

# Suburban Service and Regional ADA Paratransit Budget



2024 Operating Budget  
2025–2026 Two-Year Financial Plan  
2024–2028 Five-Year Capital Program

Final Program • November 2023

# Board of Directors and Senior Staff

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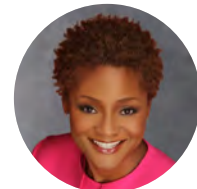
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Dear Stakeholders:

As we plan for the year ahead, Pace is poised to build on 2023's innovations and achievements to reimagine our transit system in the wake of the COVID-19 pandemic. The profound changes brought about by the pandemic transformed the way we do business, and our agency is uniquely positioned to adapt and meet our region's evolving mobility needs.

Our innovative spirit is already bringing riders back and attracting new ones. In 2023, Pace rolled out lower fares and additional integrated unlimited-ride passes. We implemented technological upgrades benefiting riders with disabilities and deployed more real-time bus tracker signs throughout the service area. We successfully secured funding for our first wave of electric vehicles and launched a new user-friendly trip planning platform. We expanded our On Demand program and launched Pace Connect—a new late-night first/last-mile service.

Historic investments in transit infrastructure also took shape. Construction started on a new ADA Paratransit Transfer Facility at our Northwest Transportation Center, while progress continued on our South Campus project in Markham. The Harvey Transportation Center reconstruction project saw significant progress, and we launched the Pulse Dempster Line.

We look forward to nurturing our innovative spirit in 2024. The Rideshare Access Program (RAP) will offer enhanced, subsidized options for all ADA paratransit customers enabling them to utilize rideshare services like UZURV and Via. Aligning with our strategic plan, *Driving Innovation*, we will strengthen fixed-route transit in high-demand markets while leveraging technology and mobility solutions to better serve our diverse suburban communities. In the coming year, we will embark on the development of *ReVision*, Pace's network revitalization and system restructuring plan, to meet existing and projected market demands.

The budget reflects the hard work of the talented and dedicated Pace team who keep this agency moving forward. As we continue to build a modern, world-class transit system, we are prepared to take on another challenge caused by the pandemic—the looming fiscal cliff facing transportation agencies across the country. Through collaboration and investment, we will work to address this challenge and keep the momentum to innovate, adapt, and better serve the people of northeastern Illinois.

Pace appreciates your continued support.

Sincerely,

A handwritten signature in blue ink that reads "Melinda J. Metzger". The signature is written in a cursive, professional style.

Melinda J. Metzger  
Executive Director  
Pace Suburban Bus

# From the Office of the Chairman of the Board

Dear Riders, Interested Citizens, and Public Officials:

We are pleased to present Pace's balanced 2024 Budget, which builds upon a remarkable year filled with historic infrastructure investments, innovative service launches, and thoughtful efforts to continue strong ridership growth. This budget features a robust capital program and fully funded operational budgets for fixed-route and paratransit services with no fare increases or reductions in service.



The budget was created with fiscal responsibility top of mind, making the best use of our available resources while capitalizing on the strong foundation that has established Pace as the premier suburban transit provider, safely and efficiently serving our region's 8.4 million people. The forward-thinking budget is aligned with the strategic vision articulated in *Driving Innovation* and funds initiatives that can adapt to our riders' post-pandemic travel needs, including the creation of *ReVision*, our comprehensive network revitalization and system restructuring plan.

The new budget also reinforces our commitment to sustainability. As I compose this message, Pace's dedicated team is diligently working to implement Project Zero—our ambitious plan to convert the entire Pace fleet to zero-emission vehicles by 2040.

2024 will see even more progress toward Project Zero, including:

- A completed zero-emissions facilities plan. The plan will help guide the short and long-term rollout of our zero-emissions bus fleet at our garages.
- Additional infrastructure enhancements. Our newest garage in Plainfield became the first facility to house permanent charging equipment with North Division set to become the second.
- Additional battery electric buses. Our first bus arrived in 2023, and staff have been busy testing out its capabilities before it goes into service. In 2024, we expect to receive 22 additional electric buses.

Pace's ability to adapt, innovate, and maintain balanced budgets could not happen without our partners in municipal, township, and county governments. Our state and federal leaders understand why transit is critical to a strong quality of life and see the need for greater investments in transit through laws like *Rebuild Illinois* and the *Infrastructure Investment and Jobs Act*. Our continued partnership and collaboration will help ensure another successful year at Pace.

Please read on to review our 2024 balanced budget. I hope you support and can benefit from Pace's innovative ideas and vision for a future that is sustainable and accessible to all.

Sincerely,

A handwritten signature in black ink that reads "Rick Kwasneski". The signature is written in a cursive, slightly stylized font.

Rick Kwasneski  
Chairman  
Pace Suburban Bus



## Budget Highlights

On August 17, 2023, the RTA approved funding levels for Pace Suburban Service and Regional ADA Paratransit which allow for stable operating budgets in 2024.

### Suburban Service

Highlights of the 2024 budget:

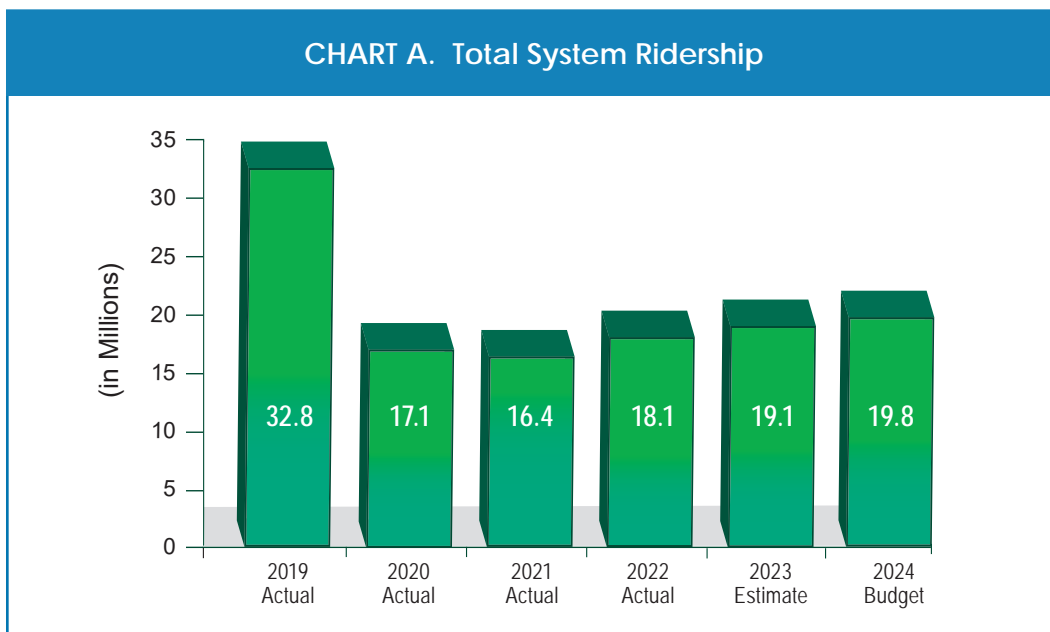
- The 2024 budget is balanced to the RTA funding level with no fare increases. This is achieved through the use of positive budget variance generated from federal coronavirus relief funding.
- Beginning in 2024, Pace is proposing to offer a free fare on the Pace fixed-route system to ADA-certified customers with a valid RTA ADA Paratransit Permit ID Card. These customers currently ride at the reduced fare rate.
- Pace's second Pulse arterial rapid transit line on Dempster Street between Evanston and the O'Hare Airport Multi-modal Facility began Sunday service in August 2023 and daily service in October 2023. The 2024 Budget includes a full year of daily Pulse Dempster service along with other upgrades that improve service frequency on local routes.
- The 2024 budget continues to support innovative service using transportation network companies (TNCs) to expand service options for riders including

Pace Connect, a late-night ride hailing service near O'Hare Airport and in the Harvey area.

- Pace expects to have 23 battery electric buses in service in 2024, distributed throughout the service area, supporting the agency's goal of reaching zero emissions by 2040.
- The 2024 Suburban Service Capital Program totals \$118.5 million, primarily for support facilities and equipment and stations/passenger facilities. The budget includes \$55.0 million to continue the modification and expansion of the North Division garage in Waukegan to accommodate an electric bus fleet and continue Pace's pledge to zero emissions. It also includes \$59.1 million to support the design and construction efforts of two additional Pulse lines on South Halsted and 95th streets.

### Regional ADA Paratransit

The 2024 Regional ADA Paratransit budget is balanced to RTA's funding level of \$236.0 million and includes support for the Rideshare Access Program (RAP), which will allow ADA Paratransit customers to use TNC services as an alternative to dedicated ADA Paratransit services. In 2024, Regional ADA Paratransit service will provide an estimated 4.2 million passenger trips. There are no fare increases planned for 2024.



# Executive Summary

## 2024 Combined Operating Budget Summary

The 2024 budgets for Suburban Service and the Regional ADA Paratransit program are stable and balanced to the funding levels and recovery ratio requirements approved by the RTA on August 17, 2023.

The 2024 expense budget for Suburban Service is \$333.335 million. Suburban Service operating revenue is budgeted at \$40.554 million. Total public funding for Suburban Service is estimated at \$233.075 million, leaving a funding shortfall of \$59.706 million. Positive budget variance generated from federal coronavirus relief funding will be used to fund the remaining deficit.

Pace will use allowable credits to meet the 17.0% recovery ratio set by the RTA.

The 2024 expense budget for Regional ADA Paratransit is \$248.934 million. ADA operating revenue is expected to reach 12.961 million, resulting in a funding requirement of \$235.973 million, which is fully funded with public funding. Pace will use allowable credits to meet the 7.5% recovery ratio set by the RTA.

**Table 1. 2024 Combined Services Operating Budget Summary (000s)**

	Suburban Service	Regional ADA Paratransit	Combined Pace Services
<b>Total Operating Expenses</b>	\$333,335	\$248,934	\$582,269
Less: Total Operating Revenue	40,554	12,961	53,515
<b>Funding Requirement</b>	<b>\$292,781</b>	<b>\$235,973</b>	<b>\$528,754</b>
Less:			
Sales Tax (Part I)	\$127,552	\$0	\$127,552
Sales Tax (Part II)	19,837	226,865	246,702
Suburban Community Mobility Fund (SCMF)	33,645	0	33,645
South Suburban Job Access Fund	7,500	0	7,500
PTF (Part I)	6,150	0	6,150
PTF (Part II)	25,325	0	25,325
RTA Sales Tax (Part I)	7,513	0	7,513
Federal Discretionary Fund Programs	5,553	0	5,553
State ADA Funds	0	9,108	9,108
Positive Budget Variance	59,706	0	59,706
<b>Net Funding Available</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Recovery Ratio</b>	<b>17.00%</b>	<b>7.50%</b>	



## 2024 Capital Budget Summary

The preliminary Capital Program marks prepared by the RTA include estimated federal and state funds that are expected to be available to the region for capital investment purposes. Listed below are the highlights of the 2024 Capital Budget.

### Suburban Service

The 2024 Suburban Service Capital Program totals \$118.457 million.

The program contains:

- \$1.802 million for Rolling Stock, including the replacement of 14 paratransit vehicles.
- \$2.514 million for Electrical/Signal/Communications, including purchase of onboard digital screens.
- \$55.000 million for Support Facilities and Equipment, including North Division electrification/expansion.
- \$59.141 million for Stations and Passenger Facilities, including Pulse Halsted and Pulse 95th construction.

Table 2. 2024 Suburban Service Capital Budget (000s)	
	Amount
<b>Rolling Stock</b>	
Paratransit Vehicles (14)	\$1,802
<b>Subtotal</b>	<b>\$1,802</b>
<b>Electrical/Signal/Communications</b>	
Onboard Digital Screens	\$2,514
<b>Subtotal</b>	<b>\$2,514</b>
<b>Support Facilities &amp; Equipment</b>	
North Division Electrification/Expansion	\$55,000
<b>Subtotal</b>	<b>\$55,000</b>
<b>Stations &amp; Passenger Facilities</b>	
Pulse Halsted A/E and Construction	\$39,574
Pulse 95th Construction	19,567
<b>Subtotal</b>	<b>\$59,141</b>
<b>Total Suburban Capital Program</b>	<b>\$118,457</b>
<b>Total Funding</b>	
Federal 5307/5339	\$59,315
State PAYGO	11,350
CMAQ/CRP	27,791
RAISE	20,000
<b>Total Suburban Funding</b>	<b>\$118,457</b>

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## 2024 Suburban Service Operating Budget

### Summary

The Suburban Service program is presented in the table below and summarized as follows:

- Pace projects \$333.335 million in operating expenses in 2024.
- A total of \$40.554 million in revenue generated from operations.
- The funding requirement of \$292.781 million is funded by sales tax and other public sources of funds.
- A total of \$227.522 million in funding generated from Regional Sales Tax will be used.
- A total of \$5.553 million in federal Congestion Mitigation/Air Quality (CMAQ) funds will be used.
- A total of \$59.706 million of positive budget variance generated from federal coronavirus relief funding will be used to cover the shortfall in sales tax and operating revenue.

The 2024 budget plans for a full year of Pulse Dempster line, Pace Connect, and Rideshare Access Program (RAP) services, as well as significant enhancements to fixed route service frequency throughout the service area.

The 2024 Suburban Service budget is balanced to both the funding and recovery ratio marks identified for Pace by the RTA.

Ridership is projected to increase 3.6% in 2024 to 15.6 million trips due to expanded service and a continuing return to in-person work as the region recovers from the pandemic.

A detailed review of the 2024 Suburban Service operating program is presented in this section.

**Table 3. 2024 Suburban Service Operating Budget Summary (000s)**

	2022 Actual	2023 Estimate	2024 Budget
<b>Total Operating Expenses</b>	\$245,588	\$294,901	\$333,335
Less: Total Operating Revenue	35,513	43,431	40,554
<b>Funding Requirement</b>	<b>\$210,075</b>	<b>\$251,470</b>	<b>\$292,781</b>
Less:			
Sales Tax (Part I)	\$123,182	\$123,984	\$127,552
Sales Tax (Part II)	19,797	19,434	19,837
Suburban Community Mobility Fund (SCMF)	31,948	32,602	33,645
South Suburban Job Access Fund	7,500	7,500	7,500
PTF (Part I)	5,892	6,035	6,150
PTF (Part II)	24,272	24,755	25,325
RTA Sales Tax (Part I)	5,358	6,337	7,513
RTA Discretionary Fund Programs	0	444	0
Federal Discretionary Fund Programs	8,774	1,148	5,553
Federal Coronavirus Relief Funding	71,263	0	0
Positive Budget Variance	0	29,231	59,706
<b>Net Funding Available</b>	<b>\$87,911</b>	<b>\$0</b>	<b>\$0</b>
<b>Recovery Ratio</b>	<b>19.58%</b>	<b>19.17%</b>	<b>17.00%</b>

## Sources of Funds

Pace relies on two sources to fund operations—funds classified as “public”, which come from the State of Illinois and the federal government, and revenue derived from operations.

Public funding is split into two main categories—Part I and Part II. Part II funding was added in 2008 as a result of legislative funding changes which increased the amount and sources of funds and established a new allocation basis for the additional funding. The main sources of funding for both Part I and Part II funding are the same—a regional sales tax and a state sales tax matching grant from the Public Transportation Fund (PTF). It is important to understand that Part II funding is in addition to Part I funding and the two taken together comprise the total public funding available.

With the adoption of the Illinois Fiscal Year 2018 budget, the state imposed a 2% administrative surcharge on RTA sales tax which is still in effect today.

By September 15, the RTA is required to advise Pace and the other service boards of the amounts and timing of public funds provided for the coming and following two fiscal years. The RTA is also required to establish a recovery ratio at this time which indirectly sets the levels of operating revenue that each of the service boards needs to achieve to meet the RTA marks. Further discussion of the RTA marks and the budget process can be found in Appendix G. A detailed look at the funding sources is provided below.

**Table 4. Allocation of Part I Sales Tax Receipts**

	RTA	CTA	Metra	Pace
Chicago	15%	(100%	0%	0% of remaining 85%)
Suburban Cook	15%	(30%	55%	15% of remaining 85%)
Collar Counties	15%	(0%	70%	30% of remaining 85%)

**Table 5. Regional Sales Tax & Public Transportation Fund Trends (000s)**

	2020 Actual	2021 Actual	2022 Actual	2023 Estimate	2024 Budget
<b>Regional Funds</b>					
Sales Tax - Part I	\$855,190	\$1,085,632	\$1,161,319	\$1,185,726	\$1,222,993
PTF Match to Sales Tax - Part I (25%)	212,613	257,474	294,582	301,724	307,482
Sales Tax - Part II	295,967	383,174	408,248	415,942	429,928
PTF Match to Sales Tax - Part II (+5% Part I)	145,786	179,794	205,005	206,930	212,791
<b>Total Sales Tax and PTF</b>	<b>\$1,509,556</b>	<b>\$1,906,074</b>	<b>\$2,069,154</b>	<b>\$2,110,322</b>	<b>\$2,173,194</b>
<b>Pace Share of Regional Funds</b>					
Sales Tax - Part I	\$94,239	\$116,945	\$123,182	\$123,984	\$127,552
PTF Match to Sales Tax - Part I	4,252	5,149	5,892	6,035	6,150
Sales Tax - Part II and PTF - Part II	57,379	74,570	76,017	76,791	78,807
<b>Total Pace Share</b>	<b>\$155,870</b>	<b>\$196,664</b>	<b>\$205,091</b>	<b>\$206,810</b>	<b>\$212,509</b>
<b>Pace Funding as a Percent of Regional Funding</b>					
PTF Match to Sales Tax - Part II (RTA Discretionary)	2.0%	2.0%	2.0%	2.0%	2.0%
Sales Tax - Part I and PTF - Part I	9.2	9.1	8.9	8.7	8.7
Sales Tax - Part II and PTF - Part II	13.0	13.2	12.4	12.3	12.3
<b>Total Receipts</b>	<b>10.3%</b>	<b>10.3%</b>	<b>9.9%</b>	<b>9.8%</b>	<b>9.8%</b>

## Funding Sources - Part I

### Sales Tax

The Part I sales tax amount represents the pre-2008 sales tax imposed by the RTA. The effective sales tax rate for Part I is 1.0% in Cook County and 0.25% in Will, Lake, Kane, DuPage, and McHenry Counties. Part I sales tax is distributed to the RTA and the service boards in accordance with the allocation shown in Table 4.

The estimated Part I sales tax funding mark for Pace is \$127.552 million for 2024. This represents approximately 10.4% of the total RTA region's estimate of \$1.223 billion. The RTA estimate for Pace Part I Sales Tax receipts is 2.9% higher than 2023 estimated levels. The RTA estimate is based on a projection of current sales tax trends which continue to rise over prior year levels. Table 5 highlights recent trend and upcoming estimates for Part I sales tax revenue for both the region and Pace.

### Public Transportation Fund (PTF)

Section 4.09 of the RTA Act establishes a Public Transportation Fund in the State Treasury. The PTF is to be funded by transfers from the General Revenue Fund. All funds in the PTF are to be allocated and paid to the RTA, provided it meets the budgeting and financial requirements set forth in the Act. The amount transferred to the fund under Part I equals 25% of the net revenue realized from the Part I sales tax.

For 2024, the RTA will provide Pace with 2.0% or \$6.150 million of the PTF match received for Part I Sales Tax revenue.

## Funding Sources - Part II Sales Tax & PTF

The passage of Public Act 95-0708 in January 2008 restructured RTA governance, oversight responsibilities, and funding. Pace operating funding was enhanced with additional resources that are based on new sales taxes and matching PTF allocations.

Under the new funding package, the regional sales tax is increased by 0.25% of 1% throughout the six-county region. An additional PTF grant from the State equal to 5% of total sales tax collections—Part I existing sales tax and the new additional 0.25% sales tax—was established.

The existing PTF match of 25% of sales tax was extended to the new 0.25% sales tax, bringing the total

PTF match to 30%. Authorization for a Real Estate Transfer Tax (RETT) was created in the City of Chicago with the proceeds of RETT and a State 25% match from PTF on RETT going to CTA.

Funds generated by the new package are pooled and then allocated by the state statute. The allocation for 2024 is as follows:

- \$226.864 million is allocated to Pace for the provision of the Regional ADA Paratransit Service, based on program requirements.
- \$33.645 million is allocated to Pace under the Suburban Community Mobility Fund (SCMF).
- \$16.823 million was allocated to the RTA for the Innovation, Coordination and Enhancement (ICE) fund.
- \$17.987 million is allocated to CTA for the 25% PTF match on RETT.

The SCMF and ICE amounts are adjusted annually for sales tax performance (Table 6). The remaining balance is allocated to CTA (48%), Metra (39%), and Pace (13%).

In addition to the above funds, Public Act 95-0708 requires RTA to provide Pace \$7.5 million annually for services in south Cook County, but this funding is not required to be provided out of Part II Sales Tax or PTF funding.

Table 6 shows the allocation of the new funding sources for the 2024 RTA budget.

### Suburban Community Mobility Fund (SCMF)

In 2024, the SCMF will provide \$33.645 million to Pace for the provision of non-traditional transit services. Services such as demand response, vanpool, ridesharing, reverse commute, bus rapid transit, and other innovative services that enhance suburban mobility are eligible. Both new and existing services are eligible for SCMF funding. For 2024, Pace will use these funds to support existing services.

SCMF fund levels are tied to the percentage change in sales taxes.

### Regional ADA Paratransit Fund

In 2011, the RTA Act was amended to establish the ADA Fund at a level of \$115 million for 2012 with future allocations based on program requirements. The 2024 requirement is \$226.864 million.

## South Suburban Cook Job Access Fund

While not representing a new source of funds, the RTA legislation (January 2008) established a requirement that the RTA provide \$7.5 million annually to Pace for the provision of services in south Cook County.

The \$7.5 million does not grow with sales tax growth. These funds can be used for new or existing services that focus on employment opportunities. In 2024, Pace expects to spend a total of \$43.1 million for services in south Cook County for two of its operating divisions—South and Southwest.

## Federal Discretionary Fund Programs

### *Congestion Mitigation/Air Quality (CMAQ) Program*

Pace relies on funds from the CMAQ program to implement and maintain various new services that support program objectives. Funding from this source is included in 2024 to support Dempster Pulse service.

### *Enhanced Mobility of Seniors and Individuals with Disabilities (§5310)*

This program encourages service and facility improvements to address the transportation needs of persons with disabilities that go beyond those required by the Americans with Disabilities Act. Funding from this source is included in 2023 to support the Regional Mobility Management Call Center (RMMCC) but is not included in 2024.

### *Bus and Bus Facilities Infrastructure Investment Program (§5339)*

This program provides funding to replace, rehabilitate, and purchase transportation vehicles and related equipment and to support bus-related facilities. Funding from this source included in 2023 will be applied to the cost of the East Dundee garage rental expense and will be fully expended before the end of the year.

## Positive Budget Variance

A service board generates positive budget variance (PBV) when funding available exceeds funding required in a given year. These funds are held by a service board until such time that the service board chooses to use the funds for capital or operating purposes. Funding from this source will be used to balance 2024 funding to the estimated funding requirement.

**Table 6.**  
**Allocation of Part II Sales Tax Receipts (000s)**

	2024 Budget
Sales Tax - Part II	\$429,928
PTF - Part II	212,791
<b>Total Sales Tax II &amp; PTF II</b>	<b>\$642,719</b>
<b>Distribution of Sales Tax - Part II and PTF - Part II</b>	
Less:	
Regional ADA Paratransit Fund - Pace/RTA	\$226,864
Suburban Community Mobility Fund - Pace	33,645
RTA ICE Fund	16,823
25% PTF Match on RETT - CTA	17,987
<b>Balance Available for Allocation to Service Boards</b>	<b>\$347,400</b>
<b>Service Board Allocation</b>	
CTA - 48%	\$166,752
Metra - 39%	135,486
Pace - 13%	45,162
<b>Total Service Board Allocation</b>	<b>\$347,400</b>

## Operating Revenue

The 2024 budget includes \$40.554 million of operating revenue, a 6.6% decrease from the 2023 estimate, due to an expected decrease in interest income.

## Uses of Funds

All funds received in 2024 will be used to support Pace services. The components of the 2024 Suburban Service operating program are fixed route services (i.e., Pace divisions, public/municipal-contracted, and private-contracted); demand response services; the Vanpool program; centralized support expenses; and costs for administration.

### *Pace Divisions*

Pace is responsible for the direct operation of service from nine divisions in the six-county region. Together, these divisions—North, North Shore, Northwest, South, Southwest, West, Fox Valley, River, and Heritage—carry 90% of the total suburban service ridership. Pace expects to expend \$151.131 million for these services in 2024. Further information can be found on page 12.

### *Public/Municipal Contracted Services*

Pace will contract directly with two municipalities (Niles and Highland Park) and maintain an agreement with the Village of Schaumburg for fixed route services. These services are expected to cost an estimated \$3.425 million in 2024. Further information can be found on page 13.

### *Private Contract Services*

Pace provides a portion of fixed route service by directly contracting with two private transit companies and a late-night ride hailing service near O'Hare Airport and Harvey called Pace Connect. Pace also plans to expand programs with transportation network companies (TNCs) in 2024 to provide additional service options for riders. The total cost for private contract services in 2024 is estimated at \$11.531 million. Further information can be found on page 14.

### *Demand Response Services*

Pace partners in 42 demand response projects throughout the six-county region. Services are operated by townships and local municipalities under contract with Pace or by private providers. Pace provides funding for these services based on a formula applied to the total service cost. The local government is also required to provide a portion of the service cost. Additionally, Pace oversees the Community Transit Program. The total cost for demand response services in 2024 is estimated at \$21.645 million. Further information can be found on pages 15 and 16.

### *Vanpool Services*

The 2024 budget for vanpool services is \$1.625 million. This program is comprised of three elements—the Vanpool Incentive Program (VIP) provides traditional commute vanpools, the Advantage program provides a transit alternative to individuals who commute on a regular basis to worksites or rehabilitative workshops, and the Shuttle program provides suburban employers and qualifying not-for-profit human services organizations a means to transport employees and program participants to and from transit connections or worksites. Pace expects this program to have 304 vans in service in 2024. Further information can be found on pages 17 and 18.

### *Centralized Support*

Pace provides a variety of direct operational support services through a centralized support program allowing Pace to save money by buying in bulk and consolidating services. In total, Pace will spend \$92.914 million to provide fuel, insurance, healthcare, and other support items in 2024. Further detail is provided on page 19.

### *Administration*

To accomplish the duties of direct operational support, service planning, capital planning, financial control and IT support, Pace's 2024 administrative budget, including debt service, is set at \$62.621 million. Further information can be found on page 20.

### *Regional ADA Paratransit Credit*

In July 2006, Pace assumed responsibility for providing all ADA Paratransit Service in the northeastern Illinois six-county region. To offset the cost of administrative support (i.e., Accounting, Procurement, IT and other departments) a credit is applied to the Suburban Service budget and allocated to the Regional ADA Paratransit Services budget. For 2024, the allocation is \$11.557 million.

**Table 7. Suburban Service Revenue Summary (000s)**

	2022 Actual	2023 Estimate	2024 Budget
<b>Operating Revenue</b>			
Pace Divisions	\$18,655	\$17,905	\$18,459
Public/Municipal Contracted Services	1,190	1,272	1,314
Private Contract Services	500	951	703
Demand Response Services	8,135	9,542	9,656
Vanpool Services	925	1,007	1,028
Half-Fare Reimbursement	1,346	1,346	1,460
Investment/Other Income	4,029	11,368	7,869
Advertising Revenue	733	40	65
<b>Total Operating Revenue</b>	<b>\$35,513</b>	<b>\$43,431</b>	<b>\$40,554</b>
<b>Public Funding</b>			
Sales Tax (Part I)	\$123,182	\$123,984	\$127,552
Sales Tax (Part II)	19,797	19,434	19,837
PTF (Part I)	5,892	6,035	6,150
PTF (Part II)	24,272	24,755	25,325
Suburban Community Mobility Fund (SCMF)	31,948	32,602	33,645
South Suburban Cook Job Access Fund	7,500	7,500	7,500
RTA Sales Tax (Part I)	5,358	6,337	7,513
RTA Discretionary Fund Programs*	0	444	0
Federal Discretionary Fund Programs	8,774	1,148	5,553
Federal Relief Funding Assistance	71,263	0	0
Positive Budget Variance	0	29,231	59,706
<b>Total Public Funding</b>	<b>\$297,986</b>	<b>\$251,470</b>	<b>\$292,781</b>
<b>Total Source of Funds</b>	<b>\$333,499</b>	<b>\$294,901</b>	<b>\$333,335</b>

\*Includes Innovation, Coordination, and Enhancement (ICE) funds

**Chart B. 2024 Sources of Funds (000s) - Total \$333,335**

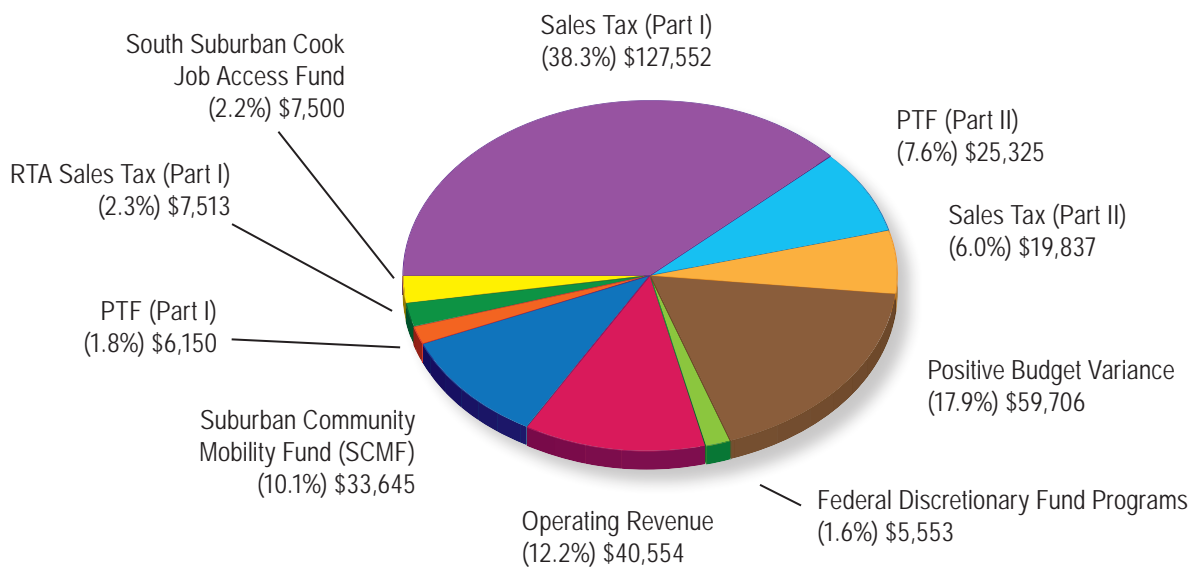


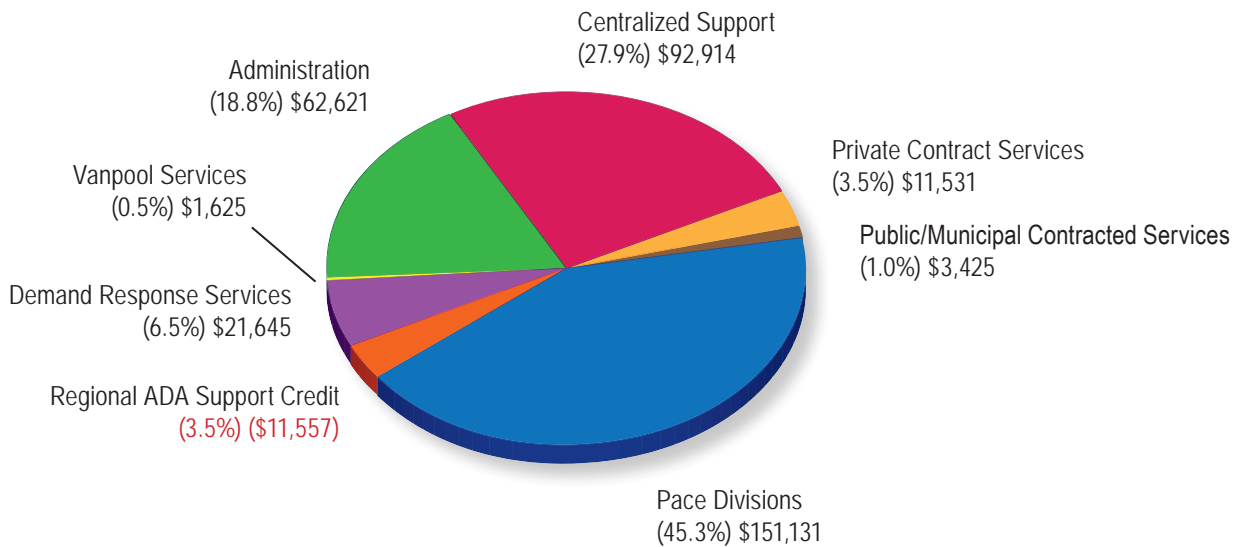


Table 8. Suburban Service Expense Summary (000s)

	2022 Actual	2023 Estimate	2024 Budget
<b>Expenses</b>			
Pace Divisions	\$119,068	\$136,218	\$151,131
Public/Municipal Contracted Services	3,126	3,319	3,425
Private Contract Services	3,068	8,670	11,531
Demand Response Services	19,551	20,643	21,645
Vanpool Services	1,288	1,602	1,625
Centralized Support	66,164	82,575	92,914
Administration*	40,969	51,205	62,621
Regional ADA Support Credit	(7,646)	(9,331)	(11,557)
<b>Total Expenses</b>	<b>\$245,588</b>	<b>\$294,901</b>	<b>\$333,335</b>
<b>Net Funding Available</b>	<b>\$87,911</b>	<b>\$0</b>	<b>\$0</b>
<b>Recovery Rate</b>	<b>19.58%</b>	<b>19.17%</b>	<b>17.00%</b>

\*Includes Debt Service beginning in 2015

Chart C. 2024 Uses of Funds (000s) - Total \$333,335



## 2024 Pace Divisions Budget



### 2024 Goals

*Pace's efforts for 2024 include providing 13.8 million rides via service provided by Pace Divisions.*

Pace operates fixed route service from nine divisions located throughout the six-county region: Fox Valley in North Aurora, Southwest in Bridgeview, Northwest in Des Plaines, River in Elgin, North Shore in Evanston, Heritage in Plainfield, South in Markham, West in Melrose Park, and North in Waukegan. Combined, these carriers account for 86% of the system's suburban ridership.

In 2024, Pace will spend \$151.131 million to provide service in these areas. This represents a 10.9% increase over estimated 2023 levels and is primarily due to additional service and contractual labor and fringe growth. Total revenue is expected to increase 3.1% due to additional service and increased ridership.

The budget for Pace divisions is summarized in the table below.

**Table 9. Budget Summary - Pace Divisions (000s)**

	2022 Actual	2023 Estimate	2024 Budget
<b>Revenue</b>			
Pace Divisions	\$18,466	\$17,895	\$18,060
CMAQ/ICE	189	10	399
<b>Total Revenue</b>	<b>\$18,655</b>	<b>\$17,905</b>	<b>\$18,459</b>
<b>Expenses</b>			
Operations	\$75,559	\$89,185	\$97,982
CMAQ/ICE	5,497	304	5,953
Maintenance	19,841	25,478	25,087
Bus Parts/Supplies	7,415	8,840	9,493
Non-Vehicle Maintenance	3,141	4,170	4,313
General Administration	7,616	8,241	8,303
<b>Total Expenses</b>	<b>\$119,068</b>	<b>\$136,218</b>	<b>\$151,131</b>
<b>Funding Requirement</b>	<b>\$100,413</b>	<b>\$118,313</b>	<b>\$132,672</b>
<b>Recovery Ratio</b>	<b>15.67%</b>	<b>13.14%</b>	<b>12.21%</b>
<b>Ridership</b>	<b>13,020</b>	<b>13,353</b>	<b>13,843</b>
<b>Vehicle Miles</b>	<b>24,861</b>	<b>25,043</b>	<b>28,351</b>
<b>Vehicle Hours</b>	<b>1,678</b>	<b>1,698</b>	<b>1,941</b>
<b>Full Time Equivalentents (FTEs)</b>	<b>1,423</b>	<b>1,434</b>	<b>1,562</b>

## 2024 Public/Municipal Contracted Services Budget

Pace contracts with two municipalities—Highland Park and Niles—and maintains an agreement with the Village of Schaumburg for fixed route service. The budget for Public/Municipal contracted service is summarized in the table below. Detailed information is provided in Appendix F.

### Municipal Fixed Route Services

The City of Highland Park and the Village of Niles will continue to contract with Pace in order to provide fixed route services in 2024. Combined, these services will provide 0.227 million rides and generate \$1.049 million in farebox and local share revenue. Total service expenditures will reach \$2.914 million in 2024 and net required funding will be \$1.865 million.

### Schaumburg

Trolley service is provided in the Woodfield area of Schaumburg. The 2024 estimated cost of this service is \$0.511 million, which will be partially funded by the Village of Schaumburg.



### 2024 Goals

Pace's efforts for 2024 include providing 0.2 million rides via service provided by Public/Municipal Contracted Services.

Table 10. Budget Summary - Public/Municipal Contracted Services (000s)

	2022 Actual	2023 Estimate	2024 Budget
<b>Revenue</b>			
Highland Park	\$366	\$448	\$466
Niles	525	569	583
Schaumburg	299	255	265
<b>Total Revenue</b>	<b>\$1,190</b>	<b>\$1,272</b>	<b>\$1,314</b>
<b>Expenses</b>			
Highland Park	\$1,174	\$1,245	\$1,295
Niles	1,462	1,580	1,619
Schaumburg	490	494	511
<b>Total Expenses</b>	<b>\$3,126</b>	<b>\$3,319</b>	<b>\$3,425</b>
<b>Funding Requirement</b>	<b>\$1,936</b>	<b>\$2,047</b>	<b>\$2,111</b>
<b>Recovery Ratio</b>	<b>38.05%</b>	<b>38.33%</b>	<b>38.37%</b>
<b>Ridership</b>	<b>235</b>	<b>241</b>	<b>241</b>
<b>Vehicle Miles</b>	<b>332</b>	<b>333</b>	<b>333</b>
<b>Vehicle Hours</b>	<b>29</b>	<b>30</b>	<b>30</b>

## 2024 Private Contract Services Budget

In 2024, Pace will continue to contract with MV Transportation for fixed route service and Via Transportation for Pace Connect service, a late-night ride hailing option operating near O'Hare Airport and in the Harvey area. The 2024 budget also includes plans to initiate additional service with transportation network companies (TNCs) throughout Pace's service area to provide an alternative to fixed route service to riders.

The cost of providing fixed route contracted service will increase to \$11.531 million in 2024 due to contractual cost increases and additional TNC services.

Operating revenue is projected to decrease 26.1% from 2023 estimated levels due to operating grants for Pace onnect services being fully expended in 2023.

The budget for private contract services is summarized in the table below.



**2024 Goals**  
*Pace's Private Contract Services efforts for 2024 include expanding TNC services.*

**Table 11. Budget Summary - Private Contract Services (000s)**

	2022 Actual	2023 Estimate	2024 Budget
<b>Revenue</b>			
Private Contract	\$500	\$951	\$703
<b>Total Revenue</b>	<b>\$500</b>	<b>\$951</b>	<b>\$703</b>
<b>Expenses</b>			
Private Contract	\$3,068	\$8,670	\$11,531
<b>Total Expenses</b>	<b>\$3,068</b>	<b>\$8,670</b>	<b>\$11,531</b>
<b>Funding Requirement</b>	<b>\$2,568</b>	<b>\$7,719</b>	<b>\$10,828</b>
<b>Recovery Ratio</b>	<b>16.30%</b>	<b>10.97%</b>	<b>6.10%</b>
<b>Ridership</b>	<b>274</b>	<b>275</b>	<b>279</b>
<b>Vehicle Miles</b>	<b>712</b>	<b>736</b>	<b>778</b>
<b>Vehicle Hours</b>	<b>41</b>	<b>48</b>	<b>61</b>

## 2024 Demand Response Services Budget

Pace operates four types of service under the Demand Response Services umbrella—traditional local Dial-a-Ride, County-led Coordinated Service, On Demand Service, and the Community Transit Program—as detailed below. For 2024, Pace will continue to provide a 15% credit to the amount local municipalities contribute to their services, creating an opportunity for our partners to provide additional or enhanced service to residents in their communities. In 2024, riders will be able to use the regionwide Rideshare Access Program (RAP), which subsidizes trips for Demand Response-eligible riders using transportation network companies (TNCs) like Lyft and Uber.

### Local Dial-a-Ride Service

Dial-a-Ride is available in a large portion of the Pace service area through local projects serving over 130 communities. Nearly all services are provided with Pace paratransit vehicles.

Pace has service agreements with villages and townships for the operation of 11 dial-a-ride projects. In most cases, the local community operates the service with Pace contributing funding and providing vehicles. For 2024, Pace's funding formula for service agreements is based on providing a subsidy of \$3.00 per trip or 75% of the deficit (direct expense minus fare revenue), whichever is less. As in past years, individual project funding will also be limited to the inflationary growth rate for 2024.

Pace contracts directly with private providers for the operation of 15 additional dial-a-ride projects. The communities served by these programs collaborate with Pace to provide financial support for these projects through local share agreements.

### County-led Coordinated Service

Pace has been nationally recognized for its effort to coordinate local Demand Response services into countywide programs, which expand transportation access for thousands of riders who rely on these services. Pace works closely with elected officials, local government staff, and human service/advocate agencies to coordinate funding and delivery of paratransit services through its Township Riders Initiative Program (TRIP) in suburban Cook, Ride DuPage, Ride in Kane, Ride Lake, MCRide in McHenry, and Will Ride. These programs grew out of local dial-a-ride service and have now been coordinated and standardized to provide service across local boundaries. These programs are designed by coordinating councils to meet local needs and led by county departments.

### On Demand Service

Pace's On Demand reservation-based service offers low-cost rides in ten different suburban zones. Having improved and expanded over its 15 years, the service is designed to supplement fixed route service by providing the first and/or last mile to connect people to routes in the area. In addition to phone reservations, customers may book their reservation online through the Pace website. Fares for this service are the same as the local fixed route service and vehicles are equipped with the Ventra® fare system.

Listed below are the 10 On Demand services Pace operates throughout the region. Both the Naperville/Aurora and Round Lake Area On Demand services were expanded in 2023 and Pace is working to add additional On Demand service in 2024.

- Batavia
- Naperville/Aurora
- Round Lake Area
- Southeast Aurora
- St. Charles/Geneva
- West Joliet
- Vernon Hills/Mundelein
- Arlington Heights/Rolling Meadows
- Wheaton/Winfield
- Hoffman Estates

### Community Transit Program

The Community Transit program allows local municipalities to provide flexible public transportation in their communities using a Pace-owned vehicle. Pace expects the program to have 88 vehicles in service for 2024, a 4.8% increase from 2023 estimated levels.

The budget shown in Table 12 will provide \$21.645 million for all Demand Response services throughout the six-county region.



### 2024 Goals

Pace's Demand Response efforts for 2024 include mobile technology enhancements to improve service access and expansion of On Demand services.

**Table 12. Budget Summary - Demand Response Services (000s)**

	2022 Actual	2023 Estimate	2024 Budget
<b>Revenue</b>			
Municipal Provided Service	\$2,638	\$2,637	\$2,754
Contractor Provided Service	830	940	1,036
On Demand	65	70	74
McHenry County - Includes MCRide	1,310	1,820	1,664
DuPage County - Includes Ride DuPage	1,265	1,856	1,924
Kane County - Includes Ride in Kane	1,722	1,860	1,788
Lake County - Includes Ride Lake County	203	259	311
Community Transit	102	100	105
<b>Total Revenue</b>	<b>\$8,135</b>	<b>\$9,542</b>	<b>\$9,656</b>
<b>Expenses</b>			
Municipal Provided Service	\$3,347	\$3,402	\$3,590
Contractor Provided Service	3,495	3,634	3,958
On Demand	2,319	2,625	2,839
McHenry County - Includes MCRide	3,723	4,095	4,284
DuPage County - Includes Ride DuPage	2,975	2,495	2,608
Kane County - Includes Ride in Kane	2,648	2,743	2,642
Lake County - Includes Ride Lake County	1,014	1,615	1,688
Community Transit	30	34	36
<b>Total Expenses</b>	<b>\$19,551</b>	<b>\$20,643</b>	<b>\$21,645</b>
<b>Recovery Rate</b>			
Municipal Provided Service	78.81%	77.50%	76.73%
Contractor Provided Service	23.73%	25.91%	26.19%
On Demand	2.81%	2.67%	2.59%
McHenry County - Includes MCRide	35.18%	44.43%	38.84%
DuPage County - Includes Ride DuPage	42.53%	74.37%	73.75%
Kane County - Includes Ride in Kane	65.05%	67.80%	67.69%
Lake County - Includes Ride Lake County	20.01%	16.06%	18.40%
Community Transit	339.41%	298.51%	289.82%
<b>Total Recovery Rate</b>	<b>41.61%</b>	<b>46.23%</b>	<b>44.61%</b>
<b>Ridership</b>			
Municipal Provided Service	119	124	128
Contractor Provided Service	68	72	76
On Demand	64	71	75
McHenry County - Includes MCRide	88	96	100
DuPage County - Includes Ride DuPage	68	53	55
Kane County - Includes Ride in Kane	60	60	63
Lake County - Includes Ride Lake County	24	33	34
Community Transit	136	147	154
<b>Total Ridership</b>	<b>627</b>	<b>656</b>	<b>685</b>

## 2024 Vanpool Services Budget

The Vanpool program is a commuting option which provides passenger vans to small groups of four to 14 people, allowing them to commute to and from work together. The Vanpool program generates the highest return on investment of Pace's services because there is no driver labor expense incurred.

Pace's Vanpool program is comprised of three elements: Vanpool Incentive Program (VIP), Shuttle program, and Advantage program. The Vanpool program budget is summarized in Table 13.

Pace estimates to have 304 vans in service by year-end 2024 providing 0.525 million rides. Revenue is forecasted to increase in 2024 due to increased participation in the VIP program as the impact of the coronavirus pandemic lessens. Expenses are projected to grow 1.4% over 2023 levels primarily due to moderate ridership growth.

### *Vanpool Incentive Program*

VIP is a traditional commuter vanpool program and is the core element of Pace's vanpool services. VIP is projected to achieve a ridership level of 0.217 million rides with 101 vans in service by the end of 2024. The 2024 budgeted revenue is anticipated to increase from 2023 revenue due to a 5.2% increase in vans. Total expenses are also projected to grow 5.2%, in line with the projected increase in the number of vans.

Pace's newest vanpool offering, VanGo, offers a first-mile/last-mile transportation option for commuters in several suburban zones. Participants book a van a day in advance and drive it from select Metra and CTA stations to their workplace, and then back to the station at the end of the day.

### *Shuttle Program*

The Shuttle program provides vans to suburban employers to shuttle employees to and from nearby transit connections. It also provides vans to qualifying not-for-profit human services organizations to shuttle program participants to and from transit connections and work-sites. Pace will have 24 shuttle vans in service at the end of 2024—no change to 2023 levels.

### *Advantage Program*

The Advantage program provides a transit alternative to individuals who commute on a regular basis to work-sites or rehabilitative workshops supported by qualifying not-for-profit human services organizations. It is an alternative for those unable to use the regular ADA Paratransit service or those living outside the 3/4 mile ADA service area.

Program revenue and expense for 2024 is expected to remain essentially flat. Pace estimates to have 179 vans in service at year-end.



### *2024 Goals*

*Pace's efforts for Vanpool Services in 2024 include providing 0.525 million passenger trips.*

**Table 13. Vanpool Services Budget (000s)**

	2022 Actual	2023 Estimate	2024 Budget
<b>Revenue</b>			
VIP	\$393	\$412	\$433
Shuttle	54	77	77
Advantage	478	518	518
<b>Total Revenue</b>	<b>\$925</b>	<b>\$1,007</b>	<b>\$1,028</b>
<b>Expenses</b>			
VIP	\$356	\$456	\$479
Shuttle	86	114	114
Advantage	846	1,032	1,032
<b>Total Expenses</b>	<b>\$1,288</b>	<b>\$1,602</b>	<b>\$1,625</b>
<b>Funding Requirement</b>	<b>\$363</b>	<b>\$595</b>	<b>\$597</b>
<b>Recovery Rate</b>			
VIP	110.20%	90.50%	90.55%
Shuttle	62.58%	67.39%	67.43%
Advantage	56.55%	50.14%	50.17%
<b>Total Recovery Rate</b>	<b>71.78%</b>	<b>62.84%</b>	<b>63.28%</b>
<b>Ridership</b>			
VIP	176	207	217
Shuttle	25	37	37
Advantage	201	271	271
<b>Total Ridership</b>	<b>402</b>	<b>515</b>	<b>525</b>
<b>Vehicle Miles</b>			
VIP	1,510	1,860	1,957
Shuttle	216	306	306
Advantage	1,074	1,220	1,220
<b>Total Vehicle Miles</b>	<b>2,800</b>	<b>3,386</b>	<b>3,483</b>
<b>Vehicles in Service (year-end) - VIP</b>	<b>85</b>	<b>96</b>	<b>101</b>
<b>Vehicles in Service (year-end) - Shuttle</b>	<b>24</b>	<b>24</b>	<b>24</b>
<b>Vehicles in Service (year-end) - Advantage</b>	<b>176</b>	<b>179</b>	<b>179</b>
<b>Total Vehicles in Service (year-end)</b>	<b>285</b>	<b>299</b>	<b>304</b>



## 2024 Centralized Support Budget

Pace centrally manages numerous functions and expenditures on behalf of the entire agency, including expenses for fuel, liability insurance, healthcare, and the Ventra® fare system. The centralized support budget is comprised of four activity areas: Operations, Maintenance, Non-Vehicle Maintenance, and Administration. The centralized support budget will reach \$92.914 million in 2024.

In 2023, Pace’s centralized support expense is estimated to end the year \$1.640 million below budgeted levels with underruns in fuel and labor & fringe offsetting higher-than-expected liability insurance costs.

The 2024 centralized support budget will grow 12.5% over estimated 2023 levels, mostly due to growth in labor & fringe, fuel, liability insurance, and health insurance expenses.

The Operations component of the 2024 Centralized Support budget is comprised of 36.0 positions that provide support to all operations areas of Pace. Total operations expense will increase 9.0% from 2023 levels mainly due to reduced vacancies and fuel expenses. Total fuel costs are projected to grow 6.1% in 2024. These costs include diesel, gasoline, CNG and electricity for vehicle charging.

The price per gallon for liquid fuels (diesel, gasoline, CNG) is forecasted to decrease 2.2%. For Pace, this represents

a \$0.06 decrease to \$2.63 per gallon. Fuel consumption, measured in gallons, will reach 6.4 million, a 7.7% increase from 2023 estimated consumption.

Pace expects to add one battery electric bus (BEB) to the fixed route revenue fleet in the second half of 2023 and an additional 22 in 2024. Consumption for BEBs will be measured in kilowatt hours (kWh) of charging. The price per kWh of charging in 2023 and 2024 is expected to be \$0.19. Due to the increase in the size of the BEB fleet, consumption will reach 0.8 million kWh of charging in 2024.

The Maintenance component is comprised of 34.0 positions. Total maintenance expense is projected to increase 19.8% from 2023 levels due to reduced vacancies.

The Non-Vehicle Maintenance component consists of 21.0 positions which provide support to all building maintenance and bus shelter functions. This area is expected to grow 32.7% in 2024 due to increased staffing and outside service expenses.

The General Administration component of the central support budget is comprised of various expenses including marketing, Ventra fare system, liability insurance, and healthcare. This area is expected to increase 12.0% in 2024. This is mostly associated with increased health insurance premium costs.

**2024 Goals**  
*Pace's 2024 efforts include continued centralized support in order to maximize cost savings.*

**Table 14. Centralized Support Budget (000s)**

	2022 Actual	2023 Estimate	2024 Budget
Operations	\$5,458	\$6,453	\$7,507
Fuel	17,137	16,091	17,074
Maintenance	\$5,163	\$4,720	\$5,656
Non-Vehicle Maintenance	\$2,932	\$3,641	\$4,831
General Administration	\$6,797	\$8,352	\$9,237
Liability Insurance	6,226	16,670	18,106
Healthcare	22,451	26,648	30,503
<b>Total</b>	<b>\$66,164</b>	<b>\$82,575</b>	<b>\$92,914</b>
Full-Time Equivalents (FTEs)	77.5	86.0	91.0

## 2024 Administrative Budget

The 2024 administrative budget is estimated to reach \$62.621 million. Pace will use 185.0 positions to manage the agency’s administrative responsibilities including accounting, financial and capital assistance programs, marketing, information systems, legal services, procurement, and strategic planning.

The following table summarizes the two major activity areas of the administrative budget: Non-Vehicle Maintenance, which represents the operating costs for the headquarters facility, and the General Administration category. Administration costs include labor, parts and supplies, utilities, and other expenses.

In 2023, administrative expenses are expected to end the year up 25.0% from 2022 levels. In addition to a concerted effort to fill vacant positions, areas of growth include project management oversight services to support the largest capital program in Pace’s history and investment in improved IT software and services.

The 2024 administrative budget will increase 22.3% over 2023 estimated levels. Continued recruitment efforts and outside services account for a majority of the expected growth, with the administrative budget providing support of a portion of traditionally capital-funded efforts such as IT software implementation and construction engineering and design services.

Further information on staffing levels, as well as an organization chart, is provided in Appendix A.



### 2024 Goals

*Pace’s administrative budget goals for 2024 include continued efforts to fill vacant positions and ensure a diverse workforce.*

**Table 15. Administrative Budget (000s)**

	2022 Actual	2023 Estimate	2024 Budget
Non-Vehicle Maintenance	\$344	\$345	\$367
General Administration	\$38,429	\$48,350	\$59,756
Parts/Supplies	156	251	269
Utilities	1,921	2,177	2,187
Bond Interest	119	82	42
<b>Total Expenses</b>	<b>\$40,969</b>	<b>\$51,205</b>	<b>\$62,621</b>
<b>Full Time Equivalents (FTEs)</b>	<b>169.5</b>	<b>173.5</b>	<b>185.0</b>

## 2024 Suburban Service Budget & Two-Year Financial Plan

The following section presents Pace’s 2024 Suburban Service Budget and 2025-2026 Two-Year Financial Plan. The RTA Act requires that the service boards submit a budget and two-year financial plan which shows a balance between the funding estimates provided by the RTA and the anticipated costs of providing services. Pace’s plan for 2024–2026 achieves this balance. The assumptions and highlights for the three years in review are provided in this section.

The 2024 Budget assumes ridership will grow 3.6% from 2023 estimated levels. The outlook over the next three years is that baseline fixed route ridership will stay flat with growth only associated with service adjustments. Demand Response ridership is expected to grow 4.5% in 2024 and 3.3% in both 2025 and 2026. Vanpool ridership is expected to stay flat in 2025 and 2026 after growing 1.9% in 2024. Based on these projections, 2026 Suburban Service total ridership estimates are 55.3% of 2019 pre-pandemic actual.

After growing 1.2% from 2022 to 2023, Pace’s portion of total RTA sales tax is forecasted to increase 3.0% in 2024, 2.9% in 2025, and 2.7% in 2026. Federal discretionary funding has been programmed for use throughout all three years of this plan. Congestion Mitigation/Air Quality (CMAQ) funding for Pulse Dempster service is programmed for 2023–2026, while Enhanced Mobility (Section 5310)

funding for call center operations and Bus and Bus Facilities (Section 5339) funding for East Dundee rent expense will be exhausted by year-end 2023.

The budget and two-year financial plan are balanced to the funding levels provided by the RTA. While total public funding is forecasted to grow throughout the three-year planning horizon, the budget is only balanced through the use of positive budget variance generated from federal coronavirus relief funding. This funding is projected to be exhausted during 2026. In the absence of this funding, Pace would have a budget shortfall of more than \$175 million across the budget and two-year financial plan.

In recognition of the effect that the coronavirus pandemic has had on ridership, and therefore system-generated revenue, the RTA Act was amended to waive the legislative regional recovery ratio requirement for RTA, CTA, Metra, and Pace through 2025. As such, RTA has set Pace’s recovery ratio goal at 17.00%. Pace will use allowable credits to achieve the recovery ratio set by the RTA.

A discussion of the assumptions used in developing the multi-year plan and a review of the highlights of the plan are provided on the following pages, along with Table 18, showing the full details of the plan.

**Table 16. Baseline Economic Assumptions**

	2023	2024	2025	2026
Change in Demand (Based on Total Ridership) <sup>(1)</sup>	3.4%	3.6%	0.9%	0.1%
T-Bill Rates (90 Day) <sup>(2)</sup>	4.5%	3.2%	2.5%	2.2%
CPI-U (National) <sup>(3)</sup>	4.0%	2.6%	2.2%	2.1%
Ultra-Low Sulfur Diesel Fuel (Price Growth)	(14.5%)	0.4%	(0.1%)	(0.1%)
Sales Tax I <sup>(4)</sup>	0.7%	2.9%	3.0%	2.6%

<sup>(1)</sup> Assumptions for demand, as measured by estimates for total ridership, are generated by Pace’s planning staff.

Demand estimates are used to forecast fare revenue.

<sup>(2)</sup> T-Bill rates are considered when forecasting investment income.

<sup>(3)</sup> While numerous sources are referenced for CPI, the Congressional Budget Office (CBO) was the source for most CPI data.

<sup>(4)</sup> Reflects RTA sales tax estimates for Pace for the 2024 budget and two-year plan cycle.

## Assumptions

Numerous factors must be considered when developing an annual budget and multi-year plan. Demand must be identified and evaluated for both the short and long term. Demand is measured by estimating ridership to forecast farebox revenue. Economic assumptions related to the costs of providing transit services must be identified. Estimates of inflation, as measured by the consumer price index (CPI), and estimates for fuel are of significant importance. The outlook for public funding growth, as identified by the RTA, is extremely important as it provides between 65% and 75% of annual funding for operations. A list of baseline economic assumptions used to develop the budget and two-year plan is summarized in Table 16. The following list of key sources were also referenced for information/outlooks on the industry/

economy: the Congressional Budget Office (CBO)—the primary source used for inflation indices; The Kiplinger Letter—referenced for general economic information including outlooks for inflation, interest rates, etc.; the U.S. Bureau of Labor Statistics (BLS)—a source for key indicators including the Producer Price Index (PPI), utilities, inflation, etc.; the U.S. Energy Information Administration (EIA)—a source for energy price growth for fuel; Oil Daily—an oil industry newsletter providing up-to-the-minute activities in the oil market; and The Wall Street Journal—referenced for general economic trends.

The outcome of applying the assumptions identified in Table 16 to known or anticipated conditions is reflected in Table 17.

**Table 17. Multi-Year Category Growth**

	2024	2025	2026
Fare Revenue	3.2%	0.9%	0.3%
Total Revenue	(6.6%)	(5.0%)	(4.3%)
Labor/Fringes	11.6%	4.6%	4.7%
Healthcare	14.5%	7.2%	7.1%
Parts/Supplies	6.2%	6.4%	6.1%
Purchased Transportation	13.0%	6.0%	6.0%
Utilities	3.0%	5.4%	5.2%
Insurance/Claims	8.6%	6.5%	6.3%
Fuel Cost	5.9%	1.1%	0.8%
Fuel Cost - Liquid Fuels*	\$17.595 mil	\$17.746 mil	\$17.884 mil
Consumption in Gallons - Liquid Fuels	6.657 mil	6.690 mil	6.702 mil
Price per Gallon*	\$2.64	\$2.65	\$2.67
Electric Vehicle Charging Cost	\$0.161 mil	\$0.200 mil	\$0.211 mil
Consumption in kWh of Charging	0.848 mil	1.000 mil	1.000 mil
Price per kWh of Charging	\$0.19	\$0.20	\$0.21

\*Fuel Cost and Price per Gallon forecasts reflect use of diesel, gasoline, and compressed natural gas for fixed route, demand response, and vanpool services

## Highlights – 2024 Budget & Two-Year Financial Plan

Pace's 2024 budget presented in Table 18 is balanced using RTA Sales Tax funding, federal discretionary fund programs, and positive budget variance (PBV) generated from coronavirus relief funding in previous years. For 2025 and 2026, the plan is also balanced using PBV generated from coronavirus relief funding; however, that funding will be exhausted midway through 2026.

For 2024 through 2026, operating revenue is anticipated to fall at an annual compound rate of 4.6%. While most revenue categories are expected to grow, this reflects expected decreases to interest income due to declining interest rates and the use of PBV to fund operations.

Expenses will grow at an annual compound rate of 4.1% over the three-year period. Expense growth from 2024 to 2026 is mostly associated with labor/fringe and inflationary expense growth and does not include any new efforts after 2024.

Total public funding before funding assistance or use of PBV is expected to grow at an annual compound rate of 2.9% over the three-year period and includes both sales tax and federal discretionary fund programs not related to coronavirus relief. Public funding, with the use of PBV to balance to estimated expenses, would grow at a compound rate of 5.2%.



## Suburban Service Budget & Two-Year Financial Plan

**Table 18. 2024 Suburban Service Budget and Two-Year Financial Plan (000s)**

	2022 Actual	2023 Estimate	2024 Budget	2025 Plan	2026 Plan
<b>Operating Revenue</b>					
Farebox Revenue	\$19,282	\$19,667	\$20,287	\$20,475	\$20,530
Reduced Fare Reimbursement	1,346	1,346	1,460	1,460	1,460
Advertising	733	40	65	1,795	1,895
Local Share/Other Revenue	14,152	22,378	18,742	14,796	12,988
<b>Total Revenue</b>	<b>\$35,513</b>	<b>\$43,431</b>	<b>\$40,554</b>	<b>\$38,526</b>	<b>\$36,873</b>
<b>Operating Expenses</b>					
Labor/Fringes	\$141,453	\$160,775	\$179,370	\$187,709	\$196,445
Healthcare	22,451	26,648	30,503	32,699	35,021
Parts/Supplies	10,627	12,528	13,302	14,147	15,016
Purchased Transportation	23,109	29,808	33,687	35,704	37,837
Fuel	17,757	16,774	17,756	17,946	18,095
Utilities	4,672	5,024	5,174	5,452	5,738
Insurance	6,226	16,670	18,106	19,275	20,480
Other*	26,939	36,005	46,994	45,127	44,639
Regional ADA Support Credit	(7,646)	(9,331)	(11,557)	(11,904)	(12,261)
<b>Total Expenses</b>	<b>\$245,588</b>	<b>\$294,901</b>	<b>\$333,335</b>	<b>\$346,155</b>	<b>\$361,010</b>
<b>Funding Requirement</b>	<b>\$210,075</b>	<b>\$251,470</b>	<b>\$292,781</b>	<b>\$307,629</b>	<b>\$324,137</b>
<b>Public Funding</b>					
Sales Tax (Part I)	\$123,182	\$123,984	\$127,552	\$131,379	\$134,794
Sales Tax (Part II)	19,797	19,434	19,837	19,261	18,668
Suburban Community Mobility Fund (SCMF)	31,948	32,602	33,645	34,655	35,555
South Suburban Job Access Fund	7,500	7,500	7,500	7,500	7,500
PTF (Part I)	5,892	6,035	6,150	6,394	6,561
PTF (Part II)	24,272	24,755	25,325	26,331	27,015
RTA Sales Tax (Part I)	5,358	6,337	7,513	8,635	10,270
RTA Discretionary Fund Programs	0	444	0	2,119	2,187
Federal Discretionary Fund Programs	8,774	1,148	5,553	5,558	4,357
Federal Relief Funding Assistance	71,263	0	0	0	0
PBV for Operations	0	29,231	59,706	65,797	50,731
Budget Balancing Action	0	0	0	0	26,499
<b>Total Public Funding</b>	<b>\$297,986</b>	<b>\$251,470</b>	<b>\$292,781</b>	<b>\$307,629</b>	<b>\$324,137</b>
<b>Net Funding Available</b>	<b>\$87,911</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Recovery Ratio</b>	<b>19.58%</b>	<b>19.17%</b>	<b>17.00%</b>	<b>17.00%</b>	<b>17.00%</b>

\*Other includes Debt Service through 2024

## 2024 Suburban Service Projected Cash Flow

The following table provides a monthly estimate of Pace's revenue, expense, and cash position for Suburban Service operations. Cash flow estimates for Suburban Service public funding are included in total revenue and are based on information provided by the RTA.

The projected cash flow for Pace's Suburban Service operations shows sufficient funds for Pace to maintain operations during 2024.



**Table 19. 2024 Suburban Service Projected Cash Flow Summary (000s)**

Month	Beginning Balance	Revenue	Expense	Net Results	Ending Balance
January	\$269,920	\$19,448	\$29,206	(\$9,758)	\$260,162
February	260,162	19,167	26,929	(7,762)	252,400
March	252,400	21,020	30,601	(9,580)	242,820
April	242,820	21,266	29,206	(7,941)	234,879
May	234,879	21,750	26,929	(5,179)	229,700
June	229,700	22,381	26,950	(4,568)	225,132
July	225,132	21,517	29,206	(7,689)	217,443
August	217,443	21,770	26,929	(5,159)	212,284
September	212,284	21,539	26,929	(5,390)	206,894
October	206,894	25,238	29,206	(3,969)	202,926
November	202,926	24,025	26,929	(2,904)	200,021
December	200,021	34,509	26,950	7,560	207,581

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## 2024 Regional ADA Paratransit Operating Budget

### Summary

The 2024 Regional ADA Service program is summarized below and detailed throughout this section.

The ADA program is expected to finish 2023 above budgeted funding levels by \$1.939 million because operating expenses are expected to end the year above budgeted levels. Pace will use the ADA Paratransit Reserve to cover the expected funding shortfall.

Operating expenses will reach \$248.934 million in 2024—up 3.6% or \$8.562 million over estimated 2023 levels. Revenue will increase by 3.7% or \$0.467 million to \$12.961 million due to increased ridership. The ADA program will receive \$235.973 million in funding, the amount identified as available by the RTA for 2024.

In 2024, total ridership is expected to grow by 3.6% over the 2023 estimate, reaching 4.198 million trips. This growth is accommodated by the projected funding level of \$235.973 million.

The 2024 Regional ADA Paratransit program is balanced to the \$235.973 million funding mark and will achieve a 7.50% recovery ratio using credits allowed by the RTA.



Table 20. Regional ADA Paratransit Budget Summary (000s)

	2022 Actual	2023 Estimate	2024 Budget
Total Operating Expenses	\$207,519	\$240,372	\$248,934
Less: Total Operating Revenue	8,425	12,494	12,961
<b>Funding Requirement</b>	<b>\$199,094</b>	<b>\$227,878</b>	<b>\$235,973</b>
Less:			
Sales Tax & PTF (Part II)	\$188,450	\$217,544	\$226,865
State Funds	8,395	8,395	9,108
Federal Coronavirus Relief Funding	6,956	0	0
<b>Net Funding Available</b>	<b>\$4,707</b>	<b>(\$1,939)</b>	<b>\$0</b>
<b>Recovery Ratio</b>	<b>9.04%</b>	<b>9.93%</b>	<b>7.50%</b>

## Regional ADA Paratransit Sources of Funds

The Regional ADA Paratransit Budget is funded from two sources—public funds and revenue generated from operations.

### *ADA Paratransit Fund*

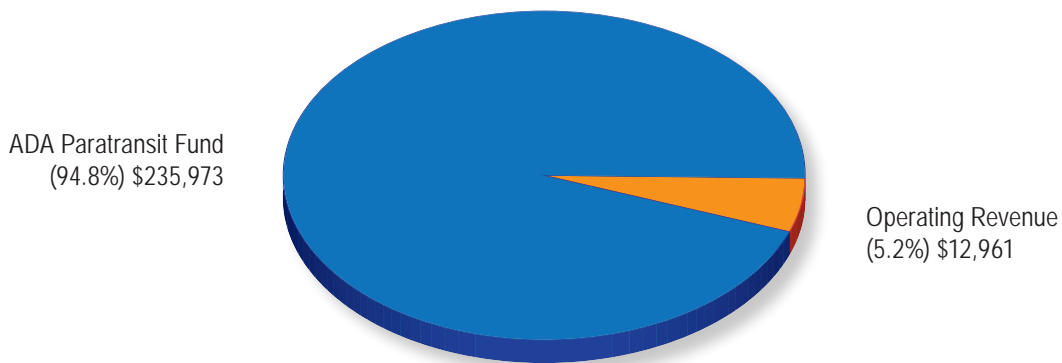
In January 2008, the amended RTA Act dedicated a new source of funding for the Regional ADA Paratransit Program. Section 2.01(d) required that the RTA establish an ADA Paratransit Fund and each year's amounts, as specified in Section 4.03.3, were to be deposited into the fund including any additional funds provided by the state for this purpose. Any amounts deposited into the fund are for the exclusive purpose of funding ADA Paratransit services. The RTA can carry over positive fund balances, should they exist, from one year to the next and use those proceeds to fund future year ADA Paratransit services.

In 2011, the RTA Act was amended to increase the ADA Fund level to \$115 million for 2012. The amendment also states that for each year thereafter, an amount equal to the final budget funding for ADA Paratransit service for the current year shall be provided. Based on this amendment, the RTA has established the amount of \$235.973 million for 2024, which includes \$9.108 million in state funding. This level of funding will represent 94.8% of the total available funds for the ADA Paratransit program.

### *Operating Revenue*

The second source of funding available for ADA Paratransit service comes from operations. Operating revenue is generated largely from passenger fares. As ridership/demand grows, passenger fare revenue moves in the same direction. Operating revenue also includes investment income. In 2024, operating revenue represents \$12.961 million, or 5.2%, of the total funds available to the ADA Paratransit program.

Chart D. 2024 ADA Sources of Funds (000s) - Total \$248,934



## Regional ADA Paratransit Uses of Funds

All funds received in 2024 will be used to provide and support ADA Paratransit services. The major components of the ADA program consist of City of Chicago ADA services and suburban ADA services. Service delivery under both programs is contracted to private service operators. Another service element offered in the City of Chicago is a Taxi Access Program (TAP). This program provides subsidized taxi service to ADA-eligible riders. In 2023, Pace implemented the Rideshare Access Program (RAP) to provide similar subsidized services using transportation network companies (TNCs) in both the City of Chicago and the suburban counties. In addition to the city and suburban cost elements, there are regional support costs which represent the indirect overhead costs of supporting the Regional ADA Paratransit program overseen by Pace. Details on the Chicago and suburban ADA services and user-directed services are included in Table 21.

### Chicago ADA Services

Pace provides all ADA service within the City of Chicago. For 2024, Pace expects to spend \$170.537 million for Chicago ADA service. The majority of these expenditures (90.0%) will be spent on service delivery through private contractors. The balance includes costs for insurance,

administration, fuel, and costs related to trips for certifying ADA-eligible participants.

### Suburban ADA Services

For 2024, Pace will spend \$27.178 million for suburban ADA service. Costs for contracted service in the suburbs will account for 87.4% of the total cost. Similar to the city service, the balance includes costs for insurance, administration, fuel, and costs related to trips for certifying ADA-eligible participants.

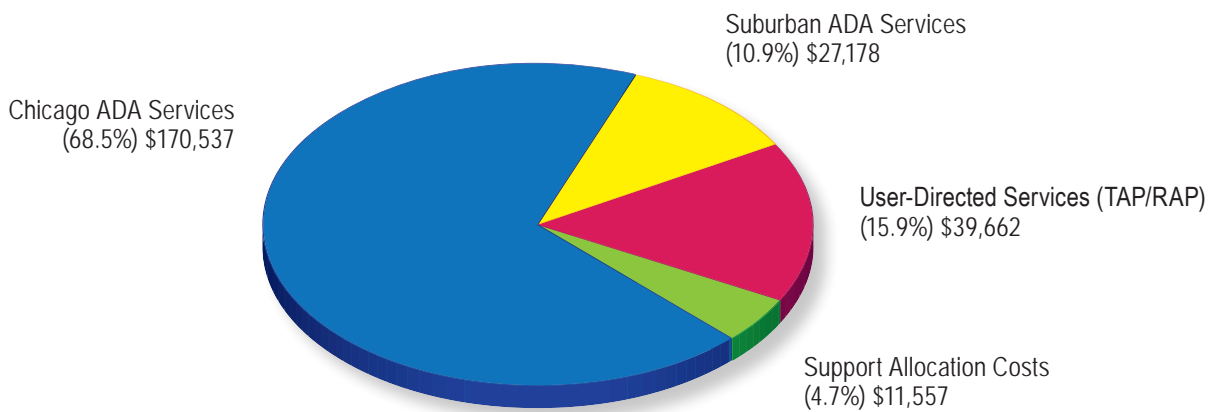
### User-Directed Services

Pace contracts for subsidized taxi service to ADA-eligible riders in the City of Chicago (TAP) and subsidized TNC service in both the City of Chicago and suburban counties (RAP). Pace will spend \$39.662 million for user-directed services in 2024.

### Support Allocation Costs

There are administrative support costs that Pace incurs on behalf of managing and operating the ADA program. In 2024, Pace will incur \$11.557 million in overhead support costs that will be allocated to the Regional ADA program.

Chart E. 2024 ADA Uses of Funds (000s) - Total \$248,934



## 2024 Regional ADA Paratransit Program Budget - Chicago/Suburban Detail

Pace's 2023 estimate and 2024 budget for revenue, expense, and funding requirements for the Regional ADA Paratransit program are presented in the table below, separated by Chicago and Suburban components. The 2024 program is balanced to both the funding and recovery marks set by the RTA.

The recovery ratio for Regional ADA Paratransit services is established at 10.00% by the RTA Act; however, this requirement has been waived through 2025 in recognition of the impact of the coronavirus pandemic on revenue. RTA has set the 2024 ADA recovery ratio goal at 7.50%. Pace will use credits authorized by the RTA to meet the revised goal.

Table 21. 2024 Regional ADA Paratransit Program Budget - Chicago/Suburban Detail (000s)

	2023 Estimate			2024 Budget			2023-2024
	Chicago	Suburban	Region Total	Chicago	Suburban	Region Total	Net Change
<b>Revenue</b>							
Fares—Contract	\$6,243	\$1,790	\$8,032	\$5,669	\$1,631	\$7,300	(\$732)
Fares—User-Directed	1,601	120	1,722	2,931	304	3,235	1,513
RTA Certification	1,032	217	1,249	1,192	234	1,426	177
Investment Income/Other	0	0	1,491	0	0	1,000	(491)
<b>Total Revenue</b>	<b>\$8,876</b>	<b>\$2,127</b>	<b>\$12,494</b>	<b>\$9,792</b>	<b>\$2,169</b>	<b>\$12,961</b>	<b>\$467</b>
<b>Expenses</b>							
Contract Services	\$157,538	\$24,295	\$181,833	\$153,416	\$23,764	\$177,180	(\$4,653)
User-Directed Services	28,629	1,066	29,695	37,358	2,304	39,662	9,967
Fuel	5,309	2,337	7,646	4,109	2,052	6,161	(1,485)
Insurance	915	13	928	1,180	0	1,180	252
Administration	8,895	898	9,793	10,812	1,148	11,960	2,167
RTA Certification	947	199	1,146	1,020	214	1,234	88
ADA Support Allocation	0	0	9,331	0	0	11,557	2,226
<b>Total Expenses</b>	<b>\$202,233</b>	<b>\$28,808</b>	<b>\$240,372</b>	<b>\$207,895</b>	<b>\$29,482</b>	<b>\$248,934</b>	<b>\$8,562</b>
<b>Funding Requirement</b>	<b>\$193,356</b>	<b>\$26,681</b>	<b>\$227,878</b>	<b>\$198,103</b>	<b>\$27,313</b>	<b>\$235,973</b>	<b>\$8,095</b>
<b>Public Funding</b>	<b>\$0</b>	<b>\$0</b>	<b>\$225,939</b>	<b>\$0</b>	<b>\$0</b>	<b>\$235,973</b>	<b>\$10,034</b>
<b>Net Funding Available</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,939)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,939</b>
Recovery Ratio			9.93%			7.50%	
<b>Ridership</b>							
Total Ridership—Contract	2,227	613	2,840	2,021	559	2,580	(260)
Total Ridership—User-Directed	1,136	72	1,208	1,466	152	1,618	410
<b>Ridership—Total</b>	<b>3,363</b>	<b>685</b>	<b>4,048</b>	<b>3,487</b>	<b>711</b>	<b>4,198</b>	<b>150</b>

## Regional ADA Paratransit Budget & Two-Year Financial Plan

The following section presents Pace’s Regional ADA Paratransit Budget and Two-Year Financial Plan for the period 2024 through 2027.

In summary, the 2024 ADA Paratransit budget is balanced to the \$235.973 million funding mark set by the RTA. The two out-years of the plan achieve the funding marks presented by the RTA and the 7.50% recovery requirement for the ADA program.

### Assumptions

In order to prepare this plan and forecast, a number of assumptions have been made. The economic assumptions used in this plan are the same as those used for Pace’s Suburban Service budget and are described in detail in Tables 16 and 17.

The assumptions for specific expense growth items unique to this ADA Paratransit Financial Plan, specifically service related elements such as contractor costs, demand and fuel, are shown in the table below.

### Highlights – 2024 Budget and Two-Year Financial Plan

The budget and two out-years presented in Table 23 show that the ADA program is balanced. Some of the highlights for the three years include total revenue which will grow at an annual compound rate of 2.2%. Revenue growth is consistent with the annual compound growth rate for ridership—5.0%.

Expenses will grow at an annual compound rate of 5.2% during the three-year period, consistent with demand and price increases.

Total ADA funding requirement is growing at an annual compound rate of 5.4% over the three years of this plan. Given the outlook for the continued growth rate for demand and associated costs, the conservative outlook is that the ADA program should not require additional funding and/or identification of budget balancing actions over the three-year plan cycle.

Table 22. Expense Growth Factors

	2024	2025	2026
Chicago Contract Services Cost	(2.6%)	7.4%	5.7%
Suburban Contract Services Cost	(2.2%)	9.0%	8.8%
User-Directed Services Cost	33.6%	5.1%	5.1%
Chicago Contract Services Demand	(9.2%)	5.0%	5.0%
Suburban Contract Services Demand	(8.8%)	5.0%	5.0%
User-Directed Services Demand	33.9%	4.9%	4.9%
Fuel Costs - ADA	\$6.161 mil	\$6.404 mil	\$6.795 mil
Number of Gallons - ADA	2.093 mil	2.198 mil	2.308 mil
Price per Gallon - ADA	\$2.94	\$2.91	\$2.94

## 2024 Regional ADA Paratransit Budget & Two-Year Financial Plan

Table 23. 2024 Regional ADA Paratransit Budget and Two-Year Financial Plan (000s)					
	2022 Actual	2023 Estimate	2024 Budget	2025 Plan	2026 Plan
<b>Operating Revenue</b>					
Fares	\$7,335	\$9,754	\$10,535	\$11,056	\$11,604
Certification Revenue	672	1,249	1,426	1,520	1,599
Investment Income/Other	418	1,491	1,000	500	150
<b>Total Revenue</b>	<b>\$8,425</b>	<b>\$12,494</b>	<b>\$12,961</b>	<b>\$13,076</b>	<b>\$13,353</b>
<b>Operating Expenses</b>					
Labor/Fringes	\$4,627	\$5,499	\$6,491	\$6,681	\$6,875
Health Care	676	1,017	1,237	1,311	1,390
Administrative Expense	2,434	3,277	4,232	3,676	3,754
Fuel	8,160	7,646	6,161	6,404	6,795
Insurance/Claims	801	928	1,180	1,206	1,232
RTA Certification Trips	511	1,146	1,234	1,324	1,420
Suburban ADA Purchased Transportation	23,608	24,295	23,764	25,895	28,176
Chicago ADA Purchased Transportation	136,172	157,538	153,416	164,785	174,167
User-Directed Services	22,884	29,695	39,662	41,680	43,798
Regional ADA Support Allocation	7,646	9,331	11,557	11,904	12,261
<b>Total Expenses</b>	<b>\$207,519</b>	<b>\$240,372</b>	<b>\$248,934</b>	<b>\$264,866</b>	<b>\$279,868</b>
<b>Funding Requirement</b>	<b>\$199,094</b>	<b>\$227,878</b>	<b>\$235,973</b>	<b>\$251,790</b>	<b>\$266,515</b>
<b>Public Funding</b>					
Sales Tax and PTF (Part II)	\$188,450	\$217,544	\$226,865	\$242,682	\$257,407
State Funds	8,395	8,395	9,108	9,108	9,108
Federal Relief Funding Assistance	6,956	0	0	0	0
<b>Total Public Funding</b>	<b>\$203,801</b>	<b>\$225,939</b>	<b>\$235,973</b>	<b>\$251,790</b>	<b>\$266,515</b>
<b>Net Funding Available</b>	<b>\$4,707</b>	<b>(\$1,939)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Recovery Ratio</b>	<b>9.04%</b>	<b>9.93%</b>	<b>7.50%</b>	<b>7.50%</b>	<b>10.00%</b>

## 2024 Regional ADA Paratransit Projected Cash Flow

The following table provides an estimate of Pace’s 2024 revenue, expenses, and cash position for Regional ADA Paratransit service operations on a monthly basis.

Estimates for public funding are included in total revenue and are based on information provided by the RTA.

Table 24. 2024 Regional ADA Paratransit Projected Cash Flow Summary (000s)

Month	Beginning Balance	Revenue	Expenses	Net Results	Ending Balance
January	\$46,838	\$19,986	\$20,744	(\$759)	\$46,080
February	46,080	19,986	20,744	(759)	45,321
March	45,321	19,986	20,744	(759)	44,563
April	44,563	19,986	20,744	(759)	43,804
May	43,804	19,986	20,744	(759)	43,046
June	43,046	19,986	20,744	(759)	42,287
July	42,287	19,986	20,744	(759)	41,529
August	41,529	19,986	20,744	(759)	40,770
September	40,770	19,986	20,744	(759)	40,012
October	40,012	19,986	20,744	(759)	39,253
November	39,253	19,986	20,744	(759)	38,495
December	38,495	29,088	20,750	8,338	46,832



In July 2023, Pace’s “Driven by Diversity” bus participated in the Disability Pride Parade in downtown Chicago.

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## Combined Suburban Service/ADA Budget & Two-Year Financial Plan

Pace's Combined Budget and Two-Year Financial Plan are included in the table below. A table presenting anticipated cash flows for 2024 has also been provided on the following page.

The combined programs are balanced and show adequate funds to support operations over the three-year planning horizon.

**Table 25. Combined Suburban Service/ADA Budget & Two-Year Financial Plan (000s)**

	2022 Actual	2023 Estimate	2024 Budget	2025 Projected	2026 Projected
<b>Suburban Service</b>					
Revenue	\$35,513	\$43,431	\$40,554	\$38,526	\$36,873
Expenses	245,588	294,901	333,335	346,155	361,010
<b>Funding Requirement</b>	<b>\$210,075</b>	<b>\$251,470</b>	<b>\$292,781</b>	<b>\$307,629</b>	<b>\$324,137</b>
Public Funding	\$297,986	\$251,470	\$292,781	\$307,629	\$324,137
<b>Net Funding Available</b>	<b>\$87,911</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$170,015	\$247,018	\$211,018	\$147,479	\$78,895
Net Operating Results	87,911	0	0	0	0
Less: Change in Capital-Related Borrowing	1,200	1,200	1,200	0	0
Less: Change in Lease Liability	6,791	165	165	165	165
Less: Operating Expended from Fund Balance	0	29,231	59,706	65,797	50,731
Less: Capital Expended from Fund Balance	2,917	5,404	2,468	2,622	1,803
<b>Ending Balance</b>	<b>\$247,018</b>	<b>\$211,018</b>	<b>\$147,479</b>	<b>\$78,895</b>	<b>\$26,196</b>
<b>Regional ADA Paratransit Service</b>					
Revenue	\$8,425	\$12,494	\$12,961	\$13,076	\$13,353
Expenses	207,519	240,372	248,934	264,866	279,868
<b>Funding Requirement</b>	<b>\$199,094</b>	<b>\$227,878</b>	<b>\$235,973</b>	<b>\$251,790</b>	<b>\$266,515</b>
Public Funding	\$203,801	\$225,939	\$235,973	\$251,790	\$266,515
<b>Net Funding Available</b>	<b>\$4,707</b>	<b>(\$1,939)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$0	\$0	\$0	\$0	\$0
Net Operating Results	4,707	(1,939)	0	0	0
Less: Capital Expended from Fund Balance	0	0	0	0	0
<b>Ending Balance</b>	<b>\$4,707</b>	<b>(\$1,939)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Combined Service</b>					
Revenue	\$43,938	\$55,925	\$53,515	\$51,602	\$50,226
Expenses	453,107	535,273	582,269	611,021	640,878
<b>Funding Requirement</b>	<b>\$409,169</b>	<b>\$479,348</b>	<b>\$528,754</b>	<b>\$559,419</b>	<b>\$590,652</b>
Public Funding	\$501,787	\$477,409	\$528,754	\$559,419	\$590,652
<b>Net Funding Available</b>	<b>\$92,618</b>	<b>(\$1,939)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$170,015	\$247,018	\$211,018	\$147,479	\$78,895
Net Operating Results	92,618	(1,939)	0	0	0
Less: Change in Capital-Related Borrowing	1,200	1,200	1,200	0	0
Less: Change in Lease Liability	6,791	165	165	165	165
Less: Operating Expended from Fund Balance	0	29,231	59,706	65,797	50,731
Less: Capital Expended from Fund Balance	2,917	5,404	2,468	2,622	1,803
<b>Ending Balance</b>	<b>\$251,725</b>	<b>\$209,079</b>	<b>\$147,479</b>	<b>\$78,895</b>	<b>\$26,196</b>

## 2024 Combined Services Projected Cash Flow

The following table provides an estimate of 2024 revenue, expense, and cash position for Pace’s combined operations—Suburban Service and Regional ADA Paratransit Service.

The agency budget is balanced to the funding levels and meets the recovery marks set by the RTA for 2024. Pace’s combined cash position appears balanced and sufficient to meet next year’s needs.



*Balanced budgets for Suburban Service and Regional ADA Paratransit ensure Pace’s combined cash position is sufficient for 2024.*

**Table 26. 2024 Combined Services Projected Cash Flow Summary (000s)**

Month	Beginning Balance	Revenue	Expense	Net Results	Ending Balance
January	\$316,758	\$39,434	\$49,950	(\$10,516)	\$306,242
February	306,242	39,153	47,673	(8,520)	297,722
March	297,722	41,006	51,345	(10,338)	287,384
April	287,384	41,252	49,950	(8,699)	278,685
May	278,685	41,736	47,673	(5,937)	272,748
June	272,748	42,367	47,694	(5,326)	267,422
July	267,422	41,503	49,950	(8,447)	258,975
August	258,975	41,756	47,673	(5,917)	253,058
September	253,058	41,525	47,673	(6,148)	246,910
October	246,910	45,224	49,950	(4,727)	242,184
November	242,184	44,011	47,673	(3,662)	238,522
December	238,522	63,597	47,700	15,898	254,419

## Suburban Service Capital Budget & Five-Year Business Plan

The RTA Budget Call, released in May, sets the preparatory funding marks and defines the schedule and information requirements that the Service Boards must follow to develop their five-year capital program. The capital program for each Service Board should identify capital projects to be undertaken in the 2024-2028 program period and evaluate each project based on the 15 metrics identified in *Transit is the Answer*.

*Transit is the Answer* is the Regional Transit Strategic Plan for northeastern Illinois that was adopted February 16, 2023, by the RTA and developed in collaboration with stakeholders and the Service Boards (CTA, Metra, and Pace). This strategic plan outlines the case for pursuing dependable funding streams that will enable its vision of safe, reliable, accessible public transportation that connects people to opportunity, advances equity, and combats climate change.

The funding marks are updated and adopted by the RTA no later than the statutorily required date of September 15. Estimates of funding for the federal formula programs are aligned with the new federal legislation, Infrastructure Investment and Jobs Act (IIJA) signed into law on November 15, 2021. State funding is based on the state's *Rebuild Illinois* Capital Program, which includes PAYGO funds from the Motor Fuel Tax.

In July 2021, the RTA Board of Directors adopted the

Performance-Based Capital Allocation Process. This included the allocation of state PAYGO funds and federal 5307/5340, 5337, and 5339 funds to the Service Boards based on their respective proportions of the funds needed to bring all assets into a State of Good Repair (SGR) in 20 years. The allocation method is guided by three principles: Addressing Capital Reinvestment Need, Incentivizing Capital Expenditure Performance, and Advancing Policy Priorities. The allocations for 2024 are based on previously established formulas. From 2025 through 2028, the allocation of the federal formula and PAYGO funding is distributed by a performance-based calculation.

The Service Boards are required to submit their updated Transit Asset Management (TAM) plans with their proposed Budget and Capital Program submittal to the RTA. On July 26, 2016, the FTA published the TAM Final Rule to establish minimum federal requirements for TAM that apply to all recipients and subrecipients of federal formula funds that own, operate, or manage public transportation capital assets. TAM plans must include an asset inventory, condition assessments of inventoried assets, and a prioritized list of investments to improve the SGR of their capital assets. Transit providers are required to set performance targets for their capital assets based on SGR measures and report their targets, as well as information related to the condition of their capital assets, to the National Transit Database (NTD).

Table 27. Estimated Five-Year State Capital Funding (000s)

Funding Source	2024	2025	2026	2027	2028	Total
PAYGO	\$11,350	\$17,621	\$18,238	\$17,869	\$18,495	\$83,572

## 2024 Suburban Service Capital Program/Project Descriptions

### Capital Budget Mark Assumptions

The RTA's preliminary funding marks include estimated federal and state funds that are anticipated to be available to the region for capital investment purposes. The 2024 Capital Program marks provide Pace \$59.315 million of Sections 5307 and 5339 federal formula funds, \$11.350 million of state PAYGO funds, \$27.791 million of Congestion Mitigation/Air Quality (CMAQ) and Carbon Reduction Program (CRP) funds, and \$20.000 million of Rebuilding American Infrastructure with Sustainability and Equity (RAISE) funds.

Table 28. 2024 Capital Program (000s)

Funding Source	Amount
Federal 5307/5339	\$59,315
State PAYGO	11,350
Federal CMAQ/CRP	27,791
Federal RAISE	20,000
<b>Total</b>	<b>\$118,457</b>

The 2024 Suburban Capital Program totals \$118.457 million, which is constrained to the funding available and includes the following:

### **Rolling Stock (\$1.802 Million)**

Pace will replace 14 paratransit vehicles that will operate systemwide.

#### *Operating Cost Impacts*

Pace's average fleet age is 5.8 years for paratransit vehicles, while their typical useful life expectancy is four years. Replacing older paratransit vehicles with new ones will reduce the average fleet age and lower overall maintenance costs.

### **Electrical/Signal/Communications (\$2.514 Million)**

Onboard Digital Screens: Pace will purchase and install approximately 200 digital screens inside 100 fixed route buses to display passenger information such as next stop announcements and detour notices.

#### *Operating Cost Impacts*

Onboard digital screens will minimize costs associated with producing printed information that is currently distributed on the buses.

### **Support Facilities & Equipment (\$55.000 Million)**

North Division Electrification/Expansion: Funding will be used for a portion of the renovation and expansion of the North Division garage located in Waukegan, including installation of charging infrastructure for electric buses.

#### *Operating Cost Impacts*

Once operational, North Division will be equipped with charging infrastructure for electric buses, which will reduce diesel fuel and vehicle maintenance costs by replacing 60 diesel buses with battery electric buses.

### **Stations & Passenger Facilities (\$59.141 Million)**

Pulse Halsted A/E and Construction (\$39.574 million): Funding will be used for architectural/engineering design and construction of stations, vertical markers, and other elements of the Pulse Halsted Arterial Rapid Transit Line. The project corridor consists of approximately nine miles of South Halsted Street, from the Pace Harvey Transportation Center to 95th Street, and includes the segment of 95th Street that provides a connection to the CTA Red Line 95th/Dan Ryan station. Pace has received a \$20 million federal RAISE grant to support this project.

Pulse 95th Construction (\$19.567 million): Funding will be used for construction of stations, vertical markers, and other elements of the Pulse 95th Arterial Rapid Transit Line. The project corridor is approximately 12.4 miles in length and runs east-west between the CTA Red Line 95th/Dan Ryan Station in Chicago and Moraine Valley Community College in Palos Hills, primarily routed along 95th Street.

#### *Operating Cost Impacts*

The Pulse 95th St project will allow Pace to offer more frequent service in the corridor, which is anticipated to add \$3.6 million in net expenses annually after the service is implemented.



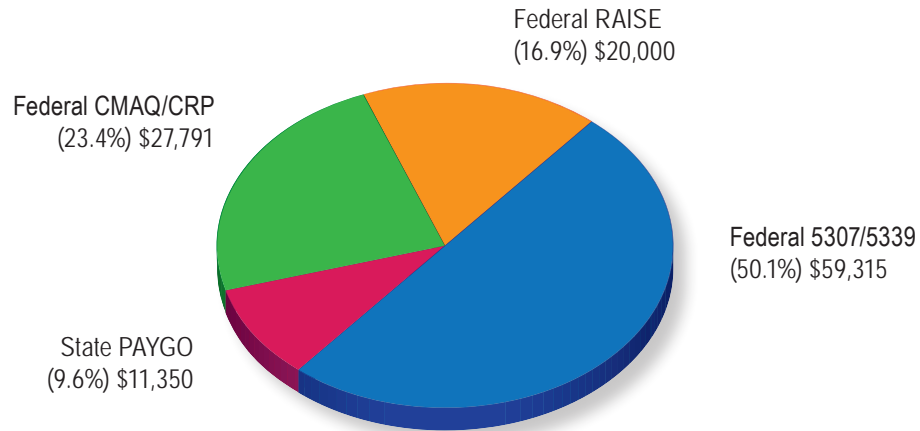
# Capital Budget Suburban Service

Table 29. 2024 Suburban Service Capital Program (000s)

	Total Budget	Federal 5307/5339	State PAYGO	Federal CMAQ/CRP	Federal RAISE
<b>Rolling Stock</b>					
Paratransit Vehicles (14)	\$1,802	\$1,802	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$1,802</b>	<b>\$1,802</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Electrical/Signal/Communications</b>					
Onboard Digital Screens	\$2,514	\$2,514	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$2,514</b>	<b>\$2,514</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Support Facilities &amp; Equipment</b>					
North Division Electrification/Expansion	\$55,000	\$55,000	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$55,000</b>	<b>\$55,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Stations &amp; Passenger Facilities</b>					
Pulse Halsted A/E and Construction	\$39,574	\$0	\$7,437	\$12,137	\$20,000
Pulse 95th Construction	19,567	0	3,913	15,654	0
<b>Subtotal</b>	<b>\$59,141</b>	<b>\$0</b>	<b>\$11,350</b>	<b>\$27,791</b>	<b>\$20,000</b>
<b>Total 2024 Suburban Capital Program</b>	<b>\$118,457</b>	<b>\$59,316</b>	<b>\$11,350</b>	<b>\$27,791</b>	<b>\$20,000</b>
<b>2024 Marks</b>	<b>\$118,457</b>	<b>\$59,316</b>	<b>\$11,350</b>	<b>\$27,791</b>	<b>\$20,000</b>

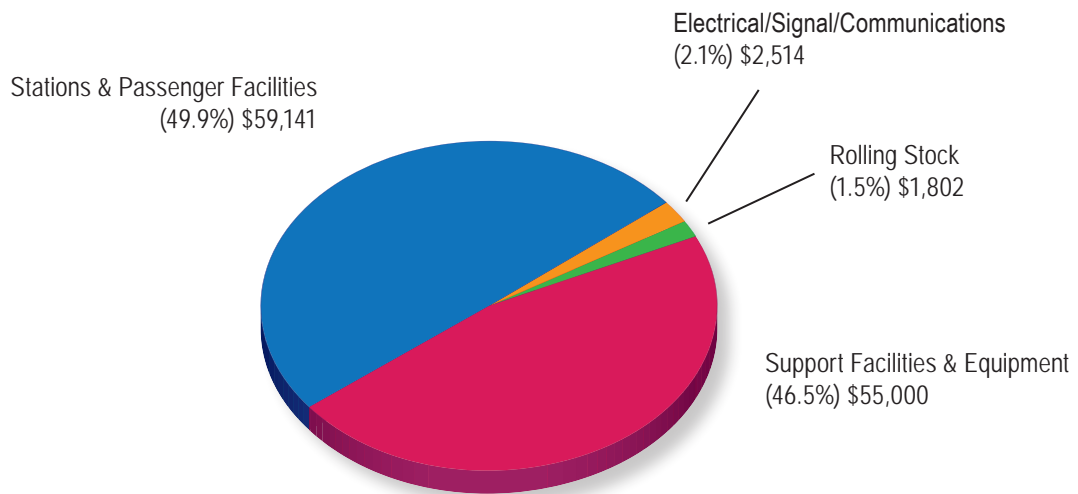
## 2024 Suburban Service Capital Program

Chart F. 2024 Sources of Funds (000s) - Total \$118,457



*Over 90% of Pace's capital funding is expected to come from federal sources.*

Chart G. 2024 Uses of Funds (000s) - Total \$118,457



*Nearly half of Pace's capital program will be allocated to Stations and Passenger Facilities.*

## Capital Funding Sources

### State Funding

In June 2019, the Illinois General Assembly passed *Rebuild Illinois*, which established a PAYGO fund as an ongoing, reliable funding source for future capital needs. Pace expects to receive \$83.572 million of these funds over the 2024-2028 five-year period.

### Federal Formula and Discretionary Funding

Historically, federal formula capital funds have been allocated among the service boards at the following percentages: 58% to CTA, 34% to Metra, and 8% to Pace, which applies to 2024. The 2025 through 2028 capital allocations for federal formula and state PAYGO funds are based on the new Performance-Based Capital Allocation calculation developed by the RTA and service boards and adopted on July 15, 2021. The federal formula funds, which include Section 5307/5340 Urbanized Area and Section 5339 Bus and Bus Facilities, are expected to total \$281.223 million for Pace in 2024-2028. Estimates of funding for the federal formula programs are aligned with the new Infrastructure Investment and Jobs Act (IIJA) signed into law on November 15, 2021.

Funds from federal discretionary programs are made available on a competitive basis nationally and awarded on a project-specific basis.



Some of these programs include:

- Bus and Bus Facilities Discretionary Program (5339 (b))—funds capital projects to replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities.
- Capital Investment Grants (CIG) (5309)—funds major transit capital investments, including heavy rail, commuter rail, light rail, streetcars, and bus rapid transit. Projects are categorized as either New Starts, Core Capacity, or Small Starts.
- Carbon Reduction Program (CRP)—funds a wide range of projects designed to reduce carbon dioxide emissions from on-road highway sources, including constructing Bus Rapid Transit corridors. Created under the Bipartisan Infrastructure Law, CRP includes \$6.4 billion of funding over five years in which states must develop carbon reduction strategies in consultation with Metropolitan Planning Organizations.
- Community Project Funding—grants sponsored by Members of Congress in annual federal appropriations bills.
- Congestion Mitigation and Air Quality Improvement (CMAQ)—funds transportation projects that reduce traffic congestion and improve air quality in nonattainment and maintenance areas to help meet the requirements of the Clean Air Act.
- Enhanced Mobility of Seniors and Individuals with Disabilities (5310)—funds innovative projects that promote coordinated access and mobility for the transportation disadvantaged.
- Federal Emergency Management Agency (FEMA) Grant—funds programs to prevent, protect against, respond to, recover from, and mitigate terrorism and other disasters and emergencies.
- Low or No-Emission Vehicle Program (5339 (c))—funds the purchase or lease of low or no emission buses or to lease, construct, or rehabilitate facilities to support low or no emission buses.
- Rebuilding American Infrastructure with Sustainability and Equity (RAISE)—funds investments in surface transportation infrastructure such as roads, bridges, transit, rail, ports, or intermodal transportation; previously known as Better Utilizing Investments to Leverage Development (BUILD) and Transportation Investment Generating Economic Recovery (TIGER).





*In March 2023, Pace commemorated a community funding grant with (L-R) Congressman Brad Schneider, Director Linda Soto, Waukegan Mayor Ann Taylor, Chairman Rick Kwasneski, Executive Director Melinda Metzger, Director Chris Canning, and Lake County Partners President Kevin Considine at North Division, which will be the first garage equipped to charge and maintain a fully electric fleet.*

### *RTA Funding*

The RTA provides funding to the service boards through the Innovation, Coordination and Enhancement (ICE) program, which can be applied to either operating or capital projects. RTA ICE funding is being paused by the RTA for 2024. Pace plans to use 2025 and 2026 ICE funds of \$4.306 million toward operating expenses. ICE funding estimates are not yet available for 2027-2028.

### *Service Board Funding*

Positive Budget Variance (PBV) represents the amount by which a service board is favorable to its operating

budget and then retained in an unrestricted fund balance which can be used for capital projects. Pace has not programmed these funds in this five-year capital program.

Public Act 97-0770 gave Pace authority to issue bonds for eligible capital projects effective January 1, 2013, and totaled \$100 million for four specific construction projects. Public Act 99-0665, effective July 29, 2016, amended Public Act 97-0770 to allow Pace to issue bonds for the purchase of transit buses, in addition to the previously authorized projects, while maintaining total bonding authority at \$100 million. Pace has not programmed these funds in this five-year capital program.

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## 2024-2028 Five-Year Suburban Service Capital Business Plan

The RTA preliminary funding marks for Pace's 2024-2028 Five-Year Suburban Capital Plan total \$412.587 million, comprised of \$281.223 million in federal 5307/5339 funds, \$83.572 million in state PAYGO funds, \$27.791 million in federal Congestion Mitigation/Air Quality (CMAQ) funds, and \$20.000 million in federal Rebuilding American Infrastructure with Sustainability and Equity (RAISE) funds.

Following is a summary of Pace's Five-Year Capital Plan constrained to the funding Pace expects to receive.

### Rolling Stock (\$109.104 Million)

- 60 Fixed Route Electric Buses
- 253 Paratransit Vehicles

### Electrical/Signal/Communications (\$10.514 Million)

- Onboard Digital Screens

### Support Facilities & Equipment (\$233.828 Million)

- North Division Electrification/Expansion
- Southwest Division Electrification/Expansion
- River Division Electrification/Expansion

### Stations & Passenger Facilities (\$59.141 Million)

- Pulse 95th Construction
- Pulse Halsted A/E and Construction



**Table 30.**  
2024-2028 Five-Year Suburban Service  
Capital Business Plan (000s)

Funding Source	Amount
Federal 5307/5339	\$281,223
State PAYGO	83,572
Federal CMAQ/CRP	27,791
Federal RAISE	20,000
<b>Total</b>	<b>\$412,587</b>

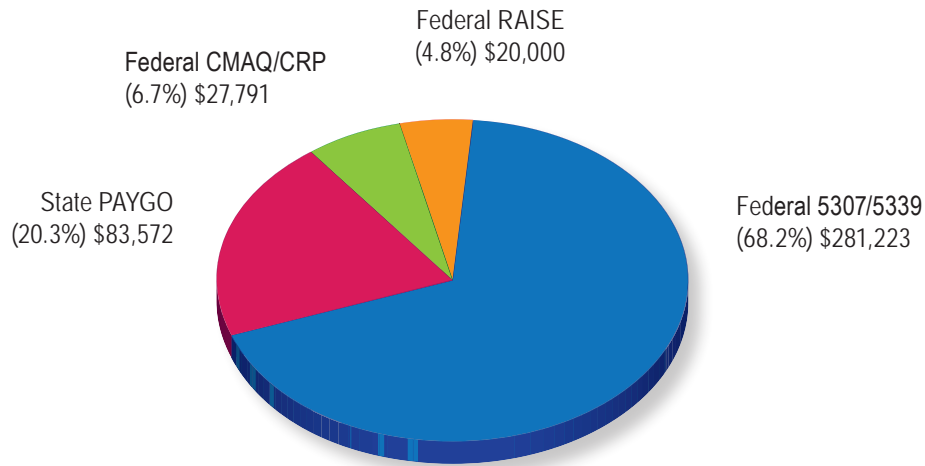
# Capital Budget Suburban Service

**Table 31. 2024-2028 Five-Year Suburban Service Capital Business Plan (000s)**

	2024	2025	2026	2027	2028	Total
<b>Rolling Stock Quantities</b>						
Fixed Route Electric Buses	0	0	9	15	36	60
Paratransit Vehicles	14	45	45	56	93	253
<b>Rolling Stock</b>						
Fixed Route Electric Buses	\$0	\$0	\$11,700	\$19,500	\$46,809	\$78,009
Paratransit Vehicles	1,802	5,564	5,526	6,838	11,365	31,095
<b>Subtotal</b>	<b>\$1,802</b>	<b>\$5,564</b>	<b>\$17,226</b>	<b>\$26,338</b>	<b>\$58,174</b>	<b>\$109,104</b>
<b>Electrical/Signal/Communications</b>						
Onboard Digital Screens	\$2,514	\$2,000	\$2,000	\$2,000	\$2,000	\$10,514
<b>Subtotal</b>	<b>\$2,514</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$10,514</b>
<b>Support Facilities &amp; Equipment</b>						
North Division Electrification/Expansion	\$55,000	\$7,600	\$0	\$0	\$0	\$62,600
Southwest Division Electrification/Expansion	0	41,000	37,500	25,900	0	104,400
River Division Electrification/Expansion	0	17,621	18,238	17,869	13,100	66,828
<b>Subtotal</b>	<b>\$55,000</b>	<b>\$66,221</b>	<b>\$55,738</b>	<b>\$43,769</b>	<b>\$13,100</b>	<b>\$233,828</b>
<b>Stations &amp; Passenger Facilities</b>						
Pulse 95th Construction	\$19,567	\$0	\$0	\$0	\$0	\$19,567
Pulse Halsted A/E and Construction	39,574	0	0	0	0	39,574
<b>Subtotal</b>	<b>\$59,141</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$59,141</b>
<b>Grand Total - Constrained</b>	<b>\$118,457</b>	<b>\$73,785</b>	<b>\$74,963</b>	<b>\$72,107</b>	<b>\$73,275</b>	<b>\$412,587</b>

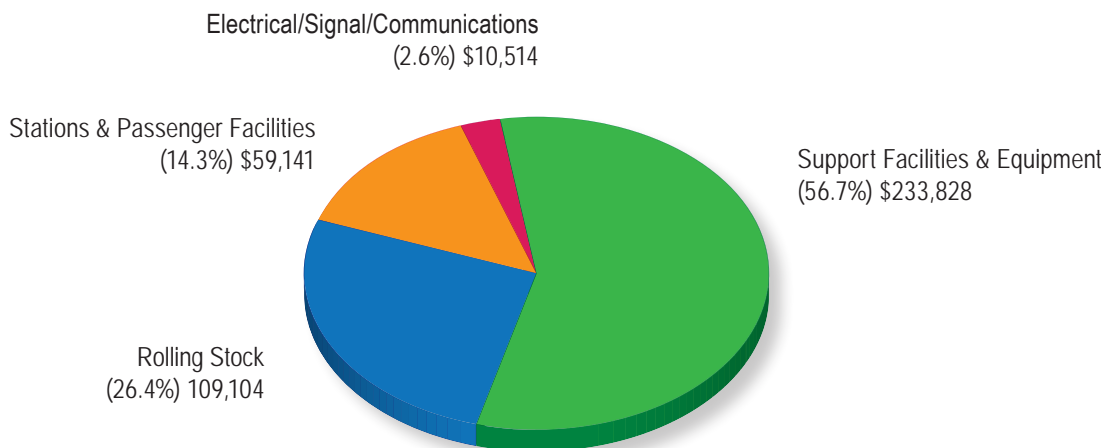
## 2024-2028 Five-Year Suburban Service Capital Business Plan

Chart H. 2024-2028 Sources of Funds (000s) - Total \$412,587



*Approximately 80% of Pace's capital funding is expected to come from federal sources.*

Chart I. 2024-2028 Uses of Funds (000s) - Total \$412,587



*A majority of the Pace capital program will be allocated to Support Facilities & Equipment.*

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## 2024-2028 Five-Year Regional ADA Paratransit Unconstrained Capital Program

### Overview

No capital funding is projected to be available for Regional ADA Paratransit capital needs in the five-year program marks; however, a Five-Year Unconstrained Capital Program has been developed to demonstrate to the RTA and Pace stakeholders that a predictable and sustainable capital funding source would be necessary to meet these unfunded needs.

For the ADA service in the City of Chicago, Pace currently utilizes private contractors who own the vehicles and rent or own the garages from which they operate. The costs of these vehicles and buildings are included in the hourly rates in the current contracts. A long-term capital funding solution is needed to replace these private carrier vehicles and to begin building facilities which support the service.

An alternative would be for Pace to own the fleet and garages and only contract for services. This would increase the number of eligible bidders, resulting in more competition. This would also reduce service rates since the private carriers would not need to account for depreciation of capital assets.

The 2024-2028 Five-Year Regional ADA Paratransit Unconstrained Capital Program totals \$197.017 million.

Highlights include:

- 1,019 replacement vehicles
- 75 expansion vehicles
- Radio system
- Four garage facilities
- Farebox system
- Two passenger transfer locations



**Table 32. 2024-2028 Regional ADA Paratransit Unconstrained Capital Program (000s)**

	2024	2025	2026	2027	2028	Total
<b>Rolling Stock Quantities</b>						
Chicago Vehicle Replacement	168	168	168	168	169	841
Suburban Vehicle Replacement	35	35	36	36	36	178
Regional Vehicle Expansion	15	15	15	15	15	75
<b>Total Vehicle Needs</b>	<b>218</b>	<b>218</b>	<b>219</b>	<b>219</b>	<b>220</b>	<b>1,094</b>
<b>Rolling Stock</b>						
Chicago Vehicle Replacement	\$20,496	\$20,496	\$20,496	\$20,496	\$20,618	\$102,602
Suburban Vehicle Replacement	4,270	4,270	4,392	4,392	4,392	21,716
Regional Vehicle Expansion	1,830	1,830	1,830	1,830	1,830	9,150
<b>Subtotal</b>	<b>\$26,596</b>	<b>\$26,596</b>	<b>\$26,718</b>	<b>\$26,718</b>	<b>\$26,840</b>	<b>\$133,468</b>
<b>Electrical/Signal/Communications</b>						
Radio System	\$828	\$828	\$832	\$832	\$836	\$4,157
<b>Subtotal</b>	<b>\$828</b>	<b>\$828</b>	<b>\$832</b>	<b>\$832</b>	<b>\$836</b>	<b>\$4,157</b>
<b>Support Facilities &amp; Equipment</b>						
Construct Four Garage Facilities	\$2,625	\$3,675	\$14,700	\$12,600	\$13,650	\$47,250
Farebox System	1,373	1,373	1,380	1,380	1,386	6,892
<b>Subtotal</b>	<b>\$3,998</b>	<b>\$5,048</b>	<b>\$16,080</b>	<b>\$13,980</b>	<b>\$15,036</b>	<b>\$54,142</b>
<b>Stations &amp; Passenger Facilities</b>						
Construct Passenger Transfer Locations	\$0	\$0	\$0	\$2,625	\$2,625	\$5,250
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,625</b>	<b>\$2,625</b>	<b>\$5,250</b>
<b>Grand Total Needs</b>	<b>\$31,423</b>	<b>\$32,473</b>	<b>\$43,630</b>	<b>\$44,155</b>	<b>\$45,337</b>	<b>\$197,017</b>



## Organizational Overview

Pace staffing requirements are classified into four primary categories: administration, centralized support, Pace divisions, and Regional ADA Paratransit services. Within each category, employees are further classified into four activity areas: operations, maintenance, non-vehicle maintenance, and administration. These activity areas are defined by the National Transit Database (NTD) reporting requirements which apply to all public transit operators.

For 2024, the headquarters administration category is budgeted at 225.0 approved full-time equivalent (FTE) positions with 34.0 FTE vacancies and 6.0 FTE positions allocated to ADA operations, resulting in 185.0 budgeted FTE positions. The headquarters central support category is budgeted at 103.0 approved FTE positions with 12.0 FTE vacancies, resulting in 91.0 filled FTE positions. No additional positions are authorized in either category; however, total vacancies are expected to decrease by 16.5 FTEs from 2023 estimated levels.

The Pace divisions category is comprised of nine garages and is budgeted at 1,562.0 filled FTE positions for 2024. This is an increase of 128.0 positions over 2023 estimated levels, reflecting planned service adjustments, including the full-year impact of Pulse Dempster and many improvements to service frequency and reliability.

The Regional ADA Paratransit category includes 46.5 approved FTE positions and 6.0 FTE positions allocated from headquarters administration with 4.0 FTE vacancies, resulting in 48.5 budgeted FTE positions for 2024. No additional positions are authorized; however, total vacancies are expected to decrease by 1.0 FTE from 2023 estimated levels.

Pace’s headquarters functions are organized into five main units—Finance/Diversity, Equity, & Inclusion (DEI), Administration/General Counsel, Operations, Planning, and External Relations—which report to the Executive Director and oversee the work of additional reporting departments. Other departments that report directly to the Office of the Executive Director are Internal Audit, Safety/Training/Security, Human Resources, Communications, Ethics, and Government Affairs.

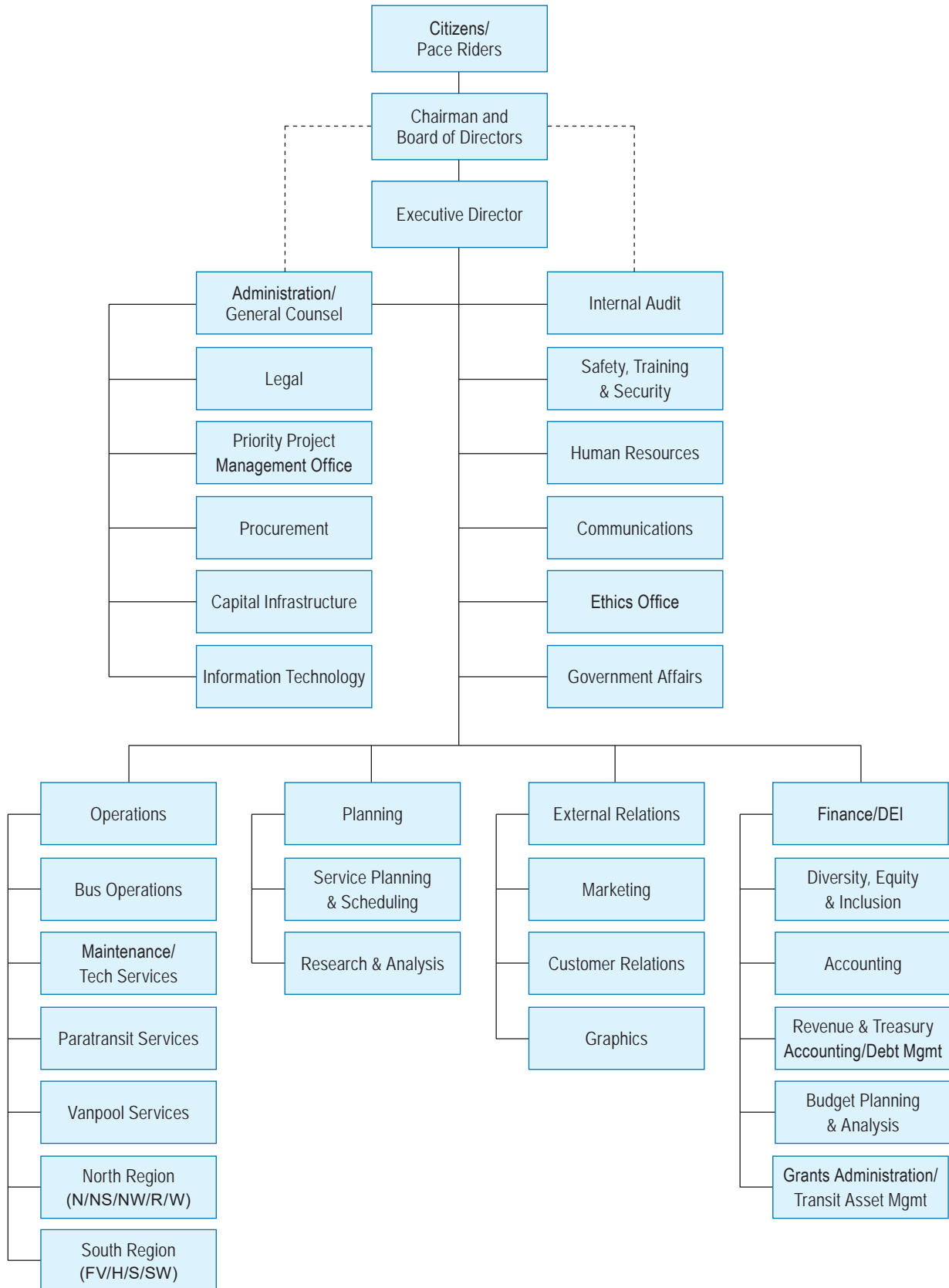
The organization structure is shown in Chart J. The number of employees assigned to each department is detailed in Table 34 and an overview of each department’s duties and responsibilities is presented on the following pages.

**Table 33. Full-Time Equivalent Positions (FTEs)**

	Admin	Central Support	Pace Divisions	Total
<b>2022 Actual</b>				
Operations	0.0	28.5	1,086.0	1,114.5
Maintenance	0.0	30.0	286.0	316.0
NVM*	0.0	19.0	16.0	35.0
Administration	169.5	0.0	35.0	204.5
<b>Suburban Service</b>	<b>169.5</b>	<b>77.5</b>	<b>1,423.0</b>	<b>1,670.0</b>
Reg. ADA Paratransit	41.0	0.0	0.0	41.0
<b>Total</b>	<b>210.5</b>	<b>77.5</b>	<b>1,423.0</b>	<b>1,711.0</b>
<b>2023 Estimated</b>				
Operations	0.0	34.0	1,092.0	1,126.0
Maintenance	0.0	33.0	289.0	322.0
NVM*	0.0	19.0	16.0	35.0
Administration	173.5	0.0	37.0	210.5
<b>Suburban Service</b>	<b>173.5</b>	<b>86.0</b>	<b>1,434.0</b>	<b>1,693.5</b>
Reg. ADA Paratransit	47.5	0.0	0.0	47.5
<b>Total</b>	<b>221.0</b>	<b>86.0</b>	<b>1,434.0</b>	<b>1,741.0</b>
<b>2024 Budget</b>				
Operations	0.0	36.0	1,220.0	1,256.0
Maintenance	0.0	34.0	289.0	323.0
NVM*	0.0	21.0	16.0	37.0
Administration	185.0	0.0	37.0	222.0
<b>Suburban Service</b>	<b>185.0</b>	<b>91.0</b>	<b>1,562.0</b>	<b>1,838.0</b>
Reg. ADA Paratransit	48.5	0.0	0.0	48.5
<b>Total</b>	<b>233.5</b>	<b>91.0</b>	<b>1,562.0</b>	<b>1,886.5</b>

\*Non-Vehicle Maintenance

Chart J. Pace Organizational Chart



**Table 34. 2024 Operating Budget - Department Budgeted Positions (FTEs)**

Suburban Service	2022 Actual	2023 Estimate	2024 Budget	Suburban Service	2022 Actual	2023 Estimate	2024 Budget
<b>Office of the Executive Director</b>	3.0	3.0	3.0	<b>Planning</b>	2.0	2.0	2.0
Internal Audit	6.0	6.0	6.0	Service Planning & Scheduling	12.0	12.0	12.0
Safety/Training/Security	7.0	8.0	8.0	Research & Analysis	5.0	6.0	6.0
Human Resources	12.0	12.0	12.0	<b>Total</b>	<b>19.0</b>	<b>20.0</b>	<b>20.0</b>
Communications	2.0	3.0	3.0	<b>External Relations</b>	2.0	2.0	2.0
Ethics Office	1.0	1.0	1.0	Marketing	5.0	5.0	5.0
Government Affairs	12.0	12.0	12.0	Customer Relations	4.0	4.0	4.0
Unassigned Vacancies	22.0	9.0	9.0	Graphics	8.0	8.0	8.0
<b>Total</b>	<b>65.0</b>	<b>54.0</b>	<b>54.0</b>	<b>Total</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>
<b>Finance/Diversity, Equity &amp; Inclusion</b>	3.0	2.0	2.0	<b>Total Suburban Service</b>	<b>1,752.0</b>	<b>1,762.0</b>	<b>1,890.0</b>
Diversity, Equity & Inclusion	3.0	4.0	4.0				
Accounting	17.0	17.0	17.0	<b>Regional ADA</b>	<b>2022 Actual</b>	<b>2023 Estimate</b>	<b>2024 Budget</b>
Revenue & Treasury Accounting/ Debt Management	6.0	6.0	6.0	Chicago ADA Paratransit	42.5	46.5	46.5
Budget Planning & Analysis	5.0	5.0	5.0	Suburban Service Allocation	4.0	6.0	6.0
Grants Administration/ Transit Asset Management	10.0	10.0	10.0	<b>Total Regional ADA</b>	<b>46.5</b>	<b>52.5</b>	<b>52.5</b>
<b>Total</b>	<b>44.0</b>	<b>44.0</b>	<b>44.0</b>	<b>Total Suburban &amp; Regional ADA</b>	<b>1,798.5</b>	<b>1,814.5</b>	<b>1,942.5</b>
<b>Administration/General Counsel</b>	1.0	1.0	1.0	Suburban Svc Vacancy Factor	(78.0)	(62.5)	(46.0)
Legal	12.0	12.0	12.0	Regional ADA Vacancy Factor	(5.5)	(5.0)	(4.0)
Priority Project Management Office	2.0	4.0	4.0	ADA Allocation	(4.0)	(6.0)	(6.0)
Procurement	19.0	19.0	19.0	<b>Total - With Vacancy Factors</b>	<b>1,711.0</b>	<b>1,741.0</b>	<b>1,886.5</b>
Capital Infrastructure	26.0	27.0	27.0				
Information Technology	36.0	36.0	36.0				
<b>Total</b>	<b>96.0</b>	<b>99.0</b>	<b>99.0</b>				
<b>Operations</b>	4.0	4.0	4.0				
Bus Operations	23.0	27.0	27.0				
Maintenance/Tech Services	36.0	37.0	37.0				
Paratransit Services	9.0	10.0	10.0				
Vanpool Services	14.0	14.0	14.0				
Pace Divisions:							
Bus Operators	982.0	985.0	1,113.0				
Operations Supervisors	104.0	107.0	107.0				
Maintenance	286.0	289.0	289.0				
Non-Vehicle Maintenance	16.0	16.0	16.0				
Administration	35.0	37.0	37.0				
<b>Total</b>	<b>1,509.0</b>	<b>1,526.0</b>	<b>1,654.0</b>				



## Department Overview

A detailed description of each department is provided as follows:

### *Office of the Executive Director*

**Office of the Executive Director:** The Executive Director is responsible for overall management of the agency including all staffing and contractual relationships necessary to carry out the powers of the Suburban Bus Board (Pace) in accordance with the RTA Act.

**Internal Audit:** Responsible for directing performance, financial, and compliance audits to ensure maintenance of organizational and professional ethical standards.

**Safety, Training, and Security:** Responsible for safety and training programs for all operations. Establishes program guidelines and assures compliance with regulatory requirements. Assures security and safety of Pace assets, employees, and passengers.

**Human Resources:** Responsible for recruitment, compensation, benefit administration, employee relations, and development of the agency's human resource policies. Oversees professional development and training for the agency.

**Communications:** Responsible for managing the organization's external communications with stakeholders. Serves as the organization's primary media contact.

**Ethics Office:** Responsible to act as Ethics Officer pursuant to state law, conducts ethics training for employees, provides guidance to Board members and employees regarding the interpretation and implementation of state ethics laws.

**Government Affairs:** Responsible for coordinating governmental outreach campaigns, as well as planning and directing legislative strategies.

### *Finance/Diversity, Equity & Inclusion*

**Diversity, Equity & Inclusion:** Responsible for programs and initiatives that enhance Pace's diverse and inclusive work environment and guides the agency in making decisions prioritizing investments in capital assets and new programs/services. Oversees Disadvantaged Business Enterprise compliance with regulatory requirements.

**Accounting:** Responsible for accounts payable, accounts receivable and billing, fixed assets, payroll, general accounting, and financial reporting. Produces monthly interim and year-end financial statements, the annual schedule of federal awards and expenditures, as well as regulatory compliance reporting.

**Revenue & Treasury Accounting/Debt Management:** responsible for debt, investment, and cash management services. Fare revenue analysis and reporting is performed along with National Transit Database reporting.

**Budget Planning & Analysis:** Responsible for Suburban Service and ADA operating budget planning, analysis, and management reporting. Performs special analysis and reporting on financial impact topics. Produces quarterly reports to the RTA. Prepares annual budget document and materials for public hearings.

**Grants Administration/Transit Asset Management:** Responsible for federal, state, and local grants administration, capital budget development, and Transit Asset Management administration.

### *Administration/General Counsel*

**Legal:** Responsible for reviewing contracts, monitoring litigation, handling claim defense litigation, and assuring legal compliance with all required federal, state, and local regulations. Also responsible for insurance and claims handling for the entire agency.

**Priority Project Management Office:** Responsible for oversight support of Pace's priority capital projects. Also oversees the implementation of the Rapid Transit Program and other initiatives identified in Pace's strategic plan, *Driving Innovation*.

**Procurement:** Responsible for directing and coordinating all purchasing and procurement activities and contracting services.

**Capital Infrastructure:** Responsible for real estate management, design, engineering and construction of all fixed facilities, environmental management, and facility maintenance management.

**Information Technology:** Responsible for direction and provision of all information technology systems for the Agency. The department includes IT administration, application services, client services, infrastructure services, and data services.

## *Operations*

**Bus Operations:** Responsible for managing and controlling the provision of bus service contracts and direct operation of Pace-operated and subsidized fixed route service providers, as well as non-revenue fleet management. Also oversees passenger facility maintenance, including the installation and maintenance of Pace's bus stop shelters and signage.

**Maintenance/Tech Services:** Responsible for setting policy for all maintenance procedures as well as managing fleet procurements and distribution.

**Paratransit Services:** Responsible for the management of Pace's Regional ADA Paratransit program.

**Vanpool Services:** Responsible for the management of Pace's Vanpool services.

**Pace Divisions:** Regional management (North and South) oversees and manages the provision of fixed route services from Pace's nine operational garages and support facilities. Responsible for day-to-day operations of fixed route services and all related activities including, but not limited to: employment, work assignment, collective bargaining, inventory management, equipment and facility maintenance, reporting, and employee safety oversight (in coordination with the Safety Department).

## *Planning*

**Service Planning & Scheduling:** Responsible for all fixed route and community service planning and scheduling, including adjustment of existing services to improve performance, evaluating new markets for service expansion and service reductions, and the creation of operator run work schedules.

**Research & Analysis:** Responsible for the management of customer satisfaction measurement and reporting, and special studies that support business objectives. Produces ridership reporting, performance measures, on-time performance measures, and other operational data.

## *External Relations*

**Marketing:** Responsible for planning, developing, and administering marketing programs to promote the agency and its services to the public.

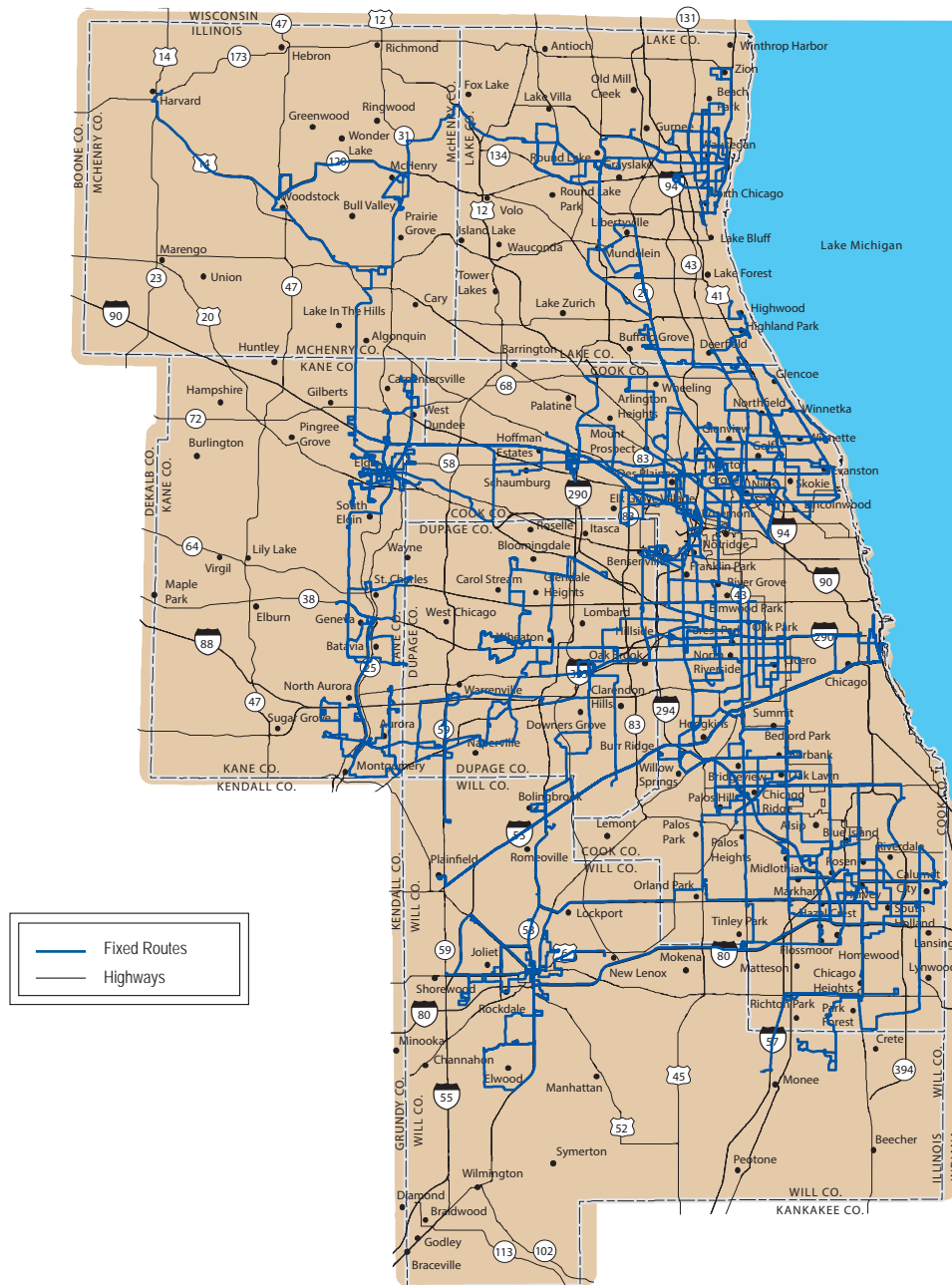
**Customer Relations:** Responsible for handling customer inquiries and providing schedule information to Pace customers. Administers customer management system for tracking customer complaints, produces customer complaints metrics, and follows up with responsible business units.

**Graphics:** Responsible for designing/producing communication pieces, providing audio/visual communication resources, print production of bus schedules, and other printed materials.

# Appendix A • Pace Overview

## Fixed Route Service Characteristics

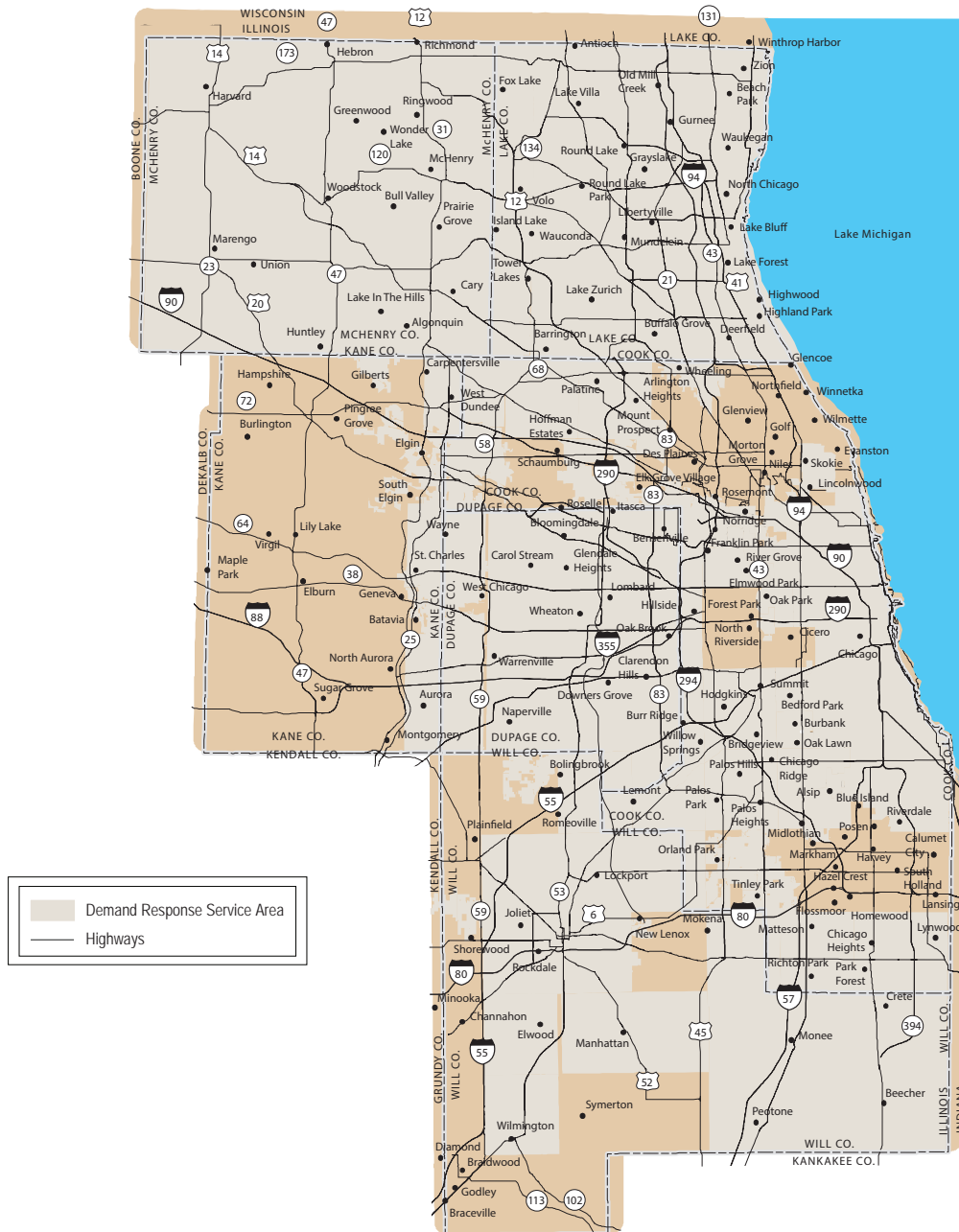
Fixed Route Service includes 134 regular, 5 feeder, and numerous seasonal routes which are operated by Pace. These routes serve 210 communities and carry an average of 1.16 million rides per month, utilizing 498 vehicles during peak periods. All routes are fully wheelchair accessible.



## Demand Response Service Characteristics

Demand Response Services utilizes 232 lift-equipped vehicles to provide curb-to-curb service to approximately 55,600 riders each month.

Most of the ridership are elderly and/or people with disabilities. Pace contracts directly with private service providers for the operation of 16 demand response projects, 10 On Demand projects, and has agreements with villages and townships for the operation of 11 other demand response projects. Pace River Division operates one demand response project and five On Demand projects. The other 5 On Demand projects are operated by the paratransit contracted service provider in each service area. These projects provide services to approximately 130 communities throughout the six-county area.

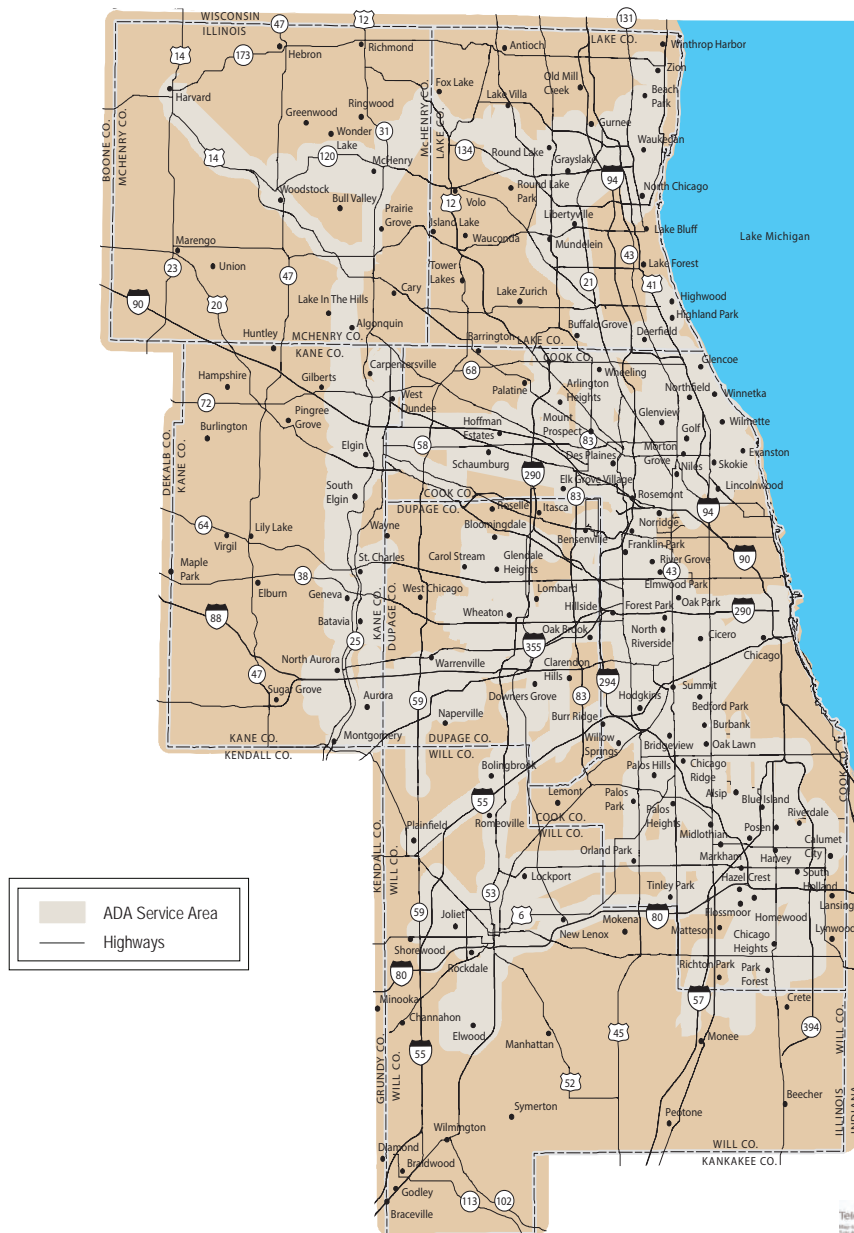


## Suburban ADA Paratransit Service Characteristics

Suburban ADA Paratransit utilizes 262 lift-equipped vehicles to provide origin to destination service to approximately 51,100 riders each month.

Individuals that are not able to use Pace's fixed routes can register to utilize Pace's ADA Paratransit Service. The RTA administers a regional certification program which determines eligibility for this service. Once eligible, passengers can make travel arrangements for trips within the shaded service area. This area represents a corridor of 3/4 mile to either side of Pace's regular fixed routes in the suburban areas as called for by federal regulations. Pace contracts with private operators, taxi and TNC providers strategically located throughout the service area to provide this service.

In addition to dedicated ADA Paratransit service, the Rideshare Access Program (RAP) was implemented in 2023. This service is expected to provide approximately 18,000 rides per month in 2023.





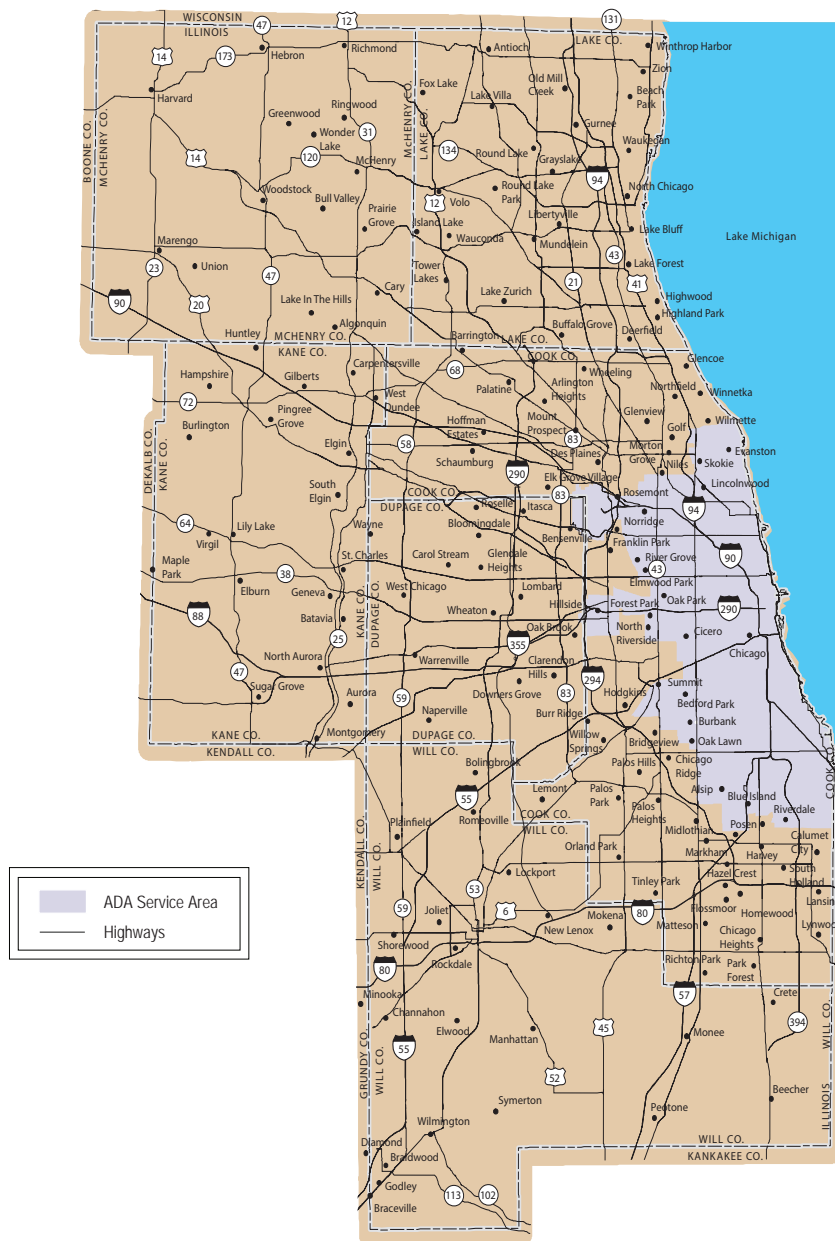
## City of Chicago ADA Paratransit Service Characteristics

Pace uses four transportation vendors and contracted taxi/TNC providers to provide ADA Paratransit services to locations within 3/4 mile of CTA/Pace bus routes and up to a 3/4 mile radius of each CTA rail station.

The area served essentially covers the City of Chicago and nearby suburban communities served by regular CTA/Pace services.

City of Chicago ADA Paratransit utilizes 838 vehicles, as well as taxi providers, to provide service to approximately 185,600 riders each month in 2023.

In addition to dedicated ADA Paratransit service, the Taxi Access Program (TAP) will provide service to approximately 83,900 riders each month in 2023. The Rideshare Access Program (RAP) was implemented in 2023. This service is expected to provide approximately 32,400 rides per month in 2023.



**Table 35. Pace Rolling Stock - Active Fleet on December 31, 2022**

Fixed Route (Fully Accessible)				
Manufacturer	Model Year	# of Vehicles	Age	Length
EIDorado	2007	43	16	30'
EIDorado	2008	29	15	30'
EIDorado	2009	18	14	30'
EIDorado	2010	29	13	30'
Orion Hybrid	2011	2	12	30'
EIDorado	2011	4	12	30'
EIDorado	2012	1	11	40'
EIDorado	2013	63	10	40'
MCI	2013	13	10	40'
Ford E350	2014	4	9	22'
Champion Challenger	2014	4	9	22'
EIDorado	2014	36	9	40'
EIDorado	2015	45	8	40'
MCI	2015	9	8	40'
EIDorado CNG	2015	18	8	40'
EIDorado	2016	81	7	40'
EIDorado	2017	84	6	40'
EIDorado Trolley	2017	7	6	30'
EIDorado CNG	2017	67	6	40'
MCI	2017	6	6	40'
EIDorado CNG	2018	11	5	40'
EIDorado CNG	2020	6	3	40'
New Flyer	2020	78	3	40'
EIDorado	2020	21	3	30'
MCI	2021	7	2	40'
EIDorado	2022	15	1	30'
<b>Total</b>		<b>701</b>		
Average Age			7.9 years	

Vanpool				
Manufacturer	Model Year	# of Vehicles	Age	Length
Ford E350	2011	2	12	19'
Dodge Caravan	2012	1	11	17'
Dodge Caravan	2013	14	10	17'
Ford E350	2013	9	10	18'-20'
Dodge Caravan	2016	2	7	17'
Ford Transit	2016	62	7	20'
Dodge Caravan	2017	165	6	17'
Ford Transit	2017	49	6	19'
Ford Transit	2018	80	5	19'
Ford Transit	2020	63	3	18'-19'
<b>Total</b>		<b>447</b>		
Average Age			5.8 years	



## Paratransit (Fully Accessible)

Manufacturer	Model Year	# of Vehicles	Age	Length
EIDorado Aerotech	2014	62	9	25'
Champion Challenger	2014	82	9	22'
EIDorado Aerotech	2016	49	7	25'
EIDorado Aerotech	2017	119	6	25'
EIDorado Aerotech	2018	28	5	25'
Coach Phoenix	2022	106	1	28'
<b>Total</b>		<b>446</b>		
<b>Average Age</b>			<b>5.8 years</b>	

## Community Transit & On Demand

Manufacturer	Model Year	# of Vehicles	Age	Length
Champion Crusader	2009	2	14	21'
Ford E350	2011	1	12	19'
Champion Crusader	2012	3	11	21'
Dodge Caravan	2013	6	10	17'
Ford E350	2013	7	10	18'-19'
Champion Crusader	2015	15	8	23'
Dodge Caravan	2016	2	7	17'
Ford Transit	2016	1	7	20'
Dodge Caravan	2017	3	6	17'
Champion Crusader	2017	35	6	23'
Ford Transit	2017	1	6	19'
Champion Crusader	2018	3	5	21'-23'
Ford Transit	2018	12	5	19'
Champion Crusader	2019	21	4	21'
Ford Transit	2020	22	3	19'
<b>Total</b>		<b>134</b>		
<b>Average Age</b>			<b>6.0 years</b>	



Paratransit vehicle



On Demand vehicle

## Pace System Infrastructure

Pace's Operating Divisions provide inside bus storage for approximately 700 buses with a total building size of over 1.3 million square feet at the locations provided below. Pace also leases Administrative and Operating space. Lastly, Pace contracts with regional municipal and private carriers to supplement Fixed Route and Paratransit Passenger Services.

### Operating Divisions

- Pace Headquarters  
Arlington Heights
- Fox Valley Division  
North Aurora
- Heritage Division  
Plainfield
- McHenry Paratransit Garage  
McHenry
- North Division  
Waukegan
- North Shore Division  
Evanston
- Northwest Division  
Des Plaines
- River Division  
Elgin
- South Division  
Markham
- South Holland Division  
South Holland
- Southwest Division  
Bridgeview
- West Division  
Melrose Park

### Municipal Garages

- City of Highland Park
- Village of Niles

### Leased Premises

- Chicago Paratransit Office  
Chicago
- East Dundee Garage  
East Dundee
- Print Shop  
Elk Grove Village

### Passenger Facilities

Pace has established numerous passenger facilities throughout the region that provide convenient transfers and connections between Pace services and those provided by CTA and Metra. An extensive list of passenger facilities can be found on Pace's website:

[www.PaceBus.com/passenger-facilities](http://www.PaceBus.com/passenger-facilities)

### Transportation Centers

- Aurora Transportation Center
- Bridgeview Transit Center
- Buffalo Grove Transportation Center
- Chicago Heights Transportation Center
- Cumberland Transit Center
- Elgin Transportation Center
- Forest Park Transit Center
- Harvey Transportation Center
- Jefferson Park Transit Center
- Joliet Transit Center
- Midway Transit Center
- Northwest Zetek Transportation Center  
(Schaumburg)
- Rosemont Transit Center
- Route 59 Transportation Center  
(Aurora/Naperville)

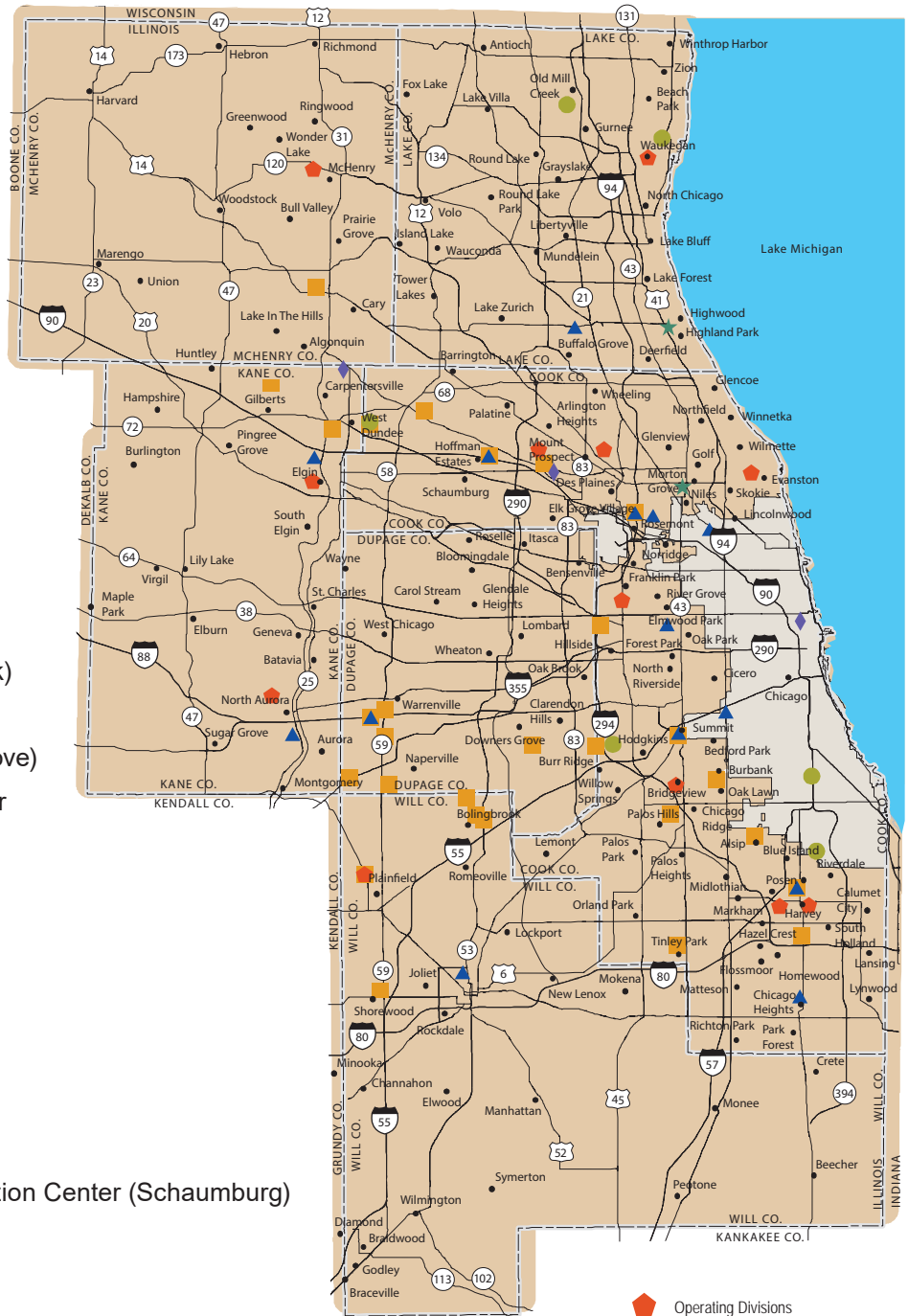
## Bus Turnarounds and Terminals

- 95th/Dan Ryan Terminal
- Gurnee Mills Terminal
- Prairie Stone Terminal (Hoffman Estates)
- Riverdale Turnaround
- UPS Hodgkins Terminal
- Waukegan Terminal

## Park-n-Ride Facilities

- Blue Island
- Bolingbrook - Canterbury
- Bolingbrook - Old Chicago
- Bridgeview Transit Center
- Burr Ridge
- Community Christian Church (Naperville)
- DeVry University (Tinley Park)
- Elk Grove Village
- Fairview Plaza (Downers Grove)
- Harvey Transportation Center
- Hillside
- Homewood
- I-90 / Barrington Road
- I-90 / IL 25
- I-90 / Randall Road
- IDOT Shorewood
- McHenry DOT
- Naperville – 91st Street
- Northwest Zetek Transportation Center (Schaumburg)
- Oak Lawn Metra
- Palos Heights Metra
- Plainfield
- Rosemont Transit Center
- Route 59 Transportation Center (Aurora / Naperville)
- Sears Centre (Lot C)
- St. Thomas the Apostle Church (Naperville)
- Wheatland Salem Church (Naperville)
- White Fence Farm (Romeoville)

## Pace System Garages and Support Facilities



- Operating Divisions
- Municipal Garages
- Leased Premises
- Transportation Centers
- Bus Turnarounds and Terminals
- Park-n-Ride Facilities
- Highways

# Appendix B • Ridership & Fares

## Ridership

The following table identifies projected ridership changes by operating element for 2022 through 2026.

	2022 Actual	2023 Estimated	% Change	2024 Projected	% Change	2025 Projected	% Change	2026 Projected	% Change
Pace Divisions	13,020	13,353	2.6%	13,843	3.7%	13,960	0.8%	13,960	0.0%
Public Carriers	235	241	2.6%	241	0.0%	241	0.0%	241	0.0%
Private Carriers	274	275	0.4%	279	1.5%	279	0.0%	279	0.0%
<b>Total Fixed Route</b>	<b>13,529</b>	<b>13,869</b>	<b>2.5%</b>	<b>14,363</b>	<b>3.6%</b>	<b>14,480</b>	<b>0.8%</b>	<b>14,480</b>	<b>0.0%</b>
Demand Response*	627	656	4.6%	685	4.5%	708	3.3%	731	3.3%
Vanpool	402	515	28.1%	525	1.9%	525	0.0%	525	0.0%
<b>Suburban Service Total</b>	<b>14,558</b>	<b>15,040</b>	<b>3.3%</b>	<b>15,573</b>	<b>3.6%</b>	<b>15,713</b>	<b>0.9%</b>	<b>15,736</b>	<b>0.1%</b>
Regional ADA Paratransit*	3,572	4,048	13.3%	4,198	3.7%	4,405	4.9%	4,623	4.9%
<b>Combined Pace Service</b>	<b>18,130</b>	<b>19,088</b>	<b>5.3%</b>	<b>19,771</b>	<b>3.6%</b>	<b>20,118</b>	<b>1.8%</b>	<b>20,359</b>	<b>1.2%</b>

\*Ridership includes companions and personal care attendants



## Ridership & Fares

### *Suburban Service Ridership*

Pace Suburban Service ridership is estimated to finish the year up 3.3% from 2022 levels and will exceed the 2022 budget by 3.7% due to a stronger than expected rebound of ridership lost during the pandemic. Fixed route ridership is expected to finish the year up 2.5% from 2022. Demand Response is expected to finish the year up 4.6% and Vanpool ridership up 28.1% from 2022.

For 2024, total Suburban Service ridership is expected to grow 3.6% from 2023 but will still be 45.4% lower than pre-pandemic levels. Baseline fixed route ridership is expected to stay flat to 2023 but overall ridership will see improvement from the implementation of service adjustments, resulting in an increase of 3.6% from 2023 levels. Demand Response and Vanpool ridership are expected to grow 4.5% and 1.9% respectively, resulting in an overall Suburban Service ridership increase of 3.6%.

Fixed route ridership is expected to increase 0.8% in 2025, reflecting the service adjustments implemented in 2024, but stay flat in 2026. Demand Response ridership is expected to grow 3.3% in both 2025 and 2026 while Vanpool ridership is expected to stay flat to 2024 estimates in both outyears.

### *Regional ADA Paratransit Ridership*

Regional ADA Paratransit ridership has rebounded from the effect of the pandemic more quickly than Suburban Service ridership and is expected to finish 2023 13.3% above 2022 levels. For 2024, ridership is expected to grow 3.7% over 2023 levels and an additional 4.9% in both 2025 and 2026.

### *Pace Fares*

There are no increases to Suburban Service or ADA fares planned in 2024. The budget includes a fare reduction to allow ADA-certified riders to use the fixed route system for free rather than the reduced fare rate.

Tables 37 and 38 on the following pages identify the current fare structures.



## Fare Structure

Table 37. Fare Structure		
	Current Fares	
	Full Fare	Reduced Fare
<b>Regular Fares</b>		
Cash Fare	\$2.25	\$1.10
Full Fare Ventra®	2.00	1.00
Transfer to Pace (with Ventra transit value only)	0.30	0.20
<b>Passes</b>		
Pace/CTA 30-Day Pass	\$75.00	\$35.00
Pace/CTA 7-Day Pass	25.00	N/A
Pace/CTA 3-Day Pass	N/A	N/A
Pace/CTA 1-Day Pass	N/A	N/A
Pace 30-Day Pass	60.00	30.00
Regional Connect Pass	30.00	N/A
Student Summer Haul Pass	45.00	N/A
Pace Campus Connection (College Student Pass) Valid for One Semester - 5 months		
Purchased in:		
August or January	\$175.00	N/A
September or February	165.00	N/A
October or March	140.00	N/A
November or April	105.00	N/A
December or May	60.00	N/A
Campus Connection - Summer Pass	140.00	N/A
<b>Express/Other Fares</b>		
Premium Routes*	\$4.50	\$2.25
Pace Transfer to Premium Routes (with Ventra transit value only)	2.80	1.45
Pace Transfer to Premium Routes (with Pace/CTA and Pace only Passes)	2.25	1.15
Pace Premium 30-Day Pass	140.00	70.00
On Demand	2.00	1.00
Demand Response	Fare based on community policy	
<b>ADA Paratransit</b>		
ADA Paratransit	\$3.25	N/A
Rideshare Access Program	3.00	N/A
Mobility Direct (Chicago Only)	3.00	N/A
Taxi Access Program (Chicago Only)	3.00	N/A

\*Premium routes include: 237, 282, 284, 755, 768, 769, 773, 774, 775, 776, 779, 850, 851, 855

Please visit Pace's website for further information concerning current fares and other special programs.



**Table 38. Monthly VIP & Other Vanpool Services Fare Schedule**

VIP FARE SCHEDULE							
Daily Round Trip Van Miles	4 Pass*	5 Pass*	6 Pass*	7-8 Pass*	9-10 Pass*	11-12 Pass*	13-14 Pass*
1-20	\$112	\$99	\$92	\$85	\$73	\$73	\$73
21-30	117	103	96	89	75	73	73
31-40	122	109	102	95	78	73	73
41-50	128	114	107	99	81	73	73
51-60	133	119	111	103	86	75	73
61-70	138	124	116	107	89	77	73
71-80	142	130	121	112	92	79	73
81-90	146	134	125	116	97	81	73
91-100	150	138	129	119	100	85	75
101-110	153	141	132	123	103	87	77
111-120	160	145	136	127	107	89	79
121-130	163	149	140	130	112	91	81
131-140	166	153	144	134	116	94	85
141-150	171	157	148	138	119	97	87
151-160	174	161	151	141	123	99	89

\*The van driver is excluded from this passenger/van count

Fares are based on 21 work/commute days per month (approximately five work/commute days per week). Fares will be adjusted to accommodate van operation which is consistently greater or fewer than 21 work days per month. In 2022, Pace implemented a part-time fare for passengers commuting three days or less each week. This fare is set at fifty percent of the fares in Table 38.

Vanpool groups with four or five passengers may request a conversion van for a monthly surcharge of \$15 per passenger.

Indiana Tollway/Chicago Skyway monthly surcharge is \$6 per passenger.

VanGo fares are set at \$5 per day.

### OTHER VANPOOL SERVICE MONTHLY FARES

Program	Current Fare
Advantage	\$250
Not-For-Profit Shuttle	250
Employer Shuttle	600
VIP Metra Feeder/Per Rider	58

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## Demographic Profiles of Pace Users/Non-Users



The summary demographic profile of Pace users and non-users, as based on our research, is presented in Table 39.

Research indicates that Pace customers earn significantly less than non-users and are much less likely to own an automobile. This underscores the critical role Pace plays in getting residents to jobs. About 63% of Pace customers use the service to get to work. Without Pace services and without an automobile, many of our residents would not be able to get to work.

**Table 39. User/Non-User Demographic Profiles**

	Non-Users	Users (weekday only)
<b>Age in Years</b>		
Group Median	47.0	49.8
<b>Sex:</b>		
Male	48%	46%
Female	52%	53%
Prefer to self-describe		1%
<b>Education</b>		
Some high school or less	2%	8%
High school graduate	12%	27%
Some college or technical school	20%	35%
College graduate	37%	21%
Graduate or Professional Degree	29%	9%
<b>Total Annual Household Income</b>		
Group Median	\$74,800	\$25,450
<b>Auto Ownership</b>		
None	5%	50%
One	26%	31%
Two or more	69%	19%
<b>Ethnic Background (multiple choices apply)</b>		
African American	7%	46%
Asian	3%	7%
Hispanic	10%	20%
Caucasian	79%	28%
Other	1%	5%

**Data Source**

*Non-user: South Cook County-Will County Service*

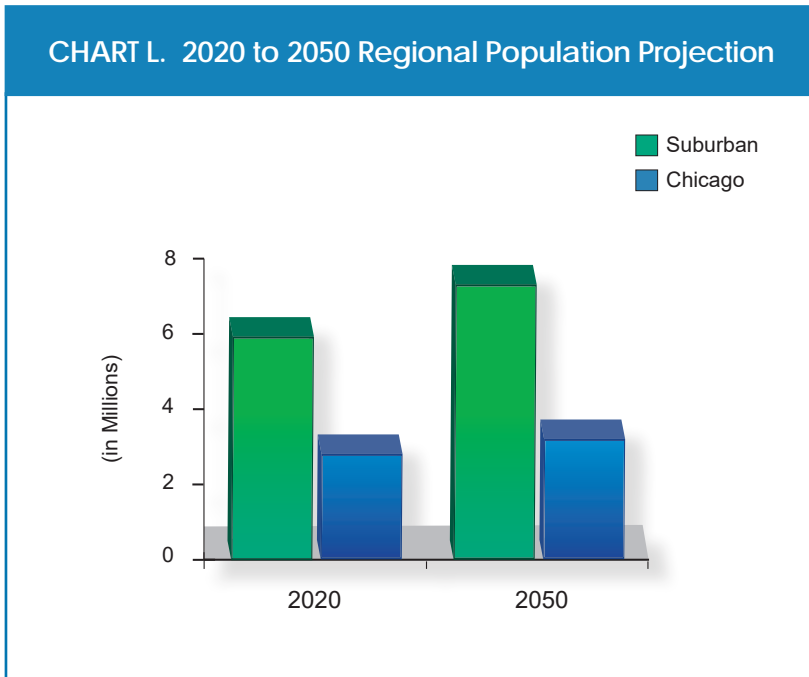
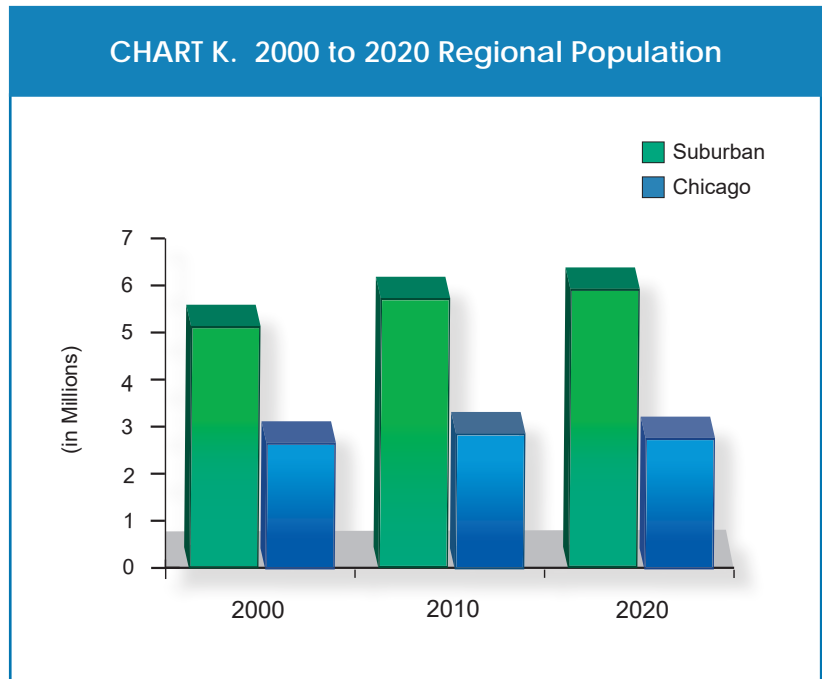
*Restructuring Initiative, 2006, sample size = 1,195*

*User: 2022 Customer Satisfaction Survey, sample size = 2,150*

## Regional Population

### Population

The suburban population increased by about 0.2 million between 2010 and 2020, from 5.8 million residents to 6.0 million residents. Chicago's population declined by 0.1 million between 2010 and 2020 from approximately 2.9 million to 2.8 million. The following graph depicts the recent population trend in the Chicago metropolitan region from 2000 through 2020.

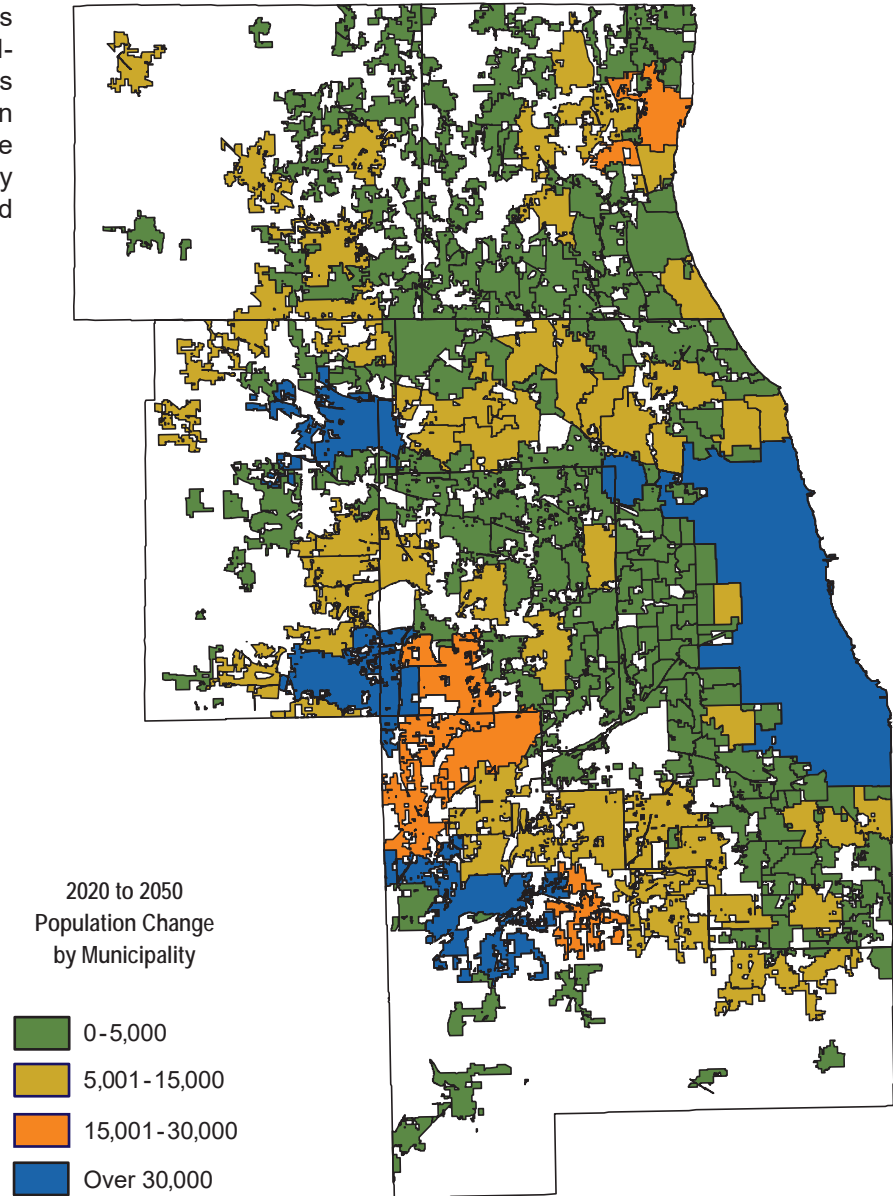


### Regional Population Change 2020 to 2050

The Chicago Metropolitan Agency for Planning (CMAP) provides official 35-year (2015 to 2050) population forecasts for the region. These forecasts project population growth rates and patterns. According to CMAP, the regional population is expected to increase by 1.7 million people between 2020 and 2050 to 10.6 million. CMAP projects the number of residents between 65 and 84 years of age will increase over 38% between 2020 and 2050. Furthermore, the number of residents in the region over 85 years of age is projected to increase 171% during the same time period. Between 2020 and 2050, 1.4 million new residents will be added to Pace's service region, while Chicago's population will increase by 0.3 million new residents.

## Regional Population Change 2020 to 2050

CMAP population growth forecasts through 2050 are depicted on the adjacent map. Suburban Cook County is expected to experience population growth of nearly 0.4 million people between 2020 and 2050, followed by the City of Chicago which is expected to add 347,000 residents by 2050.



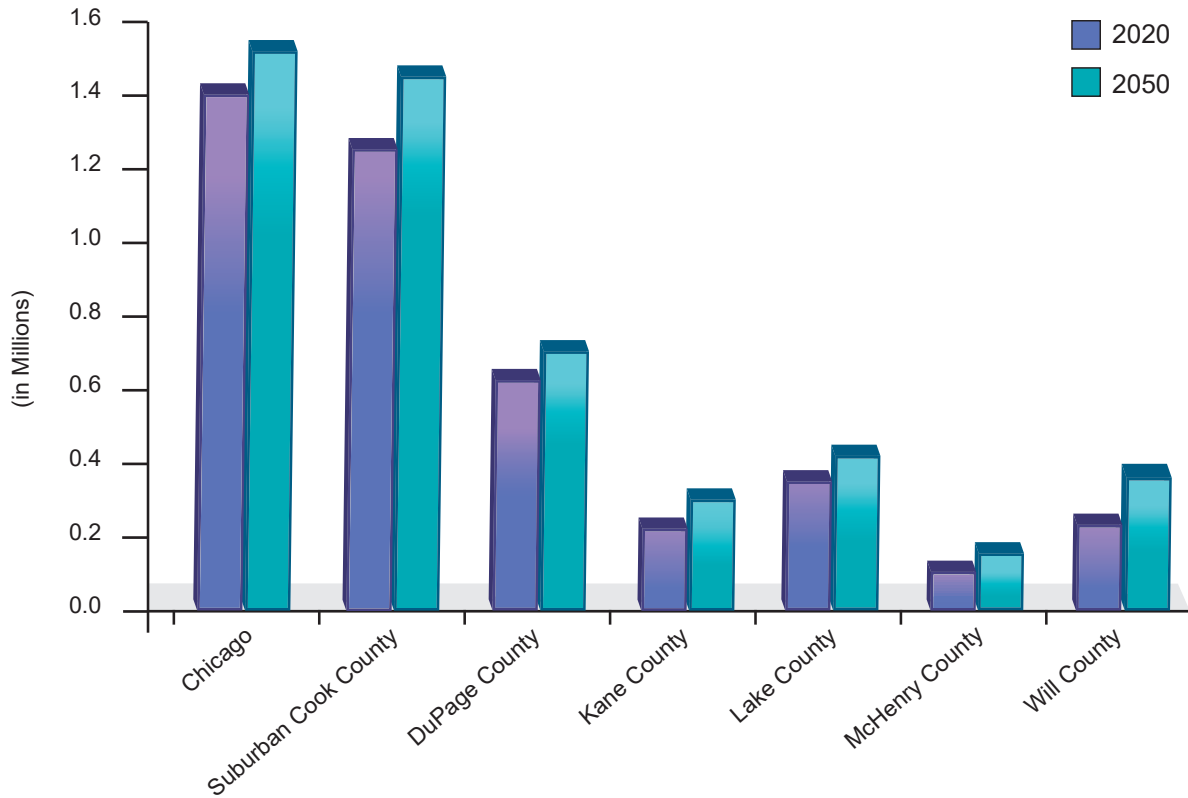
## Regional Employment

### Employment

The Chicago Metropolitan Agency for Planning (CMAP) forecast anticipates an increase of 0.7 million jobs in the region by 2050, of which 0.6 million will be added to the suburban areas. As a percentage of 2020 employment, Will County's increase is projected to be the greatest at 55%, followed by McHenry County (45%) and Kane

County (35%), representing an increase of 252,000 jobs. Suburban Cook County's projected employment growth (197,000) is the largest in absolute terms followed by growth in Will County (128,000), Chicago (123,000), and Kane County (78,000).

CHART M. 2020 to 2050 Employment Projection



## Travel & Congestion

### Travel Patterns

According to Texas Transportation Institute's *2021 Urban Mobility Report*, in 2020 the Chicagoland area was ranked third nationally behind Los Angeles and New York for the longest travel delay due to traffic congestion. As a result of traffic congestion during the peak periods, our residents consume an extra 71 million gallons of fuel, at a cost of \$852 per auto commuter annually, just sitting in traffic.

The regional cost of traffic congestion reaches \$3.97 billion annually when factoring in lost time and wages, increased shipping costs, and fuel wasted. More than

173 million hours of travel delay time are lost in the region annually according to the report.

The impact congestion has on the regional economy underscores the need for increased public transportation. Without it, traffic congestion will continue to worsen as it has since 1982, and the cost in wasted time and fuel will continue to rise.

Regional studies such as the RTA's *Moving Beyond Congestion* have documented that for every \$1.00 invested in improving transit, the region saves \$1.50 on transportation costs.



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## Pace Goals & Performance Measures

*Driving Innovation*, Pace's strategic plan, established updated agency-wide goals which support the core business purpose of providing excellent public transportation service that is:

- Safe
- Accessible
- Responsive
- Equitable
- Productive

Table 40 identifies the measures and performance standards that Pace has established for each goal. Actual performance for 2022, projected performance for 2023, and 2024 goals are identified. Performance standards marked with an asterisk (\*) are in the process of being further evaluated and those shown are preliminary.

Results that exceed the performance standards are shown in green. Those that fall within 10% of meeting the standard are shown in yellow. Performance more than 10% below the standard is indicated in red.

In addition to these goals and performance standards, this appendix provides comparative performance data for Pace's peer groups.



# Appendix D • Performance Measures

**Table 40. Pace Goals & Performance Measures**

<b>Safety:</b> Operate and maintain a system that prioritizes safety					
<i>Measure:</i>	<i>Performance Standard</i>	2022 Actual	2023 Estimate	2024 Projected	
Accidents per 100,000 Revenue Miles	Less than 5	0.23	0.22	0.20	
<b>Accessibility:</b> Maximize transit access for residents and employers					
<i>Measure:</i>	<i>Performance Standard</i>	2022 Actual	2023 Estimate	2024 Projected	
On-Time Performance	Greater than 85%	71.43%	70.77%	73.00%	
Actual Vehicle Miles per Road Call	Greater than 14,000	12,012	14,900	16,000	
Percent Missed Trips per Total Trip Miles	Less than 0.50%	0.40%	0.49%	0.30%	
<b>Responsiveness:</b> Provide superior experiences for all customers					
<i>Measure:</i>	<i>Performance Standard</i>	2022 Actual	2023 Estimate	2024 Projected	
Complaints per 100,000 Passenger Miles	Less than 4	4.95	5.55	3.85	
<b>Equity:</b> Support an inclusive transit system that provides connections and prioritizes communities of highest need					
<i>Measure:</i>	<i>Route Type:</i>	<i>Performance Standard</i>	2022 Actual	2023 Estimate	2024 Projected
Peak Vehicle Load	Minority Routes	Less than 1.25	0.25	0.26	0.27
	Non-Minority Routes	Less than 1.25	0.22	0.23	0.24
Off-Peak Vehicle Load	Minority Routes	Less than 1	0.22	0.23	0.24
	Non-Minority Routes	Less than 1	0.19	0.19	0.20
Meet Peak Headway Standard	Minority Routes	100% compliance	95.70%	96.00%	96.00%
	Non-Minority Routes	100% compliance	97.00%	97.00%	97.00%
Meet Off-Peak Headway Standard	Minority Routes	100% compliance	98.80%	99.00%	99.00%
	Non-Minority Routes	100% compliance	96.90%	97.00%	97.00%
<b>Productivity:</b> Efficiently move large numbers of passengers					
<i>Measure:</i>	<i>Performance Standard</i>	2022 Actual	2023 Estimate	2024 Projected	
Ridership	Increase from prior period	10.04%	3.31%	3.55%	
Ridership per Revenue Hour	Greater than 24*	11.48	11.64	10.47	
Ridership per Revenue Mile	Greater than 1.5*	0.66	0.67	0.61	
Passenger Miles per Revenue Mile	Greater than 9*	4.62	4.67	4.27	
Revenue Miles per Revenue Hour	Greater than 17	17.34	17.42	17.15	

\*Performance standard under evaluation

■ Below performance standard    
 ■ Within 10% of performance standard    
 ■ Meets/exceeds performance standard

## Peer Performance Comparison

The following analysis compares Pace's performance to a select group of transit agency peers. The RTA selected the peer group for Pace based on what they identified as similar service characteristics—operating in suburban areas, providing comparable amounts of service levels, and contracting with private providers for some of the service.

The RTA's peer group includes the following systems:

- Alameda-Contra Costa Transit District (AC Transit)  
Alameda & Contra Costa Counties, CA
- Broward County Transit (BCT)  
Broward County, FL
- Orange County Transportation Authority (OCTA)  
Orange County, CA
- Santa Clara Valley Transportation Authority (VTA)  
Santa Clara County, CA
- Montgomery County Transit Services (Ride On)  
Montgomery County, MD



Performance was measured against six performance criteria, as reported by the Federal Transit Administration (FTA) in their National Transit Database (NTD). The following performance measures were reviewed:



### Service Efficiency

- Operating Expense per Revenue Hour
- Operating Expense per Revenue Mile

### Cost Effectiveness

- Operating Expense per Passenger
- Operating Expense per Passenger Mile



### Service Effectiveness

- Passengers per Revenue Hour
- Passengers per Revenue Mile



The following charts were prepared using 2021 National Transit Database (NTD) data for bus only, which is the latest data available as of this writing.

It is noteworthy that Pace is the only agency that reports on a calendar year basis. Therefore, Pace's data excludes the height of the impact of the pandemic in 2020, while peer agency data includes between three and six months of 2020 performance in their fiscal year 2021 results. As such, many of the performance comparisons will be skewed for 2021 data.

# Appendix D • Performance Measures

## Peer Performance Comparison

### Service Efficiency

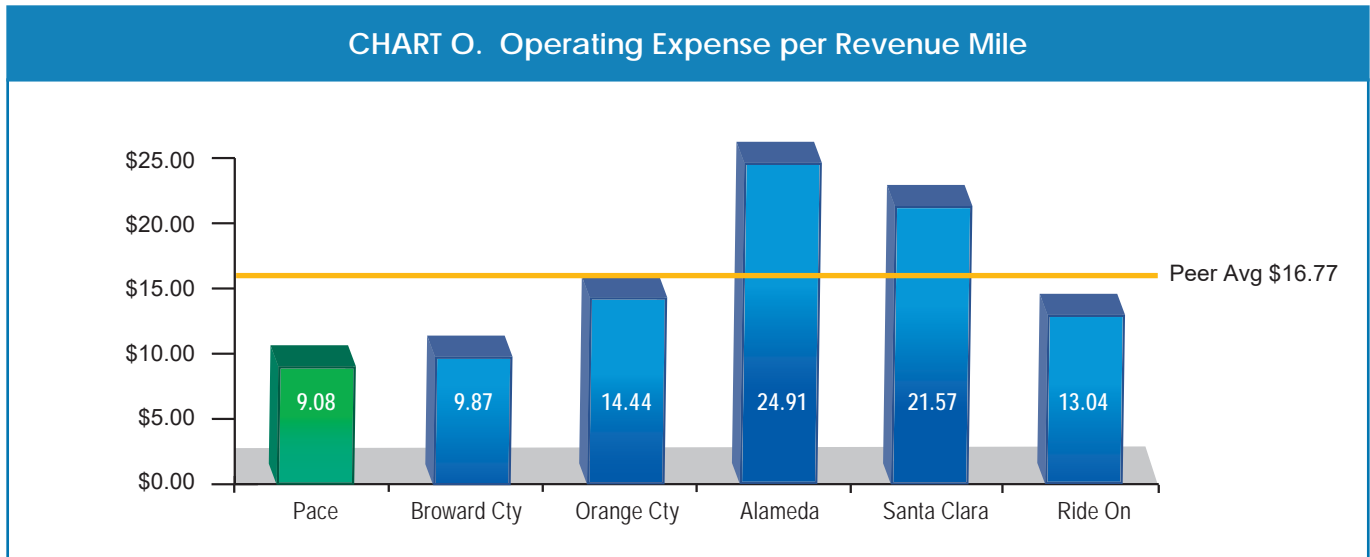
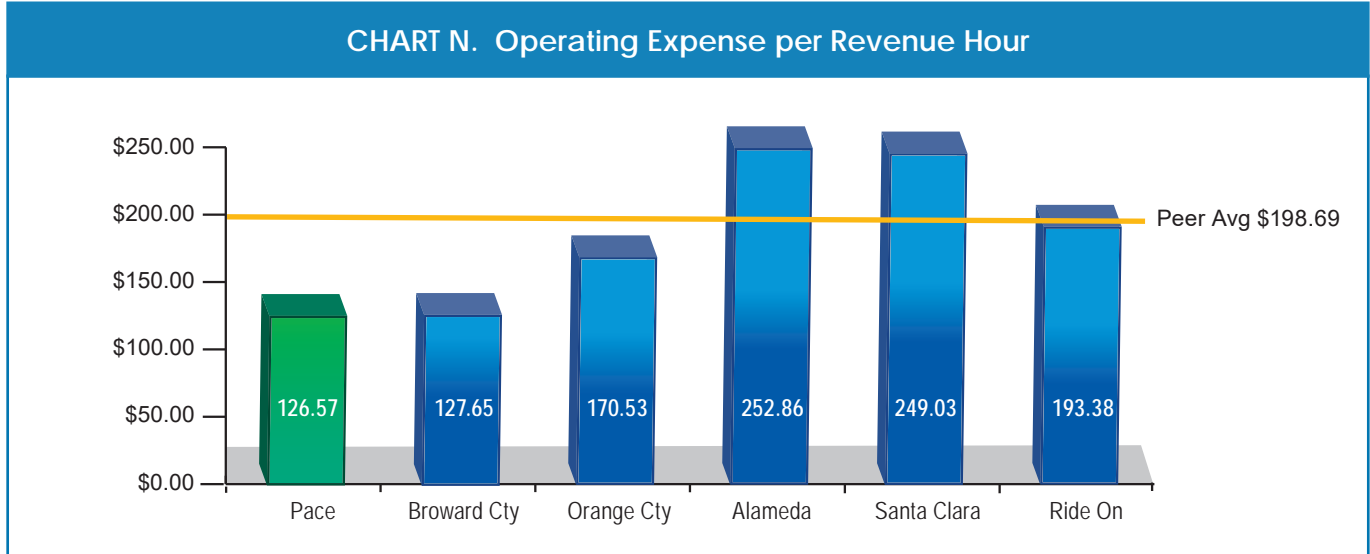


CHART N - Service efficiency, as measured by the performance ratios of operating expense per total revenue hour and revenue mile, shows Pace to be more efficient than the peer average. At \$126.57, Pace's cost is \$72.12 per hour or 36.3% less than the peer average for this performance measurement category.

CHART O - At \$9.08, Pace is \$7.69 per mile or 45.9% below the peer average.

## Cost Effectiveness

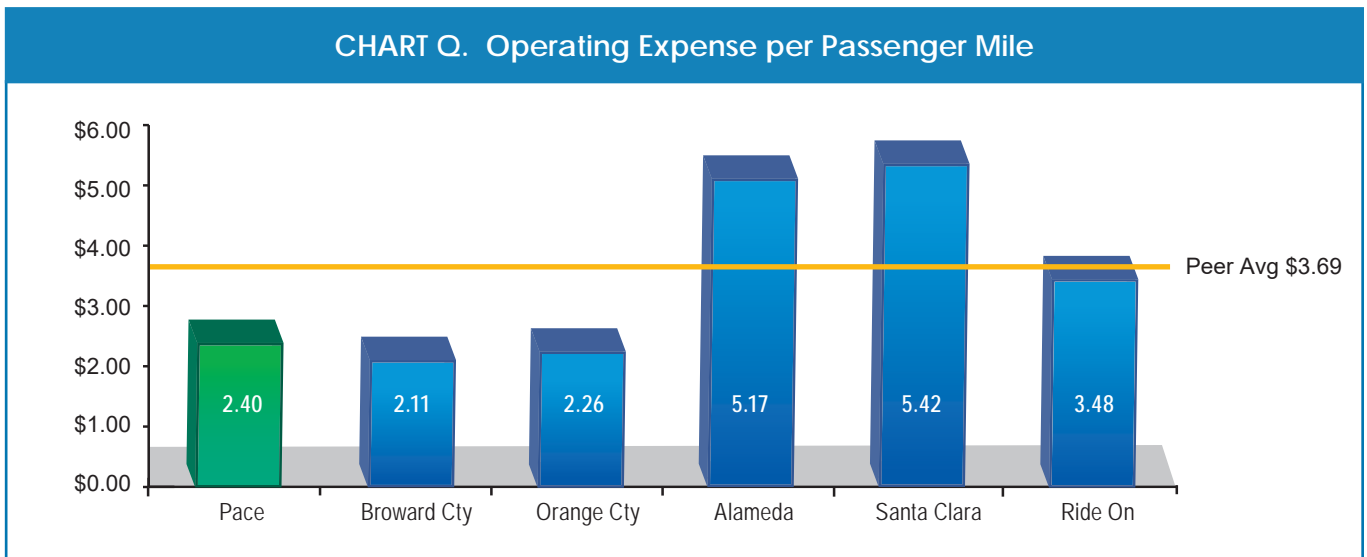
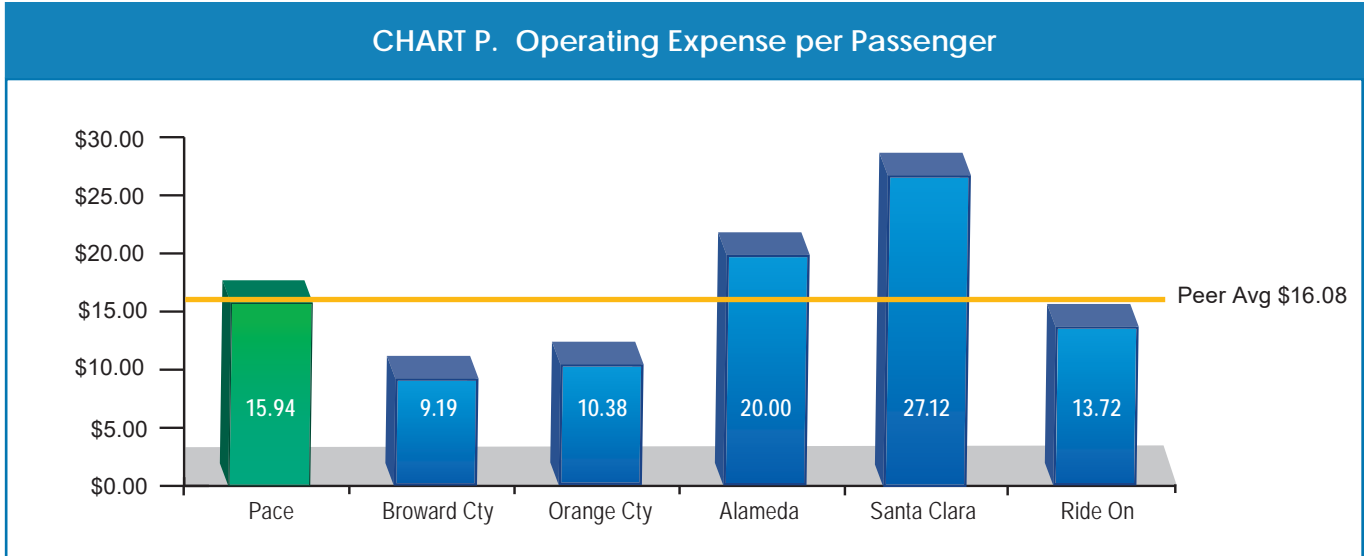
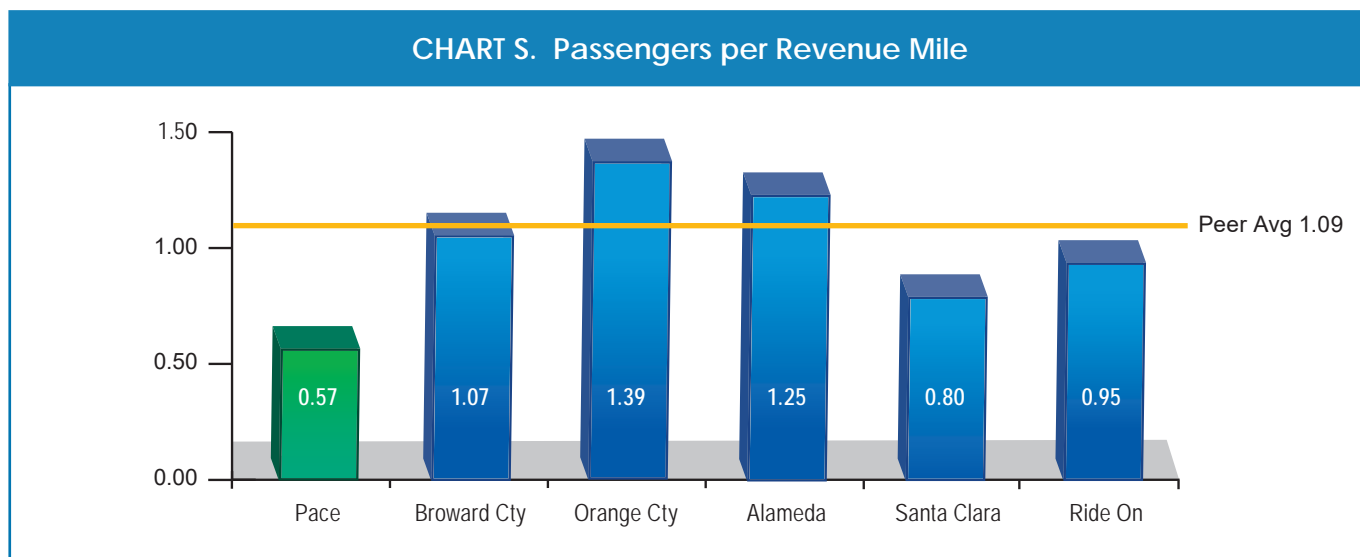
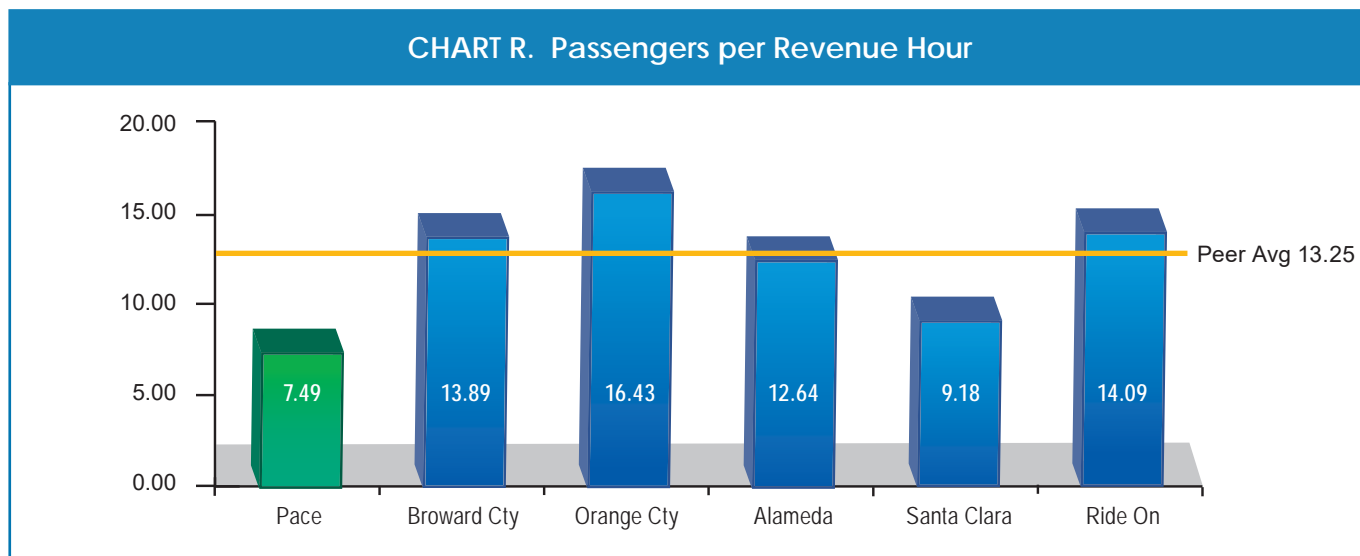


CHART P - Cost effectiveness, as measured by the performance ratio of operating expense per passenger, shows Pace to be consistent with the agencies within this peer group.

CHART Q - At \$2.40, Pace's expense per passenger mile is below the peer average by \$1.29 or 35.0%. Pace's low cost structure combined with high passenger miles contributes to this result.

# Appendix D • Performance Measures

## Service Effectiveness



## Farebox Recovery Ratio

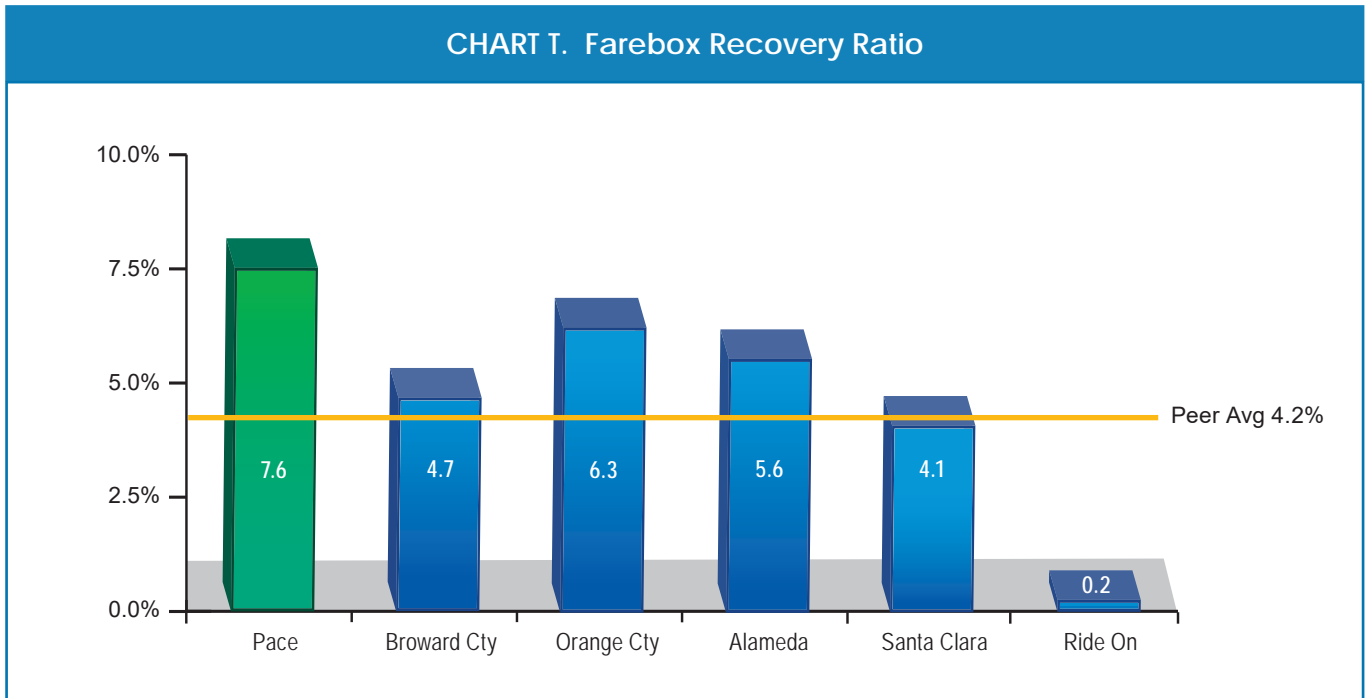


CHART R - Service effectiveness, as measured by passengers per total revenue hour and passengers per total revenue mile, shows Pace to have the lowest performance ratio compared to all agencies. The size of Pace’s service area directly affects this performance indicator. At nearly 3,500 square miles, Pace serves the largest and lowest population density service area of all peers in this group.

CHART S - Pace has the lowest number of passengers per total revenue mile compared to the peer group. Pace’s large service area, combined with lower population density than its peers, contributes to this result.

CHART T - Pace’s bus only farebox recovery rate of 7.6% is the highest of the suburban service peers. This measure is directly impacted by the difference in fiscal years between the peer agencies and the resulting ridership and revenue data for those fiscal years.

## Reimagining Public Transportation

### *Driving Innovation*

In September of 2021, Pace adopted a new strategic vision plan called *Driving Innovation*. This plan establishes the agency's vision for its future and identifies 20 strategic initiatives that Pace is committed to either implementing or further investigating in the coming years.

Since the plan's adoption, Pace has invested substantial resources in several innovative projects supporting *Driving Innovation* initiatives. Pace's primary focus has been on the Agency Priority Initiatives outlined in the plan. Historic capital investments in new garages, passenger facilities, and rapid transit lines highlight Pace's steadfast dedication to reimagining our region's transit network.

*Driving Innovation* calls for new fixed route transit investments in the highest demand markets, while concurrently harnessing technology and new mobility solutions to provide less expensive yet more effective coverage services in lower-demand areas. The plan encourages communities to upgrade land uses, pedestrian environments, and development patterns that make public transit a more

attractive and convenient option. Perhaps most critically, Pace is committed to becoming an agency operating a 100 percent zero-emission fleet by 2040. In 2023, Pace accelerated efforts to procure electric vehicles and ensure forthcoming capital investments are designed to handle this new technology.

More information on the *Driving Innovation* plan can be found on Pace's website at:

[www.PaceBus.com/driving-innovation](http://www.PaceBus.com/driving-innovation)

### *Project Zero*

In 2022, Pace initiated a Fleet Electrification Transition and Facility Plan, as called for under the first of the Agency Priority Initiatives outlined in *Driving Innovation*. This effort is identifying existing capital projects and associated future vehicle capacity needs to aid in developing a plan that sequences and integrates emerging vehicle electrification efforts at Pace. The plan employs a data-driven approach to evaluate how garage maintenance facilities will be used to support service plans and other strategic initiatives that will allow Pace to operate a zero emissions fleet by 2040.

In December 2022, Pace released "Project Zero: Zero Emission Fleet Transition Plan" and is advancing design work related to the modification of garages to support this transition plan. The planned modifications to garages and sequencing of facility improvements are to be released at the end of 2023 in a Zero Emissions Bus Facility Transition Plan, a companion document to the fleet transition plan.

This facility plan allows Pace to prepare for the costs and operational logistics of new vehicle technologies and associated capital needs, as the agency seeks funding to support this historic shift in its operations.

To meet this challenge, Pace is developing plans and specifications for the North Division garage in Waukegan to accommodate an all-electric fleet by 2026. Pace ordered 22 electric buses this past year. We are actively coordinating planning, project management, design, and operational capacities to ensure the smooth rollout of this multi-year effort in conjunction with the many other projects and efforts happening at Pace, including those outlined in *Driving Innovation*.

More information on Pace's Zero Emissions Commitment and associated fleet and facilities electrification work can be found on Pace's website at:

[www.PaceBus.com/zero](http://www.PaceBus.com/zero)





### *Pulse Network*

Pace's "Pulse" network is a series of arterial-based bus rapid transit services planned throughout the agency's service area.

Building on the success of the Milwaukee Line, Pace is completing construction on the Pulse Dempster Line connecting communities between Downtown Evanston and O'Hare Airport. As construction continues, Pace began offering expanded Pulse Sunday service on August 13, 2023 with the full Pulse Dempster service launched in late October. The \$10.5 million investment in transit infrastructure along the corridor is funded by a federal Congestion Mitigation Air Quality (CMAQ) grant. Pace was also awarded an additional \$15 million in CMAQ funding to operate the first three years of expanded service.

Pace is also progressing on the Pulse Halsted Line which will run between the CTA Red Line 95th/Dan Ryan Station and the Pace Harvey Transportation Center using 95th and South Halsted. In December 2022, the Pulse Halsted Line reached a milestone as it obtained National Environmental Policy Act (NEPA) approval making the project eligible for federal funding. This future Pulse line has 16 proposed stations and designs include dedicated bus-only and queue-jump lanes in portions of the corridor as well as transit signal priority.

In 2023, the Pulse Halsted Line project was awarded a \$500,000 grant to fund a portion of the design work, and a \$20 million grant from the highly competitive Federal Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Program to fund construction. The project has also been recommended for an additional \$12,137,334 for construction as part of the proposed CMAQ 2024-2028 program.

Pace is also advancing the Pulse 95th Street Line, which will span 12.8 miles between the CTA Red Line 95th/Dan Ryan Station in Chicago to Moraine Valley Community College in Palos Hills. The agency is currently finalizing the environmental review with the FTA and has completed advanced conceptual design work for this project, thanks to funding received from an Invest in Cook grant from Cook County. The design and construction of the project is also funded by a \$17.1 million CMAQ Grant. Additionally, the combined investments from the RTA and federal government will fund the installation of transit signal priority in this corridor.

Design for both the Pulse Halsted and 95th Street Lines is scheduled to begin in 2024.

Looking towards the western portion of Pace's service area, the agency kicked off the planning work for the Pulse Cermak Line in Spring 2023. The current planning study will identify station locations, roadway modifications, route alignment and service plans for the future Pulse Line and is expected to be finalized in early 2024.

More information on the Pulse Program can be found on Pace's website at:

[www.PaceBus.com/pulse](http://www.PaceBus.com/pulse)



## ReVision

### *Pace Network Revitalization Initiative*

In August 2023, the Pace Board of Directors approved a contract to conduct the Network Revitalization & System-wide Restructuring Initiative (NRSR), which Pace is branding as *ReVision*. Based on the goals and initiatives outlined in *Driving Innovation*, the *ReVision* initiative is underway with an expected completion in late 2025.

*Driving Innovation* features several initiatives that will influence or be influenced by *ReVision*. These include: further investment in Pace's emerging Rapid Transit Program of regional expressway and arterial-based high-speed, limited stop express service; transit-supportive development; coverage service transformation; tactical transit pilots; paratransit upgrades; dial-a-ride service consistency; customer-focused technology; and Mobility Agency transition.

Pace experienced significant loss of ridership, revenue and staffing levels due to COVID-19. While Pace is aggressively seeking new revenue to avoid the forthcoming 'fiscal cliff', we also need to plan towards various possible future funding levels. Now more than ever, there is a need to reallocate resources to develop a regional service network based on market demand, providing the appropriate level of service to each travel market.

*ReVision* will also enable Pace to continue deploying public resources in an efficient manner across the region, ensure future expansion of the system to meet emerging demand markets, and proactively contribute toward climate sustainability and regional social equity.

Major components of *ReVision* include: a review of current Pace services; conducting a systemwide market analysis assessment to understand current and future travel markets and demand; creating a service standards framework; developing various service concepts and infrastructure recommendations; service design; completing a Title VI analysis; and establishing an implementation plan and timeline.

An extensive outreach program is included throughout all phases of the initiative. The process will engage the public to reimagine how transit service will be provided in the future. This input will be used to design alternatives for restructuring the entire Pace service network.

There has been a notable change in how people utilize public transportation throughout the region. To address these changes, *ReVision* will reassess how service is provided in order to develop a regional service network based on existing and projected future market demand while providing the appropriate level of service for each travel market. In 2024, work products for *ReVision* will include an evaluation of the existing conditions of the transit network, the development of a Service Standards framework, and the creation of draft concepts for a regional service network.

Concurrently with *ReVision*, Pace will continue to review and make service changes as needed throughout the region. Additionally, as data and information from several of the initial tasks associated with *ReVision* are completed, those resources will be used to identify near-term opportunities that would allow some service changes to be implemented prior to the completion of the initiative. Increasing overall systemwide ridership in a cost-effective manner and providing coverage-oriented service in key service markets will continue to be an emphasis in 2024.

Investing additional resources in more productive services helps Pace to maintain a higher farebox recovery ratio. This higher return on investment means that Pace can further stretch our limited resources, while also being able to generate more ridership overall. In 2024, Pace will continue to focus on efforts to increase the frequency and hours of service on weekdays, Saturday, and Sunday on the busiest routes.

For areas where coverage-oriented service is more applicable, Pace will continue to plan for and implement new and expanded alternative service models such as Pace On Demand and Pace Connect and seek out additional contracting opportunities with transportation network companies (TNCs) in 2024. These alternative options will allow Pace to provide more consistent service throughout the day in areas where there is a need for service but where traditional all-day fixed route service may not be as productive.

Investments in technology will also be a focus in 2024. To improve scheduling practices, Pace will update its fixed route scheduling software. This update will include the incorporation of electric vehicle scheduling capabilities to help facilitate Pace's transition to zero emission buses.

### *Shared Use Mobility Projects*

Pace continues to adapt and evolve service in a post-COVID-19 landscape. The traveling public has demanded more from transit operators including greater reliability, more frequency (especially during non-peak hours), increased safety, and more information. Pace continues to enhance technological platforms to better connect passengers to the services that would be most useful for their trip as well as improving shared use mobility services to meet the ever-changing needs of the traveling public. In 2024, Pace will continue to leverage technology to power many of the shared use mobility services the agency operates. Technological upgrades aim to provide passengers with a modern trip-planning and booking experience, shortened wait times, and faster trips, while reducing operating expenses for the agency. Pace continues to improve existing shared use services and to explore new service models throughout the region and potential service pilots with TNCs. Pace continues to work on the Mobility as a Service (MaaS) pilot by integrating new services such as Pace Connect and existing services such as Pace On Demand in one trip planning application. These

new integrations will be the first time that passengers can fully plan trips end-to-end without needing to look up their options in separate places or be familiar with Pace's service offerings. Pace will continue to explore how we can improve trip planning for passengers and enable them to learn about services in one place.

As identified in *Driving Innovation*, shared mobility services may offer an opportunity to supplement existing Pace service or fill in service gaps while ensuring great stewardship of taxpayer funds. Pace launched a pilot project in June 2023, known as Pace Connect, in the greater Harvey area and the South Cargo area of O'Hare International Airport to provide overnight service to third-shift workers. Passengers can make first/last mile connections between Pace and CTA services at CTA Blue Line Rosemont Station and the Pace Harvey Transportation Center. In 2024, Pace will continue to explore opportunities for similar expansions and pilots as part of the On Demand program or by contracting with TNCs. These new opportunities would provide passengers with increased options and better connections to the larger regional transit network.



(L-R) Pace Director Terry R. Wells, Chairman Richard A. Kwasneski, Executive Director Melinda J. Metzger, and Director David B. Guerin at the Pace Connect launch event.

## *Transportation Innovation and Technology Program*

The goal of the Transportation Innovation and Technology Program is to use the latest technology to provide an advantage to transit on the region's roadways by creating connected and automated infrastructure with a specific emphasis on an increase in speed and reduction in delay to transit vehicles. This planned technology uses communication to roadside infrastructure that is connected and automated.

When Pace vehicles can communicate with roadways, they can get an advantage over regular car traffic and become more attractive to commuters who have a choice between driving and taking transit.

For years, Pace buses have benefitted from our Transit Signal Priority (TSP) system, which extends green lights or shortens red lights for buses. This technology, deployed in collaboration with state and county departments of transportation, results in reduced delays at signalized intersections, increased speed, improved schedule adherence, and reliability—hence a more attractive transit service.

Pace already deployed the TSP system for the Pulse Milwaukee Line, Pulse Dempster Line, and on portions of both Roosevelt Road and Grand Avenue (Lake County). Installation of TSP equipment is currently underway on 95th Street, portions of Sibley Boulevard/147th Street, and additional segments of Roosevelt Road. Pace plans to deploy TSP along six additional corridors including: 159th Street, Cicero Avenue, further portions of Grand Avenue (Lake County), Cermak Road, Rand Road and Halsted Street.

Pace continues to plan for the development of a region-wide centralized TSP system as part of IDOT's Advanced Traffic Management Center and will conduct initial tests in Lake County.

## *Fare Collection*

Pace and CTA introduced the Ventra® fare system in 2013, with Metra joining in 2015, making it an integrated regional fare system. While in many ways it is still a state-of-the-art fare payment and collection system, additional improvements and upgrades are needed to keep current with changing needs.

The technology for the Ventra platform will see a significant change in the coming year. "Ventra 3.0," with new software and hardware, will be introduced in 2024. This new system will be better able to seamlessly integrate fare products for Pace, CTA, and Metra. This upgrade will also enable the service boards to more quickly respond and react to changes in fares and fare policies. In addition, it will be quicker and easier to add different modes and different fares than ever before.

Pace continues to proceed with the installation of new fareboxes for the entire fleet. Installation and software integration should be finalized during the first six months of 2024, which will allow for more accurate counts of ridership and revenue, as well as requiring fewer road calls and repairs.

Together, these fare collection initiatives will allow faster boarding time for customers, more reliable service across the region, and better data for planning and reporting.



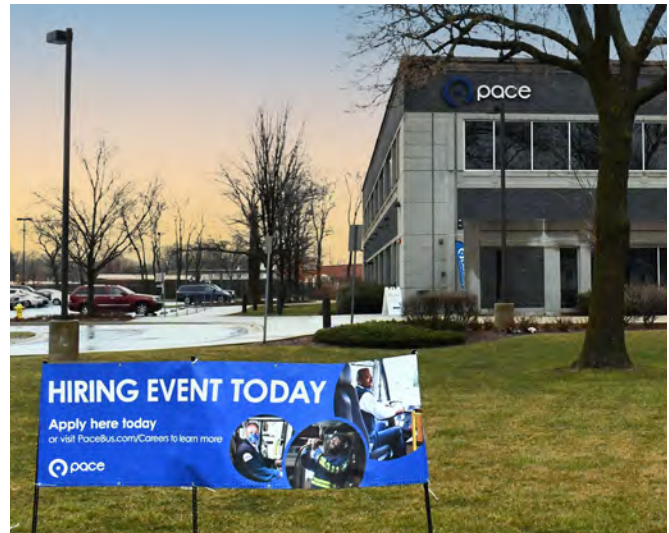
## Marketing & Public Engagement

As Pace adapts to meet the region's post-pandemic transportation needs, ridership continues to grow in all markets in 2023, despite a continued challenge with filling bus operator positions. Pace has not been immune to what has been a multi-year, nationwide driver shortage. To that end, the top marketing priority in 2023 was to recruit bus operators and maintenance staff and Pace intends to continue the emphasis on that goal in 2024. Pace focused more advertising spending on recruitment than any other subject in 2023 and has been holding weekly open houses where prospective employees can get hired “on the spot”. Those efforts proved fruitful, with 365 new staff hired in the first eight months of 2023. A similar effort is needed in 2024 to achieve a full roster of employees.

Pace executed many other successful initiatives in 2023, including the promotions of VanGo, the new Pace Connect service, the new Pulse Dempster Line, and Pace's *ReVision* plan for restructuring the bus route network. Significant resources were applied towards generating awareness of those new services to potential riders. Likewise, while *ReVision* was introduced to riders and stakeholders in 2023, the coming year will see focus groups, public outreach about proposed plans and rider education about planned changes to bus service.

The results of the most recent customer satisfaction survey offered valuable guidance for the agency, most notably including a greater focus on creating materials in multiple languages. With a post-pandemic ridership base more heavily minority and non-English-speaking, Pace has focused on an atmosphere of inclusivity and ensured more customers can consume information about new options and changes to service. Pace will continue using the data in 2024 to drive decisions about changes to operations and marketing strategies to promote elements of service that customers find most attractive. In 2024, a similar satisfaction survey of paratransit and vanpool customers will be conducted.

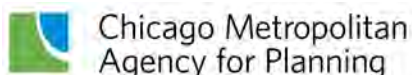
With the launch of Pace's new customer relations management software in 2022, Pace has already improved the speed and efficiency of responses to the public's



questions and concerns. This latest improvement in workplace technology confirms Pace's commitment to serving customers as effectively as possible. Additionally, the improved reporting functionality of this new software has fostered more strategic decision-making about how Pace communicates the details of programs and where to invest new resources in bus service.

Riders with disabilities have been, and will continue to be, a major focus of Pace's marketing efforts in 2024. In 2023, Pace consistently communicated with this vital audience about the convenience and affordability of fixed route options, the benefits of subsidies offered for taxis in Chicago and transportation network company (TNC) trips in DuPage County, as well as the customer-friendly TripCheck tools that let riders and their loved ones more easily manage their trips. Promotion of the Rideshare Access Program in 2024 will educate riders about that new, more affordable option. The coming year will also see promotion of new technologies that will improve the customer experience for ADA Paratransit riders, along with a longstanding message about the convenience and affordability of fixed route transit service relative to ADA Paratransit.

*Pace is the proud recipient of the American Public Transportation Association 2023 Bus Safety Gold Award, the Chicago Metropolitan Agency for Planning 2023 Regional Resilience Award for Project Zero, and the 2023 Gov Tech Government Experience Award (Special Districts) for Pace's new customer feedback center.*



# Appendix F • Operating Budget Detail

## 2022 Actual Operating Results

2022 ACTUAL PROGRAM, ACTIVITY & OBJECT MATRIX				
	Pace Operating Divisions	Public Carriers	Private Carriers	Demand Response Services
<b>Revenue</b>				
Farebox	\$16,415,019	\$524,762	\$115,680	\$1,301,772
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	2,240,500	664,819	384,696	6,833,069
<b>Total Revenue</b>	<b>\$18,655,519</b>	<b>\$1,189,581</b>	<b>\$500,376</b>	<b>\$8,134,841</b>
<b>Operating Expenses</b>				
<b>Operations</b>				
Labor/Fringes	\$80,798,648	\$1,485,918	\$0	\$0
Parts/Supplies	3,376	742	0	0
Purchased Transportation	0	490,274	3,067,791	18,838,511
Fuel	0	0	0	0
Other	253,213	11,160	0	0
<b>Total Operations</b>	<b>\$81,055,237</b>	<b>\$1,988,094</b>	<b>\$3,067,791</b>	<b>\$18,838,511</b>
<b>Vehicle Maintenance</b>				
Labor/Fringes	\$19,515,286	\$564,210	\$0	\$0
Parts/Supplies	7,415,241	81,377	0	0
Other	325,220	104,789	0	173,412
<b>Total Vehicle Maintenance</b>	<b>\$27,255,747</b>	<b>\$750,376</b>	<b>\$0</b>	<b>\$173,412</b>
<b>Non-Vehicle Maintenance</b>				
Labor/Fringes	\$850,165	\$0	\$0	\$0
Parts/Supplies	766,904	0	0	0
Other	1,523,705	0	0	44,526
<b>Total Non-Vehicle Maintenance</b>	<b>\$3,140,774</b>	<b>\$0</b>	<b>\$0</b>	<b>\$44,526</b>
<b>General Administration</b>				
Labor/Fringes	\$4,640,281	\$389,468	\$0	\$0
Parts/Supplies	56,368	720	0	0
Utilities	2,749,371	1,212	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	169,801	(3,330)	0	494,594
Indirect Overhead Allocation	0	0	0	0
<b>Total Administration</b>	<b>\$7,615,821</b>	<b>\$388,070</b>	<b>\$0</b>	<b>\$494,594</b>
<b>Total Expenses</b>	<b>\$119,067,579</b>	<b>\$3,126,540</b>	<b>\$3,067,791</b>	<b>\$19,551,043</b>
<b>Funding Requirement</b>	<b>\$100,412,060</b>	<b>\$1,936,959</b>	<b>\$2,567,415</b>	<b>\$11,416,202</b>
<b>Recovery Ratio</b>	<b>15.67%</b>	<b>38.05%</b>	<b>16.31%</b>	<b>41.61%</b>

# Appendix F • Operating Budget Detail

2022 ACTUAL PROGRAM, ACTIVITY & OBJECT MATRIX					
Vanpool	Administration	Centralized Support	Total Suburban Service	Total Regional ADA Paratransit	Combined 2022 Actual
\$924,566	\$0	\$0	\$19,281,799	\$7,334,630	\$26,616,429
0	1,345,862	0	1,345,862	0	1,345,862
0	732,895	0	732,895	0	732,895
0	3,214,858	0	3,214,858	417,724	3,632,582
0	814,539	0	10,937,623	672,659	11,610,282
<b>\$924,566</b>	<b>\$6,108,154</b>	<b>\$0</b>	<b>\$35,513,037</b>	<b>\$8,425,013</b>	<b>\$43,938,050</b>
\$0	\$0	\$3,651,316	\$85,935,882	\$0	\$85,935,882
0	0	1,806,719	1,810,837	0	1,810,837
0	0	0	22,396,576	182,663,872	205,060,448
621,415	0	17,136,784	17,758,199	8,159,726	25,917,925
666,551	0	0	930,924	0	930,924
<b>\$1,287,966</b>	<b>\$0</b>	<b>\$22,594,819</b>	<b>\$128,832,418</b>	<b>\$190,823,598</b>	<b>\$319,656,016</b>
\$0	\$0	\$3,815,083	\$23,894,579	\$0	\$23,894,579
0	0	339,091	7,835,709	0	7,835,709
0	0	1,008,739	1,612,160	0	1,612,160
<b>\$0</b>	<b>\$0</b>	<b>\$5,162,913</b>	<b>\$33,342,448</b>	<b>\$0</b>	<b>\$33,342,448</b>
\$0	\$0	\$1,920,521	\$2,770,686	\$0	\$2,770,686
0	0	0	766,904	0	766,904
0	344,489	1,011,101	2,923,821	0	2,923,821
<b>\$0</b>	<b>\$344,489</b>	<b>\$2,931,622</b>	<b>\$6,461,411</b>	<b>\$0</b>	<b>\$6,461,411</b>
\$0	\$23,821,459	\$0	\$28,851,208	\$4,627,329	\$33,478,537
0	155,995	0	213,083	86	213,169
0	1,921,370	0	4,671,953	437,275	5,109,228
0	0	6,225,699	6,225,699	800,558	7,026,257
0	0	22,451,242	22,451,242	675,702	23,126,944
0	14,725,891	6,797,214	22,184,170	2,508,334	24,692,504
0	0	0	(7,645,798)	7,645,798	0
<b>\$0</b>	<b>\$40,624,715</b>	<b>\$35,474,155</b>	<b>\$76,951,557</b>	<b>\$16,695,082</b>	<b>\$93,646,639</b>
<b>\$1,287,966</b>	<b>\$40,969,204</b>	<b>\$66,163,509</b>	<b>\$245,587,834</b>	<b>\$207,518,680</b>	<b>\$453,106,514</b>
<b>\$363,400</b>	<b>\$34,861,050</b>	<b>\$66,163,509</b>	<b>\$210,074,797</b>	<b>\$199,093,667</b>	<b>\$409,168,464</b>
<b>71.78%</b>	<b>14.91%</b>	<b>0.00%</b>	<b>19.58%</b>	<b>9.04%</b>	

# Appendix F • Operating Budget Detail

## 2023 Estimated Operating Results

2023 ESTIMATED PROGRAM, ACTIVITY & OBJECT MATRIX				
	Pace Operating Divisions	Public Carriers	Private Carriers	Demand Response Services
<b>Revenue</b>				
Farebox	\$16,703,561	\$531,914	\$134,670	\$1,290,447
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	1,201,062	740,542	816,556	8,252,163
<b>Total Revenue</b>	<b>\$17,904,623</b>	<b>\$1,272,456</b>	<b>\$951,226</b>	<b>\$9,542,610</b>
<b>Operating Expenses</b>				
<b>Operations</b>				
Labor/Fringes	\$89,191,744	\$1,571,116	\$0	\$0
Parts/Supplies	3,650	1,000	0	0
Purchased Transportation	0	494,511	8,670,385	19,906,406
Fuel	0	0	0	0
Other	293,454	13,150	0	0
<b>Total Operations</b>	<b>\$89,488,848</b>	<b>\$2,079,777</b>	<b>\$8,670,385</b>	<b>\$19,906,406</b>
<b>Vehicle Maintenance</b>				
Labor/Fringes	\$25,102,705	\$592,517	\$0	\$0
Parts/Supplies	8,840,038	113,074	0	0
Other	375,444	105,568	0	181,150
<b>Total Vehicle Maintenance</b>	<b>\$34,318,187</b>	<b>\$811,159</b>	<b>\$0</b>	<b>\$181,150</b>
<b>Non-Vehicle Maintenance</b>				
Labor/Fringes	\$1,363,396	\$0	\$0	\$0
Parts/Supplies	865,950	0	0	0
Other	1,940,802	0	0	45,862
<b>Total Non-Vehicle Maintenance</b>	<b>\$4,170,148</b>	<b>\$0</b>	<b>\$0</b>	<b>\$45,862</b>
<b>General Administration</b>				
Labor/Fringes	\$5,111,992	\$426,096	\$0	\$0
Parts/Supplies	76,069	800	0	0
Utilities	2,845,733	1,400	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	207,392	100	0	509,432
Indirect Overhead Allocation	0	0	0	0
<b>Total Administration</b>	<b>\$8,241,186</b>	<b>\$428,396</b>	<b>\$0</b>	<b>\$509,432</b>
<b>Total Expenses</b>	<b>\$136,218,369</b>	<b>\$3,319,332</b>	<b>\$8,670,385</b>	<b>\$20,642,850</b>
<b>Funding Requirement</b>	<b>\$118,313,746</b>	<b>\$2,046,876</b>	<b>\$7,719,159</b>	<b>\$11,100,240</b>
<b>Recovery Ratio</b>	<b>13.14%</b>	<b>38.33%</b>	<b>10.97%</b>	<b>46.23%</b>



# Appendix F • Operating Budget Detail

2023 ESTIMATED PROGRAM, ACTIVITY & OBJECT MATRIX					
Vanpool	Administration	Centralized Support	Total Suburban Service	Total Regional ADA Paratransit	Combined 2023 Estimate
\$1,006,854	\$0	\$0	\$19,667,446	\$9,753,061	\$29,420,507
0	1,345,862	0	1,345,862	0	1,345,862
0	40,000	0	40,000	0	40,000
0	10,353,112	0	10,353,112	1,491,250	11,844,362
0	1,014,682	0	12,025,005	1,249,303	13,274,308
<b>\$1,006,854</b>	<b>\$12,753,656</b>	<b>\$0</b>	<b>\$43,431,425</b>	<b>\$12,493,614</b>	<b>\$55,925,039</b>
\$0	\$0	\$4,376,913	\$95,139,773	\$0	\$95,139,773
0	0	2,076,360	2,081,010	0	2,081,010
0	0	0	29,071,302	211,527,404	240,598,706
682,735	0	16,090,970	16,773,705	7,645,947	24,419,652
919,408	0	0	1,226,012	0	1,226,012
<b>\$1,602,143</b>	<b>\$0</b>	<b>\$22,544,243</b>	<b>\$144,291,802</b>	<b>\$219,173,351</b>	<b>\$363,465,153</b>
\$0	\$0	\$3,627,140	\$29,322,362	\$0	\$29,322,362
0	0	300,000	9,253,112	0	9,253,112
0	0	792,501	1,454,663	0	1,454,663
<b>\$0</b>	<b>\$0</b>	<b>\$4,719,641</b>	<b>\$40,030,137</b>	<b>\$0</b>	<b>\$40,030,137</b>
\$0	\$0	\$2,341,708	\$3,705,104	\$0	\$3,705,104
0	0	0	865,950	0	865,950
0	345,212	1,298,850	3,630,726	0	3,630,726
<b>\$0</b>	<b>\$345,212</b>	<b>\$3,640,558</b>	<b>\$8,201,780</b>	<b>\$0</b>	<b>\$8,201,780</b>
\$0	\$27,070,042	\$0	\$32,608,130	\$5,499,036	\$38,107,166
0	251,260	0	328,129	1,902	330,031
0	2,176,513	0	5,023,646	695,377	5,719,023
0	0	16,670,046	16,670,046	927,954	17,598,000
0	0	26,647,954	26,647,954	1,016,982	27,664,936
0	21,361,958	8,352,014	30,430,896	3,725,640	34,156,536
0	0	0	(9,331,360)	9,331,360	0
<b>\$0</b>	<b>\$50,859,773</b>	<b>\$51,670,014</b>	<b>\$102,377,441</b>	<b>\$21,198,251</b>	<b>\$123,575,692</b>
\$1,602,143	\$51,204,985	\$82,574,456	\$294,901,160	\$240,371,602	\$535,272,762
\$595,289	\$38,451,329	\$82,574,456	\$251,469,735	\$227,877,988	\$479,347,723
62.84%	24.91%	0.00%	19.17%	9.93%	

# Appendix F • Operating Budget Detail

## 2024 Operating Budget

2024 PROGRAM, ACTIVITY & OBJECT MATRIX				
	Pace Operating Divisions	Public Carriers	Private Carriers	Demand Response Services
<b>Revenue</b>				
Farebox	\$17,257,817	\$531,914	\$136,585	\$1,332,115
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	1,201,062	782,195	566,556	8,323,721
<b>Total Revenue</b>	<b>\$18,458,879</b>	<b>\$1,314,109</b>	<b>\$703,141</b>	<b>\$9,655,836</b>
<b>Operating Expenses</b>				
<b>Operations</b>				
Labor/Fringes	\$103,629,620	\$1,616,229	\$0	\$0
Parts/Supplies	3,727	1,074	0	0
Purchased Transportation	0	510,926	11,531,109	20,884,953
Fuel	0	0	0	0
Other	300,932	13,700	0	0
<b>Total Operations</b>	<b>\$103,934,279</b>	<b>\$2,141,929</b>	<b>\$11,531,109</b>	<b>\$20,884,953</b>
<b>Vehicle Maintenance</b>				
Labor/Fringes	\$24,706,064	\$608,373	\$0	\$0
Parts/Supplies	9,493,317	121,430	0	0
Other	381,287	114,555	0	188,232
<b>Total Vehicle Maintenance</b>	<b>\$34,580,668</b>	<b>\$844,358</b>	<b>\$0</b>	<b>\$188,232</b>
<b>Non-Vehicle Maintenance</b>				
Labor/Fringes	\$1,404,327	\$0	\$0	\$0
Parts/Supplies	914,752	0	0	0
Other	1,994,112	0	0	47,238
<b>Total Non-Vehicle Maintenance</b>	<b>\$4,313,191</b>	<b>\$0</b>	<b>\$0</b>	<b>\$47,238</b>
<b>General Administration</b>				
Labor/Fringes	\$5,028,369	\$436,550	\$0	\$0
Parts/Supplies	78,363	820	0	0
Utilities	2,985,550	1,436	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	210,264	103	0	524,715
Indirect Overhead Allocation	0	0	0	0
<b>Total Administration</b>	<b>\$8,302,546</b>	<b>\$438,909</b>	<b>\$0</b>	<b>\$524,715</b>
<b>Total Expenses</b>	<b>\$151,130,684</b>	<b>\$3,425,196</b>	<b>\$11,531,109</b>	<b>\$21,645,138</b>
<b>Funding Requirement</b>	<b>\$132,671,805</b>	<b>\$2,111,087</b>	<b>\$10,827,968</b>	<b>\$11,989,302</b>
<b>Recovery Ratio</b>	<b>12.21%</b>	<b>38.37%</b>	<b>6.10%</b>	<b>44.61%</b>

# Appendix F • Operating Budget Detail

2024 PROGRAM, ACTIVITY & OBJECT MATRIX					
Vanpool	Administration	Centralized Support	Total Suburban Service	Total Regional ADA Paratransit	Combined 2024 Budget
\$1,028,327	\$0	\$0	\$20,286,758	\$10,534,511	\$30,821,269
0	1,460,260	0	1,460,260	0	1,460,260
0	65,000	0	65,000	0	65,000
0	6,798,059	0	6,798,059	1,000,000	7,798,059
0	1,070,562	0	11,944,096	1,426,143	13,370,239
<b>\$1,028,327</b>	<b>\$9,393,881</b>	<b>\$0</b>	<b>\$40,554,173</b>	<b>\$12,960,654</b>	<b>\$53,514,827</b>
\$0	\$0	\$5,387,752	\$110,633,601	\$0	\$110,633,601
0	0	2,119,564	2,124,365	0	2,124,365
0	0	0	32,926,988	216,840,784	249,767,772
682,040	0	17,073,907	17,755,947	6,161,126	23,917,073
943,046	0	0	1,257,678	0	1,257,678
<b>\$1,625,086</b>	<b>\$0</b>	<b>\$24,581,223</b>	<b>\$164,698,579</b>	<b>\$223,001,910</b>	<b>\$387,700,489</b>
\$0	\$0	\$4,461,078	\$29,775,515	\$0	\$29,775,515
0	0	300,000	9,914,747	0	9,914,747
0	0	894,500	1,578,574	0	1,578,574
<b>\$0</b>	<b>\$0</b>	<b>\$5,655,578</b>	<b>\$41,268,836</b>	<b>\$0</b>	<b>\$41,268,836</b>
\$0	\$0	\$2,879,910	\$4,284,237	\$0	\$4,284,237
0	0	0	914,752	0	914,752
0	366,763	1,951,250	4,359,363	0	4,359,363
<b>\$0</b>	<b>\$366,763</b>	<b>\$4,831,160</b>	<b>\$9,558,352</b>	<b>\$0</b>	<b>\$9,558,352</b>
\$0	\$29,212,572	\$0	\$34,677,491	\$6,490,819	\$41,168,310
0	268,640	0	347,823	1,950	349,773
0	2,186,984	0	5,173,970	695,692	5,869,662
0	0	18,106,125	18,106,125	1,180,339	19,286,464
0	0	30,502,817	30,502,817	1,236,870	31,739,687
0	30,586,057	9,237,145	40,558,284	4,768,758	45,327,042
0	0	0	(11,557,185)	11,557,185	0
<b>\$0</b>	<b>\$62,254,253</b>	<b>\$57,846,087</b>	<b>\$117,809,325</b>	<b>\$25,931,613</b>	<b>\$143,740,938</b>
<b>\$1,625,086</b>	<b>\$62,621,016</b>	<b>\$92,914,048</b>	<b>\$333,335,092</b>	<b>\$248,933,523</b>	<b>\$582,268,615</b>
<b>\$596,759</b>	<b>\$53,227,135</b>	<b>\$92,914,048</b>	<b>\$292,780,919</b>	<b>\$235,972,869</b>	<b>\$528,753,788</b>
<b>63.28%</b>	<b>15.00%</b>	<b>0.00%</b>	<b>17.00%</b>	<b>7.50%</b>	

## Budget Process & Calendar

The RTA Act, which governs Pace, CTA and Metra, contains specific language describing both the budget process and the RTA review criteria.

### *The Budget Process*

By September 15, the RTA must advise the service boards of the amount and timing of the provision of public funding for the upcoming and two following fiscal years. At the same time, the RTA is to advise the service boards of their required system-generated recovery ratio for the coming fiscal year. In establishing the recovery ratio requirement, the RTA is to take into consideration the historical system-generated recovery ratio for the services subject to each service board. The RTA is not to increase the recovery ratio for a service board disproportionately or prejudicially compared to increases in the ratio for the other service boards.

With the amendment of the RTA Act in 2008 to address ADA Paratransit, a specific recovery ratio of 10% was established for the ADA Paratransit program. The ADA recovery ratio is independent of the ratios set by the RTA for Pace's suburban service.

To facilitate the RTA action by September 15, Pace and the other service boards begin meetings with the RTA in May. The series of meetings and budget discussions serve to improve the budget process by allowing the RTA to consider up-to-date input on financial matters prior to making their September 15 decision on funding levels and recovery rate requirements.

By November 15, Pace is required to submit a budget proposal to the RTA for the coming fiscal year and a financial plan for the following two years, which is consistent with the recovery ratio and funding marks established by the RTA in September.

Prior to submitting a budget and financial plan to the RTA, Pace is required to prepare and publish a comprehensive budget and program document (as represented by this document) and hold at least one public hearing on the budget in each of the six counties Pace serves. Public notice of the hearings is published in several widely distributed newspapers throughout the service area. Pace also meets with each of the six county boards to review the proposed budget. In addition to these required meetings, Pace participates in numerous meetings of local government organizations and councils such as Chicago

Metropolitan Agency for Planning (CMAP) and various transportation committees to inform the public of the proposed budget. Thousands of copies of the proposed budget document and supplemental brochure are printed and distributed to elected officials, local governments, transportation advocacy organizations, public libraries, and citizens. An electronic copy is also available on Pace's website.

At the conclusion of these meetings and hearings, the Pace Board of Directors meets to evaluate the input gained, make recommendations for changes to the proposed budget as necessary, and then adopt a final budget by ordinance. This action is taken prior to the submittal of the budget to the RTA by November 15.

Once the RTA has evaluated the budget submittals of Pace and the other service boards, they consolidate the information along with their own into a regional budget.

The consolidated regional budget must also achieve certain criteria. Chief among them is the requirement for the consolidated budget to cover 50% of its operating costs from fares and other operating revenue. This is the regional recovery rate requirement. This requirement has been waived through 2025 due to the impact of the coronavirus pandemic on system-generated revenue. The RTA also meets with each county board and holds public hearings in each county on the consolidated regional budget. At the conclusion of these meetings and hearings, the RTA adopts a final budget which requires the approval of twelve of the RTA's sixteen-member Board of Directors. The RTA Act requires that the RTA adopt the consolidated regional budget no later than December 31 for presentation to the Governor and General Assembly.

### *Budget Amendment Process*

The Pace Board of Directors may make additional appropriations, transfers between line items, and other changes to its budget at any time, as long as the changes do not alter the basis upon which the RTA made its balanced budget determination. Budget amendments are made from time to time by the Board and are generally accomplished by revision to the annual appropriations ordinance. In the event a budget revision results in a general fare increase or a significant reduction of service, the Board will also conduct public hearings in the affected service areas.

Budget amendments which do not impact the RTA balanced budget determination basis are provided to the RTA for informational purposes. The RTA may also initiate the need for a budget amendment by Pace or another service board if it determines such an amendment is necessary. Generally, this would only occur if a service board failed to achieve its budgeted recovery ratio and/or exceeded its public funding allocation, in which case the RTA can direct the service board to submit an amended budget within a specified time frame. Additionally, the RTA may require the service boards to submit amended budgets to reflect a revision to public funding or the

recovery ratio, as deemed necessary by the RTA. The service boards have 30 days from date of notice to submit a revision. There are no public hearing requirements for budget amendments which do not affect fares or services.

### *Budget Calendar*

Below are key dates and events in the Pace 2024 budget development cycle. The annual capital budget and five-year program, as well as the annual budget and two-year financial plan for operations, are developed in accordance with this schedule.

2024 Budget Development Calendar	
Date (2023)	Event
May 12	Budget call released to Pace management
May-August	Budget discussions/meetings with RTA and other Service Boards
June 9	Budget call requests due from Pace management
June-August	Staff develops a preliminary budget
September 15	Statutory date for RTA to set 2024 Funding and Recovery Marks
September 20	Pace Board meets to discuss preliminary 2024 Budget
October 13	Pace submits Proposed 2024 Budget to RTA
October 18	Pace Board releases Proposed 2024 Budget for Public Hearing
October 19-26	Public Hearings on Pace's Proposed 2024 Budget
November 8	Pace Board adopts Final 2024 Budget
November 15	Pace submits Final 2024 Budget to RTA
November	RTA evaluates Pace, Metra, and CTA budgets for compliance
November 16	RTA Finance Committee Review of Regional Budget
December 14	RTA scheduled to approve 2024 Regional Budget

## Budget & Financial Policies

### Budget Policies Overview

Pace is one of three service boards, along with CTA and Metra, subject to the budgetary control provisions of the Regional Transportation Authority (RTA) Act, which is an Illinois state statute. One of the RTA's chief responsibilities is to ensure compliance with the budgetary controls set forth by the Act.

In addition to the budgetary controls defined by the RTA Act, the Pace Board of Directors has adopted additional budgetary policies which further enhance the control and utilization of resources. The following sections describe the budgetary controls and policies that govern Pace at both the RTA level and internally.

### Balanced Budget Definition and Criteria

As described in the Budget Process and Calendar section, the RTA Act requires Pace to submit an adopted budget for the coming fiscal year (calendar basis); a two-year financial plan for the two subsequent years; and a five-year capital improvement program and budget by November 15.

Once the final program and budget is submitted, the RTA is required to evaluate it in accordance with seven key criteria as established in the RTA Act. These criteria constitute the definition of a balanced budget.

- 1 The budget plan must show a balance between (a) anticipated revenue from all sources including operating subsidies, and (b) the costs of providing the services specified and funding any operating deficits or encumbrances incurred in prior periods, including provision for payment when due of principal and interest on outstanding indebtedness.
- 2 The budget and plan must show cash balances, including the proceeds of any anticipated cash flow borrowing, sufficient to pay with reasonable promptness all costs and expenses, as incurred.
- 3 The budget and plan must provide for a level of fares or charges and operating or administrative costs for the public transportation provided by, or subject to, the jurisdiction of the service board, sufficient to allow the service board to meet its required system generated recovery ratio and ADA Paratransit recovery ratio.

- 4 The budget and plan are based upon and employ assumptions and projections which are reasonable and prudent.
- 5 The budget and plan must have been prepared in accordance with sound financial practices and be in the form and format as determined by the RTA Board of Directors.
- 6 The budget and financial plan must meet such other financial, budgetary, or fiscal requirements that the Board may, by rule or regulation, establish.
- 7 The budget and plan are consistent with the goals and objectives adopted by the Board in its strategic plan.

If the RTA finds a service board budget submittal does not meet these criteria, it can withhold 25% of the public funding from the service board. The RTA Act further requires that the RTA adopt a budget for the service board, should the service board fail to submit a budget which meets the criteria.

In addition to the seven statutory criteria, the RTA has adopted additional budgetary and financial policies which govern Pace. They are summarized as follows:

### Budget Monitoring and Reporting

To ensure compliance with the RTA Act requirements for a balanced budget, Pace is required to report quarterly budget results to the RTA within 30 days after the quarter end. The RTA evaluates the results and formally adopts an ordinance which assesses compliance with budgetary funding levels and recovery ratio requirements. If found to be non-compliant with the budget, the RTA may direct Pace to provide a corrective action plan and corresponding budget for their approval.

Pace also produces a monthly budget report for its Board and management. Managers are also advised monthly as to significant budget variances which are further evaluated by the Budget Department and the respective manager. In addition, all procurement contracts submitted to the Board require the sign-off of the Budget Department Manager who reviews the contract proposal for budget compliance.

## Budget Control Policies

The Pace Board of Directors adopted three key budget policies which further govern the control of financial resources. They are summarized as follows:

### *Line-Item Budget Control*

This policy identifies the specific budgetary line items under control of the Board as established via the annual appropriations ordinance. It further identifies that the Executive Director has control over the individual expense components and budgets which comprise the Board controlled line items.

### *Authorized Head Count*

This policy establishes the Board as controlling the total employees in full-time equivalents (FTEs) and allows the Executive Director to make FTE changes between individual areas within the Board approved total.

### *Use of Positive Budget Variance (PBV)*

This policy establishes that earnings generated by favorable budgetary performance are restricted to capital uses, finite operating purposes, or to offset future unfavorable budget performance.

## Long Range Financial Planning

Pace is required by the RTA Act to prepare and submit to the RTA for review annually, a three-year financial plan for operations and a five-year capital investment program. The plans are to be balanced to the RTA's projections of available resources. Pace prepares these plans based on detailed assumptions and plans for each program element. Major assumptions regarding program service levels, ridership, fleet requirements, revenue, and expense growth serve as the basis for these plans and are documented in the plan narratives, charts, and tables.

## Working Capital Policy

To allow for the payment of obligations in a timely manner, the Pace Board of Directors adopted a Working Capital Policy. The policy adopts best practices outlined by the Government Finance Officers Association (GFOA). Working capital is defined by the GFOA as the difference between current assets and current liabilities.

For Pace's policy, the unexpended, approved PBV capital projects balance is also deducted from current assets. The policy requires working capital of between 45 and 90 days. Based on the policy, as of June 30, 2023, Pace has 355 days of liquidity.

The ADA Paratransit service is excluded from this policy.

## Investment Policy

The Pace Board of Directors has adopted an investment policy that governs the investment of public funds. The policy conforms to all applicable State statutes. The primary objectives, in priority order, of Pace's investment activities shall be:

### *Safety of Principal*

Safety of principal is the foremost objective of Pace. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

### *Liquidity*

The portfolio will be substantially liquid for the purpose of meeting all operating and capital requirements which might be reasonably anticipated.

### *Yield*

The portfolio is designed with the objective of attaining a competitive rate of return throughout budgetary and economic cycles which is equivalent to the portfolio's investment risk constraints and cash flow characteristics.

An objective of Pace's investment policy is to maximize earnings. To facilitate in the evaluation of investments, the 90-day Treasury Bill rate has been established as a performance benchmark.

## Use of One-Time Revenue

Pace's use of one-time revenue is subject to policies established by both the Pace and RTA Boards of Directors.

### *RTA Funding Policy*

This policy establishes the basis for RTA funding of Pace. RTA policy is to pass through actual funding results based on the source. In September 2022, the RTA rescinded the requirement that positive budget variances

from operations be used for capital projects or finite operating uses subject to RTA budgetary approval. Lastly, the RTA Reserve Policy, established in October 2015, requires the service boards to maintain adequate reserves to address funding and revenue shortfalls and expense overruns. Pace's working capital policy satisfies this requirement.

### Asset Inventory/Condition Assessment

Pace performs a biennial fixed asset inventory, as required by the Federal Transit Administration (FTA). The FTA has established stringent controls over the procurement, use, maintenance, and disposition of federally funded public transportation assets. The FTA requires the biennial fixed asset inventory to be reconciled to records and accurately reported on the audited financial statements of the agency. Pace is required to ensure safeguards are in place to prevent loss, damage, theft, and premature failure of assets. Leases of equipment by Pace to subcontractors must provide for use and control of assets in accordance with federal regulations. Disposition of assets is also strictly controlled by federal regulations with useful life standards established for each asset type. All Pace fixed assets are subject to these control standards.

The FTA also requires Pace to develop and maintain a Transit Asset Management Plan (TAM). TAM plans include an asset inventory, condition assessments of inventoried assets, and a prioritized list of improvements to attain the state of good repair (SGR) of capital assets. Transit providers are required to set performance targets for their capital assets based on SGR measures and report their targets, as well as other information related to the condition of capital assets, to the National Transit Database (NTD). All major assets are included in future capital improvement replacement plans contained in the annual capital program and budget document.

### Risk Management

Pace purchases excess insurance for potential catastrophic occurrences and incorporates risk control and claims management techniques to manage the cost of more frequent, predictable property/casualty loss exposures. Pace utilizes risk management and actuarial data

to establish reserves for incurred and incurred-but-not-reported claims to establish appropriate funded reserves to pay future potential liabilities.

Pace currently maintains a Self-Insured Retention (SIR) for automobile liability, general liability and workers' compensation exposures. Excess liability insurance is purchased above the SIR, and additionally, Pace may utilize the RTA Loss Financing Plan to finance recovery for qualified losses. Pace also purchases other property/casualty excess policies including crime, cyber liability, director and officer liability, employment practices liability, pollution, and property (including boiler & machinery).

Pace also has elected to self-insure a portion of its health and welfare exposures. Pace maintains stop-loss coverage for any individual health claims exceeding \$150,000.

### Debt Policy

Effective January 2013, Pace was authorized by the State of Illinois to issue up to \$100 million in bonds for capital improvements.

The legislation authorizing Pace to issue debt for capital improvements limits how Pace may issue the bonds, what projects may be financed, and how the debt is to be repaid. The bonds are not to be general obligations of Pace, but rather are to be revenue bonds. The amortization schedule(s) cannot be greater than twenty-five years, nor can the principal and interest be capitalized, but rather level debt payments must be scheduled.

The authorized projects are: (1) conversion of the South Division garage in Markham to a compressed natural gas (CNG) facility; (2) construction of a new garage in the northwestern Cook County suburbs; (3) construction of a new paratransit garage in DuPage County; (4) expansion of the North Shore garage in Evanston to accommodate additional indoor bus parking; and (5) acquisition of buses.

Suburban Service operating revenue is expected to be the revenue source dedicated for debt service payments. Pace generates over \$30 million annually in operating revenue, leaving a coverage ratio of greater than three when considering the estimated bond payment schedules for the authorization limit of \$100 million.



The Pace Board of Directors has approved a Debt Management Policy. This policy incorporates government best practices and recognizes the statutory limitations placed on Pace when issuing debt. Pace has also updated its Investment Policy, recognizing how unused bond proceeds will be accounted for and invested.

Pace will strategically issue bonds based on authorized capital project schedules, market conditions, and long-term financial planning.

The 2024 budget includes appropriations for the interest costs associated with Pace's bond debt program. Pace will pay \$1.242 million in principal and interest for the tenth year of the \$12.000 million South Division garage bond in 2024. With the passage of the *Rebuild Illinois* state capital funding legislation, Pace is no longer planning to issue bonds for construction of a new garage in the northwestern Cook County suburbs or for the expansion of the North Shore garage in Evanston. The other projects have yet to have a timeline formulated; however, a reimbursement resolution has been adopted by the Board of Directors that covers all five projects.

### **Basis of Accounting and Budgeting**

Pace prepares its financial statements and budget reports using the accrual basis of accounting.

#### *Accounting*

Pace maintains its accounting records and prepares its financial reports in conformity with generally accepted accounting principles. The financial activities of Pace are organized on the basis of an individual fund which is an accounting entity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations. Pace operates as an enterprise fund, a type of

proprietary fund. Beginning January 1, 2007, Pace established a second enterprise fund to account for the financial activities of the Regional ADA Paratransit program. Revenue and expenses for these funds are recognized using the accrual basis of accounting.

#### *Budgeting*

Pace's operating budget is prepared in a manner consistent with Pace's financial statements, which are prepared on the accrual basis of accounting for a proprietary fund type.

Pace maintains a chart of accounts consistent with the FTA's financial reporting requirements. In general, these accounts are established by activity type (i.e., labor, materials, and other) for four main expense object areas: operations; maintenance; non-vehicle maintenance; and administration. Further segregation of accounts is used to identify activities by object class for individual service programs (i.e., vanpool, demand response, etc.).

### **Reporting Entity**

Pace has defined its reporting entity as a primary government unit based on the criteria in the Governmental Accounting Standard Board (GASB) Statement No. 14, "The Financial Reporting Entity." Pace's financial statements include the accounts of its nine operating divisions.

### **External Audit**

An independent accounting firm performs an annual examination of Pace's financial statements including Single Audit requirements. Pace's goal is to receive an unqualified opinion on the financial statement audit and a separate report that Pace is in compliance with all federal single audit requirements.

## Debt Administration - Bond Issues

Pace was authorized by the State of Illinois in 2013 to issue up to \$100 million in bonds for capital improvements. The legislation authorizing Pace to borrow money for capital improvements was restrictive in how Pace could issue the bonds, what projects could be financed, how much could be issued per project, and how the debt was to be repaid. Pace was authorized to issue bonds for converting the South Division garage in Markham to a compressed natural gas (CNG) facility, to construct a new garage in the northwestern Cook County suburbs, to construct a new paratransit garage in DuPage County, and to expand the North Shore garage in Evanston to accommodate additional indoor bus parking. On July 29, 2016, Pace's bonding authority was amended to allow Pace to purchase buses. This legislation did not change the total bonding authority; however, keeping it at \$100 million eliminated the previous bonding limit for each purpose.

Prior to 2015, Pace did not have any outstanding debt and had never issued bonds. Pace has the authority to direct the Regional Transportation Authority (RTA) to issue up to \$5 million in working cash notes on its behalf. Pace has never exercised this option.

In 2013, the Pace Board of Directors approved a bond reimbursement resolution which allows Pace to strategically issue bonds for the authorized projects based on Pace's financial and capital planning. In December 2013, the Pace Board of Directors approved a Debt Management Policy establishing best practices staff must follow when administering and issuing bonds.

### *Bond Payments*

State statute limits Pace to issue only revenue bonds, which can only be repaid using Pace operating revenue. Pace is not allowed to pledge or use sales tax revenue for repayment of the authorized bonds.

### *Bond Rating*

Pace does not have a bond rating and, depending on the size and use of a future bond, may pursue a public offering which will require Pace to receive a bond rating. In this case, the bond rating will analyze Pace's financial strength, management, condition of the local economy,

and long-term financial planning. The bond rating will state if Pace is stable, trending downward (negative), or upward (positive).

### *Bond Issues*

Pace issued a \$12.000 million revenue bond in 2015 for the South Division CNG facility project. Pace contracted with the Illinois Finance Authority (IFA) for issuing the 2015 Revenue Bond. The IFA selected a financial advisor and bond counsel for Pace through its competitive request for qualifications process.

The bond was a taxable ten-year bank direct placement with level principal payments of \$1.200 million annually, having a 2.87% average coupon interest rate. Interest is paid semi-annually each June and December and principal is paid annually each December. A bond reserve fund with one year's principal payment was established at the financial institution winning the bid.

Operating revenue from the Suburban Service Fund is being used to make debt service payments. The 2015 Revenue Bond requires pledged revenue from operating revenue of up to \$1.480 million annually for ten years.

The total remaining debt service is shown below.

	2024
Principal	\$1,200,000
Interest	42,000
<b>Total Annual</b>	<b>\$1,242,000</b>

### *2024 Budget*

The 2024 Budget does not include plans for issuing a bond.

### *Actual Debt Service Schedules*

The following schedule shows the annual principal and interest payments for the \$12.000 million ten-year South Division bond.



*Pace issued a \$12.000 million direct placement 10-year bond in 2015.  
The bond was used for converting the garage in Markham to a compressed natural gas (CNG) facility.*

## Schedule A. South Division CNG Project

*10-year with an average coupon interest rate of 2.87% (000s)*

Payment Year	Principal Payment	Interest Payment	Total Debt Service	Debt Outstanding
2015	\$1,200	\$243	\$1,443	\$10,800
2016	1,200	283	1,483	9,600
2017	1,200	264	1,464	8,400
2018	1,200	242	1,442	7,200
2019	1,200	216	1,416	6,000
2020	1,200	187	1,387	4,800
2021	1,200	154	1,354	3,600
2022	1,200	119	1,319	2,400
2023	1,200	82	1,282	1,200
2024	1,200	42	1,242	0
<b>Total</b>	<b>\$12,000</b>	<b>\$1,832</b>	<b>\$13,832</b>	



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## Budget/Funding/Transit Service Terms

### accessible vehicle

A vehicle that a wheelchair-bound person may enter either via an onboard retractable lift or ramp, or directly from a station platform reached by a lift or a ramp.

### accrual

Recognition of an expense or income in the period incurred or earned that has not been paid or received.

### ADA—Americans with Disabilities Act

Civil rights legislation that was signed into law in 1990. Transit systems are required to offer accessible mainline services and complimentary ADA paratransit services and were given until January 1997 to achieve full compliance.

### ADA paratransit service

Accessible transportation service required by the ADA for individuals with disabilities who may not be able to use fixed route transportation services.

### administrative expense

Cost of labor, materials, and fees associated with general office functions, insurance, IT, legal services, and customer services.

### appropriation

An amount, from a fund balance or budget, that has been designated for a specified purpose and is not available for other uses.

### ART—Arterial Rapid Transit

Transit service along an arterial roadway that typically includes Transit Signal Priority (TSP) and queue jump lanes to improve travel times.

### audit

A review to determine the accuracy and validity of records and reports or the conformity of procedures with established policies.

### balanced budget

Financial plan in which revenue and expenses are equal.

### bond

A written contract evidencing a long-term, interest bearing loan.

### BOS—Bus on Shoulder

Bus service that can use shoulder lanes on expressway corridors to bypass slow traffic, thus reducing travel times. In 2014, the Illinois General Assembly enacted legislation permanently authorizing Pace to be the only transit agency allowed to operate Bus on Shoulder service and expanding that permission to all the regions' expressways and tollways.

### BRT—Bus Rapid Transit

Bus service that operates primarily in a separated right-of-way that emulates rail fixed guideway services including defined stations, level boarding platforms, Transit Signal Priority (TSP), and queue jump lanes.

### budget

A financial plan showing estimated or planned revenue and expenses.

### Bus & Bus Facilities Infrastructure Investment Program (49 U.S.C. 5339)

Federal funding provided through formula allocations and competitive grants. Eligible activities include capital projects to replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities.

### capital budget

The appropriation of funds for the purchase of vehicles, land, equipment, computer software/hardware, and improvements/construction of facilities and infrastructure.

### capital cost of contracting

The capital consumed during a transit service contract period, such as depreciation of vehicles, facilities, or equipment used by the contractor. Capital consumed may also include a proportionate share of the interest the contractor might pay out as the contractor purchases and makes available to the recipient of these capital assets.

### CMAQ—Chicago Metropolitan Agency for Planning

The regional planning organization for northeastern Illinois.

### CMAQ—Congestion Mitigation/Air Quality

A federal grant program designed to support transportation projects which reduce traffic congestion and improve air quality.

### cost per mile

Operating expense divided by vehicle miles for a program or in total.

### cost per passenger

Operating expense divided by ridership for a program or in total.

### CRP— Carbon Reduction Program

A federal grant program designed to reduce carbon dioxide emissions from on-road highway sources, including constructing Bus Rapid Transit corridors.

### CTA—Chicago Transit Authority

One of three service boards overseen by the RTA. CTA operates bus and Rapid Transit (rail) service in the City of Chicago and surrounding suburbs.

### deficit

The amount by which total operating expense exceeds total revenue.

### demand response service

Non-fixed route service dispatching vans or small buses based on origin and destination demand activation from passengers. Includes On Demand services.

### discretionary operating funds

Funds which the RTA allocates, at its discretion, to the service boards. These funds include 15% of the RTA Part I sales tax and PTF.

### Enhanced Mobility of Seniors and Individuals with Disabilities (§5310)

This program provides funding to support capital projects that are planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable. It is also used for public transportation projects that exceed the requirements of ADA that improve access to fixed route service and decrease reliance by individuals with disabilities on complementary paratransit, and for alternatives to public transportation.

### express bus

A suburban or intercity bus that operates a significant portion of the route without stops or with a limited number of stops.

### fare

The amount charged to passengers for use of various transit services.

### farebox revenue

Revenue from passenger fares and local, employer and other fare subsidies, exclusive of the State Reduced Fare Subsidy Program, interest income, and advertising revenue.

### feeder route

A route with the primary purpose of transporting riders from residential areas to a Metra station.

### FEMA—Federal Emergency Management Agency

FEMA is an agency of the United States Department of Homeland Security. This agency provides grant money to transit systems under the Transit Security Grant Program and other such programs.

### fixed route service

Transit service provided on a regularly scheduled basis along a specific route with vehicles stopping to pick up and discharge passengers along the route.

### flex lane

A seventeen-and-a-half foot inside lane on the Jane Addams Tollway (I-90) launched in 2017 and designated for Pace bus use only to route around traffic congestion.

### fringe(s)—fringe benefit expense

Expense of employees including sick pay, vacation pay, pension contributions, life and health insurance, unemployment and workers' compensation, social security costs, and other allowances.

### FTA—Federal Transit Administration

An agency within the U.S. Department of Transportation (DOT) that provides financial and technical assistance to local public transit systems.

### FTE—full-time equivalent position

A unit of measurement equal to the annual working hours of one full-time employee.

### fund

Cash, securities, or other assets set aside or provided for a stated purpose.

### funding formula

A calculation used to determine a subsidy level or non-discretionary grant amount.

### grant

Funding received from local, federal, and state governments to provide capital or operating assistance.

### headway

The scheduled gap between buses which varies for different route types, time of day, and day of the week.

### IBS—Intelligent Bus System

A satellite-based communication technology used to improve the tracking of buses, collection of data, and communication between buses, drivers, and passengers.



## ICE—Innovation, Coordination and Enhancement Fund

Established by the RTA Act in 2008 at \$10 million, adjusting annually with changes in sales tax collected. Funds are used to enhance transit services through effective management, innovation, and technology.

## IDOT—Illinois Department of Transportation

Agency responsible for state-maintained public roadways in Illinois that provides capital and student reduced fare funding for public transit.

## IIJA—Infrastructure Investment and Jobs Act

Also known as Bipartisan Infrastructure Law (BIL), this was signed into law on November 15, 2021 and authorizes \$1.2 trillion for transportation and infrastructure spending. The legislation includes \$39 billion of new investment to modernize transit and improve accessibility, in addition to continuing the existing transit programs for five years as part of surface transportation reauthorization. In total, the new investments and reauthorization provide \$89.9 billion in guaranteed funding for public transit over the next five years.

## labor expense

The cost of wages and salaries (including overtime) paid to employees for performance of their work.

## low income individual

A person whose family income is at or below 150% of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

## MaaS—Mobility as a Service

Digital solution that integrates various forms of transport and transport-related services into a single, comprehensive, and on-demand mobility service which allows users to plan, book, and pay for multiple types of mobility services.

## maintenance expense

Expense of labor, materials, services, and equipment used to repair and service transit vehicles.

## marks

Level of funding provided by the RTA to the service boards.

## Metra (Commuter Rail Division)

One of three service boards overseen by the RTA. Metra operates commuter rail service in northeastern IL.

## minority route

A bus route where at least one third of the route travels through a minority census tract. For Pace's service area, a minority census tract is one in which more than 40% of the population identifies as a minority.

### non-vehicle maintenance expense

Expense of labor, materials, services, and equipment used to repair and service structures, vehicle movement control systems, fare collection equipment, communication systems, buildings, grounds, and equipment, other than transit vehicles.

### NTD—National Transit Database

FTA's primary national database for statistics on the transit industry.

### On Demand

Reservation-based, curb-to-curb, shared ride service for anyone within the designated service area. Formerly Call-n-Ride.

### operating assistance

Financial assistance for transit operations (non-capital expenditures). Such aid may originate with federal, local, or state governments.

### operating budget

The planning of revenue and expenses for a given period of time to maintain daily operations.

### operations expense

Expense for labor, materials, fees, fuel, and rents required for operating transit vehicles and passenger stations, except electric propulsion power.

### Pace (Suburban Bus Division)

One of the three service boards overseen by the RTA. Pace operates non-rail suburban public transit service as well as ADA Paratransit service in the City of Chicago and surrounding suburbs.

### Pace Bond Program

Public Act 97-0770 gave Pace authority to issue bonds for eligible capital projects, effective January 1, 2013 and totaled \$100 million for four specific capital construction projects. P.A. 99-0665, effective July 29, 2016, amended P.A. 97-0770 to allow Pace to issue bonds for the purchase of transit buses in addition to the previously authorized projects. Pace's total bonding authority remains at \$100 million.

### paratransit service

A generic term used to describe non-fixed route service utilizing vans or small buses to provide prearranged trips within the system service area to individuals deemed eligible based on local requirements.

### PAYGO

Part of the *Rebuild Illinois* legislation that increased the motor fuel tax and created the Transportation Renewal Fund to provide ongoing funding for capital projects.

### PBV—positive budget variance

The amount by which a service board comes in favorable to available funding from the RTA in a given budget year. RTA policy allows the service boards to retain these funds in an unrestricted fund balance which can be used for capital projects or operating expenses.

### performance measure

A quantifiable indicator of performance or condition to assess progress toward meeting established targets.

### performance target

A quantifiable level of performance or condition that is projected to be achieved within a given time period.

### Posted-Stops-Only

On select Pace routes, riders are required to get on or off the bus only at a designated bus stop, as opposed to a flag-stop in which passengers are allowed to board or alight a bus anywhere it is safe to do so.

### private contract services

Transit service provided by companies or organizations under contract with Pace, also known as 'purchased transportation'.

### program (noun)

Refers to groupings of expense accounts of similar activities or objects of expenditures (e.g., operations, maintenance, administration, vanpool, demand response, or capital).

### proprietary fund

In governmental accounting, a business-like fund of a state or local government. Also known as enterprise fund and internal revenue fund, it provides goods or services for a fee.

### PTF—Public Transportation Fund

An operating subsidy from the State of Illinois equivalent to 30% of the RTA sales tax and Chicago real estate transfer tax (RETT) collected. The 25% PTF match on the Chicago RETT is directed to the CTA.

### public transportation

Regular, continuing shared-ride surface transportation services that are open to the general public or a segment of the general public defined by age, disability, or income.

### Pulse

A branding name for Pace's Arterial Rapid Transit network.

### RAISE – Rebuilding American Infrastructure with Sustainability and Equity

A federal discretionary grant program for planning and capital investments that support roads, bridges, transit, rail, ports, or intermodal transportation. Funding for this program is designated at a 50/50 split between projects in rural and urban areas.

### RAP—Rideshare Access Program

Program operated in the City of Chicago and suburban counties which provides subsidized rideshare service to ADA-eligible riders.

### Rebuild Illinois

Multi-year state capital bill which invests in roads, bridges, railroads, universities, early childhood centers, state facilities, and public transportation. The legislation also established a PAYGO fund as an ongoing funding source for future capital needs.

### recovery ratio

Operating revenue divided by operating expenses to calculate a percentage that measures efficiency.

### Regional ADA Paratransit Service

The combination of Suburban and City of Chicago ADA paratransit services.

### RETT—Real Estate Transfer Tax

A real estate transfer tax in the City of Chicago implemented by Public Act 95-0708 in January 2008. The tax (\$1.50 for every \$500 of sales price) went into effect April 2008. Proceeds are directed to the CTA.

### ridership (unlinked passenger trips)

The number of transit vehicle boardings in which each passenger is counted each time that person boards a vehicle.

### rolling stock

Public transportation revenue vehicles, which for Pace includes buses and vans.

### RTA—Regional Transportation Authority

Agency charged with financial oversight, funding, and regional transit planning of the six-county Chicago metropolitan region's service boards (CTA, Metra, and Pace).

### RTA Bond Funding

Through the Illinois First Program, the RTA was authorized to secure bonds for capital needs. The RTA authorized \$1.6 billion (\$1.3 billion for Strategic Capital Improvement Program (SCIP) and \$300 million for General Obligation Bonds (GOB). The State of Illinois reimburses the RTA for principal and interest expenses incurred on SCIP bonds. The funding for this program has been exhausted; however, from time to time, the RTA uses the defeasance of bonds to reissue new bonds for capital purchases.

### RTA Sales Tax Part I

A sales tax of 1% in Cook County and 1/4% in the collar counties of DuPage, Kane, Lake, McHenry, and Will. Eighty-five percent of the sales tax is fully distributed to the service boards by the RTA according to formulas established by the RTA Act (also known as formula funds or 85% funds).

Fifteen percent of the sales tax is retained by the RTA. A portion of these funds may be distributed to the service boards at its discretion; also, known as discretionary funds.

## RTA Sales Tax Part II

A 1/4% regionwide sales tax implemented in April 2008 as a result of passage of Public Act 95-0708 by the state legislature. Funds from this source are added to matching public transportation funds (PTF) and allocated per a defined formula which is explained under the source of funds section.

## SCMF—Suburban Community Mobility Fund

The RTA Act provides a special funding earmarked for Pace to pay for existing and new non-traditional transit services such as demand response, Vanpool, reverse commute, and others.

## senior

A term used for an individual who is 65 years of age or older.

## service board

A reference to the region's transit operators—CTA, Metra, and Pace.

## SGR—state of good repair

The condition in which a capital asset is able to operate at a full level of performance.

## SSJA—South Suburban Job Access

The RTA Act provides a designated amount (\$7.5 million) of RTA funding to Pace for the provision of employment-related services in south Cook County.

## suburban service

All Pace services and programs with the exception of ADA Paratransit services.

## TAM—Transit Asset Management

A strategic and systematic process of operating, maintaining, and replacing public transportation capital assets effectively throughout the life cycle of such assets. 49 U.S.C. 5326 establishes minimum Federal requirements for TAM that apply to all recipients and subrecipients of Chapter 53 funds that own, operate, or manage public transportation capital assets.

## TAP—Taxi Access Program

Program operated in the City of Chicago which provides subsidized taxi service to ADA eligible riders.

## TMA—Transportation Management Association

A formal organization of businesses and local governments dedicated to solving local transportation concerns.

## TNC—Transportation Network Company

A company that provides prearranged transportation services through an internet application or digital platform to connect passengers with drivers of vehicles for hire. Often referred to as ride-hailing companies, vehicles for hire may include traditional licensed taxi cabs, as well as companies like Uber, Lyft, and Via.

### total vehicle miles

Sum of all miles operated by passenger vehicles, including mileage when no passengers are carried.

### Transfer Capital

Budget year operating funds directed to capital projects.

### Transit Asset Management Plan

A TAM plan is a tool that aides a transit provider in: (1) assessing the current condition of its capital assets; (2) determining what the condition and performance of its assets should be; (3) identifying the unacceptable risks in continuing to use an asset that is not in a state of good repair; and (4) deciding how to best prioritize anticipated funds toward improving asset condition and achieving a sufficient level of performance within those means. The TAM Final Rule (49 CFR Parts 625 and 630) required public transportation providers to have an initial TAM plan in place by October 1, 2018.

### TSP—Transit Signal Priority

System that utilizes vehicle location and wireless communication technology to advance or extend green times at signalized intersections to reduce bus travel times and improve schedule adherence.

### unrestricted net assets (fund balance)

The portion of net assets that is neither restricted nor invested in capital assets net of related debt. These funds are considered by Pace to represent the available fund balance.

### urbanized area

An incorporated area with a population of 50,000 or more that is designated as such by the U.S. Department of Commerce, Bureau of the Census.

### Urbanized Area Formula Funding Program (49 U.S.C. 5307)

Federal funding apportioned based on legislative formulas. Eligible activities include: planning, engineering, design and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement, overhaul and rebuilding of buses, crime prevention and security equipment, and construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software. In addition, associated transit improvements and certain expenses associated with mobility management programs are eligible under the program. All preventive maintenance and some ADA complimentary paratransit service costs are considered capital costs.

### UWP—Unified Work Program

Grant program that funds various planning projects that CMAP and other agencies undertake each year to enhance transportation in northeastern Illinois.

### vanpool

A group of 5-14 people who commute to and from work together in a Pace-owned van.

### vehicle load

A ratio of the maximum average number of passengers on buses compared to the average number of available seats.

### Ventra®

The Open Standards Fare System (Ventra) is an electronic fare payment system used by CTA, Metra, and Pace riders that has replaced the former Chicago Card and Transit Card automated fare collection system.

## Service Characteristics



		2022 Actual	2023 Estimate	2024 Budget	
<b>Fixed Route Service</b>		<b>Ridership (000s)</b>			
Number of Fixed Routes ( <i>August 2023</i> )	139	Fixed Route	13,529	13,869	14,363
• Regular Routes	134	Demand Response*	627	656	685
• Feeder Routes	5	Vanpool	402	515	525
<i>(All Routes are Accessible)</i>		<b>Total Suburban Service</b>	<b>14,558</b>	<b>15,040</b>	<b>15,573</b>
Peak Period Vehicle Requirements	498	Regional ADA*	3,572	4,048	4,198
Pace-owned Fleet Size ( <i>All Vehicles are Accessible</i> )	701	<b>Total System</b>	<b>18,130</b>	<b>19,088</b>	<b>19,771</b>
Average Vehicle Age	7.9 yrs	<b>Vehicle Miles (000s)</b>			
Number of Private Contractors	2	Fixed Route	25,907	26,113	29,462
Number of Pace-owned Garages	11	Demand Response	3,637	3,681	3,695
Number of Pace Municipal Contractors	2	Vanpool	2,800	3,386	3,483
<b>Paratransit</b>		<b>Total Suburban Service</b>	<b>32,344</b>	<b>33,180</b>	<b>36,640</b>
Number of Communities Served	274	Regional ADA	19,184	19,344	15,791
Number of Local Demand Response Projects	26	<b>Total System</b>	<b>51,528</b>	<b>52,524</b>	<b>52,431</b>
Pace-owned Fleet Size ( <i>Includes Suburban ADA</i> )	446	<b>Vehicle Hours (000s)</b>			
Average Pace-owned Vehicle Age	5.8 yrs	Fixed Route	1,748	1,776	2,032
Community Transit Vehicles in Service ( <i>August 2023</i> )	89	Demand Response	200	206	208
Contractor-owned Vehicles in Chicago ADA Service	838	Vanpool	N/A	N/A	N/A
<b>Vanpool</b>		<b>Total Suburban Service</b>	<b>1,949</b>	<b>1,982</b>	<b>2,240</b>
Vans in Service ( <i>August 2023</i> )—VIP	91	Regional ADA	1,404	1,415	1,152
Vans in Service ( <i>August 2023</i> )— Shuttle	24	<b>Total System</b>	<b>3,353</b>	<b>3,397</b>	<b>3,392</b>
Vans in Service ( <i>August 2023</i> )—Advantage	177	<i>*Ridership includes companions and personal care attendants</i>			
Total Vans in Service	292				
Average Vehicle Age	5.8 yrs				
<b>Other</b>					
Full Time Equivalent Personnel ( <i>Includes ADA Staff</i> )	1,886.5				

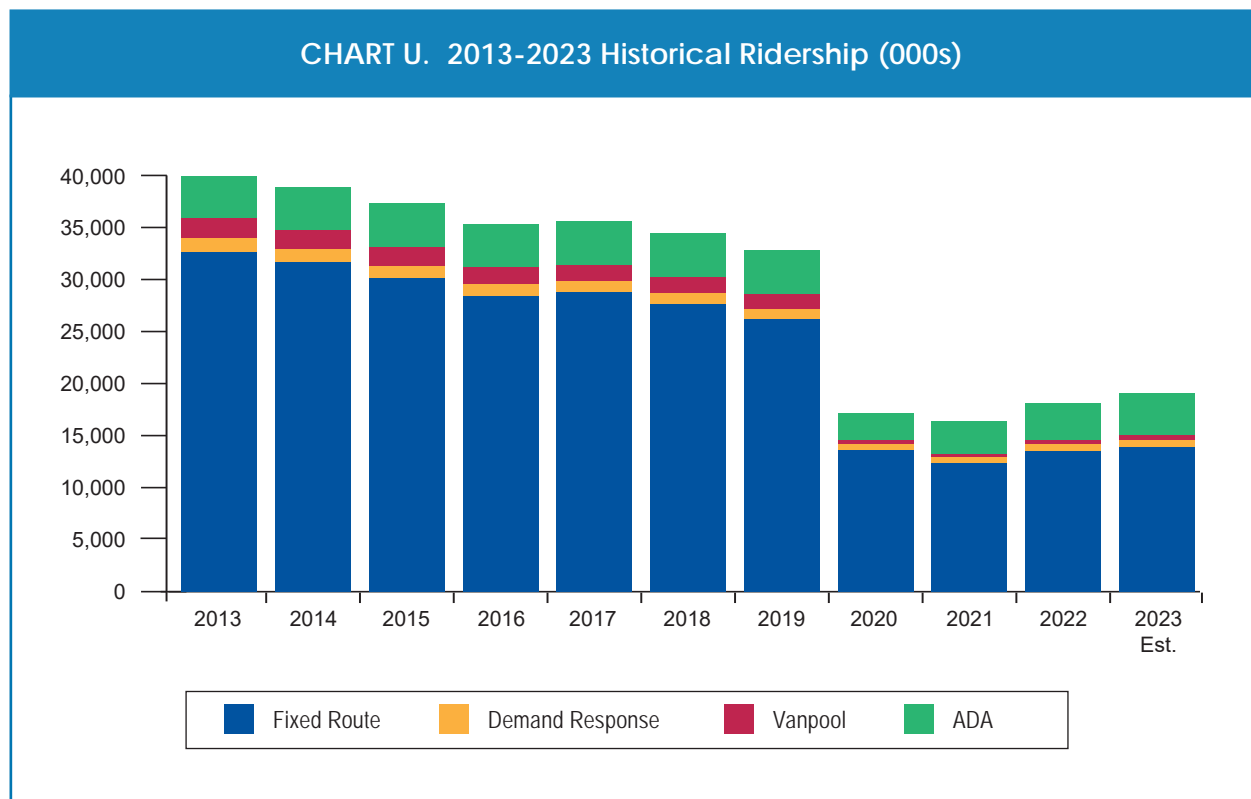


Ridership

The following table details the ridership performance of Pace’s various services for the last ten years.

Table 41. 2013–2023 Ridership Historical Summary (000s)						
Year	Fixed Route	Demand Response*	Vanpool	Total Suburban Service	ADA*	Total System
2013	32,645	1,276	2,000	35,921	3,968	39,889
2014	31,650	1,223	1,923	34,796	4,088	38,884
2015	30,120	1,147	1,851	33,118	4,227	37,345
2016	28,398	1,109	1,664	31,171	4,178	35,349
2017	28,804	1,048	1,518	31,370	4,256	35,626
2018	27,673	1,027	1,508	30,208	4,264	34,472
2019	26,192	968	1,361	28,521	4,281	32,802
2020	13,595	520	452	14,567	2,576	17,143
2021	12,377	554	298	13,229	3,130	16,359
2022	13,529	627	402	14,558	3,572	18,130
2023 Est.	13,869	656	515	15,040	4,048	19,088

\*Ridership includes companions and personal care attendants



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Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Pace Suburban Bus Service, Illinois, for its Annual Budget for the fiscal year beginning January 01, 2023. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

