment activity used to reduce the risk of adverse price movements in an asset. Normally, a hedge consists of taking an offsetting position in a related security to minimize unwanted risks associated with price fluctuation.

Hybrid Bus
A hybrid bus combines a conventional internal combustion engine propulsion system with an electric propulsion system and uses a diesel-electric powertrain. Also known as a hybrid diesel-electric bus.

Illinois Fund for Infrastructure, Roads, Schools and Transit (Illinois FIRST)
A five-year public works improvement program that allocated capital funds between FY2000 through FY2004.

Illinois Jobs Now Program
A $31 billion program creating over 439,000 jobs in five years from 2010 through 2014; designed to improve bridges and roads, transportation networks, schools, and communities.

Illinois' Low-Income Circuit Breaker Program
The official name of the Program is the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act, governed by the Illinois Department on Aging. The Program is to help offset the cost of property taxes and other living costs by providing low-income, senior, or disabled residents with yearly grants.

Acronyms & Glossary

Infrastructure
Capital assets that make up the CTA's transportation system, including maintenance facilities, rail track, signals, stations, elevated structures, and power substations.

Innovation, Coordination and Enhancement Fund (ICE)
A fund established by the 2008 amendments to the RTA Act for operating or capital grants or loans to Service Boards, transportation agencies, or units of local government that advance the goals and objectives identified by the RTA's Strategic Plan. Unless an emergency is determined by the RTA Board that requires some or all amounts of the Fund, it can only be used to enhance the coordination and integration of public transportation and develop and implement innovations to improve the quality and delivery of public transportation.

Intermodal
Transportation by more than one mode (bus, train, etc.) during a single journey.

Interval
The time between when one service vehicle (bus or train) leaves a stop/station to the time when the following vehicle leaves the same stop/station.

Job Access and Reverse Commute Program (JARC)
A program established by the FTA to address the unique transportation challenges faced by welfare recipients and low-income persons seeking to obtain and maintain employment, which often is located in a less accessible area and/or requires late at night or weekend schedules when conventional transit services are not sufficiently provided.

Locally Preferred Alternative (LPA)
The final selected scope and design for a major corridor investment. Alternatives analysis is considered complete when a locally preferred alternative is selected by local and regional decision makers and adopted by the Metropolitan Planning Organization (MPO) into the financially constrained, long-range metropolitan transportation plan.

London Interbank Offered Rate (LIBOR)
Short-term interest rate used when banks borrow funds from other banks in the London interbank market. The world's most widely used benchmark for short-term loans.

Major Delay – Rail
An instance where a train experiences a delay to service of ten minutes or more.

Mean Miles Between Defects
The average mileage a train accrues before experiencing a defect.

Acronyms & Glossary

Metra
Commuter Rail division of the RTA responsible for the day-to-day operation of the region's long-distance commuter rail transit service (with the exception of those services provided by the CTA). Metra was created in 1983 by an amendment to the RTA Act.

National Transit Database (NTD)
The FTA's primary national database for statistics on the transit industry.

New Starts
FTA discretionary program that is the federal government's primary financial resource for supporting locally-planned, implemented and operated transit "guideway" capital investments.

Non-Farm Payroll
A compiled employment level of goods-producing, construction and manufacturing companies. It is released monthly by the United States Department of Labor to represent the number of jobs added or lost in the economy over the last month.

Non-Operating Funds
Capital grant monies to fund expenses.

Non-Revenue Vehicle
Vehicles that do not carry fare-paying passengers and are used to support transit operations.

Operating Budget
Annual revenues and expenses forecast to maintain operations.

Operating Expenses
Costs associated with the day-to-day operations of the delivery of service for a transit agency. Examples of operating expenses include labor, material, fuel, power, security and professional services.

Operating Revenues
Revenues generated from user fees (in the form of farebox revenues) or other activities directly related to operations such as advertising, concessions, parking, investment income, etc.

Organization of Petroleum Exporting Countries (OPEC)
OPEC is an intergovernmental organization of 12 developing countries made up of Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela. OPEC has maintained its headquarters in Vienna since 1965.

Pace
The Suburban Bus Division of the RTA, responsible for non-rail, suburban public transit service and all paratransit service. Pace was created in 1983 by an amendment to the RTA Act.

Paratransit Service
Demand-response service utilizing wheelchair-accessible vans and small buses to provide pre-arranged trips to and from specific locations within the service area to certified participants. Paratransit includes demand-response transportation services, subscription bus services and shared-ride taxis.

Passenger Miles
The sum of the distances traveled by passengers.

Pay-As-You-Go Funding
A practice of financing expenditures with funds that are currently available rather than borrowed.

Pension Obligation Bonds (POB)
Debt instruments issued by a governmental entity to fund all or a portion of the Unfunded Actuarially Accrued Liabilities (UAAL) for pension and/or Other Post Employment Benefits (OPEB).

Performance Management
The process of assessing and acting upon progress toward achieving predetermined measures and metrics. All operating and most support personnel are held accountable to these measures and metrics. The CTA implemented a performance management program in May 2007.

Power Washing - Facilities
The deep cleaning of a CTA station or facility using pressure washing equipment.

Preventive Maintenance
The care and servicing of equipment and facilities in order to maintain them in satisfactory operating condition. Preventive maintenance provides for systematic inspection, detection and correction of incipient failures either before they occur or before they develop into major defects.

Producer Price Index (PPI)
A family of indices from the U.S. Bureau of Labor Statistics (BLS) that measures the average changes over time in the prices received by domestic producers of goods and services.

Acronyms & Glossary

Public Building Commission (PBC)
Formed in 1956, this City of Chicago organization provides professional management of the city's public construction projects.

Public Funding
Funding received from the RTA or other government agencies.

Public Transportation Funds (PTF)
As authorized by the RTA Act, the Illinois State Treasurer transfers from the State General Revenue Fund an amount equal to 25 percent of RTA sales tax collections to a special fund, called the Public Transportation Fund (PTF), and then remits it to the RTA on a monthly basis. The state funding package increases the percentage of state sales tax dedicated to mass transit and deposits additional amount of funding to PTF. All funds deposited are allocated to the RTA to be used at its discretion for the benefit of the Service Boards.

Real Estate Transfer Tax (RETT)
A source of public funding for the CTA collected by the City of Chicago. The 2008 legislation authorized a $1.50 per $500 increase in RETT and the CTA receives 100 percent of the RETT increase.

Recovery Ratio
Measures the percentage of expenses that a Service Board must pay against revenues that it generates. The RTA Act mandates that the RTA region must attain an annual recovery ratio of at least 50 percent.

Reduced Fare
Discounted fare for children ages seven through 11, grade school and high school students (with CTA ID), seniors 65 and older (with RTA ID), and riders with disabilities (with RTA ID) except paratransit riders.

Reduced Fare Reimbursement
Reimbursement of revenue lost by the Service Boards due to providing reduced fares to students, elderly and the disabled. The CTA recovers the cost of trips with both the fare revenue and operating subsidies. The reimbursements are made from the State of Illinois to cover the difference between the standard and reduced fare. Reimbursement amounts are allocated to the Service Boards based on reduced fare passenger trips taken during the year.

Regional Transportation Authority (RTA)
The RTA is the financial oversight and regional planning body for the three public transit operators in northeastern Illinois: the CTA, Metra commuter rail, and Pace suburban bus.

Acronyms & Glossary

Regional Transportation Authority Act (RTA Act)
An Act that regulates which public funds may be expended and authorizes the state to provide financial assistance to units of local government for distribution to providers of public transportation, including the CTA. It authorizes the distribution of sales tax revenue collected by the City of Chicago and collar counties, Public Transportation Funds, State Assistance, as well as other funding streams for the CTA. It also outlines criteria that the CTA has to meet for its budget approval.

RTA Sales Tax
The primary source of operating revenue for the RTA, the CTA, Metra and Pace. The RTA retains 15 percent of the original one percent RTA sales tax authorized in 1983. Of that which remains, the CTA receives 100 percent of the taxes collected in the City of Chicago and 30 percent of those taxes collected in suburban Cook County. Of the funding available from the 0.25 percent sales tax and PTF authorized by the 2008 legislation, the CTA receives 48 percent of the remaining balance after allocations are made to fund various programs.

Revenue Bond
A certificate of debt issued by an organization in order to raise revenue. It guarantees payment of the original investment plus interest by a specified date. Debt service payment is secured by a specific revenue source.

Revenue Equipment
Includes vehicles that carry fare-paying passengers and equipment used for the collection of fares.

Ride
A trip taken by passengers on the bus or rail system.

Ridership (Unlinked Passenger Trips)
Total number of rides. Each passenger is counted each time that person boards a vehicle.

Right-of-Way
A strip of land that is granted, through an easement or other mechanism, for transportation purposes, such as for a trail, driveway, rail line or highway. A right-of-way is reserved for the purposes of maintenance or expansion of existing services within the right-of-way.

Rolling Stock
Public transportation vehicles, including rail cars and buses.

Run
Rail or bus operator's assigned period(s) of work on a given day.

Acronyms & Glossary

SAFETEA-LU
Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). A federal transit and highway bill signed into act on August 10, 2005, authorizing $286.4 billion nationwide through 2009, including $52.6 billion for transit. A reauthorization of the federal transit and highway program is pending congressional action.

Scheduled Transit Operations (STO)
The scheduled transit operations classification includes bus operators, motormen and conductors.

Senate Bill (SB) 1977
Illinois Senate Bill that stipulates that beginning January 1, 2009, the CTA must make annual contributions to the CTA Pension Fund to achieve a 90 percent funded ratio by 2059. The CTA's Pension Fund's actuary has determined that the fund's assets will be exhausted by 2012 without significant increased contributions and changes to the funding structure and benefit levels.

Service Boards
CTA, Metra commuter rail and Pace suburban bus system, as referred to by the Regional Transportation Authority Act.

Sheriff's Work Alternative Program (SWAP)
A program where persons convicted of Driving Under the Influence and other low-level offenses are required to provide a variety of community services for municipalities throughout Cook County.

Slow Zone
Sections of track where trains must reduce speed in order to safely operate rail service.

State Assistance
The supplemental funding provided by the RTA Act in the form of additional state and financial assistance to the RTA in connection with its issuance of Strategic Capital Improvement Program (SCIP) bonds. It equals the debt service amounts paid to the bondholders of the SCI bonds plus any debt service savings from the issuance of refunding or advanced refunding SCIP bonds, less the amount of interest earned on the bonds' proceeds.

State of Good Repair (SOGR)
An asset or system is in a state of good repair when no backlog of capital needs exists – hence all asset life cycle investment needs (e.g., preventive maintenance and rehabilitation) have been addressed and no capital asset exceeds its useful life. Therefore, the first priority for a transit system is to maintain infrastructure and equipment, making regular repairs where needed and retiring equipment from service at the end of its life cycle.

Acronyms & Glossary

State of Illinois' Public Transportation Fund (PTF)
As authorized by the RTA Act, the Illinois State Treasurer transfers from the State General Revenue Fund an amount equal to 25 percent of RTA sales tax collections (or gasoline or parking taxes, if imposed by the RTA). The treasurer transfers this amount to a special fund, called the Public Transportation Fund (PTF), and then remits it to the RTA on a monthly basis. The RTA uses these funds at its discretion to fund the service board needs, RTA operations, debt service and capital investment.

State Transportation Improvement Plan (STIP)
The FY 2006-2009 Statewide Transportation Improvement Program (STIP) is a four-year program of highway and transit projects developed to fulfill the requirements set forth in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and its successor, the Transportation Equity Act for the 21st Century (TEA-21), and in the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU). The FY 2006-2009 STIP totals $15.66 billion with $7.1 billion for highway improvements and $8.56 billion for transit capital improvements and operating assistance.

Stimulus Funds
See American Recovery and Reinvestment Act.

Suburban Community Mobility Fund
Outlined by the RTA Act, grants and appropriations from the state, which the RTA distributes to the Suburban Bus Board for operating transit services, other than traditional fixed-route services, that enhance suburban mobility, including, but not limited to, demand-responsive transit services, ride sharing, van pooling, service coordination, centralized dispatching and call taking, reverse commuting, service restructuring and bus rapid transit.

System-Generated Revenue
Revenue generated by the CTA. Includes fare revenue, advertising, investment income, income from local governments by provision of the Regional Transportation Authority Act, and subsidies for reduced fare riders per 1989 legislation.

TEA–21
Transportation Equity Act for the 21st Century, a federal transportation package that reauthorized the Federal Transit Program for the eight years from 1998 through 2005. Grants can pay up to 80 percent of a capital project, with the remaining 20 percent funded from local sources.

Ten-Year Swap Rate
The rate paid by a fixed-rate payer on an interest swap with maturity of ten years.

Ten-Year Swap Spread
The gap between the rates to exchange floating for fixed interest payments and treasury yield for ten years. By taking into account the investments that contain credit risk, as well as the ones that are often viewed as risk-free, swap spread indicates investors' expectations of the market.

Transportation Infrastructure Finance and Innovation Act (TIFIA)
The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides credit assistance for qualified projects of regional and national significance. Many large-scale, surface transportation projects - highway, transit, railroad, intermodal freight, and port access - are eligible for assistance. Eligible applicants include state and local governments, transit agencies, railroad companies, special authorities, special districts, and private entities. The TIFIA credit program is designed to fill market gaps and leverage substantial private co-investment by providing supplemental and subordinate capital.

Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER)
The TIGGER Program has been continued in FY2011 through the Department of Defense and Full-Year Continuing Appropriations Act 2011 (Pub. L. 112-10). $49.9 million was appropriated for grants to public transit agencies for capital investments that will reduce the energy consumption or greenhouse gas emissions of their public transportation systems.

Transportation Improvement Plan (TIP)
A six-year financial program that describes the schedule for obligating federal funds to state and local projects. The TIP contains funding information for all modes of transportation, including highways and high-occupancy vehicles, as well as transit capital and operating costs.

Top Operator Rate
The top hourly rate paid to CTA bus and rail operators, based on employee seniority within the job, as specified by the union contract.

Trip
A one-way bus or train trip from origin to destination terminal.

Traffic Signal Prioritization
Operational strategy where communication between a transit bus and a traffic signal alters the timing of the traffic signal to give priority to the transit vehicle.

Acronyms & Glossary

Unified Work Program (UWP)
The Unified Work Program lists the planning projects the Chicago Area Transportation Study and other agencies undertake each year to enhance transportation in northeastern Illinois and to fulfill federal planning regulations. The UWP is designed to run in conjunction with the State of Illinois fiscal year timeline of July 1-June 30. The final UWP document includes the transportation planning activities to be carried out in the region, detailing each project's description, products, costs, and sources of funding.

Unlinked Passenger Trip
An unlinked passenger trip is a single boarding of any transit vehicle. Thus, unlinked passenger trips for any transit system are the number of passengers boarding public transportation vehicles. A passenger is counted each time he boards a vehicle, even if the boarding is part of the same trip.

Vehicle Revenue Hours
The hours that vehicles travel while in revenue service. Vehicle revenue hours include recovery time but exclude travel to and from storage facilities.

Vehicle Revenue Miles
Miles that vehicles travel while in revenue service. Vehicle revenue miles exclude travel to and from storage facilities.

Ventra
Payment system for CTA and Pace that allows customers to pay for train and bus rides with the same methods used for everyday purchases and also allows them to manage their accounts online and choose from several different contactless payment methods.