

Moving
BEYOND
Doomsday



The New





2005

CTA doomsday cuts averted — for now



2007



2008

A NEW CTA 'DOOMSDAY'?



2009

'Doomsday' comes to CTA



2010

Year after year, the CTA once faced uncertainty



“To compete with other cities, to draw the best workers and businesses to Chicago, we need a strong and vibrant CTA.”



Rahm Emanuel
Mayor, City of Chicago



The red ink quickly added up.



You may ask yourself, well, how did I get here?

You may say to yourself, my god, what have I done?

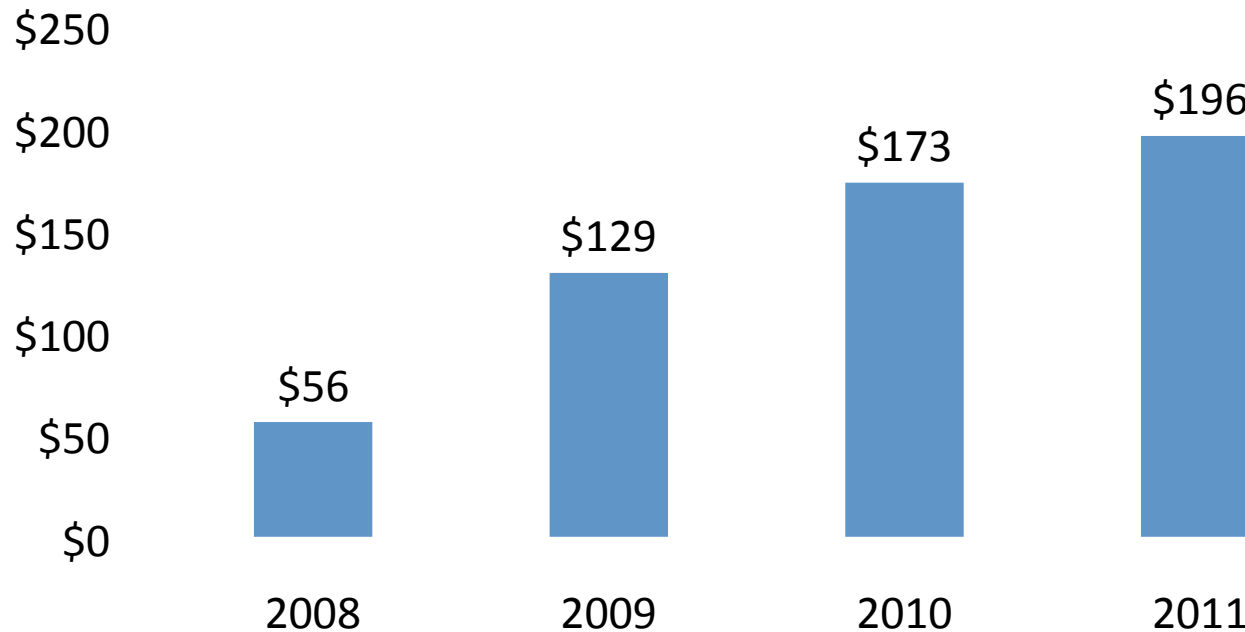
--Once in a Lifetime

Talking Heads



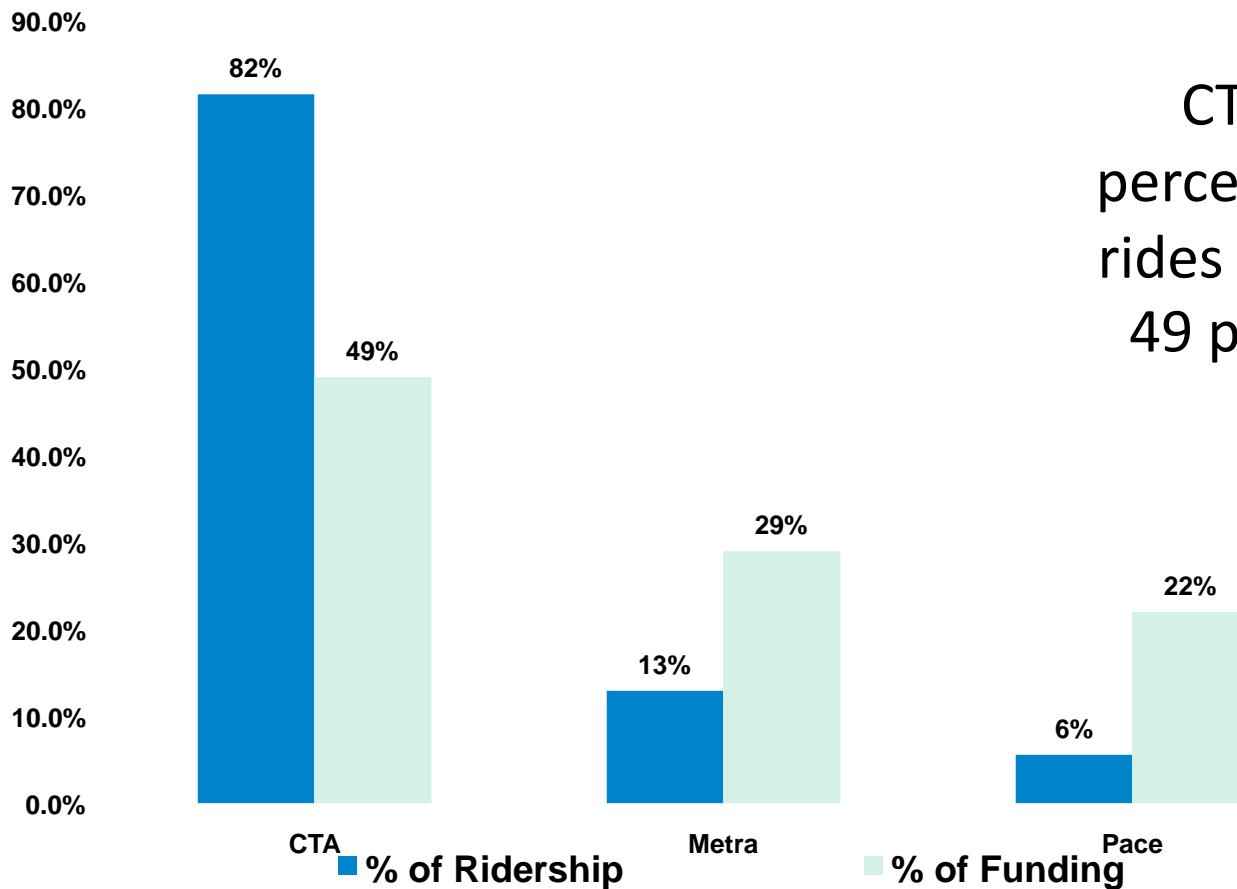
From 2008-2011, CTA borrowed \$554,000,000

CTA Deficit Spending (in millions)





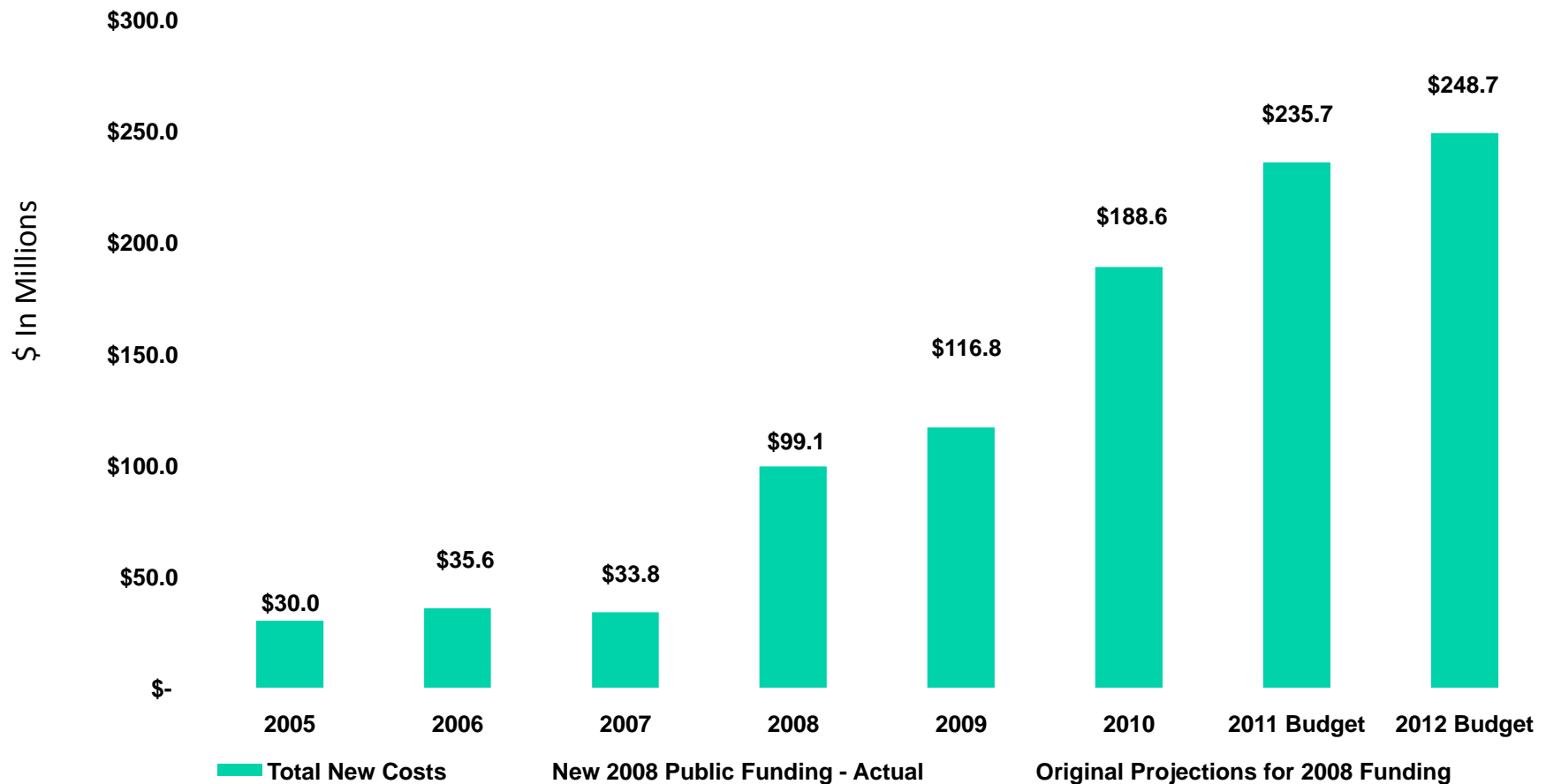
Regional Ridership vs. Public Funding



CTA provides 82 percent of the region's rides but receives only 49 percent of public funds



General Assembly's 2008 Pension Legislation Added Huge New Costs



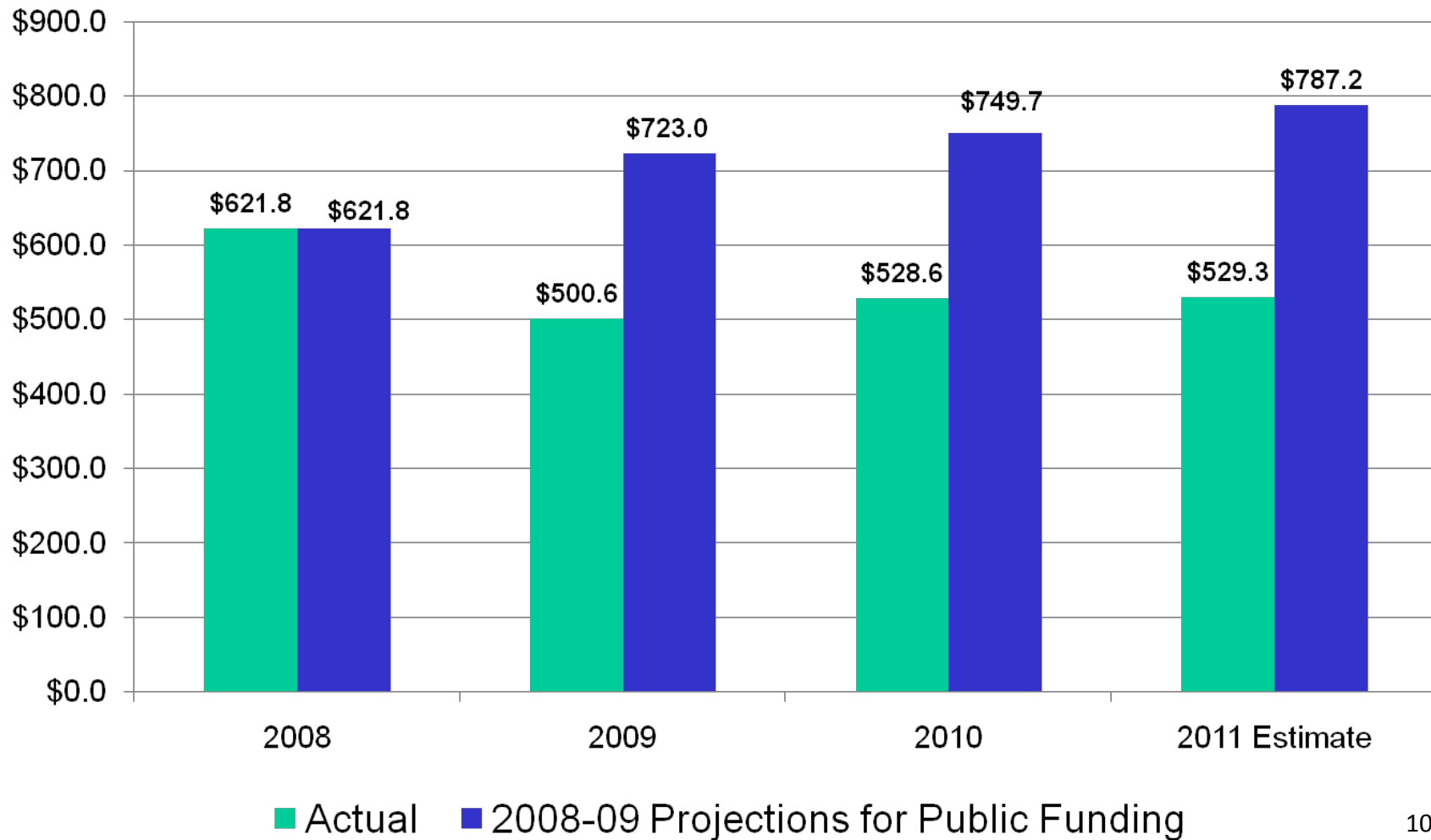


\$1.60

Average CTA fare after discounts, free rides are factored in



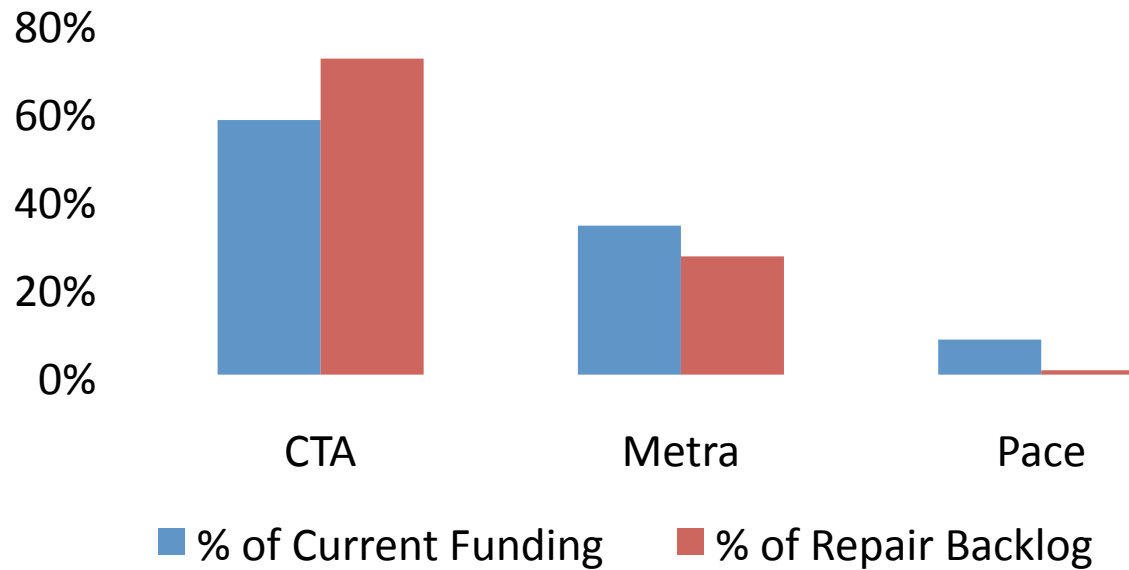
Recession's Impact on Public Funding





Inadequate Capital Funding

RTA's allocation of the region's Federal Formula funding





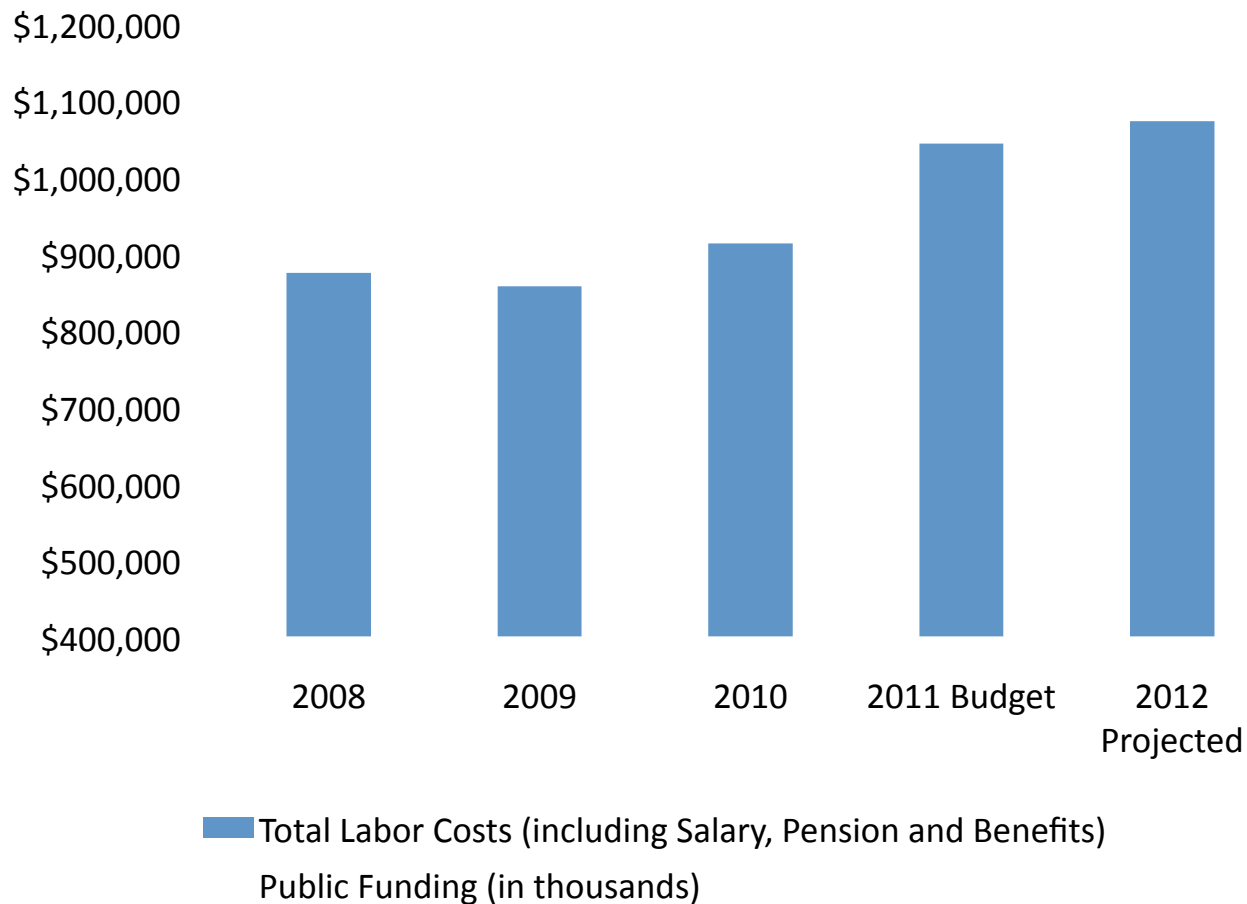
Diversion of Capital Repair Funding

Diversion of capital repair funding increases costs by allowing infrastructure to degrade





Growth and Revenue vs. Growth and Labor Costs





CTA Structural Deficit Exceeding a Quarter Billion Dollars

Despite:

- Massive Borrowing
- Non-Union Wage Cuts
- 2009 Fare Increase - \$34.6M
- Deep 2010 Service Cuts (18% bus, 9% rail) - \$95.6M
- 1,100 Layoffs in 2010



“CTA Avoids Doomsday...For Now.”

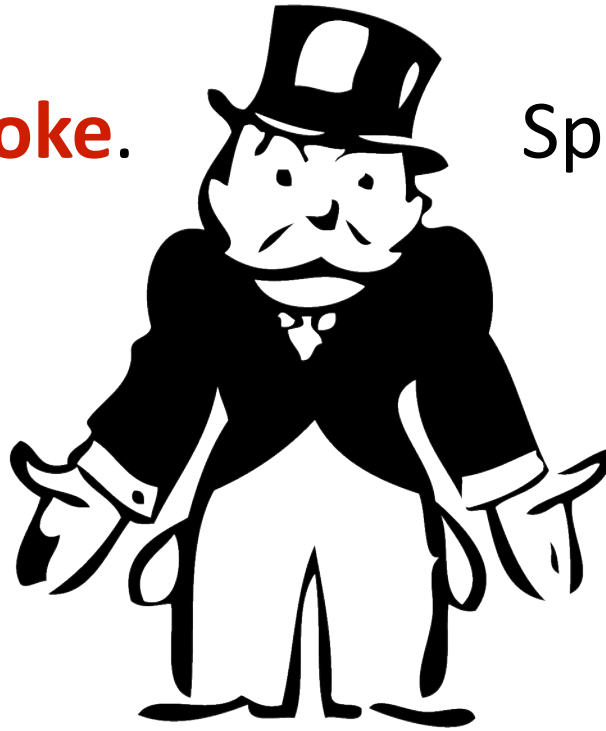
CRAIN'S
CHICAGO BUSINESS.

2012



"Washington's **broke.**

Springfield's **broke.**



There's **nowhere** to go."

- CTA Chairman Terry Peterson

No place to go for additional funding...



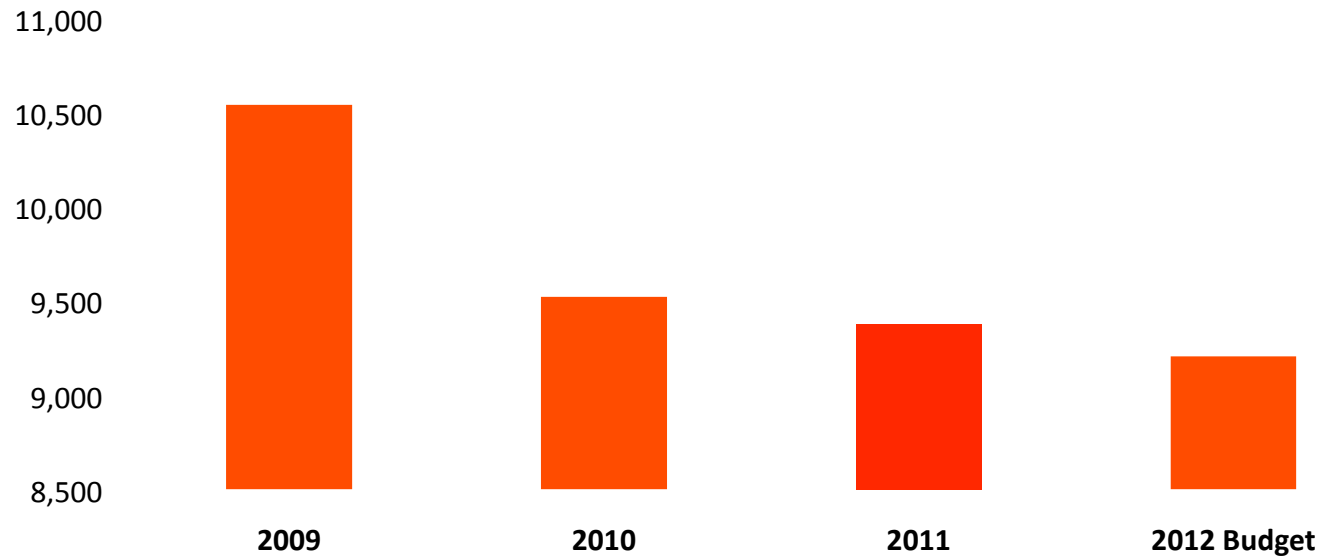
...not even Mr. Potter

Less Bureaucracy, More Efficient Operations

Deep Cuts in Management and Bureaucracy

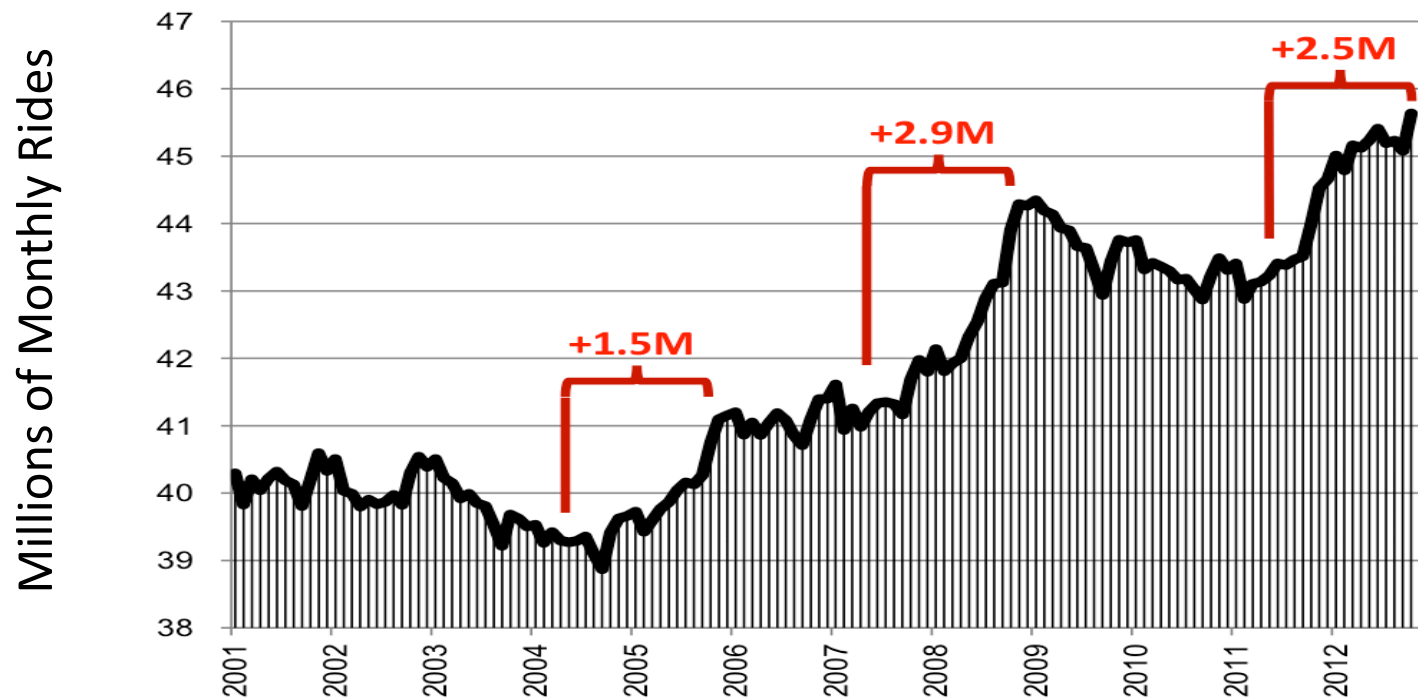
- 200 Positions Eliminated
- Reduction of Sick and Vacation Benefits
- Other Material and Contractual Expense Reductions
- CTA headcount is lowest in history
- Average of 21 front-line employees for every manager

CTA Budgeted Positions*





CTA Ridership 12-month Rolling Average



Since May 2011: 5.3 percent jump in ridership—27 million rides.



\$165M

Projected 2013 budget deficit



Labor Savings and Management Efficiencies

Labor Savings

\$60M

- More Scheduling Flexibility, Less Overtime
- Work Rule Reform
- Health Care Reform
- Restraint in Wage Growth

Management

\$50M

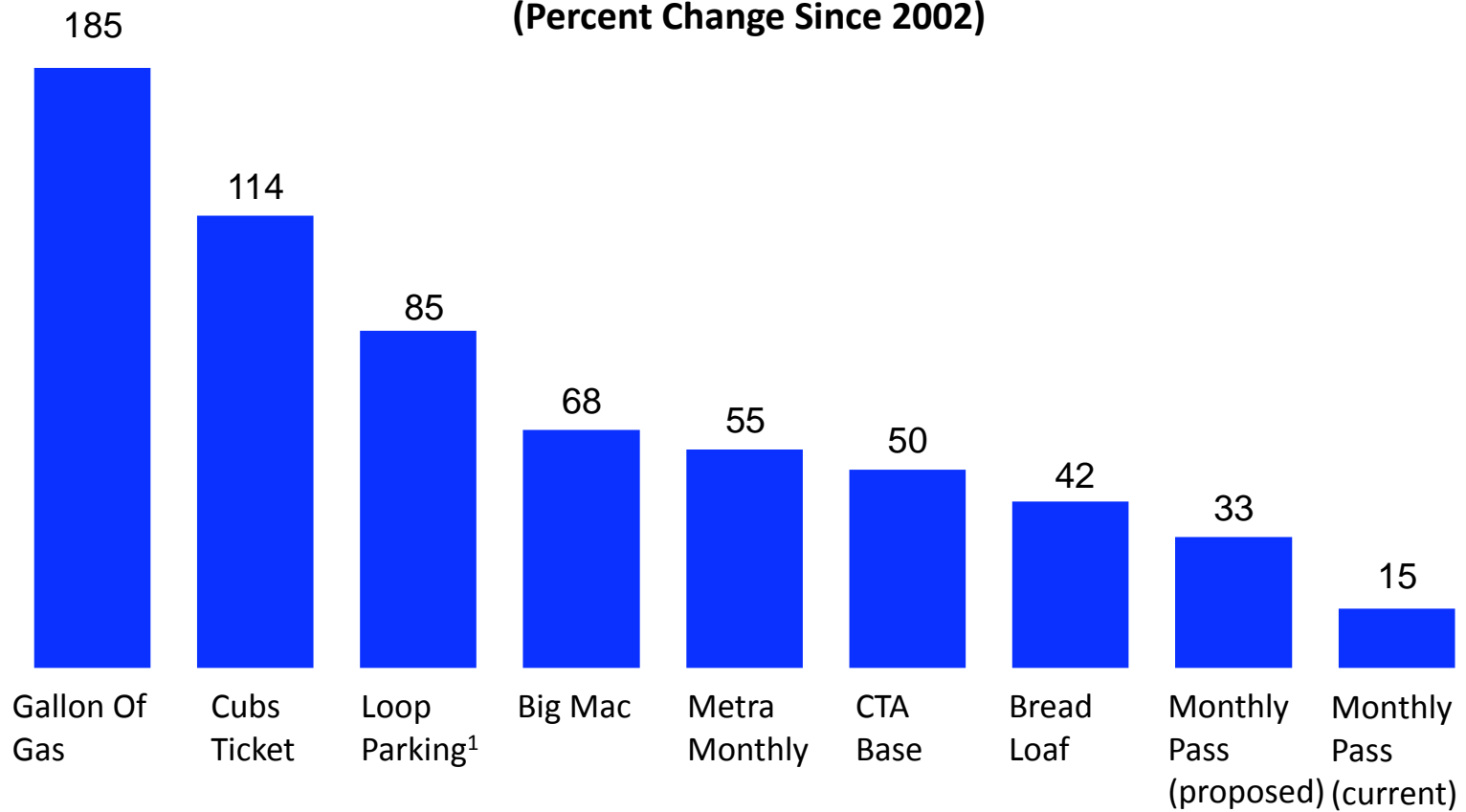
- Better Management of Supplies and Materials
- Renegotiated Energy Costs
- Crackdown on Absenteeism, Workers' Comp Abuse
- Streamlining Administrative Functions



Base fares frozen for many years.



Ten-Year Price Increase (Percent Change Since 2002)



1

Since January 2009

(Sources: Bureau of Labor Statistics, public sources, Metra, CTA)



CTA Fares vs. Other Large Transit System

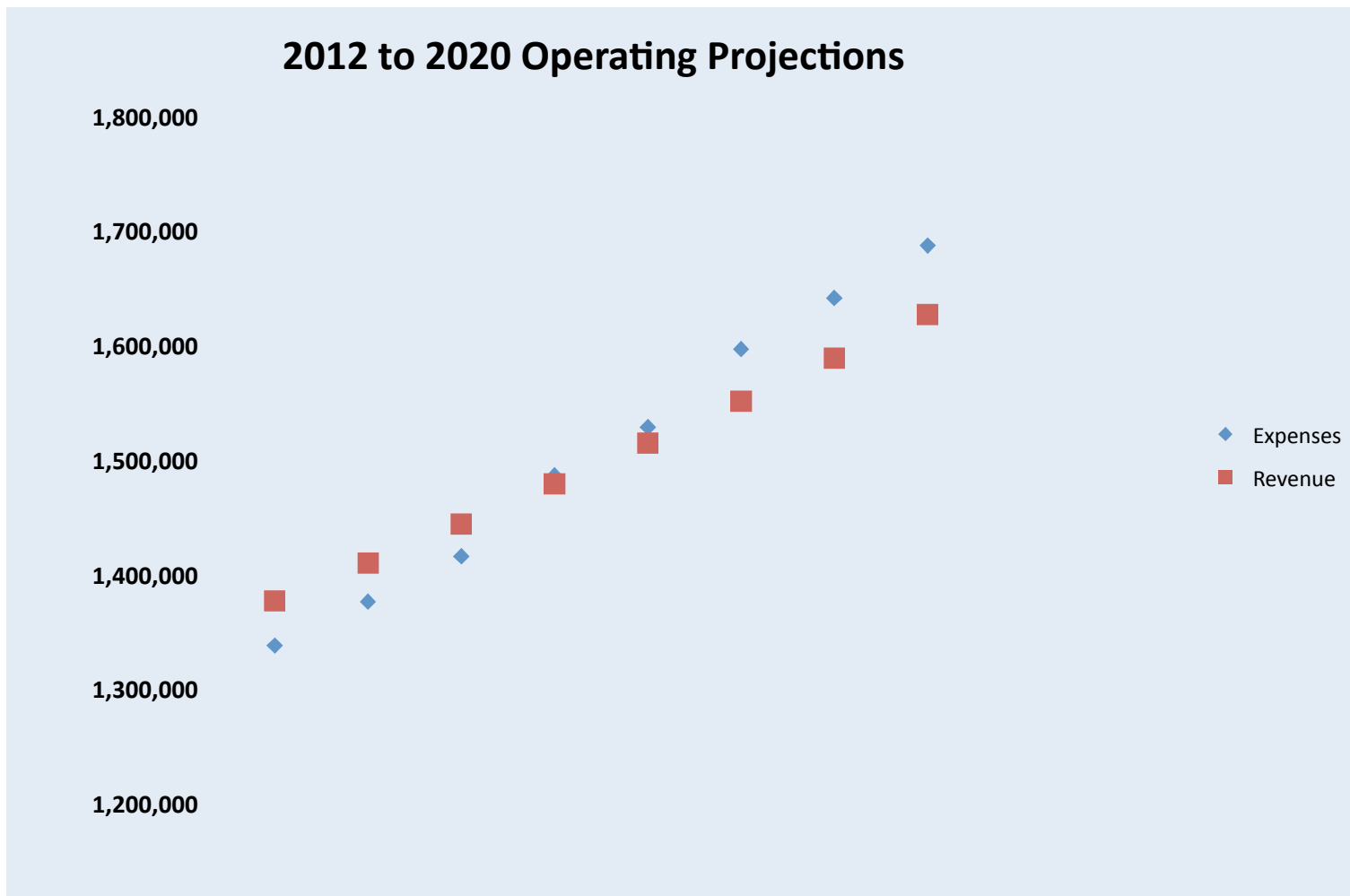
	Base Fare	7-Day Pass	Discount
Boston	\$2.00	\$18.00	\$10.00
Chicago	\$2.25	\$23.00	\$8.50
New York (Proposal 2)	\$2.50	\$29.00	\$6.00
Philadelphia	\$2.00	\$22.00	\$6.00
Chicago	\$2.25	\$28.00	\$3.50
New York (Current)	\$2.25	\$29.00	\$2.50
Los Angeles	\$1.50	\$20.00	\$1.00
New York (Proposal 1)	\$2.25	\$34.00	\$(2.50)
Washington DC ¹	\$3.93	\$57.50	\$(2.55)

	Base Fare	30-Day Pass	Discount
Boston	\$2.00	\$70.00	\$50.00
Chicago	\$2.25	\$86.00	\$49.00
San Francisco	\$2.00	\$74.00	\$46.00
New York (Proposal 2)	\$2.50	\$109.00	\$41.00
Philadelphia	\$2.00	\$83.00	\$37.00
Chicago	\$2.25	\$100.00	\$35.00
New York (Current)	\$2.25	\$104.00	\$31.00
Los Angeles	\$1.50	\$75.00	\$15.00
New York (Proposal 1)	\$2.25	\$125.00	\$10.00
Washington DC ³	\$3.93	\$230.00	\$5.50

CTA moving from second most-generous pass discounts to middle of the pack.



CTA has finally achieved balance



Expenses are expected to mirror revenues for years to come.



The CTA's Proposed 2013 Budget...

- Maintains bus and rail service levels, including a comprehensive de-crowding plan
- Freezes the base bus and rail fare
- Achieves historic labor agreement to bend cost curve
- Continues major management efficiencies
- Calls for the hiring of 400 part-time bus operators
- Stops transfer of critical capital dollars to operations
- Highlights \$4 billion in capital investments



CTA has to walk and chew gum at the same time—addressing financial stability while investing in the future.

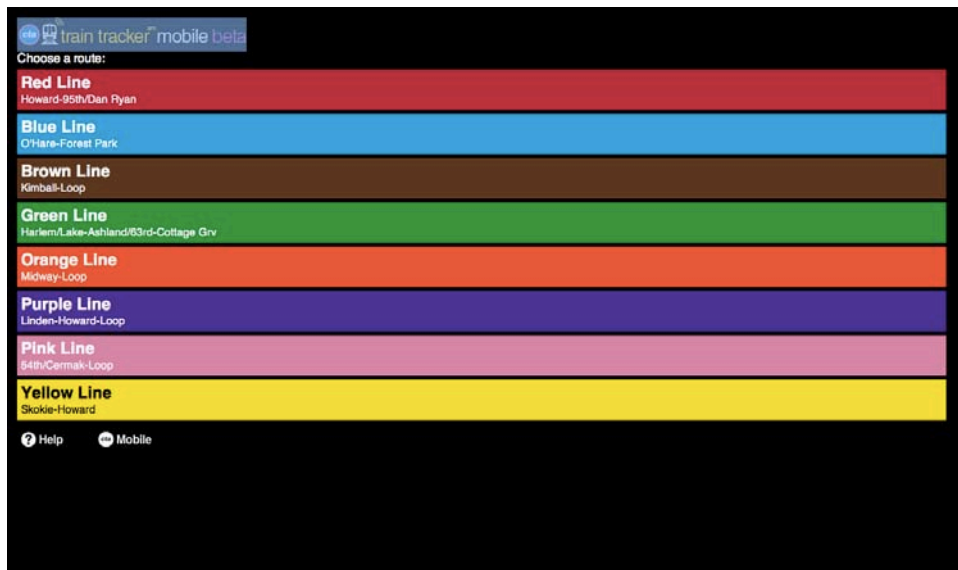


Security cameras—3,600 on rail, every CTA bus. Serious crime down more than 20 percent in 2012 compared to previous year.



Technology/Customer Convenience

Train Tracker



Bus Tracker





Renew Crew Initiative

Logan Square Station

Before



After





Jeffery Jump





Crowding-Reduction Initiative

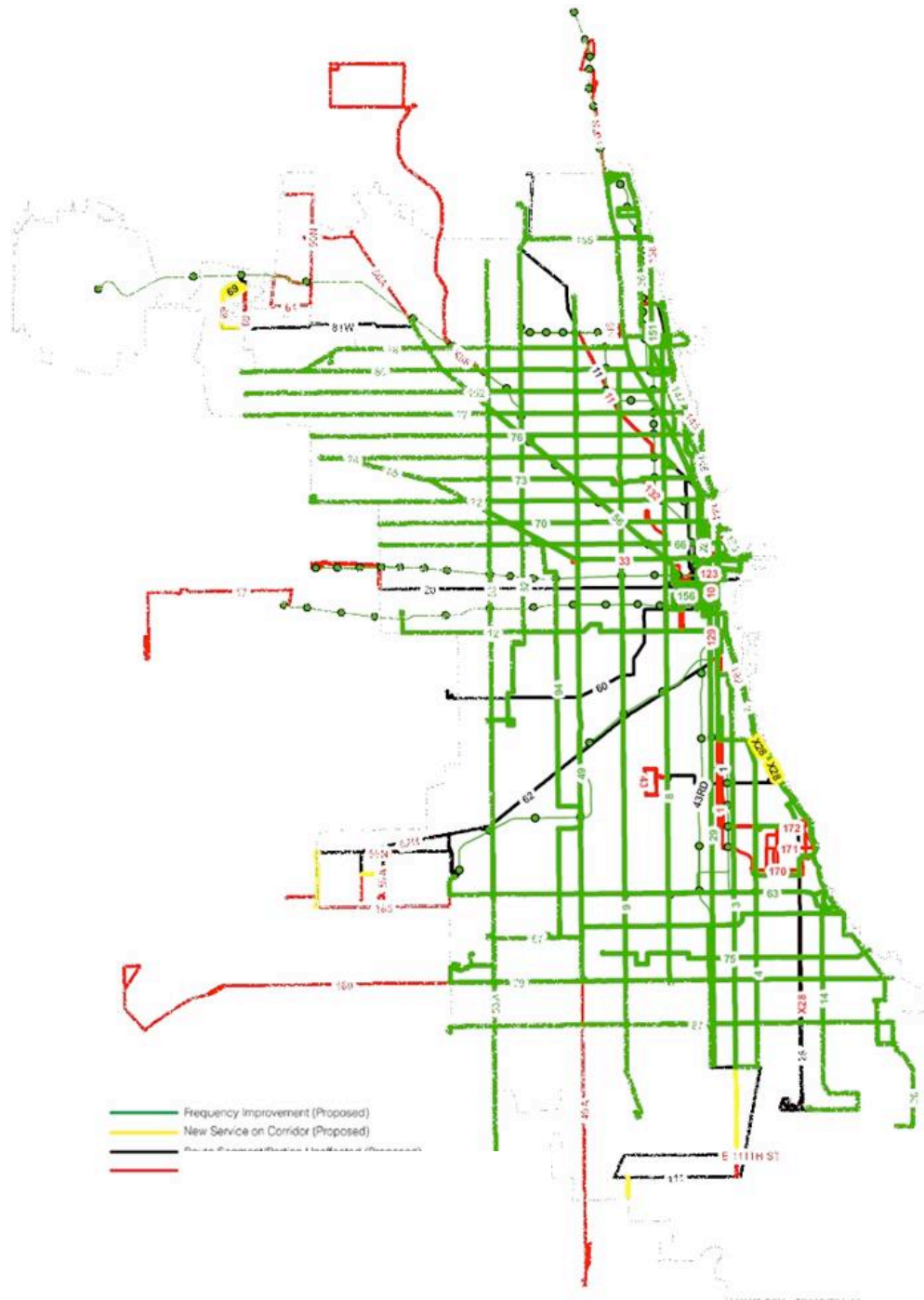


Aimed at addressing overcrowded trains and buses—more comfort, better service for customers.



Added Service

- *Additional service on:*
- 48 bus routes
- 6 rail lines
- Added service covers lines/routes used by 75 percent of CTA customers
- *Benefits*
- 10%-15% less crowded
- More frequency during AM and PM peak



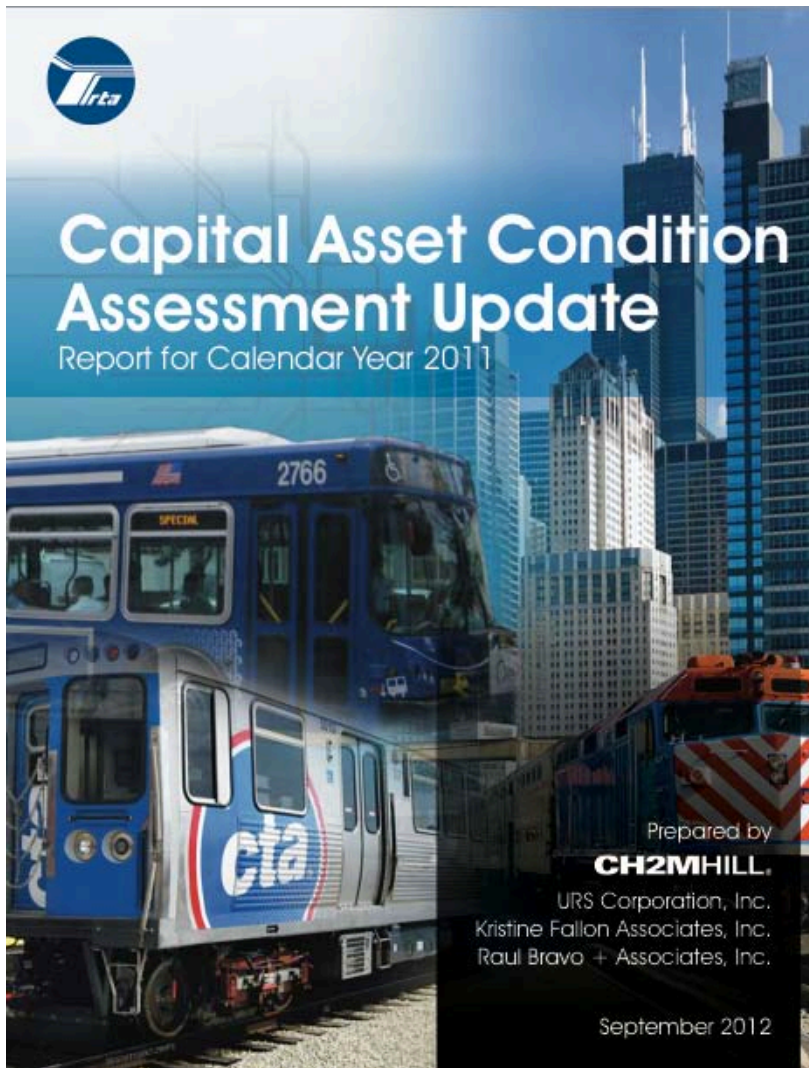
Added
service in
green



Old Lake Street bus route—example of service duplication.



If tough decisions are not made, back to crowded rides and more red ink.



RTA:

CTA has a 10-year backlog of capital reinvestment needs in the

BILLIONS.



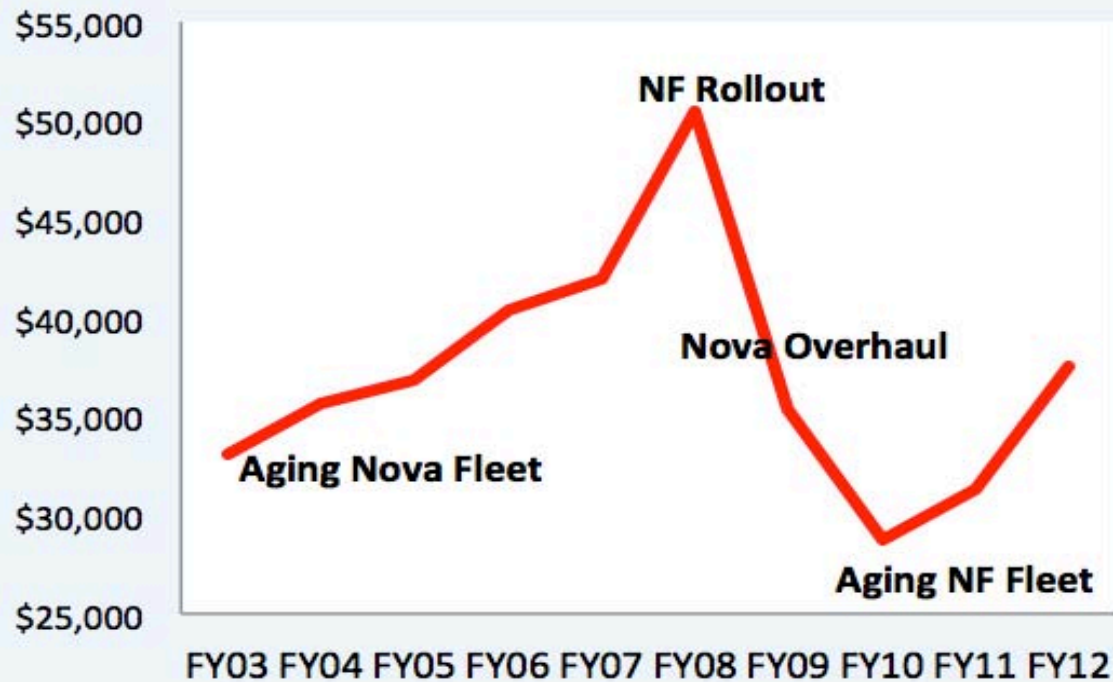
Dangers of Disinvestment





The Cost of Inaction

Bus Maintenance Costs

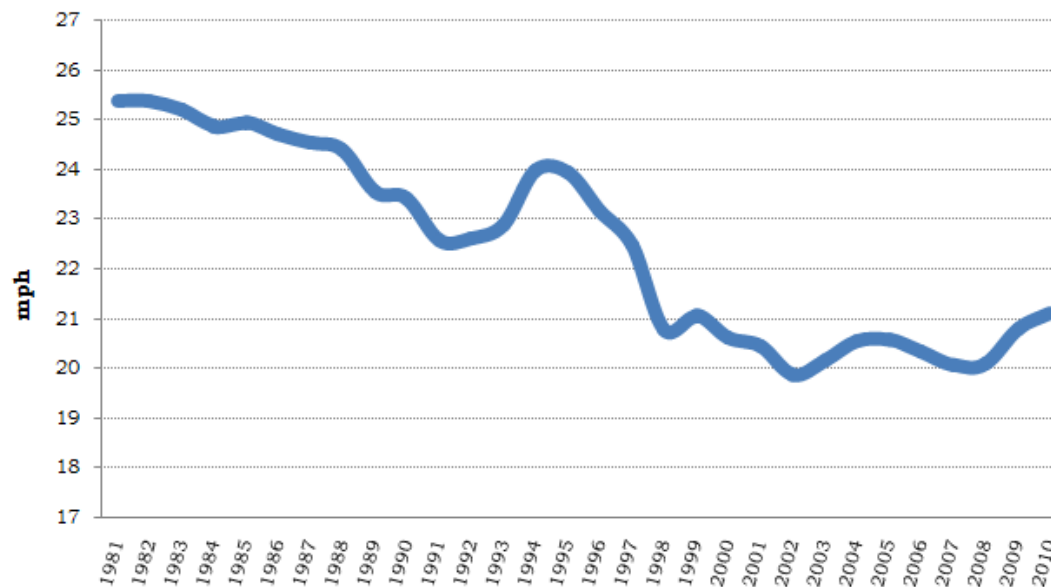


Maintenance costs go up with old buses, down with new buses



Transit, but Far Less Rapid

Rail Average Revenue Speed



Blue Line, O'Hare to Clark/Lake

1990: 38.5 min

2011: 43 min

Red Line, Howard to Grand

1990: 28.5 min

2011: 34.5 min

Purple Express, Howard to Merchandise Mart

1990: 24 min

2011: 29 min

CTA addressing slow zones...



...to go from this...



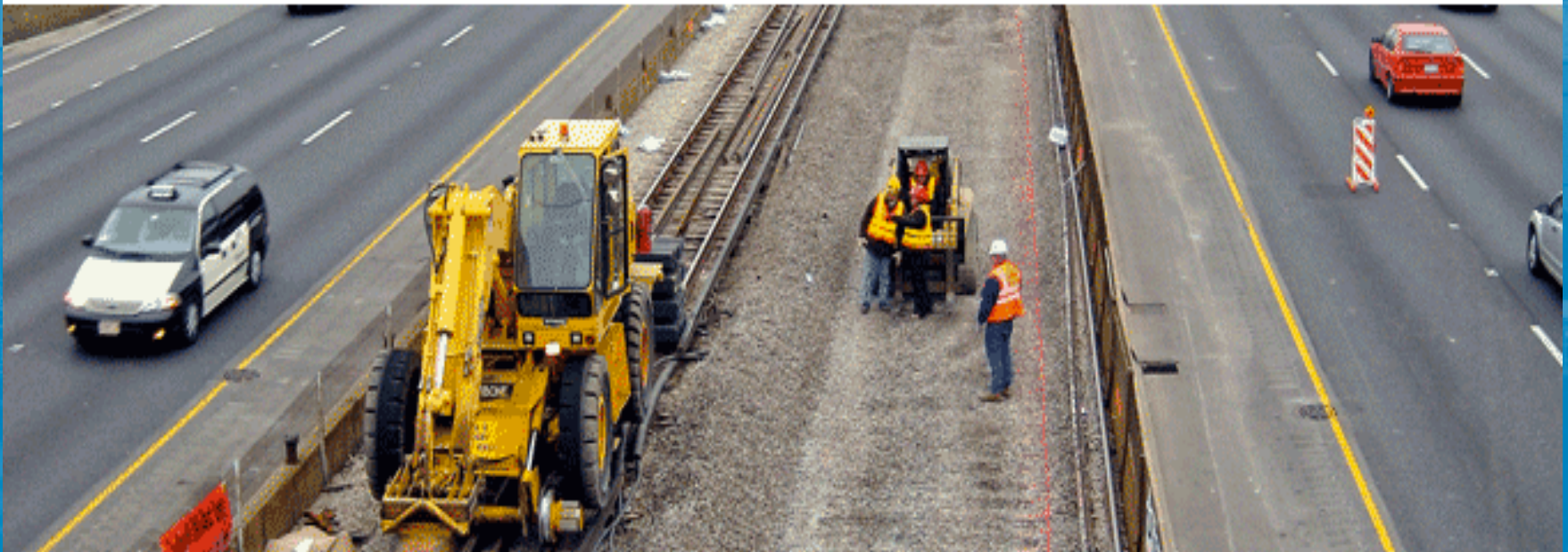
“Beep-Beep!”

...to this.



Capital Investments

RED AHEAD



Red Line South Track Renewal - \$425M



Service Benefits

- Customers get faster commutes
 - 20 minutes off round trip from 95th to downtown by end of 2013
- Smoother rides
- More reliable service
- Station facelifts
- ADA Accessibility



Economic Benefits





- Track work: \$220.1 million
 - DBE percentage: 29.3%
 - 23 DBE subcontractors (50 percent based in Chicago)
 - DBE contract dollar amount: \$66.5 million
 - 60.6 percent—or just over \$40.3 million dollars—going specifically to African-American firms.
- Station work: \$43.875 million.
 - DBE percentage: 40%
 - 13 DBE subcontractors
 - DBE contract dollar amount: \$17.5 million
 - 92.2 percent going to African-American firms.
- 400 new bus driver jobs
- Opportunities for Disadvantaged Business Enterprises
- Construction Apprenticeship Opportunities



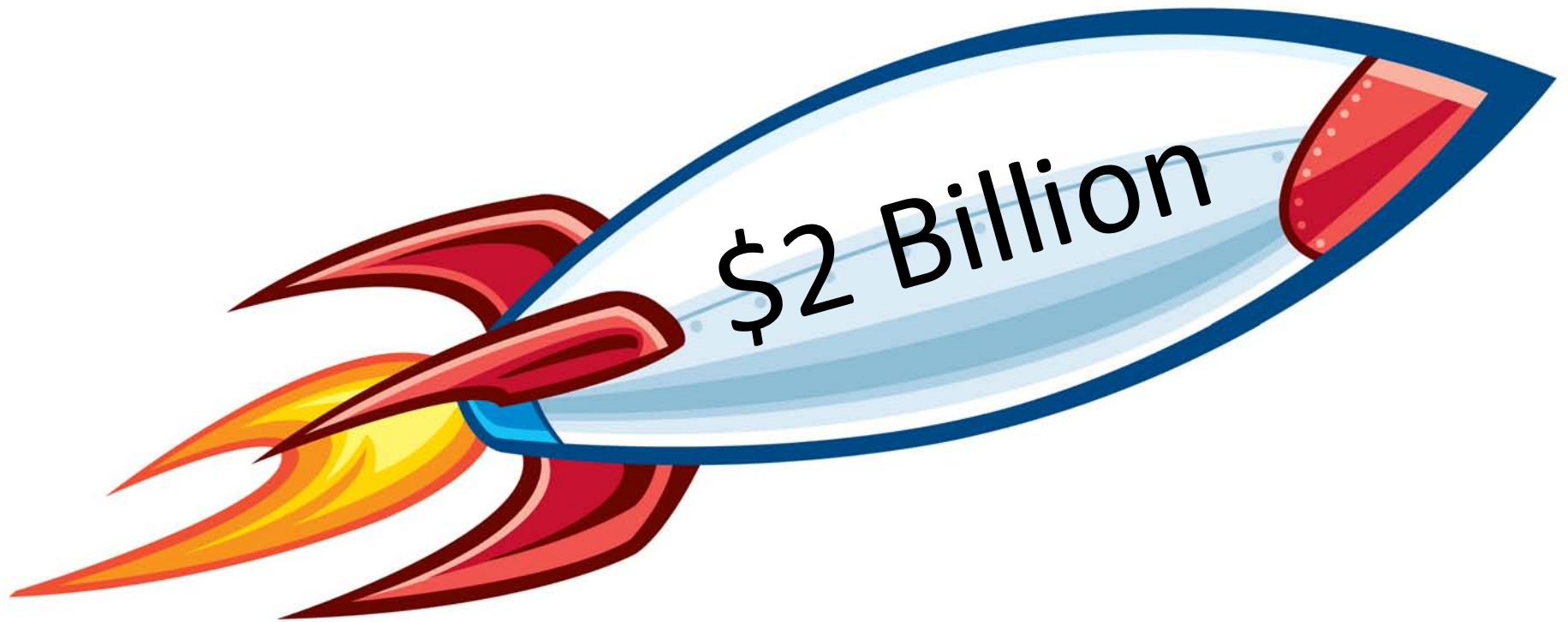
Brown/Blue Slow Zone Removal

“Ravenswood Connector”
Reconstruction

Blue Line Slow Zones

-  Armitage
-  Sedgwick
-  Chicago
-  Merchandise Mart





Already launched \$2 billion in capital projects under Mayor's leadership.



5000 Series Rail Cars





New Bus Fleet





Bus and Rail Maintenance Facility Restoration





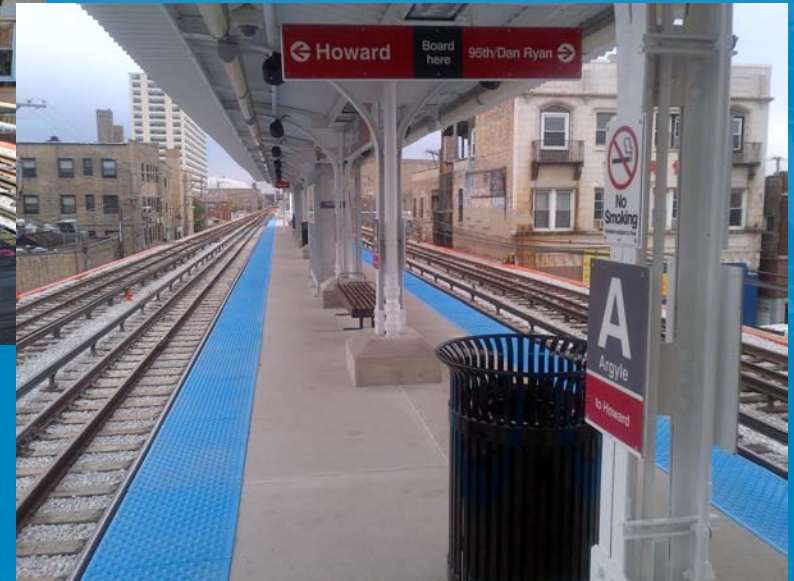
Capital Investments

Argyle Station Platform

Before



After



- Jarvis
- Morse
-  Loyola
-  Granville
- Thorndale
- Bryn Mawr
- Berwyn
- Argyle
- Lawrence
- Wilson

Red North Station Facelifts - \$86M



Capital Investments

RED AHEAD



Wilson Station Renovation - \$203M



Capital Investments



95th Street Terminal Improvement Project - \$240M



Future Capital Investments

Cermak Green Line



Washington/Wabash
Superstation





- Five year plan
- \$4 Billion
- State of Good Repair



Why does it matter?



“The physical properties of cities—scale, proximity, and diversity—are their chief advantage.”

From *The Wealth of Cities*,
by John Norquist



“To compete with other cities, to draw the best workers and businesses to Chicago, we need a strong and vibrant CTA.”



Rahm Emanuel
Mayor, City of Chicago

