



Suburban Service & Regional ADA Paratransit Budget

2021 Operating & Capital Program

2021-2023 Business Plan for Operations

2021-2025 Capital Business Plan

Final Program • November 2020



Board of Directors and Senior Staff



Richard A. Kwasneski
Chairman



Rachel Arfa
*Commissioner, Mayor's Office
for People with Disabilities
City of Chicago*



Christopher S. Canning
*North Shore Suburban
Cook County*



Terrance M. Carr
*Central Suburban
Cook County*



Roger C. Claar
Will County



David B. Guerin
*North Central Suburban
Cook County*



Kyle R. Hastings
*Southwest Suburban
Cook County*



Thomas D. Marcucci
DuPage County



William D. McLeod
*Northwest Suburban
Cook County*



Jeffery D. Schielke
Kane County



Linda Soto
Lake County



Terry R. Wells
*South Suburban
Cook County*



Vacant
McHenry County



Rocky Donahue
Executive Director



Melinda Metzger
*General Manager &
Chief Operating Officer*



Nancy Zimmer
General Counsel



Colette Thomas Gordon
Chief Internal Auditor

Dear Riders, Interested Citizens & Public Officials:

Pace has, along with the rest of the world, faced historic challenges this past year due to the COVID-19 pandemic. At the height of the pandemic, Pace ridership dropped to approximately 25% of our regular ridership. We went from providing over 100,000 trips every weekday to just 25,000. Those 25,000 trips helped heroes get to their essential jobs in healthcare, retail, and government and ensured everyone would have access to pharmacies, medical care, and necessities.



Although we have seen some ridership recover in the past few months, ridership is still down approximately 50%. The fact that Pace's ridership has doubled to approximately 50,000 trips since the State of Illinois entered Phase 4 shows just how crucial our service is to keep our people and our economy moving.

We rely upon farebox revenue and sales tax to cover operating expenses, and both funding streams have been devastated by the COVID-19 pandemic. Furthermore, spending on safety and sanitary measures skyrocketed as we worked hard to keep vehicles clean and passengers safe. Thankfully, Congress stepped in with \$113 million in emergency funding that covered some of the additional expenses and unforeseen shortfall we encountered in 2020.

Without additional federal relief, however, Pace's financial outlook in the near term is still very uncertain. Pace moves forward with the guidance of the three core principles we established in March — safety, service, and transparency. Our vehicles are clean, our service is safe, and we will continue to communicate openly and honestly with the people we serve.

In order to balance our budget, we needed to make some difficult choices for 2021. The budget proposed in this document, while balanced without fare increases, formalizes ongoing service suspensions on 73 routes and schedule modifications on another 25 routes in place since May 18. Pace can only allow service suspensions and schedule modifications for 12 months without conducting hearings and gathering feedback from passengers and the public. If these route eliminations and reductions are enacted in November, the level of service will remain unchanged until the availability of funding and return of commuter demand allows for a reevaluation and possible reinstatement of service.

Pace's Board does not take this decision lightly, as we understand people previously relied on these routes. Through careful planning, Pace aimed to ensure these budget-cutting measures impacted the fewest number of riders possible; we proposed eliminating only service that performed poorly even before the pandemic.

We will not allow this grim near-term outlook to darken our vision of Pace's future, though. *Rebuild Illinois*, the state's first capital program in a decade, grants Pace \$228 million in earmarks that will allow us to rehabilitate aging garages and transit centers, improve ADA Paratransit technology, and prepare for new expressway and rapid transit service opportunities. Additional funding—including the state's first sustainable, ongoing fund for transportation capital projects—will likewise help us reshape our system.


(continued on next page)

Our ADA Paratransit service will remain fully funded thanks to the State's funding formula and a 'rainy day' fund we have saved over the past few years. As we have striven to provide individual trips to maximize safety, the cost of these trips has increased; we are hopeful riders in Chicago continue to make use of our expanded Taxi Access Program (TAP) to help relieve pressure on our system. Technology improvements may also help riders and providers alike in keeping our operations streamlined.

We are still moving forward with plans to add more bus rapid transit throughout the region after a year of success on the Pulse Milwaukee Line. Our new website will help us communicate more efficiently and allow us to develop new web-based tools to enhance customers' experience. Our forthcoming strategic vision plan, *Driving Innovation*, is being updated to account for our present crisis, but will still guide us toward a future with robust, dynamic public transportation in Northeastern Illinois. Despite this year's setbacks, we are on the road to a brighter future.

We are grateful that our passengers, taxpayers, and legislators share our optimism and have trusted us with short-term relief, long-term investments, and an outpouring of support.

As many of us begin to return to worksites and regular activities, we ask that you continue to be vigilant against the spread of COVID-19. Please wear face coverings on board, give others space as you are able, and reconsider nonessential travel. Together, I know we will get through this!



Richard A. Kwasneski,
Chairman

Table of Contents

1	Executive Summary
5	Suburban Service Operating Budget
21	Suburban Service Budget & Three-Year Business Plan
27	Regional ADA Paratransit Operating Budget
31	Regional ADA Budget & Three-Year Business Plan
35	Suburban Service Capital Budget & Five-Year Business Plan
47	Regional ADA Paratransit Five-Year Capital Program
49	Combined Suburban Service/ADA Budget & Three-Year Business Plan
51	Appendix A: Pace Overview
64	Appendix B: Ridership & Suburban Service Fares
69	Appendix C: Community Profile
75	Appendix D: Performance Measures
82	Appendix E: Planning Initiatives
88	Appendix F: Operating Budget Detail
94	Appendix G: Budget Process
96	Appendix H: Financial Policies
100	Appendix I: Debt Overview
103	Appendix J: Glossary
116	Pace Quick Facts

This page intentionally left blank.

Budget Highlights

For the seventh year in a row, the RTA, along with Pace, CTA, and Metra, reached consensus on the key budget parameters for the coming year. On September 10, 2020, the RTA considered 2021 funding levels for Pace which allow for the continuation of baseline services in 2021.

Suburban Service

The 2021 Pace Suburban Service budget is balanced to available funding. Several service enhancements are incorporated into the 2021 budget described below:

- Public funding for Pace Suburban Service declines by 20.8% in 2021, as compared to the original 2020 budget from a projected decline in sales tax receipts, due to the impact of COVID-19. Pace received CARES funding from the FTA and will use it to cover the shortfall in sales tax. The recovery ratio requirement remains at 30.30%. Pace relies on RTA allowed credits to raise its base recovery rate from 24.17% to meet the RTA requirement.
- The 2021 budget is balanced to the RTA funding level with no fare increases. This is achieved through administrative expense reductions and the restructuring of poor performing service. CARES funding has been allocated to cover the projected revenue shortfall.
- Service reductions were implemented in 2020, in response to significant ridership losses due to the pandemic. Fixed route ridership was down 42% through July, while system ridership was down

42.7% from 2019. Phase II of the North Shore Study is being implemented to improve efficiency in that area. Also, additional trips are planned to ease overcrowding on various routes.

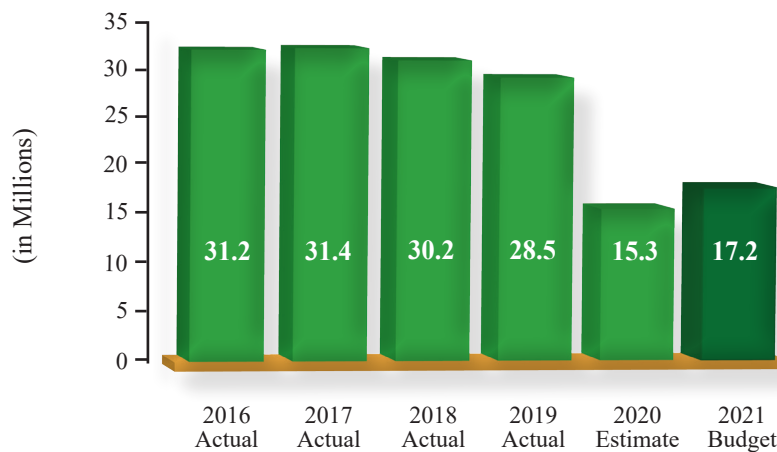
- Pace projects to finish 2020 \$31.7 million unfavorable to budget due to a reduction in public funding, as well as a shortfall in farebox revenue, caused by steep ridership declines. Pace will use CARES funding to cover the deficit.
- The 2021 Suburban Service Capital Program totals \$105.8 million, primarily for rolling stock and support facilities and equipment. The budget includes \$59.9 million of state funding from *Rebuild Illinois*, the recently passed state capital funding legislation.

Regional ADA Paratransit

The 2021 Regional ADA Paratransit budget is balanced to RTA's funding level of \$165.7 million. This funding level supports ridership at about 60% of 2019 levels. Ridership has declined significantly in response to the COVID-19 pandemic. In 2021, the program will provide an estimated 2.6 million passenger trips. Fares are projected to remain stable at current levels in 2021 based on continued support from the State of Illinois.

Rebuild Illinois has allowed Pace to apply \$4.0 million to ADA-specific capital projects in 2021. This funding will be used to improve customer experience through upgrades to scheduling software and trip booking interfaces.

Chart A. Pace Suburban Service Ridership



Executive Summary

2021 Combined Operating Budget Summary

The 2021 budgets for Suburban Service and the Regional ADA Paratransit program are balanced to the funding levels and recovery ratio requirements approved by the RTA on September 10, 2020.

The expense budget for Suburban Service in 2021 is \$239.388 million. Suburban Service operating revenue is budgeted at \$38.184 million. Total public funding for Suburban Service is estimated at \$146.983 million, leaving a funding shortfall of \$54.221 million. CARES funding

will be used to fund the remaining deficit. Pace has implemented cost-saving measures to minimize expense growth and meet the 30.3% recovery ratio set by the RTA.

The expense budget for the Regional ADA Paratransit program in 2021 is \$174.977 million. ADA operating income is expected to reach \$9.298 million resulting in a funding requirement of \$165.679 million.

There are no fare adjustments for Suburban Service or ADA Paratransit service in 2021.

The 2021 Suburban Service and Regional ADA Paratransit budgets are balanced to RTA approved funding levels.

Table 1. 2021 Combined Pace Services Operating Budget Summary (000s)

	Suburban Service	Regional ADA Paratransit	Combined Pace Services
Total Operating Expenses	\$239,388	\$174,977	\$414,365
Less: Total Operating Revenue	38,184	9,298	47,482
Funding Requirement	\$201,204	\$165,679	\$366,883
Less:			
Sales Tax (Part I)	\$81,150	\$0	\$81,150
Sales Tax (Part II)	10,316	157,284	167,600
Suburban Community Mobility Funds (SCMF)	21,321	0	21,321
South Suburban Job Access Funds	7,500	0	7,500
PTF (Part I)	3,827	0	3,827
PTF (Part II)	15,588	0	15,588
RTA Sales Tax (Part I)	0	0	0
Federal CMAQ/Enhanced Mobility Funds	6,070	0	6,070
RTA ICE Funds	1,211	0	1,211
State ADA Funds	0	8,395	8,395
CARES Funds	54,221	0	54,221
Net Funding Available	\$0	\$0	\$0
Recovery Ratio	30.30%	10.00%	N/A

2021 Capital Budget Summary

The preliminary Capital Program marks prepared by the RTA include estimated federal, state, and other funds that are expected to be available to the region for capital investment purposes. Listed below are the highlights of the 2021 Capital Budget.

Suburban Service

The 2021 Suburban Service Capital Program totals \$105.866 million.

The program contains:

- \$73.430 million for rolling stock, including the purchase of 115 fixed route CNG buses, 28 paratransit vehicles, 8 community transit/On Demand vehicles, and engine/transmission retrofits & associated capital.
- \$1.486 million for electrical/signal/communications, including equipment for Transit Signal Priority and Intelligent Bus System.
- \$25.900 million for support facilities and equipment, including computer hardware & software, non-revenue vehicles, farebox system replacement, and construction of Northwest Wheeling and Plainfield garages.
- \$2.650 million for stations and passenger facilities, including bus stop shelters, bus tracker sign deployment, easements for Pulse Dempster Line, and a Ventra® Machine.
- \$2.400 million for miscellaneous items, including a Vision Plan implementation study, project management consulting, and Transit Asset Management.

Table 2. 2021 Suburban Services Capital Budget (000s)

	<u>Amount</u>
Rolling Stock	
115 Fixed Route CNG Buses	\$63,250
28 Paratransit Vehicles	1,983
8 Community Transit/On Demand Vehicles	600
Engine/Trans. Retrofits & Assoc. Capital	7,597
Subtotal	\$73,430
Electrical/Signal/Communications	
Transit Signal Priority	\$1,386
Intelligent Bus System	100
Subtotal	\$1,486
Support Facilities & Equipment	
Computer Systems/Hardware & Software	\$1,100
Support Equipment/Non-Revenue Vehicles	500
Farebox System Replacement	6,000
Northwest Wheeling Garage	10,000
Plainfield Garage	8,300
Subtotal	\$25,900
Stations & Passenger Facilities	
Passenger Facilities	\$120
Bus Stop Shelters	1,330
Bus Tracker Signs	600
Pulse Dempster Line Easements	600
Subtotal	\$2,650
Miscellaneous	
Vision Plan Implementation Study	\$1,000
Project Management	1,000
Transit Asset Management	400
Subtotal	\$2,400
Total Suburban Capital Program	\$105,866
Total Funding	
Federal 5307/5339	\$44,580
State Bonds	48,550
PAYGO	11,350
RTA ICE	1,386
Total Suburban Funding	\$105,866



2021 Suburban Service Operating Budget

Summary

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

- Pace projects \$239.388 million in operating expenses in 2021 for the provision of transit services in the region.
- A total of \$38.184 million in revenue is generated from operations.
- An initial deficit or funding requirement of \$201.204 million occurs from operations prior to funding.
- A total of \$140.913 million in funding generated from Regional Sales Tax will be used including \$3.827 million in PTF (Part I) and \$1.211 million in RTA ICE funds carried over from 2020.
- A total of \$6.070 million in Federal Congestion Mitigation/Air Quality (CMAQ) and Enhanced Mobility funds will be used.
- A total of \$54.221 million in CARES funding will be used to cover the shortfall in sales tax and operating revenue.

The budget for 2021 includes proposed service reductions due to significant ridership losses due to the stay at home orders and other safety measures in response to the pandemic.

The 2021 Suburban Service budget is balanced to both the funding and recovery marks identified for Pace by the RTA. The budget does not include any fare increases despite revenue losses from reduced sales tax and declining ridership.

The RTA recovery requirement remains steady at 30.30% for 2021. Pace relies on credits allowed by the RTA to raise the base recovery rate from 24.17% to meet the RTA requirement.

Ridership is projected to fall 46.3% in 2020 to 15.3 million trips in response to COVID-19.

A detailed review of the 2021 Suburban Service operating program is presented in this section.

Table 3. 2021 Suburban Service Operating Budget Summary (000s)

	2019 Actual	2020 Estimate	2021 Budget
Total Operating Expenses	\$225,943	\$221,144	\$239,388
Less: Total Operating Revenue	55,595	33,093	38,184
Funding Requirement	\$170,348	\$188,051	\$201,204
Less:			
Sales Tax (Part I)	\$97,174	\$82,038	\$81,150
Sales Tax (Part II)	15,413	15,304	10,316
Suburban Community Mobility Fund (SCMF)	25,528	21,426	21,321
South Suburban Job Access Fund	7,500	7,500	7,500
PTF (Part I)	4,509	4,048	3,827
PTF (Part II)	18,394	16,465	15,588
RTA Sales Tax (Part I)	0	247	0
RTA ICE Funds	440	1,423	1,211
Federal CMAQ/Enhanced Mobility Funds	6,692	7,893	6,070
Federal CARES Funding	0	31,707	54,221
Net Funding Available	\$5,302	\$0	\$0
Recovery Ratio	31.11%	30.30%	30.30%

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. In January 2008, the public funding package for transit in northeastern Illinois was revised to increase the amount and sources of funds and established a new allocation basis for the new funding provided.

To put the public funding environment in perspective, the following information segregates the elements into two main categories—Part I, or old funding (pre-2008 funding reform) and Part II, or the new funding element, resulting from the January 2008 legislative funding reform. The main sources of funding for both the old and new funding packages 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 the new funding is in addition to the old funding basis, and the two taken together comprise the total public

funding available.

With adoption of the Illinois Fiscal Year 2018 budget, the state imposed a 2% administrative surcharge on RTA sales tax, and a 10% reduction in PTF for ILFY18, reducing funds available for operations. For ILFY19, the administrative surcharge was reduced to 1.5%. The reduction to PTF was continued but reduced to 5% for ILFY19. These state-imposed reductions continue for ILFY21.

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 need 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 as follows.

Table 4. Part I. Allocation of Sales Tax Receipts

	<u>RTA</u>	<u>CTA</u>	<u>Metra</u>	<u>Pace</u>
Chicago	15%	85%	0%	0%
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 (PTF) Trends (000s)

	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Actual</u>	<u>2020 Estimate</u>	<u>2021 Budget</u>
Regional Funds					
Sales Tax - Part I	\$878,594	\$914,427	\$932,542	\$781,769	\$778,483
PTF Match to Part I Sales Tax (25%)	212,644	215,739	225,460	202,405	191,372
Sales Tax - Part II	307,393	317,584	321,619	270,870	268,617
PTF Match to Part II Sales Tax (+5% Part I)	150,004	152,628	156,529	138,678	131,353
Total Sales Tax and PTF	\$1,548,635	\$1,600,378	\$1,636,150	\$1,393,722	\$1,369,825
Pace Share of Regional Funds					
Sales Tax - Part I	\$92,119	\$95,683	\$97,162	\$82,038	\$81,150
PTF Match to Part I Sales Tax	4,253	4,315	4,509	4,048	3,827
Sales Tax II and PTF	57,163	58,835	59,371	53,195	47,225
Total Pace Share	\$153,535	\$158,833	\$161,042	\$139,281	\$132,202
Pace Funding as a Percent of Regional Funding					
PTF Match to Part I Sales Tax (RTA Discretionary)	2.0%	2.0%	2.0%	2.0%	2.0%
Sales Tax I and PTF I	8.8	8.8	8.8	8.8	8.8
Sales Tax II and PTF II	12.5	12.5	12.4	13.0	11.8
Total Receipts	9.9%	9.9%	9.8%	10.0%	9.6%

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 Pace, the RTA, and the other service boards (CTA and Metra) in accordance with the allocation shown in Table 4.

The estimated RTA sales tax funding mark for Pace is \$81.150 million for 2021. This represents approximately 10.5% of the total RTA region's estimate of \$778.482 million. The RTA estimate for Pace sales tax receipts is 1.0% less than 2020 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 and upcoming estimates for Part I sales tax revenue for both the region and Pace.

Public Transportation Fund (PTF) - Part I

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 as 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 2021, the RTA will provide Pace with 2.0% or \$3.827 million of the PTF match received for Part I Sales Tax revenue.

Federal 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 2021 to support the I-90 service initiative.

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 2021 to support the Regional Mobility Management Call Center (RMMCC).

Coronavirus Aid, Relief, and Economic Security (CARES) Act

An emergency assistance and health care program designed to provide relief for individuals, families, and businesses affected by the COVID-19 pandemic. Funding provided via the FTA was allocated to transit agencies which receive urbanized area and rural formula funds at 100 percent federal share, with no local match.

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 1/4 of 1% throughout the six-county region. An additional PTF grant from the State equal to 5% of total sales tax collections—both the Part I existing sales tax and the new additional 1/4% sales tax—was established.

The existing PTF match of 25% of sales tax was extended to the new 1/4% sales tax, bringing the total PTF match to 30%. Recent State of Illinois budgets have reduced the PTF contribution by 5%, which continues into ILFY21. Lastly, authorization for a Real Estate Transfer Tax (RETT) was created in the City of Chicago with the proceeds of the RETT and a State 25% match from PTF on the RETT going to the CTA.

Funds generated by the new package are pooled and then allocated by the state statute. The allocation for 2021 is as follows:

- \$157.285 million was allocated to Pace for the provision of the Regional ADA Paratransit Service, based on program requirements.
- \$21.321 million was allocated to Pace under the Suburban Community Mobility Fund (SCMF).
- \$10.661 million was allocated to the RTA for an Innovation, Coordination and Enhancement (ICE) fund, of which Pace expects to expend \$1.386 million.

- \$11.446 million was allocated to CTA for the 25% PTF match on RETT.
- The SCMF and RTA/ICE amounts are adjusted annually for sales tax performance (Table 6). The remaining balance is allocated to the CTA (48%), Metra (39%), and Pace (13%). In addition to these funds, the RTA is required to fund Pace an additional \$7.5 million annually for services in south Cook County.

Table 6 shows the allocation of the new funding sources for the 2021 RTA budget.

Suburban Community Mobility Fund (SCMF)

In 2021, the SCMF provides \$21.321 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. Pace is providing in excess of \$60 million in qualifying services; however, the decision as to whether these funds are used for new or existing services is made annually via the budget process. For 2021, Pace will use these funds to support existing services.

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

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. Pace currently expends in excess of \$26.0 million for services in south Cook County for two of its operating divisions—South and Southwest.

Table 6. Part II Regional Public Funding Distribution (000s)

	2021 Plan
New Sales Tax	\$268,617
Public Transportation Funds (PTF) II	131,353
Total Sales Tax II & PTF II	\$399,970
Distribution	
Regional ADA Paratransit Fund - Pace/RTA	\$157,285
Suburban Community Mobility Fund - Pace	21,321
RTA ICE Funds	10,661
25% PTF Match on RETT - CTA	11,446
Balance Available for Allocation	\$199,257
Service Board Distribution	
CTA - 48%	\$95,644
Metra - 39%	\$77,710
Pace - 13%	\$25,903
Total to Service Boards	\$199,257

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 2021 requirement is \$157.285 million.

Operating Revenue

Pace is budgeting \$38.184 million in Suburban Service operating revenue for 2021, a 30.3% decline from 2019 actuals. The decrease in operating revenue is in line with lower ridership levels in 2021; riders are estimated to be about 39.8% below 2019 actuals; other miscellaneous income and advertising revenue will decline about 60% from 2019.

Uses of Funds

All funds received in 2021 will be used to support Pace services. The components of the 2021 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 facilities in the six-county region. Together, these divisions—North, North Shore, Northwest, South, Southwest, West, Fox Valley, River, and Heritage—carry over 87% of the total suburban service ridership. Pace expects to expend \$115.423 million for these services in 2021. 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 \$3.603 million in 2021. 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. The total cost for privately contracted service in 2021 is \$2.926 million. Further information can be found on page 14.

Demand Response Services

Pace partners in 69 demand response projects throughout the six-county region. Services are operated by townships and local municipalities under contract with Pace or directly 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 2021 is \$18.787 million. Further information can be found on pages 15 and 16.

Vanpool Services

The 2021 budget for vanpool services is \$1.844 million. This program is comprised of three elements—the Vanpool Incentive Program (VIP) provides traditional commute vanpools, Advantage provides a transit alternative to individuals who commute on a regular basis to work sites or rehabilitative workshops, and the Employer Shuttle element allows suburban employers to shuttle employees to and from nearby transit connections. Pace expects this program to have 517 vans in service in 2021. 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 \$68.743 million to provide fuel, insurance, healthcare, and other support items in 2021. 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 2021 administrative budget, including debt service, is set at \$37.494 million. Further information can be found on page 20.

Regional ADA Support 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, Purchasing, IT and other departments) a credit is applied to the Suburban Service budget and allocated to the Regional ADA Paratransit Services budget. For 2021, the allocation is \$9.432 million.

Suburban Service

Table 7. Suburban Service Revenue Summary (000s)

	2019 Actual	2020 Estimate	2021 Budget
Operating Revenue			
Pace Divisions	\$32,141	\$16,380	\$19,825
Public/Municipal Contracted Services	1,503	688	1,373
Private Contract Services	1,713	911	591
Demand Response Services	11,412	10,567	10,781
Vanpool Services	2,293	1,148	2,194
Half-Fare Reimbursement	1,346	1,346	1,346
Investment/Other Income	2,193	1,235	914
Advertising Revenue	2,994	818	1,160
CARES Operating Assistance	0	19,689	19,644
Total Operating Revenue	\$55,595	\$52,782	\$57,828
Public Funding			
Sales Tax (Part I)	\$97,174	\$82,038	\$81,150
Sales Tax (Part II)	15,413	15,304	10,316
PTF (Part I)	4,509	4,048	3,827
PTF (Part II)	18,394	16,465	15,588
Suburban Community Mobility Fund (SCMF)	25,528	21,426	21,321
South Suburban Cook Job Access Fund	7,500	7,500	7,500
RTA Sales Tax (Part I)	0	247	0
RTA ICE Funds	440	1,423	1,211
Federal CMAQ/Enhanced Mobility Funds	6,692	7,893	6,070
CARES Funding Assistance	0	12,018	34,577
Total Public Funding	\$175,650	\$168,362	\$181,560
Total Source of Funds	\$231,245	\$221,144	\$239,388

Chart B. Sources of Funds (000s) - Total \$239,388

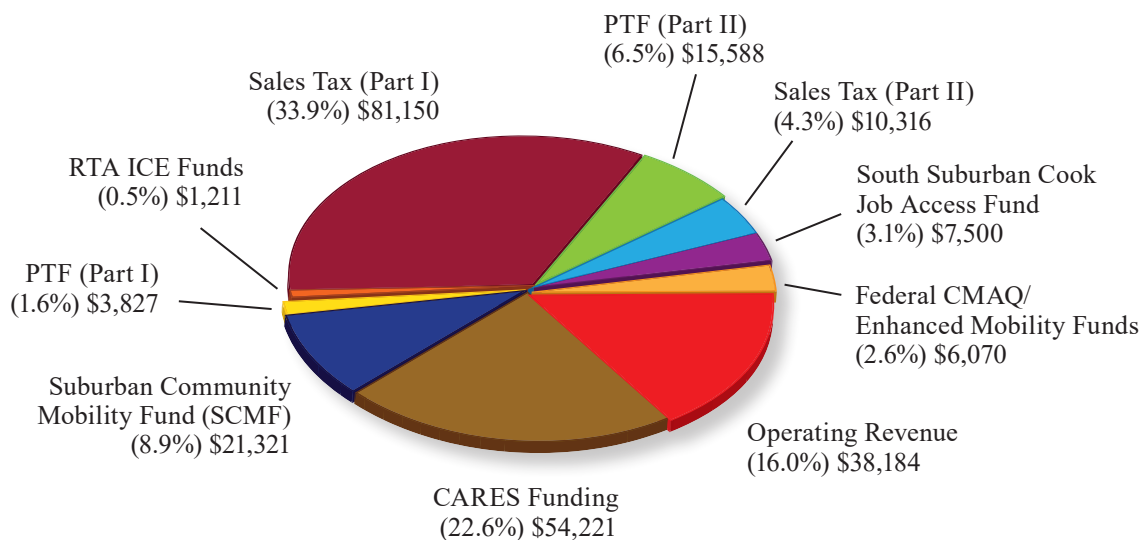


Table 8. 2021 Suburban Service Expense Summary (000s)

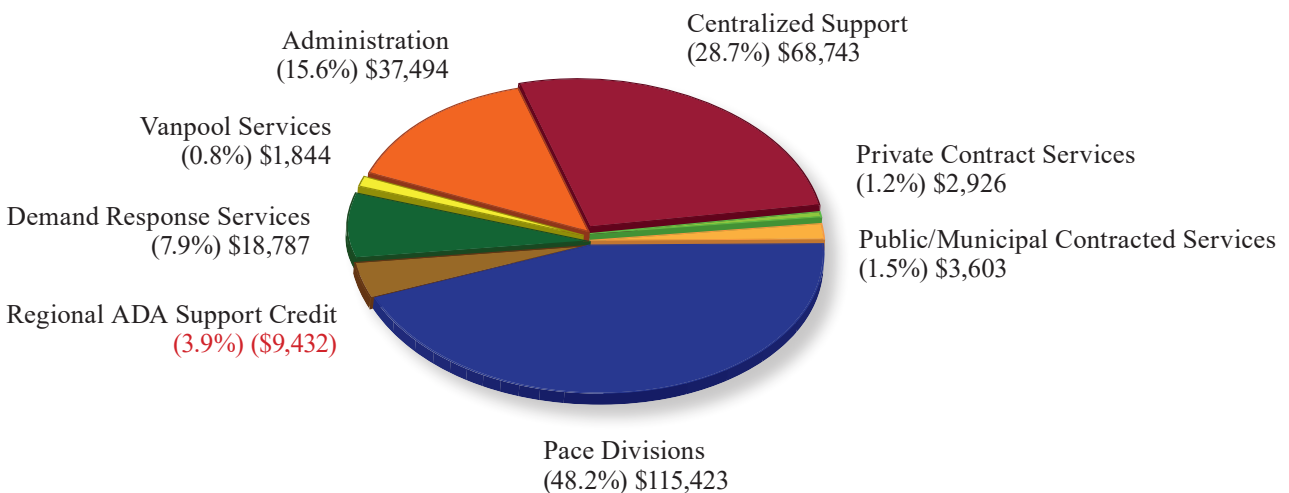
	2019 <u>Actual</u>	2020 <u>Estimate</u>	2021 <u>Budget</u>
Expenses			
Pace Divisions*	\$103,329	\$105,548	\$115,423
Public/Municipal Contracted Services	3,451	3,015	3,603
Private Contract Services	7,080	4,607	2,926
Demand Response Services**	18,201	11,935	18,787
Vanpool Services	2,228	1,573	1,844
Centralized Support	66,488	67,760	68,743
Administration***	33,477	35,833	37,494
Regional ADA Support Credit	(8,311)	(9,127)	(9,432)
Total Expenses	\$225,943	\$221,144	\$239,388
Net Funding Available	\$5,302	\$0	\$0
Recovery Rate	30.80%	30.30%	30.30%

*Pace Divisions expense reflects the reclassification of capital-eligible expenses of \$9.000 million in 2019 and 2020.

**Demand Response Services expense reflects reclassification of capital-eligible expenses of \$5.616 million in 2020.

***Includes Debt Service beginning in 2015.

Chart C. Uses of Funds (000s) - Total \$239,388



2021 Pace Divisions Budget

Pace operates fixed route service from nine facilities 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 Joliet, South in Markham, West in Melrose Park, and North in Waukegan. Combined, these carriers account for 87% of the system's suburban ridership.

In 2021, Pace will spend \$95.598 million to provide service in these areas. This represents a 7.2% increase over estimated 2020 levels.

Total revenue is expected to increase by 17.4% from 2020 to 2021 while total operating expenses will increase by 8.7%. This increase is due to the removal of the Preventative Maintenance credit in 2021.

Recovery performance will increase 1.7% at the divisions for 2021 due to the increase in operating expenses and revenue.

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

2021 Goals
Pace's efforts for 2021 include providing 15.2 million rides with a minimum recovery ratio of 17.18%.

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

	2019 Actual	2020 Estimate	2021 Budget
Revenue			
Pace Divisions	\$31,510	\$15,580	\$19,363
CMAQ/ICE	631	800	462
Total Revenue	\$32,141	\$16,380	\$19,825
Expenses			
Operations	\$74,839	\$72,160	\$72,380
CMAQ/ICE	6,205	7,789	6,888
Maintenance	10,326	13,023	19,545
Bus Parts/Supplies	3,164	2,719	6,012
Non-Vehicle Maintenance	2,964	3,604	3,684
General Administration	5,831	6,253	6,914
Total Expenses	\$103,329	\$105,548	\$115,423
Funding Requirement	\$71,188	\$89,168	\$95,598
Recovery Ratio	31.11%	15.52%	17.18%
Ridership	25,597	13,382	15,243
Vehicle Miles	27,817	24,572	22,179
Vehicle Hours	1,807	1,629	1,493
Full Time Equivalents (FTEs)	1,457	1,395	1,369

2021 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 2021. Combined, these services will provide 0.3 million rides and generate \$1.124 million in farebox and local share revenue. Total service expenditures will reach \$3.122 million in 2021, and net required funding will be \$1.603 million.

Schaumburg

Trolley service is provided in the Woodfield area of Schaumburg. The 2021 estimated cost of this service is \$0.481 million which will be partially funded by the Village of Schaumburg.



Pace provides trolley bus service to several locations in Schaumburg including Woodfield Mall, IKEA, the Streets of Woodfield, and the Schaumburg Convention Center.

2021 Goals

Pace's efforts for 2021 include providing 0.3 million rides with an overall recovery ratio of 38.11%.

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

	2019 Actual	2020 Estimate	2021 Budget
Revenue			
Highland Park	\$699	\$98	\$618
Niles	537	495	506
Schaumburg	267	95	249
Total Revenue	\$1,503	\$688	\$1,373
Expenses			
Highland Park	\$1,530	\$1,402	\$1,718
Niles	1,477	1,376	1,404
Schaumburg	444	237	481
Total Expenses	\$3,451	\$3,015	\$3,603
Funding Requirement	\$1,948	\$2,327	\$2,230
Recovery Ratio	43.55%	22.82%	38.11%
Ridership	553	166	316
Vehicle Miles	561	408	435
Vehicle Hours	49	39	46

2021 Private Contract Services Budget

In 2021, Pace will contract directly with two private transit providers for fixed route service in 48 different communities.

Private contractors doing business with Pace include:

- First Group
- MV Transportation

The cost of providing fixed route contracted service will decline 36.5% in 2021 from estimated 2020 levels due to the continuation of service suspensions, resulting from reduced ridership.

Operating revenue is projected to fall 65.5% from 2019 levels.

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

2021 Goals
2021 goals include providing service to 0.2 million riders.

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

	<u>2019 Actual</u>	<u>2020 Estimate</u>	<u>2021 Budget</u>
Revenue			
Private Contract	\$1,713	\$911	\$591
Total Revenue	\$1,713	\$911	\$591
Expenses			
Private Contract	\$7,080	\$4,607	\$2,926
Total Expenses	\$7,080	\$4,607	\$2,926
Funding Requirement	\$5,367	\$3,696	\$2,336
Recovery Ratio	24.19%	19.77%	20.19%
Ridership	1,042	403	212
Vehicle Miles	1,696	1,005	182
Vehicle Hours	106	59	4

2021 Demand Response Services Budget

Demand Response

Demand Response is available in a large portion of the Pace service area through 48 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 13 projects. In most cases, the local community operates the service referred to as Municipal Provided Service. For 2021, Pace's funding formula for service agreements is based on providing a subsidy of \$3.00 per trip or 75% of deficit (direct expense minus fare revenue), whichever is less (\$3.00/75%). As in past years, individual project funding will also be limited to the inflationary growth rate for 2021.

Pace contracts directly with private providers for the operation of 35 projects referred to as Contractor Provided Service. The communities served collaborate with Pace to provide financial support for these projects through local share agreements.

Coordinated Projects

Pace works closely with elected officials, local level staff, and human service agencies to coordinate funding and service delivery of paratransit services through a myriad of innovative coordinated projects in Cook, DuPage, Kane Lake, McHenry and Will Counties. These projects are designed by local coordinating councils to meet local needs. In addition, DuPage, Kane, Will, Lake, and McHenry Counties are managed by central mobility call centers. Pace has been nationally recognized for these innovative services. The coordinated projects are listed below:

- Ride DuPage - Implemented 2004
- TRIP (Cook County) - Implemented 2005
- Ride in Kane - Implemented 2008
- MCRide (McHenry County) - Implemented 2010
- Ride Lake West - Implemented 2011
- Will Ride - Implemented 2013
- Ride Lake Central - Implemented 2016

On Demand Service

In 2008, Pace launched its first On Demand service in West Joliet. On Demand service is a reservation-based, curb-to-curb demand response service that picks up riders and takes them anywhere within a designated geographic service area. This service differs from other demand response and ADA Paratransit services. On Demand services are designed to supplement the fixed route service by providing the first and/or last mile to connect people to the routes in the area. In addition to phone reservations, customers may book their reservation online through a link on the Pace website. Fares for the service are the same as the local fixed route service and vehicles are equipped with the Ventra® fare system. Pace currently operates the following 11 On Demand services throughout the region:

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

Community Transit Program

The Community Transit program allows local municipalities to provide flexible public transportation in their communities. Revenue for this program is projected at \$60,586 with 96 vehicles in service by year-end 2021. The 2021 budgeted recovery rate for this program is 99.85%.

The budget shown in Table 12 is based on the \$3.00/75% subsidy formula for local Demand Response and will provide \$18.787 million for all Demand Response services throughout the six-county region.

2021 Goals

Combined efforts will include carrying approximately 0.6 million riders while maintaining recovery performance at a level of 57.39%.

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

	2019 Actual	2020 Estimate	2021 Budget
Revenue			
Municipal Provided Service	\$3,029	\$2,970	\$3,069
Contractor Provided Service	1,621	1,358	1,357
On Demand	115	64	64
McHenry County - Includes MCRide	1,482	1,465	1,499
Ride DuPage	2,340	2,016	2,050
Ride in Kane	2,706	2,633	2,681
Community Transit	119	61	61
Total Revenue	\$11,412	\$10,567	\$10,781
Expenses			
Municipal Provided Service	\$3,558	\$3,269	\$3,367
Contractor Provided Service	3,528	3,197	3,307
On Demand	1,860	2,056	2,130
McHenry County - Includes MCRide	2,712	2,820	2,893
Ride DuPage	3,146	2,920	3,431
Ride in Kane	3,323	3,230	3,598
Community Transit	74	59	61
Total Expenses*	\$18,201	\$17,551	\$18,787
Recovery Rate			
Municipal Provided Service	85.12%	90.86%	91.13%
Contractor Provided Service	45.95%	42.47%	41.06%
On Demand	6.19%	3.13%	3.02%
McHenry County - Includes MCRide	54.63%	51.94%	51.80%
Ride DuPage	74.39%	69.05%	59.76%
Ride in Kane	81.45%	81.51%	74.50%
Community Transit	159.75%	102.85%	99.85%
Total Recovery Rate	62.70%	60.21%	57.39%
Ridership			
Municipal Provided Service	177	100	100
Contractor Provided Service	149	89	89
On Demand	94	63	63
McHenry County - Includes MCRide	136	96	96
Ride DuPage	107	62	62
Ride in Kane	98	65	65
Community Transit	207	104	104
Total Ridership	968	579	579

*Total expenses do not reflect reclassification of capital-eligible expenses of \$5.616 million in 2020.

2021 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. Pace estimates to have 517 vans in service by year-end 2021 providing 0.820 million rides. Revenue is forecasted to increase in 2021 due to ridership loss recovery from COVID-19, as well as increased participation in the VIP program.

Expenses are projected to grow 17.2% over 2020 levels and reflect an anticipated increase in fuel costs as well as added costs for a safety monitoring system for the Advantage program.

Pace's Vanpool program is comprised of three elements: Vanpool Incentive Program (VIP), Employer Shuttle, and Advantage program.

The budget for the Vanpool program is summarized in Table 13.

Vanpool Incentive Program

VIP is the core element of the program and is projected to achieve a ridership level of nearly 0.438 million rides with 163 vans in service by the end of 2021. The 2021 budgeted revenue is anticipated to increase from 2020 revenue due to a 5% increase in vans. Total expenses are projected to grow 23.6%, with most of the increase coming from the increase in van count as well as anticipated higher fuel expense related to both price and consumption. Recovery performance is budgeted at 223.48% for 2021.

Employer Shuttle Program

The Employer Shuttle Program provides vans to suburban employers to shuttle employees to and from nearby transit connections with CTA, Metra, and Pace. Pace will have 24 shuttle vans in service at the end of 2021—no change to 2020 levels. The 2021 budgeted recovery rate for this program is 93.12%.

Advantage Program

The Advantage program provides a transit alternative to individuals that commute on a regular basis to worksites or rehabilitative workshops supported by qualifying not-for-profit human service 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 for 2021 is expected to increase as riders return to the service, while the 14.7% growth in expense reflects the planned addition of a safety monitoring system. Pace estimates to have 330 vans in service at year-end. The recovery rate for the Advantage program is budgeted at 76.52% for 2021.

2021 Goals

Pace's efforts for the entire Vanpool program in 2021 include providing 0.820 million passenger trips and maintaining a recovery ratio of 119.02%.



Table 13. Vanpool Services Budget (000s)

	<u>2019 Actual</u>	<u>2020 Estimate</u>	<u>2021 Budget</u>
Revenue			
VIP	\$1,266	\$587	\$1,172
Employer Shuttle	55	72	72
Advantage	972	489	950
Total Revenue	\$2,293	\$1,148	\$2,194
Expense			
VIP	\$739	\$424	\$524
Employer Shuttle	76	66	77
Advantage	1,413	1,083	1,243
Total Expenses	\$2,228	\$1,573	\$1,844
Funding Requirement	(\$65)	\$425	(\$350)
Recovery Rate			
VIP	171.40%	138.19%	223.48%
Employer Shuttle	72.81%	109.54%	93.12%
Advantage	68.78%	45.16%	76.52%
Total Recovery Rate	102.94%	72.96%	119.02%
Ridership			
VIP	528	417	438
Employer Shuttle	51	33	33
Advantage	782	349	349
Total Ridership	1,361	799	820
Vehicle Miles			
VIP	3,872	2,154	3,597
Employer Shuttle	344	187	187
Advantage	3,769	1,521	1,521
Total Vehicle Miles	7,985	3,862	5,305
Vehicles in Service (year-end) - VIP	169	155	163
Vehicles in Service (year-end) - Employer Shuttle	24	24	24
Vehicles in Service (year-end) - Advantage	342	330	330
Total Vehicles in Service (year-end)	535	509	517

2021 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 \$68.743 million in 2021.

In 2020, Pace’s centralized support expense is estimated to end the year \$5.871 million below budgeted levels with savings in labor and fuel costs offsetting increased service and supply expenses associated with the coronavirus pandemic.

The 2021 centralized support budget will grow 1.7% over estimated 2020 levels, mostly due to growth in labor and fuel expenses.

The Operations component is comprised of 33.5 positions that provide support to all operations areas of Pace. Total operations expense will increase 6.0% from 2020 levels, mostly associated with fuel expenses.

Total fuel costs are projected to grow 9.2% in 2021. Fuel consumption, measured in gallons, will reach 5.2 million, an 8.7% drop from 2020 estimated consumption. The price for fuel is forecasted to rise 19.7% in 2021. For Pace, this represents a \$0.25 increase to \$1.52 per gallon. The price per gallon reflects the combined price per gallon

for diesel, CNG, and gasoline fuels used in providing suburban service.

The Maintenance component is comprised of 50.5 positions and includes both maintenance and materials management personnel. Total maintenance expense is projected to increase 1.9% from 2020 levels due to labor and fringe expenses.

The Non-Vehicle Maintenance component consists of 14 positions which provide support to all building maintenance and bus shelter functions. This area is expected to grow 0.4% in 2021 due to labor and fringe expenses.

The 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 0.7% in 2021. This is mostly associated with health insurance costs which are expected to decrease \$0.599 million, offsetting growth in other expenses.

2021 Goals

Pace’s 2021 budgetary efforts for centralized support will include constraining non-labor expenditures wherever possible while maintaining a maximum staffing level of 98 positions.

Further detail of the following table is provided in Appendix F.

Table 14. Centralized Support Budget (000s)

	2019 Actual	2020 Estimate	2021 Budget
Operations	\$5,544	\$5,477	\$5,568
Fuel	11,282	7,229	7,896
Maintenance	5,910	6,162	6,239
Non-Vehicle Maintenance	2,155	2,720	2,732
Administration	7,227	8,601	8,821
Liability Insurance	9,685	10,406	11,089
Healthcare	24,685	26,997	26,398
Total	\$66,488	\$67,592	\$68,743
Full-Time Equivalents (FTEs)	103	98	98

2021 Administrative Budget

The 2021 administrative budget is estimated to reach \$37.494 million. Pace will use 198.0 positions to manage the agency’s administrative responsibilities including accounting, financial and capital assistance programs, marketing, information systems, legal services, purchasing, 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 2020, administrative expenses are estimated to end the year 8.0% under the 2020 budget, but up 7.0% from 2019 levels. The growth is mostly driven by labor and outside services expenses.

The 2021 administrative budget will increase 4.6% over 2020 levels. Labor and fringes account for the majority of next year’s growth.

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

2021 Goals
Pace’s efforts for the administrative budget include constraining non-labor expense growth while maintaining a staffing level of 198.0 positions.

Table 15. Administrative Budget (000s)

	2019 Actual	2020 Estimate	2021 Budget
Non-Vehicle Maintenance	\$271	\$338	\$346
General Administration			
Labor/Fringe Benefits	\$22,235	\$23,112	\$24,045
Parts/Supplies	195	174	214
Utilities	357	679	720
Bond Interest	216	186	154
Other	10,203	11,344	12,015
Total Expenses	\$33,477	\$35,833	\$37,494
Full Time Equivalent (FTEs)	202.5	195	198

2021 Suburban Service Budget & Three-Year Business Plan

General

The following section presents Pace’s Suburban Service budget and three-year financial business plan for the period 2021 through 2023. The RTA Act requires that the service boards submit a budget and three-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 2021–2023 achieves this balance. The assumptions and highlights for the three years in review are provided in this section.

The plan presented for review includes the elimination of multiple routes that were suspended as a result of the coronavirus pandemic. While ridership is expected to grow 12.0% in 2021, it is only a small rebound from the 46.3% fall from 2019 actual expected in 2020. The outlook over the three-year plan is that baseline ridership will continue to recover in each year; however, 2023 ridership estimates are less than 75% of 2019 actual. Pace will use CARES funding to offset revenue losses; however, this funding is expected to run out in 2022, resulting in the need for operating revenue budget balancing actions of \$20.954 million in 2023.

While total public funding is forecasted to grow throughout the three-year planning horizon, this is only achieved through the use of CARES funding, which is projected to be exhausted in mid-2022. RTA sales tax is forecasted to fall 12.8% from 2019 actuals and an additional 5% for

2021 before rebounding in 2022 and 2023; however, 2023 RTA Sales Tax funding projections are 7.7% below 2019 actual. Pace expects to use \$34.577 million and the remaining \$6.401 million of CARES funding in 2021 and 2022, respectively, to offset the shortfall in public funding. Pace will require an additional \$28.864 million in 2022 and \$38.755 million in 2023 in public funding to meet Pace’s funding requirements in those years.

Federal funds have been programmed for use throughout all three years of this plan. Enhanced Mobility (Section 5310) funding for call center operations will run out in 2021 and CMAQ funding for I-90 service enhancements will be exhausted before the end of 2022, leaving only a small amount of Bus and Bus Facilities (Section 5339) funding that ends in 2023.

The budget and three-year financial plan are balanced to the funding levels provided by the RTA. Pace will have to implement fare adjustments and significant expense reductions if the sales tax outlook does not improve or additional funding is not available. Pace will use credits authorized by the RTA to achieve the 30.30% 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

	2020	2021	2022	2023
Change in Demand (Based on Total Ridership) ⁽¹⁾	(46.3%)	12.0%	9.6%	9.6%
T-Bill Rates (90 Day) ⁽²⁾	0.4%	0.1%	1.9%	2.1%
CPI-U (National) ⁽³⁾	1.5%	2.3%	2.6%	2.5%
Ultra-Low Sulfur Diesel Fuel (Price Growth)	(28.0%)	18.8%	2.6%	2.5%
Pace Public Funds (Sales Tax I) ⁽⁴⁾	(15.6%)	(1.1%)	6.0%	5.7%

⁽¹⁾ 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.

⁽²⁾ T-Bill rates are considered when forecasting investment income.

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

⁽⁴⁾ Reflects RTA sales tax estimates for Pace for the 2021 budget and three-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 70% and 75% of annual funding for operations. A list of baseline assumptions used to develop the Pace three-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

	2021	2022	2023
Fare Revenue	28.0%	8.5%	8.7%
Total Revenue	9.6%	6.1%	5.4%
Labor/Fringes*	5.5%	2.8%	2.5%
Healthcare	(2.8%)	7.4%	7.4%
Parts/Supplies*	58.8%	7.5%	7.2%
Purchased Transportation	(2.7%)	7.4%	11.6%
Utilities	6.6%	6.1%	6.0%
Insurance/Claims	6.6%	7.5%	7.2%
Fuel Cost	9.2%	7.9%	7.8%
<hr/>			
Fuel Cost - Suburban Service**	\$7.897 mil	\$8.519 mil	\$9.186 mil
Number of Gallons - Suburban Service	5.180 mil	5.407 mil	5.651 mil
Price per Gallon*	\$1.52	\$1.58	\$1.63
<hr/>			
Fuel Cost - Gasoline - Vanpool	\$0.714 mil	\$0.764 mil	\$0.816 mil
Number of Gallons - Vanpool	0.344 mil	0.359 mil	0.374 mil
Price per Gallon - Gasoline	\$2.08	\$2.13	\$2.18

*Growth rates for Labor/Fringes and Parts/Supplies reflect the end of reclassification of \$9.000 million of capital-eligible expenses in 2021.

**Fuel Cost and Price per Gallon forecasts reflect the introduction of CNG vehicles beginning in 2017.

Highlights – 2021 Budget & Three-Year Business Plan

Pace's 2021 budget presented in Table 18 is balanced using RTA Sales Tax funding and other federal funding, including CMAQ and CARES Act funds. CARES Act funds are used as both operating revenue and public funding assistance. For 2022, the plan is also balanced using CMAQ and CARES funding; however, both are expected to be exhausted in mid-2022 and Pace will need an additional \$28.864 million in public funding to balance to expected revenue and expenses. In 2023, Pace expects to need \$59.709 million in additional funding to balance to estimated expenses; \$20.954 million of the \$59.709 will be needed as system-generated revenue to meet Pace's 30.30% recovery ratio requirement.

For the three years, operating revenue before funding assistance is anticipated to grow at an annual compound rate of 7.0%. While this is significant growth from 2020 to 2023, it reflects the anticipated return of ridership to less than 75% of 2019 actual ridership by year-end 2023. With CARES operating revenue assistance through 2022

and the \$20.954 million needed to meet the recovery ratio requirement in 2023, the annual compound growth rate for operating revenue over the three-year period would be 5.8%.

Expenses will grow at an annual compound rate of 4.3% over the three-year period. Expense growth from 2021 to 2023 is associated with labor/fringe and inflationary expense growth and does not include any new efforts.

Total public funding before funding assistance is expected to grow at an annual compound rate of 3.4% over the three-year plan and includes both sales tax and non-CARES federal revenue sources. RTA Sales Tax funding is expected to rebound in 2022 and 2023 after falling nearly 5.0% in 2021 from 2020 levels. However, expected 2023 RTA Sales Tax funding is still nearly 7% below 2019 actual sales tax. Public funding, with CARES funding assistance and the additional necessary funding in 2022 and 2023 to balance to estimated expenses, would grow at a compound rate of 3.8%.



Suburban Service Budget & Three-Year Business Plan

Table 18. 2021-2023 Suburban Service Budget and Three-Year Business Plan (000s)

	2019 <u>Actual</u>	2020 <u>Estimate</u>	2021 <u>Budget</u>	2022 <u>Plan</u>	2023 <u>Plan</u>
Operating Revenue					
Farebox Revenue	\$36,050	\$17,979	\$23,014	\$24,959	\$27,128
Reduced Fare Reimbursement	1,346	1,346	1,346	1,346	1,346
Advertising	2,994	818	1,160	1,660	2,160
Local Share/Invest/Other/New Initiatives	15,205	12,950	12,664	12,976	13,117
Fare Adjustment	0	0	0	0	20,954
CARES Operating Assistance	0	19,689	19,644	20,428	0
Total Revenue	\$55,595	\$52,782	\$57,828	\$61,369	\$64,705
Operating Expenses					
Labor/Fringes	\$129,874	\$133,371	\$140,644	\$144,558	\$148,191
Healthcare	24,686	27,166	26,398	28,351	30,449
Parts/Supplies	6,166	5,816	9,233	9,922	10,636
Purchased Transportation	25,725	16,778	22,194	23,642	26,107
Fuel	12,394	7,693	8,611	9,321	10,042
Utilities	2,506	2,875	3,066	3,254	3,448
Insurance	9,685	10,407	11,089	11,918	12,778
Other*	23,218	26,165	27,585	28,308	28,887
Regional ADA Support Credit	(8,311)	(9,127)	(9,432)	(9,714)	(10,006)
Total Expenses	\$225,943	\$221,144	\$239,388	\$249,559	\$260,531
Funding Requirement	\$170,348	\$168,362	\$181,560	\$188,190	\$195,826
Public Funding					
Sales Tax (Part I)	\$97,174	\$82,038	\$81,150	\$86,019	\$90,923
Sales Tax (Part II)	15,413	15,304	10,316	11,428	11,974
Suburban Community Mobility Fund (SCMF)	25,528	21,426	21,321	22,601	23,889
South Suburban Job Access Fund	7,500	7,500	7,500	7,500	7,500
PTF (Part I)	4,509	4,048	3,827	4,191	4,430
PTF (Part II)	18,394	16,465	15,588	17,044	18,015
RTA Sales Tax (Part I)	0	247	0	0	268
RTA ICE Funds	440	1,423	1,211	0	0
Federal CMAQ/Enhanced Mobility	6,692	7,893	6,070	4,142	72
CARES Funding Assistance	0	12,018	34,577	6,401	0
Budget Balancing Action	0	0	0	28,864	38,755
Total Public Funding	\$175,650	\$168,362	\$181,560	\$188,190	\$195,826
Net Funding Available	\$5,302	\$0	\$0	\$0	\$0
Recovery Ratio	30.80%	30.30%	30.30%	30.30%	30.30%

*Other includes Debt Service

Pace Suburban Service Projected Cash Flow - 2021

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 2021.

Table 19. Pace Suburban Service Projected Cash Flow Summary - 2021 (000s)

	<u>Beginning Balance</u>	<u>Revenue</u>	<u>Expense</u>	<u>Net Results</u>	<u>Ending Balance</u>
January	\$62,281	\$20,116	\$20,047	\$69	\$62,350
February	62,350	20,266	19,417	849	63,200
March	63,200	21,826	24,468	(2,643)	60,557
April	60,557	17,812	19,417	(1,605)	58,952
May	58,952	17,683	19,417	(1,734)	57,218
June	57,218	18,898	20,545	(1,648)	55,570
July	55,570	18,649	19,417	(768)	54,802
August	54,802	18,883	19,417	(534)	54,268
September	54,268	19,363	21,413	(2,049)	52,219
October	52,219	20,272	19,417	854	53,073
November	53,073	19,098	19,417	(319)	52,754
December	52,754	26,524	22,690	3,834	56,588



2021 Regional ADA Paratransit Operating Budget

Summary

The 2021 Regional ADA Service program is summarized below and detailed throughout this section. The table below shows total operating expenses will reach \$174.978 million in 2021—up 3.6% or \$6.073 million over estimated 2020 levels. Revenue will increase by 15.1% or \$1.219 million to \$9.298 million. The ADA program will receive \$165.680 million in funding, the amount identified as available by the RTA for 2021.

The estimate for 2020 shows the ADA program will finish unfavorable to the amended budget by \$31.428 million. The additional cost is due to the transition to single rides, which lowered productivity. Also, Pace retained ADA Paratransit drivers to maintain driver availability to comply with the Families First Coronavirus Response Act.

In 2021, total ridership is expected to grow by 19.1% over the 2020 estimate, reaching 2.587 million trips. This growth is accommodated by the projected funding level of \$165.680 million.

The 2021 Regional ADA Paratransit program is balanced to the \$165.680 million funding mark and will achieve a 10.00% recovery ratio using capital cost and other credits allowed by the RTA.



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

	2019 <u>Actual</u>	2020 <u>Estimate</u>	2021 <u>Budget</u>
Total Operating Expenses	\$183,924	\$168,905	\$174,978
Less: Total Operating Revenue	15,078	8,079	9,298
Funding Requirement	\$168,846	\$160,826	\$165,680
Less:			
Sales Tax & PTF (Part II)	\$160,451	\$121,003	\$157,285
State Funds	8,395	8,395	8,395
ADA Paratransit Fund	0	31,428	0
Net Funding Available	\$0	\$0	\$0
Recovery Ratio	10.44%	10.00%	10.00%

Regional ADA Paratransit Sources of Funds

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

ADA 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.

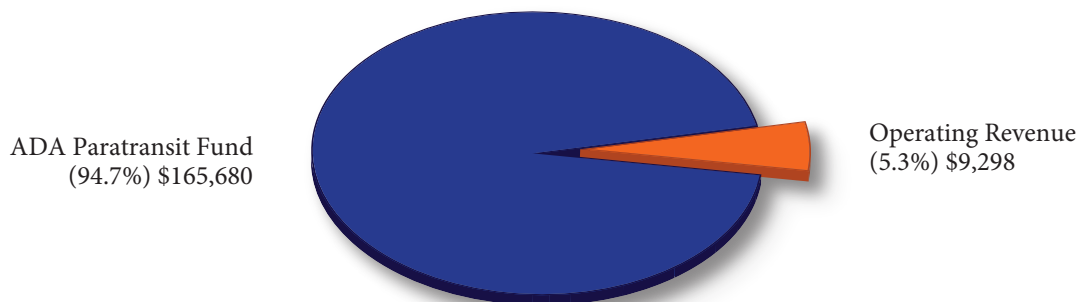
In 2012, the RTA Act was amended to increase the ADA Fund level to \$115 million. The amendment also states

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 \$165.680 million for 2021, which includes \$8.395 million in state funding. This level of funding will represent 94.7% 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 2021, Pace will continue to be reimbursed for certification and recertification trips by the RTA. In 2021, operating revenue will represent \$9.298 million, or 5.3% of the total funds available to the ADA Paratransit program.

Chart D. ADA Sources of Funds (000s) - Total \$174,978



Regional ADA Paratransit Uses of Funds

All funds received in 2021 will be used to provide and support ADA Paratransit services. The major components of the ADA program consist of city 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 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 city ADA services, suburban ADA services, and TAP are included in Table 21.

City ADA Services

Pace provides all ADA service within the City of Chicago. For 2021, Pace expects to spend \$137.475 million for city ADA service. The majority of these expenditures (93.4%) will be spent on service delivery through private contractors, including fuel. The balance includes costs for insurance, administration, and costs related to trips for certifying ADA-eligible participants.

Taxi Access Program

Pace is responsible for the provision of subsidized taxi service to ADA-eligible riders in the City of Chicago. Pace will spend \$3.211 million for TAP in 2021.

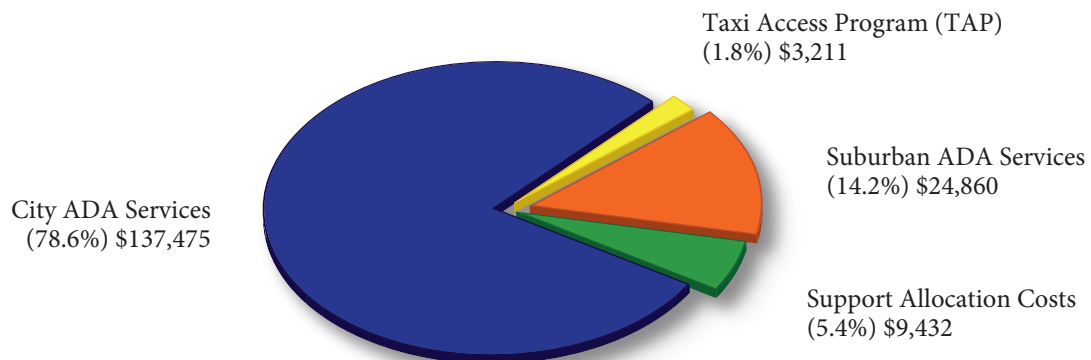
Suburban ADA Services

For 2021, Pace will spend \$24.860 million for suburban ADA service. Costs for contracted service in the suburbs will account for 94.4% of the total cost, including fuel. Similar to the city service, the balance includes costs for insurance, administration, and costs related to trips for certifying ADA-eligible participants.

Support Allocation Costs

There are administrative support costs that Pace incurs on behalf of managing and operating the ADA program. For 2021, Pace will incur \$9.432 million in overhead support costs that will be allocated to the Regional ADA program.

Chart E. ADA Uses of Funds (000s) - Total \$174,978



2021 Regional ADA Paratransit Program Budget - City/Suburban Detail

Pace's 2021 revenue, expense, and funding requirements for the Regional ADA Paratransit program are presented in Table 21 below. The estimates for 2020 and the budget for 2021 are broken down into city, TAP, and suburban components.

The 2021 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% by the RTA Act. In determining compliance with the 10% requirement, the RTA allows the use of capital credits to expense, consistent with federal capital cost of contracting provisions. The purpose of the capital expense exemption from the recovery rate calculation is to exclude those capital costs—similar to the exclusion of capital costs from the calculation of the regional recovery ratio.

Table 21. 2021 Regional ADA Paratransit Program Budget - City/Suburban Detail (000s)

Revenue	2020 Estimate			2021 Budget			Net Change 2020-2021
	City	Suburban	Region Total	City	Suburban	Region Total	
Fares—Contract	\$5,144	\$1,667	\$6,812	\$4,903	\$1,687	\$6,590	(\$222)
Fares—TAP	336	0	336	567	0	567	231
RTA Certification	257	188	445	1,177	714	1,891	1,446
Investment Income/Other	0	0	486	0	0	250	(236)
Total Revenue	\$5,737	\$1,855	\$8,079	\$6,647	\$2,401	\$9,298	\$1,219
Expenses							
Contract Services	\$119,036	\$24,373	\$143,409	\$123,815	\$21,457	\$145,272	\$1,863
TAP Services	2,501	0	2,501	3,211	0	3,211	710
Fuel	2,292	1,537	3,828	4,603	2,008	6,611	2,783
Insurance	809	0	809	933	0	933	124
Administration	7,812	681	8,493	7,044	740	7,784	(709)
RTA Certification	436	302	738	1,080	655	1,735	997
ADA Support Allocation	0	0	9,127	0	0	9,432	305
Total Expenses	\$132,886	\$26,893	\$168,905	\$140,686	\$24,860	\$174,978	\$6,073
Funding Requirement	\$127,149	\$25,038	\$160,826	\$134,039	\$22,459	\$165,680	\$4,854
Public Funding	\$0	\$0	\$160,826	\$0	\$0	\$165,680	\$4,854
Net Funding Available	0	0	0	0	0	0	0
Recovery Ratio	10%	10%	10%	10%	10%	10%	0%
Base Ridership—Contract	1,342	455	1,797	1,529	524	2,053	256
Total Ridership—Contract	1,520	508	2,028	1,812	586	2,398	370
Ridership—TAP	145	0	145	189	0	189	44
Ridership—Total	1,665	508	2,173	2,001	586	2,587	414

Regional ADA Budget & Three-Year Business Plan

The following section presents Pace’s Regional ADA Paratransit Budget and Three-Year Business Plan for the period 2021 through 2023.

In summary, the 2021 ADA Paratransit budget is balanced to the \$165.680 million funding mark set by the RTA. The two out-years of the plan achieve the funding marks presented by the RTA and the 10% 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 Business Plan, specifically service related elements such as contractor costs, demand and fuel, are shown in Table 22.

Highlights – 2021 Budget and Three-Year 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 7.0%. Revenue growth is consistent with the annual compound growth rate for ridership—6.8%.

Expenses will grow at an annual compound rate of 4.3% during the three-year period, consistent with demand as well as price increases.

Total ADA funding requirement is growing at an annual compound rate of 4.1% 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

	2021	2022	2023
Contractor Costs - City*	4.5%	3.5%	5.7%
Contractor Costs - Suburban*	(12.0%)	2.5%	8.7%
Demand - City	15.5%	0.0%	5.0%
Demand - Suburban	15.3%	0.0%	5.0%
Fuel Costs - ADA	\$6.611 mil	\$6.781 mil	\$7.296 mil
Number of Gallons - ADA	3.097 mil	3.097 mil	3.252 mil
Price per Gallon - ADA	\$2.13	\$2.19	\$2.24

*Contractor cost growth rates for 2021 include costs incurred to retain ADA Paratransit drivers to maintain driver availability to comply with the Families First Coronavirus Response Act.

Regional ADA Paratransit Budget & Three-Year Business Plan

Table 23. 2021-2023 Regional ADA Paratransit Budget and Three-Year Business Plan (000s)

	<u>2019 Actual</u>	<u>2020 Estimate</u>	<u>2021 Budget</u>	<u>2022 Plan</u>	<u>2023 Plan</u>
Operating Revenue					
Fares	\$11,989	\$7,148	\$7,157	\$7,157	\$7,515
Certification Revenue	1,789	445	1,891	1,938	2,084
Investment Income/Other	1,300	486	250	250	250
Total Revenue	\$15,078	\$8,079	\$9,298	\$9,345	\$9,849
Operating Expenses					
Labor/Fringes	\$4,040	\$4,169	\$4,294	\$4,423	\$4,555
Health Care	683	863	885	907	930
Administrative Expense	3,281	3,461	2,605	2,671	2,737
Fuel	2,448	3,828	6,611	6,781	7,296
Insurance/Claims	991	809	933	957	981
RTA Certification Trips	1,484	738	1,735	1,779	1,912
Suburban ADA Purchased Transportation	26,778	24,373	21,457	22,000	23,912
City ADA Purchased Transportation	130,901	119,036	123,815	128,221	135,561
TAP & Mobility Direct Services	5,007	2,501	3,211	3,211	3,372
Regional ADA Support Allocation	8,311	9,127	9,432	9,715	10,006
Total Expenses	\$183,924	\$168,905	\$174,978	\$180,665	\$191,262
Funding Requirement	\$168,846	\$160,826	\$165,680	\$171,320	\$181,414
Public Funding					
Sales Tax and PTF (Part II)	\$160,451	\$121,003	\$157,285	\$162,925	\$173,019
State Funds	8,395	8,395	8,395	8,395	8,395
ADA Paratransit Fund	0	31,428	0	0	0
Total Public Funding	\$168,846	\$160,826	\$165,680	\$171,320	\$181,414
Net Funding Available	\$0	\$0	\$0	\$0	\$0
Recovery Ratio	10.44%	10.00%	10.00%	10.00%	10.00%

Pace Regional ADA Paratransit Projected Cash Flow - 2021

The following table provides an estimate of Pace’s 2021 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. Pace Regional ADA Paratransit Projected Cash Flow Summary - 2021 (000s)

	Beginning Balance	Revenue	Expenses	Net Results	Ending Balance
January	\$15,686	\$13,882	\$14,581	(\$699)	\$14,987
February	14,987	13,882	14,581	(699)	14,288
March	14,288	13,882	14,581	(699)	13,589
April	13,589	13,882	14,581	(699)	12,890
May	12,890	13,882	14,581	(699)	12,191
June	12,191	13,882	14,581	(699)	11,492
July	11,492	13,882	14,581	(699)	10,793
August	10,793	13,882	14,581	(699)	10,094
September	10,094	13,882	14,581	(699)	9,395
October	9,395	13,882	14,581	(699)	8,696
November	8,696	13,882	14,581	(699)	7,997
December	7,997	22,276	14,587	7,689	15,686



Suburban Service Capital Budget & Five-Year Business Plan

Invest in Transit is the Regional Transit Strategic Plan for Chicago and northeastern Illinois that was developed by the RTA in collaboration with the service boards and stakeholders. This strategic plan outlines the region’s case for pursuing dependable funding streams that will enable its vision of public transit as the core of the region’s robust transportation mobility network.

In June 2019, the Illinois General Assembly passed *Rebuild Illinois*, a package of legislation to fund a variety of infrastructure projects, including more than \$3.7 billion for the service boards. The funding components included \$228 million for Pace to address priority capital projects and additional discretionary funds that will be distributed to the service boards by the RTA. The bill also established a “PAYGO” fund as an ongoing, reliable funding source for future capital needs.

The RTA Budget and Capital Program Call (Budget Call) defines the items that the service boards should use to develop their Five-Year Capital Program in accordance with the capital program strategic core requirements and goals identified through the performance-based capital allocations committee developed collaboratively by the RTA and Service Boards in 2020:

Strategic core requirements of the Capital Program:

- Enhance Safety and Security
- Achieve Full Accessibility
- Meet Regulatory Requirement
- Improve Equity

Strategic goals from *Invest in Transit*:

- Deliver Value on our Investment
- Build on the Strengths of Our Network
- Stay Competitive

These requirements and goals allow the RTA to adequately evaluate the service boards’ capital budgets, coordinate resource allocation, and ultimately recommend adoption of the consolidated regional budget, as outlined in the RTA Act. The RTA has opted to postpone allocating federal formula and state PAYGO capital funding amounts to the service boards in the 2025 marks, to allow for further evaluation of the performance-based capital allocation process.

Per the 2021 RTA Budget Call, the service boards are also required to submit their updated Transit Asset Management (TAM) Plans with their proposed Budget and Capital Program submittal. TAM is a business model that prioritizes funding based on the condition of transit assets to achieve or maintain transit networks in a State of Good Repair (SGR). 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 5307/5339 federal funds that own, operate, or manage public transportation capital assets. This final rule required public transportation providers to have an initial TAM plan in place by October 1, 2018. Pace successfully met this federal requirement.

TAM plans must include an asset inventory, condition assessments of inventoried assets, and a prioritized list of investments to improve the State of Good Repair (SGR) of their capital assets. This final rule also establishes SGR standards and performance measures. Transit providers are required to set performance targets for their capital assets based on the 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 25. Estimated Pace Five-Year State Capital Funding (000s)

	2021	2022	2023	2024	2025	Total
Funding Sources						
Bond Funds	\$48,550	\$4,750	\$43,500	\$41,975	\$0	\$138,775
PAYGO	11,350	11,350	11,350	11,350	0	45,400
Total	\$59,900	\$16,100	\$54,850	\$53,325	\$0	\$184,175

2021 Suburban Service Capital Program/Project Descriptions

Capital Budget Mark Assumptions

The RTA’s preliminary funding marks include estimated federal, state, and other funds that are anticipated to be available to the region for capital investment purposes. The 2021 Capital Program marks provide Pace \$44.580 million of 5307 and 5339 federal formula funds, \$48.550 million of state bond funds, \$11.350 million of state PAYGO funds, and \$1.386 million of RTA Innovation, Coordination, and Enhancement (ICE) funds.

Table 26. Pace 2021 Capital Program Marks (000s)

Funding Sources	Amount
Federal 5307/5339	\$44,580
State Bonds	48,550
PAYGO	11,350
RTA ICE	1,386
Total	\$105,866

Funding Summary

The 2021 Suburban Capital Program totals \$105.866 million. Most of this funding will be used for projects needed to bring the Pace system toward a state of good repair. The capital program which is constrained to the funding available, includes the following:

Rolling Stock (\$73.430 Million)

- 115 Fixed Route CNG Buses (\$63.250 million)
- 28 Paratransit Vehicles (\$1.983 million)
- 8 Community Transit/On Demand Vehicles (\$0.600 million)
- Engine/Transmission Retrofits & Associated Capital (\$7.597 million)

Operating Cost Impacts

Pace’s average fleet age is 7.5 years for fixed route, 5.0 years for paratransit, and 4.5 years for Community Transit/On Demand vehicles. The typical life expectancy is 12 years for fixed route buses and four years for paratransit and Community Transit/On Demand vehicles. Vehicle replacements and engine/transmission retrofits will lower maintenance costs. Pace projects \$1.1 million in

fuel savings annually by replacing 115 diesel buses with buses that are propelled by compressed natural gas (CNG).

Electrical/Signal/Communications (\$1.486 Million)

- Transit Signal Priority (\$1.386 million): Procurement and installation of radio equipment on fixed route buses.
- Intelligent Bus System (\$0.100 million): Replacement of twelve bidirectional amplifiers and filters.

Support Facilities & Equipment (\$25.900 Million)

- Computer Systems/Hardware & Software (\$1.100 million): Projects include upgrades, licenses, and training for Hastus route-scheduling software, RideCheck ridership data software, ArcGIS (geographic information system) software, and the Pace website. Procurement of digital screens for the interior of buses is also included.
- Support Equipment/Non-Revenue Vehicles (\$0.500 million): Purchase of 18 compact SUVs and one minivan with wheelchair ramp.
- Farebox System Replacement (\$6.000 million): Procurement of replacement fareboxes and related equipment, software, and services.
- Northwest Wheeling Garage (\$10.000 million): Continued funding to complete construction of a bus storage and maintenance facility in Wheeling to replace the existing Northwest Division garage in Des Plaines.
- Plainfield Garage (\$8.300 million): Continued funding to complete construction of a new bus storage and maintenance facility in Plainfield to support Pace’s growth of the Bus on Shoulder program in the I-55 corridor.

Operating Cost Impacts

Once operational, the Northwest Wheeling garage is projected to result in a decrease of \$1.1 million in annual fuel expenses (by using compressed natural gas) and a decrease of \$350,000 in annual lease expenses (by consolidating the Vanpool and print shop offices into this facility), which will be offset by a \$585,000 annual increase

in utilities/maintenance expenses and \$550,000 annual increase in bus routing expenses. The Plainfield garage is projected to result in an annual increase of \$550,000 in utilities/maintenance expenses and \$160,000 in bus routing expenses once operational, assuming local routes are transitioned from Pace's Heritage garage. Farebox system replacement will improve the reliability of cash collections and increase system-generated revenue.

Stations & Passenger Facilities (\$2.650 Million)

- Passenger Facilities (\$0.120 million): Fabrication of a new Ventra® Machine for the O'Hare multimodal facility.
- Bus Stop Shelters (\$1.330 million): Engineering drawings, manufacture, and installation of bus stop shelters, concrete pads, and benches, including a heated bus shelter at the Waukegan Metra station.
- Bus Tracker (\$0.600 million): Production of new electric signs and associated installation costs.
- Pulse Dempster Line Easements (\$0.600 million): To conduct utility and construction work in the Dempster corridor for Pulse stations.

Operating Cost Impacts

Maintenance and utility costs of shelters will be incurred by Pace's ad agency, and therefore are operating cost neutral. Bus Tracker signs funded in 2021 are estimated to have annual electrical and maintenance costs of approximately \$4,000 total.

Miscellaneous (\$2.400 Million)

- Vision Plan Implementation Study (\$1.000 million): Consulting services to include a system-wide market analysis and proposed service restructuring plan that will address the goals and objectives of Pace's *Driving Innovation Strategic Vision Plan*.
- Project Management (\$1.000 million): Consulting services to assist Pace in the successful delivery of priority capital projects funded by *Rebuild Illinois*.
- Transit Asset Management (TAM) (\$0.400 million): Consulting services for TAM plan updates, including condition assessments of Pace facilities.

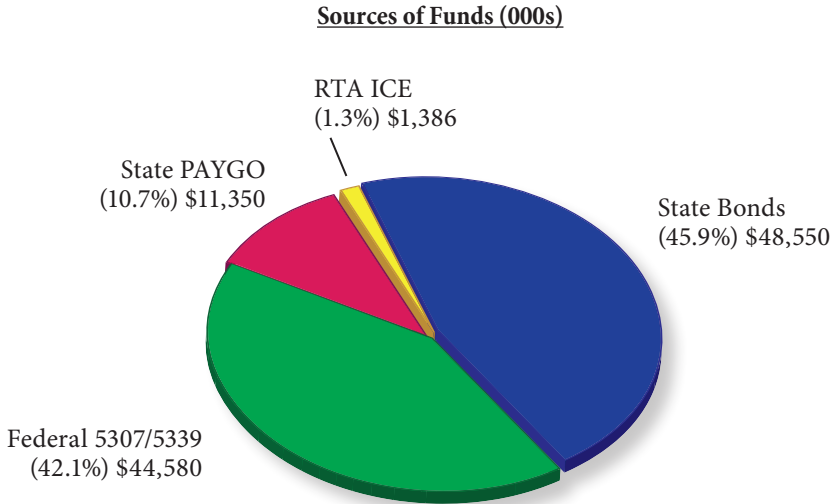


Capital Budget Suburban Service

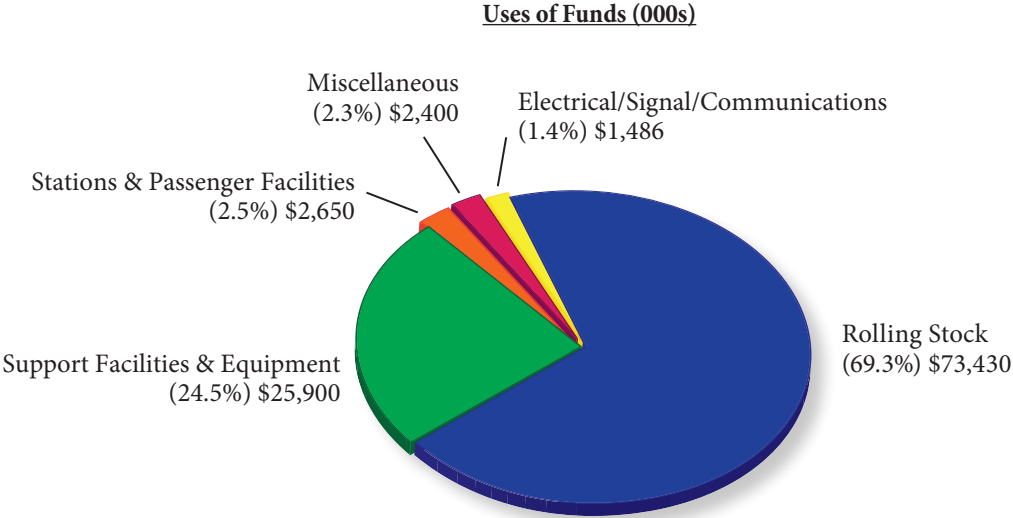
Table 27. Suburban Service 2021 Capital Program (000s)

	Total Budget	Federal 5307/5339	State Bonds	PAYGO	RTA ICE
Rolling Stock					
115 Fixed Route CNG Buses	\$63,250	\$33,000	\$30,250	\$0	\$0
28 Paratransit Vehicles	1,983	1,983	0	0	0
8 Community Transit/On Demand Vehicles	600	600	0	0	0
Engine/Transmission Retrofits & Assoc. Capital	7,597	7,597	0	0	0
Subtotal	\$73,430	\$43,180	\$30,250	\$0	\$0
Electrical/Signal/Communications					
Transit Signal Priority	\$1,386	\$0	\$0	\$0	\$1,386
Intelligent Bus System	100	0	0	100	0
Subtotal	\$1,486	\$0	\$0	\$100	\$1,386
Support Facilities & Equipment					
Computer Systems/Hardware & Software	\$1,100	\$0	\$0	\$1,100	\$0
Support Equipment/Non-Revenue Vehicles	500	0	0	500	0
Farebox System Replacement	6,000	0	0	6,000	0
Northwest Wheeling Garage	10,000	0	10,000	0	0
Plainfield Garage	8,300	0	8,300	0	0
Subtotal	\$25,900	\$0	\$18,300	\$7,600	\$0
Stations & Passenger Facilities					
Passenger Facilities	\$120	\$0	\$0	\$120	\$0
Bus Stop Shelters	1,330	0	0	1,330	0
Bus Tracker Signs	600	0	0	600	0
Pulse Dempster Line Easements	600	0	0	600	0
Subtotal	\$2,650	\$0	\$0	\$2,650	\$0
Miscellaneous					
Vision Plan Implementation Study	\$1,000	\$1,000	\$0	\$0	\$0
Project Management	1,000	0	0	1,000	0
Transit Asset Management	400	400	0	0	0
Subtotal	\$2,400	\$1,400	\$0	\$1,000	\$0
Total 2021 Suburban Capital Program	\$105,866	\$44,580	\$48,550	\$11,350	\$1,386
2021 Marks	\$105,866	\$44,580	\$48,550	\$11,350	\$1,386

Chart F. 2021 Suburban Service Capital Program - Sources/Uses of Funds (000s) - Total \$105,866



Over 56% of Pace funding is expected to be from state sources.



Over 69% of the Pace program will be allocated to rolling stock.

Capital Funding Sources

The following section explains capital funding sources available to Pace.

State Funding

In June 2019, the Illinois General Assembly passed *Rebuild Illinois*, a package of legislation to fund a variety of capital infrastructure projects, including approximately \$340 million for Pace. The legislation included \$228 million in earmarks for Pace, additional discretionary bond funds, and established a “PAYGO” fund as an ongoing, reliable funding source for future capital needs. Specific pieces of legislation included Senate Bill 1939 related primarily to revenue for transportation projects, Senate Bill 690 related primarily to revenue sources for other construction, House Bill 62 containing capital appropriations and specific projects, as well as House Bill 142 authorizing bonding.

Federal Formula and Discretionary Funding

Historically, federal formula capital funds have been allocated among the service boards at the following percentages: 58% to the CTA, 34% to Metra, and 8% to Pace. The federal formula funds, which include Section 5307/5340 Urbanized Area and Section 5339 Bus and Bus Facilities, are expected to total \$182.374 million for Pace for 2021-2024. For 2025, the RTA has opted to postpone allocating federal formula capital funding amounts to the service boards, to allow for further evaluation of the capital funding allocation process.



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:

- Better Utilizing Investments to Leverage Development (BUILD) – funds investments in surface transportation infrastructure such as roads, bridges, transit, rail, ports, or intermodal transportation.
- 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 (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.
- Congestion Mitigation and Air Quality (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) – Section 3006(b) of the FAST Act created a discretionary program for coordinated access and mobility to assist in financing innovative projects for the transportation disadvantaged. Federal Emergency Management Agency (FEMA) grants – funds programs to prevent, protect against, respond to, recover from, and mitigate terrorism and other disasters and emergencies.
- Low or No-Emission Vehicle (5339(c)) – provides funding to purchase or lease low or no emission buses or to lease, construct, or rehabilitate facilities to support low or no emission buses.
- Transportation Infrastructure Finance and Innovation Act (TIFIA) – provides credit assistance for large-scale, surface transportation projects.

Pace's garage in Wheeling will feature buses that are fueled with compressed natural gas (CNG).



PHOTO BY GUY TRIDGELL

Governor Pritzker announcing “Rebuild Illinois” legislation, which provides state funding for Pace capital projects.

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. Pace has elected to use 2021-2023 ICE funds of \$4.408 million toward capital expenses, with ICE funding estimates not yet available from RTA for 2024-2025. The RTA is also expected to issue \$130 million in bonds to support the 2021-2025 regional capital program. Although these bond funds have historically been allocated 50% to CTA, 45% to Metra, and 5% to Pace, all of these bond funds are expected to be allocated to Metra in 2023.

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. This Public Act was 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.

This page intentionally left blank.

2021-2025 Five-Year Suburban Service Capital Business Plan

The RTA preliminary funding marks for Pace’s 2021-2025 Five-Year Suburban Capital Plan totals \$370.957 million, comprised of \$182.374 million in federal funds, \$184.175 million in state funds, and \$4.408 million in RTA Innovation, Coordination and Enhancement (ICE) funds.

The following list is a summary of Pace’s Five-Year Capital Plan constrained to the funding Pace expects to receive.

Rolling Stock (\$211.224 Million)

- 78 Fixed route diesel buses
- 133 Fixed route CNG buses
- 13 Fixed route coach buses
- 298 Paratransit vehicles
- 89 Community Transit/On Demand vehicles
- 164 Vanpool vehicles
- Engine/transmission retrofits & associated capital

Electrical/Signal/Communications (\$12.658 Million)

- Transit Signal Priority
- Intelligent Bus System

Support Facilities & Equipment (\$77.750 Million)

- Improve support facilities
- Computer systems/hardware & software
- Support equipment/non-revenue vehicles
- Farebox system replacement
- Northwest Wheeling garage
- Plainfield garage
- North Shore Division expansion
- Southwest Division expansion
- Office equipment/furniture

Stations & Passenger Facilities (\$63.925 Million)

- Improve passenger facilities
- Bus stop shelters/signs
- Bus tracker
- Pulse Dempster Line easements
- I-55 park-n-rides
- I-294 stations and park-n-rides

Miscellaneous (\$5.400 Million)

- Vision plan implementation study
- Project management
- Transit Asset Management

Table 28. Pace 2021–2025 Five-Year Capital Program (000s)

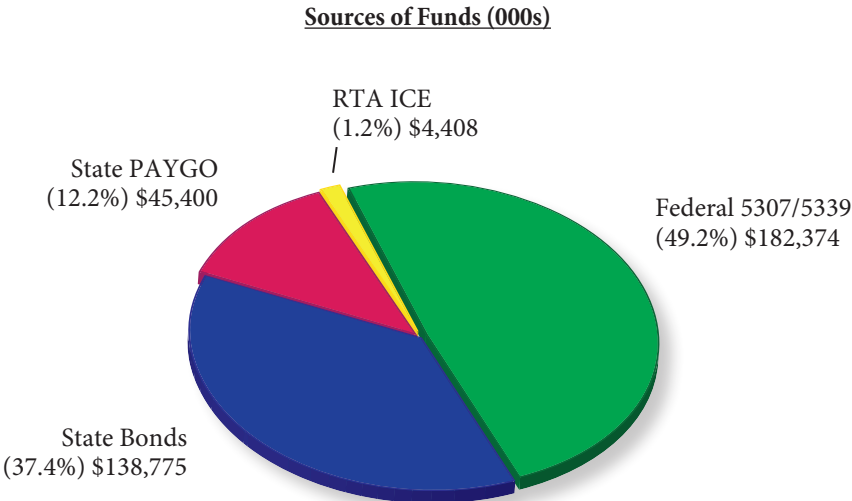
Funding Source	Amount
Federal 5307/5339	\$182,374
State Bonds	138,775
PAYGO	45,400
RTA ICE	4,408
Total	\$370,957

Capital Budget Suburban Service

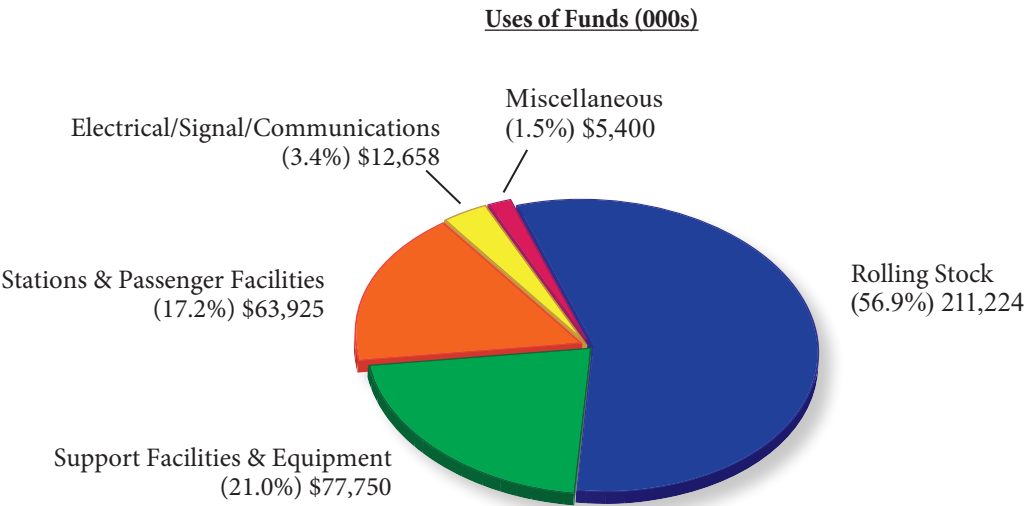
Table 29. 2021-2025 Five-Year Suburban Service Capital Business Plan (000s)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
Rolling Stock Quantities						
Fixed Route Diesel Buses	0	15	36	27	0	78
Fixed Route CNG Buses	115	18	0	0	0	133
Fixed Route Coach Buses	0	0	0	13	0	13
Paratransit Vehicles	28	105	29	136	0	298
Community Transit/On Demand Vehicles	8	27	27	27	0	89
Vanpool Vehicles	0	0	82	82	0	164
Rolling Stock						
Fixed Route Diesel Buses	\$0	\$7,500	\$18,000	\$13,500	\$0	\$39,000
Fixed Route CNG Buses	63,250	9,900	0	0	0	73,150
Fixed Route Coach Buses	0	0	0	9,750	0	9,750
Paratransit Vehicles	1,983	7,403	2,043	9,564	0	20,993
Community Transit/On Demand Vehicles	600	2,025	2,025	2,025	0	6,675
Vanpool Vehicles	0	0	3,280	3,280	0	6,560
Engine/Trans Retrofits & Associated Capital	7,597	18,421	20,580	8,498	0	55,096
Subtotal	\$73,430	\$45,249	\$45,928	\$46,617	\$0	\$211,224
Electrical/Signal/Communications						
Transit Signal Priority	\$1,386	\$1,469	\$1,553	\$2,000	\$0	\$6,408
Intelligent Bus System	100	2,300	1,500	2,350	0	6,250
Subtotal	\$1,486	\$3,769	\$3,053	\$4,350	\$0	\$12,658
Support Facilities & Equipment						
Improve Support Facilities	\$0	\$500	\$1,500	\$1,500	\$0	\$3,500
Computer Systems/Hardware & Software	1,100	1,000	1,500	1,500	0	5,100
Support Equipment/Non-Revenue Vehicles	500	500	850	500	0	2,350
Farebox System Replacement	6,000	4,000	0	0	0	10,000
Northwest Wheeling Garage	10,000	0	0	0	0	10,000
Plainfield Garage	8,300	0	0	0	0	8,300
North Shore Division Expansion	0	2,000	18,000	0	0	20,000
Southwest Division Expansion	0	2,000	16,000	0	0	18,000
Office Equipment/Furniture	0	0	500	0	0	500
Subtotal	\$25,900	\$10,000	\$38,350	\$3,500	\$0	\$77,750
Stations & Passenger Facilities						
Improve Passenger Facilities	\$120	\$500	\$1,500	\$10,475	\$0	\$12,595
Bus Stop Shelters/Signs	1,330	1,000	1,500	1,500	0	5,330
Bus Tracker Signs	600	550	1,500	1,000	0	3,650
Pulse Dempster Line Easements	600	0	0	0	0	600
I-55 Park-n-Rides	0	750	6,000	0	0	6,750
I-294 Stations & Park-n-Rides	0	0	3,500	31,500	0	35,000
Subtotal	\$2,650	\$2,800	\$14,000	\$44,475	\$0	\$63,925
Miscellaneous						
Vision Plan Implementation Study	\$1,000	\$0	\$0	\$0	\$0	\$1,000
Project Management	1,000	1,000	1,000	1,000	0	4,000
Transit Asset Management	400	0	0	0	0	400
Subtotal	\$2,400	\$1,000	\$1,000	\$1,000	\$0	\$5,400
Grand Total - Constrained	\$105,866	\$62,818	\$102,331	\$99,942	\$0	\$370,957

Chart G. 2021-2025 Suburban Service Capital Business Plan - Sources/Uses of Funds (000s) - Total \$370,957



Nearly half of Pace funding is expected to be from federal sources.



A majority of the Pace program will be allocated to rolling stock.

This page intentionally left blank.

2021-2025 Regional ADA Paratransit Five-Year Capital Program

Overview

In June 2019, the Illinois General Assembly passed *Rebuild Illinois*, a package of legislation to fund a variety of capital infrastructure projects, including mass transit. Pace is designating \$15.8 million of this funding toward the Regional ADA program in the 2021-2025 Regional ADA Paratransit Five-Year Capital Program.

Based on input from the riding public, Pace’s two ADA Advisory Committees, and disability advocacy groups, Pace is developing several upgrades to improve the customer experience, including:

- Trapeze Software: The scheduling and database system will be upgraded to the newest version, paired with new servers and other hardware to improve service. Drivers will be provided tablets for better communication of trip information and GPS location.
- TripCheck: This online tool, which allows riders to view or cancel trips online, will be improved with the ability to also book trips (which currently must be done via phone). Enhancements to the “Where’s my Bus” feature will allow riders to track vehicle location on a map. In addition, a TripCheck smartphone app will be developed to make the process more user-friendly.
- TripCheck IVR: For customers without online access or who prefer to use the phone, the TripCheck Interactive Voice Response system will allow riders to review and cancel trips, eliminating the need to call the carrier directly.
- Notifications: Riders will be able to receive text or email notifications such as trip booking confirmation, cancellation, vehicle arrival, next day itinerary, and rider no-show alerts.
- Payments: While customers must currently pay with cash or coupons, soon Ventra® cards will be able to be used to pay for paratransit fares. In addition, Taxi Access Program (TAP) card upgrades will include an improved user portal.
- Transfer Locations: In areas with frequent transfers, funding will be used to purchase land, build facilities, and provide amenities for riders. These locations are planned to have security features, such as cameras, for improved customer safety. Pace has identified a location that is adjacent to the Northwest Transportation Center in Schaumburg that is planned to be the first of these transfer locations.

Table 30. Regional ADA Paratransit Five-Year Capital Program (000s)

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
\$4,000	\$4,000	\$4,000	\$3,800	\$0	\$15,800

This page intentionally left blank.

Combined Suburban Service/ADA Budget & Three-Year Business Plan

Pace’s Combined Budget and Three-Year Business Plans are included in the table below. A table presenting anticipated cash flows for 2021 has also been provided on the following page.

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

Table 31. Combined Suburban Service/ADA Budget & Three-Year Business Plan (000s)

	<u>2019 Actual</u>	<u>2020 Estimate</u>	<u>2021 Budget</u>	<u>2022 Projected</u>	<u>2023 Projected</u>
Suburban Service					
Revenue	\$55,595	\$52,782	\$57,828	\$61,369	\$64,705
Expenses	225,943	221,144	239,388	249,559	260,531
Funding Requirement	\$170,348	\$168,362	\$181,560	\$188,190	\$195,826
Public Funding	175,650	168,362	181,560	188,190	195,826
Net Funding Available	\$5,302	\$0	\$0	\$0	\$0
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$9,975	\$12,510	\$6,373	\$1,310	(\$1,590)
Net Operating Results	5,302	0	0	0	0
Less: Change in Capital-Related Borrowing	1,200	1,200	1,200	1,200	1,200
Less: Capital Expended from Fund Balance	1,567	4,937	3,863	1,700	1,573
Ending Balance	\$12,510	\$6,373	\$1,310	(\$1,590)	(\$4,363)
Regional ADA Paratransit Service					
Revenue	\$15,078	\$8,079	\$9,298	\$9,345	\$9,849
Expenses	183,924	168,905	174,978	180,665	191,262
Funding Requirement	\$168,846	\$160,826	\$165,680	\$171,320	\$181,413
Public Funding	168,846	160,826	165,680	171,320	181,413
Net Funding Available	\$0	\$0	\$0	\$0	\$0
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$0	\$0	\$0	\$0	\$0
Net Operating Results	0	0	0	0	0
Less: Capital Expended from Fund Balance	0	0	0	0	0
Ending Balance	\$0	\$0	\$0	\$0	\$0
Combined Service					
Revenue	\$70,673	\$60,861	\$67,126	\$70,714	\$74,554
Expenses	409,867	390,049	414,366	430,224	451,793
Funding Requirement	\$339,194	\$329,188	\$347,240	\$359,510	\$377,239
Public Funding	344,496	329,188	347,240	359,510	377,239
Net Funding Available	\$5,302	\$0	\$0	\$0	\$0
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$9,975	\$12,510	\$6,373	\$1,310	(\$1,590)
Net Operating Results	5,302	0	0	0	0
Less: Change in Capital-Related Borrowing	1,200	1,200	1,200	1,200	1,200
Less: Capital Expended from Fund Balance	1,567	4,937	3,863	1,700	1,573
Ending Balance	\$12,510	\$6,373	\$1,310	(\$1,590)	(\$4,363)

Combined Suburban Service/ADA Cash Flow

The following table provides an estimate of 2021 revenue, expense, and the 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 2021. Pace’s combined cash position appears balanced and sufficient to meet next year’s needs.

┌ Pace’s combined cash position for Suburban
Service and Regional ADA Paratransit
Service is sufficient for 2021. └

Table 32. Pace Combined Services Projected Cash Flow Summary - 2021 (000s)

	<u>Beginning Balance</u>	<u>Revenue</u>	<u>Expense</u>	<u>Net Results</u>	<u>Ending Balance</u>
January	\$77,967	\$33,998	\$34,628	(\$630)	\$77,337
February	77,337	34,148	33,998	150	77,488
March	77,488	35,708	39,049	(3,342)	74,146
April	74,146	31,694	33,998	(2,304)	71,842
May	71,842	31,565	33,998	(2,433)	69,409
June	69,409	32,780	35,126	(2,347)	67,062
July	67,062	32,531	33,998	(1,467)	65,595
August	65,595	32,765	33,998	(1,233)	64,362
September	64,362	33,245	35,994	(2,748)	61,614
October	61,614	34,154	33,998	155	61,769
November	61,769	32,980	33,998	(1,018)	60,751
December	60,751	48,800	37,277	11,523	72,274

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 2021, the administration category is budgeted at 198 filled full-time equivalent (FTEs) positions. The central support category is budgeted at 98 filled FTE positions. No additional positions are authorized in either category.

The Pace divisions category is comprised of nine garages and is budgeted at 1,369 filled FTE positions for 2021. This is a decrease of 26 positions over 2020 estimated levels, reflecting modified and suspended service as a result of the coronavirus pandemic.

The Regional ADA Paratransit category includes 44.5 filled FTE positions for 2021.

Pace's administrative functions are organized into four main units: Internal Services, Revenue Services, and External Relations, which report to the General Manager/Chief Operating Officer, and Strategic Services, which reports to the Chief Planning Officer/Chief of Staff. The General Manager and Chief Planning Officer report to the Executive Director. The Compliance Office, General Counsel, Internal Audit, Human Resources, Professional Development and Training, and Communications Office also report directly to the Executive Director.

All areas of the organization are shown in Chart H. An overview of each department's duties and responsibilities is presented on the following pages.

Table 33. Full-Time Equivalent Personnel (FTEs)

	Admin	Central Support	Pace Divisions	Total
2019 Actual				
Operations	0	37	1,138	1,175
Maintenance	0	53	266	319
Non-Vehicle Maintenance	0	14	16	30
Administration	203	0	37	240
Suburban Service	203	103	1,457	1,763
Regional ADA Paratransit	45	0	0	45
Total	247	103	1,457	1,807
2020 Estimated				
Operations	0	33	1,075	1,108
Maintenance	0	52	267	319
Non-Vehicle Maintenance	0	14	16	30
Administration	195	0	37	232
Suburban Service	195	98	1,395	1,688
Regional ADA Paratransit	45	0	0	45
Total	240	98	1,395	1,733
2021 Budget				
Operations	0	34	1,049	1,083
Maintenance	0	51	267	318
Non-Vehicle Maintenance	0	14	16	30
Administration	198	0	37	235
Suburban Service	198	98	1,369	1,665
Regional ADA Paratransit	45	0	0	45
Total	243	98	1,369	1,710

Chart H. Pace Organizational Chart

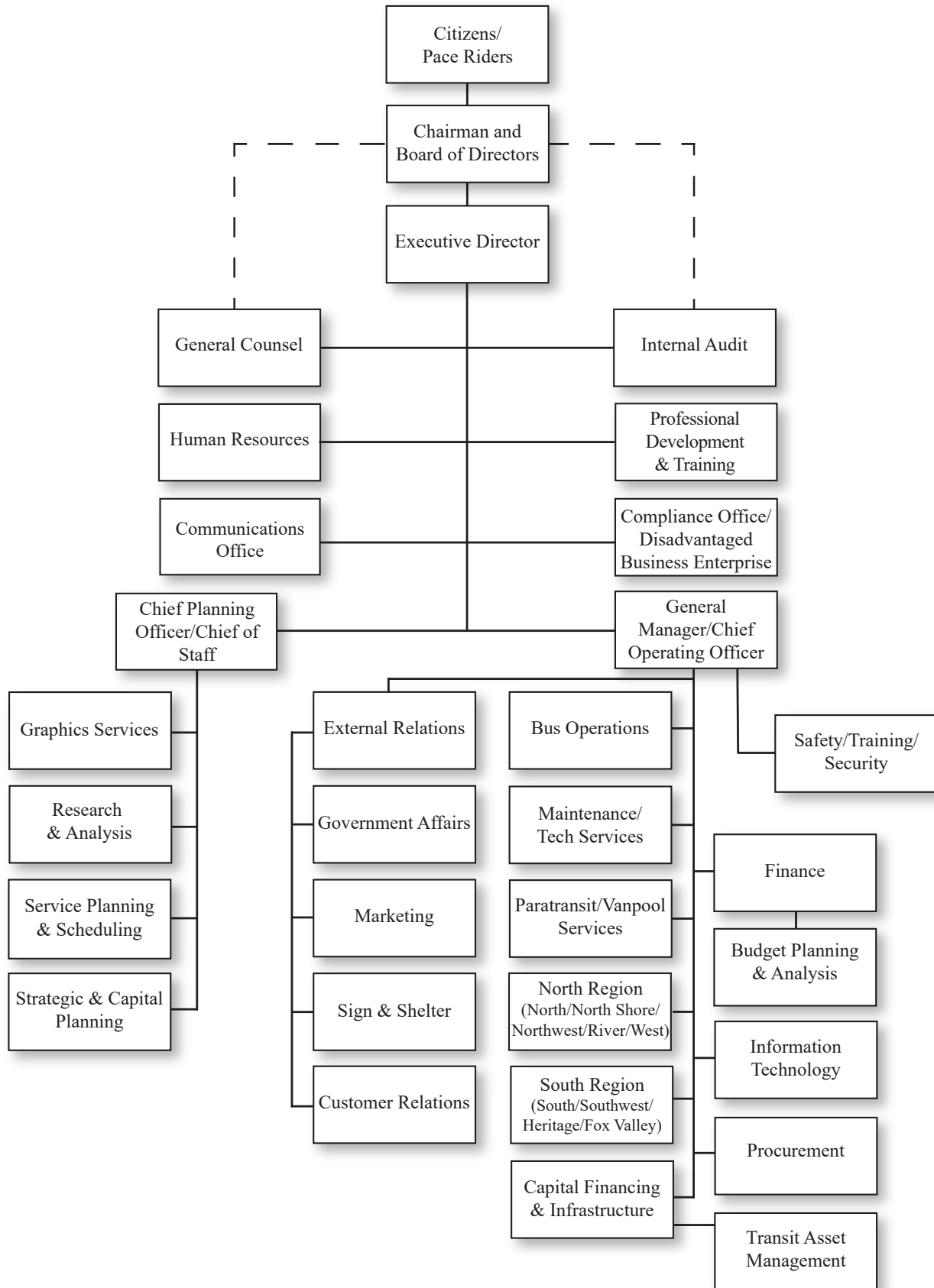


Table 34. Pace's 2021 Operating Budget - Department Budgeted Positions (FTEs)

Suburban Service	2019 Actual	2020 Estimate	2021 Budget	Regional ADA	2019 Actual	2020 Estimate	2021 Budget
Office of the Executive Director	4.0	4.0	4.0	City ADA Paratransit	42.5	42.5	42.5
General Counsel	12.0	12.5	12.5	Suburban Service Allocation	5.0	6.0	6.0
Internal Audit	8.0	8.0	8.0	Total Regional ADA	47.5	48.5	48.5
Human Resources	10.0	10.0	10.0	Total Suburban & Regional ADA	1,846.0	1,785.5	1,759.5
Professional Development & Training	2.0	2.0	2.0	Suburban Svc Vacancy Factor	(31.0)	(43.0)	(40.0)
Compliance Office/DBE	3.0	3.0	3.0	Regional ADA Vacancy Factor	(3.0)	(4.0)	(4.0)
Communications Office	2.0	2.0	2.0	ADA Allocation	(5.0)	(6.0)	(6.0)
New Initiatives	0.5	0.5	0.5	Total - With Vacancy Factors	1,807.0	1,732.5	1,709.5
Total	41.5	42.0	42.0				
General Manager/ Chief Operating Officer	5.0	5.0	5.0				
Bus Operations	10.5	10.5	10.5				
Maintenance/Tech Services	32.5	32.5	32.5				
Vanpool	19.5	19.5	19.5				
Paratransit	10.0	10.0	10.0				
Safety/Training/Security	6.0	6.0	6.0				
Pace Divisions:							
Bus Operators	1,061.0	998.0	972.0				
Operations Supervisors	77.0	77.0	77.0				
Maintenance	266.0	267.0	267.0				
Non-Vehicle Maintenance	16.0	16.0	16.0				
Administration	37.0	37.0	37.0				
Internal Services	3.0	3.0	3.0				
Capital Financing & Infrastructure	26.0	26.0	26.0				
Budget Planning & Analysis	5.0	5.0	5.0				
Procurement	39.0	39.0	39.0				
Finance	30.0	30.0	30.0				
Information Technology	42.0	42.0	42.0				
External Relations	1.0	2.0	2.0				
Government Affairs	10.0	10.0	10.0				
Marketing	4.0	3.0	3.0				
Customer Relations	4.0	4.0	4.0				
Sign & Shelter	5.0	5.0	5.0				
Total	1,709.5	1,647.5	1,621.5				
Chief Planning Officer/ Chief of Staff	2.0	2.0	2.0				
Service Planning & Scheduling	15.0	15.0	15.0				
Strategic & Capital Planning	10.0	10.0	10.0				
Research & Analysis	12.5	12.5	12.5				
Graphics Services	8.0	8.0	8.0				
Total	47.5	47.5	47.5				
Total Suburban Service	1,798.5	1,737.0	1,711.0				

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.

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

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

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

Professional Development and Training: Responsible for providing centralized project management services including standardization of processes, tracking, reporting, and communication. Training and development for the agency is also managed through this office.

Compliance Office/DBE: 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. Also responsible for Disadvantaged

Business Enterprise (DBE) compliance with regulatory requirements. Sets DBE performance goals, assesses and reports on program performance.

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

General Manager/Chief Operating Officer

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.

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

Paratransit/Vanpool Services: Responsible for the management of Pace's suburban paratransit program, vanpool program, and Regional ADA Paratransit program.

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

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. Two Regional Managers are responsible for day-to-day operations of fixed route services and all related activities including, but not limited to, employment, work assignment, collective bargaining, equipment and facility maintenance, reporting, and employee safety oversight (in coordination with the Safety Department).

Capital Financing and Infrastructure: Responsible for real estate management, design, engineering and construction of all fixed facilities, environmental management, and facility maintenance management. Oversees Transit Asset Management activities.

Budget Planning and Analysis: Responsible for operating and capital 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.

Procurement: Responsible for directing and coordinating all purchasing and procurement activities and contracting services, including materials management of parts and supply inventories at Pace divisions.

Finance: Responsible for managing Pace's financial activities including accounting, treasury and revenue accounting, debt management, grants administration, and purchasing card program. Produces monthly and annual financial statements, national transit database reporting, and all regulatory financial compliance reporting. Oversees the 401(k) plan and pension plan performance.

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.

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

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 schedule information to Pace customers. Administers customer management system for tracking customer complaints, produces customer complaints metrics, and follows up with responsible business units.

Sign and Shelter: Responsible for installation and maintenance of Pace's network of bus stop shelters and signage. Oversees field activities for ad shelter program contractors.

Chief Planning Officer/Chief of Staff

Service Planning and 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-picks (work schedules).



Pace Headquarters is located at 550 West Algonquin Road, Arlington Heights, IL 60005

Strategic and Capital Planning: Responsible for middle to long-range strategic planning. Programs include the Rapid Transit Network, Intelligent Transportation Systems, Transportation Engineering, Transit Supportive Guidelines, and Transportation Demand Management.

Research and 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.

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

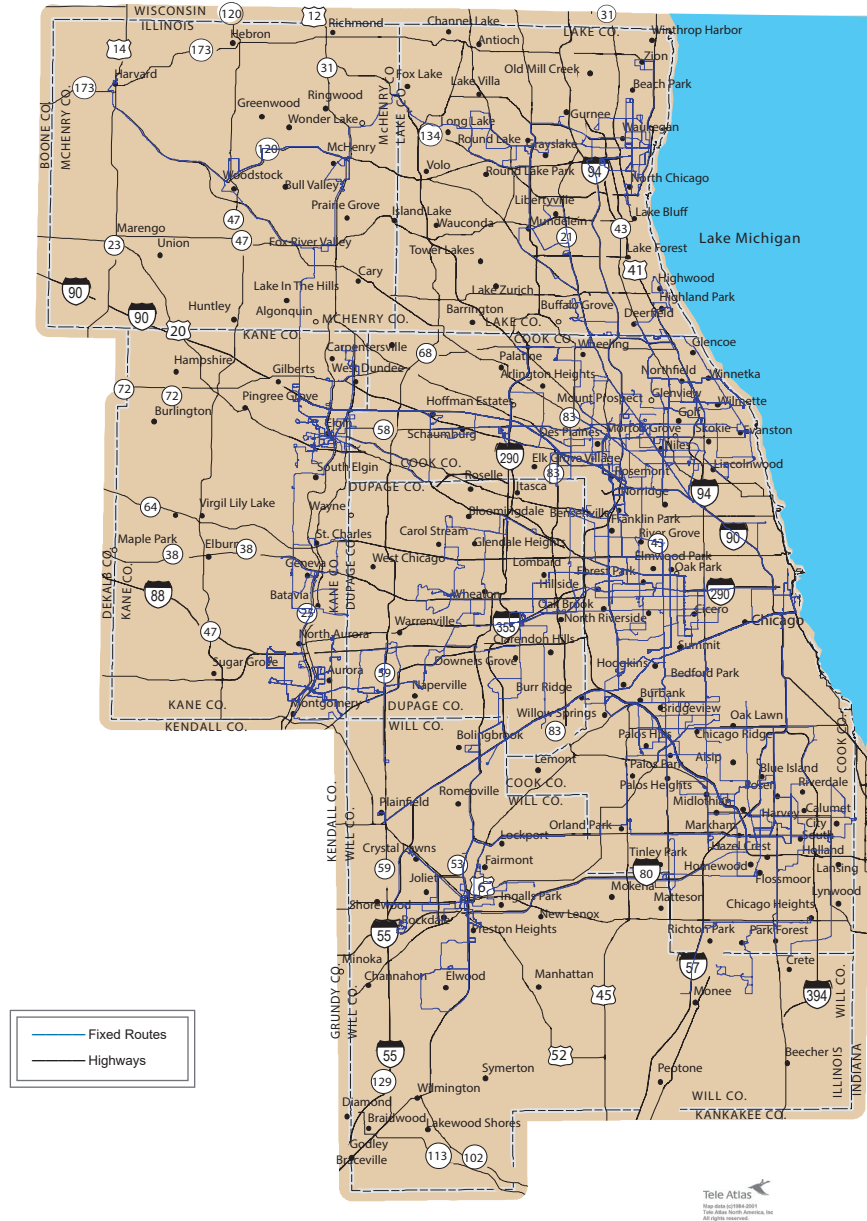
Fixed Route Service Characteristics

The following description and map summarize the operating characteristics of the fixed route system.

Fixed Route Service

159 regular, 42 feeder, 19 shuttle, and numerous seasonal routes are operated by Pace. These routes serve 203 communities and carry over 1.625 million rides per month utilizing 462 vehicles during peak periods. All routes are fully wheelchair accessible.

Map 1. Fixed Route Service Characteristics



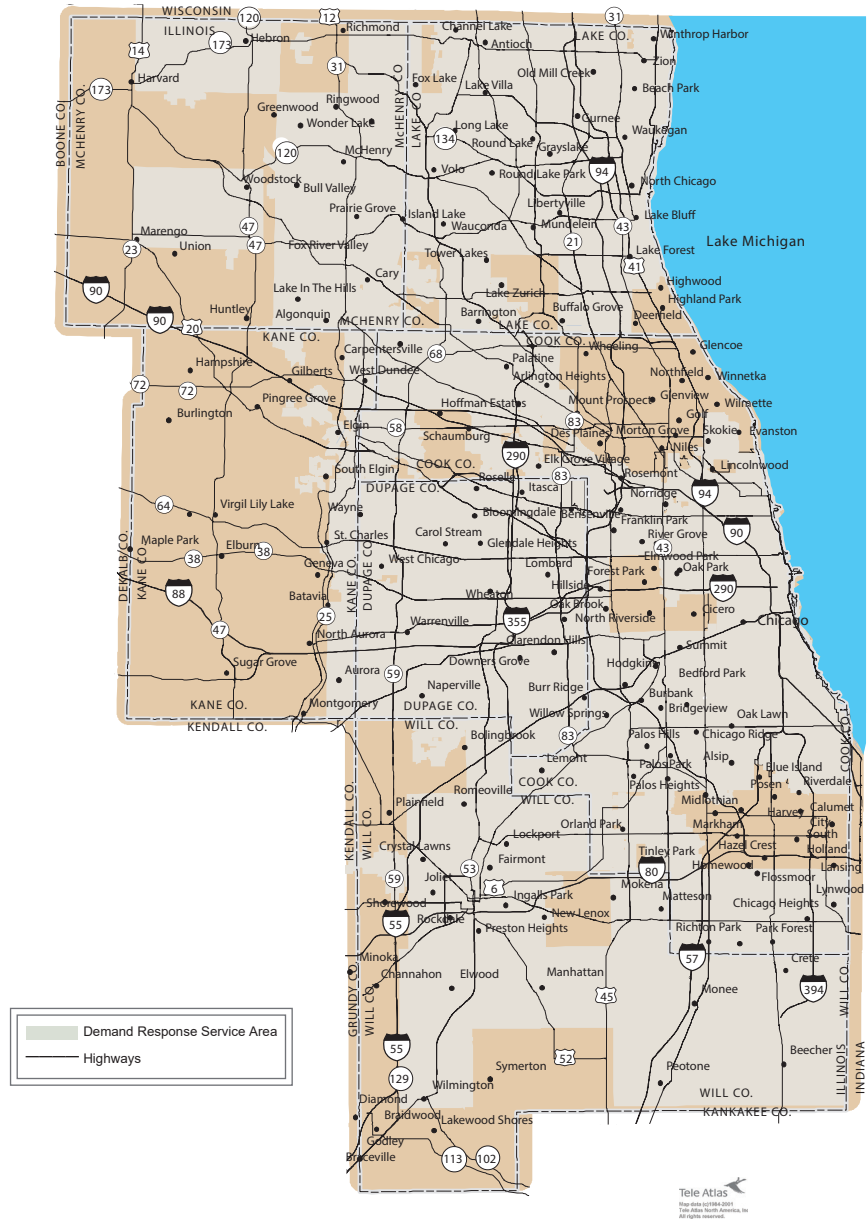
Demand Response Service Characteristics

The following description and map summarize the operating characteristics of the demand response services.

Demand Response Services

362 lift-equipped vehicles are utilized to provide curb-to-curb service to approximately 86,400 riders each month prior to COVID-19 or 48,243 riders each month, down from last year due to COVID-19. Most of the ridership are elderly and/or people with disabilities. Pace contracts directly with private service providers for the operation of 35 demand response projects, 11 on demand projects, and has agreements with villages and townships for the operation of 13 other demand response projects. Pace River Division operates one demand response project and two On Demand projects. These projects provide services to approximately 284 communities throughout the six-county area.

Map 2. Demand Response Service Characteristics



Appendix A • Pace Overview

Pace Rolling Stock - Active Fleet

Pace Rolling Stock - Active Fleet on December 31, 2019

Fixed Route (Fully Accessible)					Vanpool				
Manufacturer	Model Year	# of Vehicles	Age	Length	Manufacturer	Model Year	# of Vehicles	Age	Length
NABI	2003	10	17	40'	Ford E350	2005	1	15	18'
NABI	2005	53	15	40'	Ford E350	2007	1	13	18'
ElDorado	2007	101	13	30'	Ford E350	2009	3	11	20'
ElDorado	2008	38	12	30'	Ford E350	2010	9	10	20'
ElDorado	2009	24	11	30'	Dodge Caravan	2011	3	9	17'
ElDorado Aerolite	2009	1	11	24'	Ford E350	2011	21	9	19'
ElDorado	2010	58	10	30'	Dodge Caravan	2012	11	8	17'
Orion Hybrid	2011	2	9	30'	Dodge Caravan	2013	41	7	17'
ElDorado	2011	4	9	30'	Ford E350	2013	100	7	18'-20'
ElDorado	2013	77	7	40'	Ford E350	2016	50	4	19'
MCI	2013	13	7	40'	Dodge Caravan	2016	15	4	17'
ElDorado Aerolite	2014	3	6	25'	Ford Transconnect	2016	19	4	20'
ElDorado	2014	37	6	40'	Dodge Caravan	2017	182	3	17'
ElDorado	2015	47	5	40'	Ford Transit	2017	54	3	20'
MCI	2015	9	5	40'	Ford Transit	2018	84	2	19'-20'
ElDorado CNG	2015	19	5	40'	Total		594		
ElDorado	2016	90	4	40'	Average Age			4.5 years	
ElDorado	2017	86	3	40'					
ElDorado Trolley	2017	7	3	30'					
ElDorado CNG	2017	71	3	40'					
MCI	2017	8	3	40'					
ElDorado CNG	2018	11	2	40'					
Total		769							
Average Age			7.5 years						



Fixed route 40' bus



Vanpool vehicle

Paratransit (Fully Accessible)

<u>Manufacturer</u>	<u>Model Year</u>	<u># of Vehicles</u>	<u>Age</u>	<u>Length</u>
ElDorado Aerotech	2009	5	11	23'
ElDorado Aerolite	2010	3	10	22'
ElDorado Aerotech	2010	18	10	23'
ElDorado Aerotech	2014	145	6	25'
Champion Challenger	2014	78	6	22'
Champion Crusader	2015	2	5	23'
ElDorado Aerotech	2016	49	4	25'
ElDorado Aerotech	2017	120	3	25'
ElDorado Aerotech	2018	28	2	25'
Total		448		
Average Age			5.0 years	

Community Transit & On Demand

<u>Manufacturer</u>	<u>Model Year</u>	<u># of Vehicles</u>	<u>Age</u>	<u>Length</u>
Champion Crusader	2007	1	13	21'
Champion Crusader	2009	6	11	21'
Ford E350	2011	3	9	19'
Champion Crusader	2012	5	8	21'
Dodge Caravan	2012	1	8	17'
Dodge Caravan	2013	10	7	17'
Ford E350	2013	18	7	18'-19'
Champion Crusader	2015	17	5	23'
Ford Transit	2016	1	4	20'
Dodge Caravan	2017	3	3	17'
Champion Crusader	2017	35	3	23'
Ford Transit	2017	1	3	19'
Champion Crusader	2018	3	2	21'-23'
Ford Transit	2018	9	2	19'
Champion Crusader	2019	21	1	21'
Total		134		
Average Age			4.5 years	



Paratransit vehicle



On Demand vehicle

Pace System Infrastructure

Pace's Operating Divisions provide inside bus storage for approximately 600 buses with a total building size of over one million square feet at the locations provided below. Pace also leases some administrative and operating space. A full list of Park-n-Ride lots may be found on our website at PaceBus.com. Lastly, Pace contracts with regional municipal and private carriers to supplement fixed route and paratransit passenger services.

Operating Divisions

Administrative Headquarters
550 W. Algonquin Rd., Arlington Heights

Fox Valley Division
400 Overland Dr., North Aurora

Heritage Division
9 Osgood St., Joliet

North Division
1400 W. Tenth St., Waukegan

North Shore Division
2330 Oakton St., Evanston

Northwest Division
900 E. Northwest Hwy., Des Plaines

McHenry Paratransit Garage
5007 Prime Parkway, McHenry

River Division
975 S. State St., Elgin

South Division
2101 W. 163rd Place, Markham

Southwest Division
9889 S. Industrial Dr., Bridgeview

South Holland Acceptance Facility
405 W. Taft Dr., South Holland

West Division
3500 W. Lake St., Melrose Park

Municipal Garages

City of Highland Park
1150 Half Day Road, Highland Park

Village of Niles
6859 Touhy Ave., Niles

Leased Premises

ADA Paratransit Office
547 W. Jackson Blvd., Chicago

East Dundee Garage
401 Christina Dr., East Dundee

Print Shop
80-86 Lively Blvd., Elk Grove Village

Vanpool Office
515 W. Algonquin Rd., Arlington Heights

Passenger Facilities

Pace has established numerous Passenger Facilities throughout the region. The Passenger Facilities provide convenient transfers and connections between Pace services, and those provided by CTA and Metra.

Transportation and Transfer Centers

Aurora Transportation Center

Bridgeview Transit Center

Buffalo Grove Transportation Center

Chicago Heights Transportation Center

Elgin Transportation Center

Gurnee Mills Transfer Facility

Harvey Transportation Center

Northwest Transportation Center, Schaumburg

Prairie Stone Transportation Center, Hoffman Estates

Rosemont Transit Center

UPS Bus Terminals, Hodgkins

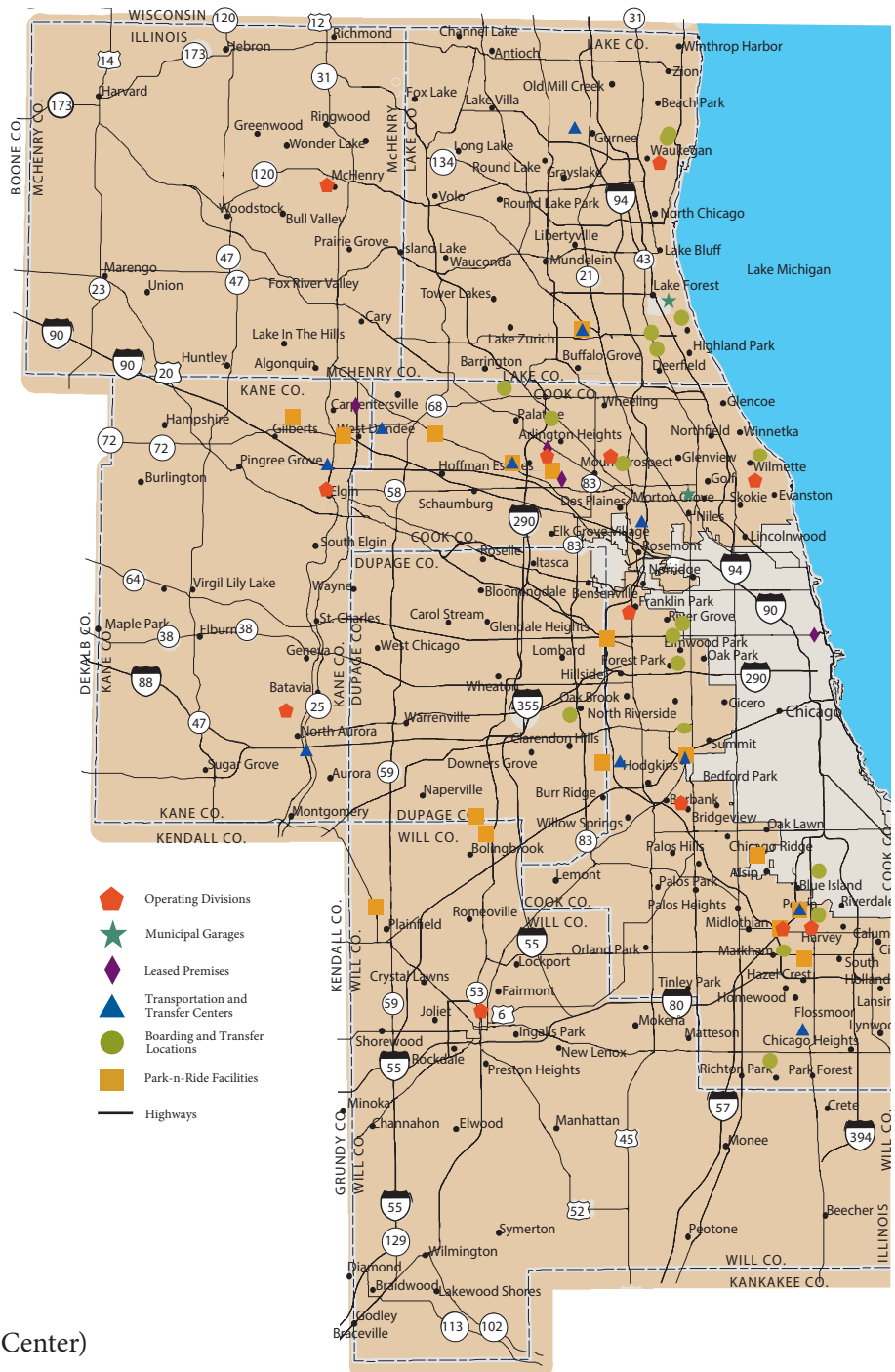
Other Boarding and Transfer Locations ●

- Arlington Heights Metra
- Clarendon Hills Metra
- Deerfield Metra
- Des Plaines Metra
- Evanston CTA Davis Street
- Forest Park Transit Center
- Highland Park Metra
- Homewood Metra
- Lake Cook Road Metra
- North Riverside Park Mall Turnaround
- Oak Park CTA/Metra
- Palatine Metra
- Park Forest Bus Turnaround
- Riverdale Bus Turnaround
- South Suburban College, South Holland
- Summit CTA/Pace
- Waukegan Metra
- Waukegan Transit Center

Park-n-Ride Facilities ■

- Blue Island
- Bolingbrook, Canterbury Lane
- Bolingbrook, Old Chicago Road
- Bridgeview (at the Transit Center)
- Buffalo Grove (at the Transportation Center)
- Burr Ridge
- Northwest Point, Elk Grove Village
- Harvey (at the Transportation Center)
- Hillside
- Homewood
- Plainfield

Map 5. Pace System Garage and Support Facilities



- I-90 Barrington Road
- I-90 & IL 25
- I-90 Randall Road
- Northwest Transportation Center, Schaumburg
- Pace South Division, Markham

Appendix B • Ridership & Suburban Service Fares

Pace Ridership

The following table identifies projected ridership changes by operating element for 2021 through 2023.

Table 36. Pace 2021-2023 Ridership Projections (000s)

	2019 Actual	2020 Estimated	% Change	2021 Projected	% Change	2022 Projected	% Change	2023 Projected	% Change
Pace Divisions	24,597	13,382	(45.6%)	15,243	13.9%	16,800	10.2%	18,478	10.0%
Public Carriers	553	166	(70.0%)	316	90.3%	348	10.0%	383	10.0%
Private Carriers	1,042	403	(61.4%)	212	(47.2%)	231	8.5%	253	10.0%
Total Fixed Route	26,192	13,951	(46.7%)	15,771	13.0%	17,379	10.2%	19,114	10.0%
Demand Response*	968	579	(40.2%)	579	0.0%	579	0.0%	608	5.0%
Vanpool	1,361	799	(41.3%)	820	2.6%	852	3.9%	886	4.0%
Suburban Service Total	28,521	15,329	(46.3%)	17,170	12.0%	18,810	9.6%	20,608	9.6%
Regional ADA Paratransit Service*	4,281	2,173	(49.3%)	2,587	19.1%	2,587	0.0%	2,717	5.0%
Combined Pace Service	32,802	17,502	(46.6%)	19,757	12.9%	21,397	8.3%	23,325	9.0%

*Ridership includes companions and personal care attendants.



Ridership & Fares

Suburban Service Ridership

Pace Suburban Service ridership is estimated to finish the year down 46.3% from 2019 levels and will fall 45.3% short of the 2020 budget due to the effect of the coronavirus pandemic. Fixed route ridership is expected to finish the year down 46.7% from 2019. Demand Response and Vanpool are expected to end the year 40.2% and 41.3% below 2019 levels, respectively.

For 2021, total Suburban Service ridership is expected to rebound from 2020, but will still be significantly lower than pre-pandemic levels. Baseline fixed route ridership is expected to increase 20% over 2020, but will be tempered by the full year impact of service suspensions, resulting in an overall increase of 13.0% from 2020 levels. Demand Response ridership is expected to remain flat to 2020 levels and Vanpool ridership is expected to increase 2.6% in 2021, resulting in an overall suburban service ridership increase of 12.0%.

Fixed route ridership is expected to increase 10.2% in

2022 and an additional 10.0% in 2023. Demand Response ridership is expected to continue to remain flat in 2022 before growing 5.0% in 2023, while Vanpool ridership is expected to grow 3.9% and 4.0% in each of the outlying years.

Regional ADA Paratransit Ridership

Regional ADA Paratransit ridership is expected to finish 2020 at 49.3% under 2019 levels and the 2020 budget. For 2021, ridership is expected to grow 19.1% over 2020 levels. In 2022, ridership is expected to stay flat to 2021 before increasing an additional 5.0% in 2023.

Pace Fares

There are no increases to Suburban Service or ADA fares for 2021.

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



Pace Fare Structure

Table 37. Pace Fare Structure

	Current Fares	
	Full Fare	Reduced Fare
Regular Fares		
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
Passes		
Pace/CTA 30-Day Pass	\$105.00	\$50.00
Pace/CTA 7-Day Pass	33.00	N/A
Pace 30-Day Pass	60.00	30.00
Link-Up Pass	55.00	N/A
PlusBus	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
Express/Other Fares		
Premium Routes*	\$4.50	\$2.25
Pace Transfer to Premium Routes	2.80	1.45
30-Day Premium Pace/CTA Pass	140.00	70.00
On Demand	2.00	1.00
Demand Response	Fares based on community policy	
ADA Paratransit		
ADA Paratransit	\$3.25	N/A
Mobility Direct (Chicago Only)	3.00	N/A
TAP (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 PaceBus.com for further information concerning Pace's current fares and other special programs.

Table 38. Monthly VIP & Other Vanpool Services Fare Schedule

VIP Fare Schedule

Daily Round Trip	4	5	6	7-8	9-10	11-12	13-14
<u>Van Miles</u>	<u>Pass*</u>	<u>Pass*</u>	<u>Pass*</u>	<u>Pass*</u>	<u>Pass*</u>	<u>Pass*</u>	<u>Pass*</u>
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.

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.

Other Vanpool Service Monthly Fares

<u>Program</u>	<u>Current Fare</u>
Advantage	\$250
Non-Profit	250
Shuttle	250
VIP Metra Feeder/Per Rider	58



This page intentionally left blank.

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 70% 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)
Age in Years		
Group Median	47.0	43.8
Sex:		
Male	48%	47%
Female	52%	53%
Education		
Some high school or less	2%	6%
High school graduate	12%	21%
Some college or technical school	20%	33%
College graduate	37%	26%
Graduate or Professional Degree	29%	12%
Total Annual Household Income		
Group Median	\$74,800	\$29,600
Auto Ownership		
None	5%	37%
One	26%	34%
Two or more	69%	29%
Ethnic Background		
African American	7%	46%
Asian	3%	11%
Hispanic	10%	14%
Caucasian	79%	28%
Other	1%	4%

Data Source

Non-user: South Cook County-Will County Service Restructuring Initiative, 2006, sample size = 1,195

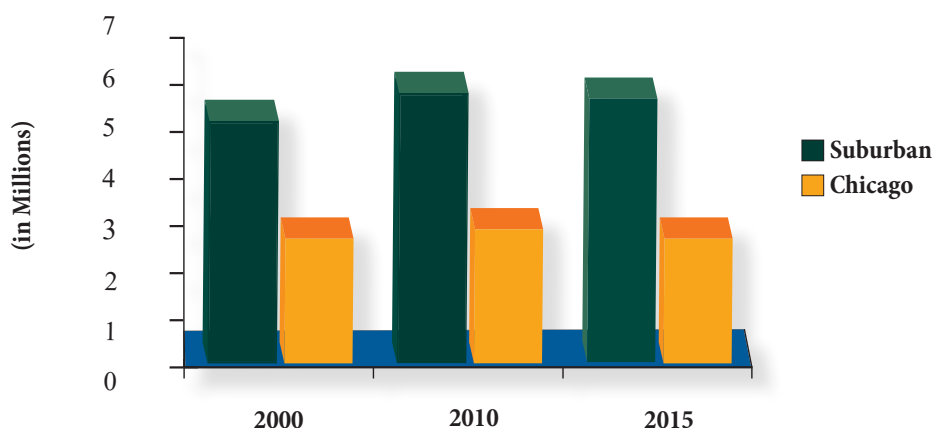
User: 2016 Customer Satisfaction Survey, sample size = 2,603

Regional Population

Population

The suburban population decreased by about 0.1 million between 2010 and 2015, from 5.8 million residents to 5.7 million residents. Chicago’s population declined by 0.2 million between 2010 and 2015 from approximately 2.9 million to 2.7 million. The following graph depicts the recent population trend in the metropolitan Chicago region from 2000 through 2015.

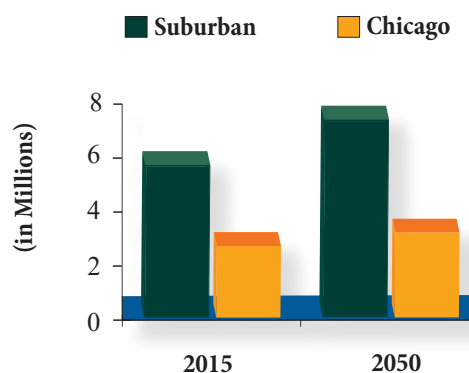
Chart I. 2000 to 2015 Regional Population



Regional Population Change 2015 to 2050

The Chicago Metropolitan Agency for Planning (CMAP) provides official 35-year population forecasts for the region. These forecasts project population growth rates and patterns. According to CMAP, the regional population is expected to increase by 2.2 million people between 2015 and 2050 to 10.6 million. CMAP projects the number of residents between 65 and 84 years of age will increase over 63% between 2015 and 2050. Furthermore, they anticipate the number of residents in the region who are over 85 years old is projected to increase 186% during the same time period. Between 2015 and 2050, 1.7 million new residents will accrue to Pace’s service region while Chicago’s population will increase by 0.5 million new residents.

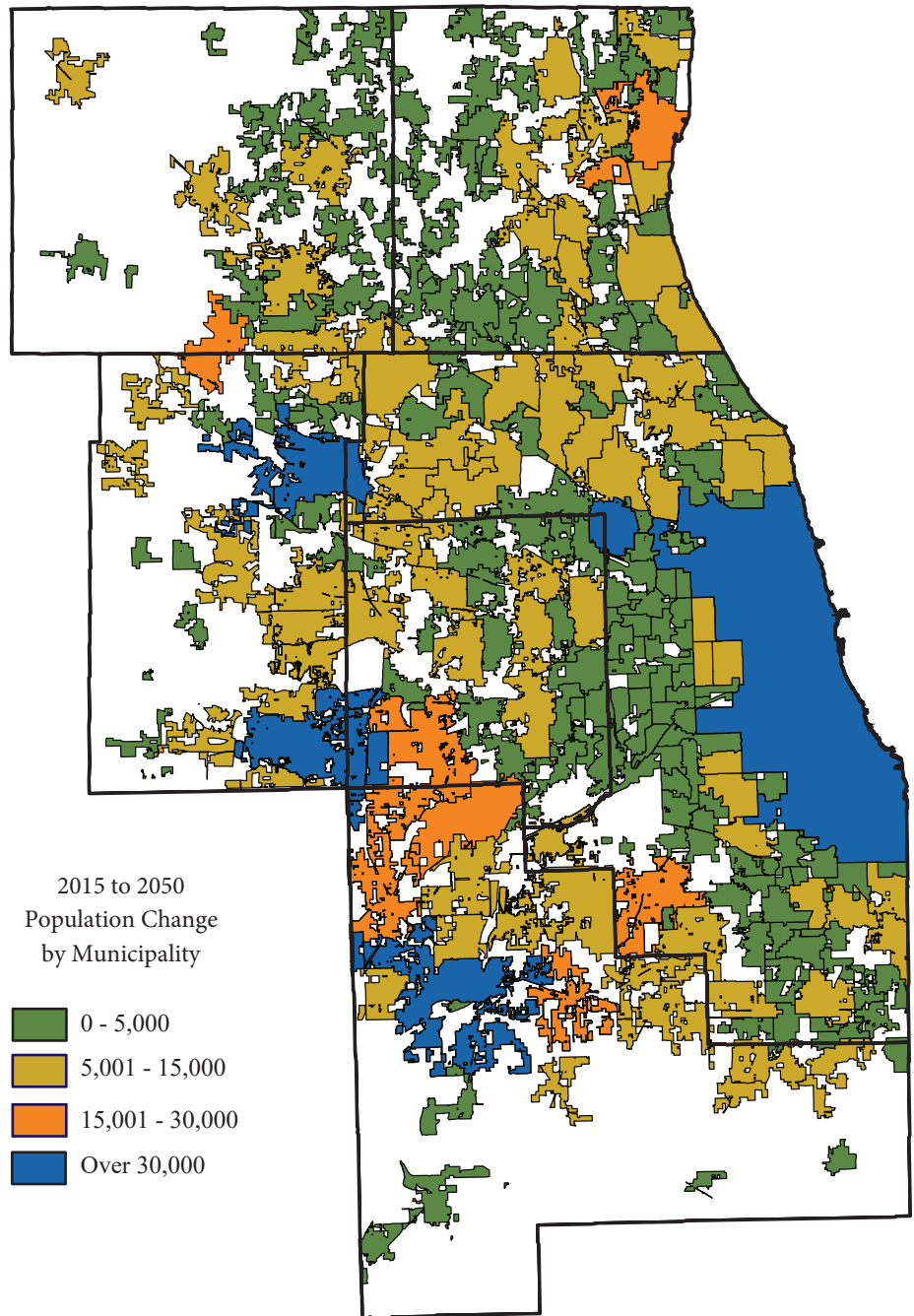
Chart J. 2015 to 2050 Regional Population Projection



Regional Population Change 2015 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 one-half million people between 2015 and 2050, followed by the City of Chicago which is expected to add 460,000 residents by 2050.

Map 6. Regional Population Change



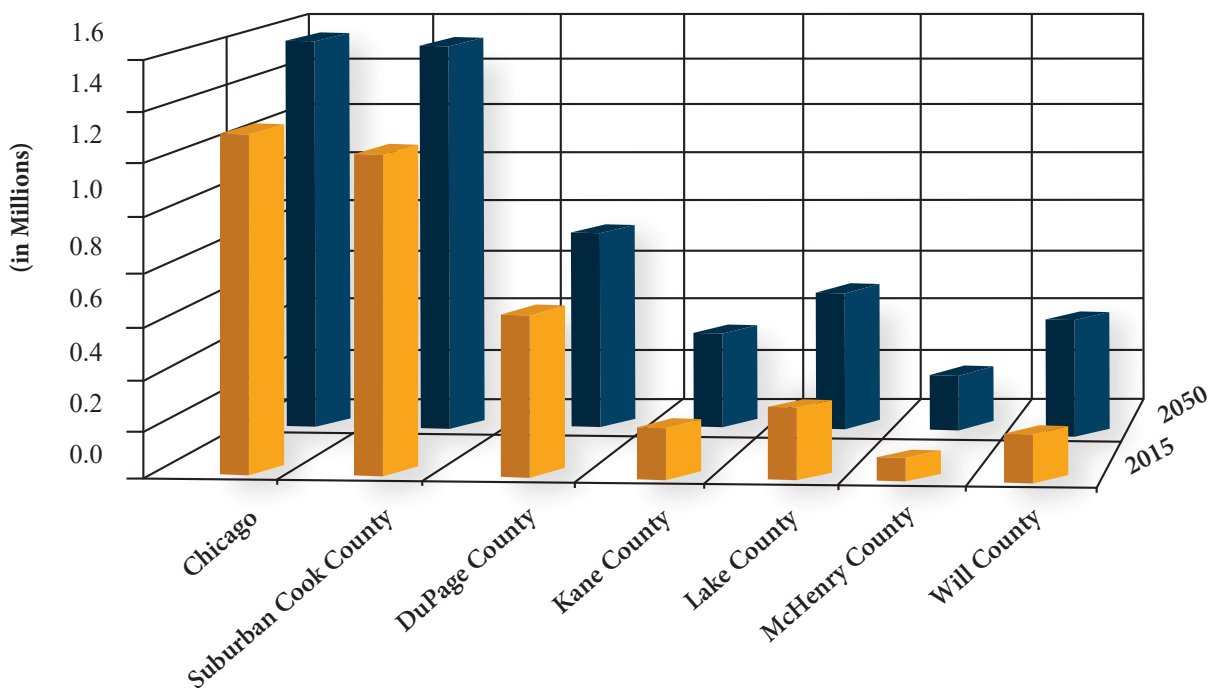
Regional Employment

Employment

CMAP’s forecast anticipates an increase of 0.9 million jobs in the region by 2050, of which 0.7 million will accrue to the suburban areas. As a percentage of 2015 employment, Will County’s increase is projected to be the greatest at 77%, followed by McHenry County (51%) and Kane

County (43%), representing an increase of 157,000, 50,000 and 90,000 jobs, respectively. Suburban Cook County’s projected employment growth (229,000) is also the largest in absolute terms followed by growth in Chicago (190,000), and Will County and DuPage County (93,000).

Chart K. 2015 to 2050 Employment Projection



Travel & Congestion

Travel Patterns

According to the Texas Transportation Institute's *2019 Urban Mobility Report*, in 2017 the Chicagoland area was ranked third nationally behind Los Angeles (1) and New York (2) for the longest travel delay due to traffic congestion. As a result of traffic congestion during the peak periods, our residents consume an extra 145 million gallons of fuel, at a cost of \$1,310 per auto commuter annually, just sitting in traffic.

The regional cost of traffic congestion reaches \$6.53 billion annually when factoring in lost time and wages, increased shipping costs, and fuel wasted. More than 353

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.



Pace's Bus on Shoulder service offers relief from rush hour congestion.

This page intentionally left blank.

Pace Goals & Performance Measures

Pace has established agency-wide performance goals which support the core business purpose of providing excellent public transportation service. The goals are to provide public transportation that is:

- Safe
- Reliable
- Courteous
- Efficient
- Effective

Table 40 identifies the measures and performance standards that Pace has established for each goal. Actual

performance for 2019, projected performance for 2020, and 2021 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

				2019 <u>Actual</u>	2020 <u>Estimate</u>	2021 <u>Projected</u>
Safety						
Goal: Provide Safe Public Transportation Services						
Measure(s):	<i>Performance Goal</i>					
Accidents per 100,000 Revenue Miles	Less than 5			7.43	6.00	5.20
Reliability						
Goal: Provide Reliable Public Transportation Services						
Measure(s):	<i>Performance Standard</i>					
On-Time Performance	Greater than 85%			72.60%	76.90%	77.00%
Actual Vehicle Miles per Road Call	Greater than 14,000			13,278	17,400	17,800
Percent Missed Trips per Total Trip Miles	Less than .5%			0.16%	0.30%	0.25%
Courtesy						
Goal: Provide Courteous Public Transportation Services						
Measure(s):	<i>Performance Standard</i>					
Complaints per 100,000 Passenger Miles	Less than 4			4.40	4.20	4.10
Website Hits on Web Watch Site	Increase over prior period			(6.40%)	(31.30%)	20.00%
Efficiency						
Goal: Provide Efficient Public Transportation Services						
Measure(s):	<i>Performance Standard</i>					
Revenue Miles per Revenue Hour	Greater than 17			17.29	17.31	20.36
Revenue Miles per Total Operator Pay Hours	Greater than 10*			11.36	10.44	11.59
Expense per Revenue Mile	Less than \$6.50*			\$4.67	\$5.24	\$5.20
Expense per Revenue Hour	Less than \$125.00*			\$80.75	\$90.70	\$105.89
Recovery Ratio	Greater than 18%			28.00%	12.40%	16.30%
Subsidy per Passenger	Less than \$4.00			\$3.13	\$7.10	\$6.37
Effectiveness						
Goal: Provide Effective Public Transportation Services						
Measure(s):	<i>Performance Standard</i>					
Ridership	Increase from prior period			(5.35%)	(46.74%)	14.93%
Passenger Miles per Revenue Miles	Greater than 9*			6.77	3.74	4.00
Productivity (Passengers per Revenue Hour)	Greater than 24*			18.57	11.18	13.92
Ridership per Revenue Mile	Greater than 1.5*			1.07	0.65	0.68
Vanpool Units in Service	Increase from prior period			(3.00%)	(49.00%)	33.00%

*Performance Goal Under Evaluation

Below performance goal
 Within 10% of performance goal
 Meets/exceeds performance goal

Peer Performance Comparison

The following analysis compares Pace’s performance to a select group of transit agency peers selected by the RTA. 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 are prepared using 2018 National Transit Database (NTD) data for bus only, which is the latest data available as of this writing.

Peer Performance Comparison

Service Efficiency

Chart L. Operating Expense per Revenue Hour

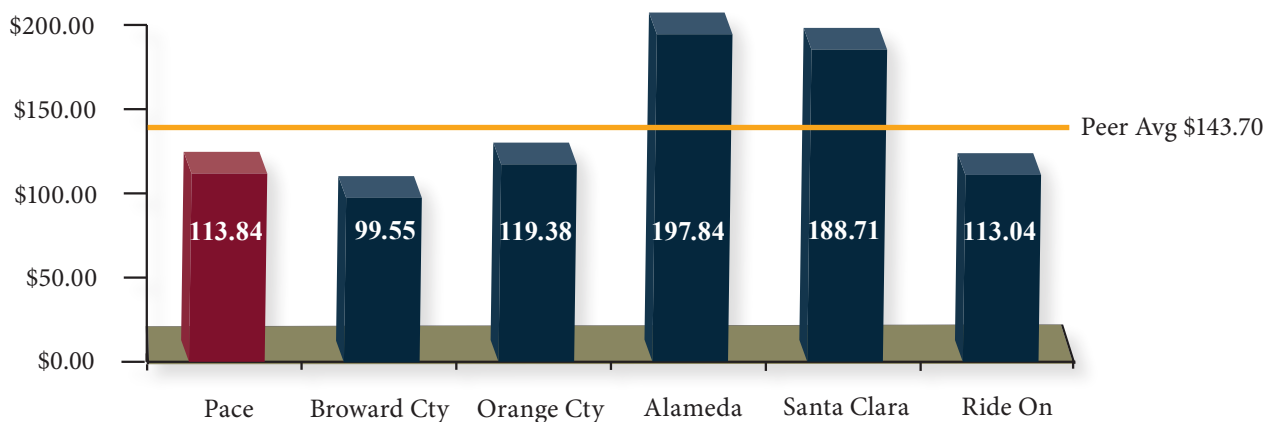


Chart M. Operating Expense per Revenue Mile

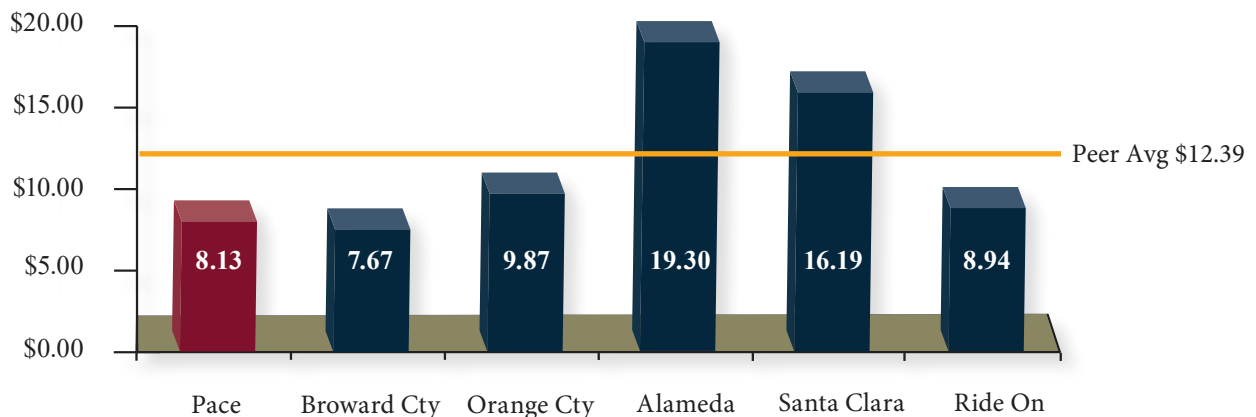


CHART L - Service efficiency, as measured by the performance ratios operating expense per total revenue hour and revenue mile, shows Pace to be more efficient than the peer average. At \$113.84, Pace's cost per hour is \$29.86 per hour or 20.8% less than the peer average for this performance measuring category.

CHART M - At \$8.13 per mile, Pace is \$4.26 per mile or 34.4% below the peer average.

Cost Effectiveness

Chart N. Operating Expense per Passenger

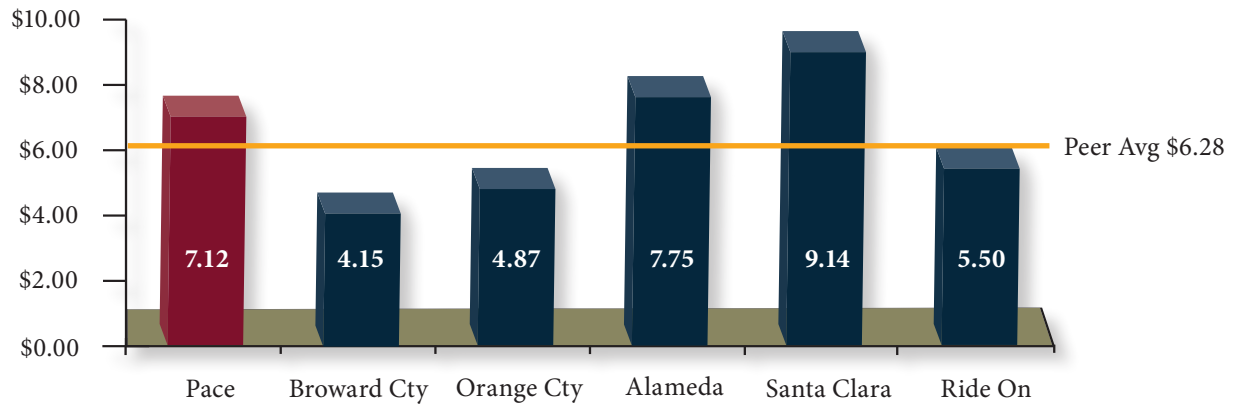


Chart O. Operating Expense per Passenger Mile

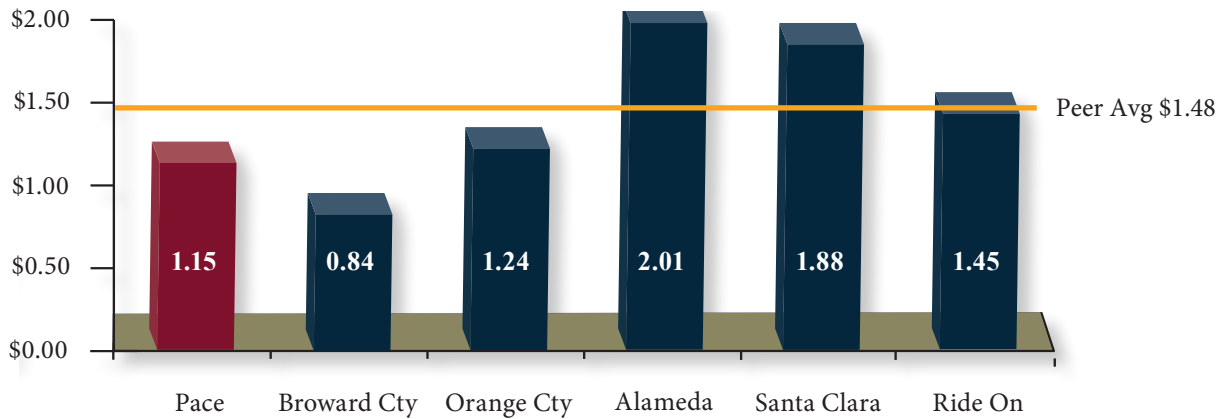


CHART N - Cost effectiveness, as measured by the performance ratios operating expense per passenger and passenger mile, shows Pace to be consistent with the agencies within this peer group.

CHART O - At \$1.15, Pace's expense per passenger mile is the second lowest of all the suburban peers. Pace's low cost structure combined with high passenger miles contributes to this result.

Appendix D • Performance Measures

Service Effectiveness

Chart P. Passengers per Revenue Hour

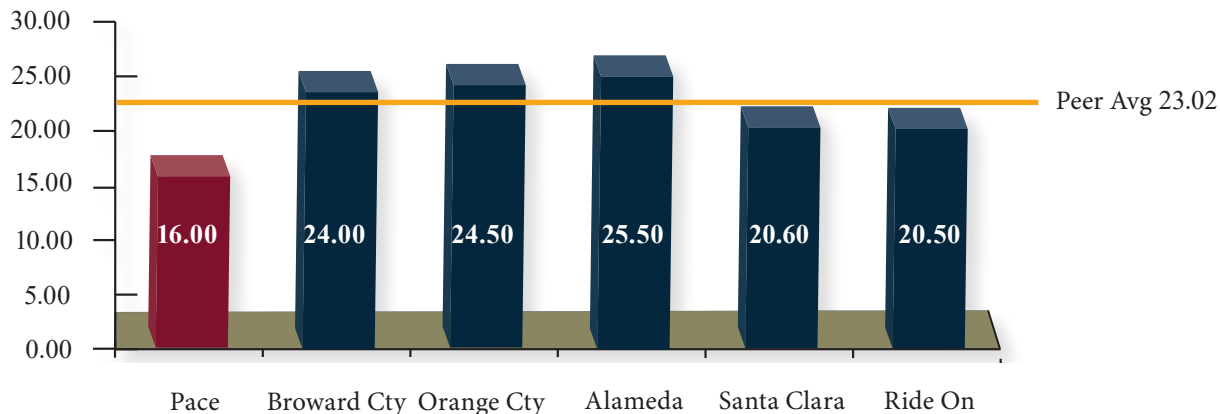


Chart Q. Passengers per Revenue Mile

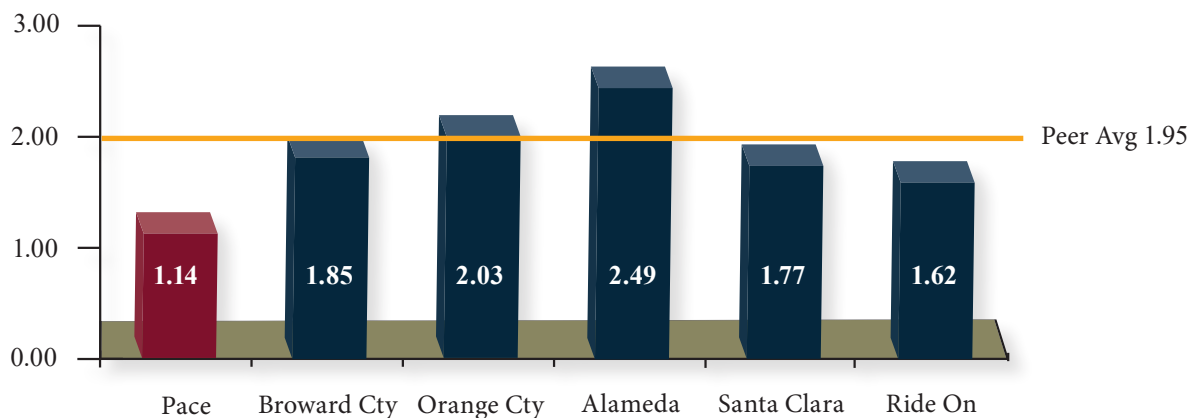


CHART P - Service effectiveness, as measured by the performance ratios passengers per total revenue hour and passengers per total revenue mile, shows Pace to have the lowest performance ratio compared to all agencies in this group at 30.5% below the peer average. The size of the service area directly affects this performance indicator. At nearly 3,500 square miles, Pace serves the largest and lowest population density service area of all the peers in this group.

CHART Q - Pace ranks below average in the number of passengers per total revenue mile compared to the peer group. Pace's large service area, combined with lower population densities (than our peers) contributes to this result.

Farebox Recovery Ratio

Chart R. Farebox Recovery Ratio

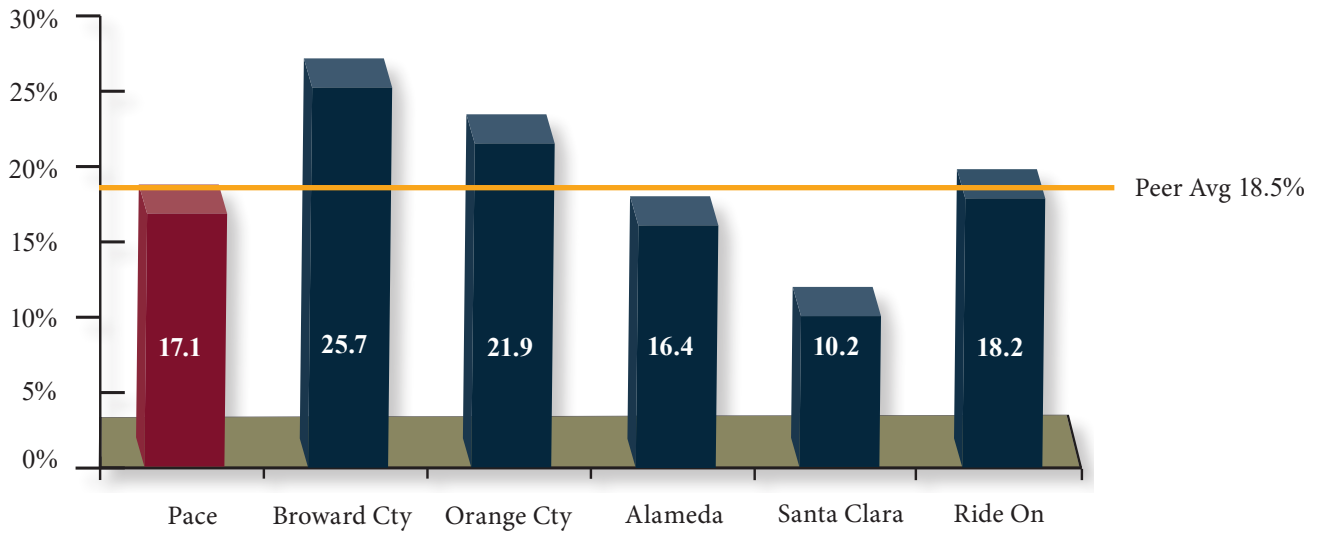


CHART R - Pace's bus only farebox recovery rate of 17.1% is lower than the peer average bus ratio of 18.5%.

Driving Innovation

Overview

Pace has a new strategic vision plan called *Driving Innovation*, which is being publicly released in 2021. This is a long-term plan that establishes the agency's vision for its future and explores nearly two dozen strategic initiatives that Pace is committed to either implementing or further investigating in the coming years.

Driving Innovation is guided by an overall strategic vision that entails harnessing technology and new mobility solutions to lower the cost of providing coverage services for areas where demand for transit is low and the land-use development context is unsupportive of fixed-route transit, while at the same time ramping up rapid transit services in higher demand areas supported by more intensive land uses.

Pace has many resources invested in innovative programs like On Demand, Paratransit, Demand Response, Ride-Share, Vanpool and Rapid Transit Program services. It has developed years of experience refining these programs and learning from and with its customers to optimize user interfaces and trip booking processes.

The agency has also witnessed an unexpected and significant loss of revenue due to COVID-19, and thus faced with an even greater need to assess how to invest its diminished resources. Now more than ever, there is a need to reallocate spending to prioritize ridership-focused services over coverage-based services, while overall helping to get as many people back to work as possible.

At the same time, Pace has grown its technical capacity to collect data, capture important transit performance statistics, and integrate the regional Ventra® fare card system. Pace's institutional knowledge combined with the agency's skilled staff create an environment where emerging mobility solutions can support ridership growth and yield reliability and travel time savings, potentially at a lower cost.

Pace will continue to leverage its assets and external partnerships to incentivize land use patterns that improve pedestrian and bicycle access to transit. It is also important that Pace further expand these relationships to support increased development of community-based services, including Dial-a-Ride and micro-mobility pilots.

Driving Innovation initiatives are organized into three categories:

- **Programs, Policies & Framework**

- P-1: COVID-19 Impacts to Plan Initiatives

- P-2: Mobility Agency Transition

- P-3: Service Standards Framework

- P-4: Rapid Transit Program

- P-5: Strategic Administrative Functions

- P-6: Transit-Supportive Development Engagement

- P-7: Transit Fare Equity Programs

- P-8: Funding & Finance

- **Service & Infrastructure**

- S-1: *Rebuild Illinois* Capital Improvement Projects

- S-2: Coverage Service Transformation

- S-3: Network Revitalization & Service Restructuring

- S-4: Tactical Transit Pilots

- S-5: Paratransit Upgrades

- S-6: Dial-a-Ride Service Consistency

- **Technology & Insight**

- T-1: Current Programs

- T-2: Customer Focused Engagement

- T-3: Integrated Transit Platform

- T-4: Open Source Multi-Modal Trip Planner

- T-5: Alternative Transit Fleets

- T-6: Centralized Operations Control Facility

- T-7: Connected Transit Vehicles Pilots

- T-8: Low-Speed Autonomous Vehicle Pilots

These initiatives are guided by and intended to achieve the plan's aspirational goals:

- **Service goals** including Accessibility, Equity, Productivity, Responsiveness, and Safety

- **Organization goals** including Adaptability, Collaboration, Diversity, Environmental Stewardship, Fiscal Solvency, and Integrity

Many of these initiatives are continuations of existing programs and projects such as Intelligent Transportation Systems (ITS) solutions, upgrading the Ventra card system, expanding real-time next bus information, and rolling out Pulse lines and expressway-based services.

There are also several of which have funding identified or awarded, and Pace is either currently working on or

will be starting within the next five years. Highlights include: implementing the *Rebuild Illinois* capital improvement projects; developing a service standards framework; embarking on a network-wide service restructuring; piloting tactical infrastructure improvements; expressway-based service expansion studies; and new administrative functions to support initiatives.

Other initiatives Pace is committed to are longer-term in their outlook, such as: what a mobility agency transition would entail; building a technological integrated transit platform; taking steps towards electric bus vehicles; and refining and consolidating policies towards transit-supportive land use with the results of near-term initiatives.

Others still require additional investigation, study and research before Pace can commit to them, and may require extensive external coordination or industry advancement before they can be realized. These include transforming coverage-based services, Paratransit upgrades, and connected and autonomous vehicle pilots.

Pace is committed to coordinating *Driving Innovation* initiatives with plans and interests of partner agencies, municipalities, counties, and many more important community stakeholders including customers and the public. External outreach activities to discuss and gain feedback on the plan are happening in 2021, and Pace will continually update the *Driving Innovation* plan going forward to ensure its vision, goals and initiatives are both responsive to the region's needs and up-to-date with the many disruptions and opportunities happening within the transportation industry at large.

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

www.PaceBus.com/driving-innovation

Service Planning and Scheduling

By the end of 2020, Service Planning and Scheduling is expected to have implemented over 200 service changes. Roughly 75% of the changes that will have been made are in response to the impacts of COVID-19 on service. The changes that have been implemented ranged from the temporary reduction or suspension of service due to COVID-19 and the resulting drop in ridership; adding

service to provide greater social distancing opportunities on vehicles; transitioning routes from flag stop to posted stops; adjusting schedules to better match employee work times; the discontinuation of unproductive service; schedule adjustments due to Metra train schedule changes; and re-routing services to serve new transit facilities. We expect that 2021 will be as busy as 2020. Key projects we will focus on in 2021 are highlighted below.

Pace Network Revitalization

After numerous service restructuring efforts in the six-county service area since Pace's inception, which resulted in small and large service improvements, Pace is looking to build on the work done in *Driving Innovation* and has decided to undertake a more comprehensive approach to update service in the entire network.

In view of the immense service area which includes over 280 communities, over 200 bus routes, various On Demand and Demand Response services, and a very large ADA operation, Pace will hire a transportation consultant to assist in this revitalization program. The focus of the consultant and Pace team will be in the areas of market analysis; service analysis; developing a public involvement plan; establishing various advisory committees; proposing service concepts and infrastructure recommendations; completing a Title VI analysis; and developing an implementation timeline.

Pilot Projects with Transportation Network Companies (TNC)

Pace would like to assess how partnering with shared mobility service providers could benefit the riding public. As identified in *Driving Innovation*, shared mobility partnerships may offer an opportunity to supplement existing Pace service or fill in the gaps of service. Pace is seeking potential partners for two pilot/demonstration projects. The projects would last up to one year or until funding runs out (whichever occurs first), and Pace will allocate a fixed amount of funding for each project.

Pace operates very limited transit service throughout its service area during overnight hours. Only one Pace route

operates 24 hours per day, 7 days a week. Most routes do not operate between 12:00 midnight and 5:00am. Though demand for transit service is lower during these hours, this lack of overnight service presents a challenge for some shift workers as well as job seekers. A shared mobility service may be able to provide this missing late-night link. The intent of this project is to provide enhanced service coverage and to ensure the availability of basic overnight service.

Two demonstration projects have been identified: Overnight service between the Rosemont Blue Line Station to specific businesses in the south cargo area of O'Hare Airport; and first and last mile overnight service either starting or ending at the Pace Harvey Transportation Center to connect to/from Pace Route 352. A vendor will be selected, and the demonstration project will begin sometime in late 2020 or early 2021.

Strategic and Capital Planning

Rapid Transit Program: Expressway-Based Service

The I-294 Tri-State Market & Facilities study is currently underway and expected to be completed in 2021. This Pace-led effort is being funded through an RTA Community Planning program grant with staff from both agencies engaged to deliver the most recent of many joint-agency partnerships. Upgraded service along this corridor is expected to benefit from a \$4 billion investment that Illinois Tollway is implementing along the Central Tri-State which includes lane widening, improved interchanges, and—critically for Pace—new Flex Lanes along the vast majority of the roadway which will provide Pace buses the ability to bypass congestion, similar to current operations along the I-90 Jane Addams Memorial Tollway. Pace plans to further improve the infrastructure along the Tri-State corridor with new passenger facilities that are programmed through the state capital program, *Rebuild Illinois*. The completed study's travel market, infrastructure feasibility, and service concept findings will represent the first step toward realizing a regional network of arterial and expressway-based bus rapid transit services.

Pace is also looking to expand our presence on other Chicagoland expressways, specifically I-55, I-90, I-94 and

I-290, through various other planning efforts that will commence in 2021 through 2022. These will primarily include additional market and infrastructure plans, studies and initiatives—all of which will be coordinated with Pace's *Rebuild Illinois* projects, an upcoming Facilities Study in 2021, and other *Driving Innovation* initiatives.

Rapid Transit Program: Pace's Pulse Network



Pace has witnessed much early success with the launch of the Pulse Milwaukee Line in August of 2019. All construction activities were completed in 2020 with Milwaukee Avenue now showcasing modern bus stations complete with near-level boarding platforms, snow-melt pavement systems, real-time bus information, heated shelters, community artwork, branded vehicles, and much more. Although ridership has declined somewhat during the COVID-19 pandemic, the Milwaukee Line remains among Pace's strongest performing corridors serving thousands of passengers per week, demonstrating the importance of Pulse Milwaukee Line service to the local economy.

Next on the horizon is the Pulse Dempster Line. Engineering and design is currently underway for this corridor, with construction anticipated to begin in 2021.

The \$9.5 million investment is funded by a generous Congestion Mitigation Air Quality grant provided by the Chicago Metropolitan Agency for Planning. Serving the communities between Evanston and O’Hare Airport, the Dempster Line will connect to popular destinations including the downtown shopping centers in Evanston and Des Plaines, as well as various CTA and Metra rail lines. To prepare the corridor for Pulse, Pace is currently testing Transit Signal Priority (TSP), which helps keep buses on a reliable schedule by extending green lights for buses when possible (see *Transportation Innovation and Technology Program* below for more information).

Pace and CTA are also collaborating to improve transportation along the South Halsted Street corridor, where Pace’s third planned Pulse Line will be implemented. The South Halsted Bus Corridor Enhancement Study, initiated in early 2018, evaluated 11 miles of the roadway from 79th Street in the City of Chicago to the Pace Harvey Transportation Center. Segments of 95th Street and 79th Street that provide connections from South Halsted to the CTA 95th/Dan Ryan and 79th Red Line Stations were also evaluated. The proposed new Pulse Line would operate south of 95th Street and serve 16 proposed stations to enhance transit service. Throughout the project, Pace and CTA will engage customers, communities, and businesses through a variety of outreach activities including project website updates, public meetings, and one-on-one meetings.

Transportation Innovation and Technology Program

The goal of the Transportation Innovation Program is to use the latest technology to provide an advantage to transit by creating connected and automated infrastructure with a specific emphasis on an increase in speed and reduction in delay to transit vehicles on the roads using communication to roadside infrastructure that is connected and automated. Pace is planning for the deployment of several projects that involve Vehicle to Infrastructure, Infrastructure to Center and Center to Center (C2C) applications.

Pace developed an in-house Non-Proprietary Regionally Interoperable Transit Signal Priority (TSP) System Platform including Priority Request Server products, firmware, and central management software, using National

Transportation Communications for Intelligent Transportation System Protocols, and integrated complex electronic and communications systems involving in-vehicle and roadside systems, including integration of legacy systems while engaging several technology companies and public stakeholders.

The developed TSP Platform used existing automated vehicle location and 5Ghz communications technologies to advance or extend green times at signalized intersections. This results in reduced delays at signalized intersections, increased speed, improved schedule adherence and reliability.

In 2019, Pace deployed the interoperable TSP system for the Pulse Milwaukee Line. This work involved signals operated by both the Chicago Department of Transportation (CDOT) and Illinois Department of Transportation (IDOT).

Beginning in late 2020, Pace plans to start the deployment of TSP along Dempster Street. Pace also plans to deploy TSP along nine additional corridors at approximately 300 signalized intersections. The corridors include: 159th Street, Sibley Boulevard/147th Street, Roosevelt Road, Cicero Avenue, 95th Street, Grand Avenue (Lake County), Cermak Road, I-90 Transit Corridor Access Intersections and Halsted Street.

Starting in 2021, Pace plans to establish a C2C Intelligent Transportation Systems application between the Pace TSP Management Center and the City of Chicago Traffic Management Center to exchange TSP traffic data and explore potential TSP applications. Also, Pace plans to continue the establishment of C2C infrastructure with several county DOTs and the Gary-Chicago-Milwaukee Gateway for a centralized TSP system.

In 2020, Pace started coordinating with IDOT in a collaborative study to develop a Regional Arterial Traffic Management Center for Northeastern Illinois with C2C capabilities and potential integration between Pace and IDOT Traffic Management Centers.

In 2020, Pace partnered with CDOT, Lake County DOT, CTA, Ford and Audi as part of Northeastern Illinois Connected Vehicles Program for securing Advanced Transportation and Congestion Management Technologies Deployment grant funds to deploy and equip a

limited number of Pace buses with Connected Vehicle (CV) technology. Also, Pace continues to explore the deployment of CV technology applications including Multi-Modal Intelligent Traffic Signal Systems and Integrated Dynamic Transit Ops.

Research and Analysis

Pace, CTA, and Metra introduced the Ventra® Fare system in 2013. While it is still a state-of-the-art fare system, we continue to make improvements and additions to keep current with changing needs. Changes made with Ventra will keep up with the additional improvements made in the *Driving Innovation* initiative.

In late 2020, Pace and its regional partners introduced the new Ventra mobile app, which provides more service to riders, including a regional trip planner, and better bus and train tracking. It also was redesigned to require fewer steps to reach functions and to navigate more quickly than before. The previous app had over 3.5 million downloads, and we anticipate the use of the new app to be even more widespread. The new app is also being used as the base for apps to be deployed in other major metropolitan areas, including Boston, Washington, D.C., the Bay Area, Atlanta, and New York City, giving a familiar feel to a majority of transit users in the country.

The new app has allowed us to introduce a “Virtual Ventra Card” on smartphones in late 2020 to eliminate the need for plastic cards. This will allow the use of any kind of transit value or pass that is now available with the plastic cards. Chicago is the second region in the country to have the ease and convenience of virtual cards combined with an account-based fare system.

Another innovation released in late 2020 was the ability of ADA and other demand response services to pay for their trips using money in a Ventra account. This was developed through a creative partnership between Pace, Trapeze, and Cubic.

In addition, the Ventra platform is evolving with technology. CTA, Pace, Metra, and Cubic are developing “Ventra 3.0,” new software and hardware to replace and upgrade the original Cubic platform. One significant change will be the ability to integrate other modes, systems, and services, such as micro-transit and ride share, into the system more easily and quickly than can be done currently.

Pace and CTA are in the process of purchasing new fareboxes for our bus fleet in 2020. Pace’s current fareboxes are over 30 years old and obsolete.

Together, these initiatives will allow faster boarding times for customers and more reliable service across the region, as well as better data for planning and reporting.

The department will continue its program of data quality and data integration. It will continue to automate key processes and reports to provide more accurate and timely information, making more data available to the whole organization through such methods as Tableau Server, Python, SharePoint, and online mapping.

2020 was the year that a region-wide Fixed-Route Customer Service Survey was supposed to have been carried out. This survey consists of thousands of detailed surveys, both in person and online, to measure customers’ opinions about Pace and the service it provides. This survey has been postponed indefinitely and will be conducted when things reach a new normal.

Pace developed an in-house
Non-Proprietary
Regionally Interoperable TSP
System Platform



Marketing & Communications Plan

Coming out of an unprecedented year in which Pace didn't actively seek to attract new riders to our system, in 2021 the agency looks to grow ridership back to pre-pandemic levels through a robust customer communication effort and promotional activities. The good news is we can build on successful initiatives from the past while also leveraging the trust we've earned from our riders in 2020 by transparently communicating with them about safe riding protocols during the COVID-19 pandemic.

Despite the challenges that 2020 posed for Pace and for our industry (and country) as a whole, we were able to launch some exciting new technology upgrades, each of which included marketing and communications support. First, Pace launched a new website in 2020, with a better mobile experience and improved accessibility for people with disabilities. Content is better organized, the individual route pages have enhanced maps, and it's much easier to find out how to contact Pace about various questions. Calls to Customer Relations are down considerably in 2020, while website users are up 55% between the month before and the month after launching—showing the value of an easier-to-use website.

Furthermore, riders of all ten of our On Demand services can now book trips online. Pace touted that new development with a marketing campaign in the Fall of 2020, and we look forward to promoting an On Demand app to be launched in 2021. Commuters have come to expect the convenience and usability of the ride-hailing platforms, and now Pace's On Demand services can offer a similar experience with a fare of only \$2.00. Customers of Pace's ADA paratransit service also saw a number of upgrades in 2020—the launch of new TripCheck tools and the use of Ventra® to pay for rides. Pace rolled out the full range of marketing tactics in support of those technological advances. When Pace made the Taxi Access Program (TAP) free in March 2020, a direct mail campaign supported the effort to encourage paratransit riders in Chicago to use TAP instead. Pace also continued our years-long educational campaign for ADA paratransit customers, encouraging use of fixed route when possible.

Another major marketing initiative in 2021 builds on 2019's refresh of Pace's overall brand positioning—the theme of “at Pace, we're driven for you”—in a way that aligns with the agency's goals outlined in *Driving Innovation*, our strategic vision plan. Our planning and development work in prior years sets the stage for some exciting



advertising creative to be produced in the years ahead. We seek to be poised to capture increased riders from our region's changing demographics, commuting patterns, and environmental goals, as well as the improved bus service network we continue to implement.

After the long-awaited upgrade of the Ventra app launched in late 2020, Pace and its partner agencies continue promoting the benefits of using this upgraded technology into 2021. The newest version of the Ventra app allows a rider to manage her account, buy passes, get real-time bus tracking, and now do transit trip planning. It's like having a Ventra vending machine and a Bus Tracker sign right in your pocket.

Marketing efforts in 2021 will focus on rebuilding lost ridership through general promotion of public transit throughout our region, as commuters head back to on-site jobs, fans cheer on sports teams at the actual stadiums, and students return to their classrooms. However, Pace certainly won't rely solely on the natural growth in commuting; rather, our messaging will seek to capitalize on the life changes that we've all had to make in 2020 to convince commuters in 2021 that the affordability and environmental benefits of transit are worth making the switch.

We know that providing our riders with updated, relevant information is vital to customer satisfaction. To that end, in 2021, Pace plans to continue installing more Bus Tracker signs at bus stops with high boarding activity. We've also streamlined our email/text alert system so staff can more easily disseminate information to riders who have signed up to be alerted to changes about particular services. Clearly, a focus on offering riders new technologies is important to providing them the information they need and making it easier for them to choose to regularly use public transportation.

Appendix F • Operating Budget Detail

2019 Actual Operating Results

2019 Actual Program, Activity, and Object Matrix

	Pace Operating Divisions ^(1, 2)	Public Carriers	Private Carriers	Demand Response Services ⁽³⁾
Revenue				
Farebox	\$30,030,464	\$837,944	\$988,232	\$1,900,446
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	2,110,347	665,354	724,665	9,511,544
Total Revenue	\$32,140,811	\$1,503,298	\$1,712,897	\$11,411,990
Operating Expenses				
Operations				
Labor/Fringes	\$80,805,490	\$1,852,208	\$0	\$0
Parts/Supplies	30,050	1,185	0	0
Purchased Transportation	0	443,637	7,079,858	17,351,859
Fuel	0	0	0	0
Other	208,036	18,975	0	0
Total Operations	\$81,043,576	\$2,316,005	\$7,079,858	\$17,351,859
Vehicle Maintenance				
Labor/Fringes	\$10,015,461	\$562,820	\$0	\$0
Parts/Supplies	3,164,237	93,325	0	0
Other	310,228	124,724	0	348,958
Total Vehicle Maintenance	\$13,489,926	\$780,869	\$0	\$348,958
Non-Vehicle Maintenance				
Labor/Fringes	\$949,632	\$0	\$0	\$0
Parts/Supplies	612,141	0	0	0
Other	1,402,506	0	0	50,524
Total Non-Vehicle Maintenance	\$2,964,279	\$0	\$0	\$50,524
General Administration				
Labor/Fringes	\$3,421,753	\$367,560	\$0	\$0
Parts/Supplies	62,070	720	0	0
Utilities	2,146,392	1,757	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	201,362	(16,262)	0	449,730
Indirect Overhead Allocation	0	0	0	0
Total Administration	\$5,831,577	\$353,775	\$0	\$449,730
Total Expenses	\$103,329,358	\$3,450,649	\$7,079,858	\$18,201,071
Funding Requirement	\$71,188,547	\$1,947,351	\$5,366,961	\$6,789,081
Recovery Ratio	31.11%	43.57%	24.19%	62.70%

(1) Includes CMAQ/ICE Service.

(2) Pace Divisions expense reflects reclassification of capital-eligible expenses of \$9.000 million.

(3) Includes Ride DuPage, Ride in Kane, and Community Transit.

Appendix F • Operating Budget Detail

<u>Vanpool</u>	<u>Administration</u>	<u>Centralized Support</u>	<u>Total Suburban Service</u>	<u>Total Regional ADA Paratransit</u>	<u>Combined 2019 Actual</u>
\$2,293,201	\$0	\$0	\$36,050,287	\$11,988,509	\$48,038,796
0	1,345,862	0	1,345,862	0	1,345,862
0	2,994,270	0	2,994,270	0	2,994,270
0	1,138,649	0	1,138,649	677,807	1,816,456
0	1,054,228	0	14,066,138	2,411,337	16,477,475
\$2,293,201	\$6,533,009	\$0	\$55,595,206	\$15,077,653	\$70,672,859
\$0	\$0	\$3,850,103	\$86,507,801	\$0	\$86,507,801
0	0	1,693,971	1,725,206	0	1,725,206
0	0	0	24,875,354	162,686,499	187,561,853
1,111,587	0	11,282,445	12,394,032	2,447,554	14,841,586
1,116,135	0	0	1,343,146	0	1,343,146
\$2,227,722	\$0	\$16,826,519	\$126,845,539	\$165,134,053	\$291,979,592
\$0	\$0	\$4,591,218	\$15,169,499	\$0	\$15,169,499
0	0	312,965	3,570,527	0	3,570,527
0	0	1,003,746	1,787,656	0	1,787,656
\$0	\$0	\$5,907,929	\$20,527,682	\$0	\$20,527,682
\$0	\$0	\$1,223,486	\$2,173,118	\$0	\$2,173,118
0	0	0	612,141	0	612,141
0	270,425	932,404	2,655,859	0	2,655,859
\$0	\$270,425	\$2,155,890	\$5,441,118	\$0	\$5,441,118
\$0	\$22,234,665	\$0	\$26,023,978	\$4,039,634	\$30,063,612
0	194,820	0	257,610	4,284	261,894
0	357,382	0	2,505,531	62,001	2,567,532
0	0	9,685,066	9,685,066	308,201	9,993,267
0	0	24,685,633	24,685,633	682,652	25,368,285
0	10,419,328	7,226,775	18,280,933	5,382,488	23,663,421
0	0	0	(8,310,542)	8,310,542	0
\$0	\$33,206,195	\$41,597,474	\$73,128,209	\$18,789,802	\$91,918,011
\$2,227,722	\$33,476,620	\$66,487,812	\$225,942,548	\$183,923,855	\$409,866,403
(\$65,479)	\$26,943,611	\$66,487,812	\$170,347,342	\$168,846,202	\$339,193,544
102.94%	19.52%	0.00%	30.80%	10.40%	

Appendix F • Operating Budget Detail

2020 Estimated Operating Results

2020 Estimated Program, Activity and Object Matrix

	Pace Operating Divisions ^(1, 2)	Public Carriers	Private Carriers	Demand Response Services ^(3, 4)
Revenue				
Farebox	\$14,918,215	\$234,402	\$491,907	\$1,187,125
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
CARES Operating Assistance	0	0	0	0
Other	1,462,252	453,987	418,734	9,380,043
Total Revenue	\$16,380,467	\$688,389	\$910,641	\$10,567,168
Operating Expenses				
Operations				
Labor/Fringes	\$79,737,840	\$1,599,637	\$0	\$0
Parts/Supplies	8,108	1,000	0	0
Purchased Transportation	0	236,851	4,606,502	11,232,128
Fuel	0	0	0	0
Other	203,668	16,085	0	0
Total Operations	\$79,949,616	\$1,853,573	\$4,606,502	\$11,232,128
Vehicle Maintenance				
Labor/Fringes	\$12,729,273	\$548,234	\$0	\$0
Parts/Supplies	2,718,745	107,590	0	0
Other	293,809	106,459	0	189,226
Total Vehicle Maintenance	\$15,741,827	\$762,283	\$0	\$189,226
Non-Vehicle Maintenance				
Labor/Fringes	\$1,218,331	\$0	\$0	\$0
Parts/Supplies	654,599	0	0	0
Other	1,730,674	0	0	10,600
Total Non-Vehicle Maintenance	\$3,603,604	\$0	\$0	\$10,600
General Administration				
Labor/Fringes	\$3,798,833	\$396,573	\$0	\$0
Parts/Supplies	79,491	720	0	0
Utilities	2,194,600	1,700	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	179,809	225	0	503,011
Indirect Overhead Allocation	0	0	0	0
Total Administration	\$6,252,733	\$399,218	\$0	\$503,011
Total Expenses	\$105,547,780	\$3,015,074	\$4,606,502	\$11,934,965
Funding Requirement	\$89,167,313	\$2,326,685	\$3,695,861	\$1,367,797
Recovery Ratio	15.52%	22.83%	19.77%	88.54%

(1) Includes CMAQ/ICE Service.

(2) Pace Divisions expenses reflect reclassification of capital-eligible expenses of \$9.000 million.

(3) Includes Ride DuPage, Ride in Kane, and Community Transit.

(4) Demand Response Services expense reflects reclassification of capital-eligible expenses of \$5.616 million.

Appendix F • Operating Budget Detail

<u>Vanpool</u>	<u>Administration</u>	<u>Centralized Support</u>	<u>Total Suburban Service</u>	<u>Total Regional ADA Paratransit</u>	<u>Combined 2020 Estimate</u>
\$1,147,504	\$0	\$0	\$17,979,153	\$7,147,470	\$25,126,623
0	1,345,862	0	1,345,862	0	1,345,862
0	818,000	0	818,000	0	818,000
0	415,290	0	415,290	486,146	901,436
0	19,688,907	0	19,688,907	0	19,688,907
0	819,906	0	12,534,922	445,493	12,980,415
\$1,147,504	\$23,087,965	\$0	\$52,782,134	\$8,079,109	\$60,861,243
\$0	\$0	\$3,848,939	\$85,186,416	\$0	\$85,186,416
0	0	1,721,941	1,731,049	0	1,731,049
0	0	0	16,075,481	146,649,145	162,724,626
464,277	0	7,229,056	7,693,333	3,828,046	11,521,379
1,108,488	0	0	1,328,241	0	1,328,241
\$1,572,765	\$0	\$12,799,936	\$112,014,520	\$150,477,191	\$262,491,711
\$0	\$0	\$5,043,130	\$18,320,637	\$0	\$18,320,637
0	0	350,000	3,176,335	0	3,176,335
0	0	730,672	1,320,166	0	1,320,166
\$0	\$0	\$6,123,802	\$22,817,138	\$0	\$22,817,138
\$0	\$0	\$1,337,665	\$2,555,996	\$0	\$2,555,996
0	0	0	654,599	0	654,599
0	338,200	1,326,489	3,405,963	0	3,405,963
\$0	\$338,200	\$2,664,154	\$6,616,558	\$0	\$6,616,558
\$0	\$23,111,921	\$0	\$27,307,327	\$4,168,778	\$31,476,105
0	174,268	0	254,479	0	254,479
0	678,895	0	2,875,195	736,693	3,611,888
0	0	10,406,452	10,406,452	809,380	11,215,832
0	0	27,166,110	27,166,110	862,578	28,028,688
0	11,529,937	8,599,926	20,812,908	2,724,170	23,537,078
0	0	0	(9,126,650)	9,126,650	0
\$0	\$35,495,021	\$46,172,488	\$79,695,821	\$18,428,249	\$98,124,070
\$1,572,765	\$35,833,221	\$67,760,380	\$221,144,037	\$168,905,440	\$390,049,477
\$425,261	\$12,745,256	\$67,760,380	\$168,361,903	\$160,826,331	\$329,188,234
72.96%	64.43%	0.00%	30.30%	10.00%	

Appendix F • Operating Budget Detail

2021 Operating Budget

2021 Program, Activity, and Object Matrix

	Pace Operating Divisions ⁽¹⁾	Public Carriers	Private Carriers	Demand Response Services ⁽²⁾
Revenue				
Farebox	\$18,642,514	\$729,173	\$260,667	\$1,187,125
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
CARES Operating Assistance	0	0	0	0
Other	1,182,215	643,987	330,067	9,594,019
Total Revenue	\$19,824,729	\$1,373,160	\$590,734	\$10,781,144
Operating Expenses				
Operations				
Labor/Fringes	\$79,042,952	\$1,851,789	\$0	\$0
Parts/Supplies	8,590	1,023	0	0
Purchased Transportation	0	480,917	2,925,723	18,063,336
Fuel	0	0	0	0
Other	215,912	18,992	0	0
Total Operations	\$79,267,454	\$2,352,721	\$2,925,723	\$18,063,336
Vehicle Maintenance				
Labor/Fringes	\$19,256,191	\$600,216	\$0	\$0
Parts/Supplies	6,011,837	123,399	0	0
Other	289,423	120,208	0	194,903
Total Vehicle Maintenance	\$25,557,451	\$843,823	\$0	\$194,903
Non-Vehicle Maintenance				
Labor/Fringes	\$1,229,711	\$0	\$0	\$0
Parts/Supplies	678,857	0	0	0
Other	1,775,614	0	0	10,918
Total Non-Vehicle Maintenance	\$3,684,182	\$0	\$0	\$10,918
General Administration				
Labor/Fringes	\$3,832,125	\$403,920	\$0	\$0
Parts/Supplies	87,211	736	0	0
Utilities	2,343,828	1,739	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	650,319	300	0	518,102
Indirect Overhead Allocation	0	0	0	0
Total Administration	\$6,913,483	\$406,695	\$0	\$518,102
Total Expenses	\$115,422,570	\$3,603,239	\$2,925,723	\$18,787,259
Funding Requirement	\$95,597,841	\$2,230,079	\$2,334,989	\$8,006,115
Recovery Ratio	17.18%	38.11%	20.19%	57.39%

(1) Includes CMAQ/ICE Service.

(2) Includes Ride DuPage, Ride in Kane, and Community Transit.

Appendix F • Operating Budget Detail

<u>Vanpool</u>	<u>Administration</u>	<u>Centralized Support</u>	<u>Total Suburban Service</u>	<u>Total Regional ADA Paratransit</u>	<u>Combined 2021 Budget</u>
\$2,194,200	\$0	\$0	\$23,013,679	\$7,156,717	\$30,170,396
0	1,345,862	0	1,345,862	0	1,345,862
0	1,160,000	0	1,160,000	0	1,160,000
0	84,708	0	84,708	250,000	334,708
0	19,644,912	0	19,644,912	0	19,644,912
0	828,845	0	12,579,133	1,891,422	14,470,555
\$2,194,200	\$23,064,327	\$0	\$57,828,294	\$9,298,139	\$67,126,433
\$0	\$0	\$3,811,041	\$84,705,782	\$0	\$84,705,782
0	0	1,757,398	1,767,011	0	1,767,011
0	0	0	21,469,976	150,218,463	171,688,439
714,443	0	7,896,689	8,611,132	6,610,685	15,221,817
1,129,183	0	0	1,364,087	0	1,364,087
\$1,843,626	\$0	\$13,465,128	\$117,917,988	\$156,829,148	\$274,747,136
\$0	\$0	\$5,157,827	\$25,014,234	\$0	\$25,014,234
0	0	350,000	6,485,236	0	6,484,236
0	0	730,672	1,335,206	0	1,335,206
\$0	\$0	\$6,238,499	\$32,834,676	\$0	\$32,833,676
\$0	\$0	\$1,414,043	\$2,643,754	\$0	\$2,643,754
0	0	0	678,857	0	678,857
0	346,462	1,318,155	3,451,149	0	3,451,149
\$0	\$346,462	\$2,732,198	\$6,773,760	\$0	\$6,773,760
\$0	\$24,044,631	\$0	\$28,280,676	\$4,293,842	\$32,574,518
0	214,438	0	302,385	0	302,385
0	720,015	0	3,065,582	51,966	3,117,548
0	0	11,088,672	11,088,672	933,271	12,021,943
0	0	26,397,535	26,397,535	884,707	27,282,242
0	12,168,870	8,821,636	22,159,227	2,553,201	24,712,428
0	0	0	(9,431,840)	9,431,840	0
\$0	\$37,147,954	\$46,307,843	\$81,862,237	\$18,148,827	\$100,011,064
\$1,843,626	\$37,494,416	\$68,743,668	\$239,388,661	\$174,977,975	\$414,365,636
(\$350,574)	\$14,430,089	\$68,743,668	\$181,560,367	\$165,679,836	\$347,239,203
119.02%	61.51%	0.00%	30.30%	10.00%	

Budget Process & Calendar

The RTA Act, which governs Pace's existence, contains specific language describing both the budget process and the RTA review criteria.

The Budget Process

By September 15, the RTA is to advise Pace and the other service boards (CTA and Metra) of the amounts and timing for the provision of public funding via the RTA for the coming and two following fiscal years. At the same time, the RTA is to advise Pace, CTA, and Metra 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 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 budget. 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 two following 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. Due to its large size, Pace typically holds three public hearings in Cook County. In order to facilitate public comment on the ADA Paratransit program in the City of Chicago, Pace typically holds four additional hearings in the city. Public

notice of the hearings is run in several widely distributed news-papers throughout the service area. In addition, Pace is to meet with each of the six county boards to review the proposed budget and program. 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 (TMAs, business chambers) to inform the public of the proposed budget and program. Thousands of copies of the proposed budget document and supplemental brochure are printed and distributed to elected officials, local governments, transportation interests, public libraries, and citizens. A copy is also available on Pace's website.

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

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

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. The RTA also meets with each county board and holds public hearings in each county on the consolidated regional budget and plan. At the conclusion of these meetings and hearings, the RTA adopts a final budget and plan which requires the approval of twelve of the RTA's sixteen-member Board. 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 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 Pace 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 Pace Board will also conduct public hearings in the affected areas.

Budget amendments which do not impact the RTA balanced budget determination basis are provided to the RTA for information 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. Addition-

ally, 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 2021 budget development cycle. The annual capital budget and five-year program, as well as the three-year financial plan for operations, are also developed in accordance with this schedule.

Chart S. 2021 Budget Development Calendar

<u>Date (2020)</u>	<u>Event</u>
May 15	Release budget call to Agency management
May-August	Budget discussions/meetings with RTA and other Service Boards
June 12	Budget call requests due from management
June-August	Staff develops a preliminary budget
September 10	RTA to set 2021 Funding and Recovery Marks
September 16	Pace Board meets to discuss preliminary 2021 budget
September 19-30	Staff develops Proposed 2021 Budget per Board directives
October 16	Staff submits Proposed 2021 Budget to RTA
October 21	Pace Board releases Proposed 2021 Budget for Public Hearing
October 23-30	Public Hearings on Pace's Proposed 2021 Budget
November 12	Pace Board adopts Final 2021 Budget
November 15	Submit Final 2021 Budget to RTA
November	RTA evaluates Pace budget for compliance
November 19	RTA Finance Committee Review
December 17	RTA scheduled to approve/adopt 2021 Budget for Pace

Budget & Financial Policies

Budget Policies Overview

Pace is one of three service boards, including Pace, CTA, and Metra, subject to the budgetary control provisions of the Regional Transportation Authority 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 three-year financial plan for the budget year and two subsequent years; and a five-year capital improvement program and budget by November 15.

Once the final program and budget is submitted to the RTA, 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.

- 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 of funding any operating deficits or encumbrances incurred in prior periods, including provision for payment when due of principal and interest on outstanding indebtedness.
- 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.
- 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.

- The budget and plan are based upon, and employ, assumptions and projections which are reasonable and prudent.
- 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.
- The budget and financial plan must meet such other financial, budgetary, or fiscal requirements that the Board may, by rule or regulation, establish.
- The budget and plan are consistent with the goals and objectives adopted by the RTA 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

In order 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 on a monthly basis 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 Pace 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 established line items.

Authorized Head Count

This policy establishes the Pace Board as controlling the total employee head count 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

In order to allow for the payment of obligations in a timely manner, the Pace Board of Directors has 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, 2020, Pace has 112 days of working capital available.

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 with 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 Revenues

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

RTA Funding Policy

This policy establishes the basis for RTA funding of Pace and places restrictions on the use of Pace's retained earnings. RTA policy was to fund the established budgeted deficit of Pace and not the actual results for the year; however, the RTA has rescinded this policy. RTA policy now is to pass through actual funding results based on the source. In addition, the policy restricts use of any

funding provided as a result of a positive budget variance to capital projects or finite operating uses subject to RTA budgetary approval. The Pace policy is consistent with the RTA policy limitations for capital project use and finite operating expense. Lastly, the RTA Reserve Policy established in October 2015 requires the service boards to maintain adequate reserves in order 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.

Pace is also required by the FTA 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 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 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, in order to establish appropriate funded reserves to pay future potential liabilities.

Pace currently maintains a \$5 million Self-Insured Retention (SIR) for each occurrence for Automobile Liability exposures. Insurance provides \$10 million in excess coverage above the SIR. For claims above \$15 million, additional Risk Financing techniques are available including Excess Auto Liability coverage and the ability to borrow funds through the RTA Loss Financing Plan. Excess General Liability insurance is also purchased from an insurance carrier for coverage above an SIR of \$2.5 million each occurrence. Additionally, Pace may utilize the RTA Loss Financing Plan to finance recovery from General Liability losses that may exceed \$12.5 million. Pace purchases other property/casualty excess policies including Workers Compensation, Pollution, Employment Practice Liability, Directors and Officers, Crime, Cyber, Property, and 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 with an aggregate stop-loss of \$4.9 million.

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 \$39 million annually in operating revenue, leaving a coverage ratio of greater than five 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 2021 budget includes appropriations for the interest costs associated with Pace's bond debt program. Pace will pay \$1.387 million in principal and interest for the sixth year of the \$12.0 million South Division garage bond in 2020. 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 method 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 (enterprise) fund type.

Pace maintains a chart of accounts consistent with the Federal Transit Administration'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.

┌ *Pace's sound financial policies*
ensure financial stability. ┘

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, keeping it at \$100 million, however 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; however, 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 \$12.0 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 ten-year bank direct placement with level principal payments of \$1.2 million annually, having a 2.87% average coupon interest rate. Interest is paid semi-annually each June and December 15, and principal is paid annually each December 15. 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 \$1.48 million annually for ten years.

The total debt service is shown below.

	2021	2022	2023
Principal	\$1,200,000	\$1,200,000	\$1,200,000
Interest	154,200	119,400	82,200
Total Annual	\$1,354,200	\$1,319,400	\$1,282,200





Pace issued a \$12.0 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.

2021 Budget

The 2021 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 \$12.0 million ten-year South Division bond.

Schedule A. \$12.0 million South Division CNG Project

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

<u>Payment Year</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Total Debt Service</u>	<u>Debt Outstanding</u>
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
Total	\$12,000	\$1,832	\$13,832	

This page intentionally left blank.

Glossary

Budget Terms

accrual

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

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.

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.

budget

A financial plan showing estimated or planned revenue and expenses.

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.

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.

defeasance

As applied to debt, the legal extinguishment of a loan.

deficit

The amount by which total operating expense exceeds total revenue.

depreciation

The reduction in value of tangible, long-lived assets, from use or obsolescence.

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.

fringe benefit expense (fringes)

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

full-time equivalent (FTE) position

A position that totals 2,080 hours of annual service.

funding formula

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

labor expense

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

maintenance expense

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

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.

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.

performance measure

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

performance target

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

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).

recovery ratio

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

Useful Life Benchmark (ULB)

The expected lifecycle of a capital asset, or the acceptable period of use in service, for a particular transit provider’s operating environment.

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.

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.

Americans with Disabilities Act (ADA)

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.

Arterial Rapid Transit (ART)

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

Bus on Shoulder (BOS)

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 allowing Bus on Shoulder service and expanding that permission to all the region's expressways and tollways.

Bus Rapid Transit (BRT)

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

Call-n-Ride

See 'On Demand.'

Chicago Metropolitan Agency for Planning (CMAP)

The regional planning organization for northeastern Illinois.

Chicago Transit Authority (CTA)

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

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.

express bus

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

feeder route

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

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.

full size bus

A bus that is 35 feet or greater in length.

Intelligent Bus System (IBS)

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

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)).

medium size bus

A bus that is 30 to 34 feet in length.

Metra (Commuter Rail Division)

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

National Transit Database (NTD)

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.

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.

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.

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.

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.

queue jump

The act of bypassing a line of vehicles at a signalized intersection through the use of a designated lane as part of a BRT system, thereby reducing travel times.

Regional ADA paratransit service

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

Regional Transportation Authority (RTA)

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

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.

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.

Shuttle Bug route

A public-private partnership between the TMA of Lake Cook, Pace, Metra, and area businesses to provide convenient bus service connections between participating businesses and Metra stations.

small bus

A bus that is 29 feet or less in length.

Suburban Service

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

Taxi Access Program (TAP)

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

total vehicle miles

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

Transit Signal Priority (TSP)

TSP 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.

Transportation Management Association (TMA)

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

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.

van

A vehicle 20-feet in length or shorter, usually with an automotive-type engine and seating normally entered directly through side doors rather than from a central aisle, used for demand response and vanpool service.

vanpool

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

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.

Funding Terms**Better Utilizing Investments to Leverage Development (BUILD)**

Discretionary grants program that funds investments in transportation infrastructure, including transit. The Consolidated Appropriations Act of 2018 made available \$1.5 billion for National Infrastructure Investments through September 30, 2020. BUILD Transportation grants replace the Transportation Investment Generating Economic Recovery (TIGER) grant program.

bond

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

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.

Congestion Mitigation/Air Quality (CMAQ)

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

Coronavirus Aid, Relief, and Economic Security (CARES) Act

Federal legislation which provides emergency assistance and health care response for individuals, families and businesses affected by the COVID-19 pandemic. Funding provided via FTA was allocated to transit agencies which receive urbanized area and rural area formula funds at 100 percent federal share, with no local match required, and are available to support capital, operating, and other expenses generally eligible under those programs to prevent, prepare for, and respond to COVID-19. Operating expenses incurred beginning on January 20, 2020 are also eligible, including operating expenses to maintain transit services, as well as paying for administrative leave for transit personnel due to reduced operations during an emergency.

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

MAP-21 consolidated two former programs, the Elderly and Disabled Program (formerly Section 5310) and the New Freedom Program (Section 5316), into the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities. The program provides capital 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.

Families First Coronavirus Response Act

Federal legislation which requires certain employers to provide employees expanded paid sick leave or expanded family and medical leave for specified reasons related to COVID-19.

Federal Emergency Management Agency (FEMA)

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.

Federal Transit Administration (FTA)

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

Fixing America's Surface Transportation (FAST) Act

Congress establishes the funding for FTA programs through authorizing legislation that amends Chapter 53 of Title 49 of the U.S. Code. On December 4, 2015, President Obama signed the FAST Act (Pub. L. No. 114-94), authorizing \$305 billion over fiscal years 2016 through 2020 for highway, highway and motor vehicle safety, public transportation, motor carrier safety, hazardous materials safety, rail, and research, technology, and statistics programs.

fund

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

grants

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

Illinois Department of Transportation (IDOT)

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

Illinois Emergency Management Agency (IEMA)

Agency established by the Illinois Emergency Act within the executive branch of state government responsible for coordination of the overall emergency management program of the state with private organizations, political subdivisions, transit agencies, and the federal government.

Innovation, Coordination and Enhancement (ICE) 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.

marks

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

Moving Ahead for Progress in the 21st Century Act (MAP-21)

MAP-21 (P.L. 112-141) was signed into law in 2012, funding surface transportation programs at over \$105 billion for fiscal years 2013 and 2014. The Surface Transportation Extension Act of 2015, Part II (P.L. 114-87) extended funding through December 4, 2015.

New Freedom Program

Under MAP-21, this program was merged with Section 5310 funding for seniors and persons with disabilities. The focus of the funding remains for the provision of service options for individuals with disabilities that exceed services mandated by the ADA.

New Starts Program

An FTA discretionary grant program that funds capital investments including fixed guideway transit projects totaling \$300 million or more, or the funding sought equals or exceeds \$100 million.

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.

Positive Budget Variance (PBV)

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 one-time operating expenses.

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.

Public Transportation Fund (PTF)

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.

Real Estate Transfer Tax (RETT)

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.

Regional Transit Signal Priority Implementation Program (RTSPIP)

To ensure that an integrated TSP system is implemented across the different transit and highway jurisdictions in the six-county northeastern Illinois region, the RTA is providing funding and program management services for a comprehensive effort known as the RTSPIP, involving 13 priority transit corridors spanning about 100 miles of roadway and 400 signalized intersections.

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.

Small Starts

An FTA discretionary grant program that funds capital investments less than \$100 million or fixed and non-fixed guideway transit projects totaling less than \$300 million.

South Suburban Job Access (SSJA)

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.

State of Good Repair (SGR)

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

Suburban Community Mobility Fund (SCMF)

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.

Transfer Capital

Budget year operating funds directed to capital projects.

Transit Asset Management (TAM)

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.

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.

Unified Work Program (UWP)

The planning projects that CMAP and other agencies undertake each year to enhance transportation in northeastern Illinois.

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 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.

This page intentionally left blank.

Ridership

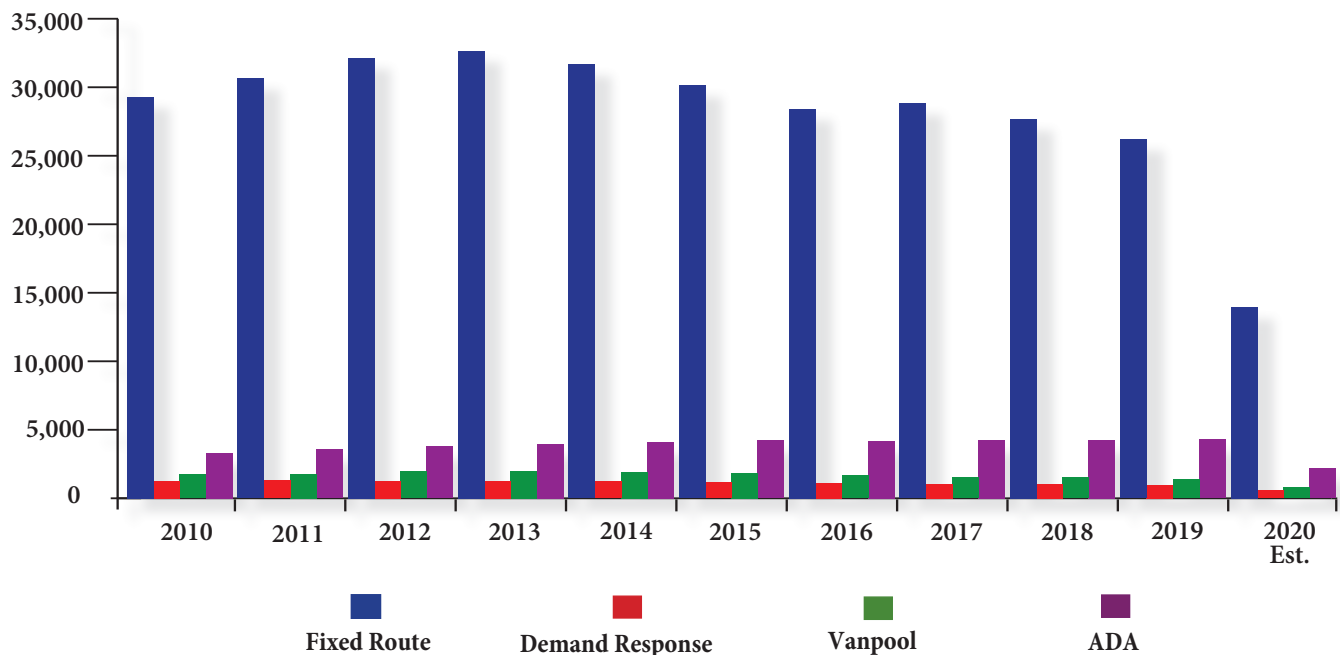
The following table details the ridership performance of Pace’s various services for the last ten years.

Table 41. Pace 2010–2020 Ridership Historical Summary (000s)

	Fixed Route	Demand Response	Vanpool	Total Suburban Service	ADA	Total System
2010	29,292	1,273*	1,751	32,316	3,310*	35,626
2011	30,630	1,293	1,778	33,701	3,546	37,247
2012	32,151	1,280	1,962	35,393	3,776	39,170
2013	32,645	1,276	2,000	35,921	3,968	39,889
2014	31,650	1,223	1,923	34,796	4,088	38,883
2015	30,120	1,147	1,851	33,119	4,227	37,346
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	30,209	4,264	34,472
2019	26,192	968	1,361	28,521	4,281	32,802
2020 Est.	13,951	579	799	15,329	2,173	17,502

*Effective in 2010, ridership includes companions and personal care attendants.

Chart T. Pace 2010-2020 Historical Ridership (000s)



Acknowledgements

This document was produced under the direction of *Rocky Donahue, Executive Director*, and would not be possible without the support of the following people:

Budget Planning & Analysis

<i>Renaldo Dixon</i>	<i>Department Manager, Budget Planning & Analysis</i>
<i>Melanie Castle</i>	<i>Section Manager, Budget Planning</i>
<i>Cristina Pucillo</i>	<i>Principal Budget Analyst</i>
<i>Kristian Skogsbakken</i>	<i>Principal Budget Analyst</i>
<i>Lindsey Hahn</i>	<i>Budget Analyst</i>

Capital Financing & Infrastructure

<i>Janet Kuhn</i>	<i>Capital Infrastructure Program Manager</i>
<i>Jonathan Christ</i>	<i>Transit Asset Management Coordinator</i>

Production & Graphics

<i>Celine Kochman</i>	<i>Administrative Assistant, Budget Planning & Analysis</i>
<i>Lindsey Hahn</i>	<i>Budget Analyst</i>

Contributors

<i>Melinda Metzger</i>	<i>General Manager/Chief Operating Officer</i>
<i>Dominick Cuomo</i>	<i>Chief Financial Officer</i>
<i>Maggie Daly Skogsbakken</i>	<i>Chief Communications Officer</i>
<i>Lindsey Umek</i>	<i>Department Manager, Bus Operations</i>
<i>Susan Rushing</i>	<i>Department Manager, Community Relations</i>
<i>James Garner</i>	<i>Department Manager, Research & Analysis</i>
<i>Doug Sullivan</i>	<i>Department Manager, Marketing & Communications</i>
<i>David Tomzick</i>	<i>Department Manager, Strategic & Capital Planning</i>
<i>Erik Llewellyn</i>	<i>Acting Department Manager, Service Planning & Scheduling</i>
<i>Sally Ann Williams</i>	<i>Division Manager, Paratransit Operations</i>
<i>Jim Egeberg</i>	<i>Section Manager, Debt Management</i>
<i>Kevin Salmi</i>	<i>Section Manager, Service Analysis</i>
<i>Chuck Steneck</i>	<i>Acting Department Manager, Enterprise Application Services</i>
<i>Hong Yang</i>	<i>Lead GIS Software Developer</i>
<i>Ryan Ruehle</i>	<i>Rapid Transit Corridor Planner</i>
<i>Karen Kase</i>	<i>Executive/Board Secretary</i>
<i>Brett Burkhardt</i>	<i>Regional Manager, North Region</i>
<i>Mark Klafeta</i>	<i>Regional Manager, South Region</i>
<i>Randy Comstock</i>	<i>Division Manager, Vanpool Program Services</i>



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Pace Suburban Bus Service

Illinois

For the Fiscal Year Beginning

January 1, 2020

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to Pace Suburban Bus for its annual budget for the fiscal year beginning January 1, 2020.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan and a communication device.

The award is valid for a period of one year only. Pace believes its current budget continues to conform to program requirements, and will submit it to the GFOA to determine its eligibility for another award.



PaceBus.com
(847) 364-8130
550 W. Algonquin Road
Arlington Heights, IL 60005