

Suburban Service and Regional ADA Paratransit Budget



2022 Operating & Capital Program

2022–2024 Business Plan for Operations

2022–2026 Capital Business Plan

Proposed Program • October 2021

Board of Directors and Senior Staff



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Dear Riders, Interested Citizens, and Public Officials:

As Pace, our region, and our nation continue to navigate the Covid-19 pandemic, we are pleased to present a balanced 2022 Budget that includes a fully funded operational budget for fixed route and paratransit services, a robust capital plan, and no fare increase.

At the foundation of this budget is \$15 million in new and restored service. The pandemic's impact on Pace's budget and ridership was devastating, ultimately resulting in a major service reduction across the region. Thanks to help from local, state, and federal officials as well as expense reductions at Pace, we are now able to reverse many of the service suspensions that were implemented—and even introduce new service. The largest service expansion in Pace's history will include \$7 million more fixed route service (including the launch of Dempster Pulse Line); \$5 million more for regional partnerships with transportation network companies; and \$3 million more for demand response service, including \$1 million in grants to the collar counties to expand and enhance county-wide dial-a-ride programs.



We will also continue to move forward with the largest infrastructure expansion in the agency's history, making an investment of more than \$300 million in capital projects that will ensure our system will continue to serve Illinoisans well for decades to come. Our new I-55 Express Garage in Plainfield and new Joliet Transit Center will open in the coming months. Other projects include garage construction in Wheeling and Elgin; an expanded South Campus in Markham; new ADA transfer facilities in Calumet City and Schaumburg; renovations at Harvey Transportation Center; Pulse Dempster Line station construction; and ADA Paratransit technology enhancements.

A \$10 million electric bus pilot at Waukegan's North Division is the newest addition to the long list of exciting ways Pace's network will be modernized thanks to our 2022 Budget. \$50 million will be spent on electric buses over the next five years—the largest amount of funding within our five-year capital program for new/replacement vehicles. By the end of 2026, Waukegan's bus fleet will be all electric. This is the beginning of our transition to an entirely zero-emission fleet by 2040, as laid out in our strategic vision plan, *Driving Innovation*, which Pace's Board of Directors adopted this fall.

Our budget will create new jobs to operate and maintain our expanded service. Our corporate office, which saw dozens of positions left vacant throughout the pandemic, will also be brought back to full employment.

After ensuring the safety and fiscal stability of our system, Pace began to discuss what the agency's post-pandemic recovery would look like. The Board was unanimous: We were not just going to build back the system we had prior to Covid-19. We wanted to build back better. I am confident Pace's 2022 Budget will allow us to do just that, and I am excited for what the future will bring.

A handwritten signature in black ink that reads "Richard A. Kwasneski". The signature is written in a cursive, flowing style.

Richard A. Kwasneski,
Chairman

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Budget Highlights

On September 15, 2021, the RTA approved 2022 funding levels for Pace Suburban Service and Regional ADA Paratransit which allow for the restoration and enhancement of services implemented in 2021 and continued in 2022.

Suburban Service

The 2022 Pace Suburban Service budget is balanced to available funding. Several service enhancements are incorporated into the 2022 budget described below:

- Public funding for Pace Suburban Service increases by 14.7% as compared to the 2021 estimate. Sales tax receipts have recovered from the losses experienced due to the coronavirus pandemic and Pace will use federal coronavirus relief funding assistance to offset a shortfall in combined sales tax and operating revenue.
- The 2022 budget is balanced to the RTA funding level with no fare increases. This is achieved through the use of federal coronavirus relief funding. The recovery ratio requirement remains at 30.30%. Pace will use federal relief funding and RTA-allowed credits to raise its base recovery rate from 11.32% to meet the recovery ratio requirement.
- Service reductions were implemented in 2020 in response to significant ridership losses as a result of the pandemic. Due to an ongoing nationwide

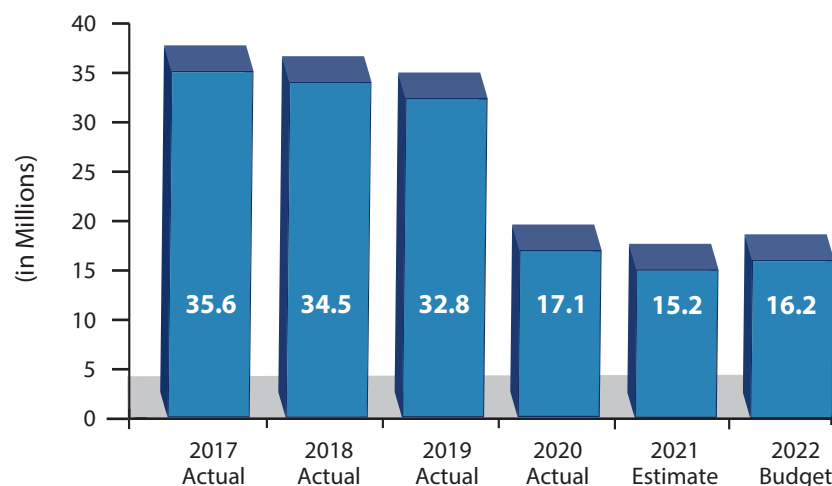
shortage of bus operators, Pace has restored service on only a small number of these routes in 2021 but plans additional reinstatements in 2022, which will also see the implementation of Dempster Pulse arterial rapid transit service. Additionally, Pace plans to partner with transportation network companies (TNCs) in 2022 to expand service options for riders.

- Pace projects to finish 2021 \$12.7 million unfavorable due to lower than normal farebox revenue and the continued effect of the coronavirus pandemic on ridership. Pace will use federal coronavirus relief funding to make up this shortfall.
- The 2022 Suburban Service Capital Program totals \$56.9 million, primarily for rolling stock and support facilities and equipment. The budget includes a \$10.0 million electric bus pilot program at the North Division garage in Waukegan.

Regional ADA Paratransit

The 2022 Regional ADA Paratransit budget is balanced to RTA's funding level of \$216.4 million. This funding level supports ridership at about 80% of pre-pandemic levels. In 2022, the program will provide an estimated 3.3 million passenger trips. Fares are projected to remain stable at current levels in 2022, based on continued support from the State of Illinois.

CHART A. Pace Total System Ridership



Executive Summary

2022 Combined Operating Budget Summary

The 2022 budgets for Suburban Service and the Regional ADA Paratransit program are balanced to the funding levels and recovery ratio requirements approved by the RTA on September 15, 2021.

The 2022 expense budget for Suburban Service is \$272.579 million. Suburban Service operating revenue is budgeted at \$30.860 million. Total public funding for Suburban Service is estimated at \$196.859 million, leaving a funding shortfall of \$44.860 million. Federal coronavirus relief

funding will be used to fund the remaining deficit. Pace will use federal coronavirus relief funding and allowable credits to meet the 30.30% recovery ratio set by the RTA.

The 2022 expense budget for Regional ADA Paratransit is \$225.580 million. ADA operating revenue is expected to reach \$9.148 million resulting in a funding requirement of \$216.432 million.

There are no fare adjustments for Suburban Service or ADA Paratransit service in 2022.

The 2022 Suburban Service and Regional ADA Paratransit budgets are balanced to RTA approved funding levels.

Table 1. 2022 Combined Pace Services Operating Budget Summary (000s)

	Suburban Service	Regional ADA Paratransit	Combined Pace Services
Total Operating Expenses	\$272,579	\$225,580	\$498,159
Less: Total Operating Revenue	30,860	9,148	40,008
Funding Requirement	\$241,719	\$216,432	\$458,151
Less:			
Sales Tax (Part I)	\$107,943	\$0	\$107,943
Sales Tax (Part II)	13,990	208,037	222,027
Suburban Community Mobility Fund (SCMF)	28,358	0	28,358
South Suburban Job Access Fund	7,500	0	7,500
PTF (Part I)	5,240	0	5,240
PTF (Part II)	21,383	0	21,383
RTA Sales Tax (Part I)	4,049	0	4,049
Federal Discretionary Fund Programs	8,396	0	8,396
RTA ICE Funds	0	0	0
State ADA Funds	0	8,395	8,395
Federal Coronavirus Relief Funding	44,860	0	44,860
Net Funding Available	\$0	\$0	\$0
Recovery Ratio	30.30%	10.00%	N/A

2022 Capital Budget Summary

The preliminary Capital Program marks prepared by the RTA include estimated federal, state, and other funds that are expected to be available to the region for capital investment purposes. Listed below are the highlights of the 2022 Capital Budget. Additionally, Pace plans to collaborate with the Illinois Department of Transportation on two electric paratransit vehicles.

Suburban Service

The 2022 Suburban Service Capital Program totals \$56.934 million.

The program contains:

- \$39.662 million for Rolling Stock, including the purchase of 51 fixed route CNG buses, 6 fixed route electric buses, and 59 paratransit vehicles.
- \$4.093 million for Electrical/Signal/Communications, including equipment for transit signal priority (TSP) and intelligent bus system (IBS).
- \$10.629 million for Support Facilities and Equipment, including charging infrastructure (North), farebox system replacement, fire loop system (South), and security system (HQ).
- \$1.550 million for Stations and Passenger Facilities, including bus stop shelters and bus tracker signs.
- \$1.000 million for Miscellaneous items, including unanticipated capital.

Table 2. 2022 Suburban Service Capital Budget (000s)

	Amount
Rolling Stock	
51 Fixed Route CNG Buses	\$28,050
6 Fixed Route Electric Buses	6,000
59 Paratransit Vehicles	5,612
Subtotal	\$39,662
Electrical/Signal/Communications	
Transit Signal Priority	\$1,843
Intelligent Bus System	2,250
Subtotal	\$4,093
Support Facilities & Equipment	
Charging Infrastructure	\$4,000
Farebox System Replacement	3,079
Fire Loop System	2,050
Security System	1,500
Subtotal	\$10,629
Stations & Passenger Facilities	
Bus Stop Shelters	\$1,125
Bus Tracker Signs	425
Subtotal	\$1,550
Miscellaneous	
Unanticipated Capital	\$1,000
Subtotal	\$1,000
Total Suburban Capital Program	\$56,934
Total Funding	
Federal 5307/5339	\$42,741
State PAYGO	11,350
RTA ICE	1,843
Pace PBV	1,000
Total Suburban Funding	\$56,934

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2022 Suburban Service Operating Budget

Summary

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

- Pace projects \$272.579 million in operating expenses in 2022 for the provision of transit services in the region.
- A total of \$30.860 million in revenue generated from operations.
- An initial deficit or funding requirement of \$241.719 million occurs from operations prior to funding.
- A total of \$188.463 million in funding generated from Regional Sales Tax will be used.
- A total of \$8.396 million in federal Congestion Mitigation/Air Quality (CMAQ), Enhanced Mobility, and Bus and Bus Facility funds will be used.
- A total of \$44.860 million in federal coronavirus relief funding will be used to cover the shortfall in sales tax and operating revenue.

The budget for 2022 includes the restoration of a number of routes that were previously reduced or cancelled due to the coronavirus pandemic as well as new service on the Pulse Dempster line. It also plans for pilot programs with transportation network companies (TNCs) throughout the service area, as well as additional support for Pace's Demand Response local partners.

The 2022 Suburban Service budget is balanced to both the funding and recovery marks identified for Pace by the RTA. The budget does not include any fare increases despite revenue losses from reduced ridership.

The RTA recovery requirement remains steady at 30.30% for 2022. Pace relies on credits allowed by the RTA to raise the base recovery rate from 11.32% to meet the RTA requirement.

Ridership is projected to increase 5.4% in 2022 to 12.9 million trips due to new and restored service.

A detailed review of the 2022 Suburban Service operating program is presented in this section.

Table 3. 2022 Suburban Service Operating Budget Summary (000s)

	2020 Actual	2021 Estimate	2022 Budget
Total Operating Expenses	\$195,379	\$240,331	\$272,579
Less: Total Operating Revenue	29,791	29,581	30,860
Funding Requirement	\$165,588	\$210,750	\$241,719
Less:			
Sales Tax (Part I)	\$94,239	\$108,648	\$107,943
Sales Tax (Part II)	\$16,633	\$20,408	\$13,990
Suburban Community Mobility Fund (SCMF)	23,432	28,077	28,358
South Suburban Job Access Fund	7,500	7,500	7,500
PTF (Part I)	4,252	4,937	5,240
PTF (Part II)	17,314	20,173	21,383
RTA Sales Tax (Part I)	247	0	4,049
RTA ICE Funds	1,693	1,465	0
Federal Discretionary Fund Programs	7,410	6,885	8,396
Federal Coronavirus Relief Funding	26,747	12,657	44,860
Net Funding Available	\$33,879	\$0	\$0
Recovery Ratio	36.95%	22.29%	30.30%

Sources of Funds

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

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 adoption of the Illinois Fiscal Year 2018 budget, the

state imposed a 2% administrative surcharge on RTA sales tax and a 10% reduction in PTF, reducing funds available for operations. For ILFY19, the administrative surcharge was reduced to 1.5% and the PTF reduction lowered to 5%. The state ended the 5% reduction in PTF for ILFY22; however, the administrative surcharge remains in effect.

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 as follows.

Table 4. Allocation of Part I Sales Tax Receipts

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

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

	2018 Actual	2019 Actual	2020 Actual	2021 Estimate	2022 Budget
Regional Funds					
Sales Tax - Part I	\$914,427	\$932,542	\$855,190	\$1,022,986	\$1,034,976
PTF Match to Sales Tax - Part I (25%)	215,739	225,460	212,613	246,859	262,001
Sales Tax - Part II	317,584	321,619	295,967	356,384	358,188
PTF Match to Sales Tax - Part II (+5% Part I)	152,628	156,529	145,786	170,960	180,881
Total Sales Tax and PTF	\$1,600,378	\$1,636,150	\$1,509,556	\$1,797,189	\$1,836,046
Pace Share of Regional Funds					
Sales Tax - Part I	\$95,683	\$97,162	\$94,239	\$108,648	\$107,943
PTF Match to Sales Tax - Part I	4,315	4,509	4,252	4,937	5,240
Sales Tax - Part II and PTF - Part II	58,835	59,371	57,379	68,658	63,731
Total Pace Share	\$158,833	\$161,042	\$155,870	\$182,243	\$176,914
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	8.8	8.8	9.2	8.9	8.7
Sales Tax - Part II and PTF - Part II	12.5	12.4	13.0	13.0	11.8
Total Receipts	9.9%	9.8%	10.3%	10.1%	9.6%

Funding Sources - Part I

Sales Tax

The Part I sales tax amount represents the pre-2008 sales tax imposed by the RTA. The effective sales tax rate for Part I is 1.0% in Cook County and 0.25% in Will, Lake, Kane, DuPage, and McHenry Counties. Part I sales tax is distributed to 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 \$107.943 million for 2022. This represents approximately 10.4% of the total RTA region's estimate of \$1,034.976 million. The RTA estimate for Pace sales tax receipts is 0.6% less than 2021 estimated levels. The RTA estimate is based on a projection of current sales tax trends which continue to rise over prior year levels. Table 5 highlights recent and upcoming estimates for Part I sales tax revenue for both the region and Pace.

Public Transportation Fund (PTF)

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 2022, the RTA will provide Pace with 2.0% or \$5.240 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%. Recent State of Illinois budgets have reduced the PTF contribution by 5%; however, this ended with ILFY22. Lastly, 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 2022 is as follows:

- \$208.037 million was allocated to Pace for the provision of the Regional ADA Paratransit Service, based on program requirements.
- \$28.358 million was allocated to Pace under the Suburban Community Mobility Fund (SCMF).
- \$14.179 million was allocated to the RTA for an Innovation, Coordination and Enhancement (ICE) fund, of which Pace expects to expend \$1.843 million for capital efforts.
- \$16.393 million was 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 these funds, the RTA is required to fund Pace an additional \$7.5 million annually for services in south Cook County.

Table 6 shows the allocation of the new funding sources for the 2022 RTA budget.

Suburban Community Mobility Fund (SCMF)

In 2022, the SCMF will provide \$28.358 million to Pace for the provision of non-traditional transit services. Services such as demand response, vanpool, ridesharing, reverse commute, bus rapid transit, and other innovative services that enhance suburban mobility are eligible. Both new and existing services are eligible for SCMF funding. For 2022, 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 2022 requirement is \$208.037 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. Pace currently expends in excess of \$29.0 million for services in south Cook County for two of its operating divisions—South and Southwest.

Federal Discretionary Fund Programs

Congestion Mitigation/Air Quality (CMAQ) Program

Pace relies on funds from the CMAQ program to implement and maintain various new services that support program objectives. Funding from this source is included in 2022 to support the I-90 service initiative as well as 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 2022 to support the Regional Mobility Management Call Center (RMMCC).

Bus and Bus Facilities Infrastructure Investment Program (\$5339)

This program provides funding to replace, rehabilitate, and purchase transportation vehicles and related equipment and to support bus-related facilities. Funding from this source included in 2022 will be applied to the cost of the East Dundee garage rental expense.

Table 6.

Allocation of Part II Sales Tax Receipts (000s)

	2022 Budget
Sales Tax - Part II	\$358,188
PTF - Part II	180,881
Total Sales Tax II & PTF II	\$539,069

Distribution of Sales Tax - Part II and PTF - Part II

Less:

Regional ADA Paratransit Fund - Pace/RTA	\$208,037
Suburban Community Mobility Fund - Pace	28,358
RTA ICE Fund	14,179
25% PTF Match on RETT - CTA	16,393
Balance Available for Allocation to Service Boards	\$272,102

Service Board Allocation

CTA - 48%	\$130,609
Metra - 39%	106,120
Pace - 13%	35,373
Total Service Board Allocation	\$272,102

Federal Coronavirus Relief Funding

Since the onset of the COVID-19 pandemic, three relief packages have been passed by congress – Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and American Rescue Plan (ARP) Act. Each are assistance and health care programs designed to provide relief for individuals, families, and businesses affected by the COVID-19 pandemic. Funding provided via the FTA was allocated to transit agencies which receive urbanized area and rural formula funds at 100 percent federal share, with no local match.

Operating Revenue

The 2022 budget includes \$30.860 million of operating revenue, a 4.3% increase from the 2021 estimate, in line with a ridership increase of 5.4% and increases to other miscellaneous and advertising revenue.

Uses of Funds

All funds received in 2022 will be used to support Pace services. The components of the 2022 Suburban Service operating program are fixed route services (i.e., Pace divisions, public/municipal-contracted, and private-contracted); demand response services; the Vanpool program; centralized support expenses; and costs for administration.

Pace Divisions

Pace is responsible for the direct operation of service from nine facilities in the six-county region. Together, these divisions—North, North Shore, Northwest, South, Southwest, West, Fox Valley, River, and Heritage—carry over 93% of the total suburban service ridership. Pace expects to expend \$128.278 million for these services in 2022. Further information can be found on page 12.

Public/Municipal Contracted Services

Pace will contract directly with two municipalities (Niles and Highland Park) and maintain an agreement with the Village of Schaumburg for fixed route services. These services are expected to cost an estimated \$3.795 million in 2022. 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 pilot a program with transportation network companies (TNCs) in 2022 to provide additional service options for riders. The total cost for privately contracted service in 2022 is \$9.147 million. Further information can be found on page 14.

Demand Response Services

Pace partners in 67 demand response projects throughout the six-county region. Services are operated by townships and local municipalities under contract with Pace or directly by private providers. Pace provides funding for these services based on a formula applied to the total service cost. The local government is also required to provide a portion of the service cost. Additionally, Pace oversees the Community Transit Program. The total cost for demand response services in 2021 is \$18.062 million. Further information can be found on pages 15 and 16.

Vanpool Services

The 2022 budget for vanpool services is \$1.142 million. This program is comprised of three elements—the Vanpool Incentive Program (VIP) provides traditional commute vanpools, Advantage provides a transit alternative to individuals who commute on a regular basis to work sites or rehabilitative workshops, and the Employer Shuttle provides suburban employers a means to transport employees to and from nearby transit connections. Pace expects this program to have 319 vans in service in 2022. 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 \$76.551 million to provide fuel, insurance, healthcare, and other support items in 2022. Further detail is provided on page 19.

Administration

To accomplish the duties of direct operational support, service planning, capital planning, financial control and IT support, Pace's 2022 administrative budget, including debt service, is set at \$46.056 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, Purchasing, IT and other departments) a credit is applied to the Suburban Service budget and allocated to the Regional ADA Paratransit Services budget. For 2022, the allocation is \$10.452 million.

Table 7. Suburban Service Revenue Summary (000s)

	2020 Actual	2021 Estimate	2022 Budget
Operating Revenue			
Pace Divisions	\$15,399	\$15,696	\$15,722
Public/Municipal Contracted Services	758	1,178	1,444
Private Contract Services	604	388	699
Demand Response Services	8,176	7,913	7,202
Vanpool Services	852	772	800
Half-Fare Reimbursement	1,346	1,346	1,346
Investment/Other Income	1,252	778	1,586
Advertising Revenue	1,404	1,510	2,061
Federal Relief Operating Assistance	26,747	12,657	39,582
Total Operating Revenue	\$56,538	\$42,238	\$70,442
Public Funding			
Sales Tax (Part I)	\$94,239	\$108,648	\$107,943
Sales Tax (Part II)	16,633	20,408	13,990
PTF (Part I)	4,252	4,937	5,240
PTF (Part II)	17,314	20,173	21,383
Suburban Community Mobility Fund (SCMF)	23,432	28,077	28,358
South Suburban Cook Job Access Fund	7,500	7,500	7,500
RTA Sales Tax (Part I)	247	0	4,049
RTA ICE Funds	1,693	1,465	0
Federal Discretionary Fund Programs	7,410	6,885	8,396
Federal Relief Funding Assistance	0	0	5,278
Total Public Funding	\$172,720	\$198,093	\$202,137
Total Source of Funds	\$229,258	\$240,331	\$272,579

Chart B. Sources of Funds (000s) - Total \$272,579

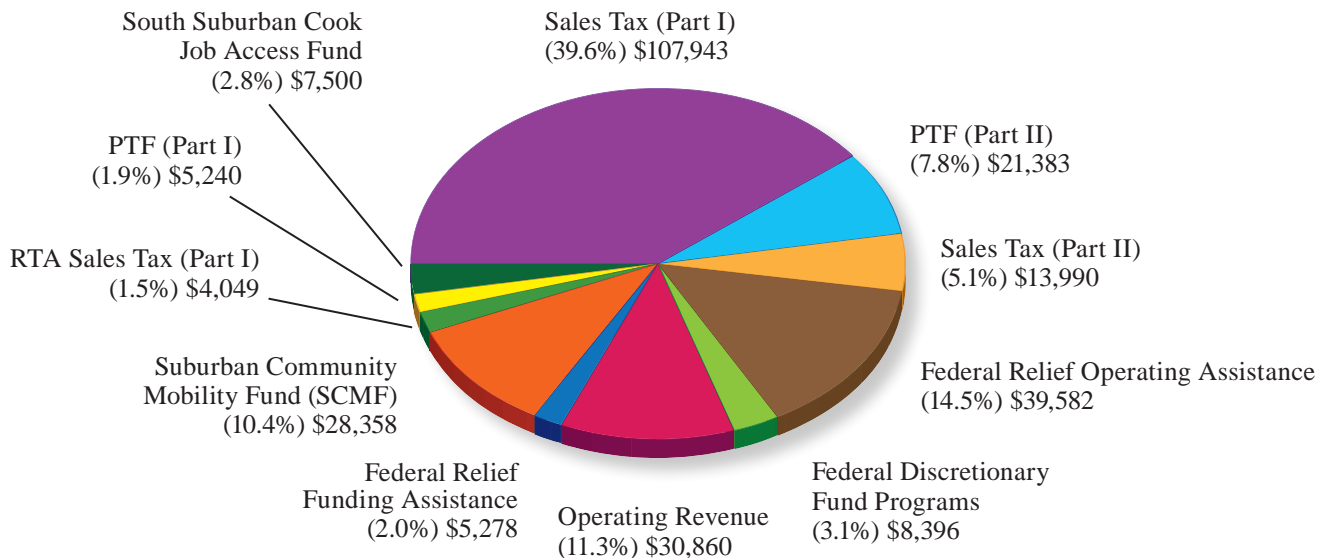


Table 8. 2022 Suburban Service Expense Summary (000s)

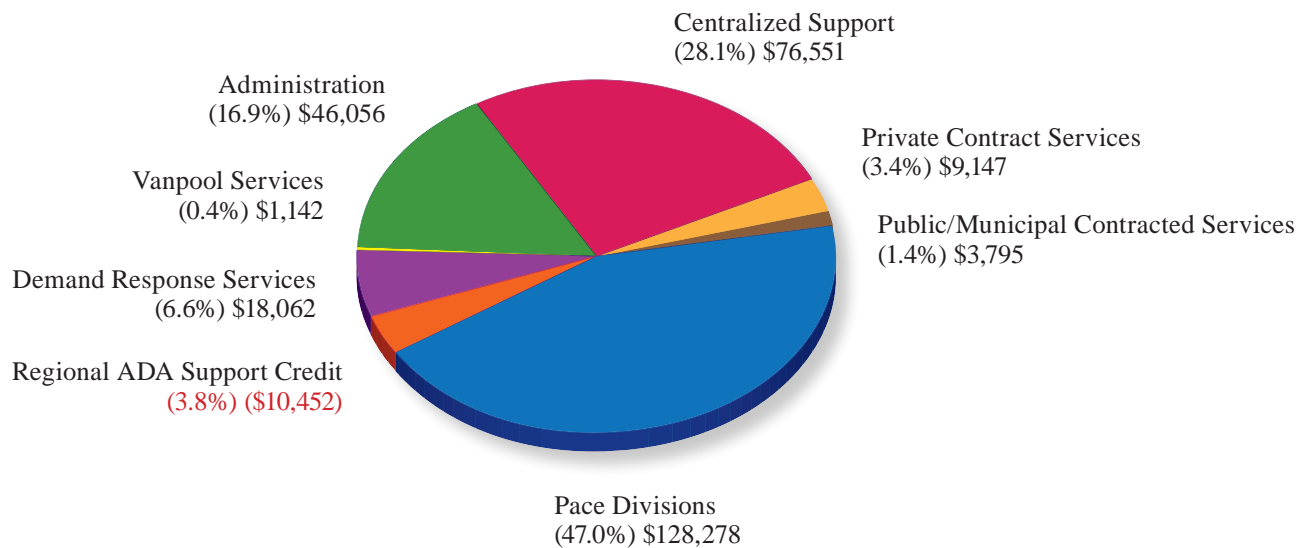
	2020 Actual	2021 Estimate	2022 Budget
Expenses			
Pace Divisions*	\$103,608	\$118,045	\$128,278
Public/Municipal Contracted Services	2,583	3,247	3,795
Private Contract Services	3,706	2,829	9,147
Demand Response Services**	9,944	14,233	18,062
Vanpool Services	1,109	1,073	1,142
Centralized Support	49,245	72,222	76,551
Administration***	33,597	37,433	46,056
Regional ADA Support Credit	(8,413)	(8,751)	(10,452)
Total Expenses	\$195,379	\$240,331	\$272,579
Net Funding Available	\$33,789	\$0	\$0
Recovery Rate	36.95%	22.29%	30.30%

*Pace Divisions expense reflects the reclassification of capital-eligible expenses of \$8.742 million in 2020.

**Demand Response Services expense reflects reclassification of capital-eligible expenses of \$5.004 million in 2020.

***Includes Debt Service beginning in 2015.

Chart C. Uses of Funds (000s) - Total \$272,579



2022 Pace Divisions Budget

Pace operates fixed route service from nine facilities located throughout the six-county region: Fox Valley in North Aurora, Southwest in Bridgeview, Northwest in Des Plaines, River in Elgin, North Shore in Evanston, Heritage in Joliet, South in Markham, West in Melrose Park, and North in Waukegan. Combined, these carriers account for 87% of the system's suburban ridership.

In 2022, Pace will spend \$12.556 million to provide service in these areas. This represents a 10.0% increase over estimated 2021 levels.

Total revenue is expected to remain constant (increasing by 0.2%) from 2021 to 2022, while total operating expenses will increase by 8.0%. This increase is due to contractual labor and fringe growth.

Recovery performance will decrease to 12.3% at the divisions for 2022 due to the increase in operating expenses and revenue.

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

2022 Goals

Pace's efforts for 2022 include providing 11.6 million rides with a minimum recovery ratio of 12.26%.

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

	2020 Actual	2021 Estimate	2022 Budget
Revenue			
Pace Divisions	\$14,915	\$15,169	\$15,493
CMAQ/ICE	484	527	229
Total Revenue	\$15,399	\$15,696	\$15,722
Expenses			
Operations	\$72,292	\$72,937	\$81,625
CMAQ/ICE	7,557	6,456	6,145
Maintenance	14,790	21,962	22,106
Bus Parts/Supplies	401	6,654	7,129
Non-Vehicle Maintenance	2,797	3,478	4,605
General Administration	5,771	6,558	6,668
Total Expenses	\$103,608	\$118,045	\$128,278
Funding Requirement	\$88,209	\$102,349	\$112,556
Recovery Ratio	14.86%	13.30%	12.26%
Ridership	13,152	11,086	11,577
Vehicle Miles	25,992	25,254	27,544
Vehicle Hours	1,696	1,662	1,832
Full Time Equivalents (FTEs)	1,395	1,383	1,474

2022 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 2022. Combined, these services will provide 0.359 million rides and generate \$1.186 million in farebox and local share revenue. Total service expenditures will reach \$3.295 million in 2022, and net required funding will be \$2.109 million.

Schaumburg

Trolley service is provided in the Woodfield area of Schaumburg. The 2022 estimated cost of this service is \$0.500 million, which will be partially funded by the Village of Schaumburg.



2022 Goals

Pace's efforts for 2022 include providing 0.4 million rides with an overall recovery ratio of 38.06%.

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

	2020 Actual	2021 Estimate	2022 Budget
Revenue			
Highland Park	\$174	\$502	\$588
Niles	517	586	598
Schaumburg	67	90	258
Total Revenue	\$758	\$1,178	\$1,444
Expenses			
Highland Park	\$1,069	\$1,393	\$1,633
Niles	1,435	1,628	1,662
Schaumburg	79	226	500
Total Expenses	\$2,583	\$3,247	\$3,795
Funding Requirement	\$1,825	\$2,069	\$2,351
Recovery Ratio	29.35%	36.28%	38.06%
Ridership	153	248	372
Vehicle Miles	335	337	368
Vehicle Hours	28	32	35

2022 Private Contract Services Budget

In 2022, Pace will contract directly with two private transit providers, First Group and MV Transportation, for fixed route service and plans to pilot service with transportation network companies (TNCs) throughout Pace's service area to provide an alternative to fixed route service to riders.

The cost of providing fixed route contracted service will increase 35.9% in 2022 from estimated 2021 levels due to contractual cost increases and the return of a number of

routes that had previously been eliminated as a result of the coronavirus pandemic. The cost of the TNC service pilot accounts for the remaining expense increase in 2022.

Operating revenue is projected to increase 80.2% from 2021 estimated levels due to the return of previously eliminated service.

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

2022 Goals

2022 goals include implementing a TNC service pilot program open to all riders.

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

	2020 Actual	2021 Estimate	2022 Budget
Revenue			
Private Contract	\$604	\$388	\$699
Total Revenue	\$604	\$388	\$699
Expenses			
Private Contract	\$3,706	\$2,829	\$9,147
Total Expenses	\$3,706	\$2,829	\$9,147
Funding Requirement	\$3,102	\$2,441	\$8,448
Recovery Ratio	16.30%	13.72%	7.64%
Ridership	289	134	143
Vehicle Miles	1,063	718	858
Vehicle Hours	62	41	52

2022 Demand Response Services Budget

Pace operates four types of service under the Demand Response Services umbrella—traditional Demand Response, Coordinated Projects, On Demand Service, and Community Transit—as detailed below. For 2022, Pace is increasing support for these services in three ways: reducing the amount local municipalities contribute to their services by 15%, providing \$0.200 million in funding to each of the five collar counties to assist in implementing or enhancing county-wide service, and implementing a transportation network company pilot program limited to Demand Response-eligible riders.

Demand Response

Demand Response is available in a large portion of the Pace service area through 48 projects serving over 130 communities. Nearly all services are provided with Pace paratransit vehicles.

Pace has service agreements with villages and townships for the operation of 13 projects. In most cases, the local community operates the service referred to as Municipal Provided Service. For 2022, Pace's funding formula for service agreements is based on providing a subsidy of \$3.00 per trip or 75% of the deficit (direct expense minus fare revenue), whichever is less. As in past years, individual project funding will also be limited to the inflationary growth rate for 2022.

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

Coordinated Projects

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

On Demand Service

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

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

Community Transit Program

The Community Transit program allows local municipalities to provide flexible public transportation in their communities. Expenses for this program are projected at \$31,691 with 96 vehicles in service by year-end 2022. The 2022 budgeted recovery rate for this program is 310.50%.

The budget shown in Table 12 will provide \$18.062 million for all Demand Response services throughout the six-county region.

2022 Goals

Combined efforts will include carrying approximately 0.540 million riders while maintaining recovery performance at a level of 39.87% and introducing additional service options for Demand Response riders.

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

	2020 Actual	2021 Estimate	2022 Budget
Revenue			
Municipal Provided Service	\$2,570	\$2,634	\$2,337
Contractor Provided Service	1,003	1,208	1,290
On Demand	50	42	52
McHenry County - Includes MCRide	1,113	1,467	1,273
Ride DuPage	1,615	1,705	1,491
Ride in Kane	1,748	759	661
Community Transit	77	98	98
Total Revenue	\$8,176	\$7,913	\$7,202
Expenses			
Municipal Provided Service	\$2,828	\$2,902	\$2,989
Contractor Provided Service	3,133	3,406	6,140
On Demand	2,058	1,971	2,294
McHenry County - Includes MCRide	2,374	2,370	2,425
Ride DuPage	2,158	2,135	2,606
Ride in Kane	2,341	1,418	1,576
Community Transit	56	31	32
Total Expenses*	\$14,948	\$14,233	\$18,062
Recovery Rate			
Municipal Provided Service	90.86%	90.79%	78.20%
Contractor Provided Service	32.01%	35.47%	21.01%
On Demand	2.43%	2.12%	2.27%
McHenry County - Includes MCRide	46.89%	61.91%	52.52%
Ride DuPage	74.83%	79.87%	57.21%
Ride in Kane	74.68%	53.52%	41.96%
Community Transit	136.84%	319.81%	310.50%
Total Recovery Rate	54.70%	55.60%	39.87%
Ridership			
Municipal Provided Service	87	89	89
Contractor Provided Service	78	78	97
On Demand	55	49	56
McHenry County - Includes MCRide	80	83	83
Ride DuPage	58	58	58
Ride in Kane	54	52	52
Community Transit	109	103	103
Total Ridership	521	512	538

*Total expenses do not reflect reclassification of capital-eligible expenses of \$5.004 million in 2020.

2022 Vanpool Services Budget

The Vanpool program is a commuting option which provides passenger vans to small groups of four to 14 people, allowing them to commute to and from work together. Pace estimates to have 319 vans in service by year-end 2022 providing 0.253 million rides. Revenue is forecasted to increase in 2022 due to ridership recovery from COVID-19, as well as increased participation in the Vanpool Incentive Program (VIP).

Expenses are projected to grow 6.4% over 2021 levels primarily due to moderate ridership growth.

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

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

Vanpool Incentive Program

VIP is the core element of the program and is projected to achieve a ridership level of 0.133 million rides with 68 vans in service by the end of 2022. The 2022 budgeted revenue is anticipated to increase from 2021 revenue due to a 4.6% increase in vans. Total expenses are projected to grow 9.0%, with most of the increase coming from the increase in van count. Recovery performance is budgeted at 172.68% for 2022.

Employer Shuttle Program

The Employer Shuttle Program provides vans to suburban employers to shuttle employees to and from nearby transit connections with CTA, Metra, and Pace. Pace will have 16 shuttle vans in service at the end of 2022—no change to 2021 levels. The 2022 budgeted recovery rate for this program is 98.53%.

Advantage Program

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

Program revenue for 2022 is expected to increase by 3.1% and expense for 2022 is expected to increase by 6.0% as riders return in the program. Pace estimates to have 319 vans in service at year-end. The recovery rate for the Advantage program is budgeted at 44.79% for 2022.

2022 Goals

Pace's efforts for Vanpool Services in 2022 include providing 0.253 million passenger trips and maintaining a recovery ratio of 70.05%.



Table 13. Vanpool Services Budget (000s)

	2020 Actual	2021 Estimate	2022 Budget
Revenue			
VIP	\$479	\$338	\$354
Employer Shuttle	34	48	48
Advantage	339	386	398
Total Revenue	\$852	\$772	\$800
Expenses			
VIP	\$276	\$188	\$205
Employer Shuttle	57	47	49
Advantage	776	838	888
Total Expenses	\$1,109	\$1,073	\$1,142
Funding Requirement	\$257	\$301	\$342
Recovery Rate			
VIP	173.81%	180.19%	172.68%
Employer Shuttle	59.04%	102.82%	98.53%
Advantage	43.70%	46.03%	44.79%
Total Recovery Rate	76.84%	72.00%	70.05%
Ridership			
VIP	250	127	133
Employer Shuttle	22	16	16
Advantage	180	101	104
Total Ridership	452	244	253
Vehicle Miles			
VIP	1,806	1,278	1,337
Employer Shuttle	197	185	186
Advantage	953	536	552
Total Vehicle Miles	2,956	1,999	2,075
Vehicles in Service (year-end) - VIP	70	65	68
Vehicles in Service (year-end) - Employer Shuttle	18	16	16
Vehicles in Service (year-end) - Advantage	255	228	235
Total Vehicles in Service (year-end)	343	309	319

2022 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 \$76.551 million in 2022.

In 2021, Pace's centralized support expense is estimated to end the year \$3.478 million above budgeted levels with overruns in fuel and insurance offsetting savings in labor and healthcare costs.

The 2022 centralized support budget will grow 6.0% over estimated 2021 levels, mostly due to growth in labor and fuel expenses.

The Operations component is comprised of 33.5 positions that provide support to all operations areas of Pace. Total operations expense will increase 17.3% from 2021 levels due to increases in labor and fuel expenses.

Total fuel costs are projected to grow 16.1% in 2022. Fuel consumption, measured in gallons, will reach 6.0 million, an 11.0% increase from 2021 estimated consumption. The price for fuel is forecasted to rise 4.5% in 2022. For Pace, this represents a \$0.08 increase to \$1.93 per gallon. The price per gallon reflects the combined price per gallon for diesel, CNG, and gasoline fuels used in providing suburban service.

The Maintenance component is comprised of 32.0 positions and includes both maintenance and materials management personnel. Total maintenance expense is projected to increase 22.7% from 2021 levels due to labor and fringe expenses.

The Non-Vehicle Maintenance component consists of 18 positions which provide support to all building maintenance and bus shelter functions. This area is expected to grow 17.6% in 2022 due to labor and fringe expenses.

The Administration component of the central support budget is comprised of various expenses including marketing, Ventra fare system, liability insurance, and healthcare. This area is expected to increase 0.8% in 2022. This is mostly associated with health insurance costs which are expected to increase \$1.051 million, offsetting decreases in other expenses.

2022 Goals

Pace's 2022 budgetary efforts for centralized support will include constraining non-labor expenditures wherever possible while maintaining a maximum staffing level of 83.5 positions.

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

Table 14. Centralized Support Budget (000s)

	2020 Actual	2021 Estimate	2022 Budget
Operations	\$5,036	\$4,964	\$5,946
Fuel	6,420	9,959	11,560
Maintenance	\$5,570	\$3,865	\$4,741
Non-Vehicle Maintenance	\$2,352	\$2,749	\$3,232
Administration	\$6,558	\$8,219	\$7,794
Liability Insurance	(1,408)	16,923	16,685
Healthcare	24,717	25,543	26,593
Total	\$49,245	\$72,222	\$76,551
Full-Time Equivalents (FTEs)	96.0	80.0	83.5

2022 Administrative Budget

The 2022 administrative budget is estimated to reach \$46.056 million. Pace will use 209.0 positions to manage the agency's administrative responsibilities including accounting, financial and capital assistance programs, marketing, information systems, legal services, purchasing, and strategic planning.

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

supplies, utilities, and other expenses.

In 2021, administrative expenses are estimated to end the year at the 2021 budget, but up 11.4% from 2020 levels. The growth is mostly driven by labor and outside services expenses.

The 2022 administrative budget will increase 23.0% over 2020 levels. Labor and outside services account for the majority of next year's growth as well.

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

2022 Goals

Pace's administrative efforts include constraining non-labor expense growth while maintaining a staffing level of 209.0 positions.

Table 15. Administrative Budget (000s)

	2020 Actual	2021 Estimate	2022 Budget
Non-Vehicle Maintenance	\$295	\$387	\$404
General Administration	\$32,303	\$35,907	\$44,479
Parts/Supplies	160	182	218
Utilities	648	803	836
Bond Interest	187	154	119
Total Expenses	\$33,593	\$37,433	\$46,056
Full Time Equivalents (FTEs)	193.0	192.5	209.0

2022 Suburban Service Budget & Three-Year Business Plan

General

The following section presents Pace's Suburban Service budget and three-year financial business plan for the period 2022 through 2024. The RTA Act requires that the service boards submit a budget and three-year financial plan which shows a balance between the funding estimates provided by the RTA and the anticipated costs of providing services. Pace's plan for 2022–2024 achieves this balance. The assumptions and highlights for the three years in review are provided in this section.

The 2022 Budget includes the return of multiple routes that were suspended as a result of the coronavirus pandemic. While ridership is expected to grow 5.4% in 2022, it is only a small rebound from the 51.1 % fall from 2019 pre-pandemic actual in 2020 and the additional 16.1% fall from 2020 actual expected in 2021. The outlook over the three-year plan is that baseline ridership will stay flat with growth only associated with returning service. As such, 2024 ridership estimates are less than 55% of 2019 pre-pandemic actual.

While total public funding is forecasted to grow throughout the three-year planning horizon, the budget is balanced through the use of federal coronavirus relief funding which is projected to be exhausted in 2023. After growing 16.0% from 2020 to 2021, in 2022 RTA sales tax is forecasted to essentially stay flat to 2021 before growing moderately in 2023 and 2024; however, this growth will not be enough to meet Pace's funding need after federal coronavirus relief funding runs out. Pace will require an additional \$6.238 million in 2023 and \$15.301 million in

2024 in public funding to meet Pace's funding requirements in those years. In total, Pace will exhaust the available CARES and CRRSAA coronavirus relief funding in 2023. To date, the RTA has not allocated Pace any portion of the ARP funding the region has received from FTA. Without ARP funding, Pace will require total budget balancing actions of \$6.238 million in 2023 and \$62.058 million in 2024.

Federal discretionary funding has been programmed for use throughout all three years of this plan. Enhanced Mobility (Section 5310) funding for call center operations, Bus and Bus Facilities (Section 5339) funding for East Dundee rent expense, and CMAQ funding for I-90 service enhancements will be exhausted before the end of 2022. Pace has also received a CMAQ grant for Pulse Dempster operating expenses which will be available for federal fiscal year 2023, starting October 1, 2022, and will be drawn down through 2023 and 2024.

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

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

Table 16. Baseline Economic Assumptions

	2021	2022	2023	2024
Change in Demand (Based on Total Ridership) ⁽¹⁾	(16.1%)	5.4%	1.5%	0.0%
T-Bill Rates (90 Day) ⁽²⁾	0.1%	0.1%	0.2%	0.3%
CPI-U (National) ⁽³⁾	2.1%	2.2%	2.4%	2.4%
Ultra-Low Sulfur Diesel Fuel (Price Growth)	31.6%	5.4%	9.8%	5.0%
Pace Public Funds (Sales Tax I) ⁽⁴⁾	15.3%	(0.6%)	2.4%	2.9%

⁽¹⁾ Assumptions for demand, as measured by estimates for total ridership, are generated by Pace's planning staff. Demand estimates are used to forecast fare revenue.

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

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

⁽⁴⁾ Reflects RTA sales tax estimates for Pace for the 2022 budget and three-year plan cycle.

Assumptions

Numerous factors must be considered when developing an annual budget and multi-year plan. Demand must be identified and evaluated for both the short and long term. Demand is measured by estimating ridership to forecast farebox revenue. Economic assumptions related to the costs of providing transit services must be identified. Estimates of inflation as measured by the consumer price index (CPI) and estimates for fuel are of significant importance. The outlook for public funding growth, as identified by the RTA, is extremely important as it provides between 70% and 75% of annual funding for operations. A list of baseline assumptions used to develop the Pace three-year plan is summarized in Table 16. The following list of key sources were also referenced for information/outlooks on the industry/economy: the Congressional

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

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

Table 17. Multi-Year Category Growth

	2022	2023	2024
Fare Revenue	4.9%	1.4%	0.0%
Total Revenue	66.8%	5.0%	4.6%
Labor/Fringes	10.2%	3.8%	3.3%
Healthcare	4.1%	7.5%	7.5%
Parts/Supplies	12.8%	6.9%	7.0%
Purchased Transportation	60.3%	3.3%	3.3%
Utilities	2.8%	6.1%	5.9%
Insurance/Claims	(1.4%)	7.0%	7.1%
Fuel Cost	15.8%	12.2%	0.7%
Fuel Cost - Suburban Service*	\$11.560 mil	\$13.001 mil	\$13.082 mil
Number of Gallons - Suburban Service	6.005 mil	6.564 mil	6.651 mil
Price per Gallon*	\$1.93	\$1.98	\$1.97
Fuel Cost - Gasoline - Vanpool	\$0.330 mil	\$0.343 mil	\$0.350 mil
Number of Gallons - Vanpool	0.137 mil	0.137 mil	0.137 mil
Price per Gallon - Gasoline	\$2.41	\$2.50	\$2.55

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

Highlights – 2022 Budget & Three-Year Business Plan

Pace's 2022 budget presented in Table 18 is balanced using RTA Sales Tax funding and federal discretionary fund programs, including coronavirus relief funding. Federal coronavirus relief funds (CARES and CRRSAA) are used as both operating revenue and public funding assistance. For 2023, the plan is also balanced using CARES and CRRSAA; however, that funding will be exhausted before the end of 2023 and Pace has not been allocated any of the ARP coronavirus relief funding the RTA received from FTA. As such, for 2023 Pace currently has a \$6.238 million shortfall in public funding needed to balance to expected revenue and expenses. In 2024, Pace expects to need \$62.058 million in additional funding to balance to estimated expenses; \$46.757 million of the \$62.058 million will be needed as system-generated revenue to meet Pace's 30.30% recovery ratio requirement.

For the three years, operating revenue before funding assistance is anticipated to fall at an annual compound rate of 0.5%. This reflects the minimal increases to fare-

box revenue, which are offset by the loss of administrative revenue. With federal relief funding and budget balancing actions needed to meet the recovery ratio in 2024, the annual compound growth rate for operating revenue over the three-year period would be 4.8%.

Expenses will grow at an annual compound rate of 4.1% over the three-year period. Expense growth from 2022 to 2024 is associated with labor/fringe and inflationary expense growth and does not include any new efforts after 2022.

Total public funding before funding assistance is expected to grow at an annual compound rate of 1.5% over the three-year plan and includes both sales tax and federal discretionary fund programs not related to coronavirus relief. RTA Sales Tax funding is expected to grow moderately in 2023 and 2024 after being essentially flat in 2022 from 2021 levels. Public funding, with federal coronavirus relief and the additional necessary funding in 2023 and 2024 to balance to estimated expenses, would grow at a compound rate of 3.8%.



Suburban Service Budget & Three-Year Business Plan

Table 18. 2022-2024 Suburban Service Budget and Three-Year Business Plan (000s)

	2020 Actual	2021 Estimate	2022 Budget	2023 Plan	2024 Plan
Operating Revenue					
Farebox Revenue	\$16,366	\$15,669	\$16,440	\$16,674	\$16,674
Reduced Fare Reimbursement	1,346	1,346	1,346	1,346	1,346
Advertising	1,404	1,510	2,061	2,470	2,812
Local Share/Other Revenue	10,675	11,056	11,013	9,674	9,742
Federal Relief Operating Assistance	26,747	12,657	39,582	43,800	0
Budget Balancing Action	0	0	0	0	46,757
Total Revenue	\$56,538	\$42,238	\$70,442	\$73,964	\$77,331
Operating Expenses					
Labor/Fringes	\$133,121	\$139,810	\$154,055	\$159,863	\$165,192
Healthcare	24,717	25,543	26,593	28,588	30,732
Parts/Supplies	2,835	9,756	11,007	11,767	12,585
Purchased Transportation	13,729	17,288	27,710	28,623	29,559
Fuel	6,763	10,268	11,890	13,344	13,432
Utilities	2,539	2,973	3,055	3,240	3,430
Insurance	(1,408)	16,924	16,686	17,853	19,115
Other*	21,495	26,520	32,035	31,652	32,281
Regional ADA Support Credit	(8,413)	(8,751)	(10,452)	(10,765)	(11,088)
Total Expenses	\$195,378	\$240,331	\$272,579	\$284,165	\$295,238
Funding Requirement	\$138,840	\$198,093	\$202,137	\$210,201	\$217,907
Public Funding					
Sales Tax (Part I)	\$94,239	\$108,648	\$107,943	\$110,577	\$113,783
Sales Tax (Part II)	16,633	20,408	13,990	13,755	13,497
Suburban Community Mobility Fund (SCMF)	23,432	28,077	28,358	29,050	29,892
South Suburban Job Access Fund	7,500	7,500	7,500	7,500	7,500
PTF (Part I)	4,252	4,937	5,240	5,382	5,538
PTF (Part II)	17,314	20,173	21,383	21,961	22,598
RTA Sales Tax (Part I)	247	0	4,049	4,622	4,820
RTA ICE Funds	1,693	1,465	0	0	0
Federal Discretionary Fund Programs	7,410	6,885	8,396	4,978	4,978
Federal Relief Funding Assistance	0	0	5,278	6,138	0
Budget Balancing Action	0	0	0	6,238	15,301
Total Public Funding	\$172,720	\$198,093	\$202,137	\$210,201	\$217,907
Net Funding Available	\$33,880	\$0	\$0	\$0	\$0
Recovery Ratio	36.95%	22.29%	30.30%	30.30%	30.30%

*Other includes Debt Service

Pace Suburban Service Projected Cash Flow - 2022

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 2022.

Table 19. Pace Suburban Service Projected Cash Flow Summary - 2022 (000s)

	Beginning Balance	Revenue	Expense	Net Results	Ending Balance
January	\$66,639	\$23,208	\$23,488	(\$280)	\$66,359
February	66,359	23,409	21,963	1,446	67,805
March	67,805	25,492	26,298	(806)	67,000
April	67,000	20,099	23,488	(3,389)	63,611
May	63,611	19,927	21,963	(2,036)	61,574
June	61,574	21,559	22,801	(1,242)	60,332
July	60,332	21,212	23,488	(2,276)	58,056
August	58,056	21,525	21,963	(438)	57,618
September	57,618	22,172	21,963	208	57,826
October	57,826	22,934	23,488	(554)	57,272
November	57,272	21,819	21,963	(144)	57,127
December	57,127	29,223	24,003	5,220	62,347

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2022 Regional ADA Paratransit Operating Budget

Summary

The 2022 Regional ADA Service program is summarized below and detailed throughout this section. The table below shows total operating expenses will reach \$225.580 million in 2022—up 16.9% or \$32.565 million over estimated 2021 levels. Revenue will increase by 42.8% or \$2.744 million to \$9.148 million. The ADA program will receive \$216.432 million in funding, the amount identified as available by the RTA for 2022.

In March 2021, the ADA program was allocated \$20.000 million of CRRSAA federal coronavirus relief funding to offset lost operating revenue and increased expenses which resulted in a shortfall in funding. The estimate for 2021 shows the ADA program will finish the year unfavorable to the amended funding level by \$0.931 million. This is due to operating revenue finishing the year below budgeted levels. If the ADA program does end the year with a funding shortfall, it will be made whole through RTA sales tax funding.

In 2022, total ridership is expected to grow by 11.7% over the 2021 estimate, reaching 3.313 million trips. This growth is accommodated by the projected funding level of \$216.432 million.

The 2022 Regional ADA Paratransit program is balanced to the \$216.432 million funding mark and will achieve a 10.00% recovery ratio using capital cost of contracting and other credits allowed by the RTA.



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

	2020 Actual	2021 Estimate	2022 Budget
Total Operating Expenses	\$182,392	\$193,015	\$225,580
Less: Total Operating Revenue	6,137	6,404	9,148
Funding Requirement	\$176,255	\$186,611	\$216,432
Less:			
Sales Tax & PTF (Part II)	\$133,003	\$157,285	\$208,037
State Funds	8,395	8,395	8,395
ADA Paratransit Reserve	34,857	0	0
Federal Coronavirus Relief Funding	0	20,000	0
Net Funding Available	\$0	(\$931)	\$0
Recovery Ratio	9.67%	11.39%	10.00%

Regional ADA Paratransit Sources of Funds

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

ADA 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.

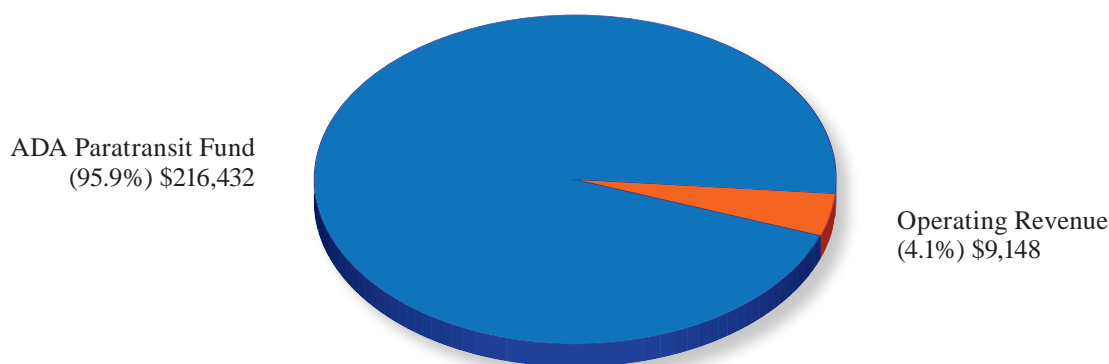
In 2012, the RTA Act was amended to increase the ADA Fund level to \$115 million. The amendment also states

that for each year thereafter, an amount equal to the final budget funding for ADA Paratransit service for the current year shall be provided. Based on this amendment, the RTA has established the amount of \$216.432 million for 2022, which includes \$8.395 million in state funding. This level of funding will represent 95.9% of the total available funds for the ADA Paratransit program.

Operating Revenue

The second source of funding available for ADA Paratransit service comes from operations. Operating revenue is generated largely from passenger fares. As ridership/demand grows, passenger fare revenue moves in the same direction. Operating revenue also includes investment income. In 2022, Pace plans to continue the suspension of the Taxi Access Program fare and expects reimbursement from the RTA for passenger trips related to its paratransit certification program. Operating revenue represents \$9.148 million, or 4.1%, of the total funds available to the ADA Paratransit program.

Chart D. ADA Sources of Funds (000s) - Total \$225,580



Regional ADA Paratransit Uses of Funds

All funds received in 2022 will be used to provide and support ADA Paratransit services. The major components of the ADA program consist of city ADA services and suburban ADA services. Service delivery under both programs is contracted to private service operators. Another service element offered in the City of Chicago is a Taxi Access Program (TAP). This program provides subsidized taxi service to ADA eligible riders. In addition to the city and suburban cost elements, there are regional support costs which represent the indirect overhead costs of supporting the Regional ADA Paratransit program overseen by Pace. Details on the city ADA services, suburban ADA services, and TAP are included in Table 21.

City ADA Services

Pace provides all ADA service within the City of Chicago. For 2022, Pace expects to spend \$164.988 million for city ADA service. The majority of these expenditures (93.4%) will be spent on service delivery through private contractors, including fuel. The balance includes costs for insurance, administration, and costs related to trips for certifying ADA-eligible participants.

Taxi Access Program

Pace is responsible for the provision of subsidized taxi service to ADA-eligible riders in the City of Chicago. Pace will spend \$20.654 million for TAP in 2022.

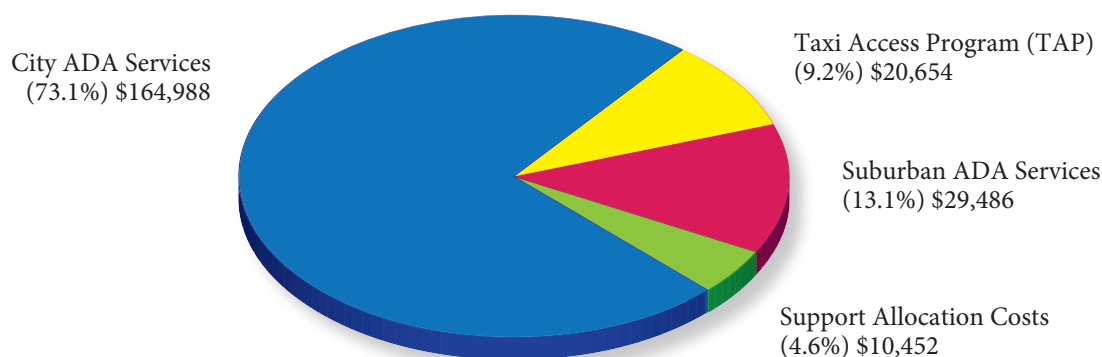
Suburban ADA Services

For 2022, Pace will spend \$29.486 million for suburban ADA service. Costs for contracted service in the suburbs will account for 94.4% of the total cost, including fuel. Similar to the city service, the balance includes costs for insurance, administration, and costs related to trips for certifying ADA-eligible participants.

Support Allocation Costs

There are administrative support costs that Pace incurs on behalf of managing and operating the ADA program. For 2022, Pace will incur \$10.452 million in overhead support costs that will be allocated to the Regional ADA program.

Chart E. ADA Uses of Funds (000s) - Total \$225,580



2022 Regional ADA Paratransit Program Budget - City/Suburban Detail

Pace's 2022 revenue, expense, and funding requirements for the Regional ADA Paratransit program are presented in the table below. The estimates for 2021 and the budget for 2022 are broken down into city, TAP, and suburban components.

The 2022 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. In determining compliance with the 10.00% requirement, the RTA allows the use of capital credits to expense, consistent with federal capital cost of contracting provisions. The purpose of the capital expense exemption from the recovery rate calculation is to exclude those capital costs—similar to the exclusion of capital costs from the calculation of the regional recovery ratio.

Table 21. 2022 Regional ADA Paratransit Program Budget - City/Suburban Detail (000s)

	2021 Estimate			2022 Budget			2021-2022
	City	Suburban	Region Total	City	Suburban	Region Total	Net Change
Revenue							
Fares—Contract	\$4,796	\$1,458	\$6,254	\$5,180	\$1,575	\$6,755	\$501
Fares—TAP	0	0	0	0	0	0	0
RTA Certification	0	0	0	1,324	919	2,243	2,243
Investment Income/Other	0	0	150	0	0	150	0
Total Revenue	\$4,796	\$1,458	\$6,404	\$6,504	\$2,494	\$9,148	\$2,744
Expenses							
Contract Services	\$129,304	\$23,188	\$152,492	\$149,175	\$25,508	\$174,683	\$22,191
TAP Services	16,711	0	16,711	20,654	0	20,654	3,943
Fuel	4,283	2,122	6,405	4,848	2,336	7,184	779
Insurance	700	0	700	1,358	0	1,358	658
Administration	7,280	677	7,956	8,392	799	9,191	1,235
RTA Certification	0	0	0	1,215	843	2,058	2,058
ADA Support Allocation	0	0	8,751	0	0	10,452	1,701
Total Expenses	\$158,278	\$25,987	\$193,015	\$185,642	\$29,486	\$225,580	\$32,565
Funding Requirement	\$153,481	\$24,529	\$186,611	\$179,138	\$26,992	\$216,432	\$29,821
Public Funding	\$0	\$0	\$185,680	\$0	\$0	\$216,432	\$30,752
Net Funding Available	\$0	\$0	(\$931)	\$0	\$0	\$0	\$931
Recovery Ratio	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	0.00%
Ridership							
Base Ridership—Contract	1,476	449	1,925	1,616	490	2,106	181
Total Ridership—Contract	1,711	501	2,212	1,873	534	2,406	194
Ridership—TAP	755	0	755	907	0	907	152
Ridership—Total	2,466	501	2,967	2,780	534	3,313	346

Regional ADA Paratransit Budget & Three-Year Business Plan

The following section presents Pace's Regional ADA Paratransit Budget and Three-Year Business Plan for the period 2022 through 2024.

In summary, the 2022 ADA Paratransit budget is balanced to the \$216.432 million funding mark set by the RTA. The two out-years of the plan achieve the funding marks presented by the RTA and the 10.00% 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 specific expense growth items unique to this ADA Paratransit Business Plan, specifically service related elements such as contractor costs, demand and fuel, are shown in the table below.

Highlights – 2022 Budget and Three-Year Plan

The budget and two out-years presented in Table 23 show that the ADA program is balanced. Some of the highlights for the three years include total revenue which will grow at an annual compound rate of 4.5%. Revenue growth is consistent with the annual compound growth rate for ridership—8.5%, combined with the reintroduction of certification trip reimbursement in 2022.

Expenses will grow at an annual compound rate of 8.9% during the three-year period, consistent with demand as well as price increases.

Total ADA funding requirement is growing at an annual compound rate of 9.1% over the three years of this plan. Given the outlook for the continued growth rate for demand and associated costs, the conservative outlook is that the ADA program should not require additional funding and/or identification of budget balancing actions over the three-year plan cycle.

Table 22. Expense Growth Factors

	2022	2023	2024
Contractor Costs - City*	14.9%	1.5%	1.7%
Contractor Costs - Suburban	10.0%	10.9%	11.0%
Demand - City	12.7%	11.9%	12.2%
Demand - Suburban	6.6%	8.0%	8.0%
Fuel Costs - ADA	\$7.185 mil	\$8.068 mil	\$8.884 mil
Number of Gallons - ADA	2.973 mil	3.211 mil	3.468 mil
Price per Gallon - ADA	\$2.42	\$2.51	\$2.56

*Contractor cost growth rate for 2022 includes the full year impact of the increase to the minimum wage rate in the City of Chicago.

Regional ADA Paratransit Budget & Three-Year Business Plan

Table 23. 2022-2024 Regional ADA Paratransit Budget and Three-Year Business Plan (000s)

	2020 Actual	2021 Estimate	2022 Budget	2023 Plan	2024 Plan
Operating Revenue					
Fares	\$5,522	\$6,254	\$6,755	\$7,282	\$7,891
Certification Revenue	362	0	2,243	2,481	2,744
Investment Income/Other	253	150	150	150	150
Federal Relief Operating Assistance	0	3,085	0	0	0
Total Revenue	\$6,137	\$9,489	\$9,148	\$9,913	\$10,785
Operating Expenses					
Labor/Fringes	\$4,103	\$3,827	\$4,381	\$4,513	\$4,648
Health Care	664	876	951	974	997
Administrative Expense	3,083	3,253	3,858	3,951	4,045
Fuel	3,347	6,405	7,185	8,068	8,884
Insurance/Claims	727	700	1,358	1,390	1,423
RTA Certification Trips	268	0	2,058	2,276	2,517
Suburban ADA Purchased Transportation	23,374	23,188	25,508	28,301	31,406
City ADA Purchased Transportation	129,192	129,304	149,175	150,829	153,334
TAP & Mobility Direct Services	9,221	16,711	20,654	24,785	29,742
Regional ADA Support Allocation	8,413	8,751	10,452	10,765	11,088
Total Expenses	\$182,392	\$193,015	\$225,580	\$235,852	\$248,085
Funding Requirement	\$176,255	\$183,526	\$216,432	\$225,939	\$237,300
Public Funding					
Sales Tax and PTF (Part II)	\$133,003	\$157,285	\$208,037	\$217,544	\$228,905
State Funds	8,395	8,395	8,395	8,395	8,395
ADA Paratransit Reserve	34,857	0	0	0	0
Federal Relief Funding Assistance	0	16,915	0	0	0
Total Public Funding	\$176,255	\$182,595	\$216,432	\$225,939	\$237,300
Net Funding Available	\$0	(\$931)	\$0	\$0	\$0
Recovery Ratio	9.67%	11.39%	10.00%	10.00%	10.00%

Pace Regional ADA Paratransit Projected Cash Flow - 2022



The following table provides an estimate of Pace's 2022 revenue, expenses, and cash position for Regional ADA Paratransit service operations on a monthly basis.

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

Table 24. Pace Regional ADA Paratransit Projected Cash Flow Summary - 2022 (000s)

Month	Beginning Balance	Revenue	Expenses	Net Results	Ending Balance
January	\$33,505	\$18,099	\$18,798	(\$699)	\$32,806
February	32,806	18,099	18,798	(699)	32,107
March	32,107	18,099	18,798	(699)	31,408
April	31,408	18,099	18,798	(699)	30,709
May	30,709	18,099	18,798	(699)	30,010
June	30,010	18,099	18,798	(699)	29,311
July	29,311	18,099	18,798	(699)	28,612
August	28,612	18,099	18,798	(699)	27,913
September	27,913	18,099	18,798	(699)	27,214
October	27,214	18,099	18,798	(699)	26,515
November	26,515	18,099	18,798	(699)	25,816
December	25,816	26,491	18,802	7,689	33,505

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Suburban Service Capital Budget & Five-Year Business Plan

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

The RTA Budget and Capital Program Call (Budget Call), released in May, sets the preparatory funding marks and defines the schedule and information requirements that the service boards must follow to develop their five-year capital program in accordance with the RTA's strategic core requirements and goals.

Strategic core requirements of the Capital Program:

- Maintain and Improve Safety and Reliability
- Achieve Full Accessibility
- Meet Regulatory Requirements
- Improve Equity

Strategic goals from *Invest in Transit*:

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

These requirements focus on ensuring that the RTA has sufficient information to adequately evaluate the service boards' capital programs, coordinate resource allocation, and ultimately recommend adoption of the consolidated regional budget, as outlined in the RTA Act. The funding marks are updated and adopted by the RTA no later than

the statutorily required date of September 15th. The 2025 and 2026 capital allocations for federal formula and state PAYGO funds are based on the new Performance-Based Capital Allocation Structure developed between the RTA and the service boards and adopted by the RTA at their July 15, 2021 board meeting.

The service boards are also required to submit their updated Transit Asset Management (TAM) plans with their proposed Budget and Capital Program submittal to the RTA. TAM is a business model that prioritizes funding based on the condition of transit assets to achieve or maintain transit networks in a State of Good Repair (SGR). On July 26, 2016, the FTA published the TAM Final Rule to establish minimum federal requirements for TAM that apply to all recipients and subrecipients of 5307/5339 federal funds that own, operate, or manage public transportation capital assets. This final rule required public transportation providers to have an initial TAM plan in place by October 1, 2018. Pace successfully met this federal requirement.

TAM plans must include an asset inventory, condition assessments of inventoried assets, and a prioritized list of investments to improve the SGR of their capital assets. This final rule also establishes SGR standards and performance measures. Transit providers are required to set performance targets for their capital assets based on the SGR measures. They must report their targets as well as information related to the condition of their capital assets to the National Transit Database (NTD).

Table 25. Estimated Pace Five-Year State Capital Funding (000s)

Funding Source	2022	2023	2024	2025	2026	Total
PAYGO	\$11,350	\$11,350	\$11,350	\$17,025	\$16,815	\$67,890

2022 Suburban Service Capital Program/Project Descriptions

Capital Budget Mark Assumptions

The RTA's preliminary funding marks include estimated federal, state, and other funds that are anticipated to be available to the region for capital investment purposes. The 2022 Capital Program marks provide Pace \$42.741 million of 5307 and 5339 federal formula funds, \$11.350 million of state PAYGO funds, \$1.843 million of RTA Innovation, Coordination, and Enhancement (ICE) funds, and \$1.000 million of Pace Positive Budget Variance (PBV) funds.

Table 26. Pace 2022 Capital Program Marks (000s)

Funding Sources	Amount
Federal 5307/5339	\$42,741
State PAYGO	11,350
RTA ICE	1,843
Pace PBV	1,000
Total	\$56,934



Funding Summary

The 2022 Suburban Capital Program totals \$56.934 million. Most of this funding will be used for projects needed to bring the Pace system toward a state of good repair. The capital program, which is constrained to the funding available, includes the following:

Rolling Stock (\$39.662 Million)

- 51 Fixed Route CNG Replacement Buses (\$28.050 million) to operate out of the upcoming new Wheeling garage.
- 6 Fixed Route Electric Replacement Buses (\$6.000 million) to operate out of North Division in Waukegan.
- 59 Paratransit Vehicles (\$5.612 million) to operate systemwide.

Operating Cost Impacts

Pace's average fleet age is 7.0 years for fixed route buses and 5.9 years for paratransit vehicles. The typical life expectancy is 12 years for fixed route buses and four years for paratransit vehicles. Vehicle replacements will lower maintenance costs. Pace projects approximately \$1 million in fuel savings annually by replacing 57 diesel buses with buses that are propelled by compressed natural gas (CNG) and electric batteries.

Electrical/Signal/Communications (\$4.093 Million)

- Transit Signal Priority (\$1.843 million): Integration of regional traffic management centers.
- Intelligent Bus System (\$2.250 million): Automatic passenger counting equipment for 450 buses.

Operating Cost Impacts

Transit Signal Priority (TSP) allows for better on-time performance of bus routes, which increases ridership and farebox revenue. The Intelligent Bus System (IBS) equipment will allow for more optimized routing decisions and deployment of resources.



Support Facilities & Equipment (\$10.629 Million)

- Charging Infrastructure (\$4.000 million): Purchase and installation of electric bus charging infrastructure at North Division in Waukegan.
- Farebox System Replacement (\$3.079 million): Procurement and installation of replacement fareboxes and related equipment, software, and services.
- Fire Loop System (\$2.050 million): Replacement of underground loop, piping, valves, and pump for fire suppression at South Division in Markham.
- Security System (\$1.500 million): Upgrades to the access system and security cameras at Headquarters in Arlington Heights.

Operating Cost Impacts

Farebox system replacement will improve the reliability of cash collections and increase system-generated revenue. Fire loop and security systems serve as loss-prevention mechanisms.

Stations & Passenger Facilities (\$1.550 Million)

- Bus Stop Shelters (\$1.125 million): Engineering drawings, manufacture, and installation of 25 bus stop shelters and concrete pads.
- Bus Tracker Signs (\$0.425 million): Purchase and installation of 21 real-time information signs at select shelters systemwide.

Operating Cost Impacts

Maintenance and utility costs of shelters will be incurred by Pace's ad agency, and therefore are operating cost neutral. Bus Tracker signs funded in 2022 are estimated to have annual electrical and maintenance costs of approximately \$3,000 total. Both function to increase passenger comfort and convenience to increase ridership and farebox revenue.

Miscellaneous (\$1.000 Million)

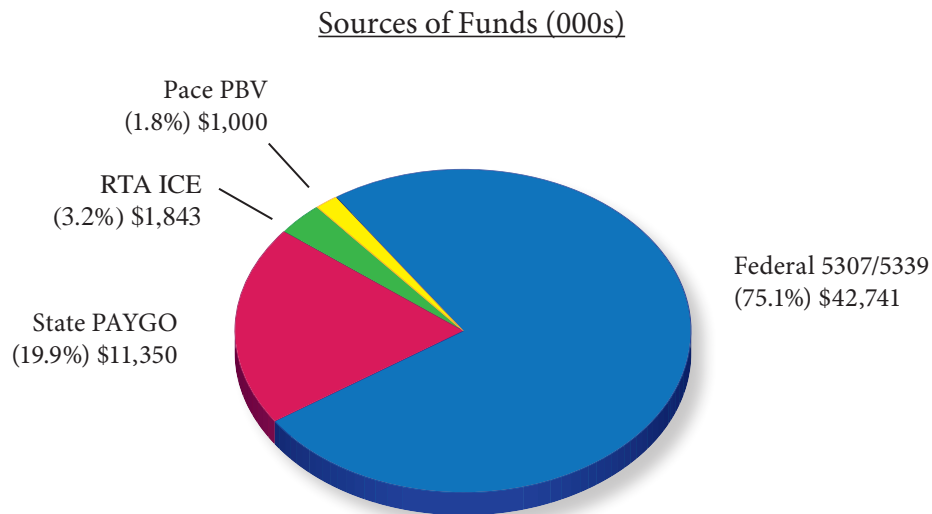
- Unanticipated Capital (\$1.000 million): Contingency for unforeseen project needs.

Capital Budget Suburban Service

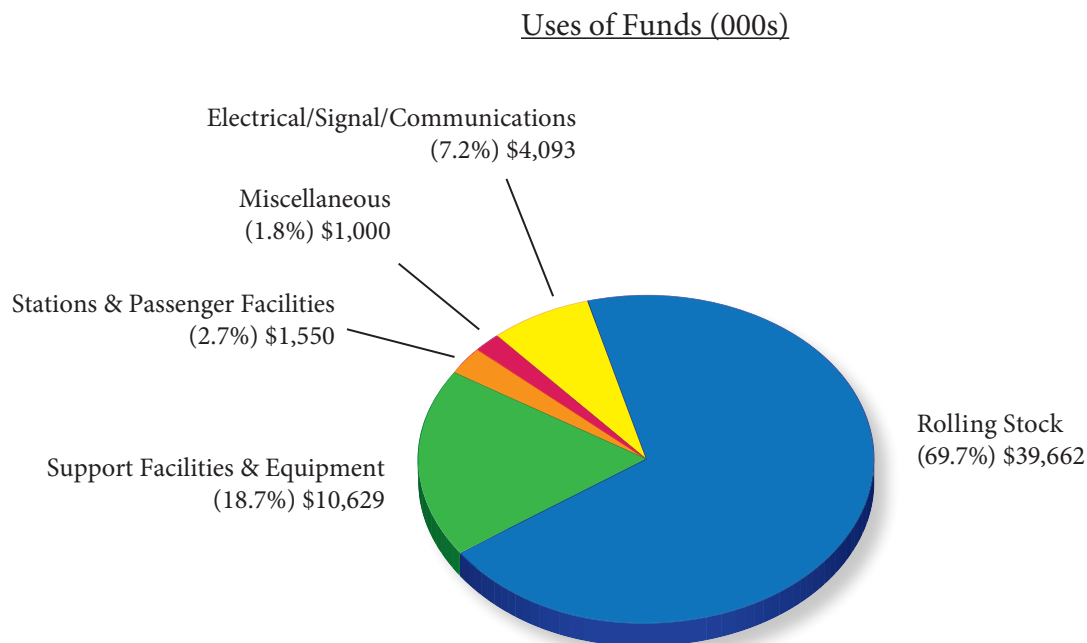
Table 27. Suburban Service 2022 Capital Program (000s)

	Total Budget	Federal 5307/5339	State PAYGO	RTA ICE	Pace PBV
Rolling Stock					
51 Fixed Route CNG Buses	\$28,050	\$28,050	\$0	\$0	\$0
6 Fixed Route Electric Buses	6,000	6,000	0	0	0
59 Paratransit Vehicles	5,612	5,612	0	0	0
Subtotal	\$39,662	\$39,662	\$0	\$0	\$0
Electrical/Signal/Communications					
Transit Signal Priority	\$1,843	\$ 0	\$0	\$1,843	\$0
Intelligent Bus System	2,250	0	2,250	0	0
Subtotal	\$4,093	\$0	\$2,250	\$1,843	\$0
Support Facilities & Equipment					
Charging Infrastructure	\$4,000	\$0	\$4,000	\$0	\$0
Farebox System Replacement	3,079	3,079	0	0	0
Fire Loop System	2,050	0	2,050	0	0
Security System	1,500	0	1,500	0	0
Subtotal	\$10,629	\$3,079	\$7,550	\$0	\$0
Stations & Passenger Facilities					
Bus Stop Shelters	\$1,125	\$0	\$1,125	\$0	\$0
Bus Tracker Signs	425	0	425	0	0
Subtotal	\$1,550	\$0	\$1,550	\$0	\$0
Miscellaneous					
Unanticipated Capital	\$1,000	\$0	\$0	\$0	\$1,000
Subtotal	\$1,000	\$0	\$0	\$0	\$1,000
Total 2022 Suburban Capital Program	\$56,934	\$42,741	\$11,350	\$1,843	\$1,000
2022 Marks	\$56,934	\$42,741	\$11,350	\$1,843	\$1,000

Chart F. 2022 Suburban Service Capital Program - Sources/Uses of Funds (000s) - Total \$56,934



Over 75% of Pace capital funding is expected to come from federal sources.



Nearly 70% of the Pace capital program will be allocated to rolling stock.

Capital Funding Sources

State Funding

In June 2019, the Illinois General Assembly passed *Rebuild Illinois*, which established a “PAYGO” fund as an on-going, reliable funding source for future capital needs. Pace expects to receive \$67.890 million of these funds over the 2022-2026 five-year period.

Federal Formula and Discretionary Funding

Historically, federal formula capital funds have been allocated among the service boards at the following percentages: 58% to CTA, 34% to Metra, and 8% to Pace. The 2025 and 2026 capital allocations for federal formula (and state PAYGO) funds are based on the new Performance-Based Capital Allocation Structure developed between the RTA and the service boards and adopted by the RTA at their July 15, 2021 board meeting. The federal formula funds, which include Section 5307/5340 Urbanized Area and Section 5339 Bus and Bus Facilities, are expected to total \$214.585 million for Pace in 2022-2026.



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:

- 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 the Better Utilizing Investments to Leverage Development (BUILD) and Transportation Investment Generating Economic Recovery (TIGER).
- 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.
- Congestion Mitigation and Air Quality Improvement (CMAQ)—funds transportation projects that reduce traffic congestion and improve air quality in nonattainment and maintenance areas to help meet the requirements of the Clean Air Act.
- Enhanced Mobility of Seniors and Individuals with Disabilities (5310)—funds innovative projects that promote coordinated access and mobility for the transportation disadvantaged.
- Federal Emergency Management Agency (FEMA) Grant—funds programs to prevent, protect against, respond to, recover from, and mitigate terrorism and other disasters and emergencies.
- Low or No-Emission Vehicle Program (5339 (c))—funds the purchase or lease of low or no emission buses or to lease, construct, or rehabilitate facilities to support low or no emission buses.
- Transportation Infrastructure Finance and Innovation Act (TIFIA)—provides credit assistance for large-scale, surface transportation projects.



U.S. Secretary of Transportation Buttigieg, Governor Pritzker, Cook County President Preckwinkle, several Members of Congress, and transportation officials met in July 2021 to discuss transportation in northeastern Illinois.

RTA Funding

The RTA provides funding to the service boards through the Innovation, Coordination and Enhancement (ICE) program, which can be applied to either operating or capital projects. Pace has elected to use 2022-2024 ICE funds of \$5.674 million toward capital expenses (estimates are not yet available for 2025-2026).

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 2022-2026.

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

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2022-2026 Five-Year Suburban Service Capital Business Plan

The RTA preliminary funding marks for Pace's 2022-2026 Five-Year Suburban Capital Plan total \$289.150 million, comprised of \$214.585 million in federal 5307/5339 funds, \$67.890 million in state PAYGO funds, \$5.674 million in RTA Innovation, Coordination and Enhancement (ICE) funds, and \$1.000 million in Pace Positive Budget Variance (PBV) funds.

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

Rolling Stock (\$172.506 Million)

- 88 Fixed route CNG buses
- 52 Fixed route electric buses
- 13 Fixed route coach buses
- 262 Paratransit vehicles
- 69 Community Transit/On Demand vehicles
- 68 Vanpool vehicles
- Engine/transmission retrofits & associated capital

Electrical/Signal/Communications (\$12.799 Million)

- Transit Signal Priority
- Intelligent Bus System

Support Facilities & Equipment (\$51.929 Million)

- Improve support facilities/charging infrastructure
- Computer systems/hardware & software
- Support equipment/non-revenue vehicles
- Farebox system replacement
- Fire loop system
- Security system

Stations & Passenger Facilities (\$50.915 Million)

- Improve passenger facilities
- Bus stop shelters
- Bus tracker signs

Miscellaneous (\$1.000 Million)

- Unanticipated capital

Table 28. Pace 2022–2026 Five-Year Capital Program (000s)

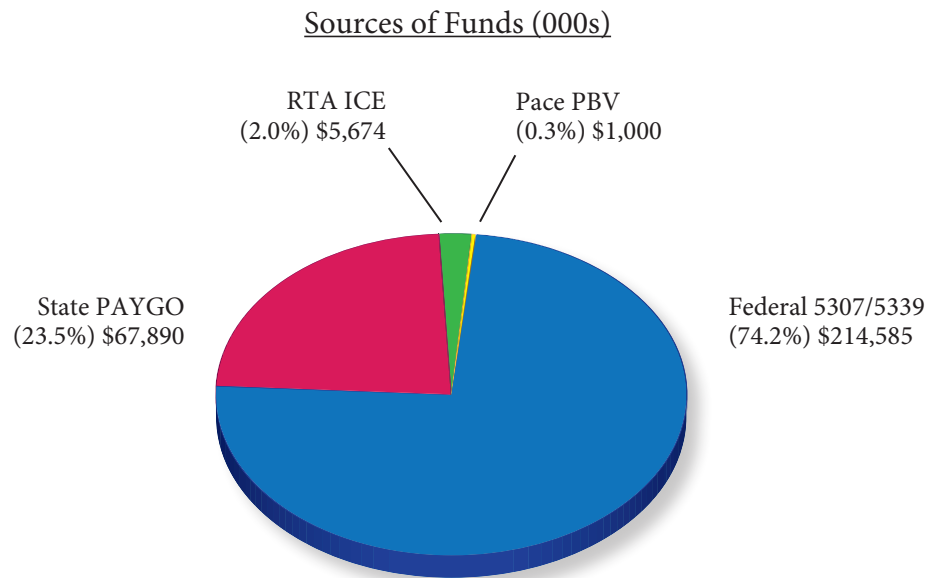
Funding Source	Amount
Federal 5307/5339	\$214,585
State PAYGO	67,890
RTA ICE	5,674
Pace PBV	1,000
Total	\$289,150

Capital Budget Suburban Service

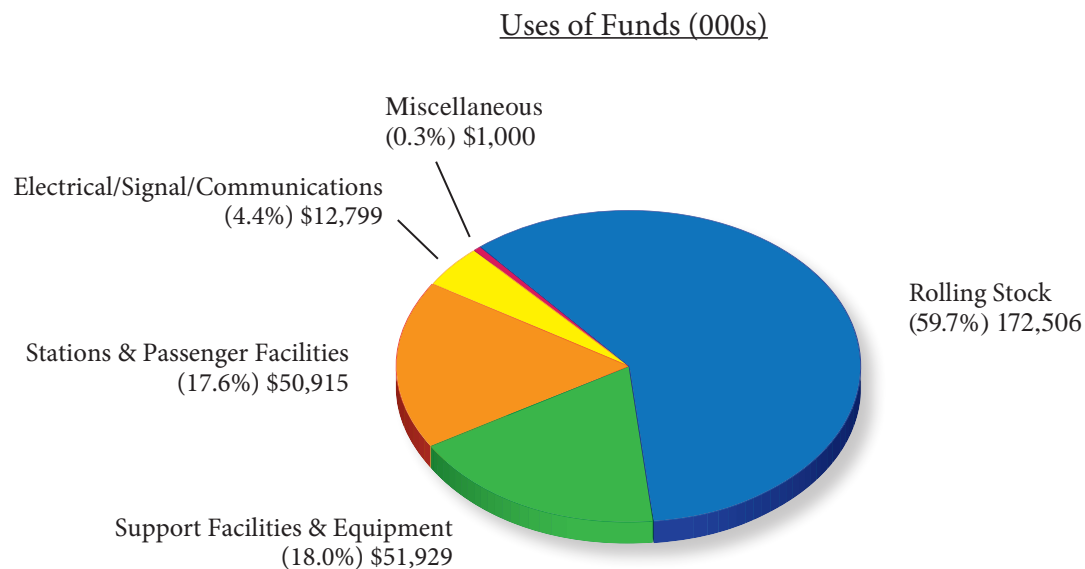
Table 29. 2022-2026 Five-Year Suburban Service Capital Business Plan (000s)

	2022	2023	2024	2025	2026	Total
Rolling Stock Quantities						
Fixed Route CNG Buses	51	37	0	0	0	88
Fixed Route Electric Buses	6	9	9	14	14	52
Fixed Route Coach Buses	0	0	13	0	0	13
Paratransit Vehicles	59	59	48	48	48	262
Community Transit/On Demand Vehicles	0	17	17	17	18	69
Vanpool Vehicles	0	0	0	34	34	68
Rolling Stock						
Fixed Route CNG Buses	\$28,050	\$20,350	\$0	\$0	\$0	\$48,400
Fixed Route Electric Buses	6,000	9,000	9,000	14,000	14,000	52,000
Fixed Route Coach Buses	0	0	9,100	0	0	9,100
Paratransit Vehicles	5,612	5,639	4,527	4,554	4,583	24,915
Community Transit/On Demand Vehicles	0	1,615	1,615	1,615	1,710	6,555
Vanpool Vehicles	0	0	0	1,360	1,360	2,720
Engine/Trans Retrofits & Associated Capital	0	6,778	6,791	7,371	7,876	28,816
Subtotal	\$39,662	\$43,382	\$31,033	\$28,900	\$29,529	\$172,506
Electrical/Signal/Communications						
Transit Signal Priority	\$1,843	\$1,888	\$1,943	\$0	\$0	\$5,674
Intelligent Bus System	2,250	1,500	2,300	475	600	7,125
Subtotal	\$4,093	\$3,388	\$4,243	\$475	\$600	\$12,799
Support Facilities & Equipment						
Improve Support Facilities/Charging Infrastructure	\$4,000	\$5,800	\$5,000	\$12,500	\$12,000	\$39,300
Computer Systems/Hardware & Software	0	1,000	1,000	1,000	1,000	4,000
Support Equipment/Non-Revenue Vehicles	0	500	500	500	500	2,000
Farebox System Replacement	3,079	0	0	0	0	3,079
Fire Loop System	2,050	0	0	0	0	2,050
Security System	1,500	0	0	0	0	1,500
Subtotal	\$10,629	\$7,300	\$6,500	\$14,000	\$13,500	\$51,929
Stations & Passenger Facilities						
Improve Passenger Facilities	\$0	\$0	\$13,000	\$13,000	\$13,000	\$39,000
Bus Stop Shelters	1,125	2,000	2,000	2,000	2,165	9,290
Bus Tracker Signs	425	550	550	550	550	2,625
Subtotal	\$1,550	\$2,550	\$15,550	\$15,550	\$15,715	\$50,915
Miscellaneous						
Unanticipated Captial	\$1,000	\$0	\$0	\$0	\$0	\$1,000
Subtotal	\$1,000	\$0	\$0	\$0	\$0	\$1,000
Grand Total - Constrained	\$56,934	\$56,620	\$57,326	\$58,925	\$59,344	\$289,150

Chart G. 2022-2026 Suburban Service Capital Business Plan - Sources/Uses of Funds (000s) - Total \$289,150



Nearly three quarters of Pace capital funding is expected to come from federal sources.



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

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2022-2026 Regional ADA Paratransit Five-Year Unconstrained Program

Overview

The RTA continues to assume that no capital funding will be available for Regional ADA Paratransit capital needs in their five-year program marks; however, a Five-Year Unconstrained Capital Program has been developed in order to demonstrate to the RTA and Pace stakeholders that a predictable and sustainable capital funding source is necessary.

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 cost for the depreciation of the vehicles and buildings are built into the hourly rates charged in the service contracts. Pace's plan would be to own the fleet and facilities and to bid out services to the private contractors. This would reduce the hourly service rates substantially as contractors would not have to charge Pace for depreciation of their

vehicles, equipment, and facilities. This is also expected to increase competition from private contractors as the bidding will be on a consistent basis of hourly service rates. A long-term capital funding solution is critical in order to replace these private contract carrier vehicles and to begin building facilities which support the service.

The Regional ADA Paratransit Five-Year Unconstrained Capital Program requires a total of \$148.886 million for 2022-2026.

Highlights include:

- 974 replacement vehicles
- 75 expansion vehicles
- New radio system
- Four garage facilities
- New farebox system
- Passenger transfer locations



Capital Budget ADA Paratransit

Table 30. 2022-2026 Regional ADA Paratransit Unconstrained Capital Program (000s)

	2022	2023	2024	2025	2026	Total
Rolling Stock Quantities						
City Vehicle Replacement	0	0	281	281	281	843
Suburban Vehicle Replacement	32	32	32	17	18	131
Regional Vehicle Expansion	15	15	15	15	15	75
Total Vehicle Needs	47	47	328	313	314	1,049
Rolling Stock						
City Vehicle Replacement	\$0	\$0	\$26,695	\$26,695	\$26,695	\$80,085
Suburban Vehicle Replacement	3,040	3,040	3,040	1,615	1,710	12,445
Regional Vehicle Expansion	1,425	1,425	1,425	1,425	1,425	7,125
Subtotal	\$4,465	\$4,465	\$31,160	\$29,735	\$29,830	\$99,655
Electrical/Signal/Communications						
Radio System	\$155	\$155	\$1,082	\$1,033	\$1,036	\$3,461
Subtotal	\$155	\$155	\$1,082	\$1,033	\$1,036	\$3,461
Support Facilities & Equipment						
Four Garage Facilities	\$2,000	\$3,000	\$12,000	\$10,000	\$11,000	\$38,000
Farebox System	259	259	1,804	1,722	1,727	5,770
Subtotal	\$2,259	\$3,259	\$13,804	\$11,722	\$12,727	\$43,770
Stations & Passenger Facilities						
Passenger Transfer Locations	\$0	\$0	\$0	\$0	\$2,000	\$2,000
Subtotal	\$0	\$0	\$0	\$0	\$2,000	\$2,000
Grand Total Needs	\$6,879	\$7,879	\$46,046	\$42,489	\$45,593	\$148,886

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

Pace's Combined Budget and Three-Year Business Plan are included in the table below. A table presenting anticipated cash flows for 2022 has also been provided on the following page.

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

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

	2020 Actual	2021 Estimate	2022 Budget	2023 Projected	2024 Projected
Suburban Service					
Revenue	\$56,538	\$42,238	\$70,442	\$73,964	\$77,331
Expenses	195,379	240,331	272,579	284,165	295,238
Funding Requirement	\$138,841	\$198,093	\$202,137	\$210,201	\$217,907
Public Funding	172,720	198,093	202,137	210,201	217,907
Net Funding Available	\$33,879	\$0	\$0	\$0	\$0
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$12,510	\$43,114	\$39,016	\$34,724	\$30,615
Net Operating Results	33,879	0	0	0	0
Less: Change in Capital-Related Borrowing	1,200	1,200	1,200	1,200	1,200
Less: Capital Expended from Fund Balance	2,075	2,898	3,092	2,909	584
Ending Balance	\$43,114	\$39,016	\$34,724	\$30,615	\$28,831
Regional ADA Paratransit Service					
Revenue	\$6,137	\$9,489	\$9,148	\$9,913	\$10,785
Expenses	182,392	193,015	225,580	235,852	248,085
Funding Requirement	\$176,255	\$183,526	\$216,432	\$225,939	\$237,300
Public Funding	176,255	182,595	216,432	225,939	237,300
Net Funding Available	\$0	(\$931)	\$0	\$0	\$0
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$0	\$0	\$0	\$0	\$0
Net Operating Results	0	(931)	0	0	0
Less: Capital Expended from Fund Balance	0	0	0	0	0
Ending Balance	\$0	(\$931)	\$0	\$0	\$0
Combined Service					
Revenue	\$62,675	\$51,727	\$79,590	\$83,877	\$88,116
Expenses	377,771	433,346	498,159	520,017	543,323
Funding Requirement	\$315,096	\$381,619	\$418,569	\$436,140	\$455,207
Public Funding	348,975	380,688	418,569	436,140	455,207
Net Funding Available	\$33,879	(\$931)	\$0	\$0	\$0
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$12,510	\$43,114	\$38,085	\$33,793	\$29,684
Net Operating Results	33,879	(931)	0	0	0
Less: Change in Capital-Related Borrowing	1,200	1,200	1,200	1,200	1,200
Less: Capital Expended from Fund Balance	2,075	2,898	3,092	2,909	584
Ending Balance	\$43,114	\$38,085	\$33,793	\$29,684	\$27,900

Combined Suburban Service/ADA Cash Flow

The following table provides an estimate of 2022 revenue, expense, and the cash position for Pace's combined operations—Suburban Service and Regional ADA Paratransit Service.

The agency budget is balanced to the funding levels and meets the recovery marks set by the RTA for 2022. Pace's combined cash position appears balanced and sufficient to meet next year's needs.

Pace's combined cash position for Suburban Service and Regional ADA Paratransit Service is sufficient for 2022.

Table 32. Pace Combined Services Projected Cash Flow Summary - 2022 (000s)

Month	Beginning Balance	Revenue	Expense	Net Results	Ending Balance
January	\$100,144	\$41,307	\$42,286	(\$979)	\$99,165
February	99,165	41,508	40,761	747	99,912
March	99,912	43,591	45,096	(1,505)	98,407
April	98,407	38,198	42,286	(4,088)	94,319
May	94,319	38,026	40,761	(2,735)	91,584
June	91,584	39,658	41,599	(1,941)	89,643
July	89,643	39,311	42,286	(2,975)	86,668
August	86,668	39,624	40,761	(1,137)	85,530
September	85,530	40,271	40,761	(491)	85,040
October	85,040	41,033	42,286	(1,253)	83,786
November	83,786	39,918	40,761	(843)	82,943
December	82,943	55,714	42,805	12,909	95,852

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 2022, the administration category is budgeted at 209.0 filled full-time equivalent (FTE) positions. The central support category is budgeted at 83.5 filled FTE positions. No additional positions are authorized in either category.

The Pace divisions category is comprised of nine garages and is budgeted at 1,474 filled FTE positions for 2022. This is an increase of 91 positions over 2021 estimated levels, reflecting the implementation of new and restored service.

The Regional ADA Paratransit category includes 48.0 filled FTE positions for 2022.

Pace's administrative functions are organized into two main units: the Office of the Executive Director and the General Manager/Chief Operating Office. The departments that report directly to the Office of the Executive Director are General Counsel, Internal Audit, Human Resources, Priority Project Management, Ethics, Diversity and Inclusion, Communications, and Government Affairs. The General Manager/Chief Operating Office oversees Safety/Training/Security, Planning, External Relations, Bus Operations, Maintenance/Technical Services, Paratransit, Vanpool, Pace Divisions, Information Technology, Procurement, Capital Infrastructure, and Finance.

The organization structure is shown in Chart H. 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
2020 Actual				
Operations	0	32	1,075	1,107
Maintenance	0	51	267	318
Non-Vehicle Maintenance	0	14	16	30
Administration	193	0	37	230
Suburban Service	193	96	1,395	1,684
Regional ADA Paratransit	40	0	0	40
Total	233	96	1,395	1,724
2021 Estimated				
Operations	0	32	1,049	1,081
Maintenance	0	30	283	313
Non-Vehicle Maintenance	0	18	16	34
Administration	193	0	35	228
Suburban Service	193	80	1,383	1,656
Regional ADA Paratransit	43	0	0	43
Total	236	80	1,383	1,699
2022 Budget				
Operations	0	34	1,140	1,174
Maintenance	0	32	283	315
Non-Vehicle Maintenance	0	18	16	34
Administration	209	0	35	244
Suburban Service	209	84	1,474	1,767
Regional ADA Paratransit	48	0	0	48
Total	257	84	1,474	1,815

Chart H. Pace Organizational Chart

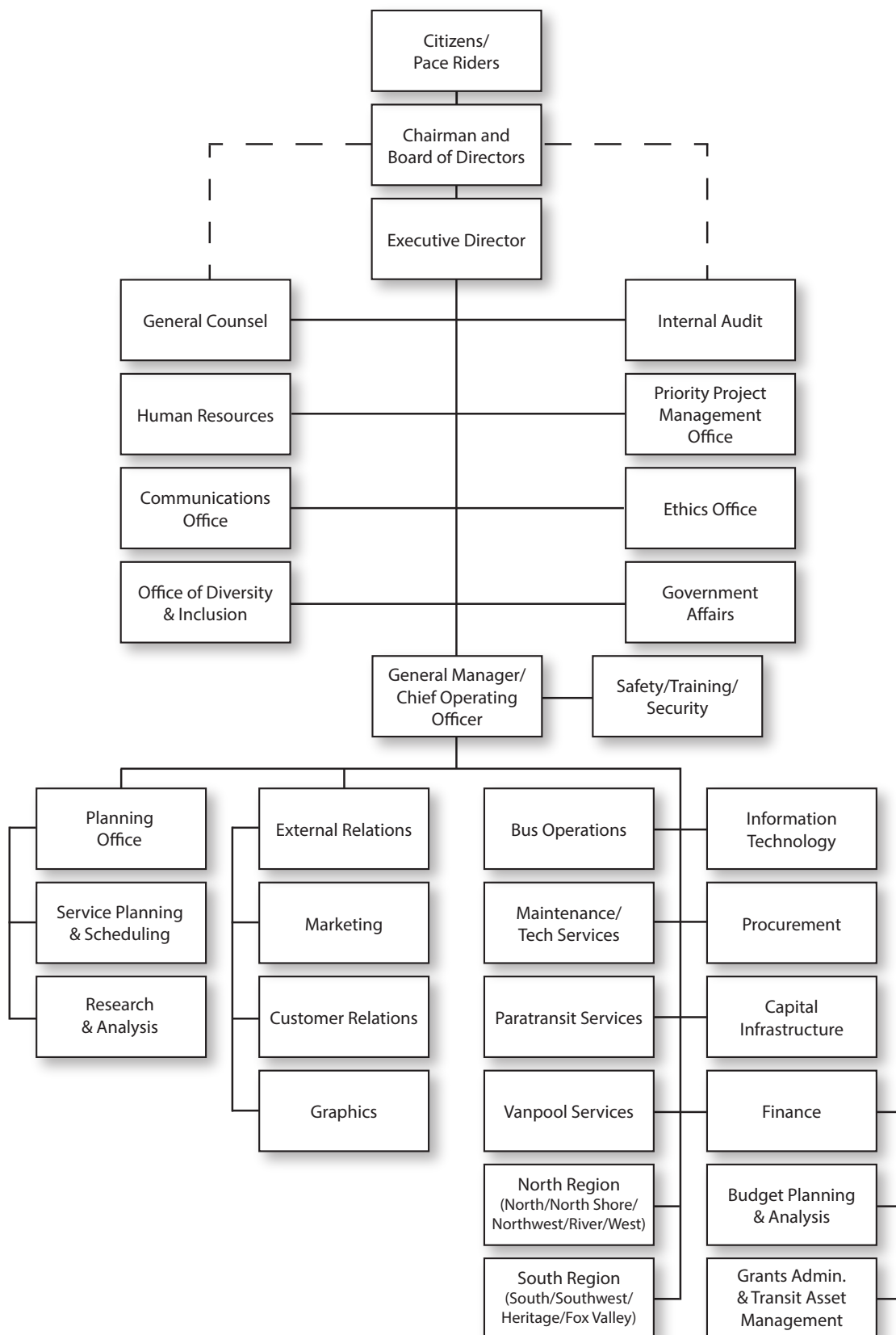


Table 34. Pace's 2022 Operating Budget - Department Budgeted Positions (FTEs)

Suburban Service	2020 Actual	2021 Estimate	2022 Budget	Regional ADA	2020 Actual	2021 Estimate	2022 Budget
Office of the Executive Director	4.0	3.0	3.0	City ADA Paratransit	42.5	42.5	42.5
General Counsel	12.5	12.0	12.0	Suburban Service Allocation	4.0	5.5	5.5
Internal Audit	8.0	6.0	6.0	Total Regional ADA	46.5	48.0	48.0
Human Resources	10.0	11.0	11.0	Total Suburban & Regional ADA	1,783.5	1,759.0	1,850.0
Professional Development & Training	2.0	0.0	0.0	Suburban Svc Vacancy Factor	(49.0)	(50.0)	(30.0)
Priority Project Management Office	0.0	2.0	2.0	Regional ADA Vacancy Factor	(6.5)	(5.0)	0.0
Communications Office	2.0	2.0	2.0	ADA Allocation	(4.0)	(5.5)	(5.5)
Ethics Office	3.0	1.0	1.0	Total - With Vacancy Factors	1,724.0	1,698.5	1,814.5
Diversity & Inclusion	0.0	3.0	3.0				
Government Affairs	10.0	12.0	12.0				
Unassigned Vacancies	0.5	28.0	28.0				
Total	41.5	42.0	42.0				
General Manager/ Chief Operating Officer	5.0	4.0	4.0				
Safety/Training/Security	6.0	6.0	6.0				
Planning Office	2.0	2.0	2.0				
Planning & Scheduling	15.0	12.0	12.0				
Research & Analysis	12.5	6.0	6.0				
Strategic & Capital Planning	10.0	0.0	0.0				
External Relations	2.0	2.0	2.0				
Marketing	3.0	5.0	5.0				
Customer Relations	4.0	4.0	4.0				
Sign & Shelter	5.0	0.0	0.0				
Graphics	8.0	8.0	8.0				
Bus Operations	10.5	22.0	22.0				
Maintenance/Tech Services	32.5	35.0	35.0				
Paratransit Services	10.0	9.0	9.0				
Vanpool Services	19.5	15.0	15.0				
Pace Divisions:							
Bus Operators	998.0	972.0	1,063.0				
Operations Supervisors	77.0	77.0	77.0				
Maintenance	267.0	283.0	283.0				
Non-Vehicle Maintenance	16.0	16.0	16.0				
Administration	37.0	35.0	35.0				
Internal Services	3.0	0.0	0.0				
Information Technology	42.0	36.0	36.0				
Procurement	39.0	18.0	18.0				
Capital Infrastructure	26.0	24.0	24.0				
Finance	30.0	26.0	26.0				
Budget Planning & Analysis	5.0	5.0	5.0				
Grants Administration/ Transit Asset Management	0.0	9.0	9.0				
Total	1,685.0	1,631.0	1,722.0				
Total Suburban Service	1,737.0	1,711.0	1,802.0				

Department Overview

A detailed description of each department is provided as follows:

Office of the Executive Director

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

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

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

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

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

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

Diversity & Inclusion: Responsible for programs and initiatives focused on developing a diverse workforce and contractor base at Pace. Oversees Disadvantaged Business Enterprise compliance with regulatory requirements.

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

General Manager/Chief Operating Officer

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

Planning Office: Under the direction of the Chief Planning Officer, oversees the efforts of Service Planning & Scheduling and Research & Analysis.

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-picks (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: Under the direction of the Manager, External Relations, oversees Pace's Marketing, Customer Relations, and Graphics departments.

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

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

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

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).

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.

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



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

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

Finance: Under the direction of the Chief Financial Officer, responsible for debt management, accounting, revenue and treasury accounting, budget planning and analysis, and grants administration. Produces monthly and annual financial statements, national transit database reporting, and all regulatory financial compliance 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.

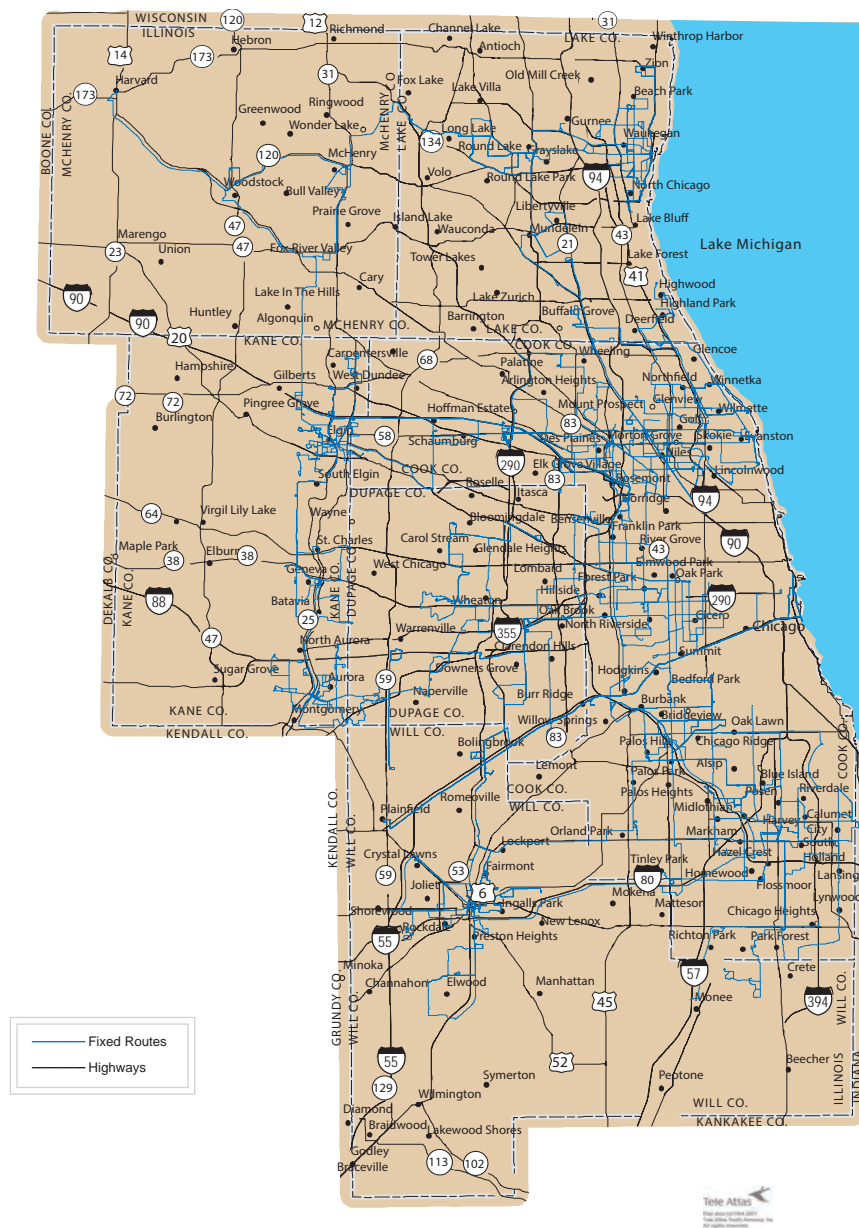
Fixed Route Service Characteristics

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

Fixed Route Service

131 regular, 5 feeder, and numerous seasonal routes are operated by Pace. These routes serve 192 communities and carry over 1.06 million rides per month, utilizing 480 vehicles during peak periods. All routes are fully wheelchair accessible.

Map 1. Fixed Route Service Characteristics



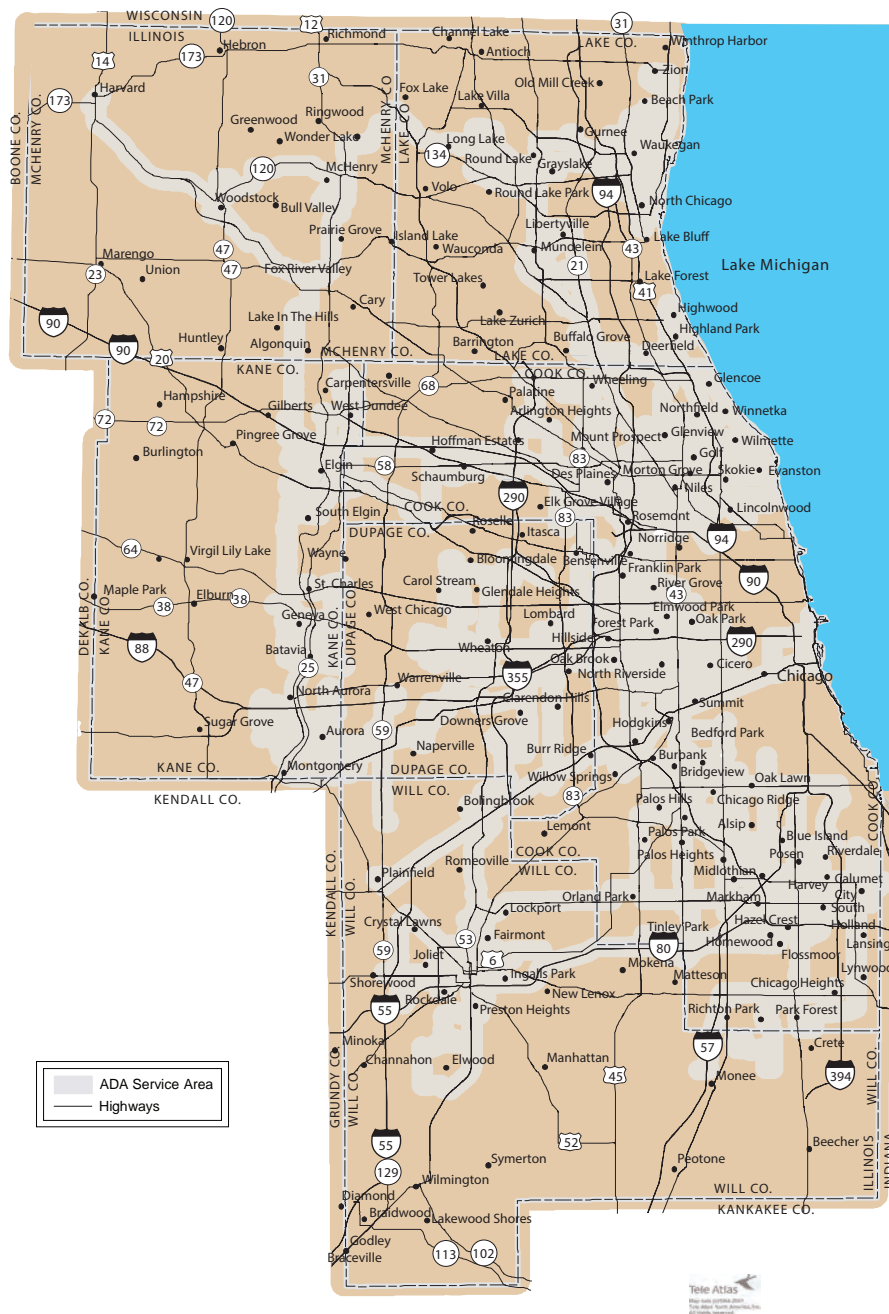
Suburban ADA Paratransit Service Characteristics

The following description and map summarize the operating characteristics of the Suburban ADA Paratransit Service Program.

Suburban ADA Paratransit

442 lift-equipped vehicles are utilized to provide origin to destination service to approximately 40,800 riders each month, down due to COVID-19. Prior to the pandemic, Pace provided service to 72,429 riders each month. Individuals that are not able to use Pace's fixed routes can register to utilize Pace's ADA Paratransit Service. The RTA administers a regional certification program which determines eligibility for this service. Once eligible, passengers can make travel arrangements for trips within the shaded service area. This area represents a corridor of 3/4 mile to either side of Pace's regular fixed routes in the suburban areas as called for by federal regulations. Pace contracts with private operators and taxi providers strategically located throughout the service area to provide this service.

Map 3. Pace Suburban ADA Paratransit Service Characteristics



Appendix A • Pace Overview

Pace Rolling Stock - Active Fleet

Table 35. Pace Rolling Stock - Active Fleet on December 31, 2020

FIXED ROUTE (FULLY ACCESSIBLE)					VANPOOL				
Manufacturer	Model Year	# of Vehicles	Age	Length	Manufacturer	Model Year	# of Vehicles	Age	Length
ElDorado	2007	101	14	30'	Ford E350	2005	1	16	18'
ElDorado	2008	38	13	30'	Ford E350	2009	3	12	20'
ElDorado	2009	24	12	30'	Ford E350	2010	6	11	20'
ElDorado	2010	54	11	30'	Dodge Caravan	2011	2	10	17'
Orion Hybrid	2011	2	10	30'	Ford E350	2011	11	10	19'
ElDorado	2011	4	10	30'	Dodge Caravan	2012	8	9	17'
ElDorado	2013	77	8	40'	Dodge Caravan	2013	37	8	17'
MCI	2013	13	8	40'	Ford E350	2013	87	8	18'-20'
ElDorado Aerotech	2014	3	7	25'	Ford E350	2016	49	5	19'
ElDorado	2014	37	7	40'	Dodge Caravan	2016	14	5	17'
ElDorado	2015	47	6	40'	Ford Transconnect	2016	19	5	20'
MCI	2015	9	6	40'	Dodge Caravan	2017	183	4	17'
ElDorado CNG	2015	20	6	40'	Ford Transit	2017	54	4	20'
ElDorado	2016	89	5	40'	Ford Transit	2018	85	3	19'-20'
ElDorado	2017	86	4	40'	Ford Transit	2020	57	1	18'-19'
ElDorado Trolley	2017	7	4	30'	Total		616		
ElDorado CNG	2017	71	4	40'	Average Age		4.8 years		
MCI	2017	8	4	40'					
ElDorado CNG	2018	11	3	40'					
ElDorado CNG	2020	6	1	40'					
New Flyer	2020	85	1	40'					
Total		792							
Average Age		7.0 years							



PARATRANSIT (FULLY ACCESSIBLE)

Manufacturer	Model Year	# of Vehicles	Age	Length
ElDorado Aerotech	2009	4	12	23'
ElDorado Aerolite	2010	1	11	22'
ElDorado Aerotech	2010	16	11	23'
ElDorado Aerotech	2014	137	7	25'
Champion Challenger	2014	85	7	22'
ElDorado Aerotech	2016	49	5	25'
ElDorado Aerotech	2017	120	4	25'
ElDorado Aerotech	2018	28	3	25'
Total		440		
Average Age			5.9 years	

COMMUNITY TRANSIT & ON DEMAND

Manufacturer	Model Year	# of Vehicles	Age	Length
Champion Crusader	2007	1	14	21'
Champion Crusader	2009	6	12	21'
Ford E350	2011	3	10	19'
Champion Crusader	2012	5	9	21'
Dodge Caravan	2012	1	9	17'
Dodge Caravan	2013	10	8	17'
Ford E350	2013	16	8	18'-19'
Champion Crusader	2015	19	6	23'
Ford Transit	2016	1	5	20'
Dodge Caravan	2017	2	4	17'
Champion Crusader	2017	35	4	23'
Ford Transit	2017	1	4	19'
Champion Crusader	2018	3	3	21'-23'
Ford Transit	2018	8	3	19'
Champion Crusader	2019	21	2	21'
Total		132		
Average Age			5.5 years	



Paratransit vehicle



On Demand vehicle

Pace System Infrastructure

Pace's Operating Divisions provide inside bus storage for approximately 600 buses with a total building size of over one million square feet at the locations provided below. Pace also leases some Administrative and Operating space. Lastly, Pace contracts with regional municipal and private carriers to supplement Fixed Route and Paratransit Passenger Services.

Operating Divisions

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

Municipal Garages

- City of Highland Park
- Village of Niles

Leased Premises

- ADA Paratransit Office
Chicago
- East Dundee Garage
East Dundee
- Print Shop
Elk Grove Village
- Vanpool Office
Arlington Heights

Passenger Facilities

Pace has established numerous Passenger Facilities throughout the region. The Passenger Facilities provide convenient transfers and connections between Pace services and those provided by CTA and Metra. An extensive list of Passenger Facilities may be found on our website at www.pacebus.com.

Transportation and Transfer Centers

- Aurora Transportation Center
- Bridgeview Transit Center
- Buffalo Grove Transportation Center
- Chicago Heights Transportation Center
- Elgin Transportation Center
- Gurnee Mills Transfer Facility
- Harvey Transportation Center
- Northwest Transportation Center
Schaumburg
- Prairie Stone Transportation Center
Hoffman Estates
- Rosemont Transit Center
- UPS Bus Terminals, Hodgkins

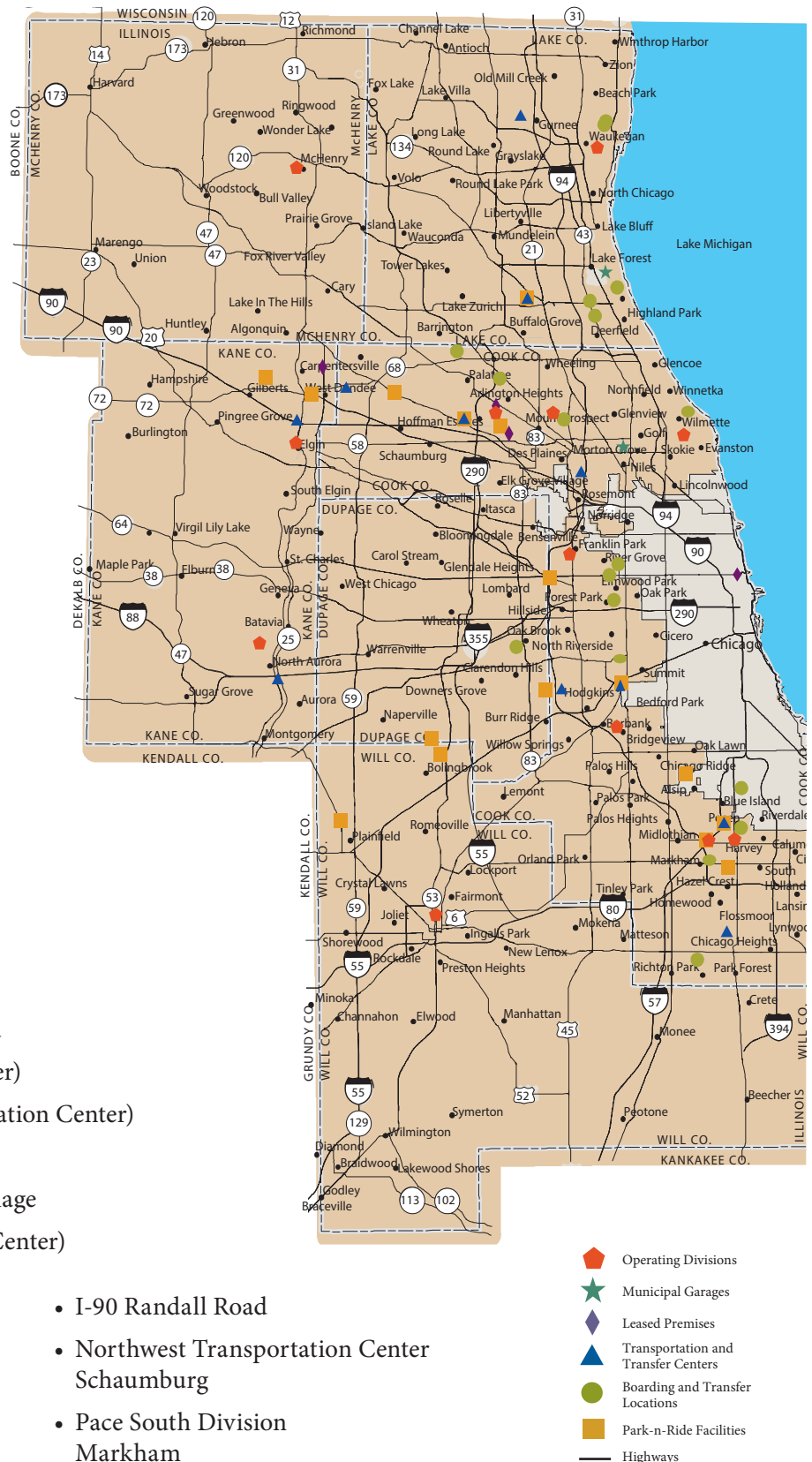
Other Boarding and Transfer Locations

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

Park-n-Ride Facilities

- Blue Island
- Bolingbrook, Canterbury Lane
- Bolingbrook, Old Chicago Road
- Bridgeview (at the Transit Center)
- Buffalo Grove (at the Transportation Center)
- Burr Ridge
- Northwest Point, Elk Grove Village
- Harvey (at the Transportation Center)
- Hillside
- Homewood
- Plainfield
- I-90 Barrington Road
- I-90 & IL 25
- I-90 & I-55
- Northbrook
- Northbrook, Schaumburg
- Pace School
- Markham

Map 5. Pace System Garage and Support Facilities



Appendix B • Ridership & Suburban Service Fares

Pace Ridership

The following table identifies projected ridership changes by operating element for 2021 through 2024.

Table 36. Pace 2021-2024 Ridership Projections (000s)

	2020 Actual	2021 Estimated	% Change	2022 Projected	% Change	2023 Projected	% Change	2024 Projected	% Change
Pace Divisions	13,152	11,086	-15.7%	11,577	4.4%	11,764	1.6%	11,764	0.0%
Public Carriers	153	248	62.1%	372	50.0%	372	0.0%	372	0.0%
Private Carriers	289	134	-53.6%	143	6.7%	143	0.0%	143	0.0%
Total Fixed Route	13,594	11,468	-15.6%	12,092	5.4%	12,279	1.5%	12,279	0.0%
Demand Response*	521	512	-1.5%	538	5.1%	538	0.0%	538	0.0%
Vanpool	452	244	-46.0%	253	3.7%	253	0.0%	253	0.0%
Suburban Service Total	14,567	12,224	-16.1%	12,883	5.4%	13,070	1.5%	13,070	0.0%
Regional ADA Paratransit*	2,576	2,966	15.1%	3,313	11.7%	3,687	11.3%	4,113	11.6%
Combined Pace Service	17,143	15,190	-11.4%	16,196	6.6%	16,757	3.5%	17,183	2.5%

*Ridership includes companions and personal care attendants.



Ridership & Fares

Suburban Service Ridership

Pace Suburban Service ridership is estimated to finish the year down 16.1% from 2020 levels and will fall 28.8% short of the 2021 budget due to the continued effect of the coronavirus pandemic, which had been expected to ease when the 2021 budget was developed. Fixed route ridership is expected to finish the year down 15.6% from 2020. Demand Response will finish the year down only 1.5% from 2020; however, Vanpool ridership is expected to end 2021 down 46.0% from 2020, reflecting the delay in a return to daily commuting.

For 2022, total Suburban Service ridership is expected to grow slightly from 2021, but will still be significantly lower than pre-pandemic levels. Baseline fixed route ridership is expected to stay flat to 2021, but will see improvement from the implementation of new and restored service that was reduced or eliminated due to the pandemic, resulting in an overall increase of 5.4% from 2021 levels. Demand Response ridership is also expected to grow slightly in 2022 at 5.1%, while Vanpool ridership is expected to increase 3.7%, resulting in an overall suburban service ridership increase of 5.4%.

Fixed route ridership is expected to increase 1.5% in 2023, reflecting the services set to return in 2022, but stay flat in 2024. Demand Response and Vanpool ridership is expected to stay flat in 2023 and 2024.

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 2021 at 15.1% above 2020 levels. For 2022, ridership is expected to grow 11.7% over 2021 levels. Ridership is expected to grow an additional 11.3% in 2023 and 11.6% in 2024, which will bring ridership back to pre-pandemic levels.

Pace Fares

There are no increases to Suburban Service or ADA fares for 2022.

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



Pace Fare Structure

Table 37. Pace Fare Structure

	<u>Current Fares</u>	
	Full Fare	Reduced Fare
Regular Fares		
Cash Fare	\$2.25	\$1.10
Full Fare Ventra®	2.00	1.00
Transfer to Pace (with Ventra transit value only)	0.30	0.20
Passes		
Pace/CTA 30-Day Pass	\$105.00	\$50.00
Pace/CTA 7-Day Pass	33.00	N/A
Pace 30-Day Pass	60.00	30.00
Link-Up Pass	55.00	N/A
PlusBus	30.00	N/A
Student Summer Haul Pass	45.00	N/A
Pace Campus Connection (College Student Pass)		
Valid for One Semester - 5 months		
Purchased in:		
August or January	\$175.00	N/A
September or February	165.00	N/A
October or March	140.00	N/A
November or April	105.00	N/A
December or May	60.00	N/A
Campus Connection - Summer Pass	140.00	N/A
Express/Other Fares		
Premium Routes*	\$4.50	\$2.25
Pace Transfer to Premium Routes	2.80	1.45
Pace Premium 30-Day Pass	140.00	70.00
On Demand	2.00	1.00
Demand Response	Fares based on community policy	
ADA Paratransit		
ADA Paratransit	\$3.25	N/A
Mobility Direct (Chicago Only)	3.00	N/A
TAP (Chicago Only)	3.00	N/A

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

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

Table 38. Monthly VIP & Other Vanpool Services Fare Schedule

VIP FARE SCHEDULE							
Daily Round Trip 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.

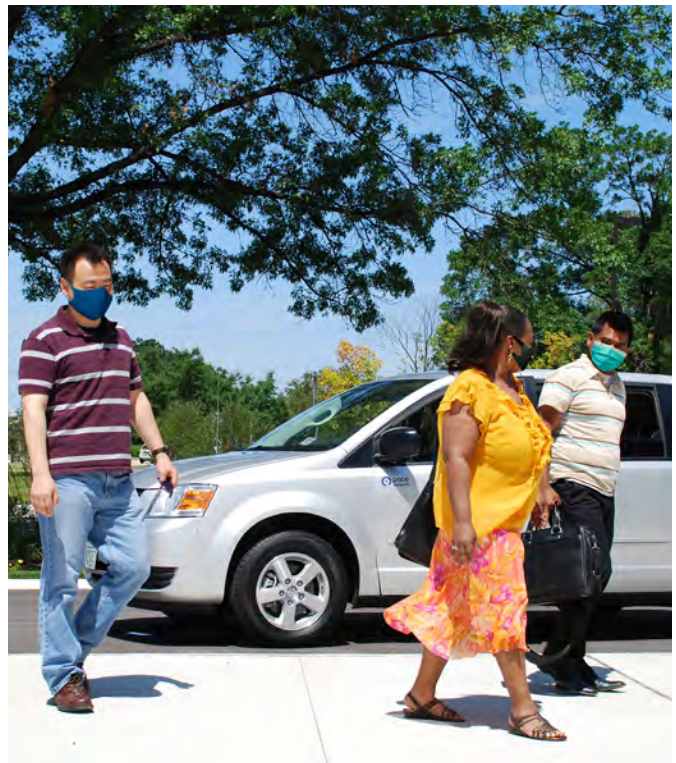
Fares are based on 21 work/commute days per month (approximately five work/commute days per week). Fares will be adjusted to accommodate van operation which is consistently greater or fewer than 21 work days per month.

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

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

OTHER VANPOOL SERVICE MONTHLY FARES

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



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Demographic Profiles of Pace Users/Non-Users



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

Research indicates that Pace customers earn significantly less than non-users and are much less likely to own an automobile. This underscores the critical role Pace plays in getting residents to jobs. About 70% of Pace customers use the service to get to work. Without Pace services and without an automobile, many of our residents would not be able to get to work.

Table 39. User/Non-User Demographic Profiles

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

Data Source

Non-user: South Cook County-Will County Service

Restructuring Initiative, 2006, sample size = 1,195

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

Regional Population

Population

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

CHART I. 2000 to 2020 Regional Population

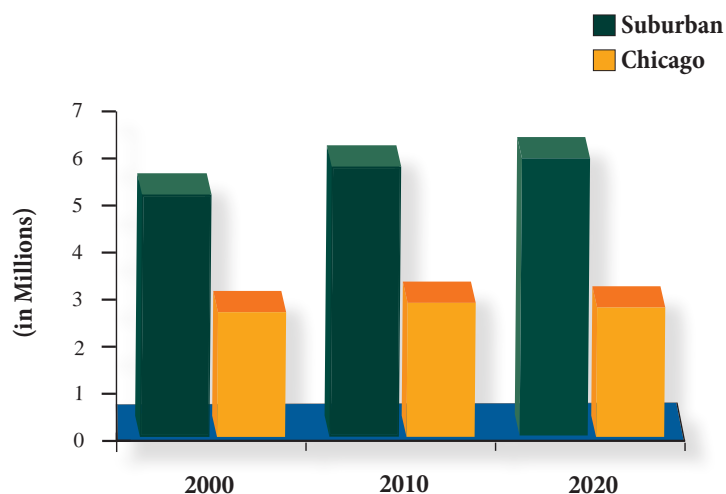
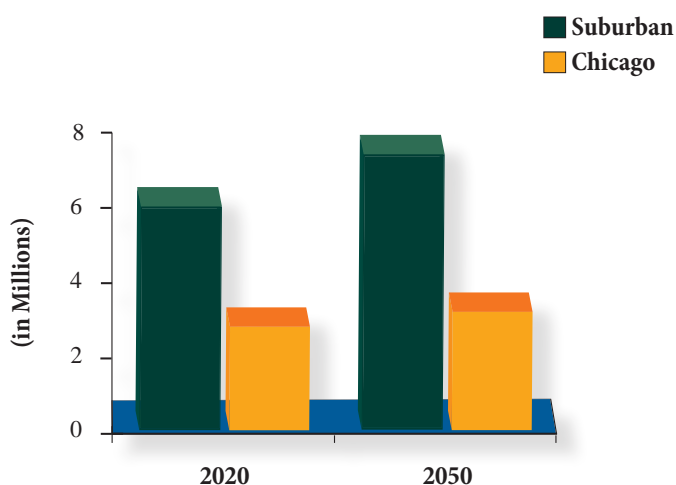


CHART J. 2020 to 2050 Regional Population Projection



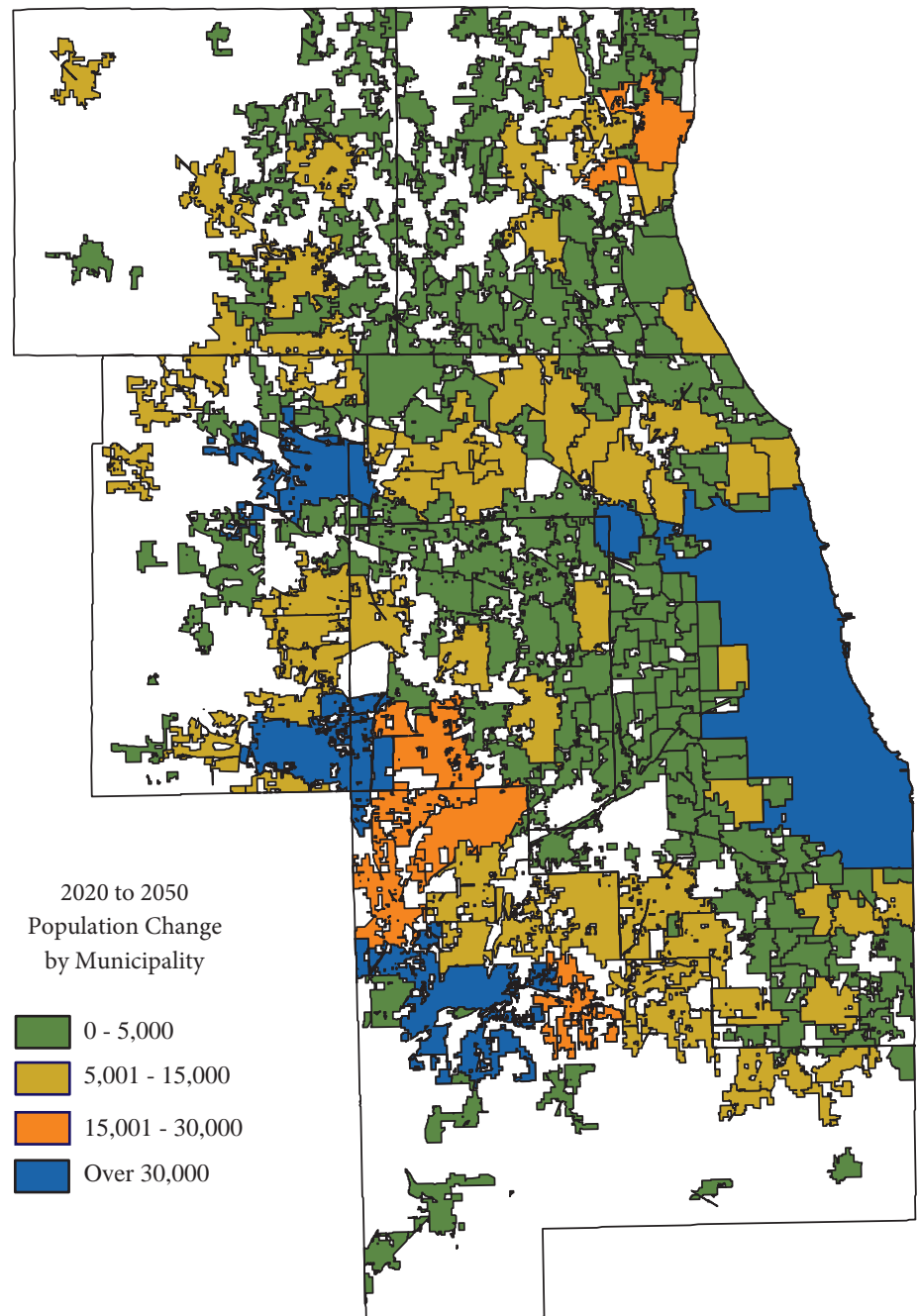
Regional Population Change 2020 to 2050

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.

Map 6. Regional Population Change

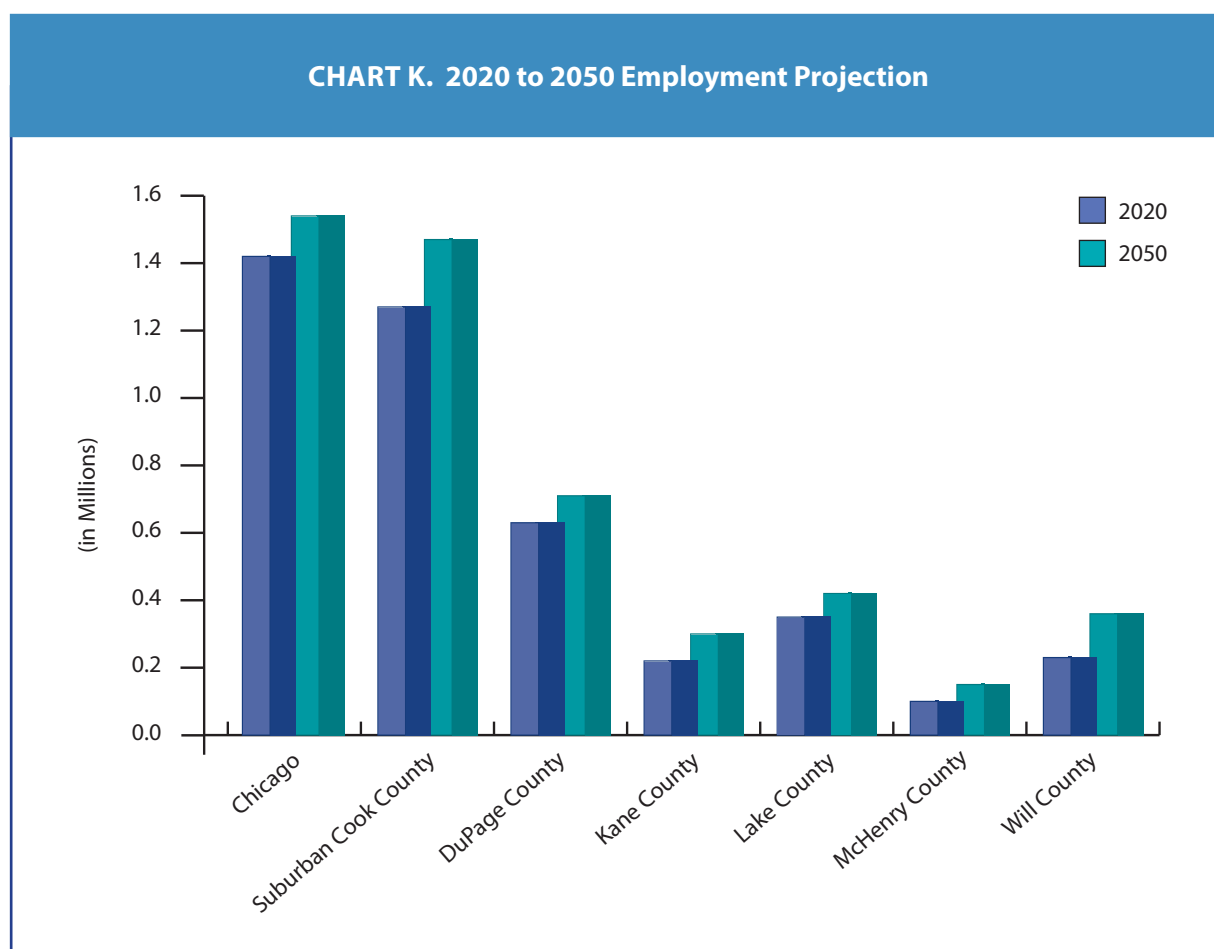


Regional Employment

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).



Travel & Congestion

Travel Patterns

According to the Texas Transportation Institute's 2021 *Urban Mobility Report*, in 2020 the Chicagoland area was ranked third nationally behind Los Angeles (1) and New York (2) for the longest travel delay due to traffic congestion. As a result of traffic congestion during the peak periods, our residents consume an extra 71 million gallons of fuel, at a cost of \$852 per auto commuter annually, just sitting in traffic.

The regional cost of traffic congestion reaches \$3.97 billion annually when factoring in lost time and wages, increased shipping costs, and fuel wasted. More than 173

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

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

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



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Pace Goals & Performance Measures

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

- Safe
- Reliable
- Courteous
- Efficient
- Effective

Table 40 identifies the measures and performance standards that Pace has established for each goal. Actual performance for 2020, projected performance for 2021, and 2022 goals are identified. Performance standards marked with an asterisk (*) are in the process of being further evaluated and those shown are preliminary.

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

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



Appendix D • Performance Measures

Table 40. Pace Goals & Performance Measures

		2020 Actual	2021 Estimate	2022 Projected
Safety				
Goal: Provide Safe Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Goal</i>			
Accidents per 100,000 Revenue Miles	Less than 5	3.07	2.87	3.00
Reliability				
Goal: Provide Reliable Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Standard</i>			
On-Time Performance	Greater than 85%	78.00%	75.00%	80.00%
Actual Vehicle Miles per Road Call	Greater than 14,000	21,090	21,000	20,000
Percent Missed Trips per Total Trip Miles	Less than .5%	0.35%	0.30%	0.30%
Courtesy				
Goal: Provide Courteous Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Standard</i>			
Complaints per 100,000 Passenger Miles	Less than 4	2.30	2.50	3.10
Website Hits on Web Watch Site	Increase over prior period	(34.50%)	(5.60%)	10.00%
Efficiency				
Goal: Provide Efficient Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Standard</i>			
Revenue Miles per Revenue Hour	Greater than 17	17.40	17.40	17.34
Revenue Miles per Total Operator Pay Hours	Greater than 10*	10.33	9.30	9.80
Expense per Revenue Mile	Less than \$6.50*	\$4.67	\$4.94	\$5.69
Expense per Revenue Hour	Less than \$125.00*	\$80.75	\$85.96	\$98.92
Recovery Ratio	Greater than 18%	15.25%	13.90%	12.65%
Subsidy per Passenger	Less than \$4.00	\$2.99	\$6.85	\$9.31
Effectiveness				
Goal: Provide Effective Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Standard</i>			
Ridership	Increase from prior period	(48.10%)	(1.56%)	5.44%
Passenger Miles per Revenue Miles	Greater than 9*	3.55	3.29	3.53
Productivity (Passengers per Revenue Hour)	Greater than 24*	10.63	9.14	8.79
Ridership per Revenue Mile	Greater than 1.5*	0.61	0.53	0.51
Vanpool Units in Service	Increase from prior period	(35.89%)	(9.91%)	3.24%

*Performance Goal Under Evaluation

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

Peer Performance Comparison

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

The RTA's peer group includes the following systems:

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



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

Service Efficiency

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



Cost Effectiveness

- Operating Expense per Passenger
- Operating Expense per Passenger Mile



Service Effectiveness

- Passengers per Revenue Hour
- Passengers per Revenue Mile

The following charts are prepared using 2019 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

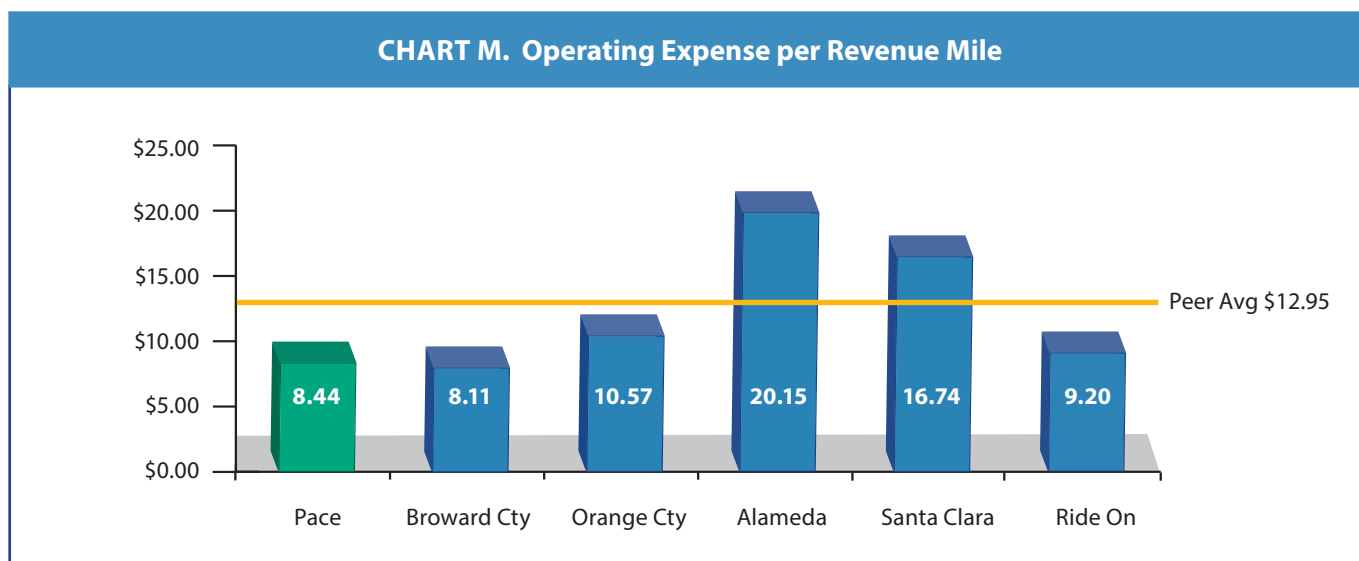
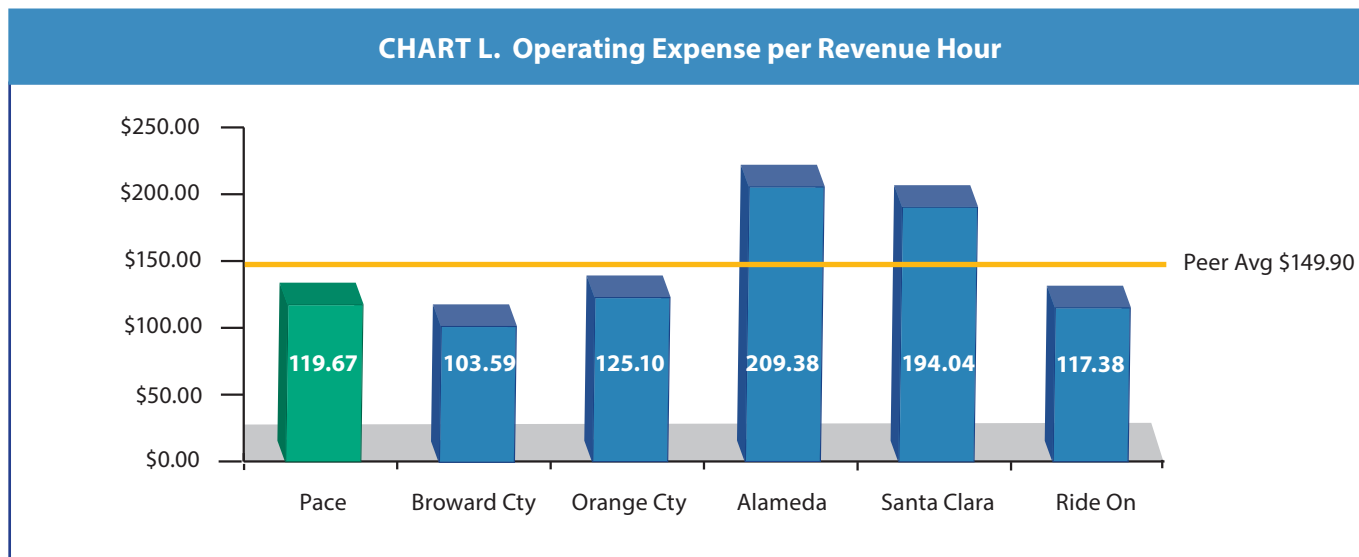


CHART L. - Service efficiency, as measured by the performance ratios operating expense per total revenue hour and revenue mile, shows Pace to be more efficient than the peer average. At \$119.67, Pace's cost per hour is \$30.23 per hour or 20.2% less than the peer average for this performance measuring category.

CHART M. - At \$8.44 per mile, Pace is \$4.51 per mile or 34.8% below the peer average.

Cost Effectiveness

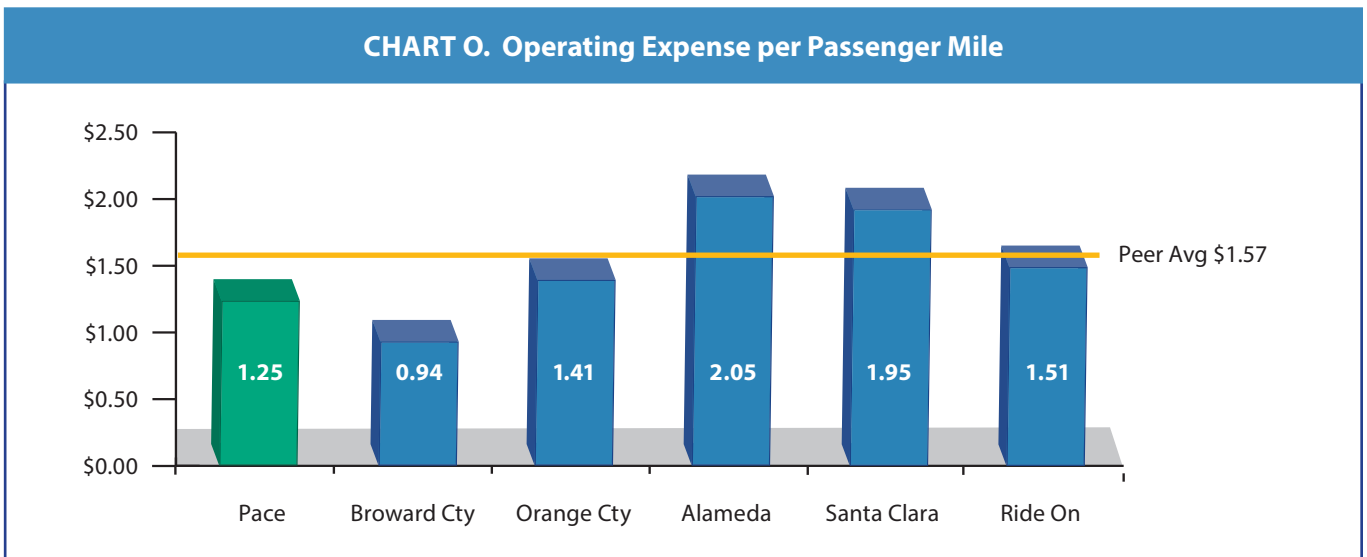
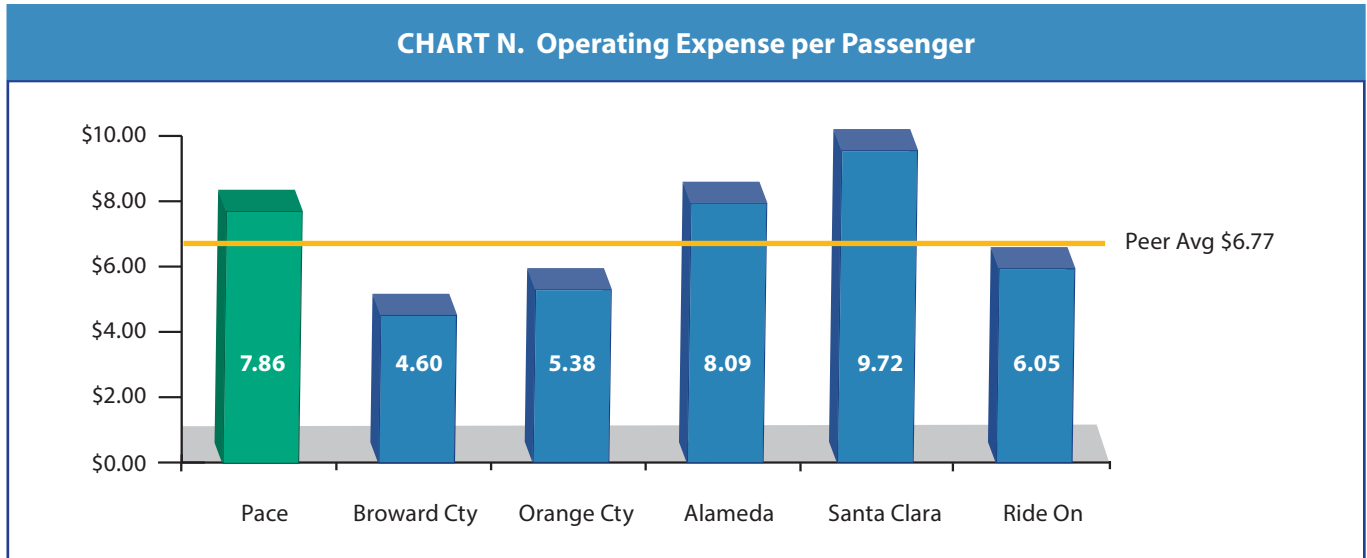


CHART N. - Cost effectiveness, as measured by the performance ratios operating expense per passenger, shows Pace to be consistent with the agencies within this peer group.

CHART O. - At \$1.25, Pace's expense per passenger mile is the second lowest of all the suburban peers. Pace's low cost structure combined with high passenger miles contributes to this result.

Appendix D • Performance Measures

Service Effectiveness

CHART P. Passengers per Revenue Hour

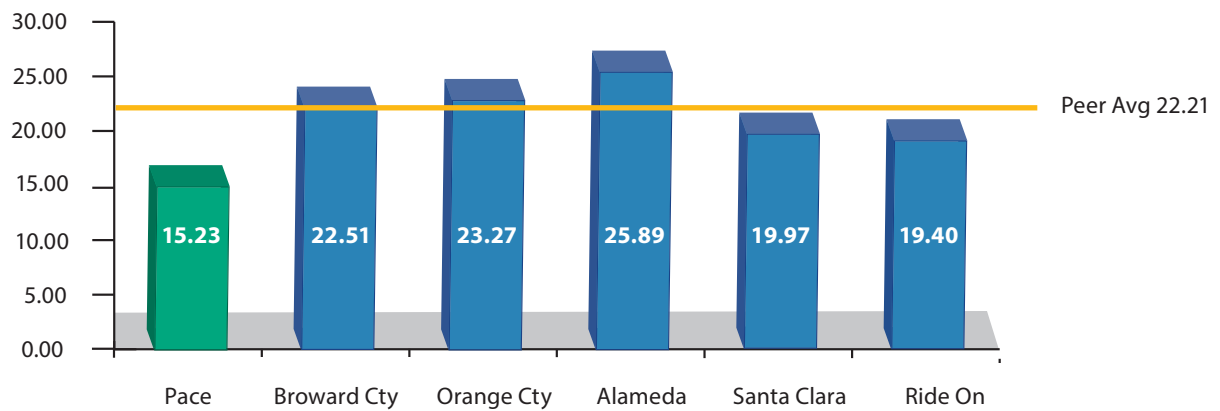
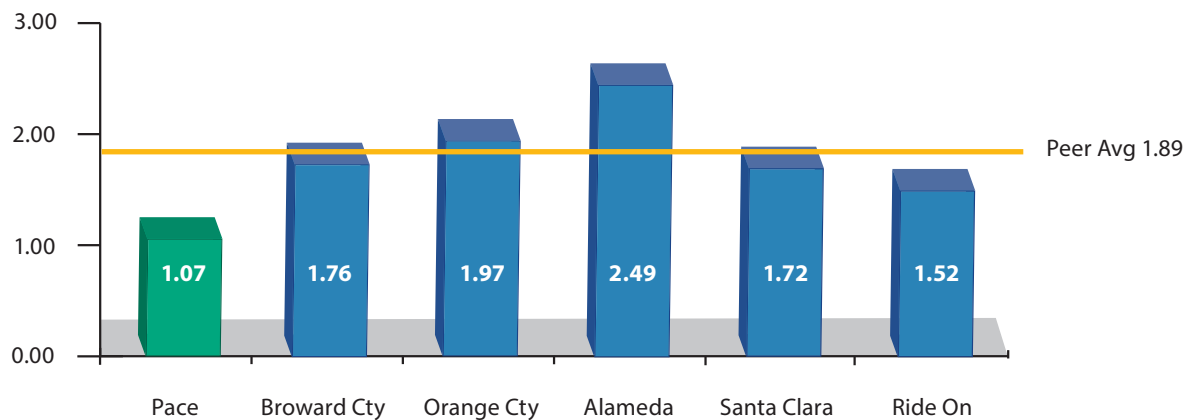


CHART Q. Passengers per Revenue Mile



Farebox Recovery Ratio

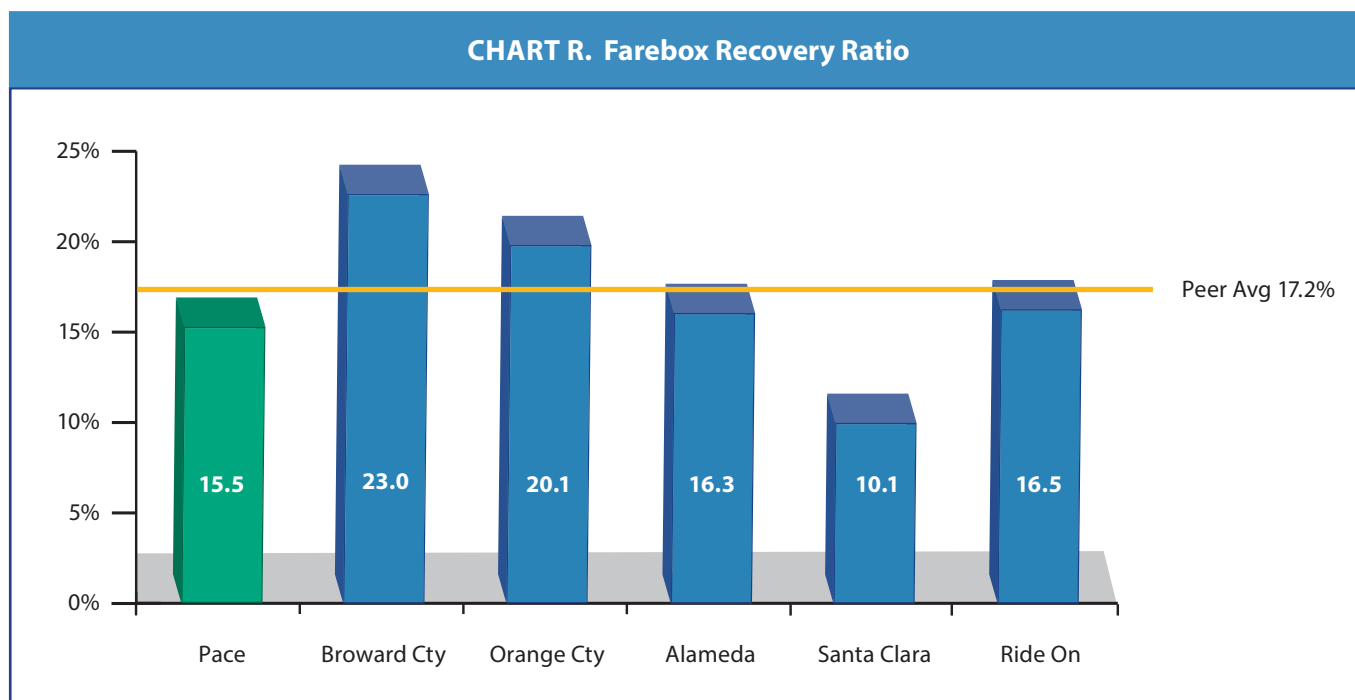


CHART P. - Service effectiveness, as measured by the performance ratios passengers per total revenue hour and passengers per total revenue mile, shows Pace to have the lowest performance ratio compared to all agencies in this group at 31.4% below the peer average. The size of the service area directly affects this performance indicator. At nearly 3,500 square miles, Pace serves the largest and lowest population density service area of all the peers in this group.

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

CHART R. - Pace's bus only farebox recovery rate of 15.5% is lower than the peer average bus ratio of 17.2%.

Service Planning Initiatives

Driving Innovation

Pace has a new strategic vision plan called *Driving Innovation*. This is a long-term plan that establishes the agency's vision for its future and explores 20 strategic initiatives that Pace is committed to either implementing or further investigating in the coming years. Originally anticipated to be published in early 2020, Pace delayed launching the plan due to the pandemic. The new version, introduced in June 2021, has been revised with a renewed focus on recovering from the impact of COVID-19, social justice and equity, and addressing the climate crisis. Pace also received valuable input from the public on the draft plan, which was incorporated into the version approved by the Pace Board in September 2021.

The plan calls for innovating fixed-route transit in the highest demand markets, while concurrently harnessing technology and new mobility solutions to provide cheaper yet more effective coverage services in lower-demand areas. Furthermore, the plan advocates for and incentivizes communities to upgrade land uses, pedestrian environments and development patterns that make public transit a more viable option. Critically, Pace is committed to becoming an agency that operates a 100 percent zero-emission fleet.

Pace has many resources invested in innovative programs like On Demand, Paratransit, Demand Response, Ride-Share, Vanpool, Pulse and Express Bus services, and those investments will continue in 2022. The agency continues to refine the delivery of its service based on customer feedback and optimized user interfaces to ease trip booking for demand response services.

The agency has also experienced a sudden and significant loss of revenue due to COVID-19, and thus faced an even greater need to assess how to invest diminished resources. Now more than ever, there is a need to reallocate spending appropriately between ridership-focused services and coverage-based services, while overall helping to get as many people to their destinations as possible. The following "Network Revitalization Initiative" section details our plan to creatively ensure we provide transit options throughout our six-county region as cost effectively as possible.

At the same time, Pace has grown its technical capacity to collect data, capture important transit performance statistics, and integrate new technologies and innovative business practices. The agency will continue to develop

this institutional capacity to ensure emerging mobility solutions can be harnessed to support ridership growth and yield reliability and travel time savings, potentially at a lower cost.

Overall, Pace will continue to leverage its assets and external partnerships to strengthen public transit in Northeastern Illinois at both the local and regional levels.

Driving Innovation initiatives are organized into four categories as shown below:

- **Agency Priority Initiatives**

- A-1: Electric Bus & Zero-Emission Fleet Transition
- A-2: Capital Improvement Projects
- A-3: Rapid Transit Program
- A-4: Service Standards Framework
- A-5: Network Revitalization & Service Restructuring

- **Programs, Policies & Frameworks**

- P-1: Mobility Agency Transition
- P-2: Strategic Administrative Functions
- P-3: Transit-Supportive Development Engagement
- P-4: Transit Fare Equity Programs
- P-5: Funding and Finance

- **Service & Infrastructure**

- S-1: Tactical Transit Pilots
- S-2: Coverage Service Transformation
- S-3: Paratransit Upgrades
- S-4: Dial-a-Ride Service Consistency
- S-5: Centralized Operations Control Facility

- **Technology & Insight**

- T-1: Current Technology Programs
- T-2: Customer Focused Engagement
- T-3: Integrated Transit Platform
- T-4: Open-Source Multimodal Trip Planner
- T-5: Connected & Autonomous Transit Vehicle Pilots

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

- **Service goals** including Accessibility, Equity, Productivity, Responsiveness, and Safety
- **Organization goals** including Adaptability, Collaboration, Diversity, Environmental Stewardship, Fiscal Solvency, and Integrity

Pace is committed to coordinating *Driving Innovation* initiatives with plans and interests of partner agencies, municipalities, counties, riders, and many more important

community stakeholders. External outreach activities to discuss and gain feedback on the plan are happening in 2021 and 2022. Pace will continually update the *Driving Innovation* plan to ensure its vision, goals and initiatives are both responsive to the region's needs and up-to-date with the many disruptions and opportunities happening within the transportation industry at large.

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

www.PaceBus.com/driving-innovation

Rapid Transit Program

The agency's Rapid Transit Program oversees the development of two main types of premium bus services operated by Pace: arterial-based bus rapid transit service called "Pulse" and expressway-based bus rapid transit service called "Pace Express".

Pace's Pulse Network

In August 2019, Pace launched the first Pulse Line on Milwaukee Avenue between the Jefferson Park Transportation Center in Chicago and the Golf Mill Shopping Center in Niles. Despite the COVID-19 pandemic, this line continues to be one of the strongest performing routes in Pace's system.

Next on the horizon is the Pulse Dempster Line. Engineering and design are complete for this corridor, with construction underway as of late 2021. The \$9.5 million investment is funded by a generous Congestion Mitigation Air Quality (CMAQ) grant provided by the Chicago Metropolitan Agency for Planning (CMAP). Serving the communities between Evanston and O'Hare Airport, the Dempster Line will connect popular destinations including the downtown shopping centers in Evanston and Des Plaines, as well as various CTA and Metra rail lines.

Pace and CTA are also collaborating to improve transportation along South Halsted Street. The South Halsted Bus Corridor Enhancement Study, initiated in early 2018, evaluated 11 miles of the roadway from 79th Street in the City of Chicago to the Pace Harvey Transportation Center. Segments of 95th Street and 79th Street that provide

connections from South Halsted to the CTA 95th/Dan Ryan and 79th Red Line Stations were also evaluated. Pace and CTA are currently conducting environmental review, advanced conceptual design, and additional planning work to advance the project. As part of this work, Pace is proposing that the Pulse Halsted Line operate south of 95th Street and serve 16 proposed Pulse stations to enhance transit service and provide connections to the Metra Electric District Line and proposed Pace Tri-State Express service at the Harvey Transportation Center. Additionally, the City of Harvey, Metra and Pace are collaborating on a major renovation and redesign of the Harvey Transportation Center and Metra Station as part of the *Rebuild Illinois* program.

Finally, Pace continues to advance the Pulse 95th Street Line. The agency received an Invest in Cook grant in 2021 from Cook County to complete an environmental review and advanced conceptual design work for the corridor. The design and construction of the project has also been recommended for funding by CMAP as part of the CMAQ federal grant program. Combined with an investment from the RTA and other sponsors, this award will also fund the installation of transit signal priority in this corridor. The 95th Street Line will span 12.8 miles, traveling from the CTA Red Line 95th/Dan Ryan Station in Chicago to Moraine Valley Community College in Palos Hills.



Pace Express Service

Building on the success of the expressway-based services project to date, Pace is evaluating enhanced services and stations along I-294. Several current and proposed Pace Express services in this corridor are expected to benefit from a \$4 billion investment that the Illinois Tollway is implementing along the Central Tri-State which includes lane widening, improved interchanges, and new Flex Lanes along the roadway which will provide Pace buses the ability to bypass congestion. Pace plans to further improve the infrastructure along the Tri-State corridor with new passenger facilities that will be funded through the state capital program, *Rebuild Illinois*.

Pace is also looking to expand our presence on I-55, I-90, and I-94—all three of which already offer bus-on-shoulder

or Flex Lane service—and on I-290, for which a study is now underway. These will include additional market and infrastructure plans, studies and initiatives—all of which will be coordinated with Pace’s *Rebuild Illinois* projects, newly launched Systemwide Facilities Plan, and other *Driving Innovation* initiatives.

Systemwide Facilities Plan

In 2021, Pace kicked off a Systemwide Facilities Plan study, which addresses each of the Agency Priority Initiatives outlined in *Driving Innovation*. This effort will identify existing capital projects and associated future vehicle capacity to aid in developing a plan that sequences and integrates future capital needs with service upgrades. It will employ 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 continue deploying public resources in an efficient and equitable manner across the region, while expanding the system to meet emerging markets.

For example, the timelines and development of specific garage expansions and vehicle allotments can be coordinated with individual Rapid Transit Program projects and planning initiatives, such as the upcoming Network Revitalization.

Critically, the Facilities Plan will feature a case study for investigating specific impacts of battery electric buses for an individual garage location and lead the way in advancing the A-1 Electric Bus & Zero-Emission Fleet

Transition initiative. In this way, Pace will prepare for the costs and operational logistics of new vehicle technologies and associated capital needs, as it advances the design of major capital projects. Ultimately, a plan document with a prioritized list of projects will be developed to assist Pace in making strategic capital and service investment choices.

Pace Network Revitalization Initiative

The Network Revitalization Initiative is one of the first projects identified within *Driving Innovation*, creating the framework for future service delivery and modernizing the overall Pace service network.

The first component of the initiative is the design of a service standards framework to guide decision-making on service characteristics, performance, and local transit propensity, using an updated and consistent set of definitions of expected service levels and standards for performance. These standards will ensure that transit service decision-making is objective, transparent, equitable and aligned with agency goals.

Using the service standards framework, the second component consists of a systemwide market analysis assessment to understand current and future service demand. Extensive outreach will allow the public to reimagine how service will be provided in the future. This input will be used to design alternatives for restructuring the entire Pace service network.

The Network Revitalization Initiative will also enable Pace

TransLink Vancouver, in British Columbia, has recently implemented an electric bus line.



to continue deploying public resources in an efficient manner across the region, ensure future expansion of the system to meet emerging demand markets, and proactively contribute toward climate sustainability and regional social equity. In 2022, Pace will hire a transportation consultant to assist with this initiative. The focus of the consultant and Pace team will be in the areas of public outreach; establishing a regional advisory committee; market analysis and travel demand; service analysis; developing various service concepts and infrastructure recommendations; service design; completing a Title VI analysis; and establishing an implementation plan and timeline.

Service Planning and Scheduling

At the onset of COVID-19, Pace ridership dropped about 70%. However, by the end of 2020 and throughout 2021, ridership began to return and is now approximately 50% of pre-COVID-19 levels.

Pace's post-COVID-19 service strategy is to build back better. In 2021, the changes implemented ranged from adding service to provide greater social distancing opportunities on vehicles; resuming some services that were suspended or reduced due to COVID-19; increasing or expanding service on routes or in areas with higher demand; adjusting schedules to better match employee work times; the discontinuation of unproductive route segments; and rerouting services to serve new transit facilities. By the end of 2021, Pace will have implemented over 65 service changes.

A key example of Pace's efforts to build back better is the partnership with Cook County on the Fair Transit South Cook pilot project. As part of this three-year pilot project, Cook County funded an expansion of weekday, Saturday, and Sunday service on Route 352 Halsted. Future phases of this project will enhance coordination between Pace and Metra service in the south suburbs.

As part of the development of *Driving Innovation*, increasing overall systemwide ridership in a cost-effective manner and providing coverage-oriented service in key service markets have been identified as primary goals that Pace should pursue. These objectives are also in alignment with Pace's efforts to build back better. To achieve these goals in 2022, a greater emphasis will be placed on investing Pace's limited resources in routes and services that are ridership-oriented or serve key areas.

Investing additional resources in more productive services helps Pace to maintain a higher farebox recovery ratio and hence ensure compliance with State law. This higher return on investment means that Pace can further stretch our limited resources while also being able to generate more ridership overall. In 2022, Pace will focus on efforts to increase the frequency and hours of service on weekdays, Saturday, and Sunday on the busiest routes.

For areas where coverage-oriented service is more applicable, alternative models such as Pace's On Demand service may be employed, and partnerships with Transportation Network Companies (TNCs), will also be explored in 2022. 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.

Shared Use Mobility Projects

Pace, like many other agencies during the COVID-19 pandemic, has seen changes to the way the traveling public uses transit service and the convenience they expect. Considering these changes, Pace is looking to use the latest technology to connect the traveling public to the services that would be most useful to them. Pace is working to procure new software to help power many of the shared use mobility services the agency operates. These technological upgrades aim to help Pace provide passengers with a modern trip-planning and booking experience, shortened wait times, and faster trips while reducing operating expenses for the agency. Pace will also be able to explore new service models throughout the region, such as all-day, shared mobility services, and potential upcoming service pilots with TNCs.

While demand for transit has increased since the beginning of the pandemic, some service types, such as commuter routes that provide weekday peak only service, may not see demand return to pre-COVID-19 levels. As identified in *Driving Innovation*, shared mobility partnerships may offer an opportunity to supplement existing Pace service or fill in service gaps while ensuring great stewardship of taxpayer funds. An expansion of the Naperville-Aurora On Demand service area is planned that would potentially incorporate the existing On Demand service with TNCs to supplement coverage and absorb excess demand. Other areas of the suburbs with

large commuter workforces may offer opportunities to explore similar expansions and pilots. 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 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. Pace is planning for the deployment of several projects that involve Vehicle to Infrastructure, Infrastructure to Center and Center to Center applications. 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 interoperable TSP system for the Pulse Milwaukee Line. Following those efforts, Pace began deploying and testing TSP along portions of Dempster Street in 2021. Pace also plans to deploy TSP along eight additional corridors including: 159th Street, Sibley Boulevard/147th Street, Roosevelt Road, Cicero Avenue, 95th Street, Grand Avenue (Lake County), Cermak Road and Halsted Street.

Research and Analysis

Pace, CTA, and Metra introduced the Ventra® Fare system in 2013. While it is still a state-of-the-art fare payment and collection system, we continue to make improvements and additions to keep current with changing needs. Future changes made with Ventra also support the initiatives identified in *Driving Innovation*.

Beginning in late 2020 through mid-2021, Pace and its regional partners introduced the new Ventra mobile app, which provides more service to riders, including a regional trip planner and better live bus and train tracking. It also was redesigned to require fewer steps to reach functions and to navigate more quickly than before. The new app has been used as the base for apps to be deployed in other major metropolitan areas including Boston, Washington, D.C., Los Angeles, the Bay Area, and New York City, giving a familiar feel to a majority of transit users in the country. In 2022, app enhancements will focus on improving the ease of use.

The new app has also allowed us to introduce a “Virtual Ventra Card” on both Apple and Android smartphones to eliminate the need for plastic cards. This allows the use of any kind of transit value or pass that is now available with the plastic cards. Chicago is the second region in the country to have the ease and convenience of virtual cards combined with an account-based fare system. As of late 2021, over 250,000 regional transit riders have taken advantage of these virtual cards.

The technology for the Ventra platform will continue to evolve in the coming year. In 2022, CTA, Metra, and Cubic will be developing “Ventra 3.0”, which will include new software and hardware to replace and upgrade the original Cubic platform. One significant change will be the ability to integrate other modes, systems, and services, such as micro-transit and rideshare, into the system more easily and quickly than can be done currently.

Pace and CTA are also procuring new fareboxes for their bus fleets. Pace's current fareboxes are over 30 years old and obsolete. The joint procurement will save both agencies money while ensuring the ability to accept cash fares for decades to come. In 2022, fareboxes will be tested and begin field deployment.

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

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

Marketing Plan

The previous two years have been challenging to everyone in the public transportation industry; Pace was no exception, and our marketing efforts reflected that reality. In a continuation of marketing messaging from 2020, the first half of 2021 focused largely on a “Ride Safe on Pace” campaign, which touted that Pace’s vehicles were clean and safe to reassure those who were riding during the COVID-19 pandemic. Pace continued to refresh that content on social media and our website while issuing a steady drumbeat of onboard and digital reminders about the mask mandate for riders, updates to the safety protocols, and the importance of getting vaccinated.

Mid-year saw a turn in the positive direction for Pace’s marketing efforts, as we began actively welcoming back riders to our system in July 2021 with an advertising campaign called “We’re Ready”. It consists of ads in a variety of formats, humorously featuring commuters who were a bit out of practice with showing up to their regular workplaces. The launch of that campaign dovetailed with an announcement about the reinstatement of some of the bus routes and school-days-only trips on other routes that had been either suspended or reduced since Spring 2020. After more than a year of keeping riders informed of what we were doing to keep them safe, this new messaging signaled that Pace was ready for riders to return to transit as the State loosened COVID restrictions and commuters returned to workplaces. Later in 2021, the “Win with Pace” campaign resonated with Chicago-land residents who were eager to get back out into their communities while maintaining a desire for their actions to have a positive impact on their communities, a mindset that was borne out of the pandemic and which ties into the community benefits that riding transit can have.

In 2022, Pace will continue those campaigns to regain lapsed riders and encourage new ones to ride. Pace unveiled our strategic vision plan, *Driving Innovation*, in 2021, and a corresponding promotional campaign educated key stakeholders and riders about Pace’s plans for the future. In 2022, that outreach effort will continue and focus on a planned modernization of the bus route network. The communications campaign to be released in the coming year will tout the benefits of updated transit service that reinvests resources in a more efficient manner and gets people to new destinations with a level of convenience they’ve come to expect from transportation offerings.

Marketing and promotions of the second Pulse rapid transit service—the Dempster Line—have already begun and will continue through the mid-2022 launch of that service. The campaign will highlight the benefits of Pulse service so as to attract new transit riders to the corridor while educating current riders in the area about the new service and how they can take advantage of the faster travel times and upgraded passenger amenities.

After the 2021 celebration of the tenth anniversary of one of the biggest events in our history—the launch of I-55 bus-on-shoulder service—Pace looks forward to promoting the I-55 express services and regaining ridership in this important corridor in 2022. The celebration of the ten-year anniversary of that service launch paired with a ribbon-cutting for the Plainfield bus garage, which will house the buses that operate I-55 express bus service. This service’s success shows the value commuters place on shorter travel times, a lesson that will color Pace’s marketing efforts in 2022 and beyond.

Riders with disabilities have been, and will continue to be, a major focus of our marketing efforts in 2022. In 2021, Pace consistently communicated with this audience about the benefits of the Taxi Access Program in Chicago as well as the customer-friendly TripCheck tools that let riders and their loved ones more easily manage their trips. That effort will continue in 2022, along with our longstanding message about the convenience and affordability of fixed route transit service relative to ADA Paratransit.

Pace’s Customer Relations Department is, along with bus operators, our most frequent first point of contact with riders. To improve our responsiveness to rider concerns, Pace is implementing a new customer relations management system, projected to be fully deployed in 2022. This latest improvement in our business processes and workplace technology is yet another sign of our commitment to serving our customers as effectively as possible. Pace and our sister agencies also plan to once again measure customer satisfaction in 2022 with a major surveying effort, and we will use those results to improve the way we provide both service and communications to our riders and stakeholders.

Appendix F • Operating Budget Detail

2020 Actual Operating Results

2020 ACTUAL PROGRAM, ACTIVITY & OBJECT MATRIX				
	Pace Operating Divisions ⁽¹⁾	Public Carriers	Private Carriers	Demand Response Services ⁽²⁾
Revenue				
Farebox	\$13,996,582	\$289,340	\$279,808	\$947,869
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Federal Operating Assistance	0	0	0	0
Other	1,401,936	468,817	324,397	7,227,815
Total Revenue	\$15,398,518	\$758,157	\$604,205	\$8,175,684
Operating Expenses				
Operations				
Labor/Fringes	\$79,665,503	\$1,496,395	\$0	\$0
Parts/Supplies	2,240	1,130	0	0
Purchased Transportation	0	78,740	3,706,274	9,219,192
Fuel	0	0	0	0
Other	181,220	13,448	0	0
Total Operations	\$79,848,963	\$1,589,713	\$3,706,274	\$9,219,192
Vehicle Maintenance				
Labor/Fringes	\$14,466,568	\$463,771	\$0	\$0
Parts/Supplies	401,130	64,416	0	0
Other	323,962	91,508	0	176,673
Total Vehicle Maintenance	\$15,191,660	\$619,695	\$0	\$176,673
Non-Vehicle Maintenance				
Labor/Fringes	\$1,103,055	\$0	\$0	\$0
Parts/Supplies	517,175	0	0	0
Other	1,176,581	0	0	68,552
Total Non-Vehicle Maintenance	\$2,796,808	\$0	\$0	\$68,552
General Administration				
Labor/Fringes	\$3,665,833	\$370,361	\$0	\$0
Parts/Supplies	60,574	720	0	0
Utilities	1,889,384	1,609	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	154,882	1,126	0	479,390
Indirect Overhead Allocation	0	0	0	0
Total Administration	\$5,770,673	\$353,775	\$0	\$449,730
Total Expenses	\$103,608,104	\$2,583,224	\$3,706,274	\$9,943,807
Funding Requirement	\$88,209,586	\$1,825,067	\$3,102,069	\$1,768,123
Recovery Ratio	14.86%	29.35%	16.30%	82.22%

(1) Pace Divisions expense reflects reclassification of capital-eligible expenses of \$8.742 million.

(2) Demand Response Services expense reflects reclassification of capital-eligible expenses of \$5.004 million.

Appendix F • Operating Budget Detail

2020 ACTUAL PROGRAM, ACTIVITY & OBJECT MATRIX					
Vanpool	Administration	Centralized Support	Total Suburban Service	Total Regional ADA Paratransit	Combined 2020 Actual
\$852,400	\$0	\$0	\$16,365,999	\$5,522,334	\$21,888,333
0	1,345,862	0	1,345,862	0	1,345,862
0	1,403,609	0	1,403,609	0	1,403,609
0	602,947	0	602,947	253,155	856,102
0	26,747,483	0	26,747,483	0	26,747,483
0	649,245	0	10,072,210	361,704	10,433,914
\$852,400	\$30,749,146	\$0	\$56,538,110	\$6,137,193	\$62,675,303
\$0	\$0	\$3,482,138	\$84,644,036	\$0	\$84,644,036
0	0	1,553,325	1,556,695	0	1,556,695
0	0	0	13,004,206	161,787,806	174,792,012
343,341	0	6,420,310	6,763,651	3,347,123	10,110,774
765,996	0	0	960,664	0	960,664
\$1,109,337	\$0	\$11,455,773	\$106,929,252	\$165,134,929	\$272,064,181
\$0	\$0	\$4,765,974	\$19,696,313	\$0	\$19,696,313
0	0	74,586	540,132	0	540,132
0	0	729,796	1,321,939	0	1,321,929
\$0	\$0	\$5,570,356	\$21,558,384	\$0	\$21,558,384
\$0	\$0	\$1,290,663	\$2,393,718	\$0	\$2,393,718
0	0	0	517,172	0	517,172
0	298,480	1,061,301	2,604,914	0	2,604,914
\$0	\$298,480	\$2,351,964	\$5,515,804	\$0	\$5,515,804
\$0	\$22,351,295	\$0	\$26,387,489	\$4,102,530	\$30,490,019
0	160,318	0	22,612	1,775	223,387
0	647,677	0	2,538,670	367,872	2,906,542
0	0	(1,408,123)	(1,408,123)	727,042	(681,081)
0	0	24,716,859	24,716,859	663,734	25,380,593
0	10,138,810	6,558,175	17,332,383	2,980,613	20,312,996
0	0	0	(8,413,462)	8,413,462	0
\$0	\$33,298,100	\$29,866,911	\$61,375,428	\$17,257,028	\$78,632,456
\$1,109,337	\$33,596,580	\$49,245,004	\$195,378,868	\$182,391,957	\$377,770,825
\$256,937	\$2,847,434	\$49,245,004	\$138,840,758	\$176,254,764	\$315,095,522
76.84%	91.52%	0.00%	36.95%	9.67%	

Appendix F • Operating Budget Detail

2021 Estimated Operating Results

2021 ESTIMATED PROGRAM, ACTIVITY & OBJECT MATRIX				
	Pace Operating Divisions	Public Carriers	Private Carriers	Demand Response Services
Revenue				
Farebox	\$13,185,114	\$570,292	\$129,648	\$1,012,264
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Federal Operating Assistance	0	0	0	0
Other	2,510,270	607,758	258,696	6,901,111
Total Revenue	\$15,695,384	\$1,178,050	\$388,344	\$7,913,375
Operating Expenses				
Operations				
Labor/Fringes	\$79,129,692	\$1,859,108	\$0	\$0
Parts/Supplies	4,608	1,023	0	0
Purchased Transportation	0	225,738	2,829,210	13,472,932
Fuel	0	0	0	0
Other	258,341	22,242	0	0
Total Operations	\$79,392,641	\$2,108,111	\$2,829,210	\$13,472,932
Vehicle Maintenance				
Labor/Fringes	\$21,595,556	\$520,270	\$0	\$0
Parts/Supplies	6,653,503	110,359	0	0
Other	366,528	108,228	0	214,087
Total Vehicle Maintenance	\$28,615,587	\$738,857	\$0	\$214,087
Non-Vehicle Maintenance				
Labor/Fringes	\$1,264,835	\$0	\$0	\$0
Parts/Supplies	589,521	0	0	0
Other	1,623,625	0	0	50,794
Total Non-Vehicle Maintenance	\$3,477,981	\$0	\$0	\$50,794
General Administration				
Labor/Fringes	\$3,678,484	\$397,552	\$0	\$0
Parts/Supplies	85,476	736	0	0
Utilities	2,167,543	1,800	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	626,995	225	0	495,261
Indirect Overhead Allocation	0	0	0	0
Total Administration	\$6,558,498	\$400,313	\$0	\$495,261
Total Expenses	\$118,044,707	\$3,247,281	\$2,829,210	\$14,233,074
Funding Requirement	\$102,349,323	\$2,069,231	\$2,440,866	\$6,319,699
Recovery Ratio	13.30%	36.28%	13.73%	55.60%

Appendix F • Operating Budget Detail

2021 ESTIMATED PROGRAM, ACTIVITY & OBJECT MATRIX					
Vanpool	Administration	Centralized Support	Total Suburban Service	Total Regional ADA Paratransit	Combined 2021 Estimate
\$772,038	\$0	\$0	\$15,669,356	\$6,254,313	\$21,923,669
0	1,345,862	0	1,345,862	0	1,345,862
0	1,510,000	0	1,510,000	0	1,510,000
0	118,589	0	118,589	150,000	268,589
0	12,656,795	0	12,656,795	3,085,170	15,741,965
0	659,644	0	10,937,479	0	10,937,479
\$772,038	\$16,290,890	\$0	\$42,238,081	\$9,489,483	\$51,727,564
\$0	\$0	\$3,185,163	\$84,173,963	\$0	\$84,173,963
0	0	1,779,172	1,784,803	0	1,784,803
0	0	0	16,527,880	169,203,397	185,731,277
308,536	0	9,959,198	10,267,734	6,405,013	16,672,747
764,285	0	0	1,044,868	0	1,044,868
\$1,072,821	\$0	\$14,923,533	\$113,799,248	\$175,608,410	\$289,407,658
\$0	\$0	\$2,783,858	\$24,899,684	\$0	\$24,899,684
0	0	350,000	7,113,862	0	7,113,862
0	0	730,911	1,419,754	0	1,419,754
\$0	\$0	\$3,864,769	\$33,433,300	\$0	\$33,433,300
\$0	\$0	\$1,435,335	\$2,700,170	\$0	\$2,700,170
0	0	0	589,521	0	589,521
0	387,212	1,313,437	3,375,068	0	3,375,068
\$0	\$387,212	\$2,748,772	\$6,664,759	\$0	\$6,664,759
\$0	\$23,960,593	\$0	\$28,036,629	\$3,827,230	\$31,863,859
0	181,690	0	267,902	3,000	270,902
0	803,341	0	2,972,684	100,589	3,073,273
0	0	16,923,383	16,923,383	699,799	17,623,182
0	0	25,542,697	25,542,697	876,032	26,418,729
0	12,099,953	8,218,797	21,441,231	3,149,488	24,590,1719
0	0	0	(8,750,811)	8,750,811	0
\$0	\$37,045,577	\$72,221,951	\$86,433,715	\$17,406,949	\$103,840,664
\$1,072,821	\$37,432,789	\$72,221,951	\$240,331,022	\$193,015,359	\$433,346,381
\$300,783	\$21,141,899	\$72,221,951	\$198,092,941	\$183,525,876	\$381,618,817
71.96%	43.52%	0.00%	22.29%	10.00%	

Appendix F • Operating Budget Detail

2022 Operating Budget

2022 PROGRAM, ACTIVITY & OBJECT MATRIX				
	Pace Operating Divisions	Public Carriers	Private Carriers	Demand Response Services
Revenue				
Farebox	\$13,735,635	\$704,670	\$138,188	\$1,062,289
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Federal Operating Assistance	0	0	0	0
Other	1,986,763	739,747	561,276	6,139,823
Total Revenue	\$15,722,398	\$1,444,417	\$699,464	\$7,202,112
Operating Expenses				
Operations				
Labor/Fringes	\$87,499,907	\$2,013,224	\$0	\$0
Parts/Supplies	4,758	1,046	0	0
Purchased Transportation	0	500,277	9,147,225	17,279,353
Fuel	0	0	0	0
Other	265,081	22,399	0	0
Total Operations	\$87,769,746	\$2,536,946	\$9,147,225	\$17,279,353
Vehicle Maintenance				
Labor/Fringes	\$21,755,398	\$592,861	\$0	\$0
Parts/Supplies	7,128,616	125,573	0	0
Other	351,238	131,186	0	220,510
Total Vehicle Maintenance	\$29,235,252	\$849,620	\$0	\$220,510
Non-Vehicle Maintenance				
Labor/Fringes	\$1,300,751	\$0	\$0	\$0
Parts/Supplies	1,308,496	0	0	0
Other	1,995,340	0	0	52,318
Total Non-Vehicle Maintenance	\$4,604,587	\$0	\$0	\$52,318
General Administration				
Labor/Fringes	\$3,607,206	\$405,656	\$0	\$0
Parts/Supplies	88,527	736	0	0
Utilities	2,216,100	1,840	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	756,225	300	0	510,119
Indirect Overhead Allocation	0	0	0	0
Total Administration	\$6,668,058	\$408,532	\$0	\$510,119
Total Expenses	\$128,277,643	\$3,795,098	\$9,147,225	\$18,062,300
Funding Requirement	\$112,555,245	\$2,350,691	\$8,447,761	\$10,860,188
Recovery Ratio	12.26%	38.06%	7.65%	39.87%

Appendix F • Operating Budget Detail

2022 PROGRAM, ACTIVITY & OBJECT MATRIX					
Vanpool	Administration	Centralized Support	Total Suburban Service	Total Regional ADA Paratransit	Combined 2022 Budget
\$799,514	\$0	\$0	\$16,440,296	\$6,754,651	\$23,194,947
0	1,345,862	0	1,345,862	0	1,345,862
0	2,060,998	0	2,060,998	0	2,060,998
0	37,342	0	37,342	150,000	187,342
0	39,581,716	0	39,581,716	0	39,581,716
0	1,548,138	0	10,975,747	2,243,176	13,218,923
\$799,514	\$44,574,056	\$0	\$70,441,961	\$9,147,827	\$79,589,788
\$0	\$0	\$4,165,784	\$93,678,915	\$0	\$93,678,915
0	0	1,780,885	1,786,689	0	1,786,689
0	0	0	26,926,855	195,067,131	221,993,986
330,019	0	11,559,869	11,889,888	7,184,517	19,074,405
811,290	0	0	1,098,770	0	1,098,770
\$1,141,309	\$0	\$17,506,538	\$135,381,117	\$202,251,648	\$37,632,765
\$0	\$0	\$3,645,753	\$25,994,012	\$0	\$25,994,012
0	0	350,000	7,604,189	0	7,604,189
0	0	745,288	1,448,222	0	1,448,222
\$0	\$0	\$4,741,041	\$35,046,423	\$0	\$35,046,423
\$0	\$0	\$1,879,698	\$3,180,449	\$0	\$3,180,449
0	0	0	1,308,496	0	1,308,496
0	404,434	1,351,926	3,804,018	0	3,804,018
\$0	\$404,434	\$3,231,624	\$8,292,963	\$0	\$8,292,963
\$0	\$27,188,839	\$0	\$31,201,701	\$4,381,350	\$35,583,051
0	218,200	0	307,463	3,067	310,530
0	836,508	0	3,054,448	103,028	3,157,476
0	0	16,685,503	16,685,503	1,357,641	18,043,144
0	0	26,593,419	26,593,419	951,404	27,544,823
0	17,408,318	7,792,697	26,467,659	6,080,144	32,547,803
0	0	0	(10,451,723)	10,451,723	0
\$0	\$45,651,865	\$51,071,619	\$93,858,470	\$23,328,357	\$117,186,827
\$1,141,309	\$46,056,299	\$76,550,822	\$272,578,973	\$225,580,005	\$498,158,978
\$341,795	\$1,482,243	\$76,550,822	\$202,137,012	\$216,432,178	\$418,569,190
70.05%	96.78%	0.00%	30.30%	10.00%	

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. Due to its large size, Pace typically holds three public hearings in Cook County. In order to facilitate public comment on the ADA Paratransit program in the City of Chicago, Pace typically holds four additional hearings in the city. Public notice of the hearings is run in several

widely distributed 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 interests, public libraries, and citizens. An electronic copy is also available on Pace's website.

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

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

The consolidated regional budget must also achieve certain criteria. Chief among them is the requirement for the consolidated budget to cover 50% of its operating costs from fares and other operating revenue. This is the regional recovery rate requirement. 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 2022 budget development cycle. The annual capital budget and five-year program, as well as the three-year financial plan for operations, are also developed in accordance with this schedule.

CHART S. 2022 Budget Development Calendar	
Date (2021)	Event
May 14	Release budget call to Pace management
May-August	Budget discussions/meetings with RTA and other Service Boards
June 11	Budget call requests due from Pace management
June-August	Staff develops a preliminary budget
September 15	RTA sets 2022 Funding and Recovery Marks
September 15	Pace Board meets to discuss preliminary 2022 Budget
October 15	Pace submits Proposed 2022 Budget to RTA
October 20	Pace Board releases Proposed 2022 Budget for Public Hearing
October 21-29	Public Hearings on Pace's Proposed 2022 Budget
November 10	Pace Board adopts Final 2022 Budget
November 15	Pace submits Final 2022 Budget to RTA
November	RTA evaluates Pace budget for compliance
November 18	RTA Finance Committee Review
December 16	RTA scheduled to approve 2022 Budget for Pace

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 Act, which is an Illinois state statute. One of the RTA's chief responsibilities is to ensure compliance with the budgetary controls set forth by the Act.

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

Balanced Budget Definition and Criteria

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

Once the final program and budget is submitted, 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, 2021, Pace has 153 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 with the portfolio's investment risk constraints and cash flow characteristics.

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

Use of One Time Revenues

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

RTA Funding Policy

This policy establishes the basis for RTA funding of Pace and places restrictions on the use of Pace's retained earnings. RTA policy is to pass through actual funding results based on the source. The policy restricts use of

any funding provided as a result of a positive budget variance to capital projects or finite operating uses subject to RTA budgetary approval. The Pace policy is consistent with the RTA policy limitations for capital project use and finite operating expense. Lastly, the RTA Reserve Policy, established in October 2015, requires the service boards to maintain adequate reserves 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 \$5 million Self-Insured Retention (SIR) for each occurrence for Automobile Liability exposures. Insurance provides \$10 million in excess coverage above the SIR. For claims above \$15 million, additional risk financing techniques are available including excess auto liability coverage and the ability to borrow funds through the RTA Loss Financing Plan. Excess general liability insurance is also purchased from an insurance carrier for coverage above an SIR of \$2.5 million for each occurrence. Additionally, Pace may utilize the RTA Loss Financing Plan to finance recovery from general liability losses that may exceed \$12.5 million. Pace purchases other property/casualty excess policies including workers compensation, pollution, employment practice liability, directors and officers, crime, cyber, property, and boiler & machinery.

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

Debt Policy

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

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

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

Suburban Service operating revenue is expected to be the revenue source dedicated for debt service payments. Pace generates over \$39 million annually in operating revenue, leaving a coverage ratio of greater than five when considering the estimated bond payment schedules for the authorization limit of \$100 million.

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

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

The 2022 budget includes appropriations for the interest costs associated with Pace's bond debt program. Pace will pay \$1.319 million in principal and interest for the eighth year of the \$12.000 million South Division garage bond in 2022. With the passage of the *Rebuild Illinois* state capital funding legislation, Pace is no longer planning to issue bonds for construction of a new garage in the northwestern Cook County suburbs or for the expansion of the North Shore garage in Evanston. The other projects have yet to have a timeline formulated; however, a reimbursement resolution has been adopted by the Board of Directors that covers all five projects.

Basis of Accounting and Budgeting

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

Accounting

Pace maintains its accounting records and prepares its financial reports in conformity with generally accepted accounting principles. The financial activities of Pace are organized on the basis of an individual fund which is an accounting entity segregated for the purpose of carrying

out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations. Pace operates as an enterprise fund, a type of proprietary fund. Beginning January 1, 2007, Pace established a second enterprise fund to account for the financial activities of the Regional ADA Paratransit program. Revenue and expenses for these funds are recognized using the accrual basis of accounting.

Budgeting

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

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

Reporting Entity

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

External Audit

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

Debt Administration - Bond Issues

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

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

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

Bond Payments

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

Bond Rating

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

strength, management, condition of the local economy, and long-term financial planning. The bond rating will state if Pace is stable, trending downward (negative), or upward (positive).

Bond Issues

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

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

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

The total debt service is shown below.

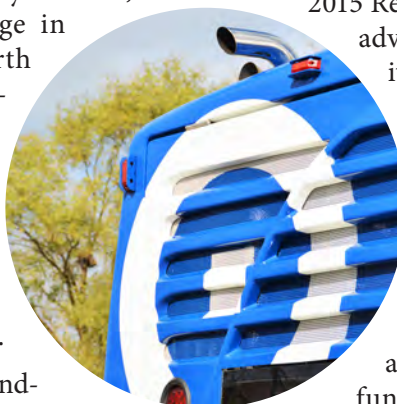
	2022	2023	2024
Principal	\$1,200,000	\$1,200,000	\$1,200,000
Interest	119,400	82,200	42,000
Total Annual	\$1,319,400	\$1,282,200	\$1,242,000

2022 Budget

The 2022 Budget does not include plans for issuing a bond.

Actual Debt Service Schedules

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





*Pace issued a \$12,000 million direct placement 10-year bond in 2015.
The bond was used for converting the garage in Markham to a compressed natural gas (CNG) facility.*

Schedule A. South Division CNG Project

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

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



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Glossary

Budget Terms

accrual

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

administrative expense

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

appropriation

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

audit

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

balanced budget

Financial plan in which revenue and expenses are equal.

budget

A financial plan showing estimated or planned revenue and expenses.

capital budget

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

capital cost of contracting

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

cost per mile

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

cost per passenger

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

deficit

The amount by which total operating expense exceeds total revenue.

fare

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

farebox revenue

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

fringe(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.

full-time equivalent (FTE) position

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

funding formula

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

labor expense

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

maintenance expense

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

non-vehicle maintenance expense

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

operating assistance

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

operating budget

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

operations expense

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

performance measure

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

performance target

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

private contract services

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

program (noun)

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

recovery ratio

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

Transit Service Terms

accessible vehicle

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

ADA—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.

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.

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 region's 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.

CMAP—Chicago Metropolitan Agency for Planning

The regional planning organization for northeastern Illinois.

CTA—Chicago Transit Authority

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

demand response service

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

express bus

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

feeder route

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

fixed route service

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

flex lane

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

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.

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)).

Metra (Commuter Rail Division)

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

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.

Pace (Suburban Bus Division)

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

paratransit service

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

Posted-Stops-Only

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

public transportation

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

Pulse

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

Regional ADA Paratransit Service

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

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).

senior

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

service board

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

Shuttle Bug

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

suburban service

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

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.

total vehicle miles

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

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.

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.

vanpool

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

Ventra®

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

Funding Terms

ARPA—American Rescue Plan Act

Federal legislation which provides supplemental appropriations for coronavirus relief. Funding provided via FTA was allocated to transit agencies which receive urbanized area, rural formula, Tribal Transit, and Enhanced Mobility for Seniors and Individuals with Disabilities funds at 100% federal share, with no local match required, and are available to support capital, operating, and other expenses generally eligible under those programs to prevent, prepare for, and respond to COVID-19 incurred on or after January 20, 2020.

bond

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

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

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

CARES—Coronavirus Aid, Relief, and Economic Security Act

Federal legislation which provides emergency assistance and health care response for individuals, families and businesses affected by the COVID-19 pandemic. Funding provided via FTA was allocated to transit agencies which receive urbanized area and rural area formula funds at 100% federal share, with no local match required, and are available to support capital, operating, and other expenses generally eligible under those programs to prevent, prepare for, and respond to COVID-19 incurred on or after January 20, 2020.

CMAQ—Congestion Mitigation/Air Quality

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

CRRSAA - Coronavirus Response and Relief Supplemental Appropriations Act

Federal legislation which provides supplemental appropriations for coronavirus relief. Funding provided via FTA was allocated to transit agencies which receive urbanized area, rural formula, Tribal Transit, and Enhanced Mobility for Seniors and Individuals with Disabilities funds at 100% federal share, with no local match required, and are available to support capital, operating, and other expenses generally eligible under those programs to prevent, prepare for, and respond to COVID-19 incurred on or after January 20, 2020.

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.

Families First Coronavirus Response Act

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

FAST—Fixing America’s Surface Transportation Act

Federal legislation which authorized funding for highways, highway and motor vehicle safety, public transportation, motor carrier safety, hazardous materials safety, rail, and research, technology, and statistics programs. The legislation initially covered federal fiscal years 2016 to 2020, but was extended through 2021.

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.

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.

fund

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

grant

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

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.

marks

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

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.

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 one-time operating expenses.

proprietary fund

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

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.

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.

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.

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.

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.

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.

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.

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.

unrestricted net assets (fund balance)

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

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

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

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.

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Legal Notice Pace, the Suburban Bus Division of the RTA

Public Hearings on the Proposed 2022 Budget

Notice is hereby given that Pace, the Suburban Bus Division of the Regional Transportation Authority, is holding virtual and in-person public hearings on its proposed 2022 Operating and Capital Budget Programs, 2022-2024 Financial Plan for Operations, and 2022-2026 Capital Plan in accordance with the following public hearings schedule.

Each public hearing will be live streamed with closed captioning and may be accessed at:

www.pacebus.com/streaming

In-person public hearings may be subject to cancellation and substituted with a virtual public hearing held at the same date and time.

Pace presents a balanced and stable budget for 2022 as no general fare increases are proposed for Suburban Service or Regional ADA Paratransit.

The following service changes are proposed:

Proposed Service Discontinuation		
Route	Route Name	Service Days
602	Higgins - Salem - Cedarcrest	Monday through Friday

Proposed Continuation of Fair Transit South Cook Pilot Project Service Improvements		
Route	Route Name	Service Days
352	Halsted	Monday through Friday, Saturday, and Sunday

Public Feedback on Proposed Budget

Any person wishing to comment on the proposed budget may do so via the following:

- Pace's website: <https://www.pacebus.com/public-hearing-feedback>
- Email: public.hearings@pacebus.com
- Telephone: 847-354-7943
- Mail: Pace, Community Relations Department
550 West Algonquin Road, Arlington Heights, IL 60005-4412

All comments must be received by 5:00 pm on Friday, October 29, 2021.

Individuals with disabilities who plan to attend a public hearing in person or wish to view a public hearing virtually and who require accommodations other than transportation, and individuals who require translation into a language other than English to allow them to view and/or participate are requested to contact Pace at (847) 364-7223 option 3, no less than five (5) business days prior to the scheduled hearing.

The 2022 budget information will be available after October 20, 2021 on Pace's website at <https://www.pacebus.com/budgets>, at most public libraries, township, city, and village offices in the six county Pace region, and at Pace, 550 West Algonquin Road, Arlington Heights, IL 60005.

Pace Public Hearings Schedule		
EVENT	DATE & TIME	LOCATION
City of Chicago Budget Public Hearing	Wednesday, October 27, 2021 11:00 am	Virtual
Cook County Budget Public Hearing	Friday, October 22, 2021 1:00 pm	Virtual
Cook County Budget Public Hearing	Wednesday, October 27, 2021 4:00 pm	River Grove Village Hall 2621 N. Thatcher Avenue River Grove, IL 60171
DuPage County Budget Public Hearing	Thursday, October 21, 2021 4:00 pm	DuPage County Admin. Building 421 N. County Farm Road Room 3500B Wheaton, IL 60187
Kane County Budget Public Hearing	Tuesday, October 26, 2021 4:00 pm	Kane County Government Center Auditorium 719 S. Batavia Avenue Geneva, IL 60134
Lake County Budget Public Hearing	Thursday, October 28, 2021 2:00 pm	Virtual
McHenry County Budget Public Hearing	Monday, October 25, 2021 4:30 pm	Crystal Lake City Hall Council Chambers 100 W. Woodstock Street Crystal Lake, IL 60014
Will County Budget Public Hearing	Friday, October 29, 2021 12:00 pm	Virtual

Service Characteristics



		2020 Actual	2021 Estimate	2022 Budget
Fixed Route Service				
Number of Fixed Routes (<i>August 2021</i>)	136			
• Regular Routes	131			
• Feeder Routes	5			
<i>(All Routes are Accessible)</i>				
Peak Period Vehicle Requirements	480			
Vehicles in Service (<i>All Vehicles are Accessible</i>)	723			
Average Vehicle Age	6.4 yrs			
Number of Private Contractors	2			
Number of Pace-owned Garages	11			
Number of Pace Municipal Contractors	2			
Paratransit				
Number of Communities Served	284			
Number of Local Demand Response Projects	48			
Pace-owned Fleet Size (<i>Includes Suburban ADA</i>)	442			
Average Pace-owned Vehicle Age	5.9 yrs			
Community Transit Vehicles in Service (<i>May 2021</i>)	90			
Contractor-owned Vehicles in City ADA Service	840			
Vanpool				
Vans in Service (<i>August 2021</i>)—Traditional	65			
Vans in Service (<i>August 2021</i>)— Shuttle	13			
Vans in Service (<i>August 2021</i>)—Advantage	218			
Total Vans in Service	296			
Average Vehicle Age	4.8 yrs			
Other				
Number of Pace Employees (<i>Includes ADA Staff</i>)	1,656			
Ridership (000s)				
Fixed Route		13,594	11,468	12,092
Demand Response*		521	512	538
Vanpool		452	244	253
Total Suburban Service		14,567	12,224	12,883
Regional ADA*		2,576	2,966	3,313
Total System		17,143	15,190	16,196
Vehicle Miles (000s)				
Fixed Route		27,390	26,309	28,770
Demand Response		3,127	3,447	3,647
Vanpool		2,956	1,999	2,075
Total Suburban Service		33,473	31,755	34,492
Regional ADA		20,686	22,297	24,312
Total System		54,159	54,052	58,804
Vehicle Hours (000s)				
Fixed Route		1,785	1,736	1,919
Demand Response		185	189	204
Vanpool		N/A	N/A	N/A
Total Suburban Service		1,970	1,925	2,123
Regional ADA		1,408	1,552	1,694
Total System		3,378	3,477	3,817
		*Ridership includes companions and personal care attendants.		

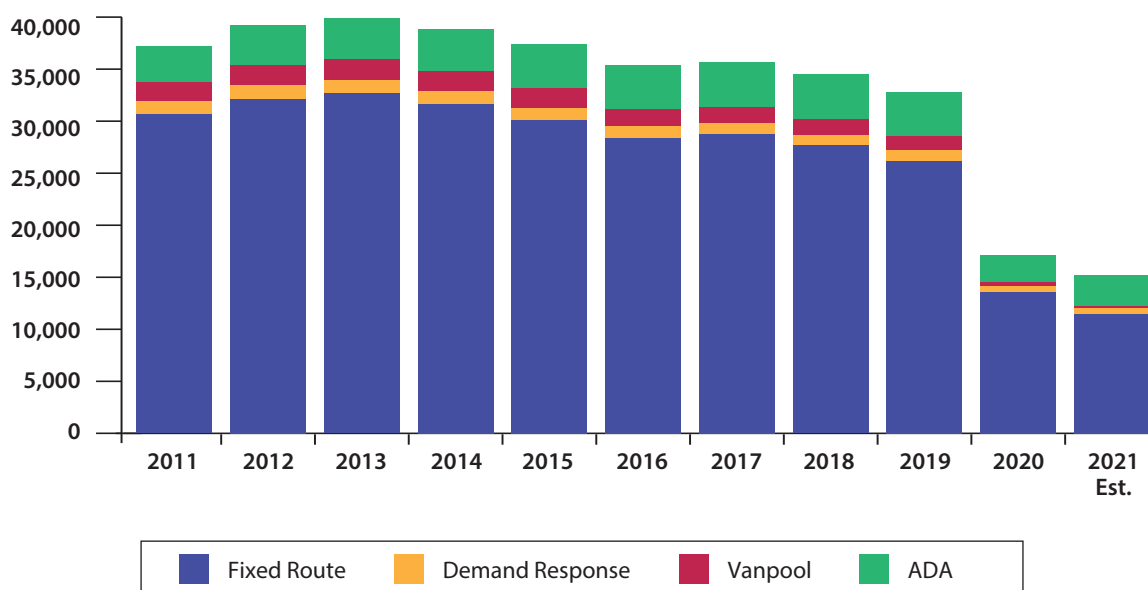
Ridership

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

Table 41. Pace 2011–2021 Ridership Historical Summary (000s)

Year	Fixed Route	Demand Response	Vanpool	Total Suburban Service	ADA	Total System
2011	30,630	1,293	1,778	33,701	3,546	37,247
2012	32,151	1,280	1,962	35,393	3,776	39,169
2013	32,645	1,276	2,000	35,921	3,968	39,889
2014	31,650	1,223	1,923	34,796	4,088	38,884
2015	30,120	1,147	1,851	33,118	4,227	37,345
2016	28,398	1,109	1,664	31,171	4,178	35,349
2017	28,804	1,048	1,518	31,370	4,256	35,626
2018	27,673	1,027	1,508	30,208	4,264	34,472
2019	26,192	968	1,361	28,521	4,281	32,802
2020	13,594	521	452	14,567	2,576	17,143
2021 Est.	11,468	512	244	12,224	2,966	15,190

CHART T. Pace 2011-2021 Historical Ridership (000s)



Acknowledgements

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Rapid Transit Corridor Planner

Lead GIS Software Developer



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Budget Presentation
Award*

PRESENTED TO

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Illinois**

For the Fiscal Year Beginning

January 01, 2021

Christopher P. Morrell

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, 2021. 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.



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