



Final Program • November 2024

Suburban Service and Regional ADA Paratransit Budget

2025 Operating Budget

2026–2027 Two-Year Financial Plan

2025–2029 Five-Year Capital Program



Board of Directors and Senior Staff



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Dear Stakeholders:

We are pleased to present Pace's balanced 2025 Budget, which not only maintains our commitment to fiscal responsibility but also advances our mission to provide accessible, equitable, and innovative public transportation. This year's budget features a robust capital program and fully funded operational budgets for both fixed-route and paratransit services, with no fare increases or reductions in service. In fact, 2025 will see more service on the road to meet the growing market demand from both returning and new riders.

Pace prides itself on being a good steward of taxpayer dollars while offering essential mobility across the region. Our fiscal responsibility and nimble approach have earned us the trust of our communities and made us a sound investment. This trust is evident in the significant funding awards we received this year, including more than \$4 million in federal Community Project Funding and \$30.9 million from the Federal Transit Administration to accelerate our ongoing transition to a zero-emissions fleet.

2024 was a landmark year for Pace as we introduced our first electric vehicle into service along 95th Street, marking a significant step in our sustainability journey. The debut of our inaugural battery-electric bus is a testament to our dedication to environmental stewardship. Our Project Zero fleet and facilities transition plans are complete, and our first electric ADA paratransit vehicle will soon be serving Kane County. We are also constructing the necessary infrastructure to support the next 22 electric buses, which will begin operating next year. These efforts position us well on our path to achieving our 2040 zero-emission goal.

Throughout 2024, we continued to enhance our network and expand our service offerings. On Demand services in Arlington Heights, Rolling Meadows, and the Round Lake Area were expanded and a new Lansing Area On Demand launched in October. Our Pulse network grew with the launch of the Pulse Dempster Line and work continued on 95th Street, Halsted, and Cermak lines. We also made fixed-route service free for passengers certified for ADA Paratransit service. Further, we integrated more services into our preferred mobility-as-a-service app, Transit, and launched the Rideshare Access Program (RAP), which provides flexible rideshare options for people with disabilities across the region. These improvements, along with our efforts to enhance passenger amenities and push forward on meaningful capital and long-range planning initiatives, demonstrate our ongoing commitment to better serving our communities. We are doing good work, and we are eager to do even more.

These initiatives and others will continue our momentum to build the modern, world-class transit system our region deserves. Thanks to the ongoing support of our federal, state, and local partners, Pace remains uniquely positioned to build on our 40-year history of innovation and deliver a reimagined transit system that ensures public transit is a preferred travel choice for northeastern Illinois.

Pace deeply appreciates your continued support. Together, we will continue to provide essential transportation services to the people of northeastern Illinois.

Sincerely,

A handwritten signature in blue ink that reads "Melinda J. Metzger".

Melinda J. Metzger
Executive Director
Pace Suburban Bus

From the Office of the Chairman of the Board

Dear Residents, Interested Citizens, and Public Officials:

Pace's 2025 budget will power our agency to implement critical investments and service initiatives that put the needs of our riders first and continue our positive momentum in addressing our region's evolving mobility habits. The balanced budget represents Pace's commitment to providing as much service as possible within our budget and operating a transit network that can deliver fast and frequent service, easier connectivity, greater accessibility, and sustainable transportation.



Pace's momentum has been on display this past year with increasing ridership, historic infrastructure investments, and innovative service enhancements. As we implemented strategic fare adjustments, expanded service offerings, and targeted marketing campaigns to attract new riders, our system's ridership continues to grow.

We engaged with communities, allowing us to tailor our services more effectively in the post-pandemic era. The past year also marked the launch of *ReVision*, Pace's ambitious network revitalization and system restructuring plan. *ReVision* will position Pace to better serve the diverse and evolving needs of our suburban communities.

Stakeholder engagement will be crucial throughout this process. In 2025, we look forward to working closely with our partners, passengers, and community leaders to shape the future of transit in north-eastern Illinois. Visit PaceBus.com/Revision to submit your comments on the future of Pace service.

The budget in the year ahead also delivers on the cornerstone of Pace's mission—operational excellence. We will implement several service enhancements designed to improve our riders' transit experience. The highlights include increased frequency along high-demand routes, expanded On Demand services, and improved weekend and late-night service.

We also look forward to continuing major projects that center the needs of our riders and enhance accessibility and connectivity. The year ahead includes work to complete the new ADA Paratransit Transfer Facility at our Northwest Transportation Center and our South Campus project in Markham. We will continue progress on reconstructing the Harvey Transportation Center to improve service reliability and deliver increased capacity for our riders in the south suburbs. We will also break ground on Pace's North Division transition to a fully electric garage. The Waukegan facility will be the first garage to house a fully battery electric fleet by 2027.

Pace's ability to innovate and provide critical mobility that our communities and economy depend on cannot happen without transformative investments in public transportation from our state and federal leaders. We continue to advocate for adequate funding that will not only allow us to maintain our current system but also build a modern, resilient transit network for generations to come.

I am deeply grateful for the strong relationships we have with our municipal, township, county, and state partners. Their collaborative spirit has been instrumental in our success throughout our vibrant 40-year history and will continue to benefit the region as we work together to address our fiscal challenges and better serve our shared constituents.

Sincerely,

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

Rick Kwasneski
Chairman
Pace Suburban Bus



Budget Highlights

On August 15, 2024, the RTA approved funding levels for Pace Suburban Service and Regional ADA Paratransit which allow for stable operating budgets in 2025.

Suburban Service

Highlights of the 2025 budget include:

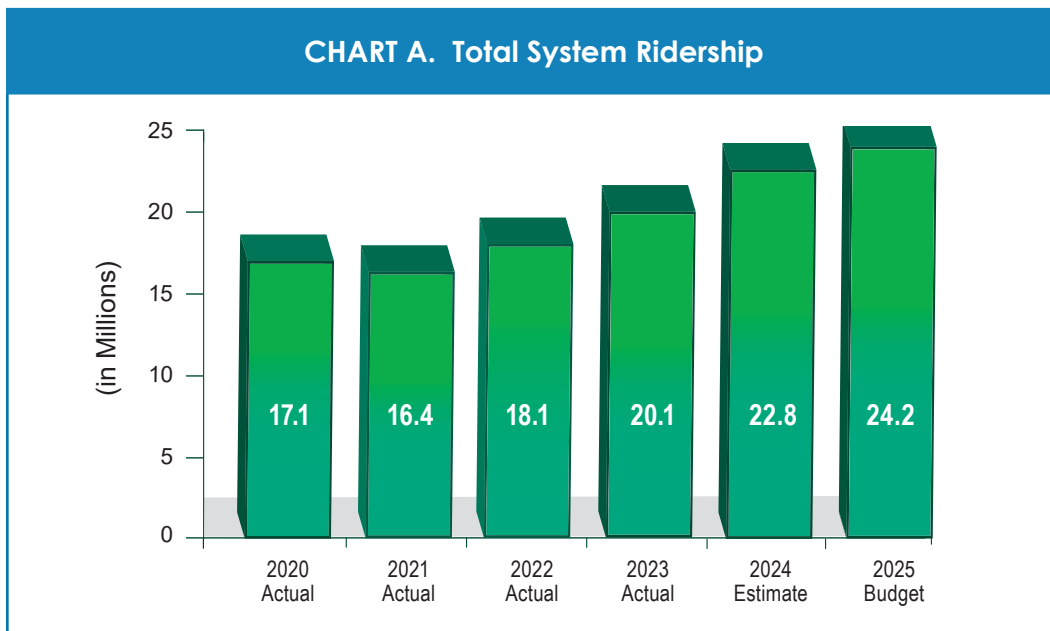
- The 2025 budget is balanced to the RTA funding level with no fare increases. This is achieved through the use of positive budget variance generated from federal coronavirus relief funding.
- In 2025, Pace is increasing support for Demand Response services including one time, county-level grants to assist in implementing or enhancing county-wide service.
- The 2025 budget continues to support innovative services like VanGo, a self-serve travel option providing a connection between designated bus or train stations and a rider's place of work for a \$5 fare.
- Pace expects to have 24 battery electric buses in service in 2025, distributed throughout the service area, supporting the agency's goal of reaching zero emissions by 2040.
- The 2026 and 2027 Suburban Service plan years include preliminary revenue and expense adjustments associated with *ReVision*—Pace's Network

Revitalization & Systemwide Restructuring Initiative. The *ReVision* project seeks to modernize and enhance Pace's entire bus route network, with the goal of building upon Pace's principles of accessibility, safety, equity, and productivity for 2026 and beyond.

- The 2025 Suburban Service Capital Program totals \$78.8 million, primarily for support facilities and equipment and rolling stock. The budget includes \$51.7 million to begin the modification and expansion of the River and Southwest Division garages to accommodate an electric bus fleet and continue Pace's pledge to zero emissions. It also includes \$2.2 million for a pilot program of hydrogen paratransit vehicles.

Regional ADA Paratransit

The 2025 Regional ADA Paratransit budget is balanced to RTA's funding level of \$266.2 million and includes support for the Rideshare Access Program (RAP), which subsidizes ADA Paratransit customers that use Transportation Network Company (TNC) services as an alternative to dedicated ADA Paratransit services. In 2025, Regional ADA Paratransit service will provide an estimated 4.6 million passenger trips, 0.3 million above 2019 pre-pandemic levels, with no planned fare increases.



Executive Summary

2025 Combined Operating Budget Summary

The 2025 budgets for Suburban Service and the Regional ADA Paratransit program are stable and balanced to the funding levels and recovery ratio requirements approved by the RTA on August 15, 2024.

The 2025 Suburban Service expense budget is \$339.3 million. Suburban Service operating revenue is budgeted at \$51.7 million. Total public funding for Suburban Service is estimated at \$246.2 million, leaving a funding shortfall of \$41.4 million. Positive budget variance generated from federal coronavirus relief funding will be used to fund the remaining deficit.

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

The 2025 expense budget for Regional ADA Paratransit is \$281.2 million. ADA operating revenue is expected to reach \$15.0 million, resulting in a funding requirement of \$266.2 million, which is fully funded with public funding. Pace will use allowable credits to meet the 7.5% recovery ratio set by the RTA.

Table 1. 2025 Combined Services Operating Budget Summary (000s)

	Suburban Service	Regional ADA Paratransit	Combined Pace Services
Total Operating Expenses	\$339,297	\$281,230	\$620,527
Less: Total Operating Revenue	51,732	15,030	66,762
Funding Requirement	\$287,565	\$266,200	\$553,765
Less:			
Sales Tax (Part I)	\$135,394	\$0	\$135,394
Sales Tax (Part II)	18,452	256,180	274,632
Suburban Community Mobility Fund (SCMF)	35,287	0	35,287
South Suburban Job Access Fund	7,500	0	7,500
PTF (Part I)	6,454	0	6,454
PTF (Part II)	26,458	0	26,458
RTA Sales Tax (Part I)	10,657	0	10,657
Federal Discretionary Fund Programs	6,003	0	6,003
State ADA Funds	0	10,020	10,020
Positive Budget Variance	41,360	0	41,360
Net Funding Available	\$0	\$0	\$0
Recovery Ratio	17.00%	7.50%	

2025 Capital Budget Summary

The preliminary Capital Program funding marks prepared by the RTA include estimated federal, state, and local funds that are expected to be available to the region for capital investment purposes. Listed below are the highlights of the 2025 capital budget.

Suburban Service

The 2025 Suburban Service Capital Program totals \$78.8 million.

The program consists of:

- \$26.1 million for Rolling Stock, including 21 fixed route buses and 18 paratransit vehicles.
- \$51.8 million for Support Facilities and Equipment, including electrification/expansion of Southwest and River Divisions.
- \$1.0 million for Miscellaneous, including unanticipated capital projects.

Table 2.
2025 Suburban Service Capital Budget (000s)

	Amount
Rolling Stock	
Fixed Route OTR Coach Buses (13)	\$12,450
Fixed Route EV Hybrid Buses (8)	9,600
Paratransit Vehicles (15)	1,863
Hydrogen Paratransit Vehicles (3)	2,158
Subtotal	\$26,071
Support Facilities & Equipment	
Southwest Div. Electrification/Expansion (Phase I)	\$31,500
River Division Electrification/Expansion	20,250
Subtotal	\$51,750
Miscellaneous	
Unanticipated Capital	\$1,000
Subtotal	\$1,000
Total Suburban Capital Program	\$78,821
Total Funding	
Federal 5307/5339	\$55,413
State PAYGO	20,250
RTA ICE	2,158
Pace PBV	1,000
Total Suburban Funding	\$78,821

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2025 Suburban Service Operating Budget

Summary

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

- In 2025, Pace projects \$339.297 million in operating expenses and a total of \$51.732 million in revenue generated from operations.
- The funding requirement of \$287.565 million is funded by sales tax and other public sources of funds.
- A total of \$240.202 million in funding generated from Regional Sales Tax will be used.
- A total of \$6.003 million in federal Congestion Mitigation/Air Quality (CMAQ) funds will be used to support Pulse Dempster operations.
- A total of \$41.360 million of positive budget variance generated from federal coronavirus relief funding will be used to cover the shortfall in sales tax and operating revenue.

The 2025 budget plans for additional support for Demand Response services including county-level grants intended to implement or enhance county-wide service and an increase to the per ride reimbursement for municipal carriers from \$3 to \$7. The budget also includes significant enhancements to fixed route service frequency throughout the service area, and continued support for innovative programs such as On Demand, VanGo and the Rideshare Access Program (RAP), which provides ADA-certified riders a choice to use TNCs like Uber and UZURV.

The 2025 Suburban Service budget is balanced to both the funding and recovery ratio marks identified for Pace by the RTA.

Ridership is projected to increase 6.1% in 2025 to 19.5 million trips, continuing Pace's steady ridership increases since the lows of the coronavirus pandemic.

A detailed review of the 2025 Suburban Service operating program is presented in this section.

Table 3. 2025 Suburban Service Operating Budget Summary (000s)

	2023 Actual	2024 Estimate	2025 Budget
Total Operating Expenses	\$267,663	\$299,805	\$339,297
Less: Total Operating Revenue	50,015	53,957	51,732
Funding Requirement	\$217,648	\$245,848	\$287,565
Less:			
Sales Tax (Part I)	\$127,231	\$131,338	\$135,394
Sales Tax (Part II)	20,409	20,698	18,452
Suburban Community Mobility Fund (SCMF)	33,196	34,259	35,287
South Suburban Job Access Fund	7,500	7,500	7,500
PTF (Part I)	6,141	6,315	6,454
PTF (Part II)	25,179	25,843	26,458
RTA Sales Tax (Part I)	6,337	7,513	10,657
RTA Discretionary Fund Programs	444	112	0
Federal Discretionary Fund Programs	2,184	8,233	6,003
Positive Budget Variance	0	4,037	41,360
Net Funding Available	\$10,973	\$0	\$0
Recovery Ratio	23.99%	23.11%	17.00%

Sources of Funds

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

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

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

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

Table 4. Allocation of Part I Sales Tax Receipts

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

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

	2021 Actual	2022 Actual	2023 Actual	2024 Estimate	2025 Budget
Regional Funds					
Sales Tax - Part I	\$1,085,632	\$1,161,319	\$1,206,550	\$1,245,594	\$1,282,509
PTF Match to Sales Tax - Part I (25%)	257,474	294,582	307,069	315,766	322,679
Sales Tax - Part II	383,174	408,248	424,333	437,470	451,047
PTF Match to Sales Tax - Part II (+5% Part I)	179,794	205,005	207,983	212,693	217,586
Total Sales Tax and PTF	\$1,906,074	\$2,069,154	\$2,145,935	\$2,211,523	\$2,273,821
Pace Share of Regional Funds					
Sales Tax - Part I	\$116,945	\$123,182	\$127,231	\$131,338	\$135,394
PTF Match to Sales Tax - Part I	5,149	5,892	6,141	6,315	6,454
Sales Tax - Part II and PTF - Part II	74,570	76,017	78,784	80,800	80,197
Total Pace Share	\$196,664	\$205,091	\$212,156	\$218,453	\$222,045
Pace Funding as a Percent of Regional Funding					
PTF Match to Sales Tax - Part II (RTA Discretionary)	2.0%	2.0%	2.0%	2.0%	2.0%
Sales Tax - Part I and PTF - Part I	9.1	8.9	8.8	8.8	8.8
Sales Tax - Part II and PTF - Part II	13.2	12.4	12.5	12.4	12.0
Total Receipts	10.3%	9.9%	9.9%	9.9%	9.8%

Funding Sources - Part I

Sales Tax

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

The estimated Part I sales tax funding mark for Pace is \$135.394 million for 2025. This represents approximately 10.6% of the total RTA region's estimate of \$1.282 billion. The RTA estimate for Pace Part I Sales Tax receipts is 3.1% higher than 2024 estimated levels. The RTA estimate is based on a projection of current sales tax trends which continue to rise over prior year levels. Table 5 highlights recent trend and upcoming estimates for Part I sales tax revenue for both the region and Pace.

Public Transportation Fund (PTF)

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

For 2025, the RTA will provide Pace with 2.0% or \$6.454 million of the PTF match received for Part I Sales Tax revenue.

Funding Sources - Part II Sales Tax & PTF

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

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

The existing PTF match of 25% of sales tax was extended

to the new 0.25% sales tax, bringing the total PTF match to 30%. Authorization for a Real Estate Transfer Tax (RETT) was created in the City of Chicago with the proceeds of RETT and a State 25% match from PTF on RETT going to CTA.

Funds generated by the new package are pooled and then allocated by the state statute. The allocation for 2025 is as follows:

- \$256.180 million is allocated to Pace for the provision of the Regional ADA Paratransit Service, based on program requirements.
- \$35.287 million is allocated to Pace under the Suburban Community Mobility Fund (SCMF).
- \$17.643 million was allocated to the RTA for the Innovation, Coordination and Enhancement (ICE) fund.
- \$14.059 million is allocated to CTA for the 25% PTF match on RETT.

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

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

Table 6 shows the allocation of the new funding sources for the 2025 RTA budget.

Suburban Community Mobility Fund (SCMF)

In 2025, the \$35.287 million available through SCMF will allow Pace to provide non-traditional transit services such as demand response, vanpool, ridesharing, reverse commute, bus rapid transit, and other innovative services that enhance suburban mobility. Both new and existing services are eligible for SCMF funding. For 2025, Pace will use these funds to support existing services.

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

Regional ADA Paratransit Fund

In 2011, the RTA Act was amended to establish the ADA Fund at a level of \$115 million for 2012 with future allocations based on program requirements. The 2025 requirement is \$256.180 million.

South Suburban Cook Job Access Fund

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

The \$7.5 million does not grow with sales tax growth. These funds can be used for new or existing services that focus on employment opportunities. In 2025, Pace expects to spend a total of \$43.537 million for services in south Cook County for two of its operating divisions—South and Southwest, which includes improvements in the hours and frequency of service on several key routes operated by these divisions.

Federal Discretionary Fund Programs

Congestion Mitigation/Air Quality (CMAQ) Program

Pace relies on funds from the CMAQ program to implement and maintain various new services that support program objectives. Funding from this source is included in 2025 to support Dempster Pulse service.

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

This program encourages service and facility improvements to address the transportation needs of persons with disabilities that go beyond those required by the Americans with Disabilities Act. Funding from this source is included in 2024 to support the Regional Mobility Management Call Center (RMMCC) and will be fully expended before year-end.

Positive Budget Variance

A service board generates positive budget variance (PBV) when funding available exceeds funding required in a given year. These funds are held by a service board until such time that the service board chooses to use the funds for capital or operating purposes. Funding from this source will be used to balance 2025 funding to the estimated funding requirement.

Operating Revenue

The 2025 budget includes \$51.732 million of operating revenue, a 4.1% decrease from the 2024 estimate due to an expected decrease in interest income.

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

	2025 Budget
Sales Tax - Part II	\$451,047
PTF - Part II	217,586
Total Sales Tax II & PTF II	\$668,633
Distribution of Sales Tax - Part II and PTF - Part II	
Less:	
Regional ADA Paratransit Fund - Pace/RTA	\$256,180
Suburban Community Mobility Fund - Pace	35,287
RTA ICE Fund	17,643
25% PTF Match on RETT - CTA	14,059
Balance Available for Allocation to Service Boards	\$345,464
Service Board Allocation	
CTA - 48%	\$165,823
Metra - 39%	134,731
Pace - 13%	44,910
Total Service Board Allocation	\$345,464

Uses of Funds

All funds received in 2025 will be used to support Pace services. The components of the 2025 Suburban Service operating program are fixed route services (i.e., Pace divisions, public/municipal-contracted, and private-contracted); demand response services; the Vanpool program; centralized support expenses; and costs for administration.

Pace Divisions

Pace is responsible for the direct operation of service from nine divisions in the six-county region. Together, these divisions—North, North Shore, Northwest, South, Southwest, West, Fox Valley, River, and Heritage—carry 90% of the total suburban service ridership. Pace expects to expend \$154.809 million for these services in 2025. 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 \$4.037 million in 2025. 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. Pace also plans to expand programs with transportation network companies (TNCs) in 2025 to provide additional service options for riders. The total cost for private contract services in 2025 is estimated at \$6.894 million. Further information can be found on page 14.

Demand Response Services

Pace partners in 42 demand response projects throughout the six-county region. Services are operated by townships and local municipalities under contract with Pace or by private providers. Pace provides funding for these services based on a formula applied to the total service cost. The local government also provides a portion of the service cost. Additionally, Pace oversees the Community Transit Program. The total cost for demand response services in 2025 is estimated at \$26.949 million. Further information can be found on pages 15 and 16.

Vanpool Services

The 2025 budget for vanpool services is \$1.893 million. This program is comprised of three elements—the Vanpool Incentive Program (VIP) provides traditional commute vanpools and VanGo services, the Advantage program provides a transit alternative to individuals who commute on a regular basis to worksites or rehabilitative workshops, and the Shuttle program provides suburban employers and qualifying not-for-profit human services organizations a means to transport employees and program participants to and from transit connections or worksites. Pace expects this program to have 329 vans in service in 2025. Further information can be found on pages 17 and 18.

Centralized Support

Pace provides a variety of direct operational support services through a centralized support program allowing Pace to save money by buying in bulk and consolidating services. In total, Pace will spend \$92.151 million to provide fuel, insurance, healthcare, and other support items in 2025. Further detail is provided on page 19.

Administration

To accomplish the duties of direct operational support, mobility management, service planning, capital planning, financial control and IT support, Pace's 2024 administrative budget, including debt service, is set at \$63.913 million. Further information can be found on page 20.

Regional ADA Paratransit Credit

In July 2006, Pace assumed responsibility for providing all ADA Paratransit Service in the northeastern Illinois six-county region. To offset the cost of administrative support (i.e., Accounting, Procurement, IT and other departments) a credit is applied to the Suburban Service budget and allocated to the Regional ADA Paratransit Services budget. For 2025, the allocation is \$11.349 million.

Table 7. Suburban Service Revenue Summary (000s)

	2023 Actual	2024 Estimate	2025 Budget
Operating Revenue			
Pace Divisions	\$18,732	\$19,618	\$20,747
Public/Municipal Contracted Services	1,220	1,471	1,545
Private Contract Services	702	972	727
Demand Response Services	12,541	13,155	12,069
Vanpool Services	974	1,002	1,061
Half-Fare Reimbursement	1,346	1,460	1,606
Investment/Other Income	14,454	15,834	13,132
Advertising Revenue	46	445	845
Total Operating Revenue	\$50,015	\$53,957	\$51,732
Public Funding			
Sales Tax (Part I)	\$127,231	\$131,338	\$135,394
Sales Tax (Part II)	20,409	20,698	18,452
PTF (Part I)	6,141	6,315	6,454
PTF (Part II)	25,179	25,843	26,458
Suburban Community Mobility Fund (SCMF)	33,196	34,259	35,287
South Suburban Cook Job Access Fund	7,500	7,500	7,500
RTA Sales Tax (Part I)	6,337	7,513	10,657
Federal Discretionary Fund Programs	2,184	8,233	6,003
Non-federal Discretionary Fund Programs	444	112	0
Positive Budget Variance	0	4,037	41,360
Total Public Funding	\$228,621	\$245,848	\$287,565
Total Sources of Funds	\$278,636	\$299,805	\$339,297

Chart B. 2025 Sources of Funds (000s) - Total \$339,297

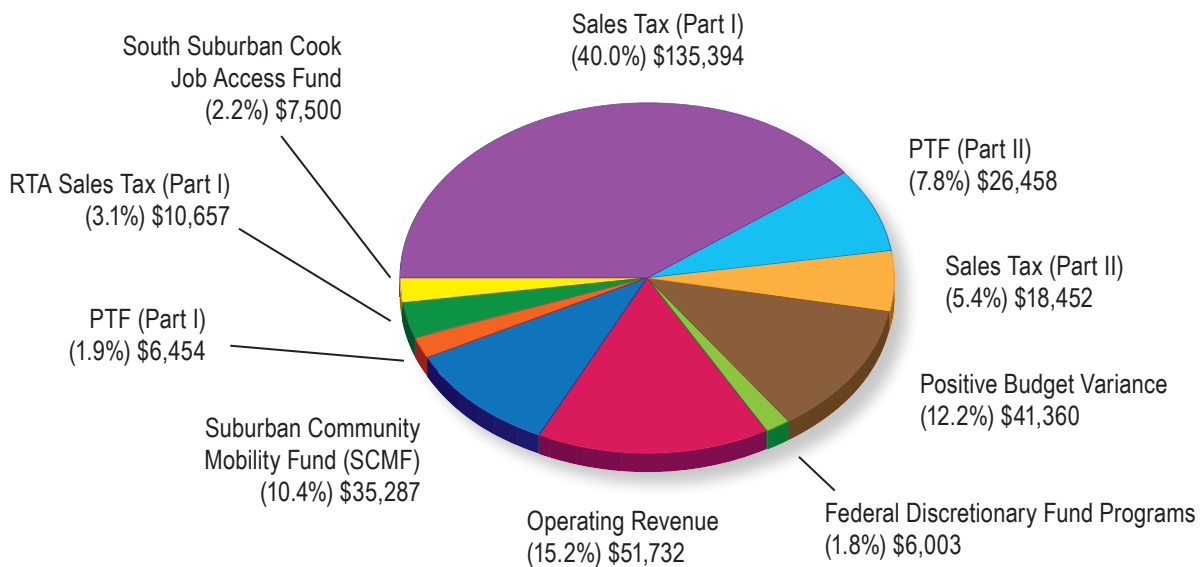
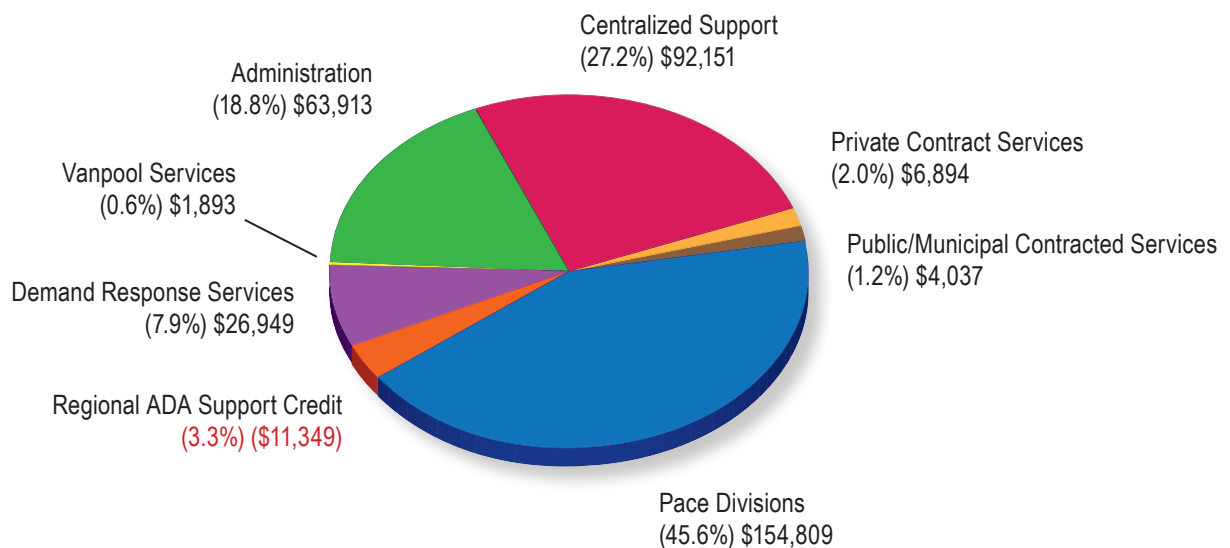


Table 8. Suburban Service Expense Summary (000s)

	2023 Actual	2024 Estimate	2025 Budget
Expenses			
Pace Divisions	\$131,507	\$142,293	\$154,809
Public/Municipal Contracted Services	3,100	3,848	4,037
Private Contract Services	4,065	3,836	6,894
Demand Response Services	22,900	24,211	26,949
Vanpool Services	1,465	1,771	1,893
Centralized Support	68,284	83,387	92,151
Administration*	44,928	49,844	63,913
Regional ADA Support Credit	(8,586)	(9,385)	(11,349)
Total Expenses	\$267,663	\$299,805	\$339,297
Net Funding Available	\$10,973	\$0	\$0
Recovery Rate	23.99%	23.11%	17.00%

*Includes Debt Service through 2024

Chart C. 2025 Uses of Funds (000s) - Total \$339,297



2025 Pace Divisions Budget



2025 Goals

Pace's efforts for 2025 include providing 17.6 million rides via service provided by Pace Divisions.

Pace operates fixed route service from nine divisions located throughout the six-county region: Fox Valley in North Aurora, Southwest in Bridgeview, Northwest in Des Plaines, River in Elgin, North Shore in Evanston, Heritage in Plainfield, South in Markham, West in Melrose Park, and North in Waukegan. Combined, these carriers account for 90.4% of the system's suburban ridership.

In 2025, Pace will spend \$154.809 million to provide service in these areas. This represents an 8.8% increase over estimated 2024 levels and is primarily due to additional service and contractual labor and fringe growth. Total revenue is expected to increase 5.8% due to additional service and increased ridership.

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

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

	2023 Actual	2024 Estimate	2025 Budget
Revenue			
Pace Divisions	\$18,672	\$19,325	\$20,439
CMAQ/ICE	60	293	308
Total Revenue	\$18,732	\$19,618	\$20,747
Expenses			
Operations	\$88,174	\$88,643	\$99,690
CMAQ/ICE	1,482	6,126	6,311
Maintenance	22,104	25,705	26,034
Bus Parts/Supplies	8,982	9,867	10,516
Non-Vehicle Maintenance	3,550	4,103	4,198
General Administration	7,215	7,849	8,060
Total Expenses	\$131,507	\$142,293	\$154,809
Funding Requirement	\$112,775	\$122,675	\$134,062
Recovery Ratio	14.24%	13.79%	13.40%
Ridership	14,335	16,602	17,648
Vehicle Miles	24,871	25,979	28,726
Vehicle Hours	1,705	1,764	1,976
Full Time Equivalentents (FTEs)*	1,434.0	1,478.0	1,592.0

*FTEs not rounded to nearest thousand

2025 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 2025. Combined, these services will provide 0.276 million rides and generate \$1.246 million in farebox and local share revenue. Total service expenditures will reach \$3.460 million in 2025 and net required funding will be \$2.214 million.

Schaumburg

Trolley service is provided in the Woodfield area of Schaumburg. The 2025 estimated cost of this service is \$0.577 million, which will be partially funded by the Village of Schaumburg.



2025 Goals

Pace's efforts for 2025 include providing 0.3 million rides via service provided by Public/Municipal Contracted Services.

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

	2023 Actual	2024 Estimate	2025 Budget
Revenue			
Highland Park	\$385	\$592	\$635
Niles	501	595	611
Schaumburg	334	284	299
Total Revenue	\$1,220	\$1,471	\$1,545
Expenses			
Highland Park	\$1,213	\$1,645	\$1,762
Niles	1,383	1,654	1,698
Schaumburg	504	549	577
Total Expenses	\$3,100	\$3,848	\$4,037
Funding Requirement	\$1,880	\$2,377	\$2,492
Recovery Ratio	39.36%	38.24%	38.26%
Ridership	290	297	298
Vehicle Miles	346	349	349
Vehicle Hours	30	30	30

2025 Private Contract Services Budget

In 2025, Pace will continue to use contract carriers for fixed route service provision in Rosemont, McHenry County, and the Wheaton/Westmont area. The 2025 budget also includes plans to initiate additional service with transportation network companies (TNCs) throughout Pace's service area to provide an alternative to fixed route service to riders. The Pace Connect pilot program, a late-night ride hailing option operating near O'Hare airport and in the Harvey area, was discontinued in Summer 2024 with the most productive portions incorporated into fixed route service.

The cost of providing fixed route contracted service will increase to \$6.894 million in 2025 due to contractual cost increases and additional TNC services.

Operating revenue is projected to decrease 25.2% from 2024 estimated levels due to operating grants associated with the Pace Connect pilot project being fully expended in 2024.

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



2025 Goals

Pace's Private Contract Services efforts for 2025 include expanding TNC services.

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

	2023 Actual	2024 Estimate	2025 Budget
Revenue			
Private Contract	\$702	\$972	\$727
Total Revenue	\$702	\$972	\$727
Expenses			
Private Contract	\$4,065	\$3,836	\$6,894
Total Expenses	\$4,065	\$3,836	\$6,894
Funding Requirement	\$3,363	\$2,864	\$6,167
Recovery Ratio	17.26%	25.33%	10.54%
Ridership	286	319	329
Vehicle Miles	737	755	722
Vehicle Hours	46	46	41

2025 Demand Response Services Budget

Demand Response Services include traditional local Dial-a-Ride, County-led Coordinated Service, On Demand Service, and the Community Transit Program as detailed below. For 2025, Pace will provide additional support for these services by distributing \$0.200 million in funding to each of the five collar counties to assist in implementing or enhancing county-wide service.

In 2025, riders will be able to use the regionwide Ride-share Access Program (RAP), which subsidizes trips for eligible riders using transportation network companies (TNCs).

Local Dial-a-Ride Service

Dial-a-Ride is available in a large portion of the Pace service area through local projects serving over 125 townships and municipalities. Nearly all services are provided with Pace-owned accessible paratransit vehicles.

Pace has service agreements with villages and townships for the operation of 10 dial-a-ride projects. In most cases, the local community operates the service with Pace contributing funding and providing vehicles. For 2025, Pace's funding formula for service agreements is based on providing a subsidy of \$7.00 per trip or 75% of the deficit (direct expense minus fare revenue), whichever is less. As in past years, individual project funding will also be limited to the inflationary growth rate for 2025.

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

County-led Coordinated Service

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

On Demand Service

Pace's On Demand reservation-based service offers low-cost rides in 11 different suburban zones. Having improved and expanded over its 15 years, the service is designed to supplement fixed route service by providing the first and/or last mile to connect people to routes in the area. In addition to phone reservations, customers may book their reservation online. Fares for this service are the same as the local fixed route service and vehicles are equipped with the Ventra® fare system.

Listed below are the 11 On Demand services Pace operates throughout the region. The Lansing Area On Demand service was added in 2024.

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

Community Transit Program

The Community Transit program allows local municipalities to provide flexible public transportation in their communities using a Pace-owned vehicle. Pace expects the program to have 101 vehicles in service for 2025, a 6.3% increase from 2024 estimated levels.

The budget shown in Table 12 will provide \$26.949 million for all Demand Response services throughout the six-county region.



2025 Goals

Pace's Demand Response efforts for 2025 include assisting collar counties with implementing or enhancing county-wide service.

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

	2023 Actual	2024 Estimate	2025 Budget
Revenue			
Municipal Provided Service	\$3,081	\$3,172	\$2,793
Contractor Provided Service	626	409	477
On Demand Service	67	70	80
County Coordinated Service	8,661	9,360	8,562
Subsidized Service	0	32	38
Community Transit	106	112	119
Total Revenue	\$12,541	\$13,155	\$12,069
Expenses			
Municipal Provided Service	\$3,835	\$3,618	\$3,858
Contractor Provided Service	4,487	4,394	4,666
On Demand Service	2,521	2,754	4,279
County Coordinated Service	11,967	12,988	13,602
Subsidized Service	62	408	490
Community Transit	28	49	54
Total Expenses	\$22,900	\$24,211	\$26,949
Recovery Rate			
Municipal Provided Service	80.32%	87.67%	72.39%
Contractor Provided Service	13.94%	9.30%	10.23%
On Demand Service	2.67%	2.55%	1.87%
County Coordinated Service	72.38%	72.08%	62.94%
Subsidized Service	0.00%	7.79%	7.79%
Community Transit	377.84%	226.96%	221.92%
Total Recovery Rate	54.76%	54.34%	44.78%
Ridership			
Municipal Provided Service	119	111	113
Contractor Provided Service	54	57	58
On Demand Service	74	88	100
County Coordinated Service	305	277	283
Subsidized Service	5	16	19
Community Transit	145	152	162
Total Ridership	702	701	735

2025 Vanpool Services Budget

The Vanpool program is a commuting option which provides passenger vans to small groups of four to 14 people, allowing them to commute to and from work together. The Vanpool program generates the highest return on investment of Pace's services.

Pace's Vanpool program is comprised of three elements: Vanpool Incentive Program (VIP), Shuttle program, and Advantage program. As part of the VIP program, Pace recently launched VanGo—a self-serve travel option providing a connection between designated bus or train stations and the rider's place of work for a round trip fare of \$5. The Vanpool program budget is summarized in Table 13.

Pace estimates to have 329 vans in service by year-end 2025 providing 0.519 million rides. Revenue is forecasted to increase in 2025 due to increased participation in the VIP and Advantage programs as the impact of the coronavirus pandemic lessens. Expenses are projected to grow 6.8% over 2024 levels primarily due to ridership growth.

Vanpool Incentive Program

VIP is a traditional commuter vanpool program and is the core element of Pace's vanpool services. VIP is projected to achieve a ridership level of 0.217 million rides with 118 vans in service by the end of 2025. The 2025 budgeted revenue is anticipated to increase from 2024 revenue due to a 10.3% increase in vans. Total

expenses are projected to grow 12.8%, with most of the increase coming from the increase in van count and anticipated increase in ridership.

Shuttle Program

The Shuttle program provides vans to suburban employers to shuttle employees to and from nearby transit connections. It also provides vans to qualifying not-for-profit human services organizations to shuttle program participants to and from transit connections and work-sites. Pace will have 25 shuttle vans in service at the end of 2025.

Advantage Program

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

Advantage program revenue is expected to grow 3.3% in 2025, in line with ridership that is also expected to grow 3.3%. Pace estimates to have 186 vans in service at year-end to accommodate the increased ridership. Program expenses are expected to grow 4.6% in 2025.



2025 Goals

Pace's efforts for Vanpool Services in 2025 include providing 0.520 million passenger trips.

Table 13. Vanpool Services Budget (000s)

	2023 Actual	2024 Estimate	2025 Budget
Revenue			
VIP	\$388	\$406	\$447
Shuttle	76	76	76
Advantage	510	520	538
Total Revenue	\$974	\$1,002	\$1,061
Expenses			
VIP	\$597	\$545	\$613
Shuttle	103	127	130
Advantage	765	1,099	1,150
Total Expenses	\$1,465	\$1,771	\$1,893
Funding Requirement	\$491	\$769	\$832
Recovery Rate			
VIP	64.85%	74.48%	72.97%
Shuttle	73.96%	59.87%	58.65%
Advantage	66.69%	47.32%	46.77%
Total Recovery Rate	66.45%	56.57%	56.07%
Ridership			
VIP	201	197	217
Shuttle	33	35	35
Advantage	265	259	267
Total Ridership	499	491	519
Vehicle Miles			
VIP	1,794	1,997	2,202
Shuttle	306	293	293
Advantage	1,211	1,257	1,299
Total Vehicle Miles	3,311	3,547	3,794
Vehicles in Service (year-end) - VIP*	95	107	118
Vehicles in Service (year-end) - Shuttle*	24	25	25
Vehicles in Service (year-end) - Advantage*	181	180	186
Total Vehicles in Service (year-end)*	300	312	329

*Vehicles in Service not rounded to nearest thousand

2025 Centralized Support Budget

Pace centrally manages numerous functions and expenditures on behalf of the entire agency, including expenses for fuel, liability insurance, healthcare, and the Ventra® fare system. The centralized support budget is comprised of four activity areas: Operations, Maintenance, Non-Vehicle Maintenance, and Administration. The centralized support budget will reach \$92.151 million in 2025.

In 2024, Pace's centralized support expense is estimated to end the year \$9.527 million below budgeted levels with the largest savings in fuel and liability insurance costs.

The 2025 centralized support budget will grow 10.51% over estimated 2024 levels, mostly due to growth in labor and fringe, fuel, liability insurance, and health insurance expenses.

The Operations component of the 2025 Centralized Support budget is comprised of 42.0 positions that provide support to all operations areas of Pace. Total operations expense will increase 10.52% from 2024 levels mostly due to fuel expenses. Total fuel costs are projected to grow 12.19% in 2025. These costs include diesel, gasoline, CNG and electricity for vehicle charging.

The price per gallon for liquid fuels (diesel, gasoline, CNG) is forecasted to grow by 2.24%. For Pace, this represents a \$0.05

increase to \$2.31 per gallon. Fuel consumption measured in gallons will reach 6.2 million, a 7.31% increase from 2024 estimated consumption.

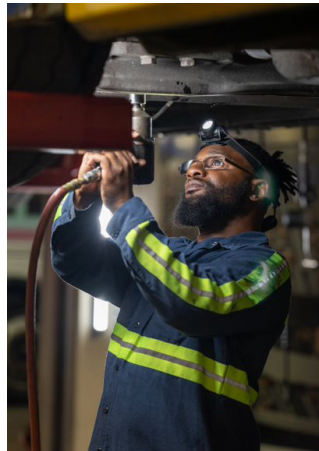
Pace expects to add 23 battery electric buses (BEB) to the fixed route revenue fleet in 2025, in addition to the bus added to the fleet in 2023. Consumption for BEBs is

measured in kilowatt hours (kWh) of charging. The price per kWh of charging in 2025 is expected to increase 5.54% from 2024 levels. Due to the increase in the size of the BEB fleet, consumption will reach 2.2 million kWh of charging in 2025.

The Maintenance component is comprised of 33.0 positions. Total maintenance expense is projected to increase 10.00% from 2024 levels due to decreased vacancies.

The Non-Vehicle Maintenance component consists of 18.0 positions which provide support to all building maintenance and bus shelter functions. This area is expected to grow 14.55% in 2025 due to increased staffing and outside service expenses.

The General Administration component of the central support budget is comprised of various expenses including marketing, Ventra fare system, liability insurance, and healthcare. This area is expected to increase 10.26% in 2025. This is mostly associated with increased health insurance premium costs and liability insurance.



2025 Goals

Pace's 2025 efforts include continued centralized support in order to maximize cost savings.

Table 14. Centralized Support Budget (000s)

	2023 Actual	2024 Estimate	2025 Budget
Operations	\$5,787	\$7,145	\$7,678
Fuel	13,908	13,124	14,724
Maintenance	\$5,076	\$5,213	\$5,734
Non-Vehicle Maintenance	\$2,707	\$3,900	\$4,468
General Administration	\$7,915	\$9,461	\$10,406
Liability Insurance	12,518	14,552	15,965
Healthcare	20,373	29,992	33,176
Total	\$68,284	\$83,387	\$92,151
Full-Time Equivalents (FTEs)*	77.0	88.0	93.0

*FTEs not rounded to the nearest thousand

2025 Administrative Budget

The 2025 administrative budget is estimated to reach \$63.913 million. Pace will use 185.5 positions to manage the agency's administrative responsibilities including accounting, financial and capital assistance programs, marketing, information systems, legal services, procurement, and strategic planning.

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

In 2024, administrative expenses are expected to end the year up 10.94% from 2023 levels. In addition to a concerted effort to fill vacant positions, areas of growth include project management oversight services to support the largest capital program in Pace's history and investment in improved IT software and services.

The 2025 administrative budget will increase 28.23% over 2024 estimated levels. This budget will provide support for a significant modernization of Pace's enterprise resource planning software, as well as ongoing construction design and engineering/oversight services, for the largest capital program in Pace's history. Outside services account for a majority of the expected growth, in addition to continued recruitment efforts.

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



2025 Goals

Pace's administrative budget goals for 2025 include continued efforts to ensure a diverse workforce.

Table 15. Administrative Budget (000s)

	2023 Actual	2024 Estimate	2025 Budget
Non-Vehicle Maintenance	\$333	\$322	\$362
General Administration	\$41,596	\$46,209	\$61,247
Parts/Supplies	200	217	252
Utilities	2,717	2,154	2,052
Bond Interest	82	42	0
Total Expenses	\$44,928	\$49,844	\$63,913
Full Time Equivalentents (FTEs)*	166.5	177.5	185.5

*FTEs not rounded to the nearest thousand

2025 Suburban Service Budget & Two-Year Financial Plan

The following section presents Pace’s 2025 Suburban Service Budget and 2026-2027 Two-Year Financial Plan. The RTA Act requires that the service boards submit a budget and two-year financial plan which shows a balance between the funding estimates provided by the RTA and the anticipated costs of providing services. Pace’s plan for 2024–2026 achieves this balance. The assumptions and highlights for the three years in review are provided in this section.

The 2025 Budget assumes ridership will grow 6.1% from 2024 estimated levels through a combination of baseline ridership increases and additional service. The outlook over the next three years is that baseline fixed route ridership will increase 3.7% in 2025 and then stay flat in 2026 and 2027, with growth only associated with service adjustments. Demand Response ridership is expected to grow 4.9% in 2025 and 1.6% in both 2026 and 2027. Vanpool ridership is expected to stay flat in 2026 and 2027 after growing 5.7% in 2025.

The 2026 and 2027 Financial Plan includes increased revenue and expense associated with staff’s current estimate of the impact of additional service recommendations expected to come out of *ReVision*–Pace’s Network Revitalization & Systemwide Restructuring Initiative. These estimates are based on a 50% increase in service hours over 2019 pre-pandemic total at a Suburban Service level, reflecting the transformative levels of service required to meet the goals of the Chicago Metropolitan Agency for Planning’s (CMAP) *Plan of Action for Regional Transit* published in December 2023. The final recommended service

levels from *ReVision* are expected in 2025 and will be more specific regarding the location and type of service to be implemented. As such, the revenue and expense estimates will be refined during the 2026 Budget process.

After growing 3.3% from 2023 to 2024, Pace’s total RTA sales tax allocation is forecasted to increase 2.9% in 2025, 2.5% in 2026, and 2.0% in 2027. Federal discretionary funding has been programmed for use into 2026. Congestion Mitigation/Air Quality (CMAQ) funding for Pulse Dempster service is programmed for 2024–2026, while Enhanced Mobility (Section 5310) funding for call center operations will be exhausted by year-end 2024.

The 2025 Budget is balanced to the funding levels provided by the RTA through the use of positive budget variance generated from federal coronavirus relief funding. Those funds will be exhausted part-way through 2026. Once these funds are exhausted, Pace expects to have a budget shortfall of \$174.5 million between 2026 and 2027.

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

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

Table 16. Baseline Economic Assumptions

	2024	2025	2026	2027
Change in Demand (Based on Total Ridership) ⁽¹⁾	14.3%	6.1%	0.6%	0.1%
T-Bill Rates (90 Day) ⁽²⁾	5.1%	4.1%	3.3%	2.8%
CPI-U (National) ⁽³⁾	2.8%	2.5%	2.4%	2.2%
Ultra-Low Sulfur Diesel Fuel (Price Growth)	(6.0%)	3.4%	2.2%	2.2%
Sales Tax ⁽⁴⁾	3.3%	2.9%	2.5%	2.0%

⁽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 and Public Transportation Fund match estimates for Pace for the 2025 budget and two-year plan cycle.

Assumptions

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

Congressional Budget Office (CBO)—the primary source used for inflation indices; The Kiplinger Letter—referenced for general economic information including outlooks for inflation, interest rates, etc.; the U.S. Bureau of Labor Statistics (BLS)—a source for key indicators including the Producer Price Index (PPI), utilities, inflation, etc.; and the U.S. Energy Information Administration (EIA)—a source for energy price growth for fuel.

The outcome of applying the assumptions identified in Table 16 to known or anticipated conditions is reflected in Table 17. The assumptions do not reflect the anticipated revenue, expense, or demand impact of the *ReVision* service recommendations as those recommendations have not been allocated to line-item accounts at this point in the planning process.

Table 17. Multi-Year Category Growth

	2025	2026	2027
Fare Revenue	5.7%	0.8%	0.1%
Total Revenue	(4.1%)	(5.4%)	(3.8%)
Labor/Fringes	9.3%	1.4%	3.6%
Healthcare	10.6%	6.9%	7.1%
Parts/Supplies	4.5%	6.5%	6.3%
Purchased Transportation	20.4%	10.3%	5.2%
Utilities	9.7%	6.6%	6.4%
Insurance/Claims	9.7%	6.6%	6.4%
Fuel Cost	12.1%	4.8%	4.3%
Fuel Cost - Liquid Fuels*	\$15.099 mil	\$15.815 mil	\$16.496 mil
Consumption in Gallons - Liquid Fuels	6.471 mil	6.594 mil	6.695 mil
Price per Gallon*	\$2.33	\$2.40	\$2.46
Electric Vehicle Charging Cost	\$0.340 mil	\$0.359 mil	\$0.378 mil
Consumption in kWh of Charging	2.169 mil	2.169 mil	2.169 mil
Price per kWh of Charging	\$0.16	\$0.17	\$0.17

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

Highlights – 2025 Budget & Two-Year Financial Plan

Pace's 2025 budget presented in Table 18 is balanced using RTA Sales Tax funding, federal discretionary fund programs, and positive budget variance (PBV) generated from coronavirus relief funding in previous years. For 2026 and 2027, the plan is also balanced using public funding budget balancing actions because PBV generated from coronavirus relief funding is expected to be exhausted in 2026.

Without additional revenue associated with *ReVision* service recommendations, 2025–2027 operating revenue is anticipated to fall at an annual compound rate of 4.6%. While most revenue categories are expected to grow, this reflects expected decreases to interest income due to declining interest rates and the use of PBV to fund operations. With the additional revenue associated with *ReVision*, operating revenue would be expected to increase at an annual compound rate of 7.5%.

Expenses are expected to grow at an annual compound rate of 4.0% over the same period without additional expense associated with *ReVision* service recommendations. Expense growth from 2025 to 2027 is mostly associated with labor/fringe and inflationary expense growth and does not include any new efforts after 2025. With the additional expense associated with *ReVision*, operating expense would be expected to increase at an annual compound rate of 18.2%.

Total public funding before the use of PBV grows at an annual compound rate of 1.0% between 2025 and 2027 and includes both sales tax and federal discretionary fund programs not related to coronavirus relief. Public funding would need to grow at an annual compound rate of 20.0% between 2025 and 2027 to meet the resulting funding requirement of the *ReVision* service recommendations in addition to baseline revenue and expense estimates.



Suburban Service Budget & Two-Year Financial Plan

Table 18. 2025 Suburban Service Budget and Two-Year Financial Plan (000s)

	2023 Actual	2024 Estimate	2025 Budget	2026 Plan	2027 Plan
Operating Revenue					
Farebox Revenue	\$20,554	\$21,615	\$22,856	\$23,038	\$23,072
Reduced Fare Reimbursement	1,346	1,460	1,606	1,606	1,606
Advertising	46	445	845	935	1,030
Local Share/Other Revenue	28,069	30,437	26,425	23,384	21,411
ReVision Additional Service				16,666	12,616
Total Revenue	\$50,015	\$53,957	\$51,732	\$65,629	\$59,735
Operating Expenses					
Labor/Fringes	\$153,767	\$164,327	\$179,599	\$182,080	\$188,666
Healthcare	20,373	29,992	33,176	35,465	37,983
Parts/Supplies	12,187	13,662	14,275	15,198	16,154
Purchased Transportation	27,469	28,596	34,420	37,966	39,946
Fuel	14,533	13,769	15,439	16,174	16,875
Utilities	5,384	5,337	5,393	5,685	5,988
Insurance	12,518	14,551	15,965	17,011	18,097
Other*	30,018	38,956	52,379	52,230	55,842
Regional ADA Support Credit	(8,586)	(9,385)	(11,349)	(11,917)	(12,513)
ReVision Additional Service				101,918	106,912
Total Expenses	\$267,663	\$299,805	\$339,297	\$451,810	\$473,950
Funding Requirement	\$217,648	\$245,848	\$287,565	\$386,181	\$414,215
Public Funding					
Sales Tax (Part I)	\$127,231	\$131,338	\$135,394	\$138,915	\$142,527
Sales Tax (Part II)	20,409	20,698	18,452	18,188	17,696
Suburban Community Mobility Fund (SCMF)	33,196	34,259	35,287	36,204	37,145
South Suburban Job Access Fund	7,500	7,500	7,500	7,500	7,500
PTF (Part I)	6,141	6,315	6,454	6,679	6,853
PTF (Part II)	25,179	25,843	26,458	27,436	28,203
RTA Sales Tax (Part I)	6,337	7,513	10,657	11,195	11,188
RTA Discretionary Fund Programs	444	112	0	0	0
Federal Discretionary Fund Programs	2,184	8,233	6,003	2,777	0
PBV for Operations	0	4,037	41,360	125,887	0
Budget Balancing Action	0	0	0	11,400	163,103
Total Public Funding	\$228,621	\$245,848	\$287,565	\$386,181	\$414,215
Net Funding Available	\$10,973	\$0	\$0	\$0	\$0
Recovery Ratio	23.99%	23.11%	17.00%	17.00%	17.00%

*Other includes Debt Service through 2024

2025 Suburban Service Projected Cash Flow

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

The projected cash flow for Pace's Suburban Service operations shows sufficient funds for Pace to maintain operations during 2025.



Table 19. 2025 Suburban Service Projected Cash Flow Summary (000s)

Month	Beginning Balance	Revenue	Expense	Net Results	Ending Balance
January	\$297,330	\$21,074	\$29,523	(\$8,449)	\$288,880
February	288,880	20,924	27,178	(6,254)	282,626
March	282,626	23,113	30,961	(7,848)	274,778
April	274,778	23,224	29,523	(6,300)	268,479
May	268,479	23,868	27,178	(3,309)	265,170
June	265,170	24,542	27,178	(2,635)	262,534
July	262,534	23,343	29,523	(6,181)	256,354
August	256,354	23,664	27,178	(3,513)	252,840
September	252,840	23,971	27,178	(3,207)	249,633
October	249,633	26,586	29,523	(2,937)	246,696
November	246,696	25,369	27,178	(1,809)	244,887
December	244,887	36,572	27,178	9,394	254,282

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2025 Regional ADA Paratransit Operating Budget

Summary

The 2025 Regional ADA Service program is summarized below and detailed throughout this section.

The ADA program is expected to finish 2024 above budgeted funding levels by \$10.439 million because operating expenses are expected to end the year above budgeted levels. Pace will use the ADA Paratransit Reserve to cover the expected funding shortfall.

Operating expenses will reach \$281.230 million in 2025—up 7.6% or \$19.890 million over estimated 2024 levels. Revenue will increase by 0.7% or \$0.102 million to \$15.030 million due to increased ridership.

In 2025, total ridership is expected to grow by 4.5% over the 2024 estimate, reaching 4.638 million trips. This is 8.4% above 2019 pre-pandemic levels and will be fully accommodated by the projected funding level of \$266.200 million.

The 2025 Regional ADA Paratransit program is balanced to the \$266.200 million funding mark and will achieve a 7.50% recovery ratio using credits allowed by the RTA.



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

	2023 Actual	2024 Estimate	2025 Budget
Total Operating Expenses	\$237,350	\$261,340	\$281,230
Less: Total Operating Revenue	12,936	14,928	15,030
Funding Requirement	\$224,414	\$246,412	\$266,200
Less:			
Sales Tax & PTF (Part II)	\$216,220	\$226,865	\$256,180
State Funds	8,395	9,108	10,020
Net Funding Available	\$201	(\$10,439)	\$0
Recovery Ratio	10.27%	10.47%	7.50%

Regional ADA Paratransit Sources of Funds

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

ADA Paratransit Fund

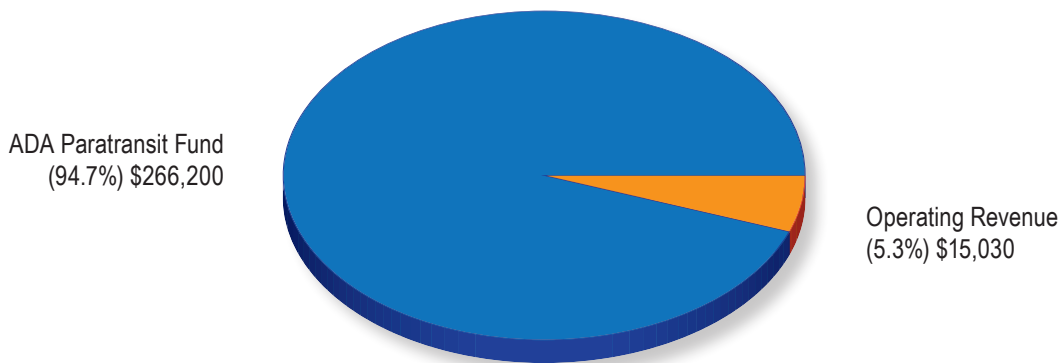
In January 2008, the amended RTA Act dedicated a new source of funding for the Regional ADA Paratransit Program. Section 2.01(d) required that the RTA establish an ADA Paratransit Fund and each year's amounts, as specified in Section 4.03.3, were to be deposited into the fund including any additional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

In 2011, the RTA Act was amended to increase the ADA Fund level to \$115 million for 2012. The amendment also states that for each year thereafter, an amount equal to the final budget funding for ADA Paratransit service for the current year shall be provided. Based on this amendment, the RTA has established the amount of \$266.200 million for 2025, which includes \$10.020 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 grows, passenger fare revenue moves in the same direction. Operating revenue also includes investment income. In 2025, operating revenue represents \$15.030 million, or 5.3%, of the total funds available to the ADA Paratransit program.

Chart D. 2025 ADA Sources of Funds (000s) - Total \$281,230



Regional ADA Paratransit Uses of Funds

All funds received in 2025 will be used to provide and support ADA Paratransit services. The major components of the ADA program consist of City of Chicago ADA services and suburban ADA services. Service delivery under both programs is contracted to private service operators. Pace also offers two subsidized services to ADA-eligible riders—the Taxi Access Program (TAP) which provide subsidized taxi service in the City of Chicago and the Rideshare Access Program (RAP) which provides similar subsidized service using transportation network companies (TNCs) in both the City of Chicago and suburban counties.

In addition to the city and suburban cost elements, there are regional support costs which represent the indirect overhead costs of supporting the Regional ADA Paratransit program overseen by Pace. Details on the Chicago and suburban ADA services and subsidized services are included in Table 21.

Chicago ADA Services

Pace provides all ADA service within the City of Chicago. For 2025, Pace expects to spend \$194.195 million for Chicago ADA service. The majority of these expenditures (87.9%) will be spent on service delivery through private

contractors. The balance includes costs for insurance, administration, fuel, and costs related to trips for certifying ADA-eligible participants.

Suburban ADA Services

For 2025, Pace will spend \$38.016 million for suburban ADA service. Costs for contracted service in the suburbs will account for 86.4% of the total cost. Similar to the city service, the balance includes costs for insurance, administration, fuel, and costs related to trips for certifying ADA-eligible participants.

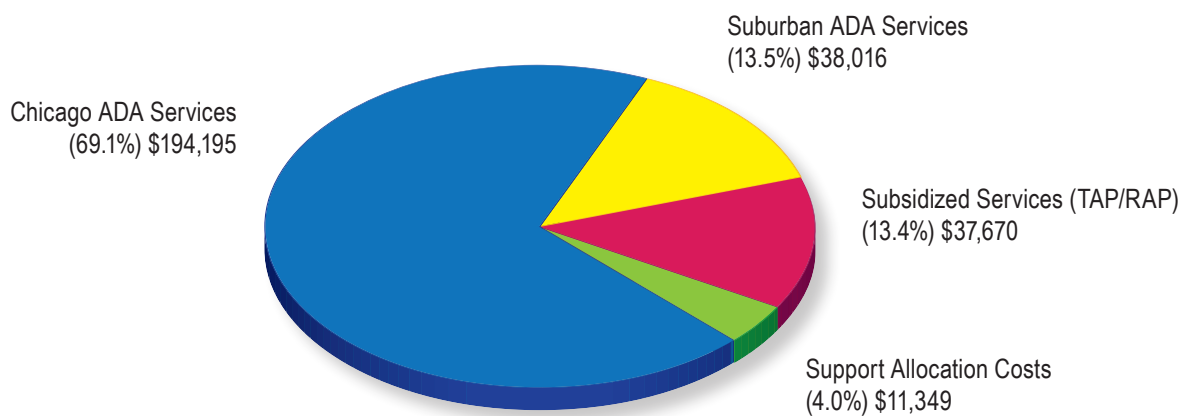
Subsidized Services

Pace contracts for subsidized taxi service to ADA-eligible riders in the City of Chicago (TAP) and subsidized TNC service in both the City of Chicago and suburban counties (RAP). Pace will spend \$37.670 million for user-directed services in 2025.

Support Allocation Costs

There are administrative support costs that Pace incurs on behalf of managing and operating the ADA program. In 2025, Pace will incur \$11.349 million in overhead support costs that will be allocated to the Regional ADA program.

Chart E. 2025 ADA Uses of Funds (000s) - Total \$281,230



2025 Regional ADA Paratransit Program Budget - Chicago/Suburban Detail

Pace's 2024 estimate and 2025 budget for revenue, expense, and funding requirements for the Regional ADA Paratransit program are presented in the table below, separated by Chicago and Suburban components. The 2025 program is balanced to both the funding and recovery marks set by the RTA.

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

Table 21. 2025 Regional ADA Paratransit Program Budget - Chicago/Suburban Detail (000s)

	2024 Estimate			2025 Budget			2024-2025
	Chicago	Suburban	Region Total	Chicago	Suburban	Region Total	Net Change
Revenue							
Fares—Contract	\$6,734	\$2,006	\$8,740	\$6,871	\$2,047	\$8,918	\$178
Fares—Subsidized	2,424	234	2,657	2,653	280	2,933	276
RTA Certification	1,537	230	1,767	1,568	235	1,803	36
Investment Income/Other			1,764			1,376	(388)
Total Revenue	\$10,695	\$2,470	\$14,928	\$11,092	\$2,562	\$15,030	\$102
Expenses							
Contract Services	\$164,815	\$32,416	\$197,231	\$174,967	\$34,478	\$209,445	\$12,214
Subsidized Services	31,125	2,998	34,123	34,073	3,597	37,670	3,547
Fuel	5,063	2,119	7,182	5,370	2,241	7,611	429
Insurance	1,109	226	1,335	1,378	0	1,378	43
Administration	9,784	824	10,608	11,125	1,093	12,218	1,610
RTA Certification	1,284	192	1,476	1,356	203	1,559	83
ADA Support Allocation			9,385			11,349	1,964
Total Expenses	\$213,181	\$38,775	\$261,340	\$228,269	\$41,612	\$281,230	\$19,890
Funding Requirement	\$202,486	\$36,305	\$246,412	\$217,177	\$39,050	\$266,200	\$19,788
Public Funding			\$235,973			\$266,200	\$30,227
Net Funding Available			(\$10,439)			\$0	\$10,439
Recovery Ratio			10.47%			7.50%	
Ridership							
Total Ridership—Contract	2,420	688	3,108	2,470	701	3,171	63
Total Ridership—Subsidized	1,212	117	1,329	1,327	140	1,467	138
Ridership—Total	3,632	805	4,437	3,797	841	4,638	201

Regional ADA Paratransit Budget & Two-Year Financial Plan

The following section presents Pace’s Regional ADA Paratransit Budget and Two-Year Financial Plan for the period 2025 through 2027.

In summary, the 2025 ADA Paratransit budget is balanced to the \$266.200 million funding mark set by the RTA. The two out-years of the plan are balanced to the funding marks presented by the RTA and the 10.00% 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 expense growth items unique to this ADA Paratransit Financial Plan, specifically service related elements such as contractor costs, demand and fuel, are shown in the table below.

Highlights – 2025 Budget and Two-Year Financial Plan

The budget and two out-years presented in Table 23 show that the ADA program is balanced. Some of the highlights for the three years include farebox revenue which will grow at an annual compound rate of 2.9%. Revenue growth is consistent with the annual compound growth rate for ridership—3.1%.

Expenses will grow at an annual compound rate of 3.9% during the three-year period, consistent with demand and price increases.

Total ADA funding requirement is growing at an annual compound rate of 5.9% 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

	2025	2026	2027
Chicago Contract Services Cost	6.2%	4.7%	5.3%
Suburban Contract Services Cost	6.4%	5.3%	5.7%
Subsidized Services Cost	10.4%	3.2%	3.2%
Chicago Contract Services Demand	2.0%	2.0%	2.2%
Suburban Contract Services Demand	2.0%	2.0%	2.0%
Subsidized Services Demand	10.4%	3.2%	3.2%
Fuel Costs - ADA	\$7.611 mil	\$7.938 mil	\$8.275 mil
Number of Gallons - ADA	2.639 mil	2.692 mil	2.747 mil
Price per Gallon - ADA	\$2.88	\$2.95	\$3.01

2025 Regional ADA Paratransit Budget & Two-Year Financial Plan

Table 23. 2025 Regional ADA Paratransit Budget and Two-Year Financial Plan (000s)

	2023 Actual	2024 Estimate	2025 Budget	2026 Plan	2027 Plan
Operating Revenue					
Fares	\$9,566	\$11,397	\$11,851	\$12,123	\$12,402
Certification Revenue	1,547	1,767	1,803	1,794	1,894
Investment Income/Other	1,823	1,764	1,376	1,135	1,067
Total Revenue	\$12,936	\$14,928	\$15,030	\$15,052	\$15,363
Operating Expenses					
Labor/Fringes	\$5,240	\$5,130	\$6,150	\$6,049	\$6,445
Health Care	751	1,216	1,356	1,450	1,550
Administrative Expense	2,538	4,487	4,711	4,816	4,920
Fuel	7,374	7,182	7,611	7,938	8,275
Insurance/Claims	927	1,109	1,378	1,409	1,440
RTA Certification Trips	1,253	1,477	1,559	1,646	1,737
Suburban ADA Contract Services	30,871	32,416	34,478	36,304	38,391
Chicago ADA Contract Services	155,120	164,815	174,968	183,235	192,964
Subsidized Services	24,690	34,123	37,670	38,872	40,114
Regional ADA Support Allocation	8,586	9,385	11,349	11,917	12,513
Total Expenses	\$237,350	\$261,340	\$281,230	\$293,636	\$308,349
Funding Requirement	\$224,414	\$246,412	\$266,200	\$278,584	\$292,986
Public Funding					
Sales Tax and PTF (Part II)	\$216,220	\$226,865	\$256,180	\$268,564	\$282,966
State Funds	8,395	9,108	10,020	10,020	10,020
Total Public Funding	\$224,615	\$235,973	\$266,200	\$278,584	\$292,986
Net Funding Available	\$202	(\$10,439)	\$0	\$0	\$0
Recovery Ratio	10.27%	10.47%	7.50%	10.00%	10.00%

2025 Regional ADA Paratransit Projected Cash Flow

The following table provides an estimate of Pace’s 2025 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. 2025 Regional ADA Paratransit Projected Cash Flow Summary (000s)

Month	Beginning Balance	Revenue	Expenses	Net Results	Ending Balance
January	\$34,347	\$22,601	\$23,436	(\$835)	\$33,512
February	33,512	22,601	23,436	(835)	32,677
March	32,677	22,601	23,436	(835)	31,842
April	31,842	22,601	23,436	(835)	31,007
May	31,007	22,601	23,436	(835)	30,172
June	30,172	22,601	23,436	(835)	29,337
July	29,337	22,601	23,436	(835)	28,502
August	28,502	22,601	23,436	(835)	27,667
September	27,667	22,601	23,436	(835)	26,832
October	26,832	22,601	23,436	(835)	25,997
November	25,997	22,601	23,436	(835)	25,162
December	25,162	32,619	23,434	9,185	34,347



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

Pace's Combined Budget and Two-Year Financial Plan are included in the table below. A table presenting anticipated cash flows for 2025 has also been provided on the following page.

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

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

	2023 Actual	2024 Estimate	2025 Budget	2026 Projected	2027 Projected
Suburban Service					
Revenue	\$50,015	\$53,957	\$51,732	\$65,629	\$59,735
Expenses	267,663	299,805	339,297	451,810	473,950
Funding Requirement	\$217,648	\$245,848	\$287,565	\$386,181	\$414,215
Public Funding	\$228,621	\$245,848	\$287,565	\$386,181	\$414,215
Net Funding Available	\$10,973	\$0	\$0	\$0	\$0
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$251,725	\$251,155	\$212,197	\$159,492	\$29,377
Net Operating Results	10,973	0	0	0	0
Less: Change in Capital-Related Borrowing	1,200	1,200	0	0	0
Less: Change in Lease Liability	3,014	165	165	165	165
Less: Operating Expended from Fund Balance	4,471	33,747	41,360	125,887	0
Less: Capital Expended from Fund Balance	2,858	3,846	11,180	4,063	3,569
Ending Balance	\$251,155	\$212,197	\$159,492	\$29,377	\$25,643
Regional ADA Paratransit Service					
Revenue	\$12,936	\$14,928	\$15,030	\$15,052	\$15,363
Expenses	237,350	261,340	281,230	293,636	308,349
Funding Requirement	\$224,414	\$246,412	\$266,200	\$278,584	\$292,986
Public Funding	\$224,615	\$235,973	\$266,200	\$278,584	\$292,986
Net Funding Available	\$201	(\$10,439)	\$0	\$0	\$0
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$0	\$0	\$0	\$0	\$0
Net Operating Results	201	(10,439)	0	0	0
Less: Capital Expended from Fund Balance	0	0	0	0	0
Ending Balance	\$201	(\$10,439)	\$0	\$0	\$0
Combined Service					
Revenue	\$62,951	\$68,885	\$66,762	\$80,681	\$75,098
Expenses	505,013	561,145	620,527	745,446	782,299
Funding Requirement	\$442,062	\$492,260	\$553,765	\$664,765	\$707,201
Public Funding	\$453,236	\$481,821	\$553,765	\$664,765	\$707,201
Net Funding Available	\$11,174	(\$10,439)	\$0	\$0	\$0
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$251,725	\$251,155	\$212,197	\$159,492	\$29,377
Net Operating Results	11,174	(10,439)	0	0	0
Less: Change in Capital-Related Borrowing	1,200	1,200	0	0	0
Less: Change in Lease Liability	3,014	165	165	165	165
Less: Operating Expended from Fund Balance	4,471	33,747	41,360	125,887	0
Less: Capital Expended from Fund Balance	2,858	3,846	11,180	4,063	3,569
Ending Balance	\$251,356	\$201,758	\$159,492	\$29,377	\$25,643

Combined Plan

2025 Combined Services Projected Cash Flow

The following table provides an estimate of 2025 revenue, expense, and cash position for Pace’s combined operations—Suburban Service and Regional ADA Paratransit Service.

The agency budget is balanced to the funding levels and meets the recovery marks set by the RTA for 2025. Pace’s combined cash position appears balanced and sufficient to meet next year’s needs.



Balanced budgets for Suburban Service and Regional ADA Paratransit ensure Pace’s combined cash position is sufficient for 2025.

Table 26. 2025 Combined Services Projected Cash Flow Summary (000s)

Month	Beginning Balance	Revenue	Expense	Net Results	Ending Balance
January	\$331,677	\$43,675	\$52,959	(\$9,284)	\$322,392
February	322,392	43,525	50,614	(7,089)	315,303
March	315,303	45,714	54,397	(8,683)	306,620
April	306,620	45,825	52,959	(7,135)	299,486
May	299,486	46,469	50,614	(4,144)	295,342
June	295,342	47,143	50,614	(3,470)	291,871
July	291,871	45,944	52,959	(7,016)	284,856
August	284,856	46,265	50,614	(4,348)	280,507
September	280,507	46,572	50,614	(4,042)	276,465
October	276,465	49,187	52,959	(3,772)	272,693
November	272,693	47,970	50,614	(2,644)	270,049
December	270,049	69,191	50,612	18,579	288,629

Suburban Service Capital Budget & Five-Year Business Plan

The RTA Budget Call, released in May, sets the preparatory funding marks and defines the schedule and information requirements that the Service Boards (CTA, Metra, and Pace) must follow to develop their five-year capital program. The capital program for each Service Board should identify capital projects to be undertaken in the 2025-2029 program period and evaluate each project based on the metrics identified in *Transit is the Answer*.

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

The funding marks are updated and adopted by the RTA no later than the statutorily required date of September 15. Estimates of funding for the federal formula programs are aligned with the Infrastructure Investment and Jobs Act (IIJA) signed into law November 15, 2021, as well as the Fiscal Responsibility Act of 2023. State funding is based on the state's *Rebuild Illinois* Capital Program, which includes PAYGO funds from the Motor Fuel Tax.

In July 2021, the RTA Board of Directors adopted the Performance-Based Capital Allocation Process, which is guided by three principles: Addressing Capital Reinvestment Need, Incentivizing Capital Expenditure Performance, and Advancing Policy Priorities. This includes the allocation of state PAYGO funds and federal 5307/5340, 5337, and 5339 formula funds to the Service Boards based on their respective proportions of the projected funds needed to bring all assets into a State of Good Repair (SGR) in 20 years.

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

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

Funding Source	2025	2026	2027	2028	2029	Total
PAYGO	\$20,250	\$20,250	\$19,170	\$19,170	\$19,170	\$98,010

2025 Suburban Service Capital Program/Project Descriptions

Capital Budget Mark Assumptions

The RTA's preliminary funding marks include estimated federal, state, and local funds that are anticipated to be available to the region for capital investment purposes. The 2025 Capital Program marks provide Pace \$55.413 million of Sections 5307 and 5339 federal formula funds, \$20.250 million of state PAYGO funds, \$2.158 million of RTA Innovation, Coordination, and Enhancement (ICE) funds, and \$1.000 million of Pace Positive Budget Variance (PBV) funds.

The 2025 Suburban Capital Program totals \$78.821 million, which is constrained to the funding available and includes the following:

Rolling Stock (\$26.071 Million)

Pace will replace 13 fixed route Over-the-Road (OTR) Coach buses. These will operate on the I-55 Bus on Shoulder (BoS) service. Pace will replace eight fixed route diesel buses with EV hybrid buses operating systemwide. Pace will also replace 15 paratransit vehicles operating systemwide. Lastly, Pace will purchase three hydrogen paratransit vehicles that will operate as part of a pilot program.

Operating Cost Impacts

Pace's average fleet age is 8.3 years for fixed route buses, while their typical useful life expectancy is 12 years. Pace's average fleet age for paratransit vehicles is 5.3 years, while their typical useful life expectancy is four years. Replacing older vehicles with new ones will reduce the average fleet age and lower overall maintenance costs. Electric, hybrid, and hydrogen propulsion technologies will improve air quality and reduce operating expenses.

Support Facilities & Equipment (\$51.750 Million)

Southwest Division Electrification/Expansion (Phase 1): Funding will be used for a portion of the renovation and expansion of the Southwest Division garage located in Bridgeview, including installation of charging infrastructure for electric buses.

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

Operating Cost Impacts

Southwest and River Divisions will be equipped with charging infrastructure for electric buses, which will reduce fuel expenses.

Miscellaneous (\$1.000 Million)

Unanticipated Capital (\$1.000 million): Funding will be used for unforeseen expenses to complete capital projects.

Table 28. 2025 Capital Program (000s)

Funding Source	Amount
Federal 5307/5339	\$55,413
State PAYGO	20,250
RTA ICE	2,158
Pace PBV	1,000
Total	\$78,821



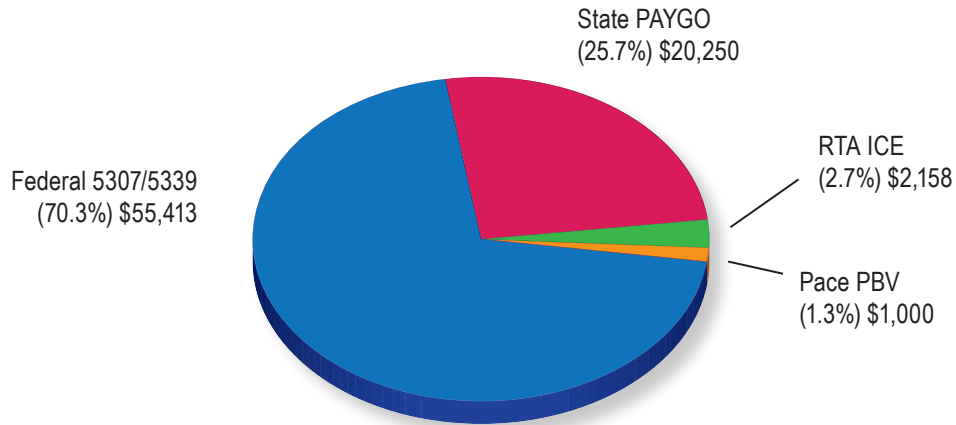
Capital Budget Suburban Service

Table 29. 2025 Suburban Service Capital Program (000s)

	Total Budget	Federal 5307/5339	State PAYGO	RTA ICE	Pace PBV
Rolling Stock					
Fixed Route OTR Coach Buses (13)	\$12,450	\$12,450	\$0	\$0	\$0
Fixed Route EV Hybrid Buses (8)	9,600	9,600	0	0	0
Paratransit Vehicles (15)	1,863	1,863	0	0	0
Hydrogen Paratransit Vehicles (3)	2,158	0	0	2,158	0
Subtotal	\$26,071	\$23,913	\$0	\$2,158	\$0
Support Facilities & Equipment					
Southwest Division Electrification/Expansion (Phase 1)	\$31,500	\$31,500	\$0	\$0	\$0
River Division Electrification/Expansion	20,250	0	20,250	0	0
Subtotal	\$51,750	\$31,500	\$20,250	\$0	\$0
Miscellaneous					
Unanticipated Capital	\$1,000	\$0	\$0	\$0	\$1,000
Subtotal	\$1,000	\$0	\$0	\$0	\$1,000
Total 2025 Suburban Capital Program	\$78,821	\$55,413	\$20,250	\$2,158	\$1,000
2025 Marks	\$78,821	\$55,413	\$20,250	\$2,158	\$1,000

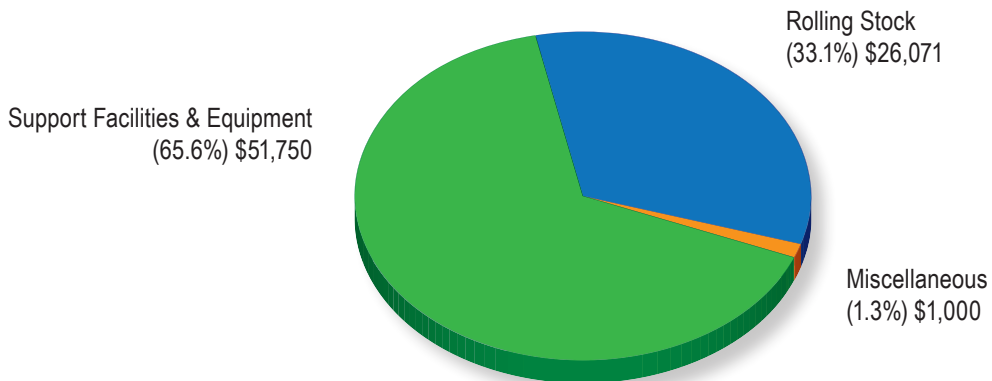
2025 Suburban Service Capital Program

Chart F. 2025 Sources of Funds (000s) - Total \$78,821



Over 70% of Pace's capital funding is expected to come from federal sources.

Chart G. 2025 Uses of Funds (000s) - Total \$78,821



Nearly two-thirds of Pace's capital program will be allocated to Support Facilities & Equipment.

Capital Funding Sources

State Funding

In June 2019, the Illinois General Assembly passed *Rebuild Illinois*, which established a PAYGO fund as an ongoing, reliable funding source for future capital needs. Pace expects to receive \$98.010 million of these funds over the 2025-2029 five-year period.

Federal Formula and Discretionary Funding

The 2025 through 2029 capital allocations for federal formula and state PAYGO funds are based on the new Performance-Based Capital Allocation calculation developed by the RTA and service boards and adopted on July 15, 2021. The federal formula funds, which include Section 5307 Urbanized Area and Section 5339(a) Bus and Bus Facilities, are expected to total \$273.529 million for Pace in 2025-2029. Estimates of funding for federal formula programs are aligned with the Infrastructure Investment and Jobs Act (IIJA) signed into law November 15, 2021, as well as the Fiscal Responsibility Act of 2023.

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

Some of these programs include:

- Bus and Bus Facilities Discretionary Program (5339(b))—funds capital projects to replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities.
- Capital Investment Grants (CIG) (5309)—funds major transit capital investments, including heavy rail, commuter rail, light rail, streetcars, and bus rapid transit. Projects are categorized as either New Starts, Core Capacity, or Small Starts.
- Carbon Reduction Program (CRP)—funds a wide range of projects designed to reduce carbon dioxide emissions from on-road highway sources, including constructing Bus Rapid Transit corridors. Created under the Bipartisan Infrastructure Law, CRP includes \$6.4 billion of funding over five years in which states must develop carbon reduction strategies in consultation with Metropolitan Planning Organizations.
- Community Project Funding (CPF)—funds projects sponsored by Members of Congress in annual federal appropriations bills.
- Congestion Mitigation and Air Quality Improvement (CMAQ)—funds transportation projects that reduce traffic congestion and improve air quality in non-attainment and maintenance areas to help meet the requirements of the Clean Air Act.

- Enhanced Mobility of Seniors and Individuals with Disabilities (5310)—funds innovative projects that promote coordinated access and mobility for the transportation disadvantaged.
- Federal Emergency Management Agency (FEMA) Grant—funds programs to prevent, protect against, respond to, recover from, and mitigate terrorism and other disasters and emergencies.
- Low or No-Emission Vehicle Program (5339(c))—funds the purchase or lease of low or no emission buses or to lease, construct, or rehabilitate facilities to support low or no emission buses.
- Rebuilding American Infrastructure with Sustainability and Equity (RAISE)—funds investments in surface transportation infrastructure such as roads, bridges, transit, rail, ports, or intermodal transportation; previously known as Better Utilizing Investments to Leverage Development (BUILD) and Transportation Investment Generating Economic Recovery (TIGER).

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 is programming \$6.678 million of ICE funding for the capital program in 2025-2027 for hydrogen paratransit vehicles and fixed route electric buses. Pace plans to use 2028-2029 ICE funds toward operating projects.

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 programmed \$1.000 million of these funds in this five-year capital program for unanticipated capital needs.

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

2025-2029 Five-Year Suburban Service Capital Business Plan

The RTA preliminary funding marks for Pace's 2025-2029 Five-Year Suburban Capital Plan total \$379.217 million, comprised of \$273.529 million in federal 5307/5339 funds, \$98.010 million in state PAYGO funds, \$6.678 million in RTA Innovation, Coordination and Enhancement (ICE) funds, and \$1.000 million in Pace Positive Budget Variance (PBV) funds.

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

Rolling Stock (\$204.677 Million)

- 105 Fixed Route Electric Buses
- 13 Fixed Route Over-the-Road (OTR) Coach Buses
- 8 Fixed Route EV Hybrid Buses
- 334 Paratransit Vehicles
- 6 Hydrogen Paratransit Vehicles

Support Facilities & Equipment (\$173.540 Million)

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

Miscellaneous (\$1.000 Million)

- Unanticipated capital



Table 30.
2025–2029 Five-Year Suburban Service
Capital Business Plan (000s)

Funding Source	Amount
Federal 5307/5339	\$273,529
State PAYGO	98,010
RTA ICE	6,678
Pace PBV	1,000
Total	\$379,217

Capital Budget Suburban Service

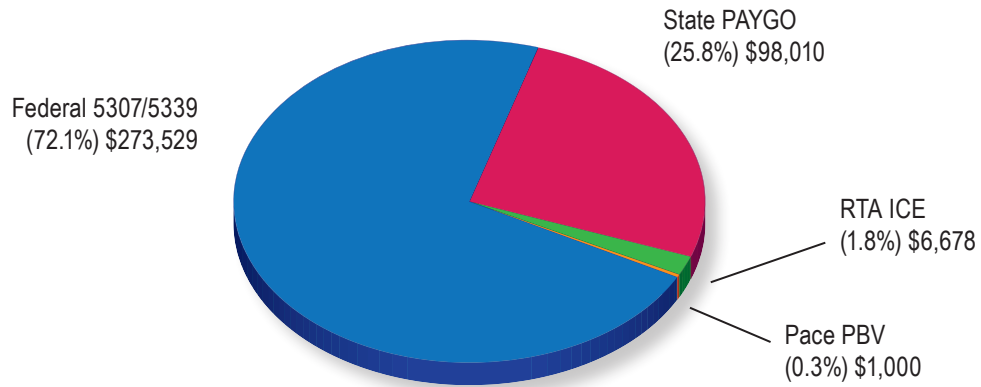
Table 31. 2025-2029 Five-Year Suburban Service Capital Business Plan (000s)

	2025	2026	2027	2028	2029	Total
Rolling Stock Quantities*						
Fixed Route Electric Buses	0	0	25	40	40	105
Fixed Route OTR Coach Buses	13	0	0	0	0	13
Fixed Route EV Hybrid Buses	8	0	0	0	0	8
Paratransit Vehicles	15	133	27	13	146	334
Hydrogen Paratransit Vehicles	3	3	0	0	0	6
Rolling Stock						
Fixed Route Electric Buses	\$0	\$0	\$32,500	\$52,462	\$52,987	\$137,949
Fixed Route OTR Coach Buses	12,450	0	0	0	0	12,450
Fixed Route EV Hybrid Buses	9,600	0	0	0	0	9,600
Paratransit Vehicles	1,863	15,967	3,306	1,585	17,571	40,293
Hydrogen Paratransit Vehicles	2,158	2,227	0	0	0	4,385
Subtotal	\$26,071	\$18,194	\$35,806	\$54,047	\$70,558	\$204,677
Support Facilities & Equipment						
Southwest Division Electrification/Expansion	\$31,500	\$40,000	\$20,000	\$0	\$0	\$91,500
River Division Electrification/Expansion	20,250	20,250	19,170	19,170	3,200	82,040
Subtotal	\$51,750	\$60,250	\$39,170	\$19,170	\$3,200	\$173,540
Miscellaneous						
Unanticipated Capital	\$1,000	\$0	\$0	\$0	\$0	\$1,000
Subtotal	\$1,000	\$0	\$0	\$0	\$0	\$1,000
Grand Total - Constrained	\$78,821	\$78,444	\$74,976	\$73,217	\$73,758	\$379,217

*Rolling Stock Quantities are not rounded to nearest thousand

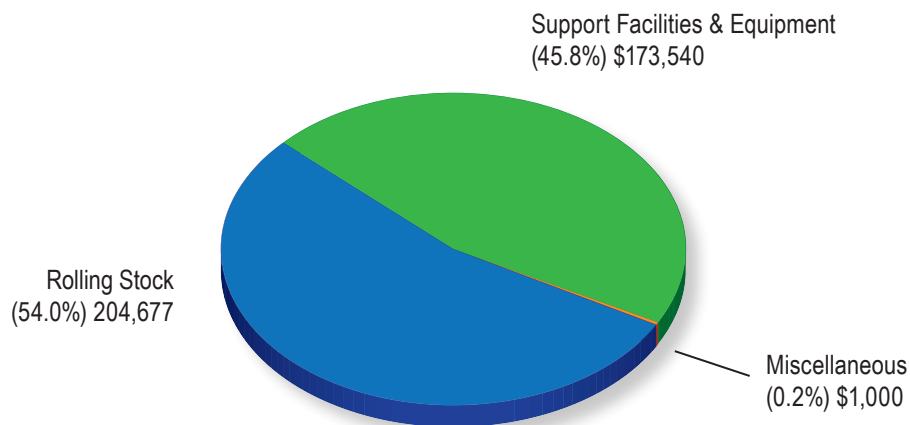
2025-2029 Five-Year Suburban Service Capital Business Plan

Chart H. 2025-2029 Sources of Funds (000s) - Total \$379,217



Approximately 72% of Pace's capital funding is expected to come from federal sources.

Chart I. 2025-2029 Uses of Funds (000s) - Total \$379,217



A majority of the Pace capital program will be allocated to Rolling Stock.

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2025-2029 Five-Year Regional ADA Paratransit Unconstrained Capital Program

Overview

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

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

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

The 2025-2029 Five-Year Regional ADA Paratransit Unconstrained Capital Program totals \$197.231 million.

Highlights include:

- 995 replacement vehicles
- 75 expansion vehicles
- Radio system
- Four garage facilities
- Farebox system
- Two passenger transfer locations



Capital Budget ADA Paratransit

Table 32. 2025-2029 Regional ADA Paratransit Unconstrained Capital Program (000s)

	2025	2026	2027	2028	2029	Total
Rolling Stock Quantities*						
Chicago Vehicle Replacement	165	165	165	164	164	823
Suburban Vehicle Replacement	35	35	34	34	34	172
Regional Vehicle Expansion	15	15	15	15	15	75
Total Vehicle Needs	215	215	214	213	213	1,070
Rolling Stock						
Chicago Vehicle Replacement	\$19,800	\$19,800	\$19,800	\$19,680	\$19,680	\$98,760
Suburban Vehicle Replacement	4,200	4,200	4,080	4,080	4,080	20,640
Regional Vehicle Expansion	1,800	1,800	1,800	1,800	1,800	9,000
Subtotal	\$25,800	\$25,800	\$25,680	\$25,560	\$25,560	\$128,400
Electrical/Signal/Communications						
Radio System	\$860	\$860	\$856	\$852	\$852	\$4,280
Subtotal	\$860	\$860	\$856	\$852	\$852	\$4,280
Support Facilities & Equipment						
Construct Four Garage Facilities	\$2,614	\$3,760	\$16,884	\$13,418	\$15,300	\$51,976
Farebox System	1,419	1,419	1,412	1,406	1,406	7,062
Subtotal	\$4,033	\$5,179	\$18,296	\$14,824	\$16,706	\$59,038
Stations & Passenger Facilities						
Construct Passenger Transfer Locations	\$0	\$0	\$0	\$2,756	\$2,756	\$5,513
Subtotal	\$0	\$0	\$0	\$2,756	\$2,756	\$5,513
Grand Total Needs	\$30,693	\$31,839	\$44,832	\$43,992	\$45,874	\$197,231

*Rolling Stock Quantities are not rounded to nearest thousand

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 2025, the headquarters administration category is budgeted at 221.0 approved full-time equivalent (FTE) positions with 30.0 FTE vacancies and 5.5 FTE positions allocated to ADA operations, resulting in 185.5 budgeted FTE positions. The headquarters central support category is budgeted at 107.0 approved FTE positions with 14.0 FTE vacancies, resulting in 93.0 filled FTE positions. No additional positions are authorized in either category; however, total vacancies are expected to decrease by 13.0 FTEs from 2024 estimated levels.

The Pace divisions category is comprised of nine garages and is budgeted at 1,592.0 filled FTE positions for 2025. This is an increase of 114.0 positions over 2024 estimated levels, reflecting planned service adjustments.

The Regional ADA Paratransit category includes 48.5 approved FTE positions and 5.5 FTE positions allocated from headquarters administration with 6.0 FTE vacancies, resulting in 48.0 budgeted FTE positions for 2025. No additional positions are authorized; however, total vacancies are expected to decrease by 2.0 FTE positions from 2024 estimated levels.

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

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

Table 33. Full-Time Equivalent Positions (FTEs)

	Admin	Central Support	Pace Divisions	Total
2023 Actual				
Operations	0.0	36.0	1,092.0	1,128.0
Maintenance	0.0	29.0	289.0	318.0
NVM*	0.0	12.0	16.0	28.0
Administration	166.5	0.0	37.0	203.5
Suburban Service	166.5	77.0	1,434.0	1,677.5
Reg. ADA Paratransit	41.0	0.0	0.0	41.0
Total	207.5	77.0	1,434.0	1,718.5
2024 Estimated				
Operations	0.0	41.0	1,130.0	1,171.0
Maintenance	0.0	31.0	295.0	326.0
NVM*	0.0	16.0	16.0	32.0
Administration	177.5	0.0	37.0	214.5
Suburban Service	177.5	88.0	1,478.0	1,743.5
Reg. ADA Paratransit	46.0	0.0	0.0	46.0
Total	223.5	88.0	1,478.0	1,789.5
2025 Budget				
Operations	0.0	42.0	1,244.0	1,286.0
Maintenance	0.0	33.0	295.0	328.0
NVM*	0.0	18.0	16.0	34.0
Administration	185.5	0.0	37.0	222.5
Suburban Service	185.5	93.0	1,592.0	1,870.5
Reg. ADA Paratransit	48.0	0.0	0.0	48.0
Total	233.5	93.0	1,592.0	1,918.5

*Non-Vehicle Maintenance

Chart J. Pace Organizational Chart

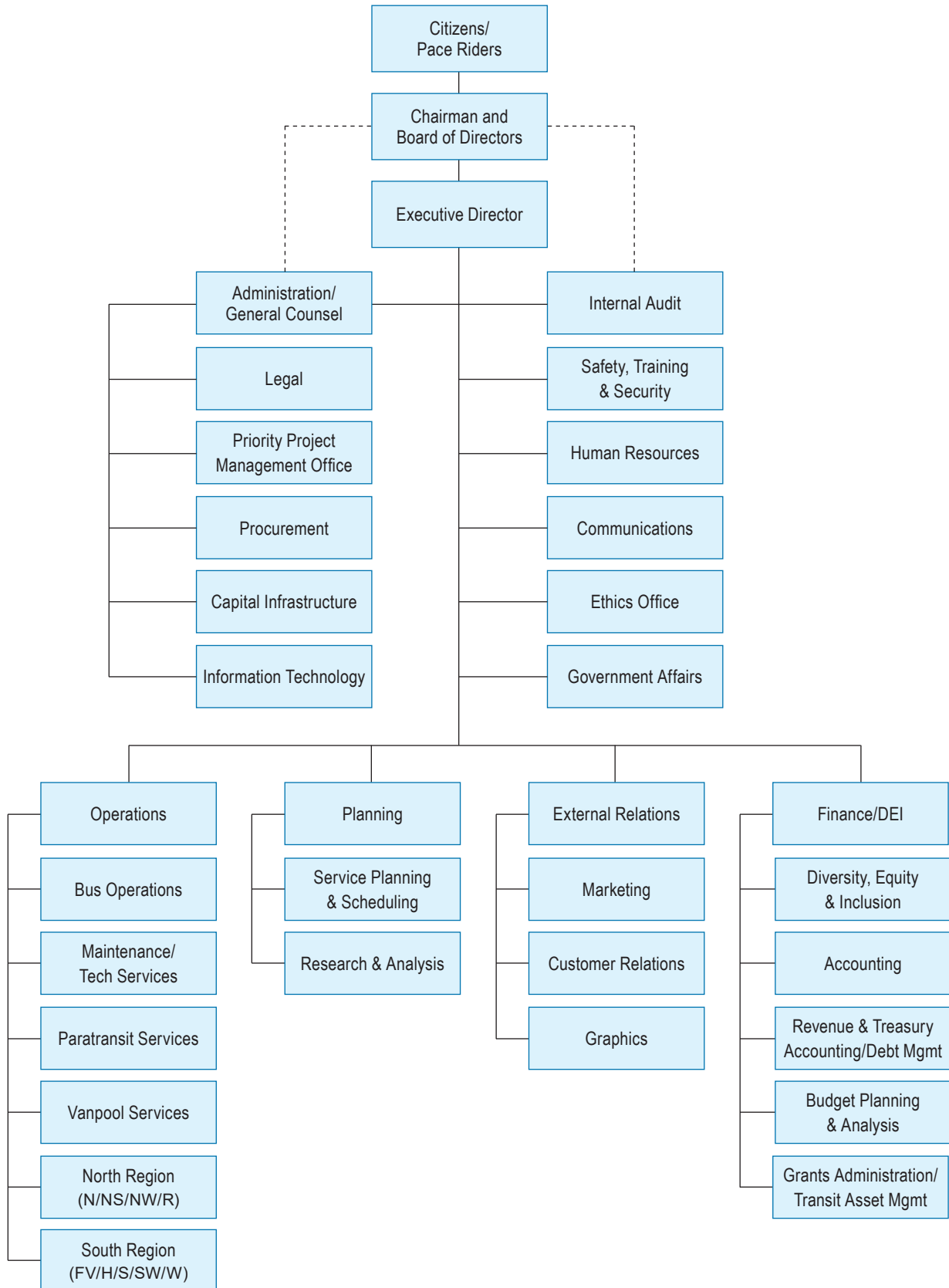


Table 34. 2025 Operating Budget - Department Budgeted Positions (FTEs)

Suburban Service	2023 Actual	2024 Estimate	2025 Budget	Suburban Service	2023 Actual	2024 Estimate	2025 Budget
Office of the Executive Director	3.0	3.0	3.0	Planning	2.0	2.0	2.0
Internal Audit	6.0	6.0	6.0	Service Planning & Scheduling	12.0	12.0	12.0
Safety/Training/Security	10.0	10.0	10.0	Research & Analysis	6.0	7.0	7.0
Human Resources	14.0	14.0	14.0	Total	20.0	21.0	21.0
Communications	3.0	3.0	3.0	External Relations	2.0	2.0	2.0
Ethics Office	1.0	1.0	1.0	Marketing	5.0	5.0	5.0
Government Affairs	11.0	11.0	11.0	Customer Relations	4.0	4.0	4.0
Unassigned Vacancies	6.0	4.0	4.0	Graphics	8.0	8.0	8.0
Total	54.0	52.0	52.0	Total	19.0	19.0	19.0
Finance/Diversity, Equity & Inclusion	2.0	2.0	2.0	Total Suburban Service	1,762.0	1,806.0	1,920.0
Diversity, Equity & Inclusion	4.0	4.0	4.0				
Accounting	17.0	17.0	17.0				
Revenue & Treasury Accounting/ Debt Management	6.0	6.0	6.0				
Budget Planning & Analysis	5.0	5.0	5.0				
Grants Administration/ Transit Asset Management	10.0	10.0	10.0				
Total	44.0	44.0	44.0				
Administration/General Counsel	1.0	1.0	1.0				
Legal	12.0	12.0	12.0				
Priority Project Management Office	4.0	4.0	4.0				
Procurement	19.0	19.0	19.0				
Capital Infrastructure	27.0	28.0	28.0				
Information Technology	36.0	35.0	35.0				
Total	99.0	99.0	99.0				
Operations	4.0	4.0	4.0				
Bus Operations	27.0	27.0	27.0				
Maintenance/Tech Services	37.0	38.0	38.0				
Paratransit Services	10.0	10.0	10.0				
Vanpool Services	14.0	14.0	14.0				
Pace Divisions:							
Bus Operators	985.0	1,023.0	1,137.0				
Operations Supervisors	107.0	107.0	107.0				
Maintenance	289.0	295.0	295.0				
Non-Vehicle Maintenance	16.0	16.0	16.0				
Administration	37.0	37.0	37.0				
Total	1,526.0	1,571.0	1,685.0				
				Regional ADA	2023 Actual	2024 Estimate	2025 Budget
				Chicago ADA Paratransit	46.5	48.5	48.5
				Suburban Service Allocation	4.5	5.5	5.5
				Total Regional ADA	51.0	54.0	54.0
				Total Suburban & Regional ADA	1,813.0	1,860.0	1,974.0
				Suburban Svc Vacancy Factor	(80.0)	(57.0)	(44.0)
				Regional ADA Vacancy Factor	(10.0)	(8.0)	(6.0)
				ADA Allocation	(4.5)	(5.5)	(5.5)
				Total - With Vacancy Factors	1,718.5	1,789.5	1,918.5



Department Overview

A detailed description of each department is provided as follows:

Office of the Executive Director

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

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

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

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

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

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

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

Finance/Diversity, Equity & Inclusion

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

Accounting: Responsible for accounts payable, accounts receivable and billing, fixed assets, payroll, general accounting, and financial reporting. Produces monthly

interim and year-end financial statements, the annual schedule of federal awards and expenditures, as well as regulatory compliance reporting.

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

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

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

Administration/General Counsel

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

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

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

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

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

Operations

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

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

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

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

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

Planning

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

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

External Relations

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

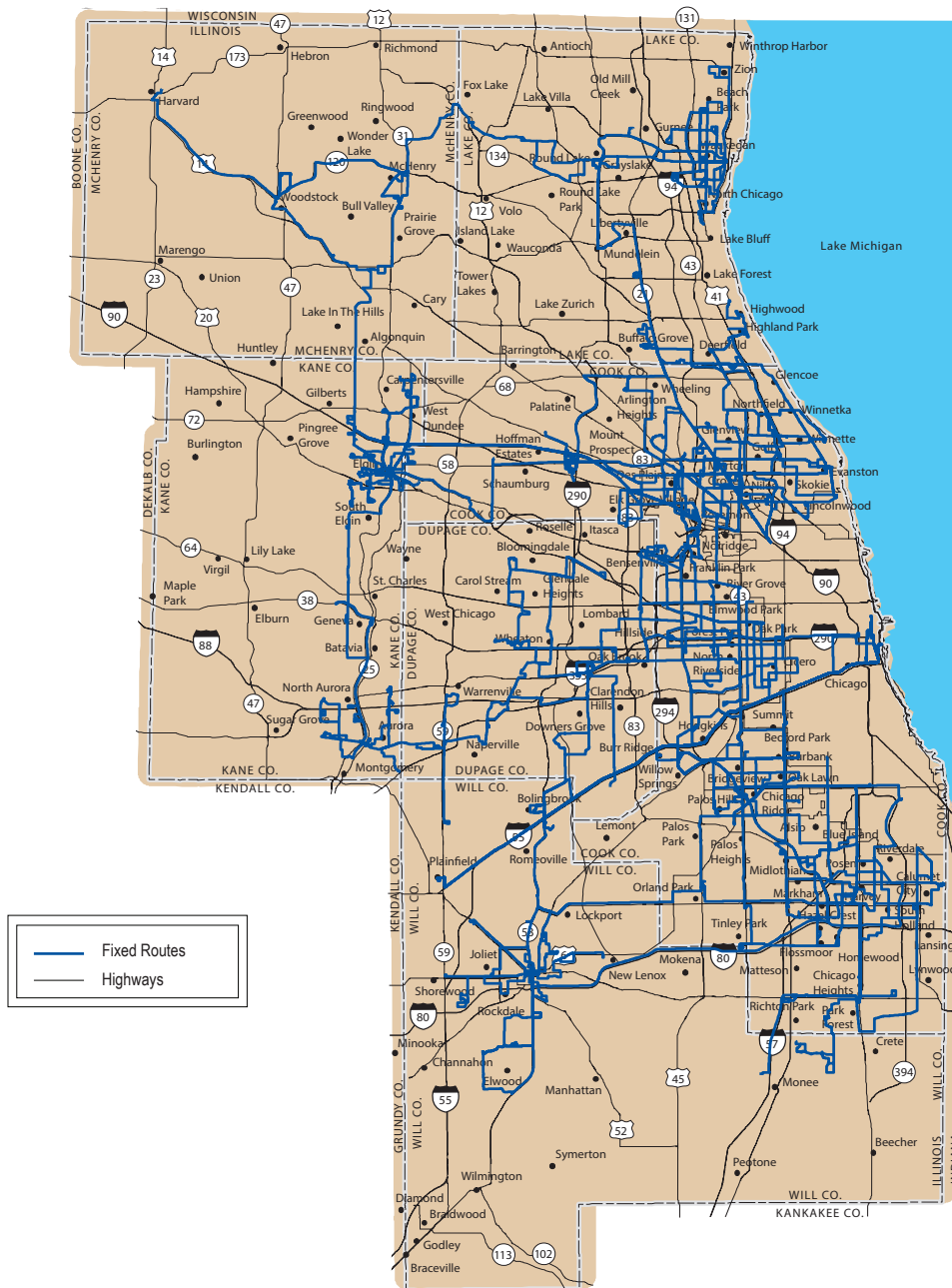
Customer Relations: Responsible for handling customer inquiries and providing schedule information to Pace customers. Administers customer management system for tracking customer complaints, produces customer complaints metrics, and follows up with responsible business units.

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

Appendix A • Pace Overview

Fixed Route Service Characteristics

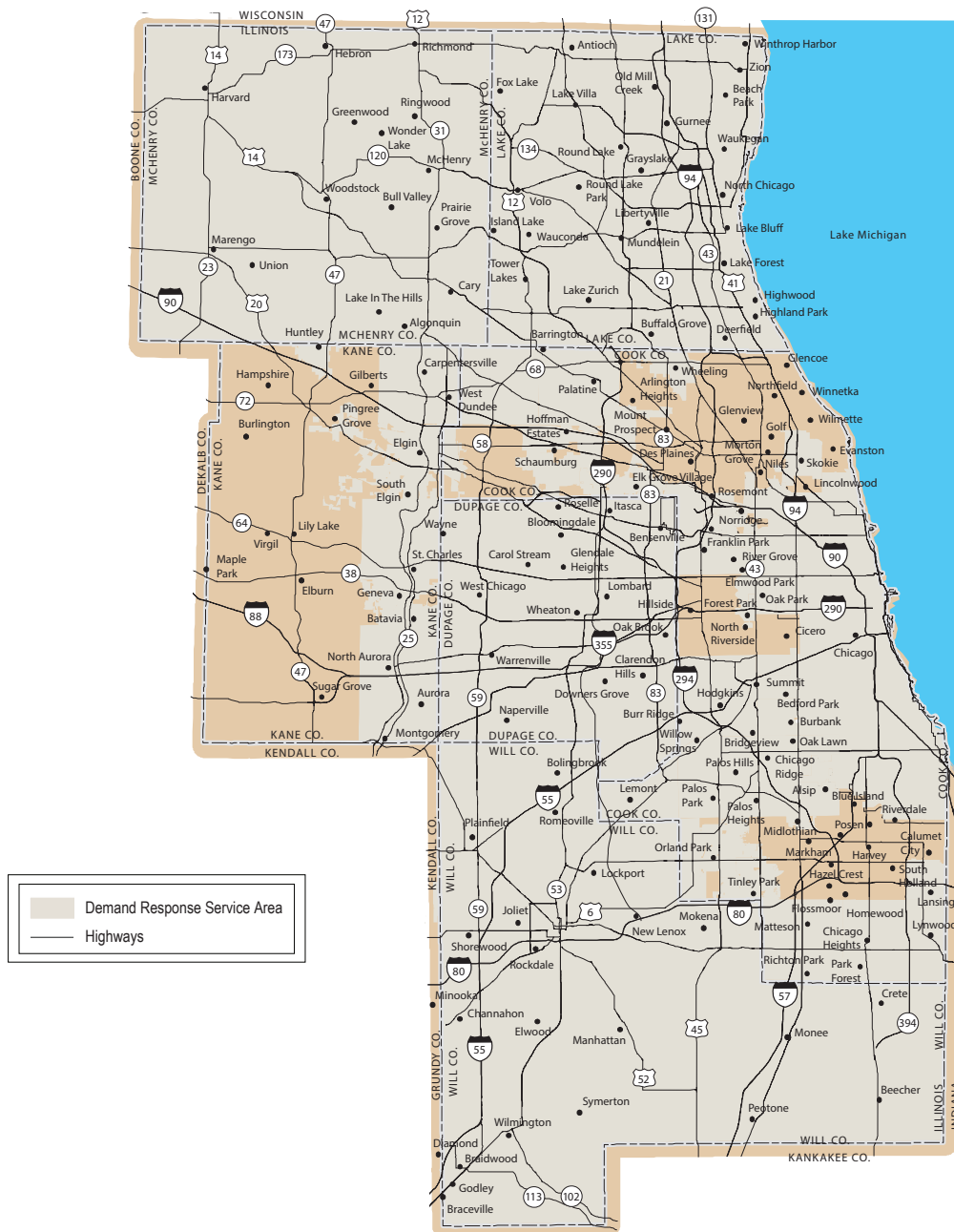
Fixed Route Service includes 134 regular routes and numerous seasonal routes which are operated by Pace. These routes serve 210 communities and are estimated to carry 1.4 million rides per month in 2024, utilizing 515 vehicles during peak periods. All routes are fully wheelchair accessible.



Demand Response Service Characteristics

Demand Response Services utilizes 244 lift-equipped vehicles to provide mobility and access to communities in the six-county suburban service area. These services are estimated to carry approximately 58,000 monthly riders in 2024. The majority of the riders are elderly and/or people with disabilities.

Pace contracts directly with private service providers for the operation of 15 demand response projects, 11 On Demand services, and has agreements with villages and townships for the operation of over 10 other demand response projects. Pace River Division operates one demand response project and five On Demand services. The other 6 On Demand services are operated by paratransit contracted service providers in each service area. These projects provide services to over 125 townships and municipalities throughout the six-county area.



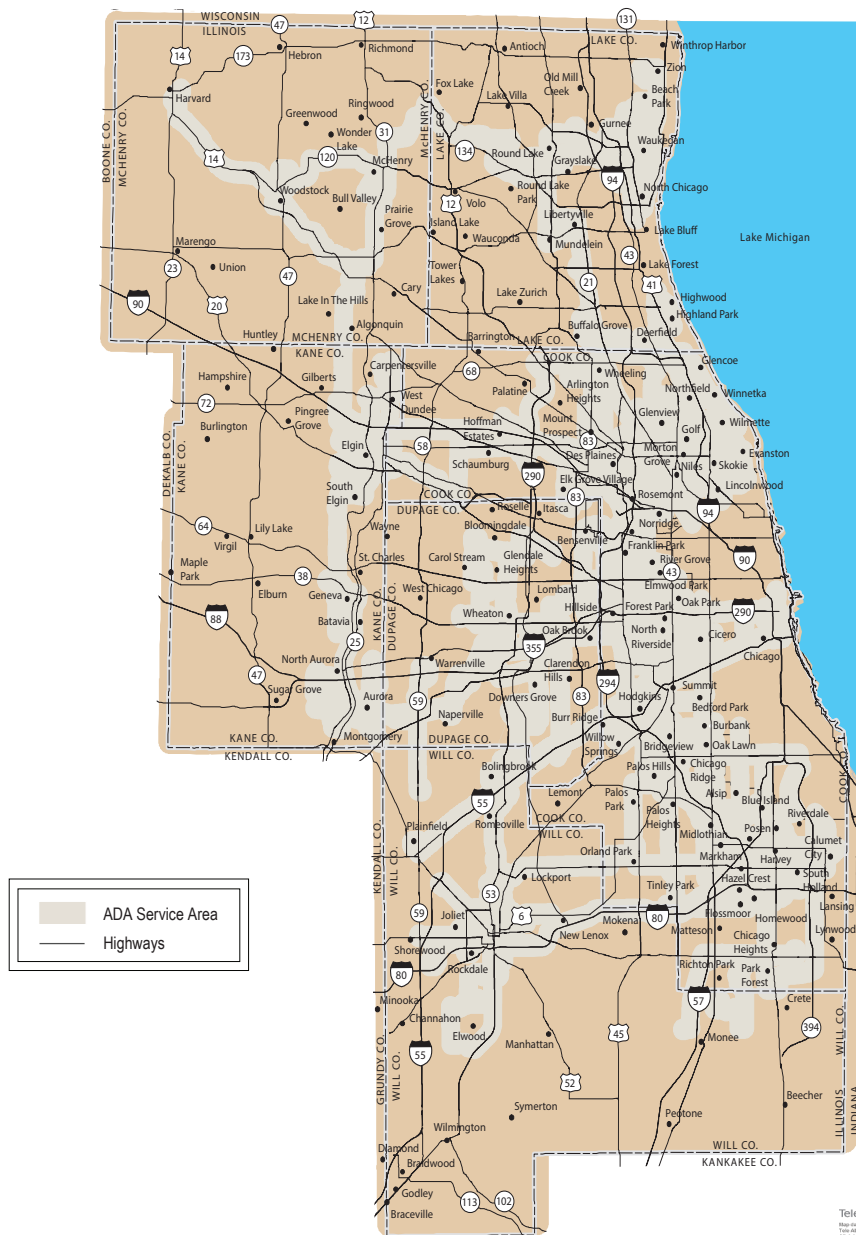
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Suburban ADA Paratransit Service Characteristics

Individuals unable to access fixed route service may apply for RTA ADA certification to utilize Pace's ADA Paratransit Service. The RTA administers a regional certification program which determines eligibility for this service. Once eligible, passengers can make travel arrangements for trips within the shaded service area. This area represents a 3/4-mile corridor to either side of Pace's regular fixed routes in suburban areas as called for by federal regulations.

Pace contracts with dedicated paratransit transportation service providers and local taxi/TNC providers for ADA Paratransit services. Pace River Division provides ADA Paratransit service in Kane County. Pace Suburban ADA Paratransit utilizes 276 accessible vehicles, as well as taxi/TNC-owned vehicles to provide service. These services are estimated to carry approximately 57,000 monthly riders in 2024.

Certified riders can also use the Rideshare Access Program (RAP). After riders pay the first \$3 towards the cost of their Uber or UZURV TNC trip, Pace provides a subsidy of up to \$30. The fare for this service has been temporarily reduced to \$2. This service is estimated to carry 9,700 monthly riders in 2024.



City of Chicago ADA Paratransit Service Characteristics

Individuals unable to access fixed route service may apply for RTA ADA certification to utilize Pace’s ADA Paratransit Service. The RTA administers a regional certification program which determines eligibility for this service. Once eligible, passengers can make travel arrangements for trips within the shaded service area. This area represents a 3/4-mile corridor to either side of CTA/Pace regular fixed routes and each CTA rail station in the City of Chicago as called for by federal regulations.

Pace contracts with dedicated paratransit transportation service providers and local taxi/TNC providers for ADA Paratransit services. Chicago ADA Paratransit utilizes 767 accessible vehicles, as well as taxi/TNC-owned vehicles to provide service. These services are estimated to carry approximately 168,000 monthly riders in 2024.

Certified riders in Chicago can also use the Taxi Access Program (TAP) and Rideshare Access Program (RAP). After riders pay the first \$3 towards the cost of the trip, Pace provides a subsidy of up to \$30. The fare for this service has been temporarily reduced to \$2. This service is estimated to carry 122,000 monthly riders in 2024.

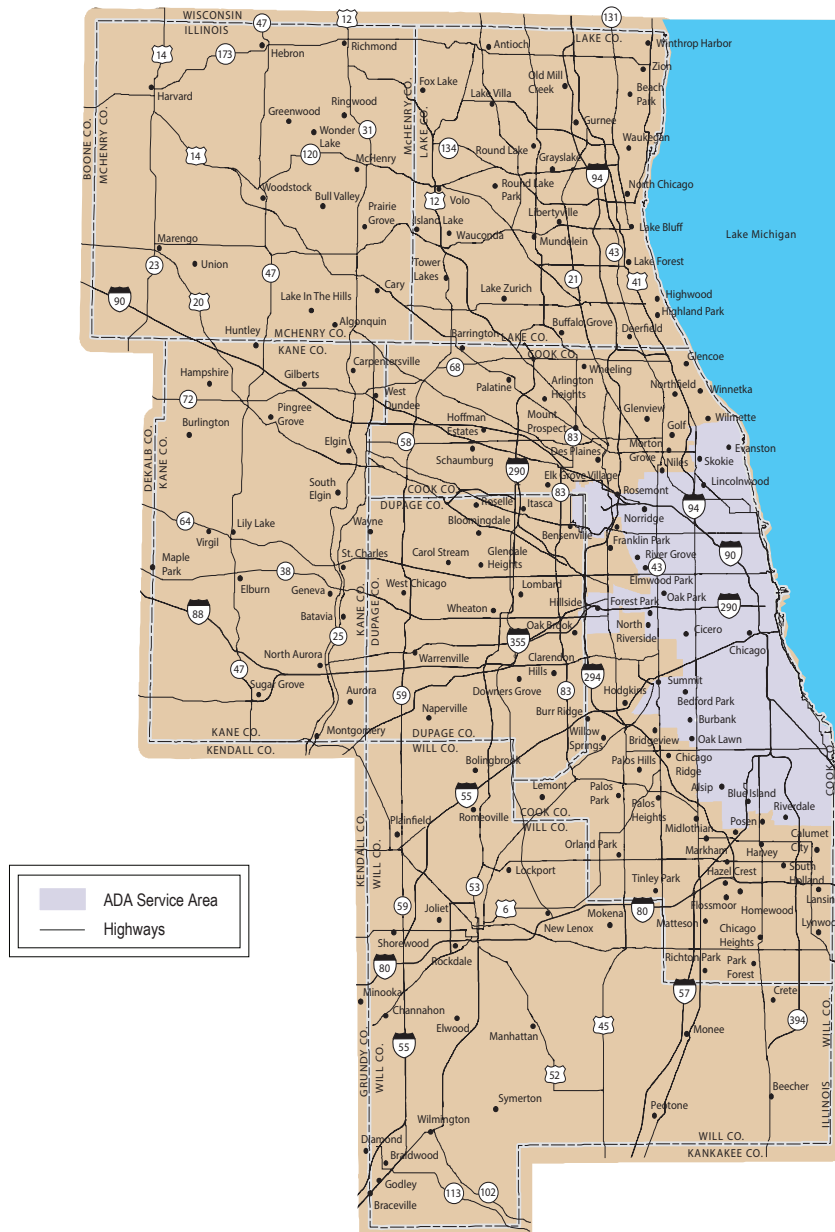


Table 35. Pace Rolling Stock - Active Fleet on December 31, 2023

Fixed Route (Fully Accessible)				
Manufacturer	Model Year	# of Vehicles	Age	Length
EIDorado	2007	37	17	30'
EIDorado	2008	17	16	30'
EIDorado	2009	19	15	30'
EIDorado	2010	29	14	30'
Orion Hybrid	2011	2	13	30'
EIDorado	2011	4	13	30'
EIDorado	2013	66	11	40'
MCI	2013	13	11	40'
Champion Challenger	2014	3	10	22'
EIDorado	2014	37	10	40'
EIDorado	2015	46	9	40'
MCI	2015	9	9	40'
EIDorado CNG	2015	18	9	40'
EIDorado	2016	88	8	40'
EIDorado	2017	84	7	40'
EIDorado Trolley	2017	7	7	30'
EIDorado CNG	2017	70	7	40'
MCI	2017	8	7	40'
EIDorado CNG	2018	11	6	40'
EIDorado CNG	2020	6	4	40'
New Flyer	2020	84	4	40'
EIDorado	2020	22	4	30'
Gillig Electric	2020	1	4	40'
MCI	2021	7	3	40'
EIDorado	2022	44	2	30'
Coach Phoenix	2023	1	1	28'
Total		733		
Average Age			8.3 years	

Vanpool				
Manufacturer	Model Year	# of Vehicles	Age	Length
Dodge Caravan	2012	1	12	17'
Dodge Caravan	2013	14	11	17'
Ford E350	2013	3	11	18'-20'
Dodge Caravan	2016	3	8	17'
Ford Transit	2016	54	8	20'
Dodge Caravan	2017	157	7	17'
Ford Transit	2017	44	7	19'
Ford Transit	2018	77	6	19'
Ford Transit	2020	61	4	18'-19'
Total		414		
Average Age			6.7 years	



Paratransit (Fully Accessible)

Manufacturer	Model Year	# of Vehicles	Age	Length
EIDorado Aerotech	2014	8	10	25'
Champion Challenger	2014	54	10	22'
EIDorado Aerotech	2016	38	8	25'
EIDorado Aerotech	2017	119	7	25'
EIDorado Aerotech	2018	28	6	25'
Coach Phoenix	2022	111	2	28'
Coach Phoenix	2023	57	1	28'
Total		415		
Average Age			5.3 years	

Community Transit & On Demand

Manufacturer	Model Year	# of Vehicles	Age	Length
Champion Crusader	2009	2	15	21'
Ford E350	2011	1	13	19'
Champion Crusader	2012	3	12	21'
Dodge Caravan	2013	3	11	17'
Ford E350	2013	2	11	18'-19'
Champion Crusader	2015	14	9	23'
Dodge Caravan	2016	1	8	17'
Ford Transit	2016	4	8	20'
Dodge Caravan	2017	3	7	17'
Champion Crusader	2017	34	7	23'
Ford Transit	2017	6	7	19'
Champion Crusader	2018	3	6	21'-23'
Ford Transit	2018	14	6	19'
Champion Crusader	2019	21	5	21'
Ford Transit	2020	24	4	19'
Total		135		
Average Age			6.7 years	



Paratransit vehicle



On Demand vehicle

Pace System Infrastructure

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

Operating Divisions

- Pace Headquarters
Arlington Heights
- Fox Valley Division
North Aurora
- Heritage Division
Plainfield
- McHenry Paratransit Garage
McHenry
- North Division
Waukegan
- North Shore Division
Evanston
- Northwest Division
Des Plaines
- River Division
Elgin
- South Division
Markham
- South Campus
Centralized Training & Customer Service
Markham
- South Holland Acceptance Facility
South Holland
- Southwest Division
Bridgeview
- West Division
Melrose Park

Municipal Garages

- City of Highland Park
- Village of Niles

Leased Premises

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

Passenger Facilities

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

www.PaceBus.com/passenger-facilities

Transportation Centers

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

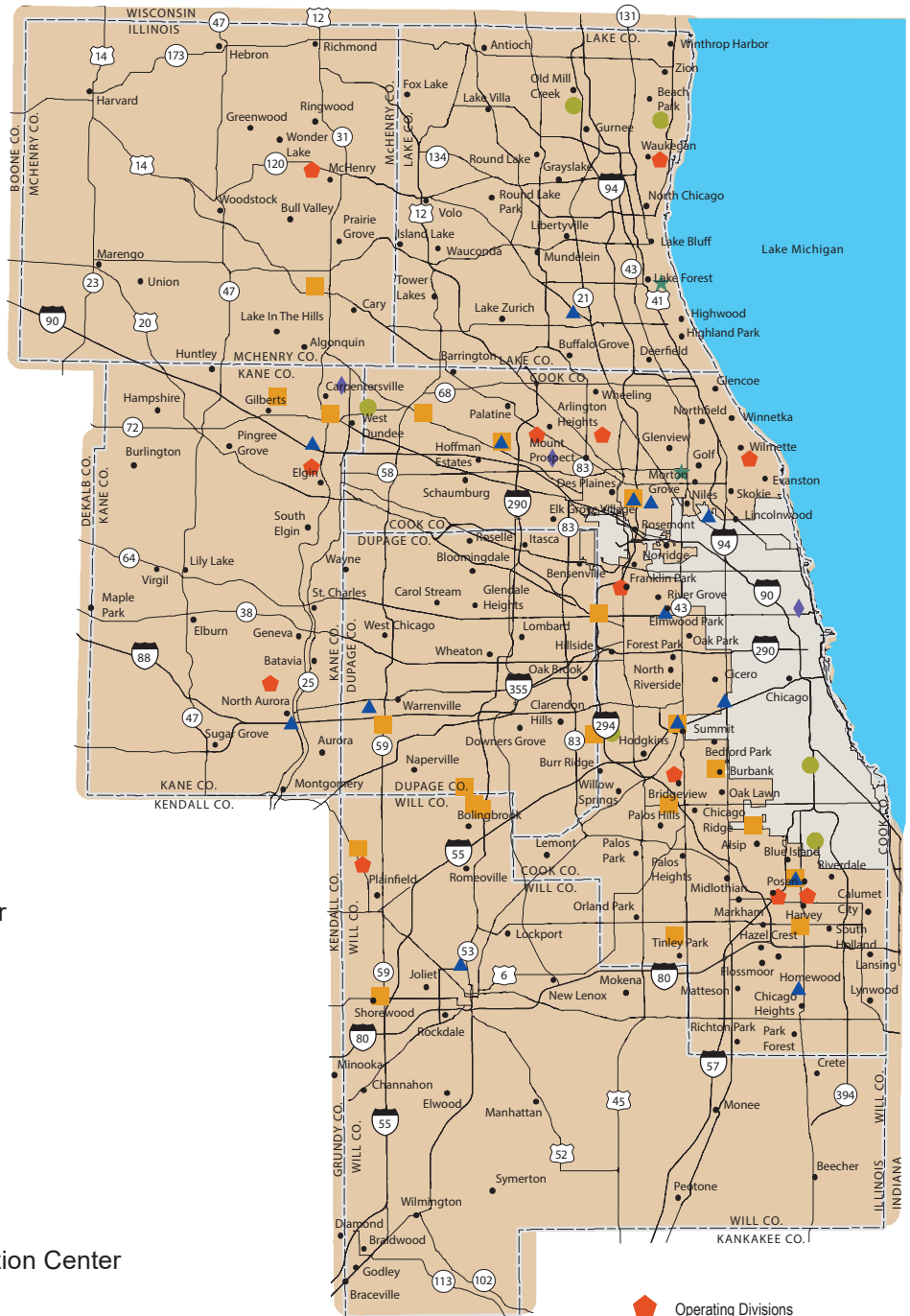
Pace System Passenger and Support Facilities

Bus Turnarounds and Terminals

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

Park-n-Ride Facilities

- Blue Island
- Bolingbrook - Canterbury
- Bolingbrook - Old Chicago
- Bridgeview Transit Center
- Burr Ridge
- Community Christian Church (Naperville)
- DeVry University (Tinley Park)
- Harvey Transportation Center
- Hillside
- Homewood
- I-90 / Barrington Road
- I-90 / IL 25
- I-90 / Randall Road
- IDOT Shorewood
- McHenry DOT
- Northwest Zetek Transportation Center (Schaumburg)
- Oak Lawn Metra
- Palos Heights Metra
- Plainfield
- Rosemont Transit Center
- White Fence Farm (Romeoville)



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

Appendix B • Ridership & Fares

Ridership

The following table identifies projected ridership changes by operating element for 2024 through 2027.

Table 36. 2023-2027 Ridership Projections (000s)									
	2023 Actual	2024 Estimated	% Change	2025 Projected	% Change	2026 Projected	% Change	2027 Projected	% Change
Pace Divisions	14,335	16,602	15.8%	17,648	6.3%	17,745	0.5%	17,745	0.0%
Public Carriers	290	297	2.4%	298	0.3%	298	0.0%	298	0.0%
Private Carriers	286	319	11.5%	329	3.1%	329	0.0%	329	0.0%
Total Fixed Route	14,911	17,218	15.5%	18,275	6.1%	18,372	0.5%	18,372	0.0%
Demand Response*	702	701	(0.1%)	735	4.9%	747	1.6%	759	1.6%
Vanpool	499	491	(1.6%)	519	5.7%	519	0.0%	519	0.0%
ReVision Add'l Service						7,494		7,494	0.0%
Suburban Service Total	16,112	18,410	14.3%	19,529	6.1%	27,132	38.9%	27,144	0.0%
Regional ADA Paratransit*	3,995	4,437	11.1%	4,638	4.5%	4,749	2.4%	4,867	2.5%
Combined Pace Service	20,107	22,847	13.6%	24,167	5.8%	31,881	31.9%	32,011	0.4%

*Ridership includes companions and personal care attendants



Ridership & Fares

Suburban Service Ridership

Pace Suburban Service ridership is estimated to finish the year 14.3% above 2023 levels and will exceed the 2024 budget by 18.2% due to a stronger than expected rebound of ridership lost during the pandemic. Fixed route ridership is expected to finish the year 15.5% above 2023 levels while Demand Response and Vanpool are expected to essentially remain consistent with prior year levels.

For 2025, total Suburban Service ridership is expected to grow 6.1% from 2024 levels but will still be 31.53% lower than pre-pandemic levels. Baseline fixed route ridership is expected to grow 3.7% from 2024 but overall ridership will see additional increases from service adjustments, resulting in an increase of 6.1% from 2024 levels. Demand Response and Vanpool ridership are expected to grow 4.9% and 5.7%, respectively.

Before the impact of the service adjustments expected as part of the *ReVision* network restructuring initiative, fixed route ridership is expected to increase 0.5% in 2026, reflecting the service adjustments implemented in 2025. Demand Response ridership is expected to grow 1.6%

in both 2026 and 2027 while Vanpool ridership is expected to stay flat to 2025 estimates in both out-years.

The additional service associated with *ReVision* is expected to add 7.494 million annual rides, bringing overall Suburban Service ridership growth to 38.9% in 2026 before leveling out in 2027. These estimates will change as Pace proceeds with the *ReVision* project and more detailed service level recommendations are available.

Regional ADA Paratransit Ridership

Regional ADA Paratransit ridership has rebounded from the effect of the pandemic more quickly than Suburban Service ridership and is expected to finish 2024 11.1% above 2023 levels. For 2025, ridership is expected to grow 4.5% over 2024 levels, an additional 2.4% in 2026, and 2.5% in 2027.

Pace Fares

There are no increases to Suburban Service or ADA fares planned in 2025. Tables 37 and 38 on the following pages identify the current fare structures.



Fare Structure

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

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

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

Table 38. Monthly VIP & Other Vanpool Services Fare Schedule

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

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

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

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

VanGo fares are set at \$5 per day.

OTHER VANPOOL SERVICE MONTHLY FARES

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

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Demographic Profiles of Pace Users/Non-Users



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

Research indicates that Pace users earn significantly less than non-users and are much less likely to own an automobile. This underscores the critical role Pace plays in getting residents to jobs. About 63% of Pace riders 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	49.8
Sex:		
Male	48%	46%
Female	52%	53%
Prefer to self-describe		1%
Education		
Some high school or less	2%	8%
High school graduate	12%	27%
Some college or technical school	20%	35%
College graduate	37%	21%
Graduate or Professional Degree	29%	9%
Total Annual Household Income		
Group Median	\$74,800	\$25,450
Auto Ownership		
None	5%	50%
One	26%	31%
Two or more	69%	19%
Ethnic Background (<i>multiple choices apply</i>)		
African American	7%	46%
Asian	3%	7%
Hispanic	10%	20%
Caucasian	79%	28%
Other	1%	5%

Data Source

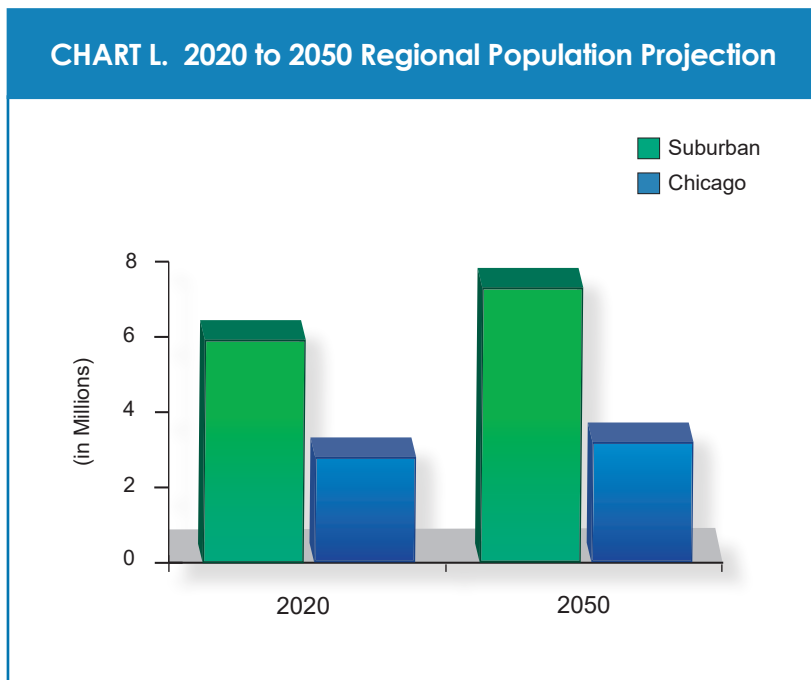
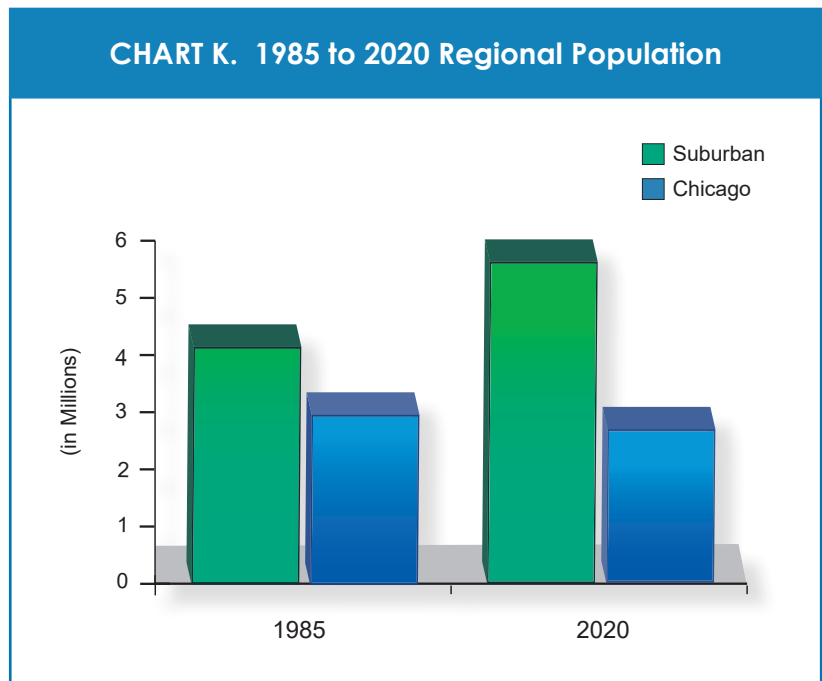
Non-user: South Cook County-Will County Service Restructuring Initiative, 2006, sample size = 1,195

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

Regional Population

Population

The suburban population has continued to increase over the past few decades, continuing to outpace Chicago's population. There are now 5.7 million suburban residents to serve, a figure that is nearly twice as much as Chicago's. The Chicago population has dropped 8% since 1985, while suburban population has grown 37% in that same timeframe. The region's population distribution looks quite different than it did when Pace was created 40 years ago.

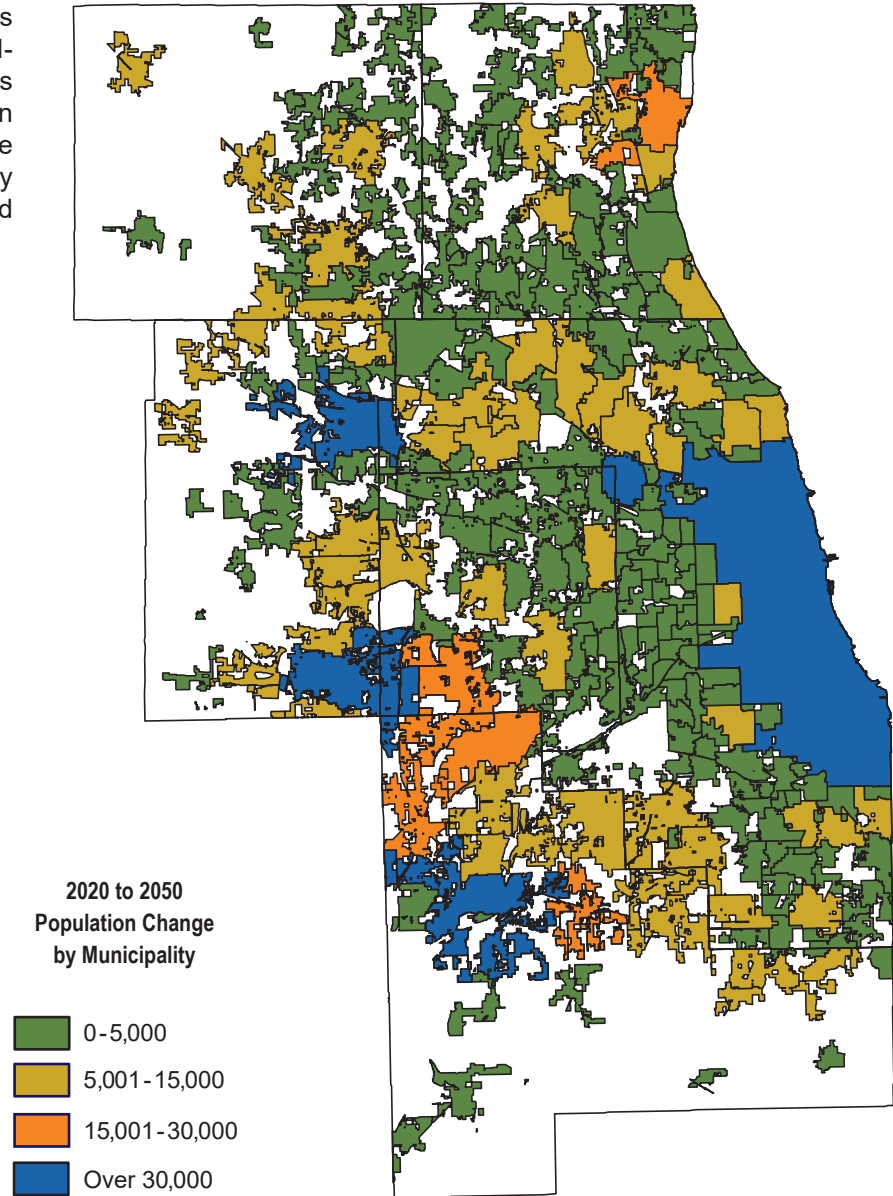


Regional Population Change 2020 to 2050

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

Regional Population Change 2020 to 2050

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



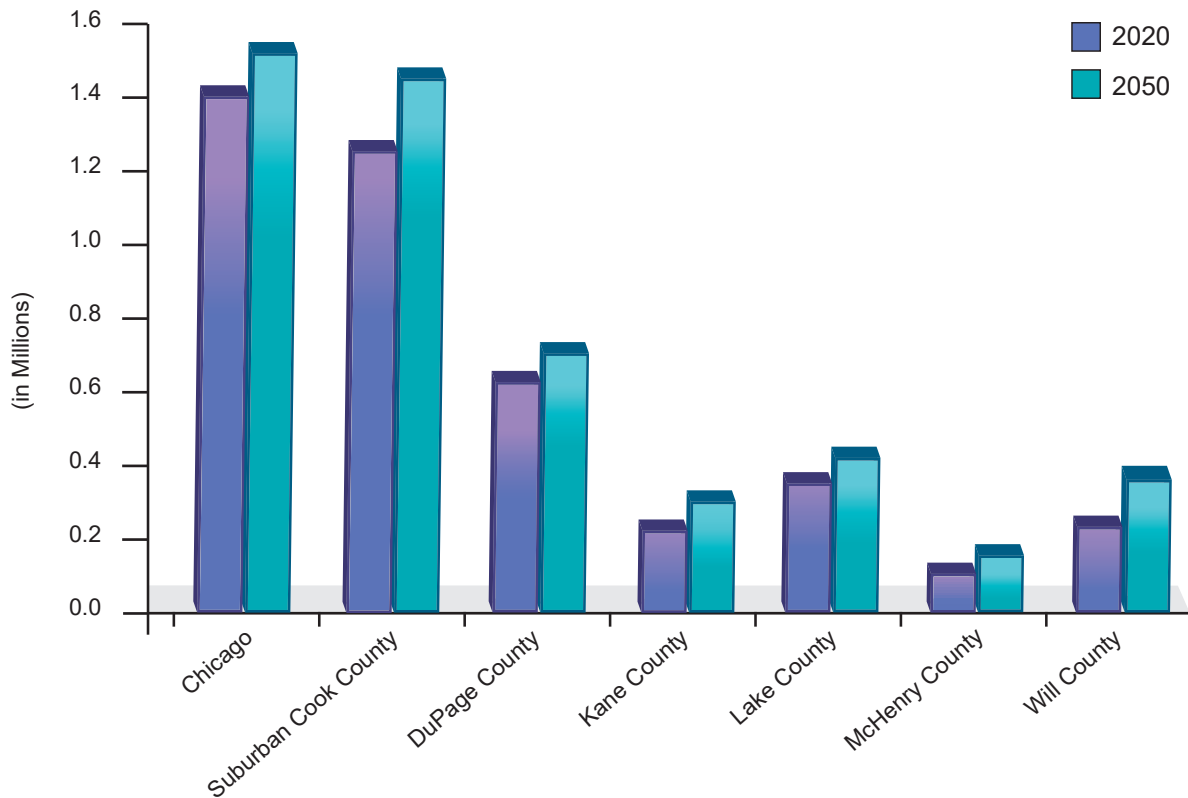
Regional Employment

Employment

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

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

CHART M. 2020 to 2050 Employment Projection



Travel & Congestion

Travel Patterns

According to Texas Transportation Institute's *2023 Urban Mobility Report*, traffic is back to pre-Covid level. In 2022, the Chicagoland area was ranked fourth nationally behind Los Angeles, New York, and Miami for the longest travel delay due to traffic congestion. As a result of traffic congestion during the peak periods, our residents consume an extra 127 million gallons of fuel, at a cost of \$1,675 per auto commuter annually, just sitting in traffic.

The regional cost of traffic congestion reaches \$8.26 billion annually when factoring in lost time and wages, increased shipping costs, and fuel wasted. More than 306 million

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

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

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



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Pace Goals & Performance Measures

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

- Safe
- Accessible
- Equitable
- Responsive
- Productive

Table 40 identifies the measures and performance standards that Pace has established for each goal. Actual performance for 2023, projected performance for 2024, and 2025 goals are identified. Performance standards marked with an asterisk (*) are in the process of being further evaluated and those shown are preliminary.

Results that meet or 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.



Table 40. Pace Goals & Performance Measures

Safety: Operate and maintain a system that prioritizes safety						
Measure:	Performance Standard	2023 Actual	2024 Estimate	2025 Projected		
Accidents per 100,000 Revenue Miles	Less than 5	0.32	0.22	0.25		
Accessibility: Maximize transit access for residents and employers						
Measure:	Performance Standard	2023 Actual	2024 Estimate	2025 Projected		
On-Time Performance	Greater than 85%	68.16%	69.29%	70.00%		
Actual Vehicle Miles per Road Call	Greater than 14,000	16,872	16,100	15,000		
Percent Missed Trips per Total Trip Miles	Less than 0.50%	0.81%	0.76%	0.50%		
Responsiveness: Provide superior experiences for all customers						
Measure:	Performance Standard	2023 Actual	2024 Estimate	2025 Projected		
Complaints per 100,000 Passenger Miles	Less than 4	4.95	5.40	4.00		
Equity: Support an inclusive transit system that provides connections and prioritizes communities of highest need						
Measure:	Route Type:	Performance Standard	2023 Actual	2024 Estimate	2025 Projected	
Peak Vehicle Load	Minority Routes	Less than 1.25	0.26	0.22	0.27	
	Non-Minority Routes	Less than 1.25	0.22	0.23	0.24	
Off-Peak Vehicle Load	Minority Routes	Less than 1	0.25	0.22	0.24	
	Non-Minority Routes	Less than 1	0.23	0.19	0.20	
Meet Peak Headway Standard	Minority Routes	100% compliance	97.90%	98.00%	98.00%	
	Non-Minority Routes	100% compliance	95.00%	96.00%	97.00%	
Meet Off-Peak Headway Standard	Minority Routes	100% compliance	100.00%	100.00%	100.00%	
	Non-Minority Routes	100% compliance	96.40%	97.00%	97.00%	
Productivity: Efficiently move large numbers of passengers						
Measure:	Performance Standard	2023 Actual	2024 Estimate	2025 Projected		
Ridership	Increase from prior period	10.22%	15.47%	6.14%		
Ridership per Revenue Hour	Greater than 24*	11.63	12.90	12.14		
Ridership per Revenue Mile	Greater than 1.5*	0.66	0.67	0.70		
Passenger Miles per Revenue Mile	Greater than 9*	4.45	4.53	4.70		
Revenue Miles per Revenue Hour	Greater than 17	17.52	19.11	17.33		

*Performance standard under evaluation

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

Peer Performance Comparison

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

The RTA's peer group includes the following systems:

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



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



Service Efficiency

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

Cost Effectiveness

- Operating Expense per Passenger
- Operating Expense per Passenger Mile



Service Effectiveness

- Passengers per Revenue Hour
- Passengers per Revenue Mile



The following charts were prepared using 2022 National Transit Database (NTD) data for bus only, which is the latest data available as of this writing.

Appendix D • Performance Measures

Peer Performance Comparison

Service Efficiency

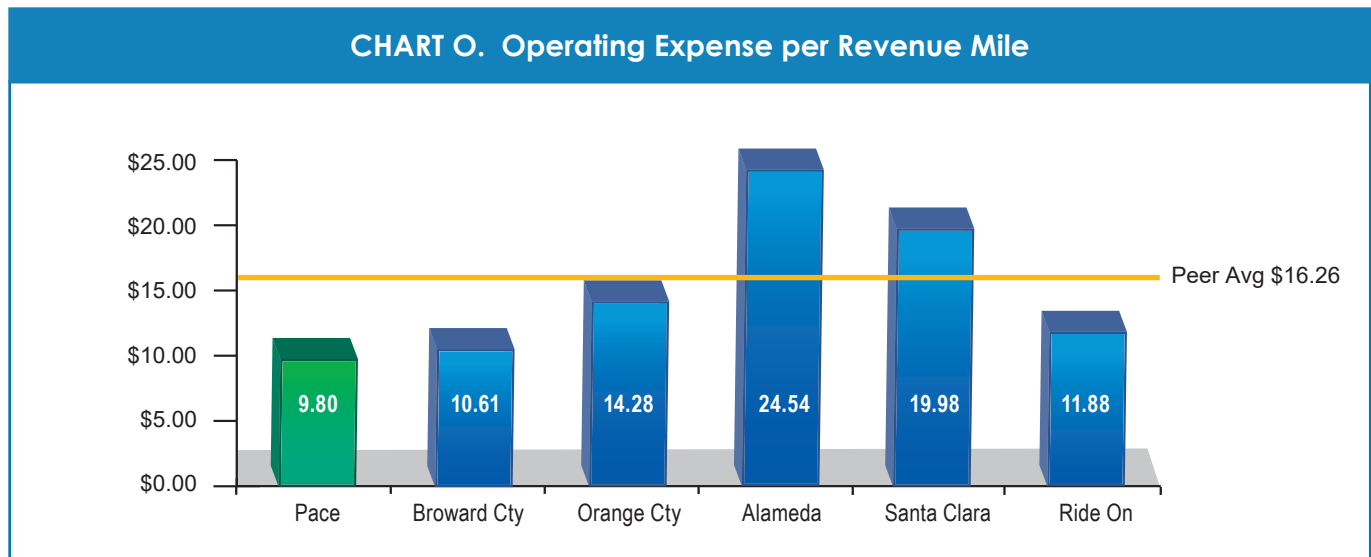
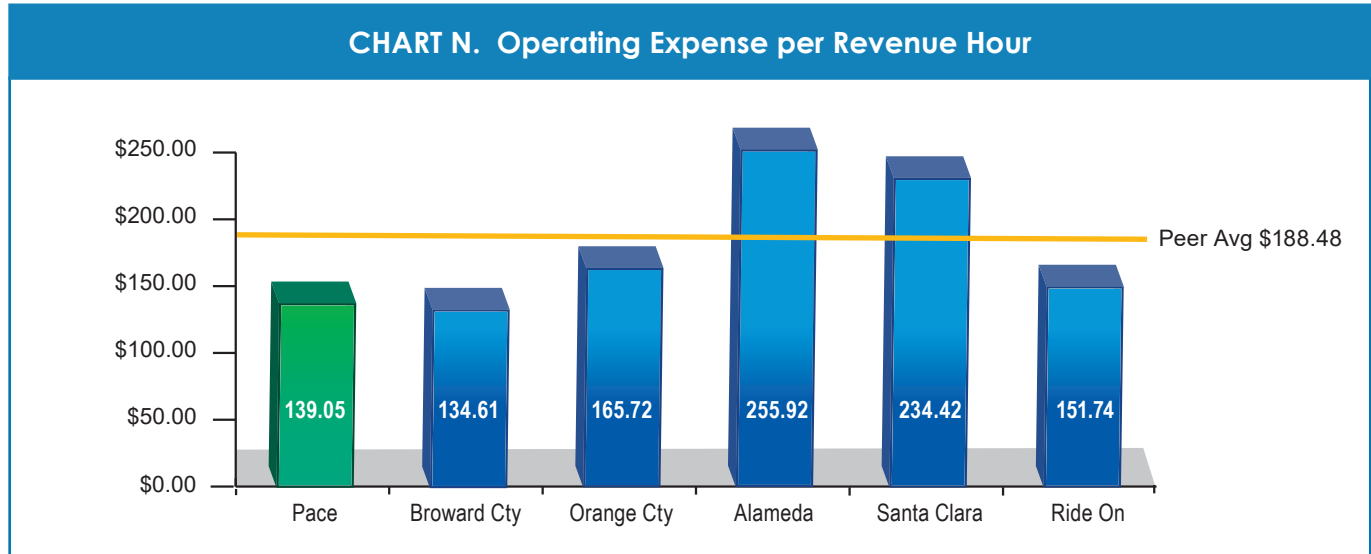


CHART N - Service efficiency, as measured by the performance ratios of operating expense per total revenue hour and revenue mile, shows Pace to be more efficient than the peer average. At \$139.05, Pace's cost is \$49.43 per hour or 26.23% less than the peer average for this performance measurement category.

CHART O - At \$9.80, Pace is \$6.46 per mile or 39.73% below the peer average.

Cost Effectiveness

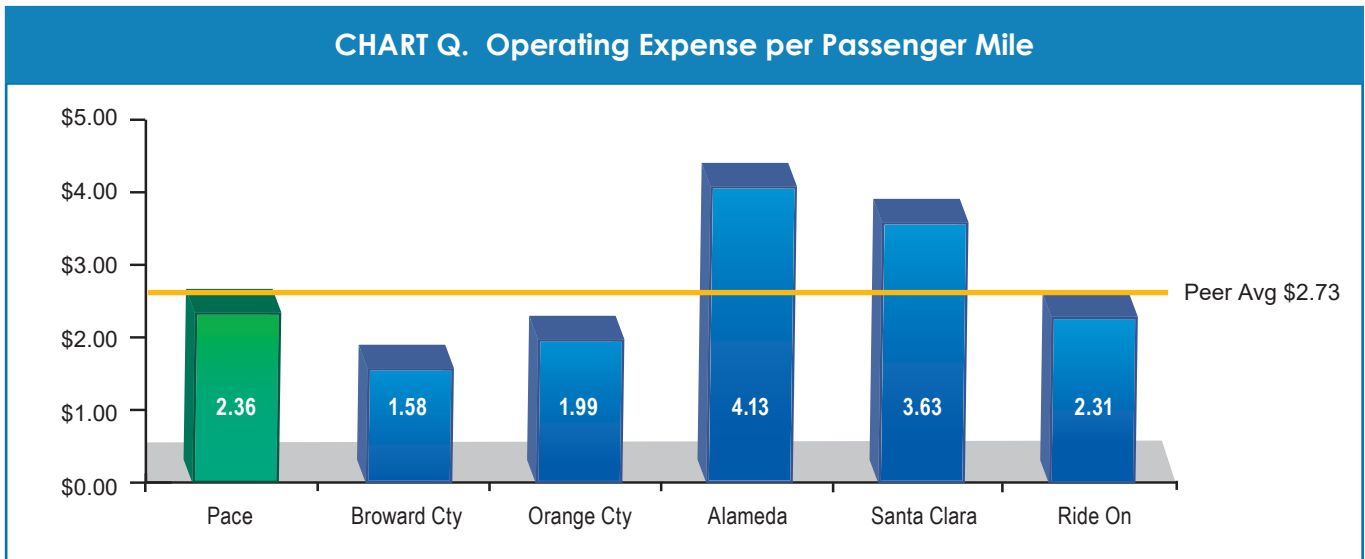
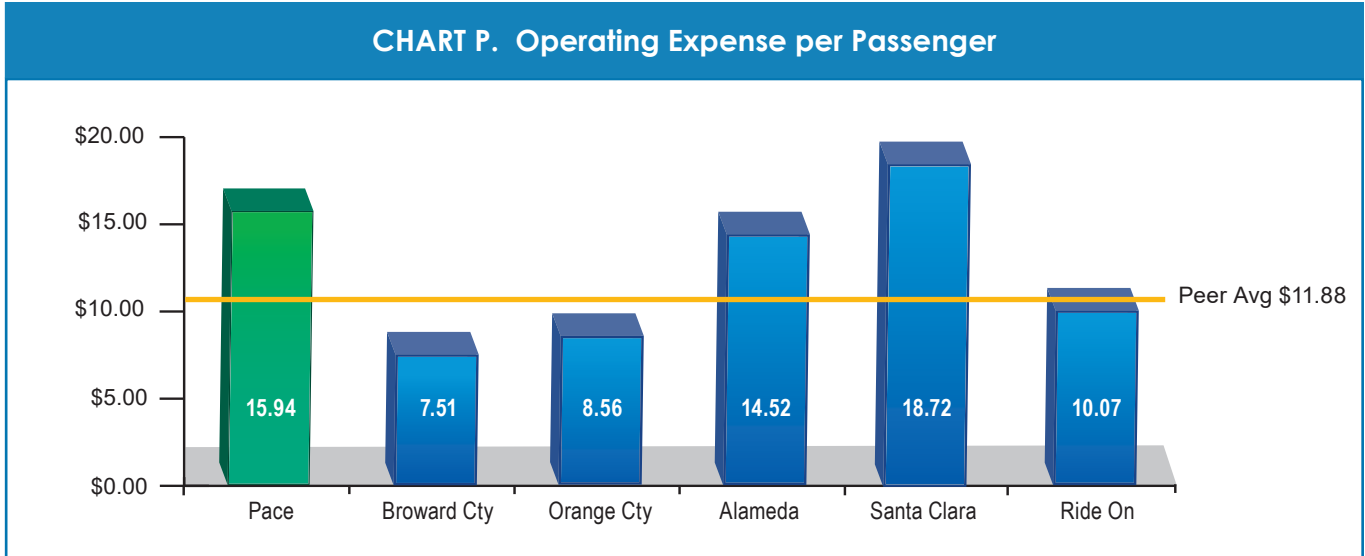
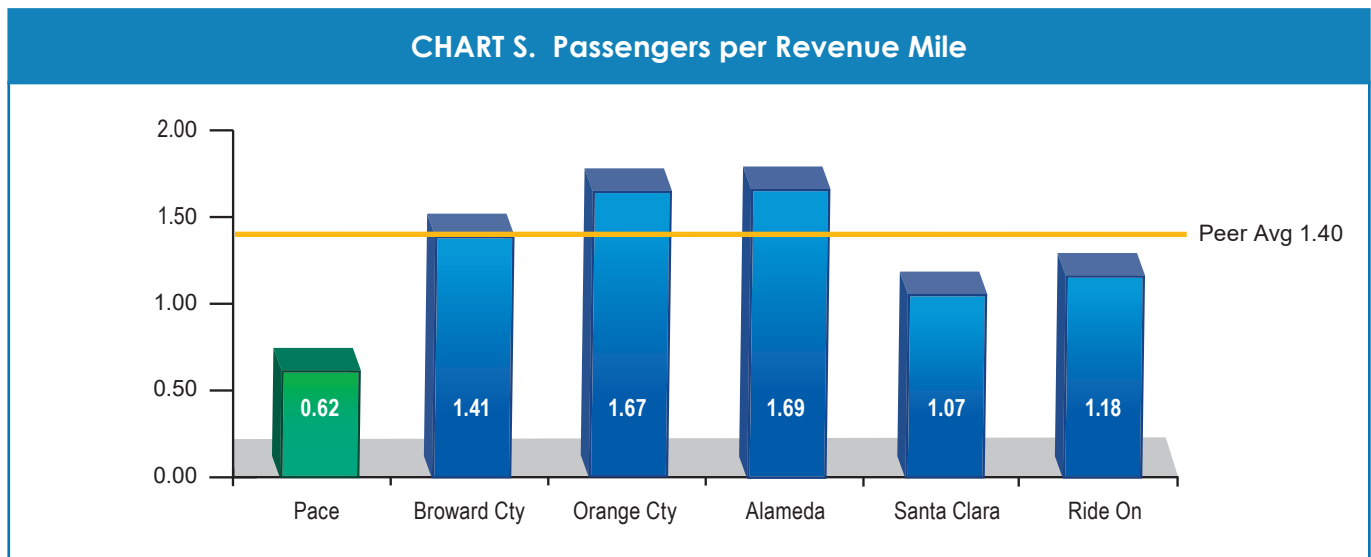
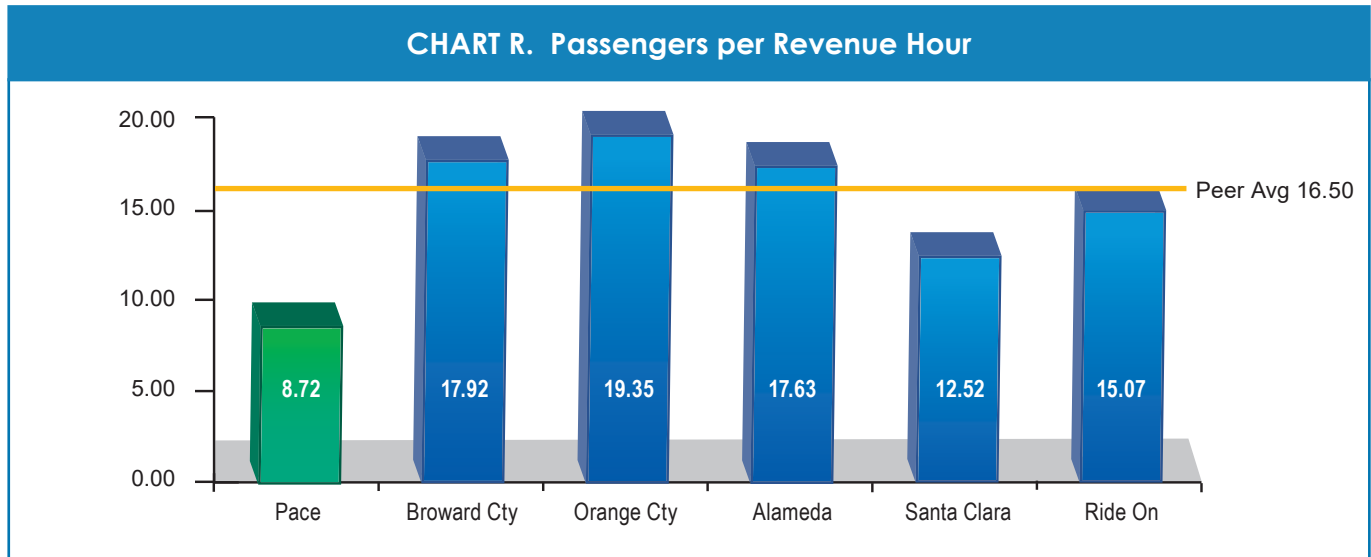


CHART P - Cost effectiveness, as measured by the performance ratio of operating expense per passenger, shows Pace to be consistent with the agencies within this peer group.

CHART Q - At \$2.36, Pace's expense per passenger mile is below the peer average by \$0.37 or 13.55%. Pace's low cost structure combined with high passenger miles contributes to this result.

Appendix D • Performance Measures

Service Effectiveness



Farebox Recovery Ratio

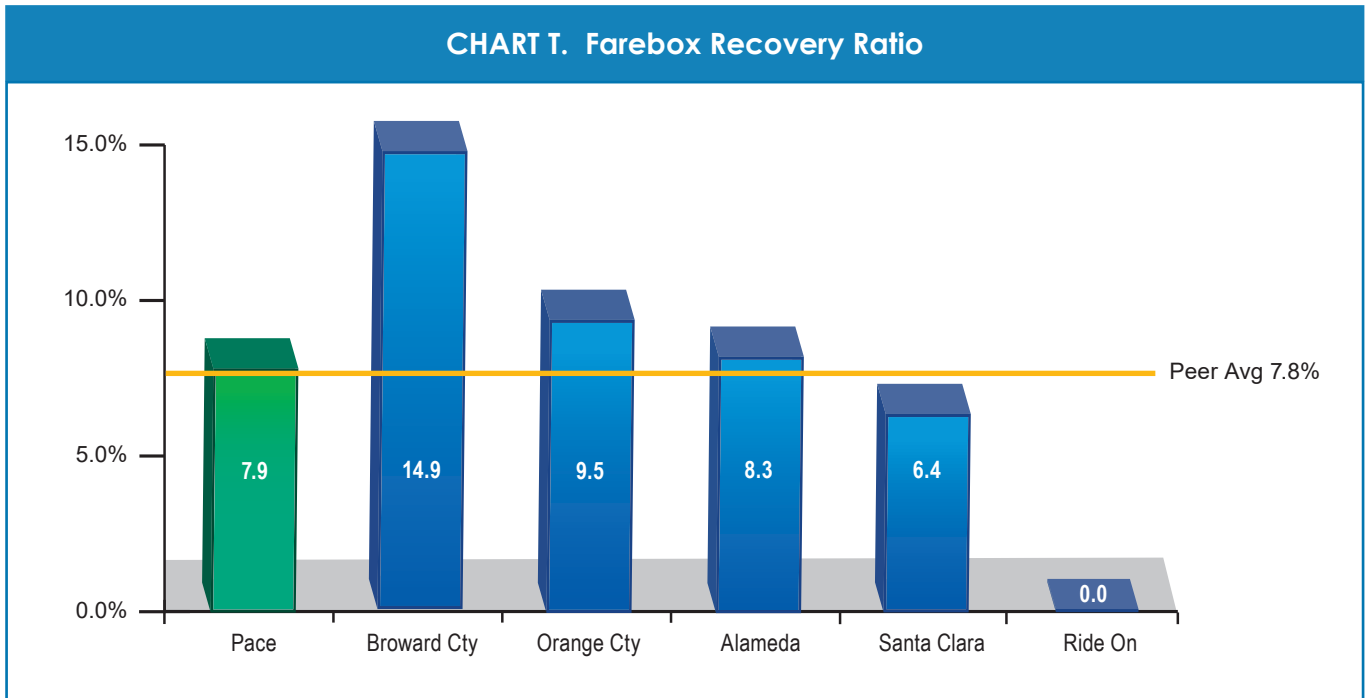


CHART R - Service effectiveness, as measured by passengers per total revenue hour and passengers per total revenue mile, shows Pace to have the lowest performance ratio compared to all agencies. The size of Pace’s service area directly affects this performance indicator. At nearly 3,500 square miles,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

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

CHART T - Pace’s bus only farebox recovery ratio of 7.9% is slightly higher than the average of its peers.

Reimagining Public Transportation

Driving Innovation

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

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

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

Pace is committed to becoming an agency operating a 100 percent zero-emission fleet by 2040. In 2025, Pace will continue efforts to procure electric vehicles and to ensure that forthcoming capital investments are designed to handle this new technology. Additionally, Pace continues to advance two of the key strategic initiatives in *Driving Innovation*, the Network Revitalization & System-wide Restructuring Initiative and the Service Standards Framework.

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

www.PaceBus.com/driving-innovation

Project Zero

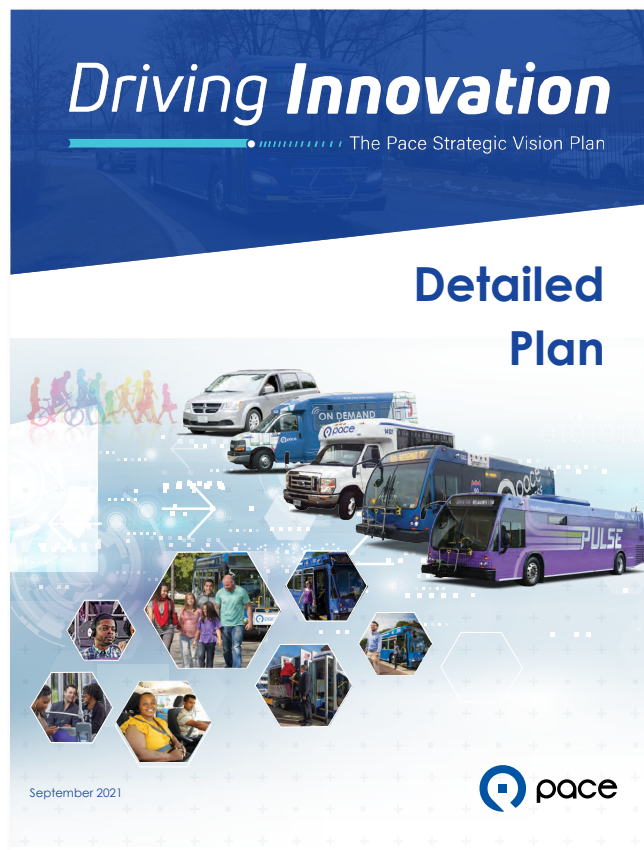
In 2022, Pace initiated Zero Emissions Fleet and Facility Transition Plans, as called for under the first of the Agency Priority Initiatives outlined in *Driving Innovation*. This effort coordinates future and existing capital projects with ongoing zero emissions fixed route bus purchases to ensure Pace facilities are able to support zero emissions buses as they enter the fleet. The plan employs a data-driven approach to evaluate how garage maintenance facilities will be used to support service plans and other strategic initiatives that will allow Pace to operate a zero emissions fleet by 2040.

In December 2022, Pace released "Project Zero: Zero Emission Fleet Transition Plan" and released a companion plan "Project Zero: Zero Emissions Facility Transition Plan" in March 2024. This facility plan allows Pace to prepare for the costs and operational logistics of new vehicle technologies and associated capital needs, as the agency seeks funding to support this historic shift in its operations.

In June 2024, Pace took the first steps to meet this challenge by kicking off the first phase of facility improvements at North Division in Waukegan to support an initial 12 vehicle battery electric bus fleet. In Fall 2024, Pace will begin working with a design build team to initiate the second phase of facility improvements at North Division to support a fully electric bus fleet of 60 vehicles by 2027. Additionally, Pace is incorporating support infrastructure for zero emissions vehicles at the new South Campus acceptance facility and is in Phase 2 Engineering for the expansion and modification of River Division to support a zero emissions fixed route and paratransit fleet.

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

www.PaceBus.com/zero





Pulse Network

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

As Pace celebrates five successful years operating the Pulse Milwaukee Line, Pace has since implemented the Pulse Dempster Line, which connects communities between downtown Evanston and O'Hare Airport, and is completing construction of the remaining Pulse Dempster Line stations. Since Pulse Dempster service launched in late October 2023, ridership in the corridor has increased by 21%. The \$10.5 million investment in transit infrastructure along the corridor is funded by a federal Congestion Mitigation Air Quality (CMAQ) grant. Pace was also awarded an additional \$15.8 million in CMAQ funding to operate the first three years of expanded service.

Pace is also progressing on the Pulse Halsted Line which will run between the CTA Red Line 95th/Dan Ryan Station and the Pace Harvey Transportation Center using 95th and South Halsted. In December 2022, the Pulse Halsted Line reached a milestone as it obtained National Environmental Policy Act (NEPA) approval making the project eligible for federal funding. This future Pulse line has 16

proposed stations and designs include dedicated bus-only and queue-jump lanes in portions of the corridor as well as transit signal priority.

In 2023, the Pulse Halsted Line project was awarded a \$0.5 million grant to fund a portion of the design work via the Invest in Cook Program, an additional \$20.0 million grant from the highly competitive federal Rebuilding American Infrastructure with Sustainability and Equity (RAISE) program, as well as \$12.1 million from the Carbon Relief and CMAQ Programs for construction.

Pace is also advancing the Pulse 95th Street Line, which will span 12.8 miles between the CTA Red Line 95th/Dan Ryan Station in Chicago and Moraine Valley Community College in Palos Hills. The agency completed the environmental review phase in late 2023 and is preparing to contract for design of the project. Both design and construction of the Pulse 95th Street Line is funded by a \$17.1 million CMAQ grant. Additionally, the combined investments from the RTA and federal government will fund the installation of transit signal priority in this corridor. Design for both the Pulse Halsted and 95th Street Lines is scheduled to begin in the fourth quarter of 2024.

Looking towards the western portion of Pace's service area, the agency completed the project definition phase for the fifth Pulse project, the Pulse Cermak Line, in Fall 2024. The study identifies station locations, roadway modifications, route alignment and service plans for this future Pulse Line. Pace is working closely with the FTA to scope the appropriate level of environmental review for the project as well as advanced conceptual design. To fund a portion of this work, Pace applied for and was awarded a \$0.5 million grant from Cook County's Invest in Cook Program. It is anticipated that this work will begin at the end of 2024 and will take approximately 18 months to complete.

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

www.PaceBus.com/pulse



ReVision

Pace Network Revitalization Initiative

Pace's strategic plan, *Driving Innovation*, identified the need to conduct a systemwide restructuring initiative to better understand current and future travel needs, that creates a framework to guide service investments, and recommends systemwide service improvements. In August 2023, the Pace Board of Directors approved a contract to conduct

the Network Revitalization & Systemwide Restructuring Initiative, which Pace has branded as *ReVision*. This project is expected to be completed in late 2025.

Pace's fixed route system is tasked with serving approximately 5.7 million residents over a 3,600 square mile service area. This is comparable to transit agencies that are responsible for serving entire states. Yet compared to peer agencies, Pace has extremely limited resources. This results in low service levels and large service gaps throughout the region. Regional revenues also have not kept up with the cost of providing service, and a 'fiscal cliff' is looming in 2026 without additional funding.

In a post pandemic environment, travel patterns have also significantly changed. As an example, traditional service models, such as operating weekday peak-only commuter service that brings office workers to and from a Metra train, are less relevant today given the shift to telecommuting and hybrid work options. Instead, we have seen more riders needing service during non-traditional commute times such as during the weekday off-peak periods and on weekends.

Pace has a firm belief that not only should the budget shortfall be addressed, but additional funding should be provided to increase service options throughout the suburbs. Now more than ever, there is a need to develop a more robust regional service network that is based on market demand and provides the appropriate level of service to each travel market. *ReVision* will address these needs.

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

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

An extensive outreach program is included throughout all phases of the initiative. The process will engage the

public to reimagine how transit service will be provided in the future. This input will be used to design alternatives for restructuring the entire Pace service network.

In 2025, work products for *ReVision* will include the development of the Service Standards Framework and the creation of both a draft and final network plan.

Concurrent with *ReVision*, Pace will continue to review and make service changes as needed throughout the region. Additionally, as data and information from several of the initial tasks associated with *ReVision* are completed, those resources will be used to identify near-term opportunities that would allow some service changes to be implemented prior to the completion of the initiative. Increasing overall systemwide ridership in a cost-effective manner and providing coverage-oriented service in key service markets will continue to be an emphasis in 2025.

In 2025, Pace will continue to focus on efforts to increase the frequency and hours of service on weekdays, Saturday, and Sunday on the busiest routes. This includes service investments in future Pulse corridors and other key regional arterial bus routes.

For areas where coverage-oriented service is more applicable, Pace will continue to plan for and implement new and expanded alternative service models such as Pace On Demand and seek out additional contracting opportunities with transportation network companies (TNCs) in 2025. These alternative options will allow Pace to provide more consistent service throughout the day in areas where there is a need for service but where traditional all-day fixed route service may not be as productive.

Investments in technology will also be a focus in 2025. To improve scheduling practices, Pace will update its fixed route scheduling software. This update will include the incorporation of electric vehicle scheduling capabilities to help facilitate Pace's transition to zero emission buses.

Shared Use Mobility Projects

Pace continues to adapt and evolve service to meet the changing travel needs within the region. The traveling public has demanded more from transit operators including greater reliability, more frequency (especially during non-peak hours and weekends), increased safety, and more information. Pace continues to enhance techno-

logical platforms to better connect passengers to the services that would be most useful for their trip as well as improving shared use mobility services to meet the ever-changing needs of the traveling public. In particular, Pace's upgrades to the Transit app enable riders to see not only fixed route bus and train service in the region, but also the increasingly critical demand-response services, such as Pace On Demand. It is vital for commuters to be able to see all their transportation options when planning a trip, and Pace's technological advancements have improved the information available to commuters.

In 2025, Pace will continue to leverage technology to power many of the shared use mobility services the agency operates. Some technological upgrades include forward facing passenger projects like a booking website redesign that aims to improve the booking experience for passengers using Pace On Demand services and back-end facing administrative projects that aim to improve the management experience for dispatchers and administrative staff. To continue to improve the experience for passengers, Pace will investigate technology upgrades that streamline information and increase real time data availability while also reducing operating expenses for the agency.

Pace continues to improve existing shared use services, to explore new service models throughout the region, and investigate potential service pilots with TNCs. Work is proceeding on the Mobility as a Service (MaaS) pilot and new service integrations and upgrades to existing services such as Pace On Demand will take place. These integrations will continue to make it easier for passengers to find their options in one place and become more familiar with Pace's service offerings. Pace will continue to explore how we can improve trip planning for passengers and enable them to learn about services in one place.

As identified in *Driving Innovation*, shared mobility services may offer an opportunity to supplement existing Pace service or fill in service gaps while ensuring great stewardship of taxpayer funds. In 2025, Pace will continue to explore opportunities for expansions and pilots as part of the On Demand program or by contracting with TNCs. These new opportunities would provide passengers with increased options and better connections to the larger regional transit network.

Transportation Innovation and Technology Program

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

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

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

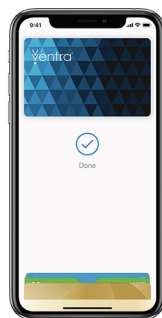
Pace already deployed the TSP system for the Pulse Milwaukee Line, Pulse Dempster Line, and on Roosevelt Road, Grand Avenue (Lake County), portions of 95th Street and Sibley Boulevard/147th Street. Installation of TSP equipment is currently underway on Cicero Avenue. Pace plans to deploy TSP along six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

Pace is currently working on a proof of concept deployment for a regionwide centralized TSP system as part of the Illinois Department of Transportation's Advanced Traffic Management Center and plans to expand the centralized TSP system to an additional 300 signals along identified TSP corridors.

Fare Collection and Fare Products

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

The technology for the Ventra® platform will see a significant change in the coming year. “Ventra 3.0,” with new software and hardware, will be introduced in mid-2025. This new system will be better able to seamlessly integrate fare products for Pace, CTA, and Metra. As part of this upgrade, a new driver's terminal will be incorporated with the farebox and integrated with Ventra. This will allow for more accurate counts of ridership and revenue, as well as requiring fewer road calls and repairs.



Ventra 3.0
will be introduced
in mid-2025

The “Ventra 3.0” upgrade will also enable the service boards to more quickly respond and react to changes in fares and fare policies. Finally, it will be quicker and easier to add different modes and different fares than ever before.

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

In Summer 2024, Pace, RTA, CTA, and Metra approved the Regional Day Pass (RDP) pilot program. The RDP pilot program will introduce a new joint fare product that will allow unlimited rides to be taken over a single day on all three service boards. The RDP will only be available for purchase through the Ventra Mobile App and will be offered at a lower price compared to purchasing separate 1-day fare products. The RDP pilot program will allow the RTA and the service boards to assess the potential interest, use, and cost of offering such a fare product on a permanent basis. The RDP is expected to be introduced once development and testing of the fare product has been completed.

Marketing & Public Engagement

As Pace adapts to meet the region's post-pandemic transportation needs, ridership continues to grow in all markets in 2024, despite a continued challenge with filling bus operator positions. Pace has not been immune to what has been a multi-year, nationwide driver shortage. To that end, the top marketing priority in 2024, as it had been for several years, was to recruit bus operators and maintenance staff. Pace intends to continue the emphasis on that goal in 2025. Pace focused more advertising spending on recruitment than any other subject in 2024 and has been holding weekly open houses where prospective employees can get hired “on the spot”. Those efforts proved fruitful, with 413 new staff hired in the first eight months of 2024. A similar effort is needed in 2025 to achieve a full roster of employees.

The other major marketing focus in 2024 was to promote new or expanded services. Several of Pace's most popular routes had significant increases in service in 2024—more frequency, later evening service, and weekend service—and the Marketing Department executed advertising campaigns in each of those geographic areas to ensure the public knew about the newly improved options. Likewise, the new Lansing Area On Demand service began October 7, alongside a multifaceted promotional campaign to get the word out in that community about the new service.

Pace celebrated its 40th anniversary in 2024, and marked the occasion by thanking riders for joining this 40-year journey. On the July 1 anniversary, transit ambassadors greeted riders with complementary bottles of water. Throughout the year, buses traversed streets across the region adorned with a 40th anniversary decal. Pace enlisted local artists to decorate 40 bus stop benches, which continue to be placed throughout northeastern Illinois. A “station activation” event in Joliet also offered community residents an opportunity to experience the new transit center in a family-friendly setting, with food, games and giveaways.

Pace's *ReVision* plan began in earnest in 2024, with a planned November release of the proposed restructuring of the bus route network. Pace advertised to generate awareness of the planning effort in early 2024 and will do so again when the proposed plan is released. As *ReVision* is one of the most important initiatives ever undertaken in Pace's 40-year history, and because stakeholder input is critical at every step of the process,

considerable emphasis was placed on public awareness and encouraging participation.

Pace is now surveying On Demand riders and will execute a customer satisfaction survey of paratransit and vanpool customers, starting in late 2024, with the goal of using the data collected from those efforts to drive decisions about changes to operations and marketing strategies to promote elements of service that customers find most attractive. In recent years, several technologies which improve the customer experience for those riders were launched, so staff is looking forward to seeing whether riders are satisfied with those new developments.

Riders with disabilities have been, and will continue to be, a major focus of Pace's marketing efforts in 2025. In 2024, Pace consistently communicated with this vital audience about the convenience and affordability of fixed route options—including the option for ADA-certified riders to ride free on Pace fixed routes—as well as the benefits of subsidies offered for taxis in Chicago and transportation network company (TNC) trips throughout the region, as part of the new Rideshare Access Program (RAP). The coming year will also see promotion of additional new technologies that will improve the customer experience for ADA Paratransit riders, along with a longstanding message about the convenience and affordability of fixed route transit service relative to ADA Paratransit.



Appendix F • Operating Budget Detail

2023 Actual Operating Results

2023 ACTUAL PROGRAM, ACTIVITY & OBJECT MATRIX				
	Pace Operating Divisions	Public Carriers	Private Carriers	Demand Response Services
Revenue				
Farebox	\$17,523,521	\$555,382	\$135,202	\$1,365,744
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	1,208,718	664,484	566,556	11,175,219
Total Revenue	\$18,732,239	\$1,219,866	\$701,758	\$12,540,963
Operating Expenses				
Operations				
Labor/Fringes	\$89,357,493	\$1,428,326	\$0	\$0
Parts/Supplies	2,862	1,120	0	0
Purchased Transportation	0	503,721	4,065,338	22,180,461
Fuel	0	0	0	0
Other	295,881	10,096	0	0
Total Operations	\$89,656,236	\$1,943,263	\$4,065,338	\$22,180,461
Vehicle Maintenance				
Labor/Fringes	\$21,749,158	\$575,398	\$0	\$0
Parts/Supplies	8,982,430	101,425	0	0
Other	354,678	103,600	0	182,003
Total Vehicle Maintenance	\$31,086,266	\$780,423	\$0	\$182,003
Non-Vehicle Maintenance				
Labor/Fringes	\$1,063,545	\$0	\$0	\$0
Parts/Supplies	682,306	0	0	0
Other	1,803,726	0	0	54,682
Total Non-Vehicle Maintenance	\$3,549,577	\$0	\$0	\$54,682
General Administration				
Labor/Fringes	\$4,273,172	\$383,908	\$0	\$0
Parts/Supplies	63,554	720	0	0
Utilities	2,666,339	1,023	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	212,282	(10,069)	0	483,241
Indirect Overhead Allocation	0	0	0	0
Total Administration	\$7,215,347	\$375,582	\$0	\$483,241
Total Expenses	\$131,507,426	\$3,099,268	\$4,065,338	\$22,900,387
Funding Requirement	\$112,775,187	\$1,879,402	\$3,363,580	\$10,359,424
Recovery Ratio	14.24%	39.36%	17.26%	54.76%

Appendix F • Operating Budget Detail

2023 ACTUAL PROGRAM, ACTIVITY & OBJECT MATRIX					
Vanpool	Administration	Centralized Support	Total Suburban Service	Total Regional ADA Paratransit	Combined 2023 Actual
\$973,617	\$0	\$0	\$20,553,466	\$9,565,924	\$30,119,390
0	1,345,862	0	1,345,862	0	1,345,862
0	46,014	0	46,014	0	46,014
0	13,333,891	0	13,333,891	1,823,470	15,157,361
0	1,120,340	0	14,735,317	1,546,598	16,281,915
\$973,617	\$15,846,107	\$0	\$50,014,550	\$12,935,992	\$62,950,542
\$0	\$0	\$3,768,420	\$94,554,239	\$0	\$94,554,239
0	0	2,018,911	2,022,893	0	2,022,893
0	0	0	26,749,520	210,681,378	237,430,898
625,062	0	13,907,661	14,532,723	7,373,806	21,906,529
840,071	0	0	1,146,048	0	1,146,048
\$1,465,133	\$0	\$19,694,992	\$139,005,423	\$218,055,184	\$357,060,607
\$0	\$0	\$4,018,131	\$26,342,687	\$0	\$26,342,687
0	0	133,517	9,217,372	0	9,217,372
0	0	924,308	1,564,589	0	1,564,589
\$0	\$0	\$5,075,956	\$37,124,648	\$0	\$37,124,648
\$0	\$0	\$1,832,555	\$2,896,100	\$0	\$2,896,100
0	0	0	682,306	0	682,306
0	333,179	874,492	3,066,079	0	3,066,079
\$0	\$333,179	\$2,707,047	\$6,644,485	\$0	\$6,644,485
\$0	\$25,316,518	\$0	\$29,973,598	\$5,240,228	\$35,213,826
0	199,830	0	264,104	997	265,101
0	2,717,076	0	5,384,438	563,252	5,947,690
0	0	12,517,611	12,517,611	926,916	13,444,527
0	0	20,372,834	20,372,834	750,994	21,123,828
0	16,361,656	7,914,470	24,961,580	3,225,722	28,187,302
0	0	0	(8,586,204)	8,586,204	0
\$0	\$44,595,080	\$40,804,915	\$84,887,961	\$19,294,313	\$104,182,274
\$1,465,133	\$44,928,259	\$68,282,910	\$267,662,517	\$237,349,497	\$505,012,014
\$491,516	\$29,082,152	\$68,282,910	\$217,647,967	\$224,413,505	\$442,061,472
66.45%	35.27%	0.00%	23.99%	10.27%	

Appendix F • Operating Budget Detail

2024 Estimated Operating Results

2024 ESTIMATED PROGRAM, ACTIVITY & OBJECT MATRIX				
	Pace Operating Divisions	Public Carriers	Private Carriers	Demand Response Services
Revenue				
Farebox	\$18,485,236	\$569,489	\$155,056	\$1,402,800
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	1,132,378	901,805	816,556	11,752,526
Total Revenue	\$19,617,614	\$1,471,294	\$971,612	\$13,155,326
Operating Expenses				
Operations				
Labor/Fringes	\$94,425,168	\$1,656,608	\$0	\$0
Parts/Supplies	3,677	1,074	0	0
Purchased Transportation	0	549,209	3,835,670	24,113,469
Fuel	0	0	0	0
Other	339,671	13,200	0	0
Total Operations	\$94,768,516	\$2,220,091	\$3,835,670	\$24,113,469
Vehicle Maintenance				
Labor/Fringes	\$25,006,498	\$632,845	\$0	\$0
Parts/Supplies	9,867,065	121,429	0	0
Other	698,583	107,750	0	49,342
Total Vehicle Maintenance	\$35,572,146	\$862,024	\$0	\$49,342
Non-Vehicle Maintenance				
Labor/Fringes	\$1,427,882	\$0	\$0	\$0
Parts/Supplies	773,639	0	0	0
Other	1,901,093	0	0	48,214
Total Non-Vehicle Maintenance	\$4,102,614	\$0	\$0	\$48,214
General Administration				
Labor/Fringes	\$4,336,806	\$459,959	\$0	\$0
Parts/Supplies	76,265	820	0	0
Utilities	3,182,135	1,200	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	254,237	303,934	0	0
Indirect Overhead Allocation	0	0	0	0
Total Administration	\$7,849,443	\$765,913	\$0	\$0
Total Expenses	\$142,292,719	\$3,848,028	\$3,835,670	\$24,211,025
Funding Requirement	\$122,675,105	\$2,376,734	\$2,864,058	\$11,055,699
Recovery Ratio	13.79%	38.24%	25.33%	54.34%

Appendix F • Operating Budget Detail

2024 ESTIMATED PROGRAM, ACTIVITY & OBJECT MATRIX					
Vanpool	Administration	Centralized Support	Total Suburban Service	Total Regional ADA Paratransit	Combined 2024 Estimate
\$1,002,216	\$0	\$0	\$21,614,797	\$11,387,250	\$33,002,047
0	1,460,260	0	1,460,260	0	1,460,260
0	445,000	0	445,000	0	445,000
0	14,793,428		14,793,428	1,763,864	16,557,292
0	1,040,713	0	15,643,978	1,767,338	17,411,316
\$1,002,216	\$17,739,401	\$0	\$53,957,463	\$14,918,452	\$68,875,915
\$0	\$0	\$4,844,373	\$100,926,149	\$0	\$100,926,149
0	0	2,301,069	2,305,820	0	2,305,820
0	0	0	28,498,348	231,354,440	259,852,788
644,634	0	13,124,183	13,768,817	7,182,510	20,951,327
1,126,879	0	0	1,479,750	0	1,479,750
\$1,771,513	\$0	\$20,269,625	\$146,978,884	\$238,536,950	\$385,515,834
\$0	\$0	\$3,662,684	\$29,302,027	\$0	\$29,302,027
0	0	300,000	10,288,494	0	10,288,494
0	0	1,250,128	2,105,803	0	2,105,803
\$0	\$0	\$5,212,812	\$41,696,324	\$0	\$41,696,324
\$0	\$0	\$2,376,277	\$3,804,159	\$0	\$3,804,159
0	0	0	773,639	0	773,639
0	322,150	1,524,319	3,795,776	0	3,795,776
\$0	\$322,150	\$3,900,596	\$8,373,574	\$0	\$8,373,574
\$0	\$25,497,175	\$0	\$30,293,940	\$5,130,344	\$35,424,284
0	216,930	0	294,015	1,951	295,966
0	2,154,208	0	5,337,543	695,692	6,033,235
0	0	14,551,585	14,551,585	1,109,306	15,660,891
0	0	29,991,956	29,991,956	1,214,697	31,206,653
0	21,653,247	9,461,072	31,672,490	5,266,188	36,938,678
0	0	0	(9,384,889)	9,384,889	0
\$0	\$49,521,560	\$54,004,613	\$102,756,640	\$22,803,067	\$125,559,707
\$1,771,513	\$49,843,710	\$83,387,646	\$299,805,422	\$261,340,017	\$561,145,439
\$769,297	\$32,104,309	\$83,387,646	\$245,847,959	\$246,421,565	\$492,269,524
56.57%	35.59%	0.00%	23.11%	10.47%	

Appendix F • Operating Budget Detail

2025 Operating Budget

2025 PROGRAM, ACTIVITY & OBJECT MATRIX				
	Pace Operating Divisions	Public Carriers	Private Carriers	Demand Response Services
Revenue				
Farebox	\$19,614,834	\$569,489	\$160,025	\$1,449,743
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	1,132,378	974,976	566,556	10,619,229
Total Revenue	\$20,747,212	\$1,544,465	\$726,581	\$12,068,972
Operating Expenses				
Operations				
Labor/Fringes	\$105,678,521	\$1,709,824	\$0	\$0
Parts/Supplies	3,747	1,145	0	0
Purchased Transportation	0	577,063	6,893,911	26,846,225
Fuel	0	0	0	0
Other	319,523	13,900	0	0
Total Operations	\$106,001,791	\$2,301,932	\$6,893,911	\$26,846,225
Vehicle Maintenance				
Labor/Fringes	\$25,626,730	\$655,424	\$0	\$0
Parts/Supplies	10,516,318	129,419	0	0
Other	407,365	120,198	0	53,649
Total Vehicle Maintenance	\$36,550,413	\$905,041	\$0	\$53,649
Non-Vehicle Maintenance				
Labor/Fringes	\$1,460,968	\$0	\$0	\$0
Parts/Supplies	816,297	0	0	0
Other	1,920,444	0	0	49,308
Total Non-Vehicle Maintenance	\$4,197,709	\$0	\$0	\$49,308
General Administration				
Labor/Fringes	\$4,388,403	\$471,995	\$0	\$0
Parts/Supplies	74,454	839	0	0
Utilities	3,339,715	1,227	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	257,073	355,710	0	0
Indirect Overhead Allocation	0	0	0	0
Total Administration	\$8,059,645	\$829,771	\$0	\$0
Total Expenses	\$154,809,558	\$4,036,744	\$6,893,911	\$26,949,182
Funding Requirement	\$134,062,346	\$2,492,279	\$6,167,330	\$14,880,210
Recovery Ratio	13.40%	38.26%	10.54%	44.78%

Appendix F • Operating Budget Detail

2025 PROGRAM, ACTIVITY & OBJECT MATRIX					
Vanpool	Administration	Centralized Support	Total Suburban Service	Total Regional ADA Paratransit	Combined 2025 Budget
\$1,061,268	\$0	\$0	\$22,855,359	\$11,851,399	\$34,706,758
0	1,606,286	0	1,606,286	0	1,606,286
0	845,000	0	845,000	0	845,000
0	12,013,245	0	12,013,245	1,375,814	13,389,059
0	1,118,801	0	14,411,940	1,802,643	16,214,583
\$1,061,268	\$15,583,332	\$0	\$51,731,830	\$15,029,856	\$66,761,686
\$0	\$0	\$5,496,662	\$112,885,007	\$0	\$112,885,007
0	0	2,180,303	2,185,195	0	2,185,195
0	0	0	34,317,199	247,115,107	281,432,306
714,857	0	14,724,485	15,439,342	7,611,383	23,050,725
1,177,916	0	0	1,511,339	0	1,511,339
\$1,892,773	\$0	\$22,401,450	\$166,338,082	\$254,726,490	\$421,064,572
\$0	\$0	\$4,154,036	\$30,436,190	\$0	\$30,436,190
0	0	300,000	10,945,737	0	10,945,737
0	0	1,280,285	1,861,497	0	1,861,497
\$0	\$0	\$5,734,321	\$43,243,424	\$0	\$43,243,424
\$0	\$0	\$2,695,351	\$4,156,319	\$0	\$4,156,319
0	0	0	816,297	0	816,297
0	362,050	1,773,106	4,104,908	0	4,104,908
\$0	\$362,050	\$4,468,457	\$9,077,524	\$0	\$9,077,524
\$0	\$27,261,062	\$0	\$32,121,460	\$6,150,211	\$38,271,671
0	252,330	0	327,623	1,953	329,576
0	2,052,069	0	5,393,011	695,980	6,088,991
0	0	15,964,827	15,964,827	1,378,414	17,343,241
0	0	33,176,163	33,176,163	1,356,323	34,532,486
0	33,985,533	10,405,784	45,004,100	5,571,528	50,575,628
0	0	0	(11,349,307)	11,349,307	0
\$0	\$63,550,994	\$59,546,774	\$120,637,877	\$26,503,716	\$147,141,593
\$1,892,773	\$63,913,044	\$92,151,002	\$339,296,907	\$281,230,206	\$620,527,113
\$831,505	\$48,329,712	\$92,151,002	\$287,565,077	\$266,200,350	\$553,765,427
56.07%	24.38%	0.00%	17.00%	7.50%	

Budget Process & Calendar

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

The Budget Process

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

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

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

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

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

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

www.PaceBus.com/budgets

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

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

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

Budget Amendment Process

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

the Board will also conduct public hearings in the affected service areas.

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

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

Budget Calendar

Below are key dates and events in the Pace 2025 budget development cycle. The annual capital budget and five-year program, as well as the annual budget and two-year financial plan for operations, are developed in accordance with this schedule.

2025 Budget Development Calendar	
Date (2024)	Event
May 10	Budget call released to Pace management
May-August	Budget discussions/meetings with RTA and other Service Boards
June 7	Budget call requests due from Pace management
June-August	Staff develops a preliminary budget
September 15	Statutory date for RTA to set 2025 Funding and Recovery Marks
September 18	Pace Board meets to discuss preliminary 2025 Budget
October 11	Pace submits Proposed 2025 Budget to RTA
October 16	Pace Board releases Proposed 2025 Budget for Public Hearing
October 17-28	Public Hearings on Pace's Proposed 2025 Budget
November 13	Pace Board adopts Final 2025 Budget
November 15	Pace submits Final 2025 Budget to RTA
November	RTA evaluates Pace, Metra, and CTA budgets for compliance
November 22	RTA Finance Committee Review of 2025 Regional Budget
December 19	RTA scheduled to approve 2025 Regional Budget

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Budget & Financial Policies

Budget Policies Overview

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

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

Balanced Budget Definition and Criteria

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

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

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

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

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

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

Budget Monitoring and Reporting

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

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

Budget Control Policies

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

Line-Item Budget Control

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

Authorized Head Count

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

Use of Positive Budget Variance (PBV)

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

Long Range Financial Planning

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

Working Capital Policy

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

between current assets and current liabilities. For Pace's policy, the unexpended, approved PBV capital projects balance is also deducted from current assets. The policy requires working capital of between 45 and 90 days. Based on the policy, as of June 30, 2024, Pace has 325 days of liquidity.

The ADA Paratransit service is excluded from this policy.

Investment Policy

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

Safety of Principal

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

Liquidity

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

Yield

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

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

Use of One-Time Revenue

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

RTA Funding Policy

This policy establishes the basis for RTA funding of Pace. RTA policy is to pass through actual funding results

based on the source. In September 2022, the RTA rescinded the requirement that positive budget variances from operations be used for capital projects or finite operating uses subject to RTA budgetary approval. Lastly, the RTA Reserve Policy, established in October 2015, requires the service boards to maintain adequate reserves to address funding and revenue shortfalls and expense overruns. Pace's working capital policy satisfies this requirement.

Asset Inventory/Condition Assessment

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

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

Risk Management

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

sure. Pace utilizes risk management and actuarial data to establish reserves for incurred and incurred-but-not-reported claims to establish appropriate funded reserves to pay future potential liabilities.

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

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

Debt Policy

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

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

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

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

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

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

In 2024, Pace made its final principal and interest payments on the \$12.000 million South Division garage bond. With the passage of the *Rebuild Illinois* state capital funding legislation, Pace is no longer planning to issue bonds for construction of a new garage in the northwestern Cook County suburbs or for the expansion of the North Shore garage in Evanston. The other projects have yet to have a timeline formulated; however, a reimbursement resolution has been adopted by the Board of Directors that covers all five projects.

Basis of Accounting and Budgeting

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

Accounting

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

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

Budgeting

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

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

Reporting Entity

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

External Audit

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

Debt Administration - Bond Issues

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

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

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

Bond Payments

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

Bond Rating

Pace does not have a bond rating and, depending on the size and use of a future bond, may pursue a public offering which will require Pace to receive a bond rating. In this case, the bond rating will analyze Pace's financial strength, management, condition of the local economy, and long-term financial planning. The bond rating will state if Pace is stable, trending downward (negative), or upward (positive).

Bond Issues

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

In December 2024, the bond will mature and the last principal and interest payment will be made.

2025 Budget

The 2025 Budget does not include plans for issuing a bond.

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Budget/Funding/Transit Service Terms

accessible vehicle

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

accrual

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

ADA—Americans with Disabilities Act

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

ADA paratransit service

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

administrative expense

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

appropriation

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

ART—Arterial Rapid Transit

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

audit

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

balanced budget

Financial plan in which revenue and expenses are equal.

bond

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

BOS—Bus on Shoulder

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

BRT—Bus Rapid Transit

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

budget

A financial plan showing estimated or planned revenue and expenses.

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

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

capital budget

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

capital cost of contracting

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

CMAQ—Chicago Metropolitan Agency for Planning

The regional planning organization for northeastern Illinois.

CMAQ—Congestion Mitigation/Air Quality

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

cost per mile

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

cost per passenger

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

CRP— Carbon Reduction Program

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

CTA—Chicago Transit Authority

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

deficit

The amount by which total operating expense exceeds total revenue.

demand response service

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

discretionary operating funds

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

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

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

express bus

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

fare

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

farebox revenue

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

feeder route

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

FEMA—Federal Emergency Management Agency

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

fixed route service

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

flex lane

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

fringe(s)—fringe benefit expense

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

FTA—Federal Transit Administration

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

FTE—full-time equivalent position

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

fund

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

funding formula

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

grant

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

headway

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

IBS—Intelligent Bus System

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

ICE—Innovation, Coordination and Enhancement Fund

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

IDOT—Illinois Department of Transportation

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

IJA—Infrastructure Investment and Jobs Act

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

Invest in Cook

Program administered by the Cook County Department of Transportation and Highways which awards grants to cover planning, engineering, right-of-way acquisition and construction costs associated with transportation improvements sponsored by local governments, agencies and private partners.

labor expense

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

low income individual

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

MaaS—Mobility as a Service

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

maintenance expense

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

marks

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

Metra (Commuter Rail Division)

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

minority route

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

non-vehicle maintenance expense

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

NTD—National Transit Database

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

On Demand

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

operating assistance

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

operating budget

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

operations expense

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

Pace (Suburban Bus Division)

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

Pace Bond Program

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

paratransit service

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

PAYGO

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

PBV—positive budget variance

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

performance measure

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

performance target

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

Posted-Stops-Only

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

private contract services

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

program (noun)

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

proprietary fund

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

PTF—Public Transportation Fund

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

public transportation

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

Pulse

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

RAISE – Rebuilding American Infrastructure with Sustainability and Equity

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

RAP—Rideshare Access Program

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

Rebuild Illinois

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

recovery ratio

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

Regional ADA Paratransit Service

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

RETT—Real Estate Transfer Tax

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

ReVision

Pace's Network Revitalization & Systemwide Restructuring Initiative intended to understand current and future travel needs, create a framework to guide service investments, and recommend systemwide service improvements.

ridership (unlinked passenger trips)

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

rolling stock

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

RTA—Regional Transportation Authority

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

RTA Bond Funding

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

RTA Sales Tax Part I

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

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

RTA Sales Tax Part II

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

SCMF—Suburban Community Mobility Fund

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

senior

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

service board

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

SGR—state of good repair

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

SSJA—South Suburban Job Access

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

subsidized service

Service initiated by a rider with an eligible taxi or transportation network company for which the rider is only responsible for a Pace-specified fare and any expense above a pre-negotiated cost.

suburban service

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

TAM—Transit Asset Management

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

TAP—Taxi Access Program

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

TMA—Transportation Management Association

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

TNC—Transportation Network Company

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

total vehicle miles

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

Transfer Capital

Budget year operating funds directed to capital projects.

Transit Asset Management Plan

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

TSP—Transit Signal Priority

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

unrestricted net assets (fund balance)

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

urbanized area

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

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

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

UWP—Unified Work Program

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

vanpool

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

vehicle load

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

Ventra®

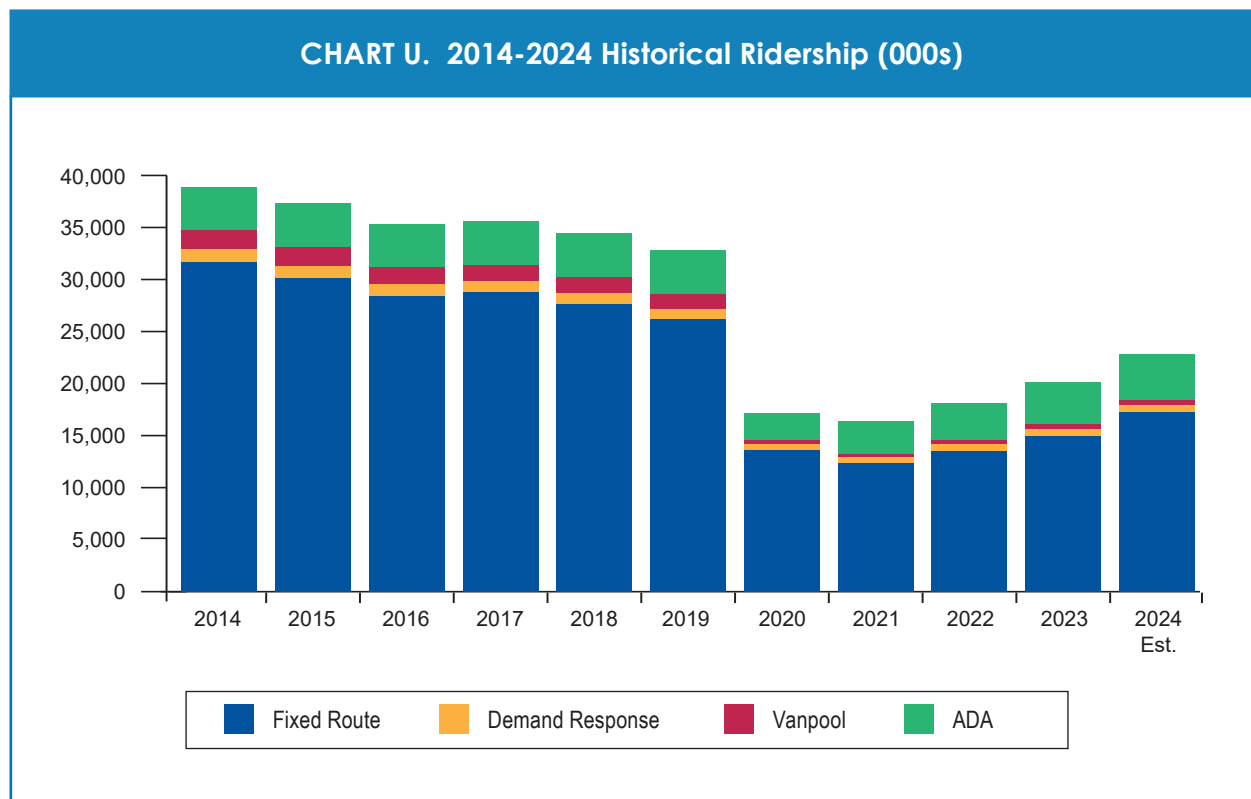
An electronic fare payment system used by CTA, Metra, and Pace riders that has replaced the former Chicago Card and Transit Card automated fare collection system.

Ridership

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

Table 41. 2014–2024 Ridership Historical Summary (000s)						
Year	Fixed Route	Demand Response*	Vanpool	Total Suburban Service	ADA*	Total System
2014	31,650	1,223	1,923	34,796	4,088	38,884
2015	30,120	1,147	1,851	33,118	4,227	37,345
2016	28,398	1,109	1,664	31,171	4,178	35,349
2017	28,804	1,048	1,518	31,370	4,256	35,626
2018	27,673	1,027	1,508	30,208	4,264	34,472
2019	26,192	968	1,361	28,521	4,281	32,802
2020	13,595	520	452	14,567	2,576	17,143
2021	12,377	554	298	13,229	3,130	16,359
2022	13,529	627	402	14,558	3,572	18,130
2023	14,911	702	499	16,112	3,995	20,107
2024 Est.	17,218	701	491	18,410	4,437	22,847

*Ridership includes companions and personal care attendants



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Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Pace Suburban Bus Service, Illinois, for its Annual Budget for the fiscal year beginning January 01, 2024. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

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

