

Summary of 2015 Proposed Regional Budget and Capital Program

CTA, Metra, Pace, ADA Paratransit, and RTA



2015 Budget Impact on RTA Customers

The Service Boards' proposed 2015 operating budgets incorporate stable service levels, and include a general fare increase for Metra which would average 10.8%.

- Metra will operate service at a level similar to 2014, while CTA will add some peak-period and weekend rail trips.
- Pace Suburban Bus Service will grow modestly due to mid-2014 service additions, 2015 service improvements enabled by Innovation, Coordination, and Enhancement (ICE) funding, and continued growth of vanpool.
- Pace Regional ADA Paratransit will add service as required by customer demand, which is projected to increase by 4.9%.

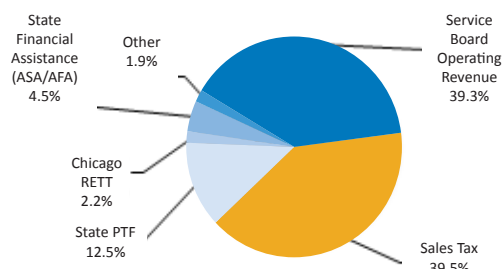
Ridership (in millions)

| | 2015 Budget | 2015 Growth |
|---------------|--------------|--------------|
| CTA | 522.5 | +0.7% |
| Metra | 82.4 | -1.1% |
| Pace | 36.0 | +1.4% |
| ADA | 4.4 | +4.9% |
| Region | 645.3 | +0.5% |

- Regional transit ridership in 2015 is forecast at 645.3 million rides, an increase of 0.5%. Metra expects a 1.1% decrease in ridership related to its proposed fare increase.
- 2014 ridership is expected to finish the year down 1.5% from 2013, due in part to the extremely cold weather during the first three months of the year.

Regional Revenue

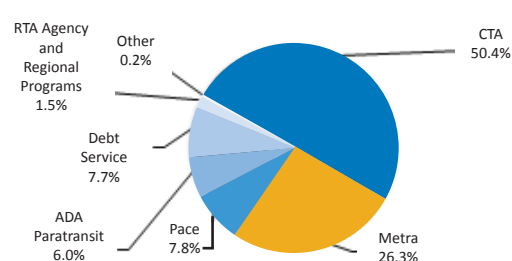
2015 RTA System Revenues (\$2.894 billion)



- Operating revenue, consisting of passenger fares and other system-generated revenues such as leases and advertising, is projected to increase by 2.5% to \$1.139 billion in 2015, representing 39% of system revenue.
- Public funding, consisting of sales tax, State funding, the Chicago Real Estate Transfer Tax (RETT), and other sources, is projected to total \$1.756 billion in 2015, representing 61% of system revenue.
- Total 2015 RTA system revenue, the sum of operating revenue and public funding, is projected to be \$2.894 billion.

Regional Expenses

2015 RTA System Expenses (\$2.862 billion)



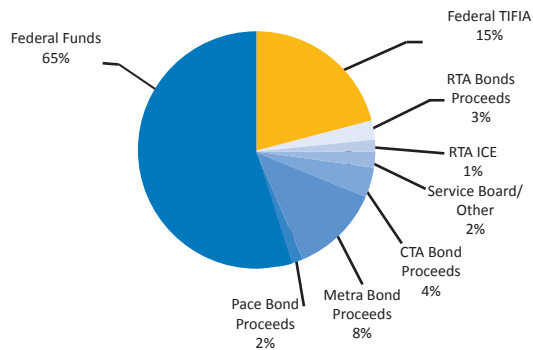
- Total 2015 expenses for the RTA system are projected to increase by 4.3% to \$2.862 billion.
- Service Board operating expenses represent over 90% of total expenses. The remainder is comprised of RTA agency expense, RTA debt service, and other regional expenses.
- Regional revenues are higher than regional expenses because they include ICE funds that will be used in the Service Boards' capital programs rather than in their operating budgets.

Regional Revenue Recovery Ratio

The region's system-generated revenue recovery ratio, equal to total operating revenues divided by total operating expenditures, with approved adjustments, is projected at 52.0% for 2015, exceeding the statutorily required level of 50%.

Regional Five-Year Capital Program

2015-2019 Capital Funding (\$3.775 billion)



The RTA capital program emphasizes the need to preserve and enhance the region's transit infrastructure. Each of the Service Boards, and the RTA, plans to issue bonds during the five-year period, totaling \$633 million or about 17% of capital funding.

- The five-year capital program includes \$3.775 billion in projected funding.
- The total projected funding for capital projects in 2015 is \$1.291 billion.

The uses of funds for capital projects are highlighted in each of the Service Board sections that follow.

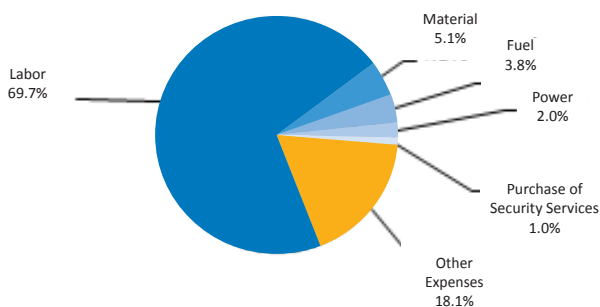
Chicago Transit Authority (CTA)

Operating Revenue and Public Funding

- Total 2015 operating revenues from fares and other system-generated revenues will increase by 0.6% to \$687.5 million.
- Public funding from sales tax, Public Transportation Funds, RETT, and local contributions is projected at \$772.6 million for 2015, an increase of 7.6%.

Operating Expenses

CTA 2015 Budgeted Expenses (\$1.444 billion)



- Total 2015 operating expenses will increase by 4.2% to \$1.444 billion, driven by increases in labor, material, security, and other expenses. Other expenses include contracted services and maintenance support for CTA's camera systems.
- CTA's system-generated revenue recovery ratio is projected at 57.0%, exceeding the RTA-set level of 54.5%.

Capital Program

The proposed projects in CTA's portion of the 2015-2019 Capital Program total \$2.191 billion and continue the replacement of rail cars and buses. The CTA will move forward on continued system-wide station rehabilitations including the Your New Blue initiative.

Highlights of projects in CTA's 2015-2019 Capital Program include the following:

- \$513.0 million for the purchase of rail cars
- \$193.4 million for the purchase of buses
- \$189.8 million to rehabilitate rail stations
- \$111.2 million to upgrade power and signals
- \$91.0 million for the overhaul of rail cars
- \$81.0 million for the improvement of facilities
- \$76.7 million for repair of track and structure
- \$39.0 million to perform mid-life bus overhauls

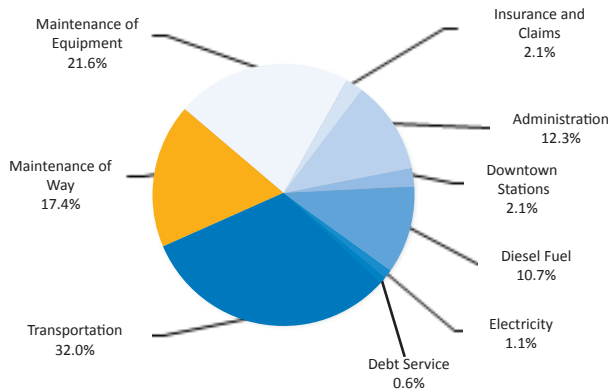
Metra

Operating Revenue and Public Funding

- Total 2015 operating revenues from fares and other system-generated revenues will increase by 6.9% to \$375.9 million, driven by a proposed fare increase which averages 10.8%.
- Public funding from sales tax, Public Transportation Funds, the RTA fund balance, and federal sources is projected at \$399.0 million for 2015, an increase of 8.5%.

Operating Expenses

Metra 2015 Budgeted Expenses (\$753.1 million)



- Total 2015 operating expenses will increase by 6.4% to \$753.1 million, driven by increases in contracted services, maintenance, and fuel expenses, as well as debt service on newly issued bonds.
- Metra's system-generated revenue recovery ratio is projected at 53.6%, exceeding the RTA-set level of 52%.

Capital Program

Metra's portion of the proposed 2015-2019 Capital Program totals \$1.245 billion. During the five-year period, Metra will continue to replace aging rolling stock, renew its extensive commuter rail infrastructure, and implement the Positive Train Control (PTC) system.

Highlights of projects in Metra's 2015-2019 Capital Program include the following:

- \$223.0 million for Positive Train Control (PTC)
- \$191.3 million for locomotive improvements
- \$162.6 million for the rehabilitation of rail cars
- \$149.3 million for the purchase of rail cars
- \$103.3 million for bridge rehabilitation
- \$46.7 million to improve stations and parking
- \$45.2 million to improve yards and shops
- \$43.7 million to upgrade signal systems

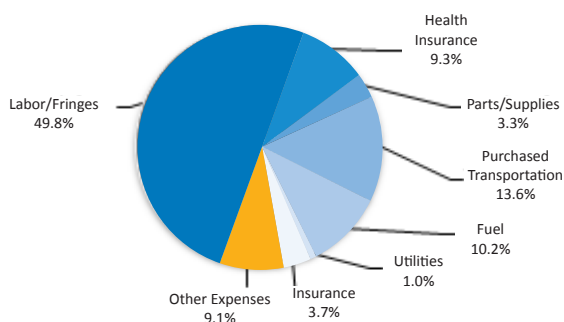
Pace Suburban Bus Service

Operating Revenue and Public Funding

- Total 2015 operating revenues from fares and other system-generated revenues will increase by 2.4% to \$61.1 million, driven by projected ridership growth and an increase in local government contributions for specific Pace services.
- Public funding from sales tax, Public Transportation Funds, and federal funding is projected at \$162.1 million for 2015, an increase of 3.9%.

Operating Expenses

Pace 2015 Budgeted Expenses (\$223.2 million)



- Total 2015 operating expenses will increase by 7.8% to \$223.2 million, driven by modest service expansion, increases in purchased transportation and fuel expense, new debt service, and Ventra operating fees.
- Pace Suburban Bus Service's system-generated revenue recovery ratio is projected at 30.0%, exactly meeting the RTA-set level.

Capital Program

Pace's portion of the proposed 2015-2019 Capital Program totals \$339.2 million. Pace's program funds the renewal and replacement of aging support facilities across the region as well as a portion of its bus fleet and vanpool vehicles.

Highlights of projects in Pace's 2015-2019 Capital Program include the following:

\$90.0 million for the purchase of buses
\$60.0 million to construct the Northwest Garage
\$36.1 million for the purchase of vanpool vans

\$25.0 million for the DuPage paratransit garage
\$16.5 million for the improvement of facilities
\$13.7 million to purchase paratransit vehicles

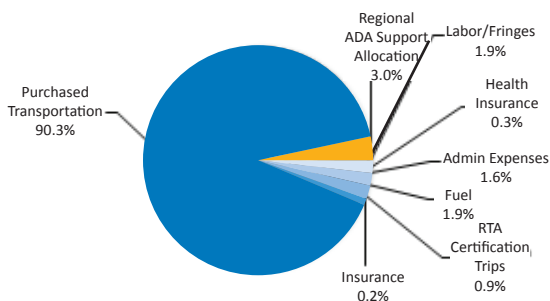
Pace Regional ADA Paratransit

Operating Revenue and Public Funding

- Total 2015 operating revenues from fares and other system-generated revenues will decrease by 11.1% to \$14.0 million as Pace expects Medicaid reimbursements to drop from unusually high 2014 levels.
- Public funding from sales tax and the State is projected at \$158.2 million for 2015, an increase of 7.5%.

Operating Expenses

Pace ADA 2015 Budgeted Expenses (\$172.2 million)



- Total 2015 operating expenses will increase by 7.0% to \$172.2 million, driven by increases in purchased transportation due to higher ridership and labor/fringe expense due to added ADA Paratransit staff.
- Pace ADA Paratransit's system-generated revenue recovery ratio is projected at 10.0%, exactly meeting the statutory requirement.

Regional Transportation Authority (RTA)

The Regional Transportation Authority is the oversight, funding, and planning agency for the three Service Boards: CTA, Metra, and Pace. The total RTA 2015 budget is \$42.2 million and is supported by \$35.3 million in regional public funding, an increase of 4.0%, and \$6.9 million of federal grants and other revenues.

The agency budget is comprised of two parts: administrative and regional. The \$18.7 million administrative budget fulfills the mandates required by state law including performance audits, financial oversight, and regional planning functions. This portion of the budget is 13% lower than the cap on RTA administrative expenses imposed by state law.

The \$23.5 million regional programs budget includes \$16.3 million for regional services provided to the public such as ADA certification, travel training, the RTA customer service center, and the Travel Information Center (TIC). The remaining \$7.2 million of the regional programs budget is funded by \$6.2 million in federal funds and includes projects to improve mobility for seniors and individuals with disabilities, Community Planning and Transit Oriented Development (TOD) studies, regional marketing initiatives, and the Regional Transit Asset Condition Assessment.