

# Pace 2012 Budget - November 2011

## Chairman's Message

Dear Riders, Interested Citizens and Public Officials:

I am very pleased to propose a balanced budget for 2012, one that contains no fare increases or service reductions. On top of this stability, we anticipate adding service in certain corridors. Despite the continued bleak national economic outlook, Pace maximized its resources and has lived within its means. We've mitigated the impacts the economy has had on both funding and ridership to reverse the regional and national trend of financial problems faced by many public agencies.

Efficiency and containment of costs are a source of pride at Pace, and we are able to achieve these goals without sacrificing safety or passenger comfort and convenience. The amount of funding Pace receives through sales tax collections fell by tens of millions of dollars over the past three years versus what was projected as the economy slipped into recession. At the same time, fuel prices increased and regional unemployment led to a loss of ridership. These challenges were met through careful planning and strategic use of resources. At the beginning of 2010, we made the very difficult decision to cut \$1.2 million of bus service to reduce expenses as we faced a budget shortfall. At the same time, we instituted a series of administrative cost reductions to mitigate the impact on riders which included furlough days and increased benefit contributions for employees, a 33% reduction of the marketing budget, and other belt tightening. Those actions were difficult but have paved the way to this positive budget message. As of this writing, ridership has grown by nearly five percent in 2011 versus 2010 and overall, we are operating within budget.

We've continued to aggressively restructure service, completing projects during 2011 in west Cook County and the Elgin area to improve service efficiency and respond to changing patterns of demand. We've also reduced or eliminated service that carried very few riders. These processes will continue throughout this fall with the launch of the Bus on Shoulders pilot project for our I-55 express service to improve travel times and on-time performance. Also scheduled are the realignment of local service in Highland Park, and more restructuring of service in the western suburbs.

We also plan to add service over the coming year, with two new Call-n-Ride services launching in late 2011, express service connecting the south suburbs and northwest suburbs via the Tri-State Tollway, and increased express service on I-55 are in our plans for 2012.

The proposed 2012 Capital Budget is the largest in Pace's history at nearly \$100 million. We plan to replace older buses with new models that use less fuel and emit cleaner exhaust, and continue our efforts toward overhauling engines in the existing fleet to ensure they're operating at peak efficiency. We're vigilantly studying hybrid and alternative fuel vehicles for future purchases.

Our ADA Paratransit system remains the largest in the country, with numerous enhancements making the system easier to use and improving mobility. Ridership has grown dramatically since Pace took responsibility for regional ADA paratransit operations just over five years ago. These ridership gains, however, come at a cost due to the specialized nature of this service type. We will continue our work with the RTA, our advisory committees and the disability community to improve efficiency while maintaining the quality of service that the community has come to expect from us.

I welcome your input and feedback throughout our budget process and beyond. Despite a very positive budget message marked by stability, we want to aggressively make progress in all areas to remain austere, efficient, and effective.

Sincerely,



Chairman