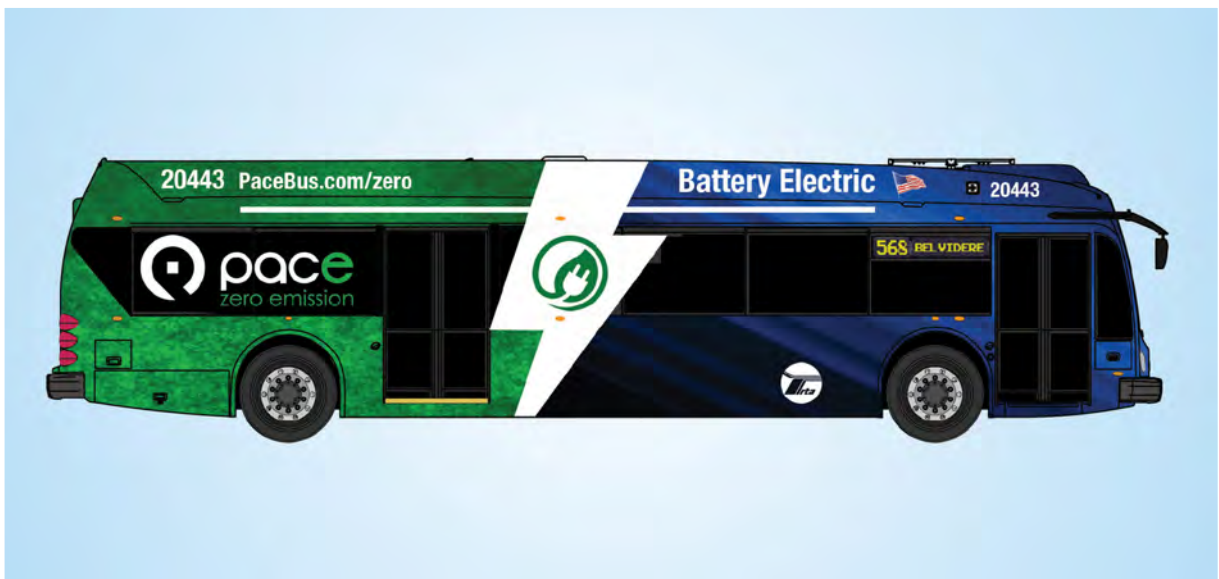


# *Suburban Service and Regional ADA Paratransit Budget*



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*2023 Operating Budget*

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*2024–2025 Two-Year Financial Plan*

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*2023–2027 Five-Year Capital Program*

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*Final Program  
November 2022*



# Board of Directors and Senior Staff

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*Chairman*



**Rachel Arfa**  
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**Colette Thomas Gordon**  
*Chief Internal Auditor*



**Lorri Newson**  
*Chief Financial & Diversity,  
Equity, and Inclusion Officer*

## Dear Riders, Interested Citizens & Public Officials:

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As Pace moves towards historic capital infrastructure improvements, service innovation, and ridership recovery, we are pleased to present a balanced 2023 Budget which once again includes a fully funded operational budget for fixed route and paratransit service, a strong capital plan, and no fare increase. While previously suspended Taxi Access Program (TAP) and DuPage Access Program fares will be reinstated, they will remain lower than pre-pandemic fares (\$2 vs. \$3).



Pace's 2023 budget builds upon a strong foundation outlined in our *Driving Innovation* strategic vision plan. In 2022, we launched innovative new service model pilots utilizing TNC (transportation network companies) rideshare platforms to provide service to people with disabilities, and VanGo, which offers flexible and affordable first mile/last mile vanpool service. Pace also made significant progress on major initiatives which will come to fruition in 2023, such as our transition to a zero-emission fleet, which will begin in Waukegan, and our South Campus in Markham. As I write this letter, we are moving our popular I-55 Bus on Shoulder service into a beautiful new garage in Plainfield and installing stations on Dempster Street to implement our second Pulse Line in the near future.

2023 will see even more progress towards the goals laid out in *Driving Innovation*:

- Our agency will continue to move towards operating a zero-emission fleet by 2040 with the delivery of our first 20 electric vehicles.
- We will focus on new and innovative service and technology, including the launch of new rideshare pilots and the implementation of a Mobility as a Service (MaaS) app which will provide our riders with a more user-friendly way to travel throughout the region.
- Capital improvements will be made to support our transit system as we move into the future including the completion of Pulse Dempster Line and our South Campus in Markham, and the start of a project to reconstruct our Harvey Transportation Center. Pace recently received a \$20M federal (RAISE) grant that, when combined with the state's *Rebuild Illinois* funding, will allow us to completely reconstruct the Pace Harvey Transportation Center, our busiest passenger facility, to not only enhance the existing facility but also allow for future growth.

These goals could not have been achieved without help from our partners at all levels of government. Our state and federal leaders have seen the value transit brings to our economy and have made critical investments in infrastructure. Our local officials and peer agencies have been enthusiastic supporters of our work. Thanks to this cooperation, we head into 2023 with many opportunities before us.

Please read on to review a budget that is geared towards building a more efficient, equitable, and environmentally sustainable transit system that serves a diverse and growing region. I hope you support and can benefit from Pace's innovative ideas and vision for a future that is green, affordable, and accessible to all.

Sincerely,

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

Rick Kwasneski  
Chairman  
Pace Suburban Bus

## From the Office of the Executive Director...

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Dear Stakeholders,

I am so proud of the work this budget represents. It is not just the hours spent charting a financially responsible course for our pivotal next year. It is not just the effort that went into planning each of the project's budget funds. It is not just the collaboration between Pace and our partners. I'm proud of the work every Pace employee puts into operating our service and implementing new service as we continue to build a modern, world-class transit system that is safe, efficient, equitable, and environmentally sustainable.

Pace is seeing historic levels of investment from the state and federal government. This funding will ensure that Pace continues to provide useful service for generations of riders to come. Emergency federal relief ensured Pace continued moving essential workers during the worst days of the pandemic. And, most recently, Pace received a \$20 million RAISE grant from the U.S. Department of Transportation for the reconstruction of the Harvey Transportation Center. This money, when combined with funding from the state, will allow us to further prove our system's value. The reimagined facility—currently the busiest in Pace's system—will serve as an engine of economic growth in the City of Harvey and a vital transportation hub for Chicago's south suburbs.

Major investments like these are votes of trust in Pace. As the agency's Executive Director, and as a forty-year public servant to our region's riders, I know this trust is well placed and this funding will be put to good use. The pandemic reassured what we already knew—our agency provides critical transportation to our essential workers and those who need access to employment, medical care and other necessities. Our riders are essential to Illinois' economy, and they will continue to ride Pace every day thanks to this budget.

In 2023, with equity, efficiency, and the environment as our foundation, we will focus on rebuilding ridership in the post-Covid world and reimagining a system that even more people can rely on. Transit is the solution to so many of the challenges we face together. Traffic jams. Gas prices. Economic disinvestment. The climate crisis. When we work together and ride together, anything is possible!

That is what this budget means to me. Thank you for your support of Pace.

Sincerely,

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

Melinda J. Metzger  
*Executive Director*  
*Pace Suburban Bus*

# Table of Contents

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Executive Summary	1
Suburban Service Operating Budget	5
Suburban Service Budget & Two-Year Financial Plan	21
Regional ADA Paratransit Operating Budget	27
Regional ADA Paratransit Budget & Two-Year Financial Plan	31
Combined Suburban Service/ADA Budget & Two-Year Financial Plan	35
Suburban Service Capital Budget & Five-Year Business Plan	37
Regional ADA Paratransit Five-Year Unconstrained Program	49
Appendix A: Pace Overview	51
Appendix B: Ridership & Fares	64
Appendix C: Community Profile	69
Appendix D: Performance Measures	75
Appendix E: Planning Initiatives	82
Appendix F: Operating Budget Detail	88
Appendix G: Budget Process	94
Appendix H: Financial Policies	96
Appendix I: Debt Overview	100
Appendix J: Glossary	103
Pace Quick Facts	114



 **pace**  
Connecting Communities

## Budget Highlights

On September 15, 2022, the RTA approved 2023 funding levels for Pace Suburban Service and Regional ADA Paratransit which allow for stable operating budgets in 2023.

### Suburban Service

Highlights of the 2023 budget:

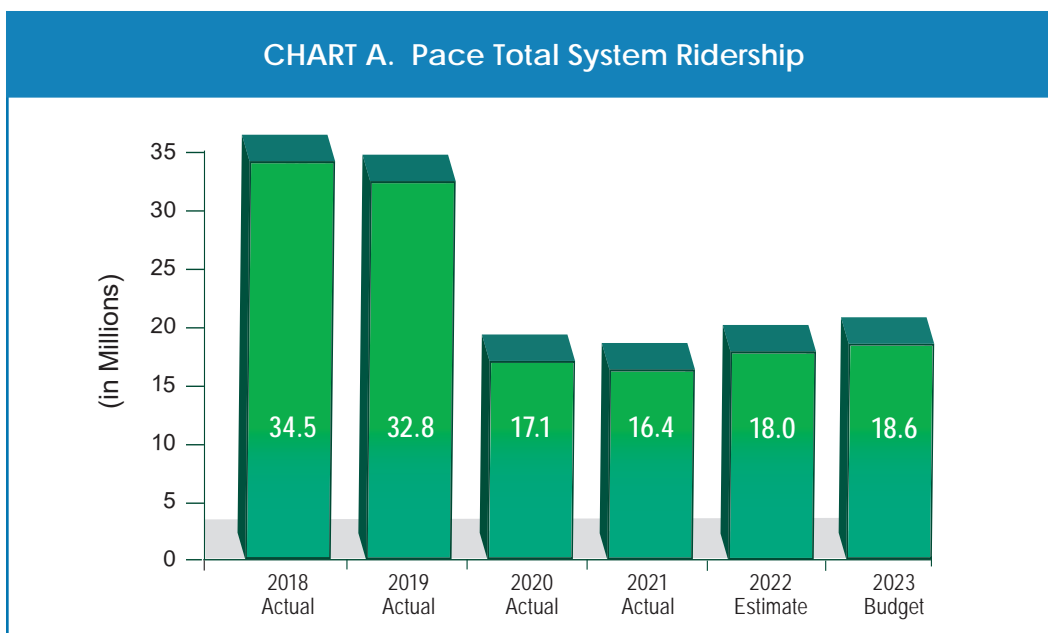
- The 2023 budget is balanced to the RTA funding level with no fare increases. This is achieved through the use of federal coronavirus relief funding and positive budget variance generated from federal coronavirus relief funding.
- Pace and CTA will introduce a 1-Day and 3-Day shared pass to allow for more flexible fare options for riders. Additionally, the price of Pace/CTA 7-Day shared pass will be reduced from \$25 to \$20 and the cost of Pace-to-Pace transfers with Ventra® will be reduced, resulting in the elimination of transfer fares using Ventra for non-premium routes.
- 2023 will see the implementation of Pace's second Pulse line on Dempster Street between Evanston and the O'Hare Airport Multi-modal Facility, as well as additional plans to partner with transportation network companies (TNCs) to expand service options for riders.
- Service suspensions and reductions were implemented in 2020 in response to significant ridership

losses as a result of the pandemic and have not been included in Pace's operating budgets since that time. Pace is taking steps to formalize these suspensions/reductions in the 2023 budget, as required by the Federal Transportation Administration, but will consider future reinstatement should demand and capacity allow.

- The 2023 Suburban Service Capital Program totals \$72.4 million, primarily for support facilities and equipment and stations/passenger facilities. The budget includes \$60.4 million to modify and expand the North Division garage in Waukegan to accommodate an electric bus fleet and \$5.4 million to complete Pace's financial contribution to the joint Pace/Metra Harvey Transportation Center project.

### Regional ADA Paratransit

The 2023 Regional ADA Paratransit budget is balanced to RTA's funding level of \$225.9 million. This funding level supports ridership at about 95% of pre-pandemic levels. In 2023, the program will provide an estimated 4.0 million passenger trips. Fares are projected to remain stable at current levels in 2023, apart from the \$3 Taxi Access Program fare, which was temporarily reduced to \$0 in 2020. Pace is proposing to adjust the temporary fare from \$0 to \$2. This adjustment would also apply to the DuPage Uber Access program.



# Executive Summary

## 2023 Combined Operating Budget Summary

The 2023 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, 2022. Pace's recovery ratio requirements set by the RTA were lowered for 2023 due to an amendment to the Regional Transportation Authority Act, which waived the regional recovery ratio requirement due to the impact of the coronavirus pandemic on ridership and therefore operating revenue.

The 2023 expense budget for Suburban Service is \$303.425 million. Suburban Service operating revenue is budgeted at \$33.405 million. Total public funding for Suburban Service is estimated at \$218.084 million, leaving a funding shortfall of \$51.936 million. Federal coronavirus relief funding and positive budget variance generated from federal coronavirus relief funding will be used to fund the remaining deficit. Pace will use allowable credits to meet the 17.0% recovery ratio set by the RTA.

The 2023 expense budget for Regional ADA Paratransit is \$238.500 million. ADA operating revenue is expected to reach \$12.561 million, resulting in a funding requirement of \$225.939 million, which is fully funded with public funding. Pace will use allowable credits to meet the 7.5% recovery ratio set by the RTA.

The 2023 Suburban Service budget includes additional Pace/CTA shared pass options for riders, as well as a reduction in the price of Pace/CTA 30-Day shared pass and a reduction in the cost of Pace-to-Pace transfers with Ventra® and passes. For ADA, the Taxi Access Program (TAP) fare is \$3, which was temporarily reduced to \$0 in 2020. For 2023, Pace proposes to adjust the temporary fare from \$0 to \$2. This adjustment would also apply to the DuPage Uber Access Program.

**Table 1. 2023 Combined Pace Services Operating Budget Summary (000s)**

	Suburban Service	Regional ADA Paratransit	Combined Pace Services
<b>Total Operating Expenses</b>	\$303,425	\$238,500	\$541,925
Less: Total Operating Revenue	33,405	12,561	45,966
<b>Funding Requirement</b>	<b>\$270,020</b>	<b>\$225,939</b>	<b>\$495,959</b>
Less:			
Sales Tax (Part I)	\$119,754	\$0	\$119,754
Sales Tax (Part II)	18,237	217,544	235,781
Suburban Community Mobility Fund (SCMF)	31,621	0	31,621
South Suburban Job Access Fund	7,500	0	7,500
PTF (Part I)	5,795	0	5,795
PTF (Part II)	24,019	0	24,019
RTA Sales Tax (Part I)	6,337	0	6,337
Federal Discretionary Fund Programs	4,821	0	4,821
State ADA Funds	0	8,395	8,395
Positive Budget Variance	7,990	0	7,990
Federal Coronavirus Relief Funding	43,946	0	43,946
<b>Net Funding Available</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Recovery Ratio</b>	<b>17.00%</b>	<b>7.50%</b>	



## 2023 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 2023 Capital Budget.

### Suburban Service

The 2023 Suburban Service Capital Program totals \$72.364 million.

The program contains:

- \$1.802 million for Rolling Stock, including the replacement of 19 paratransit vehicles.
- \$2.198 million for Electrical/Signal/Communications, including onboard digital screens.
- \$61.500 million for Support Facilities and Equipment, including North Division electrification/expansion, paint and carpet replacement (HQ), and vehicle maintenance equipment.
- \$6.864 million for Stations and Passenger Facilities, including Harvey Transportation Center renovation and Pulse 95th Architecture/Engineering (A/E) design.

Table 2. 2023 Suburban Service Capital Budget (000s)	
	Amount
<b>Rolling Stock</b>	
Paratransit Vehicles (19)	\$1,802
<b>Subtotal</b>	<b>\$1,802</b>
<b>Electrical/Signal/Communications</b>	
Onboard Digital Screens	\$2,198
<b>Subtotal</b>	<b>\$2,198</b>
<b>Support Facilities &amp; Equipment</b>	
North Division Electrification/Expansion	\$60,350
HQ Paint and Carpet Replacement	750
Vehicle Maintenance Equipment	400
<b>Subtotal</b>	<b>\$61,500</b>
<b>Stations &amp; Passenger Facilities</b>	
Harvey Transportation Center Renovation	\$5,400
Pulse 95th A/E	1,464
<b>Subtotal</b>	<b>\$6,864</b>
<b>Total Suburban Capital Program</b>	<b>\$72,364</b>
<b>Total Funding</b>	
Federal 5307/5339	\$59,550
State PAYGO	11,350
CMAQ	1,464
<b>Total Suburban Funding</b>	<b>\$72,364</b>

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## 2023 Suburban Service Operating Budget

### Summary

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

- Pace projects \$303.425 million in operating expenses in 2023.
- A total of \$33.405 million in revenue generated from operations.
- An initial deficit or funding requirement of \$270.020 million occurs from operations prior to funding.
- A total of \$213.263 million in funding generated from Regional Sales Tax will be used.
- A total of \$4.821 million in federal Congestion Mitigation/Air Quality (CMAQ), Enhanced Mobility, and Bus and Bus Facility funds will be used.
- A total of \$43.946 million in federal coronavirus relief funding and \$7.990 million of positive budget variance generated from federal coronavirus relief funding will be used to cover the shortfall in sales tax and operating revenue.

The budget for 2023 plans for the start of service on the Pulse Dempster line, as well as additional services with transportation network companies (TNCs) throughout the service area.

The 2023 Suburban Service budget is balanced to both the funding and recovery marks identified for Pace by the RTA and includes additional Pace/CTA shared pass fare options, a reduction to the price of the existing Pace/CTA 7-Day Pass, and a \$0.30 reduction to Pace transfers using Ventra®, eliminating transfer fares entirely for non-premium route Pace-to-Pace transfers.

Ridership is projected to increase 1.8% in 2023 to 14.5 million trips due to additional service and returning ridership.

A detailed review of the 2023 Suburban Service operating program is presented in this section.

**Table 3. 2023 Suburban Service Operating Budget Summary (000s)**

	2021 Actual	2022 Estimate	2023 Budget
<b>Total Operating Expenses</b>	\$223,243	\$276,404	\$303,425
Less: Total Operating Revenue	32,333	31,941	33,405
<b>Funding Requirement</b>	<b>\$190,910</b>	<b>\$244,463</b>	<b>\$270,020</b>
Less:			
Sales Tax (Part I)	\$116,945	\$117,709	\$119,754
Sales Tax (Part II)	23,536	18,336	18,237
Suburban Community Mobility Fund (SCMF)	29,897	30,880	31,621
South Suburban Job Access Fund	7,500	7,500	7,500
PTF (Part I)	5,149	5,710	5,795
PTF (Part II)	21,137	23,595	24,019
RTA Sales Tax (Part I)	0	5,358	6,337
RTA ICE Funds	1,392	0	0
Federal Discretionary Fund Programs	6,625	8,058	4,821
Federal Coronavirus Relief Funding	107,455	27,317	43,946
Positive Budget Variance	0	0	7,990
<b>Net Funding Available</b>	<b>\$128,726</b>	<b>\$0</b>	<b>\$0</b>
<b>Recovery Ratio</b>	<b>19.90%</b>	<b>17.00%</b>	<b>17.00%</b>

## Sources of Funds

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

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

With 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 below.

**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)**

	2019 Actual	2020 Actual	2021 Actual	2022 Estimate	2023 Budget
<b>Regional Funds</b>					
Sales Tax - Part I	\$932,542	\$855,190	\$1,085,632	\$1,121,673	\$1,148,220
PTF Match to Sales Tax - Part I (25%)	225,460	212,613	257,474	285,508	289,764
Sales Tax - Part II	321,619	295,967	383,174	395,402	405,264
PTF Match to Sales Tax - Part II (+5% Part I)	156,529	145,786	179,794	201,454	205,178
<b>Total Sales Tax and PTF</b>	<b>\$1,636,150</b>	<b>\$1,509,556</b>	<b>\$1,906,074</b>	<b>\$2,004,037</b>	<b>\$2,048,426</b>
<b>Pace Share of Regional Funds</b>					
Sales Tax - Part I	\$97,162	\$94,239	\$116,945	\$117,709	\$119,754
PTF Match to Sales Tax - Part I	4,509	4,252	5,149	5,710	5,795
Sales Tax - Part II and PTF - Part II	59,371	57,379	74,570	72,811	73,877
<b>Total Pace Share</b>	<b>\$161,042</b>	<b>\$155,870</b>	<b>\$196,664</b>	<b>\$196,230</b>	<b>\$199,426</b>
<b>Pace Funding as a Percent of Regional Funding</b>					
PTF Match to Sales Tax - Part II (RTA Discretionary)	2.0%	2.0%	2.0%	2.0%	2.0%
Sales Tax - Part I and PTF - Part I	8.8	9.2	9.1	8.8	8.7
Sales Tax - Part II and PTF - Part II	12.4	13.0	13.2	12.2	12.1
<b>Total Receipts</b>	<b>9.8%</b>	<b>10.3%</b>	<b>10.3%</b>	<b>9.8%</b>	<b>9.7%</b>

## Funding Sources - Part I

### Sales Tax

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

The estimated Part I sales tax funding mark for Pace is \$119.754 million for 2023. This represents approximately 10.4% of the total RTA region's estimate of \$1.148 billion. The RTA estimate for Pace sales tax receipts is 1.7% higher than 2022 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 2023, the RTA will provide Pace with 2.0% or \$5.795 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 2023 is as follows:

- \$217.544 million was allocated to Pace for the provision of the Regional ADA Paratransit Service, based on program requirements.
- \$31.621 million was allocated to Pace under the Suburban Community Mobility Fund (SCMF).
- \$15.811 million was allocated to the RTA for the Innovation, Coordination and Enhancement (ICE) fund.
- \$20.416 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 2023 RTA budget.

### Suburban Community Mobility Fund (SCMF)

In 2023, the SCMF will provide \$31.621 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 2023, 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 2023 requirement is \$217.544 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 \$30.3 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 2023 to support Dempster Pulse service.

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

This program encourages service and facility improvements to address the transportation needs of persons with disabilities that go beyond those required by the Americans with Disabilities Act. Funding from this source is included in 2023 to support the Regional Mobility Management Call Center (RMMCC).

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

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

### *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.

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

	2023 Budget
Sales Tax - Part II	\$405,264
PTF - Part II	205,178
<b>Total Sales Tax II &amp; PTF II</b>	<b>\$610,442</b>
<b>Distribution of Sales Tax - Part II and PTF - Part II</b>	
Less:	
Regional ADA Paratransit Fund - Pace/RTA	\$217,544
Suburban Community Mobility Fund - Pace	31,621
RTA ICE Fund	15,811
25% PTF Match on RETT - CTA	20,416
<b>Balance Available for Allocation to Service Boards</b>	<b>\$325,050</b>
<b>Service Board Allocation</b>	
CTA - 48%	\$156,024
Metra - 39%	126,769
Pace - 13%	42,257
<b>Total Service Board Allocation</b>	<b>\$325,050</b>

### *Positive Budget Variance*

A service board generates positive budget variance (PBV) when funding available exceeds funding required in a given year. These funds are held by a service board until such time that the service board chooses to use the funds for capital or operating purposes. Funding from this source will be used to balance 2023 funding to the estimated funding requirement.

### **Operating Revenue**

The 2023 budget includes \$33.405 million of operating revenue, a 4.6% increase from the 2022 estimate, in line with a ridership increase of 1.8% and increases to interest income and advertising revenue.

## Uses of Funds

All funds received in 2023 will be used to support Pace services. The components of the 2023 Suburban Service operating program are fixed route services (i.e., Pace divisions, public/municipal-contracted, and private-contracted); demand response services; the Vanpool program; centralized support expenses; and costs for administration.

### *Pace Divisions*

Pace is responsible for the direct operation of service from nine divisions in the six-county region. Together, these divisions—North, North Shore, Northwest, South, Southwest, West, Fox Valley, River, and Heritage—carry 89% of the total suburban service ridership. Pace expects to expend \$138.167 million for these services in 2023. 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 2023. 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 implement programs with transportation network companies (TNCs) in 2023 to provide additional service options for riders. The total cost for private contract services in 2023 is \$8.845 million. Further information can be found on page 14.

### *Demand Response Services*

Pace partners in 46 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 2023 is \$16.764 million. Further information can be found on pages 15 and 16.

### *Vanpool Services*

The 2023 budget for vanpool services is \$1.572 million. This program is comprised of three elements—the Vanpool Incentive Program (VIP) provides traditional commute vanpools, the Advantage program provides a transit alternative to individuals who commute on a regular basis to worksites or rehabilitative workshops, and the Shuttle program provides suburban employers and qualifying not-for-profit human services organizations a means to transport employees and program participants to and from transit connections or worksites. Pace expects this program to have 334 vans in service in 2023. 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 \$83.713 million to provide fuel, insurance, healthcare, and other support items in 2023. 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 2023 administrative budget, including debt service, is set at \$59.597 million. Further information can be found on page 20.

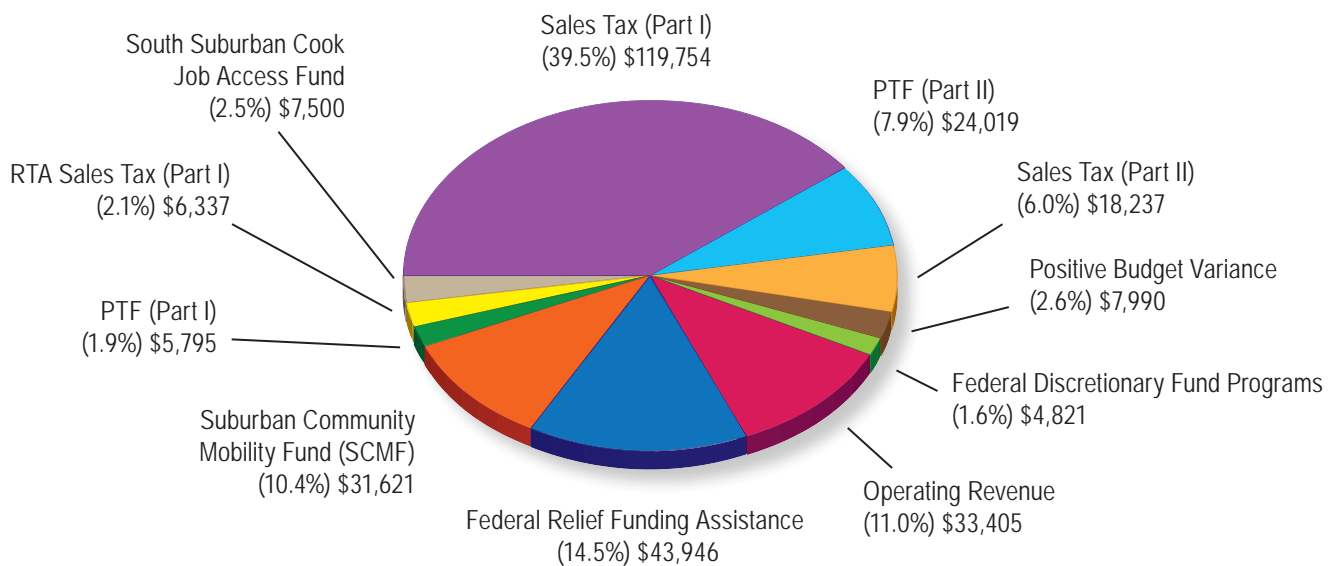
### *Regional ADA Paratransit Credit*

In July 2006, Pace assumed responsibility for providing all ADA Paratransit Service in the northeastern Illinois six-county region. To offset the cost of administrative support (i.e., Accounting, Procurement, IT and other departments) a credit is applied to the Suburban Service budget and allocated to the Regional ADA Paratransit Services budget. For 2023, the allocation is \$9.028 million.

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

	2021 Actual	2022 Estimate	2023 Budget
<b>Operating Revenue</b>			
Pace Divisions	\$17,324	\$16,912	\$16,200
Public/Municipal Contracted Services	879	1,405	1,447
Private Contract Services	492	511	761
Demand Response Services	8,852	7,456	7,964
Vanpool Services	832	1,020	1,109
Half-Fare Reimbursement	1,346	1,346	1,346
Investment/Other Income	623	2,926	3,483
Advertising Revenue	1,985	365	1,095
<b>Total Operating Revenue</b>	<b>\$32,333</b>	<b>\$31,941</b>	<b>\$33,405</b>
<b>Public Funding</b>			
Sales Tax (Part I)	\$116,945	\$117,709	\$119,754
Sales Tax (Part II)	23,536	18,336	18,237
PTF (Part I)	5,149	5,710	5,795
PTF (Part II)	21,137	23,595	24,019
Suburban Community Mobility Fund (SCMF)	29,897	30,880	31,621
South Suburban Cook Job Access Fund	7,500	7,500	7,500
RTA Sales Tax (Part I)	0	5,358	6,337
RTA ICE Funds	1,392	0	0
Federal Discretionary Fund Programs	6,625	8,058	4,821
Federal Relief Funding Assistance	107,455	27,317	43,946
Positive Budget Variance	0	0	7,990
<b>Total Public Funding</b>	<b>\$319,636</b>	<b>\$244,463</b>	<b>\$270,020</b>
<b>Total Source of Funds</b>	<b>\$351,969</b>	<b>\$276,404</b>	<b>\$303,425</b>

**Chart B. Sources of Funds (000s) - Total \$303,425**



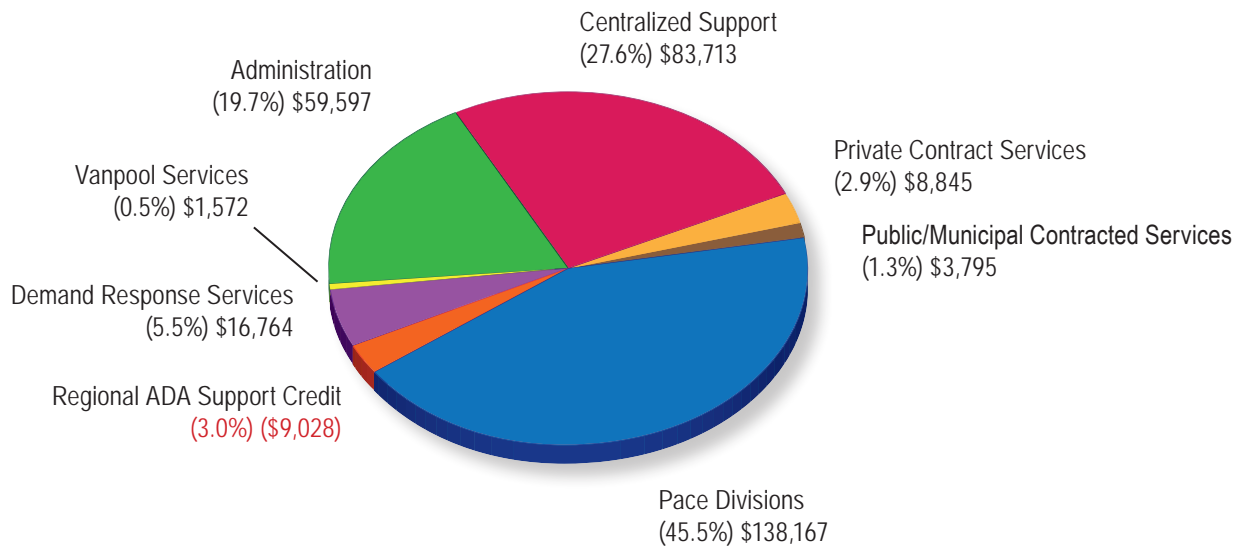


**Table 8. 2023 Suburban Service Expense Summary (000s)**

	2021 Actual	2022 Estimate	2023 Budget
<b>Expenses</b>			
Pace Divisions	\$113,815	\$129,228	\$138,167
Public/Municipal Contracted Services	2,762	3,688	3,795
Private Contract Services	2,792	7,984	8,845
Demand Response Services	15,206	17,149	16,764
Vanpool Services	1,064	1,530	1,572
Centralized Support	60,789	81,837	83,713
Administration*	34,424	43,580	59,597
Regional ADA Support Credit	(7,609)	(8,592)	(9,028)
<b>Total Expenses</b>	<b>\$223,243</b>	<b>\$276,404</b>	<b>\$303,425</b>
<b>Net Funding Available</b>	<b>\$128,726</b>	<b>\$0</b>	<b>\$0</b>
<b>Recovery Rate</b>	<b>19.90%</b>	<b>17.00%</b>	<b>17.00%</b>

\*Includes Debt Service beginning in 2015.

Chart C. Uses of Funds (000s) - Total \$303,425



## 2023 Pace Divisions Budget

Pace operates fixed route service from nine divisions located throughout the six-county region: Fox Valley in North Aurora, Southwest in Bridgeview, Northwest in Des Plaines, River in Elgin, North Shore in Evanston, Heritage in Joliet, South in Markham, West in Melrose Park, and North in Waukegan. Combined, these carriers account for 89% of the system's suburban ridership.

In 2023, Pace will spend \$138.167 million to provide service in these areas. This represents a 6.9% increase over estimated 2022 levels and is primarily due to contractual labor and fringe growth. Total revenue is expected to decrease 4.2% due to end of operating grant funding for services in southern Cook County.

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

*2023 Goals*

*Pace's efforts for 2023 include providing 12.8 million rides via service provided by Pace Divisions.*

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

	2021 Actual	2022 Estimate	2023 Budget
<b>Revenue</b>			
Pace Divisions	\$16,790	\$16,740	\$15,417
CMAQ/ICE	534	172	783
<b>Total Revenue</b>	<b>\$17,324</b>	<b>\$16,912</b>	<b>\$16,200</b>
<b>Expenses</b>			
Operations	\$71,839	\$80,749	\$87,620
CMAQ/ICE	6,309	4,950	4,747
Maintenance	19,946	23,007	23,856
Bus Parts/Supplies	6,268	8,093	8,677
Non-Vehicle Maintenance	2,819	3,988	4,400
General Administration	6,634	8,441	8,867
<b>Total Expenses</b>	<b>\$113,815</b>	<b>\$129,228</b>	<b>\$138,167</b>
<b>Funding Requirement</b>	<b>\$96,491</b>	<b>\$112,316</b>	<b>\$121,967</b>
<b>Recovery Ratio</b>	<b>15.22%</b>	<b>13.09%</b>	<b>11.72%</b>
<b>Ridership</b>	<b>11,971</b>	<b>12,637</b>	<b>12,842</b>
<b>Vehicle Miles</b>	<b>25,030</b>	<b>24,993</b>	<b>26,372</b>
<b>Vehicle Hours</b>	<b>1,662</b>	<b>1,701</b>	<b>1,805</b>
<b>Full Time Equivalentents (FTEs)</b>	<b>1,384</b>	<b>1,423</b>	<b>1,473</b>

## 2023 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 2023. Combined, these services will provide 0.300 million rides and generate \$1.179 million in farebox and local share revenue. Total service expenditures will reach \$3.276 million in 2023, and net required funding will be \$2.097 million.

### Schaumburg

Trolley service is provided in the Woodfield area of Schaumburg. The 2023 estimated cost of this service is \$0.519 million, which will be partially funded by the Village of Schaumburg.



*2023 Goals*

*Pace's efforts for 2023 include providing 0.3 million rides via service provided by Public/Municipal Contracted Services.*

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

	2021 Actual	2022 Estimate	2023 Budget
<b>Revenue</b>			
Highland Park	\$255	\$576	\$596
Niles	505	573	583
Schaumburg	119	256	268
<b>Total Revenue</b>	<b>\$879</b>	<b>\$1,405</b>	<b>\$1,447</b>
<b>Expenses</b>			
Highland Park	\$1,128	\$1,601	\$1,656
Niles	1,408	1,591	1,620
Schaumburg	226	496	519
<b>Total Expenses</b>	<b>\$2,762</b>	<b>\$3,688</b>	<b>\$3,795</b>
<b>Funding Requirement</b>	<b>\$1,883</b>	<b>\$2,283</b>	<b>\$2,348</b>
<b>Recovery Ratio</b>	<b>31.81%</b>	<b>38.10%</b>	<b>38.13%</b>
<b>Ridership</b>	<b>183</b>	<b>308</b>	<b>308</b>
<b>Vehicle Miles</b>	<b>306</b>	<b>368</b>	<b>368</b>
<b>Vehicle Hours</b>	<b>26</b>	<b>31</b>	<b>31</b>

## 2023 Private Contract Services Budget

In 2023, Pace will continue to contract with MV Transportation for fixed route service and plans to initiate additional service with transportation network companies (TNCs) throughout Pace’s service area to provide an alternative to fixed route service to riders.

The cost of providing fixed route contracted service will increase 10.8% in 2023 from estimated 2022 levels due to contractual cost increases and additional TNC services.

Operating revenue is projected to increase 48.9% from 2022 estimated levels due to operating grant support of TNC services in the O’Hare Airport and Harvey areas.

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



Table 11. Budget Summary - Private Contract Services (000s)			
	2021 Actual	2022 Estimate	2023 Budget
<b>Revenue</b>			
Private Contract	\$492	\$511	\$761
<b>Total Revenue</b>	<b>\$492</b>	<b>\$511</b>	<b>\$761</b>
<b>Expenses</b>			
Private Contract	\$2,792	\$7,984	\$8,845
<b>Total Expenses</b>	<b>\$2,792</b>	<b>\$7,984</b>	<b>\$8,845</b>
<b>Funding Requirement</b>	<b>\$2,300</b>	<b>\$7,473</b>	<b>\$8,084</b>
<b>Recovery Ratio</b>	<b>17.62%</b>	<b>6.40%</b>	<b>8.60%</b>
<b>Ridership</b>	<b>223</b>	<b>265</b>	<b>265</b>
<b>Vehicle Miles</b>	<b>733</b>	<b>712</b>	<b>712</b>
<b>Vehicle Hours</b>	<b>44</b>	<b>41</b>	<b>41</b>

## 2023 Demand Response Services Budget

Pace operates four types of service under the Demand Response Services umbrella—traditional Demand Response (Dial-a-Ride), Coordinated Projects, On Demand Service, and Community Transit—as detailed below. For 2023, Pace will continue to support our Demand Response partners by reducing the amount local municipalities contribute to their services by 15%. Pace will also continue the DuPage Uber Access program for Demand Response-eligible riders in DuPage County.

### *Demand Response*

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

Pace has service agreements with villages and townships for the operation of 11 projects. In most cases, the local community operates the service referred to as Municipal Provided Service. For 2023, 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 2023.

Pace contracts directly with private providers for the operation of 16 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 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, 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. 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 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 \$0.041 million with 91 vehicles in service by year-end 2023.

The budget shown in Table 12 will provide \$16.764 million for all Demand Response services throughout the six-county region.

**2023 Goals**

*Combined Demand Response efforts for 2023 include carrying 0.641 million riders.*

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

	2021 Actual	2022 Estimate	2023 Budget
<b>Revenue</b>			
Municipal Provided Service	\$2,721	\$2,429	\$2,667
Contractor Provided Service	1,247	1,039	1,098
On Demand	45	61	62
McHenry County - Includes MCRide	1,413	1,273	1,344
Ride DuPage	1,593	1,061	1,116
Ride in Kane	1,733	1,491	1,572
Community Transit	100	102	105
<b>Total Revenue</b>	<b>\$8,852</b>	<b>\$7,456</b>	<b>\$7,964</b>
<b>Expenses</b>			
Municipal Provided Service	\$3,034	\$3,293	\$3,494
Contractor Provided Service	3,371	3,982	3,690
On Demand	1,980	1,979	2,039
McHenry County - Includes MCRide	2,364	2,585	2,456
Ride DuPage	2,194	2,685	2,577
Ride in Kane	2,234	2,586	2,467
Community Transit	29	39	41
<b>Total Expenses</b>	<b>\$15,206</b>	<b>\$17,149</b>	<b>\$16,764</b>
<b>Recovery Rate</b>			
Municipal Provided Service	89.66%	73.77%	76.33%
Contractor Provided Service	36.99%	26.09%	29.78%
On Demand	2.29%	3.00%	3.06%
McHenry County - Includes MCRide	59.77%	49.24%	54.74%
Ride DuPage	72.63%	39.50%	43.29%
Ride in Kane	77.57%	57.66%	63.71%
Community Transit	338.70%	264.37%	256.67%
<b>Total Recovery Rate</b>	<b>58.21%</b>	<b>43.48%</b>	<b>47.51%</b>
<b>Ridership</b>			
Municipal Provided Service	105	128	131
Contractor Provided Service	86	87	90
On Demand	51	60	62
McHenry County - Includes MCRide	88	90	93
Ride DuPage	59	66	68
Ride in Kane	55	60	62
Community Transit	110	131	135
<b>Total Ridership</b>	<b>554</b>	<b>622</b>	<b>641</b>

## 2023 Vanpool Services Budget

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

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

Pace estimates to have 334 vans in service by year-end 2023 providing 0.453 million rides. Revenue is forecasted to increase in 2023 due to ridership recovery in VIP and increased participation in the Advantage program as the impact of the coronavirus pandemic lessens. Expenses are projected to grow 2.7% over 2022 levels primarily due to moderate ridership growth.

### *Vanpool Incentive Program*

VIP is a traditional commuter vanpool program and is the core element of Pace's vanpool services. VIP is projected to achieve a ridership level of 0.223 million rides with 102 vans in service by the end of 2023. The 2023 budgeted revenue is anticipated to increase from 2022 revenue due to a 9.7% increase in vans. Total expenses are projected to grow 3.9%, with most of the increase coming from the increase in van count.

### *Shuttle Program*

The Shuttle program provides vans to suburban employers to shuttle employees to and from nearby transit connections. It also provides vans to qualifying not-for-profit human services organizations to shuttle program participants to and from transit connections and worksites. Pace will have 17 shuttle vans in service at the end of 2023—no change to 2022 levels.

### *Advantage Program*

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

Program revenue for 2023 is expected to increase by 8.6% and expense for 2023 is expected to increase by 2.9% as riders return to the program. Pace estimates to have 215 vans in service at year-end.

**2023 Goals**  
Pace's efforts for Vanpool Services  
in 2023 include providing  
0.453 million passenger trips.



Table 13. Vanpool Services Budget (000s)

	2021 Actual	2022 Estimate	2023 Budget
<b>Revenue</b>			
VIP	\$364	\$468	\$513
Shuttle	50	51	51
Advantage	418	502	545
<b>Total Revenue</b>	<b>\$832</b>	<b>\$1,020</b>	<b>\$1,109</b>
<b>Expenses</b>			
VIP	\$231	\$408	\$424
Shuttle	55	75	71
Advantage	778	1,047	1,077
<b>Total Expenses</b>	<b>\$1,064</b>	<b>\$1,530</b>	<b>\$1,572</b>
<b>Funding Requirement</b>	<b>\$232</b>	<b>\$510</b>	<b>\$463</b>
<b>Recovery Rate</b>			
VIP	157.52%	114.63%	120.96%
Shuttle	90.57%	68.39%	72.17%
Advantage	53.76%	47.92%	50.60%
<b>Total Recovery Rate</b>	<b>78.17%</b>	<b>66.70%</b>	<b>70.55%</b>
<b>Ridership</b>			
VIP	142	203	223
Shuttle	19	24	24
Advantage	137	190	206
<b>Total Ridership</b>	<b>298</b>	<b>417</b>	<b>453</b>
<b>Vehicle Miles</b>			
VIP	1,302	1,694	1,857
Shuttle	137	202	202
Advantage	753	1,088	1,182
<b>Total Vehicle Miles</b>	<b>2,192</b>	<b>2,984</b>	<b>3,241</b>
<b>Vehicles in Service (year-end) - VIP</b>	<b>70</b>	<b>93</b>	<b>102</b>
<b>Vehicles in Service (year-end) - Shuttle</b>	<b>17</b>	<b>17</b>	<b>17</b>
<b>Vehicles in Service (year-end) - Advantage</b>	<b>211</b>	<b>198</b>	<b>215</b>
<b>Total Vehicles in Service (year-end)</b>	<b>298</b>	<b>308</b>	<b>334</b>



## 2023 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 \$83.713 million in 2023.

In 2022, Pace's centralized support expense is estimated to end the year \$1.689 million above budgeted levels with overruns in fuel and insurance offsetting savings due to higher-than-expected vacancies and healthcare costs.

The 2023 centralized support budget will grow 2.3% over estimated 2022 levels, mostly due to growth in labor, fuel, and health insurance expenses, which will be partially offset by a reduction in liability insurance.

The Operations component of the 2023 Centralized Support budget is comprised of 33.5 positions that provide support to all operations areas of Pace. Total operations expense will increase 7.1% from 2022 levels due to reduced vacancies and fuel expenses.

Total fuel costs are projected to grow 5.7% in 2023. Fuel consumption, measured in gallons, will reach 6.0 million, an 8.7% increase from 2022 estimated consumption. The price for fuel is forecasted to decrease 2.7% in 2023. For Pace, this represents a \$0.08 decrease to \$3.10 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 31 positions. Total maintenance expense is projected to increase 15.7% from 2022 levels due to reduced vacancies.

The Non-Vehicle Maintenance component consists of 19 positions which provide support to all building maintenance and bus shelter functions. This area is expected to grow 12.8% in 2023.

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 decrease 1.6% in 2023. This is mostly associated with decreased liability insurance costs which are expected to offset increases in other expenses.

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

*2023 Goals*

*Pace's 2023 budgetary efforts for centralized support include maintaining a maximum staffing level of 83.5 positions.*

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

	2021 Actual	2022 Estimate	2023 Budget
Operations	\$4,406	\$5,543	\$6,174
Fuel	10,160	17,683	18,694
Maintenance	\$3,858	\$4,270	\$4,938
Non-Vehicle Maintenance	\$2,788	\$3,122	\$3,522
General Administration	\$6,412	\$8,045	\$8,699
Liability Insurance	9,571	17,943	14,626
Healthcare	23,594	25,231	27,060
<b>Total</b>	<b>\$60,789</b>	<b>\$81,837</b>	<b>\$83,713</b>
Full-Time Equivalents (FTEs)	73.5	79.5	83.5

## 2023 Administrative Budget

The 2023 administrative budget is estimated to reach \$59.597 million. Pace will use 192.0 positions to manage the agency's administrative responsibilities including accounting, financial and capital assistance programs, marketing, information systems, legal services, procurement, and strategic planning.

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

In 2022, administrative expenses are estimated to end the year under the 2022 budget, but up 26.6% from 2021 levels. The growth is mostly driven by IT and other outside services expenses, including project management oversight of major capital projects.

The 2023 administrative budget will increase 36.7% over 2022 levels. Reduced vacancies and outside services account for the majority of next year's growth as well, with the administrative budget providing support for a portion of traditionally capital-funded efforts.

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

**2023 Goals**  
*Pace's administrative budget goals include maintaining a staffing level of 192.0 positions.*

Table 15. Administrative Budget (000s)			
	2021 Actual	2022 Estimate	2023 Budget
Non-Vehicle Maintenance	\$258	\$345	\$337
General Administration	\$32,437	\$41,517	\$56,904
Parts/Supplies	133	187	205
Utilities	1,442	1,412	2,069
Bond Interest	154	119	82
<b>Total Expenses</b>	<b>\$34,424</b>	<b>\$43,580</b>	<b>\$59,597</b>
<b>Full Time Equivalents (FTEs)</b>	<b>179.5</b>	<b>180.0</b>	<b>192.0</b>

## 2023 Suburban Service Budget & Two-Year Financial Plan

### General

The following section presents Pace's 2023 Suburban Service Budget and 2024-2025 Two-Year Financial Plan. The RTA Act requires that the service boards submit a budget and two-year financial plan which shows a balance between the funding estimates provided by the RTA and the anticipated costs of providing services. Pace's plan for 2023–2025 achieves this balance. The assumptions and highlights for the three years in review are provided in this section.

The 2023 Budget assumes ridership will grow 1.8% from 2022 estimated levels. The outlook over the next three years is that baseline fixed route ridership will stay flat with growth only associated with service adjustments. Demand Response ridership is expected to grow 3.0% in each year from 2023 – 2025, while Vanpool ridership is expected to stay flat in 2024 and 2025 after rebounding 9.8% in 2023. As such, 2025 Suburban Service total rider-ship estimates are 51% of 2019 pre-pandemic actual.

After growing 2.4% from 2021 to 2022, Pace's portion of total RTA sales tax is forecasted to increase 1.0% in 2023, 2.5% in 2024, and 4.7% in 2025. Federal discretionary funding has been programmed for use throughout all three years of this plan. Congestion Mitigation/Air Quality (CMAQ) funding for I-90 service enhancements will be exhausted before the end of 2022, while Enhanced Mobility (Section 5310) funding for call center

operations and Bus and Bus Facilities (Section 5339) funding for East Dundee rent expense will be exhausted by year-end 2023. Pace has also received a CMAQ grant for Pulse Dempster operating expenses which is currently programmed for use between 2023 and 2026.

The budget and two-year financial plan are balanced to the funding levels provided by the RTA. While total public funding is forecasted to grow throughout the three-year planning horizon, the budget is only balanced through the use of federal coronavirus relief funding and positive budget variance generated from coronavirus relief funding. This funding is projected to be exhausted in 2025. Were this funding not available, Pace would have a budget shortfall of more than \$178 million across the budget and two-year financial plan.

In recognition of the effect that the coronavirus pandemic has had on ridership, and therefore system-generated revenue, the RTA Act was amended to waive the legislative regional recovery ratio requirement for RTA, CTA, Metra, and Pace through 2023. As such, RTA has revised Pace's recovery ratio goal to 17.00% from 30.30%. Pace will use RTA-authorized credits to achieve the revised 17.00% 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**

	2022	2023	2024	2025
Change in Demand (Based on Total Ridership) <sup>(1)</sup>	7.7%	1.8%	2.1%	0.1%
T-Bill Rates (90 Day) <sup>(2)</sup>	0.9%	2.0%	2.5%	2.6%
CPI-U (National) <sup>(3)</sup>	5.8%	2.5%	2.3%	2.2%
Ultra-Low Sulfur Diesel Fuel (Price Growth)	62.3%	(3.5%)	3.6%	(0.1%)
Pace Public Funds (Sales Tax I) <sup>(4)</sup>	0.7%	1.7%	2.9%	3.8%

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

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

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

<sup>(4)</sup> Reflects RTA sales tax estimates for Pace for the 2023 budget and two-year plan cycle.

## Assumptions

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

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

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

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

	2023	2024	2025
Fare Revenue	2.7%	1.9%	0.2%
Total Revenue	4.6%	2.8%	2.0%
Labor/Fringes	8.4%	4.4%	4.5%
Healthcare	7.2%	7.4%	7.5%
Parts/Supplies	7.7%	6.7%	6.5%
Purchased Transportation	1.9%	5.4%	5.4%
Utilities	20.6%	5.6%	5.5%
Insurance/Claims	(18.5%)	1.3%	6.6%
Fuel Cost	5.7%	6.6%	0.1%
Fuel Cost - Suburban Service*	\$18.694 mil	\$19.989 mil	\$20.007 mil
Consumption in Gallons - Suburban Service	6.039 mil	6.276 mil	7.279 mil
Price per Gallon*	\$3.10	\$3.18	\$2.75
Fuel Cost - Gasoline - Vanpool	\$0.742 mil	\$0.738 mil	\$0.730 mil
Consumption in Gallons - Vanpool	0.213 mil	0.213 mil	0.213 mil
Price per Gallon - Gasoline	\$3.48	\$3.46	\$3.42

\*Fuel Cost and Price per Gallon forecasts reflect use of diesel, gasoline, and compressed natural gas fuel.

## Highlights – 2023 Budget & Two-Year Financial Plan

Pace's 2023 budget presented in Table 18 is balanced using RTA Sales Tax funding, federal discretionary fund programs, coronavirus relief funding, and positive budget variance (PBV) generated from coronavirus relief funding in previous years. For 2024 and 2025, the plan is also balanced using PBV generated from coronavirus relief funding; however, that funding will be exhausted by year-end 2025.

For 2023 through 2025, operating revenue is anticipated to grow at an annual compound rate of 2.4%. This reflects minimal increases to farebox revenue but stronger growth in administrative revenue.

Expenses will grow at an annual compound rate of 4.5% over the three-year period. Expense growth from 2023 to 2025 is mostly associated with labor/fringe and inflationary expense growth and does not include any new efforts after 2023.

Total public funding before funding assistance or use of PBV is expected to grow at an annual compound rate of 2.9% over the three-year period and includes both sales tax and federal discretionary fund programs not related to coronavirus relief. RTA Sales Tax funding is expected to grow moderately in 2024 and 2025 after only 1% growth from 2022 to 2023. Public funding, with federal coronavirus relief and PBV needed to balance to estimated expenses, would grow at a compound rate of 4.8%.



## Suburban Service Budget & Two-Year Financial Plan

**Table 18. 2023 Suburban Service Budget and Two-Year Financial Plan (000s)**

	2021 Actual	2022 Estimate	2023 Budget	2024 Plan	2025 Plan
<b>Operating Revenue</b>					
Farebox Revenue	\$17,002	\$17,760	\$18,248	\$18,601	\$18,642
Reduced Fare Reimbursement	1,346	1,346	1,346	1,346	1,346
Advertising	1,985	365	1,095	1,715	1,815
Local Share/Other Revenue	12,000	12,470	12,716	12,685	13,232
<b>Total Revenue</b>	<b>\$32,333</b>	<b>\$31,941</b>	<b>\$33,405</b>	<b>\$34,347</b>	<b>\$35,035</b>
<b>Operating Expenses</b>					
Labor/Fringes	\$134,191	\$148,113	\$160,621	\$167,698	\$175,319
Healthcare	23,594	25,231	27,060	29,063	31,242
Parts/Supplies	8,730	11,470	12,356	13,183	14,040
Purchased Transportation	18,223	25,629	26,128	27,548	29,033
Fuel	10,521	18,391	19,437	20,726	20,737
Utilities	3,834	4,806	5,795	6,121	6,456
Insurance	9,571	17,943	14,626	14,823	15,798
Other*	22,188	33,413	46,430	47,508	48,577
Regional ADA Support Credit	(7,609)	(8,592)	(9,028)	(9,299)	(9,578)
<b>Total Expenses</b>	<b>\$223,243</b>	<b>\$276,404</b>	<b>\$303,425</b>	<b>\$317,371</b>	<b>\$331,624</b>
<b>Funding Requirement</b>	<b>\$190,910</b>	<b>\$244,463</b>	<b>\$270,020</b>	<b>\$283,024</b>	<b>\$296,589</b>
<b>Public Funding</b>					
Sales Tax (Part I)	\$116,945	\$117,709	\$119,754	\$123,226	\$127,909
Sales Tax (Part II)	23,536	18,336	18,237	17,994	17,944
Suburban Community Mobility Fund (SCMF)	29,897	30,880	31,621	32,538	33,775
South Suburban Job Access Fund	7,500	7,500	7,500	7,500	7,500
PTF (Part I)	5,149	5,710	5,795	5,998	6,226
PTF (Part II)	21,137	23,595	24,019	24,855	25,800
RTA Sales Tax (Part I)	0	5,358	6,337	6,455	7,743
RTA ICE Funds	1,392	0	0	0	0
Federal Discretionary Fund Programs	6,625	8,058	4,821	3,969	3,969
Federal Relief Funding Assistance	107,455	27,317	43,946	0	0
PBV for Operations	0	0	7,990	60,489	65,723
<b>Budget Balancing Action</b>	<b>\$319,636</b>	<b>\$244,463</b>	<b>\$270,020</b>	<b>\$283,024</b>	<b>\$296,589</b>
<b>Net Funding Available</b>	<b>\$128,726</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Recovery Ratio</b>	<b>19.90%</b>	<b>17.00%</b>	<b>17.00%</b>	<b>17.00%</b>	<b>17.00%</b>

\*Other includes Debt Service

## Pace Suburban Service Projected Cash Flow - 2023

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 2023.

**Table 19. Pace Suburban Service Projected Cash Flow Summary - 2023 (000s)**

Month	Beginning Balance	Revenue	Expense	Net Results	Ending Balance
January	\$204,244	\$22,119	\$27,309	(\$5,189)	\$199,055
February	199,055	21,857	25,097	(3,241)	195,814
March	195,814	23,591	28,662	(5,072)	190,742
April	190,742	23,820	27,309	(3,488)	187,254
May	187,254	24,273	25,097	(824)	186,430
June	186,430	24,864	25,138	(274)	186,156
July	186,156	24,056	27,309	(3,253)	182,903
August	182,903	24,292	25,097	(805)	182,098
September	182,098	24,076	25,097	(1,022)	181,076
October	181,076	27,471	27,309	163	181,239
November	181,239	26,356	25,097	1,259	182,498
December	182,498	36,649	26,338	10,311	192,809

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## 2023 Regional ADA Paratransit Operating Budget

### Summary

The 2023 Regional ADA Service program is summarized below and detailed throughout this section.

The ADA program is estimated to finish 2022 favorable to approved funding levels by \$2.220 million. This is due to operating expenses finishing the year below budgeted levels.

Operating expenses will reach \$238.500 million in 2023—up 7.0% or \$15.616 million over estimated 2022 levels. Revenue will increase by 44.8% or \$3.889 million to \$12.561 million due to the reinstatement of a portion of the Taxi Access Program (TAP) fare. The TAP fare is currently \$3, which was temporarily reduced to \$0 in 2020. For 2023, Pace proposes adjusting the temporary fare from \$0 to \$2. This adjustment would also apply to the DuPage Uber Access program. The ADA program will receive \$225.939 million in funding, the amount identified as available by the RTA for 2022.

In 2023, total ridership is expected to grow by 6.8% over the 2022 estimate, reaching 4.051 million trips. This growth is accommodated by the projected funding level of \$225.939 million.

The 2023 Regional ADA Paratransit program is balanced to the \$225.939 million funding mark and will achieve a 7.50% recovery ratio using credits allowed by the RTA.



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

	2021 Actual	2022 Estimate	2023 Budget
Total Operating Expenses	\$186,267	\$222,884	\$238,500
Less: Total Operating Revenue	6,801	8,672	12,561
<b>Funding Requirement</b>	<b>\$179,466</b>	<b>\$214,212</b>	<b>\$225,939</b>
Less:			
Sales Tax & PTF (Part II)	\$157,285	\$208,037	\$217,544
State Funds	8,395	8,395	8,395
Federal Coronavirus Relief Funding	13,786	0	0
<b>Net Funding Available</b>	<b>\$0</b>	<b>\$2,220</b>	<b>\$0</b>
<b>Recovery Ratio</b>	<b>10.60%</b>	<b>8.77%</b>	<b>7.50%</b>

## Regional ADA Paratransit Sources of Funds

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

### *ADA Paratransit Fund*

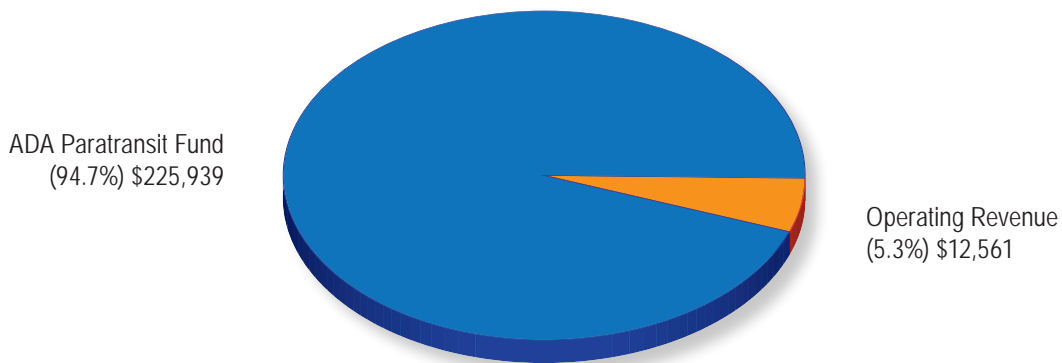
In January 2008, the amended RTA Act dedicated a new source of funding for the Regional ADA Paratransit Program. Section 2.01(d) required that the RTA establish an ADA Paratransit Fund and each year's amounts, as specified in Section 4.03.3, were to be deposited into the fund including any additional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

In 2011, the RTA Act was amended to increase the ADA Fund level to \$115 million for 2012. The amendment also states that for each year thereafter, an amount equal to the final budget funding for ADA Paratransit service for the current year shall be provided. Based on this amendment, the RTA has established the amount of \$225.939 million for 2023, which includes \$8.395 million in state funding. This level of funding will represent 94.7% of the total available funds for the ADA Paratransit program.

### *Operating Revenue*

The second source of funding available for ADA Paratransit service comes from operations. Operating revenue is generated largely from passenger fares. As ridership/demand grows, passenger fare revenue moves in the same direction. Operating revenue also includes investment income. In 2023, operating revenue represents \$12.561 million, or 5.3%, of the total funds available to the ADA Paratransit program.

Chart D. ADA Sources of Funds (000s) - Total \$238,500



## Regional ADA Paratransit Uses of Funds

All funds received in 2023 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 2023, Pace expects to spend \$170.285 million for city ADA service. The majority of these expenditures (93.6%) 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 contracts for subsidized taxi service to ADA-eligible riders in the City of Chicago. Pace will spend \$26.810 million for TAP in 2023.

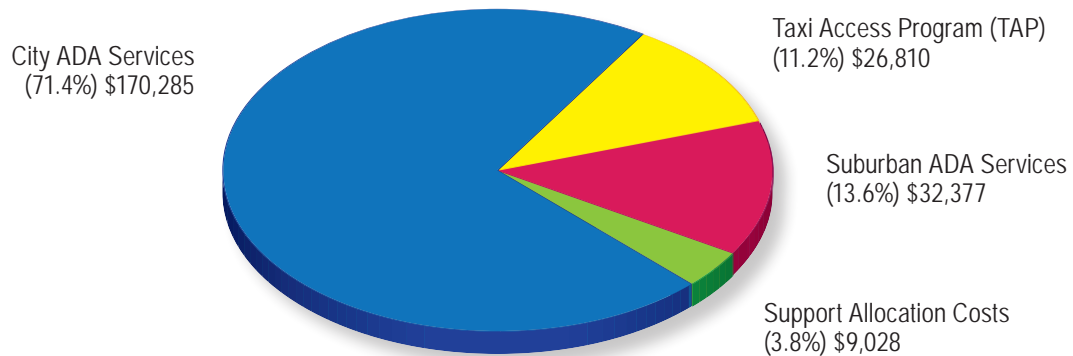
### Suburban ADA Services

For 2023, Pace will spend \$32.377 million for suburban ADA service. Costs for contracted service in the suburbs will account for 96.3% 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 2023, Pace will incur \$9.028 million in overhead support costs that will be allocated to the Regional ADA program.

Chart E. ADA Uses of Funds (000s) - Total \$238,500



## 2023 Regional ADA Paratransit Program Budget - City/Suburban Detail

Pace's 2022 estimate and 2023 budget for revenue, expense, and funding requirements for the Regional ADA Paratransit program are presented in the table below, separated by City and Suburban components. The 2023 program is balanced to both the funding and recovery marks set by the RTA.

The recovery ratio for Regional ADA Paratransit services is established at 10.00% by the RTA Act; however, this requirement has been waived for 2023 in recognition of the impact of the coronavirus pandemic on revenue. RTA has set the 2023 ADA recovery ratio goal at 7.50%. Pace will use credits authorized by the RTA to meet the revised goal.

Table 21. 2023 Regional ADA Paratransit Program Budget - City/Suburban Detail (000s)

	2022 Estimate			2023 Budget			2022-2023
	City	Suburban	Region Total	City	Suburban	Region Total	Net Change
<b>Revenue</b>							
Fares—Contract	\$5,887	\$1,721	\$7,608	\$6,328	\$2,068	\$8,396	\$788
Fares—TAP	0	0	0	2,163	0	2,163	2,163
RTA Certification	723	191	914	1,466	386	1,852	938
Investment Income/Other	0	0	150	0	0	150	0
<b>Total Revenue</b>	<b>\$6,610</b>	<b>\$1,912</b>	<b>\$8,672</b>	<b>\$9,957</b>	<b>\$2,454</b>	<b>\$12,561</b>	<b>\$3,889</b>
<b>Expenses</b>							
Contract Services	\$144,698	\$26,437	\$171,135	\$154,194	\$28,558	\$182,752	\$11,617
TAP Services	23,467	0	23,467	26,810	0	26,810	3,343
Fuel	5,877	2,738	8,615	5,238	2,624	7,862	(753)
Insurance	1,333	0	1,333	1,023	0	1,023	(310)
Administration	8,080	823	8,903	8,486	841	9,326	423
RTA Certification	664	175	839	1,345	354	1,699	860
ADA Support Allocation	0	0	8,592	0	0	9,028	436
<b>Total Expenses</b>	<b>\$184,119</b>	<b>\$30,173</b>	<b>\$222,884</b>	<b>\$197,096</b>	<b>\$32,377</b>	<b>\$238,500</b>	<b>\$15,616</b>
<b>Funding Requirement</b>	<b>\$117,509</b>	<b>\$28,261</b>	<b>\$214,212</b>	<b>\$187,139</b>	<b>\$29,923</b>	<b>\$225,939</b>	<b>\$11,727</b>
<b>Public Funding</b>			<b>\$216,432</b>			<b>\$225,939</b>	<b>\$9,507</b>
<b>Net Funding Available</b>			<b>\$2,220</b>			<b>\$0</b>	<b>(\$2,220)</b>
Recovery Ratio			8.77%			7.50%	(1.27%)
<b>Ridership</b>							
Total Ridership—Contract	2,091	671	2,762	2,249	720	2,969	207
Total Ridership—TAP	1,030	0	1,030	1,082	0	1,082	52
<b>Ridership—Total</b>	<b>3,121</b>	<b>671</b>	<b>3,792</b>	<b>3,331</b>	<b>720</b>	<b>4,051</b>	<b>259</b>

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

The following section presents Pace’s Regional ADA Paratransit Budget and Two-Year Financial Plan for the period 2023 through 2025.

In summary, the 2023 ADA Paratransit budget is balanced to the \$225.939 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 Financial Plan, specifically service related elements such as contractor costs, demand and fuel, are shown in the table below.

### Highlights – 2023 Budget and Two-Year Financial Plan

The budget and two out-years presented in Table 23 show that the ADA program is balanced. Some of the highlights for the three years include total revenue which will grow at an annual compound rate of 3.4%. Revenue growth is consistent with the annual compound growth rate for ridership—3.0%.

Expenses will grow at an annual compound rate of 5.6% during the three-year period, consistent with demand and price increases.

Total ADA funding requirement is growing at an annual compound rate of 5.7% 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.

	2023	2024	2025
Contractor Costs - City	6.7%	5.5%	6.4%
Contractor Costs - Suburban	8.0%	5.8%	5.8%
Demand - City	6.6%	3.0%	3.0%
Demand - Suburban	7.3%	3.0%	3.0%
Fuel Costs - ADA	\$7.862 mil	\$8.045 mil	\$8.202 mil
Number of Gallons - ADA	2.250 mil	2.318 mil	2.387 mil
Price per Gallon - ADA	\$3.49	\$3.47	\$3.44

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

Table 23. 2023 Regional ADA Paratransit Budget and Two-Year Financial Plan (000s)

	2021 Actual	2022 Estimate	2023 Budget	2024 Plan	2025 Plan
<b>Operating Revenue</b>					
Fares	\$6,754	\$7,608	\$10,560	\$10,877	\$11,204
Certification Revenue	0	914	1,851	1,956	2,078
Investment Income/Other	47	150	150	150	150
<b>Total Revenue</b>	<b>\$6,801</b>	<b>\$8,672</b>	<b>\$12,561</b>	<b>\$12,983</b>	<b>\$13,432</b>
<b>Operating Expenses</b>					
Labor/Fringes	\$3,958	\$4,555	\$4,678	\$4,819	\$4,963
Health Care	861	991	1,047	1,124	1,209
Administrative Expense	2,389	3,358	3,602	3,666	3,754
Fuel	5,774	8,615	7,862	8,045	8,202
Insurance/Claims	674	1,332	1,023	1,047	1,073
RTA Certification Trips	0	839	1,698	1,794	1,907
Suburban ADA Purchased Transportation	21,796	26,437	28,558	30,223	31,986
City ADA Purchased Transportation	123,545	144,698	154,194	162,715	173,148
TAP & Mobility Direct Services	19,661	23,467	26,810	28,442	30,175
Regional ADA Support Allocation	7,609	8,592	9,028	9,299	9,578
<b>Total Expenses</b>	<b>\$186,267</b>	<b>\$222,884</b>	<b>\$238,500</b>	<b>\$251,174</b>	<b>\$265,995</b>
<b>Funding Requirement</b>	<b>\$179,466</b>	<b>\$214,212</b>	<b>\$225,939</b>	<b>\$238,191</b>	<b>\$252,563</b>
<b>Public Funding</b>					
Sales Tax and PTF (Part II)	\$157,285	\$208,037	\$217,544	\$229,796	\$244,168
State Funds	8,395	8,395	8,395	8,395	8,395
Federal Relief Funding Assistance	13,786	0	0	0	0
<b>Total Public Funding</b>	<b>\$179,466</b>	<b>\$216,432</b>	<b>\$225,939</b>	<b>\$238,191</b>	<b>\$252,563</b>
<b>Net Funding Available</b>	<b>\$0</b>	<b>\$2,220</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Recovery Ratio</b>	<b>10.60%</b>	<b>8.77%</b>	<b>7.50%</b>	<b>10.00%</b>	<b>10.00%</b>

Pace Regional ADA Paratransit Projected Cash Flow - 2023



The following table provides an estimate of Pace's 2023 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 - 2023 (000s)

Month	Beginning Balance	Revenue	Expenses	Net Results	Ending Balance
January	\$31,707	\$19,175	\$19,875	(\$700)	\$31,007
February	31,007	19,175	19,875	(700)	30,307
March	30,307	19,175	19,875	(700)	29,607
April	29,607	19,175	19,875	(700)	28,907
May	28,907	19,175	19,875	(700)	28,207
June	28,207	19,175	19,875	(700)	27,507
July	27,507	19,175	19,875	(700)	26,807
August	26,807	19,175	19,875	(700)	26,107
September	26,107	19,175	19,875	(700)	25,407
October	25,407	19,175	19,875	(700)	24,707
November	24,707	19,175	19,875	(700)	24,007
December	24,007	27,575	19,875	7,700	31,707

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

Pace's Combined Budget and Two-Year Financial Plan are included in the table below. A table presenting anticipated cash flows for 2023 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.

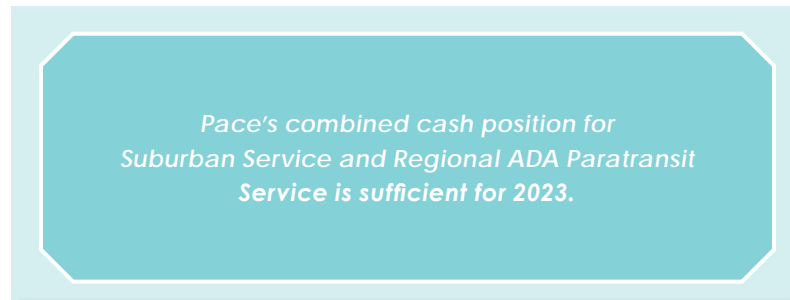
**Table 25. Combined Suburban Service/ADA Budget & Two-Year Financial Plan (000s)**

	2021 Actual	2022 Estimate	2023 Budget	2024 Projected	2025 Projected
<b>Suburban Service</b>					
Revenue	\$32,333	\$31,941	\$33,405	\$34,347	\$35,035
Expenses	223,243	276,404	303,425	317,371	331,624
<b>Funding Requirement</b>	<b>\$190,910</b>	<b>\$244,463</b>	<b>\$270,020</b>	<b>\$283,024</b>	<b>\$296,589</b>
Public Funding	319,636	244,463	270,020	283,024	296,589
<b>Net Funding Available</b>	<b>\$128,726</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$43,115	\$170,015	\$165,860	\$154,425	\$92,337
Net Operating Results	128,726	0	0	0	0
Less: Change in Capital-Related Borrowing	1,200	1,200	1,200	1,200	0
Less: Operating Expended from Fund Balance	0	0	7,990	60,489	65,723
Less: Capital Expended from Fund Balance	626	2,955	2,245	399	360
<b>Ending Balance</b>	<b>\$170,015</b>	<b>\$165,860</b>	<b>\$154,425</b>	<b>\$92,337</b>	<b>\$26,254</b>
<b>Regional ADA Paratransit Service</b>					
Revenue	\$6,801	\$8,672	\$12,561	\$12,983	\$13,432
Expenses	186,267	222,884	238,500	251,174	265,995
<b>Funding Requirement</b>	<b>\$179,466</b>	<b>\$214,212</b>	<b>\$225,939</b>	<b>\$238,191</b>	<b>\$252,563</b>
Public Funding	179,466	216,432	225,939	238,191	252,563
<b>Net Funding Available</b>	<b>\$0</b>	<b>\$2,220</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$0	\$0	\$0	\$0	\$0
Net Operating Results	0	2,220	0	0	0
Less: Capital Expended from Fund Balance	0	0	0	0	0
<b>Ending Balance</b>	<b>\$0</b>	<b>\$2,220</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Combined Service</b>					
Revenue	\$39,134	\$40,613	\$45,966	\$47,330	\$48,467
Expenses	409,510	499,288	541,925	568,545	597,619
<b>Funding Requirement</b>	<b>\$370,376</b>	<b>\$458,675</b>	<b>\$495,959</b>	<b>\$521,215</b>	<b>\$549,152</b>
Public Funding	499,102	460,895	495,959	521,215	549,152
<b>Net Funding Available</b>	<b>\$128,726</b>	<b>\$2,220</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$43,115	\$170,015	\$165,860	\$154,425	\$92,337
Net Operating Results	128,726	2,220	0	0	0
Less: Change in Capital-Related Borrowing	1,200	1,200	1,200	1,200	0
Less: Operating Expended from Fund Balance	0	0	7,990	60,489	65,723
Less: Capital Expended from Fund Balance	626	2,955	2,245	399	360
<b>Ending Balance</b>	<b>\$170,015</b>	<b>\$168,080</b>	<b>\$154,425</b>	<b>\$92,337</b>	<b>\$26,254</b>

## Combined Suburban Service/ADA Cash Flow

The following table provides an estimate of 2023 revenue, expense, and cash position for Pace's combined operations—Suburban Service and Regional ADA Paratransit Service.

The agency budget is balanced to the funding levels and meets the recovery marks set by the RTA for 2023. Pace's combined cash position appears balanced and sufficient to meet next year's needs.



**Table 26. Pace Combined Services Projected Cash Flow Summary - 2023 (000s)**

Month	Beginning Balance	Revenue	Expense	Net Results	Ending Balance
January	\$235,951	\$41,294	\$47,184	(\$5,889)	\$230,062
February	230,062	41,032	44,972	(3,941)	226,121
March	226,121	42,766	48,537	(5,772)	220,349
April	220,349	42,995	47,184	(4,188)	216,161
May	216,161	43,448	44,972	(1,524)	214,637
June	214,637	44,039	45,013	(974)	213,663
July	213,663	43,231	47,184	(3,953)	209,710
August	209,710	43,467	44,972	(1,505)	208,205
September	208,205	43,251	44,972	(1,722)	206,483
October	206,483	46,646	47,184	(537)	205,946
November	205,946	45,531	44,972	559	206,505
December	206,505	64,224	46,213	18,011	224,516

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

*Invest in Transit* is the Regional Transit Strategic Plan for 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 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:

- Enhance Safety and Security
- 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

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

PAYGO funds from the Motor Fuel Tax.

In July 2021, the RTA Board of Directors adopted the Performance-Based Capital Allocation Process which included allocation of state PAYGO funds and federal 5307/5340, 5337, and 5339 funds to the Service Boards based on their respective proportions of the funds needed to bring all assets into a State of Good Repair (SGR) in 20 years. The allocation method is guided by three principles: Addressing Capital Reinvestment Need, Incentivizing Capital Expenditure Performance, and Advancing Policy Priorities. The allocation for funds for years 2023 and 2024 are based on previously established formulas. From 2025 through 2027, the allocation of the federal formula and PAYGO funding is distributed by a performance-based calculation.

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

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

Funding Source	2023	2024	2025	2026	2027	Total
PAYGO	11,350	11,350	17,025	17,025	16,117	72,867

## 2023 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 2023 Capital Program marks provide Pace \$59.550 million of 5307 and 5339 federal formula funds, \$11.350 million of state PAYGO funds, and \$1.484 million of federal Congestion Mitigation/Air Quality (CMAQ) funds.

Table 28. Pace 2023 Capital Program (000s)

Funding Source	Amount
Federal 5307/5339	\$59,550
State PAYGO	11,350
Federal CMAQ	1,464
<b>Total</b>	<b>\$72,364</b>

### Funding Summary

The 2023 Suburban Capital Program totals \$72.364 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 (\$1.802 Million)

- 19 Replacement Paratransit Vehicles that will operate systemwide

### Operating Cost Impacts

Pace's average fleet age is 6.8 years for paratransit vehicles, while their typical useful life expectancy is four years. Replacing older paratransit vehicles with new ones will reduce the average fleet age and lower overall maintenance costs.

#### Electrical/Signal/Communications (\$2.198 Million)

- Onboard Digital Screens: Purchase and install 100 digital screens inside fixed route buses to display passenger information, such as next-stop announcements, detour notices, and passenger notices

### Operating Cost Impacts

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

#### Support Facilities & Equipment (\$61.500 Million)

- North Division Electrification/Expansion (\$60.350 million): Renovation and expansion of North Division Garage located in Waukegan, including installation of charging capabilities for electric buses
- Headquarters Renovation (\$0.750 million): Paint and carpet replacement at Administrative Office in Arlington Heights
- Support Equipment (\$0.400 million): Purchase and installation of two 14,000-lb. capacity alignment lift kits at South Holland Division and River Division (Elgin) as well as two Vehicle Inspection Systems for South Division (Markham) and West Division (Melrose Park)

### Operating Cost Impacts

Once operational, North Division will be equipped with charging infrastructure for electric buses, which will reduce diesel fuel and vehicle maintenance costs by replacing over 50 diesel buses with battery electric buses.

#### Stations & Passenger Facilities (\$6.864 Million)

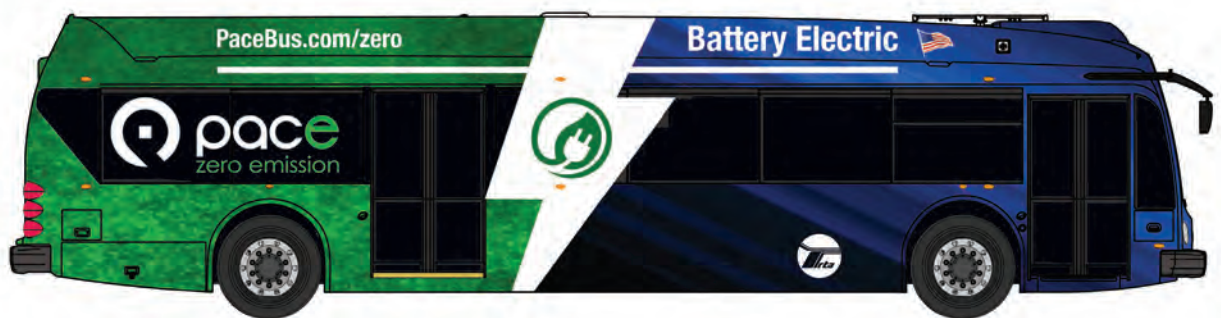
- Harvey Transportation Center (\$5.400 million): Funding to be combined with RAISE grant and other funding for the renovation of the transportation center located in Harvey
- Pulse 95th A/E (\$1.464 million): Architecture/Engineering services for the design of the Pulse 95th Rapid Transit Line. The project corridor is approximately 12.4 miles in length and runs east-west between the CTA Red Line 95th/ Dan Ryan Station in Chicago and Moraine Valley Community college in Palos Hills, primarily routed along 95th Street

### Operating Cost Impacts

The Harvey Transportation Center will increase passenger comfort and convenience and improve travel times to increase ridership and farebox revenue. The Pulse 95th service is anticipated to result in a net increase of \$3.6 million annually over existing operating expenses in the 95th Street corridor.



*In May 2022, Executive Director Melinda J. Metzger and members of the Pace Board of Directors toured a new battery-electric bus manufactured by GILLIG. Pace plans to take ownership of this vehicle by the end of 2022 and has already submitted a purchase order for 20 additional Proterra ZX5 Max electric buses. Renovation and expansion of the North Division Garage in Waukegan, IL will provide a facility to charge and service this new zero-emission fleet.*



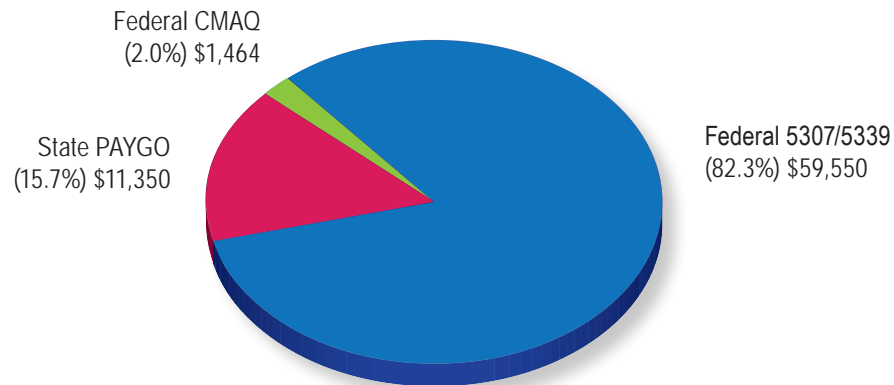
*Rendering of Pace's future battery-electric buses. Pace is committed to operating a zero-emission fleet by 2040.*

**Table 29. Suburban Service 2023 Capital Program (000s)**

	Total Budget	Federal 5307/5339	State PAYGO	Federal CMAQ
<b>Rolling Stock</b>				
Paratransit Vehicles (19)	\$1,802	\$1,802	\$0	\$0
<b>Subtotal</b>	<b>\$1,802</b>	<b>\$1,802</b>	<b>\$0</b>	<b>\$0</b>
<b>Electrical/Signal/Communications</b>				
Onboard Digital Screens	\$2,198	\$2,198	\$0	\$0
<b>Subtotal</b>	<b>\$2,198</b>	<b>\$2,198</b>	<b>\$0</b>	<b>\$0</b>
<b>Support Facilities &amp; Equipment</b>				
North Division Electrification/Expansion	\$60,350	\$49,000	\$11,350	\$0
HQ Paint and Carpet Replacement	750	750	0	0
Vehicle Maintenance Equipment	400	400	0	0
<b>Subtotal</b>	<b>\$61,500</b>	<b>\$50,150</b>	<b>\$11,350</b>	<b>\$0</b>
<b>Stations &amp; Passenger Facilities</b>				
Harvey Transportation Center Renovation	\$5,400	\$5,400	\$0	\$0
Pulse 95th A/E	1,464	0	0	1,464
<b>Subtotal</b>	<b>\$6,864</b>	<b>\$5,400</b>	<b>\$0</b>	<b>\$1,464</b>
<b>Total 2023 Suburban Capital Program</b>	<b>\$72,364</b>	<b>\$59,550</b>	<b>\$11,350</b>	<b>\$1,464</b>
<b>2023 Marks</b>	<b>\$72,364</b>	<b>\$59,550</b>	<b>\$11,350</b>	<b>\$1,464</b>

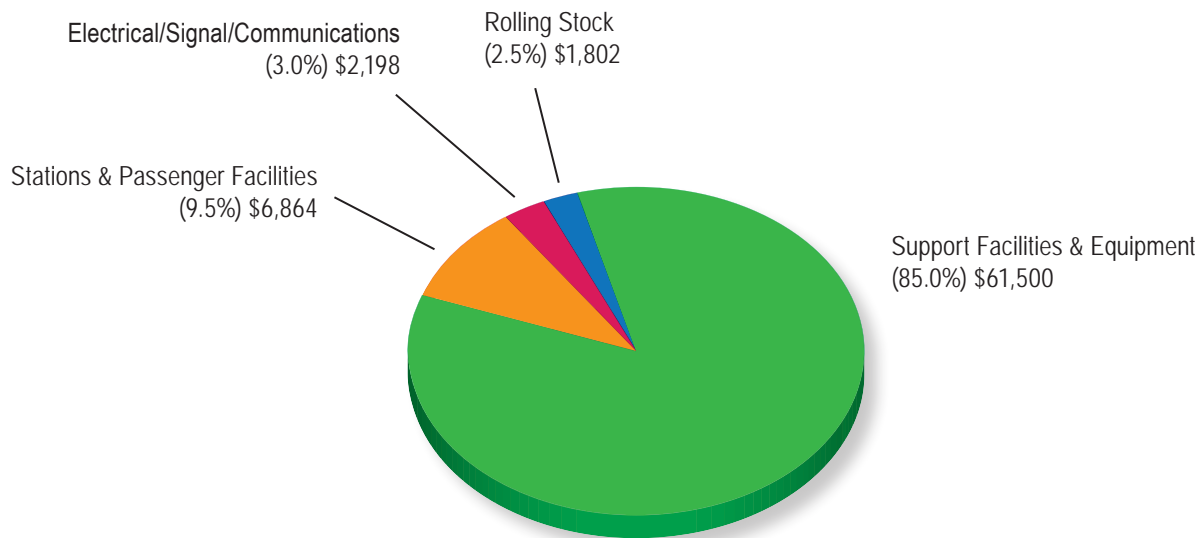
Chart F. 2023 Suburban Service Capital Program - Sources/Uses of Funds (000s) - Total \$72,364

## Sources of Funds (000s)



Over 84% of Pace's capital funding is expected to come from federal sources.

## Uses of Funds (000s)



85% of the Pace capital program will be allocated to Support Facilities and Equipment.

## Capital Funding Sources

### State Funding

In June 2019, the Illinois General Assembly passed *Rebuild Illinois*, which established a “PAYGO” fund as an ongoing, reliable funding source for future capital needs. Pace expects to receive \$72.867 million of these funds over the 2023-2027 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 through 2027 capital allocations for federal formula and state PAYGO funds are based on the new Performance-Based Capital Allocation calculation developed by the RTA and service boards and adopted on July 15, 2021. The federal formula funds, which include Section 5307/5340 Urbanized Area and Section 5339 Bus and Bus Facilities, are expected to total \$289.688 million for Pace in 2023-2027. Estimates of funding for the federal formula programs are aligned with the new Infrastructure Investment and Jobs Act (IIJA) signed into law on November 15, 2021.



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

Some of these programs include:

- Rebuilding American Infrastructure with Sustainability and Equity (RAISE)—funds investments in surface transportation infrastructure such as roads, bridges, transit, rail, ports, or intermodal transportation; previously known as Better Utilizing Investments to Leverage Development (BUILD) and Transportation Investment Generating Economic Recovery (TIGER). In 2022, Pace was awarded \$20 million for the Harvey Transportation Center renovation project.
- 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.





*Architectural rendering of Harvey Transportation Center renovation.*

*Pace was awarded \$20 million in Rebuilding American Infrastructure with Sustainability and Equity (RAISE) funds for this project. These improvements will impact economic development and accommodate service growth.*

### *RTA Funding*

The RTA provides funding to the service boards through the Innovation, Coordination and Enhancement (ICE) program, which can be applied to either operating or capital projects. RTA ICE funding is being paused by the RTA for years 2023 and 2024. Pace plans to use 2025 ICE funds of \$2.055 million toward capital expenses. ICE funding estimates are not yet available for 2026-2027.

### *Service Board Funding*

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

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

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

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## 2023-2027 Five-Year Suburban Service Capital Business Plan

The RTA preliminary funding marks for Pace's 2023-2027 Five-Year Suburban Capital Plan total \$381.728 million, comprised of \$289.688 million in federal 5307/5339 funds, \$72.867 million in state PAYGO funds, \$17.118 million in federal Congestion Mitigation/Air Quality (CMAQ) funds, and \$2.055 million in RTA Innovation, Coordination and Enhancement (ICE) funds.

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

### *Rolling Stock (\$93.609 Million)*

- 46 Fixed Route Electric Buses
- 13 Fixed Route Coach Buses
- 201 Paratransit Vehicles
- 69 Community Transit/On Demand Vehicles

### *Electrical/Signal/Communications (\$21.984 Million)*

- Onboard Digital Screens
- Transit Signal Priority
- Intelligent Bus System
- Bus Security Cameras

### *Support Facilities & Equipment (\$214.679 Million)*

- North Division Electrification/Expansion
- Southwest Division Electrification/Expansion
- Headquarters Renovations
- Support Equipment/Non-Revenue Vehicles
- Computer Systems/Hardware & Software

### *Stations & Passenger Facilities (\$51.456 Million)*

- Pulse 95th A/E & Construction
- I-294 Stations
- Bus Stop Shelters
- Harvey Transportation Center Renovation
- Bus Tracker Signs

**Table 30.**  
**Pace 2023–2027 Five-Year Capital Program (000s)**

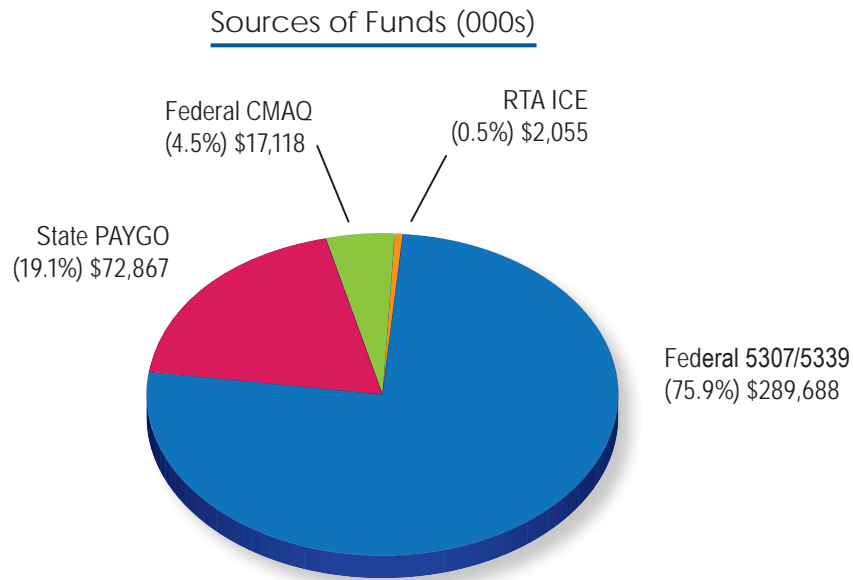
Funding Source	Amount
Federal 5307/5339	\$289,688
State PAYGO	72,867
Federal CMAQ	17,118
RTA ICE	2,055
<b>Total</b>	<b>\$381,728</b>

# Capital Budget Suburban Service

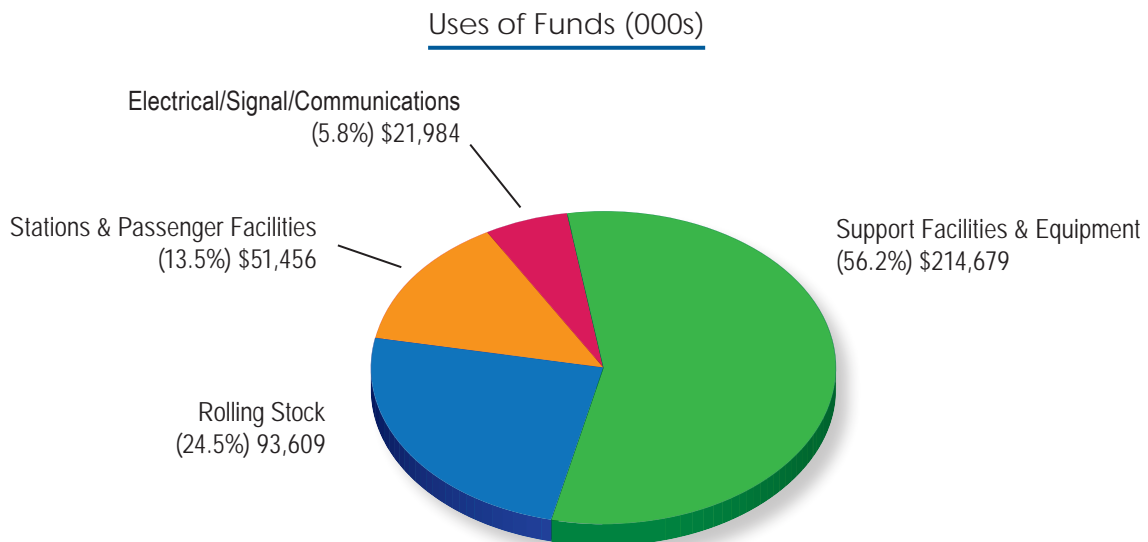
Table 31. 2023-2027 Five-Year Suburban Service Capital Business Plan (000s)

	2023	2024	2025	2026	2027	Total
<b>Rolling Stock Quantities</b>						
Fixed Route Electric Buses	0	9	9	14	14	46
Fixed Route Coach Buses	0	13	0	0	0	13
Paratransit Vehicles	19	20	57	53	52	201
Community Transit/On Demand Vehicles	0	9	20	20	20	69
<b>Rolling Stock</b>						
Fixed Route Electric Buses	\$0	\$11,700	\$11,700	\$18,200	\$18,200	\$59,800
Fixed Route Coach Buses	0	9,750	0	0	0	9,750
Paratransit Vehicles	1,802	1,873	5,458	5,113	4,983	19,229
Community Transit/On Demand Vehicles	0	630	1,400	1,400	1,400	4,830
<b>Subtotal</b>	<b>\$1,802</b>	<b>\$23,953</b>	<b>\$18,558</b>	<b>\$24,713</b>	<b>\$24,583</b>	<b>\$93,609</b>
<b>Electrical/Signal/Communications</b>						
Onboard Digital Screens	\$2,198	\$2,081	\$2,055	\$2,000	\$2,000	\$10,334
Transit Signal Priority	0	0	2,000	2,000	2,000	6,000
Intelligent Bus System	0	1,500	500	650	1,000	3,650
Bus Security Cameras	0	2,000	0	0	0	2,000
<b>Subtotal</b>	<b>\$2,198</b>	<b>\$5,581</b>	<b>\$4,555</b>	<b>\$4,650</b>	<b>\$5,000</b>	<b>\$21,984</b>
<b>Support Facilities &amp; Equipment</b>						
North Division Electrification/Expansion	\$60,350	\$36,037	\$0	\$0	\$0	\$96,387
Southwest Division Electrification/Expansion	0	0	14,000	40,025	40,117	94,142
Headquarters Renovations	750	0	16,000	0	0	16,750
Support Equipment/Non-Revenue Vehicles	400	500	1,000	1,000	1,000	3,900
Computer Systems/Hardware & Software	0	500	1,000	1,000	1,000	3,500
<b>Subtotal</b>	<b>\$61,500</b>	<b>\$37,037</b>	<b>\$32,000</b>	<b>\$42,025</b>	<b>\$42,117</b>	<b>\$214,679</b>
<b>Stations &amp; Passenger Facilities</b>						
Pulse 95th A/E & Construction	\$1,464	\$19,567	\$0	\$0	\$0	\$21,031
I-294 Stations	0	0	17,025	0	0	17,025
Bus Stop Shelters	0	1,500	1,500	1,500	1,500	6,000
Harvey Transportation Center Renovation	5,400	0	0	0	0	5,400
Bus Tracker Signs	0	500	500	500	500	2,000
<b>Subtotal</b>	<b>\$6,864</b>	<b>\$21,567</b>	<b>\$19,025</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$51,456</b>
<b>Grand Total - Constrained</b>	<b>\$72,364</b>	<b>\$88,138</b>	<b>\$74,138</b>	<b>\$73,388</b>	<b>\$73,700</b>	<b>\$381,728</b>

Chart G. 2023-2027 Suburban Service Capital Business Plan - Sources/Uses of Funds (000s) - Total \$381,728



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



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

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## 2023-2027 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 costs for 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 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 would require a total of \$160.248 million for 2023-2027.

Highlights include:

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



**Table 32. 2023-2027 Regional ADA Paratransit Unconstrained Capital Program (000s)**

	2023	2024	2025	2026	2027	Total
<b>Rolling Stock Quantities</b>						
City Vehicle Replacement	0	211	211	211	210	843
Suburban Vehicle Replacement	14	14	14	14	80	136
Regional Vehicle Expansion	15	15	15	15	15	75
<b>Total Vehicle Needs</b>	<b>29</b>	<b>240</b>	<b>240</b>	<b>240</b>	<b>305</b>	<b>1,054</b>
<b>Rolling Stock</b>						
City Vehicle Replacement	\$0	\$20,045	\$20,045	\$20,045	\$19,950	\$80,085
Suburban Vehicle Replacement	1,330	1,330	1,330	1,330	7,600	12,920
Regional Vehicle Expansion	1,425	1,425	1,425	1,425	1,425	7,125
<b>Subtotal</b>	<b>\$2,755</b>	<b>\$22,800</b>	<b>\$22,800</b>	<b>\$22,800</b>	<b>\$28,975</b>	<b>\$100,130</b>
<b>Electrical/Signal/Communications</b>						
Radio System	\$104	\$864	\$864	\$864	\$1,098	\$3,794
<b>Subtotal</b>	<b>\$104</b>	<b>\$864</b>	<b>\$864</b>	<b>\$864</b>	<b>\$1,098</b>	<b>\$3,794</b>
<b>Support Facilities &amp; Equipment</b>						
Construct Four Garage Facilities	\$2,500	\$3,500	\$14,000	\$12,000	\$13,000	\$45,000
Farebox System	174	1,440	1,440	1,440	1,830	6,324
<b>Subtotal</b>	<b>\$2,674</b>	<b>\$4,940</b>	<b>\$15,440</b>	<b>\$13,440</b>	<b>\$14,830</b>	<b>\$51,324</b>
<b>Stations &amp; Passenger Facilities</b>						
Construct Passenger Transfer Locations	\$0	\$0	\$0	\$2,500	\$2,500	\$5,000
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$5,000</b>
<b>Grand Total Needs</b>	<b>\$5,533</b>	<b>\$28,604</b>	<b>\$39,104</b>	<b>\$39,604</b>	<b>\$47,403</b>	<b>\$160,248</b>





## Appendices

## 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 2023, the headquarters administration category is budgeted at 234.5 approved full-time equivalent (FTE) positions with 37.0 FTE vacancies and 5.5 FTE positions allocated to ADA operations, resulting in 192.0 budgeted FTE positions. The headquarters central support category is budgeted at 94.5 approved FTE positions with 11.0 FTE vacancies, resulting in 83.5 filled FTE positions. No additional positions are authorized in either category; however, total vacancies are expected to decrease by 16.0 FTEs from 2022 levels.

The Pace divisions category is comprised of nine garages and is budgeted at 1,473 filled FTE positions for 2023. This is an increase of 50 positions over 2022 estimated levels, reflecting planned service adjustments, including the implementation of Pulse Dempster.

The Regional ADA Paratransit category includes 42.5 approved FTE positions and 5.5 FTE positions allocated from headquarters administration, resulting in 48.0 filled positions for 2023.

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

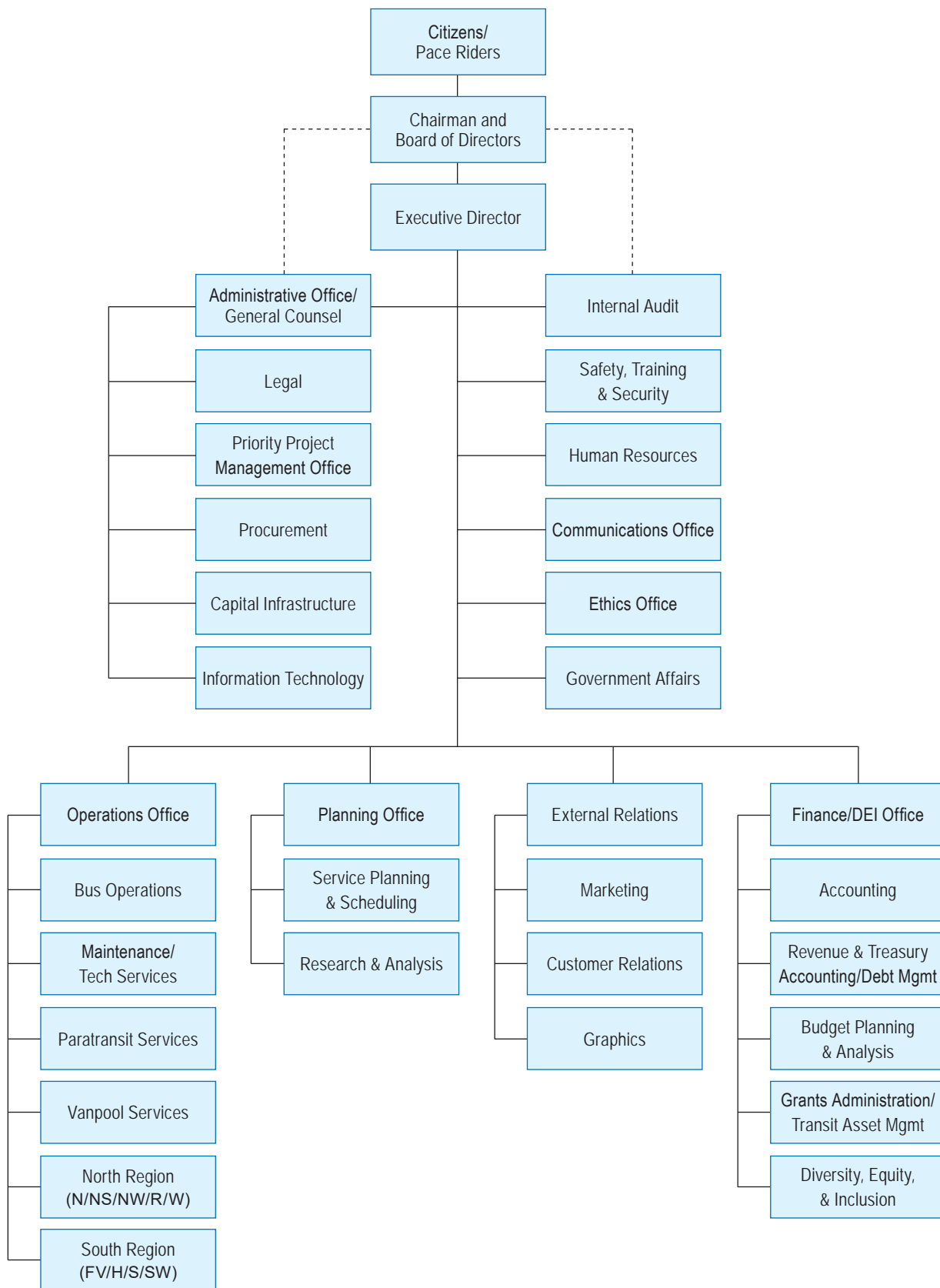
The organization structure is shown in Chart H. The number of employees assigned to each department is detailed in Table 34 and an overview of each department's duties and responsibilities is presented on the following pages.

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

	Admin	Central Support	Pace Divisions	Total
<b>2021 Actual</b>				
Operations	0.0	26.5	1,049.0	1,075.5
Maintenance	0.0	29.0	284.0	313.0
NVM*	0.0	18.0	16.0	34.0
Administration	179.5	0.0	35.0	214.5
<b>Suburban Service</b>	<b>179.5</b>	<b>73.5</b>	<b>1,384.0</b>	<b>1,637.0</b>
Reg. ADA Paratransit	38.0	0.0	0.0	38.0
<b>Total</b>	<b>217.5</b>	<b>73.5</b>	<b>1,384.0</b>	<b>1,675.0</b>
<b>2022 Estimated</b>				
Operations	0.0	31.5	1,086.0	1,117.5
Maintenance	0.0	29.0	286.0	315.0
NVM*	0.0	19.0	16.0	35.0
Administration	180.0	0.0	35.0	215.0
<b>Suburban Service</b>	<b>180.0</b>	<b>79.5</b>	<b>1,423.0</b>	<b>1,682.5</b>
Reg. ADA Paratransit	48.0	0.0	0.0	48.0
<b>Total</b>	<b>228.0</b>	<b>79.5</b>	<b>1,423.0</b>	<b>1,730.5</b>
<b>2023 Budget</b>				
Operations	0.0	33.5	1,136.0	1,169.5
Maintenance	0.0	31.0	286.0	317.0
NVM*	0.0	19.0	16.0	35.0
Administration	192.0	0.0	35.0	227.0
<b>Suburban Service</b>	<b>192.0</b>	<b>83.5</b>	<b>1,473.0</b>	<b>1,748.5</b>
Reg. ADA Paratransit	48.0	0.0	0.0	48.0
<b>Total</b>	<b>240.0</b>	<b>83.5</b>	<b>1,473.0</b>	<b>1,796.5</b>

\*Non-Vehicle Maintenance

Chart H. Pace Organizational Chart



**Table 34. Pace’s 2023 Operating Budget - Department Budgeted Positions (FTEs)**

Suburban Service	2021 Actual	2022 Estimate	2023 Budget
<b>Office of the Executive Director</b>	3.0	3.0	3.0
Internal Audit	6.0	6.0	6.0
Safety/Training/Security	6.0	7.0	7.0
Human Resources	11.0	12.0	12.0
Communications Office	2.0	2.0	2.0
Ethics Office	1.0	1.0	1.0
Government Affairs	12.0	12.0	12.0
Unassigned Vacancies	26.0	22.0	22.0
<b>Total</b>	<b>67.0</b>	<b>65.0</b>	<b>65.0</b>
<b>Finance/Diversity, Equity &amp; Inclusion Office</b>	3.0	3.0	3.0
Diversity, Equity & Inclusion	3.0	3.0	3.0
Accounting	17.0	17.0	17.0
Revenue & Treasury Accounting/Debt Management	6.0	6.0	6.0
Budget Planning & Analysis	5.0	5.0	5.0
Grants Administration/Transit Asset Management	9.0	10.0	10.0
<b>Total</b>	<b>43.0</b>	<b>44.0</b>	<b>44.0</b>
<b>Administrative Office/General Counsel</b>	0.0	1.0	1.0
Legal	12.0	12.0	12.0
Priority Project Management Office	2.0	2.0	2.0
Procurement	18.0	18.0	18.0
Capital Infrastructure	25.0	26.0	26.0
Information Technology	36.0	36.0	36.0
<b>Total</b>	<b>93.0</b>	<b>95.0</b>	<b>95.0</b>
<b>Operations Office</b>	4.0	4.0	4.0
Bus Operations	22.0	22.0	22.0
Maintenance/Tech Services	36.0	36.0	36.0
Paratransit Services	9.0	9.0	9.0
Vanpool Services	15.0	15.0	15.0
Pace Divisions:			
Bus Operators	973.0	982.0	1,032.0
Operations Supervisors	76.0	104.0	104.0
Maintenance	284.0	286.0	286.0
Non-Vehicle Maintenance	16.0	16.0	16.0
Administration	35.0	35.0	35.0
<b>Total</b>	<b>1,470.0</b>	<b>1,509.0</b>	<b>1,559.0</b>

Suburban Service	2021 Actual	2022 Estimate	2023 Budget
<b>Planning Office</b>	2.0	2.0	2.0
Service Planning & Scheduling	12.0	12.0	12.0
Research & Analysis	6.0	6.0	6.0
<b>Total</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>
<b>External Relations</b>	2.0	2.0	2.0
Marketing	5.0	5.0	5.0
Customer Relations	4.0	4.0	4.0
Graphics	8.0	8.0	8.0
<b>Total</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>
<b>Total Suburban Service</b>	<b>1,712.0</b>	<b>1,752.0</b>	<b>1,802.0</b>

Regional ADA	2021 Actual	2022 Estimate	2023 Budget
City ADA Paratransit	42.5	42.5	42.5
Suburban Service Allocation	4.0	5.5	5.5
<b>Total Regional ADA</b>	<b>46.5</b>	<b>48.0</b>	<b>48.0</b>
<b>Total Suburban &amp; Regional ADA</b>	<b>1,758.5</b>	<b>1,800.0</b>	<b>1,850.0</b>
Suburban Svc Vacancy Factor	(71.0)	(64.0)	(48.0)
Regional ADA Vacancy Factor	(8.5)	0.0	0.0
ADA Allocation	(4.0)	(5.5)	(5.5)
<b>Total - With Vacancy Factors</b>	<b>1,675.0</b>	<b>1,730.5</b>	<b>1,796.5</b>

## Department Overview

A detailed description of each department is provided as follows:

### Office of the Executive Director

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

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

**Safety, Training, and Security:** Responsible for safety and training programs for all 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.

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

**Communications 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.

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

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

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

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

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

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

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

#### *Administrative Office/General Counsel*

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

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

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

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

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

#### *Operations Office*

**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).



*Pace participated in the Disability Pride Parade in Downtown Chicago on July 23, 2022.*

## *Planning Office*

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

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

## *External Relations*

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

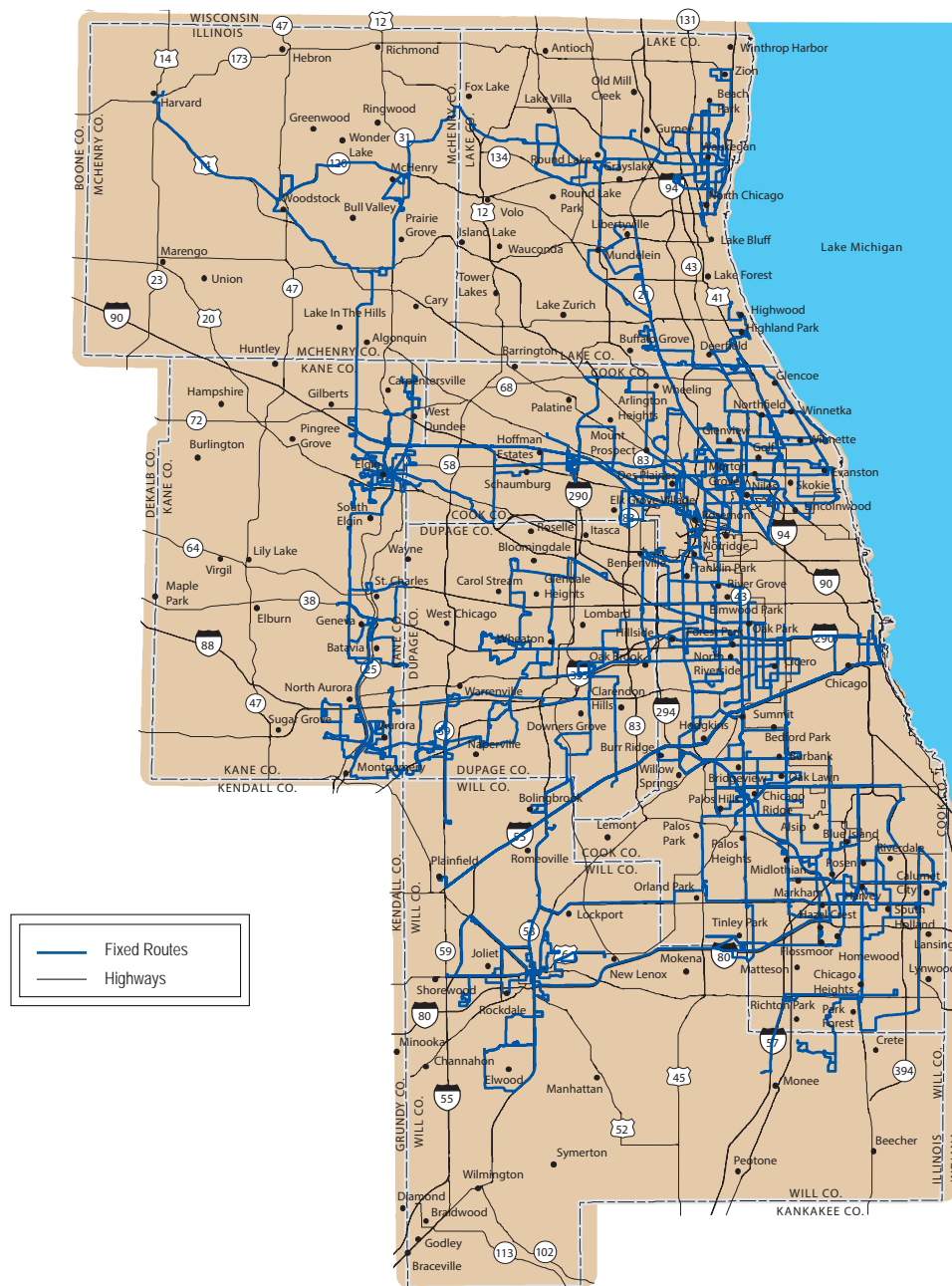
**Customer Relations:** Responsible for handling customer inquiries and providing schedule information to Pace customers. Administers customer management system for tracking customer complaints, produces customer complaints metrics, and follows up with responsible business units.

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

# Appendix A • Pace Overview

## Fixed Route Service Characteristics

Fixed Route Service includes 131 regular, 5 feeder, and numerous seasonal routes which are operated by Pace. These routes serve 210 communities and carry an average of 1.1 million rides per month, utilizing 482 vehicles during peak periods. All routes are fully wheelchair accessible.

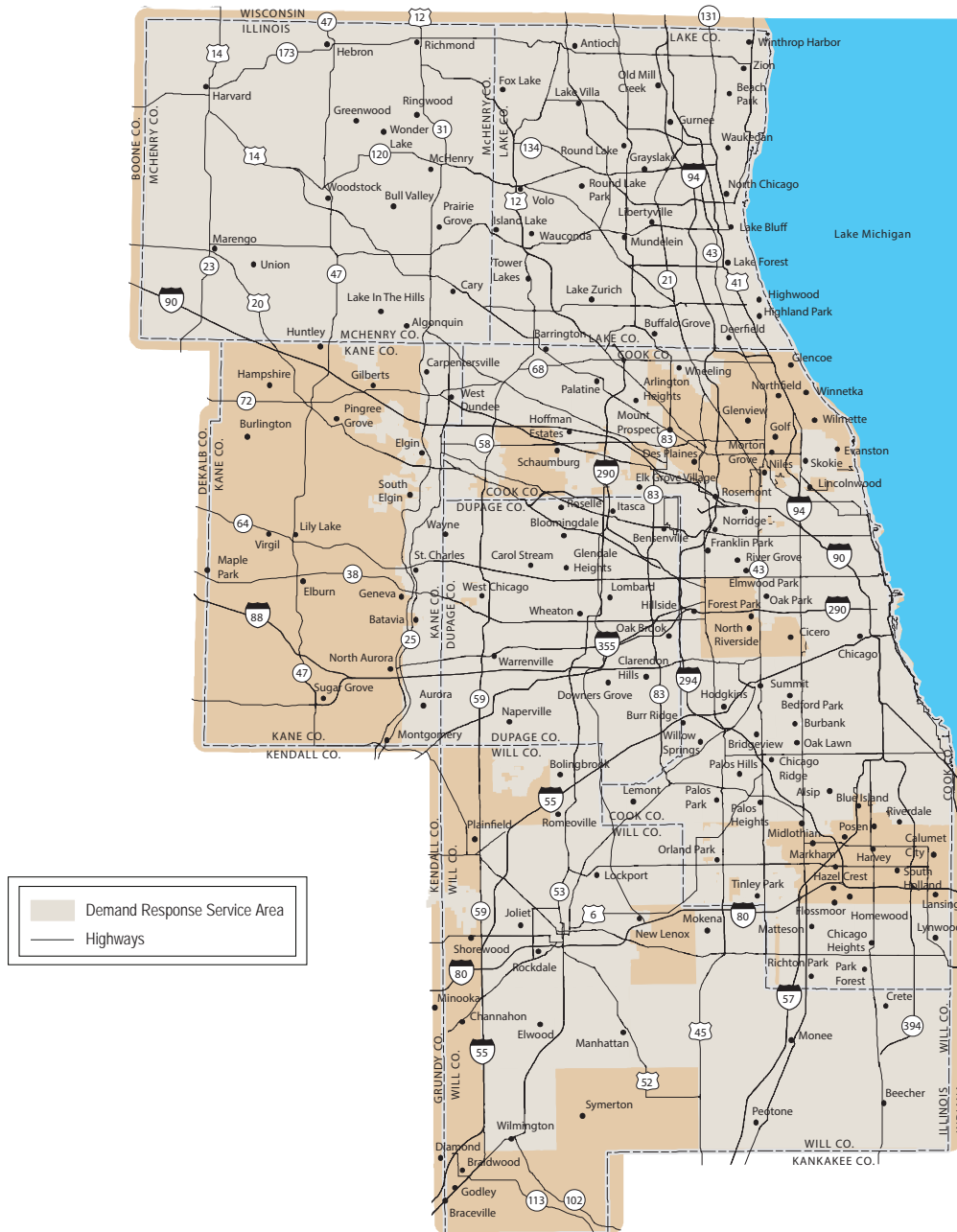




## Demand Response Service Characteristics

Demand Response Services utilizes 232 lift-equipped vehicles to provide curb-to-curb service to approximately 51,800 riders each month. Prior to the pandemic, Pace provided service to approximately 80,600 riders each month. 2022 ridership is estimated at 64% of pre-pandemic levels.

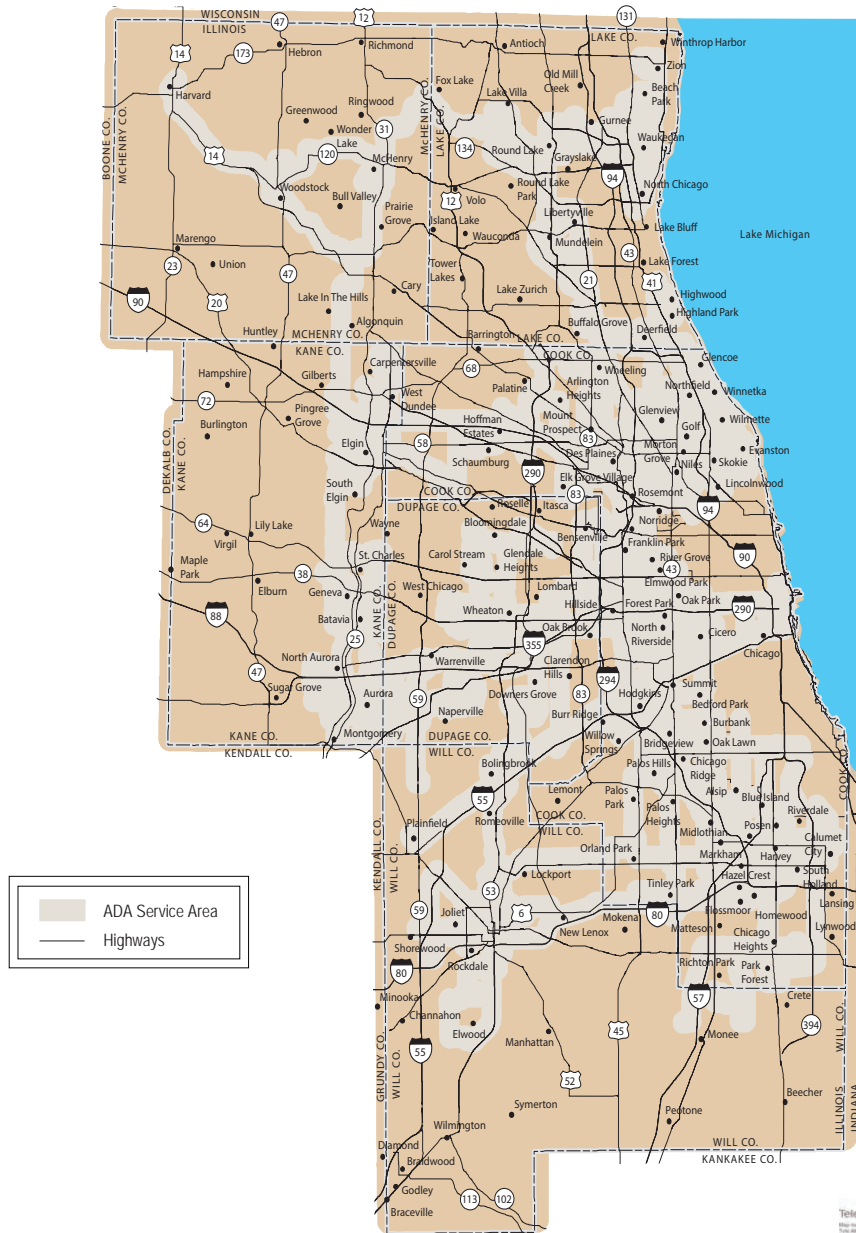
Most of the ridership are elderly and/or people with disabilities. Pace contracts directly with private service providers for the operation of 16 demand response projects, 11 On Demand projects, and has agreements with villages and townships for the operation of 11 other demand response projects. Pace River Division operates one demand response project and five On Demand projects. These projects provide services to approximately 274 communities throughout the six-county area.



## Suburban ADA Paratransit Service Characteristics

Suburban ADA Paratransit utilizes 262 lift-equipped vehicles to provide origin to destination service to approximately 55,900 riders each month. Prior to the pandemic, Pace provided service to approximately 81,400 riders each month. 2022 ridership is estimated at 69% of pre-pandemic levels.

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.



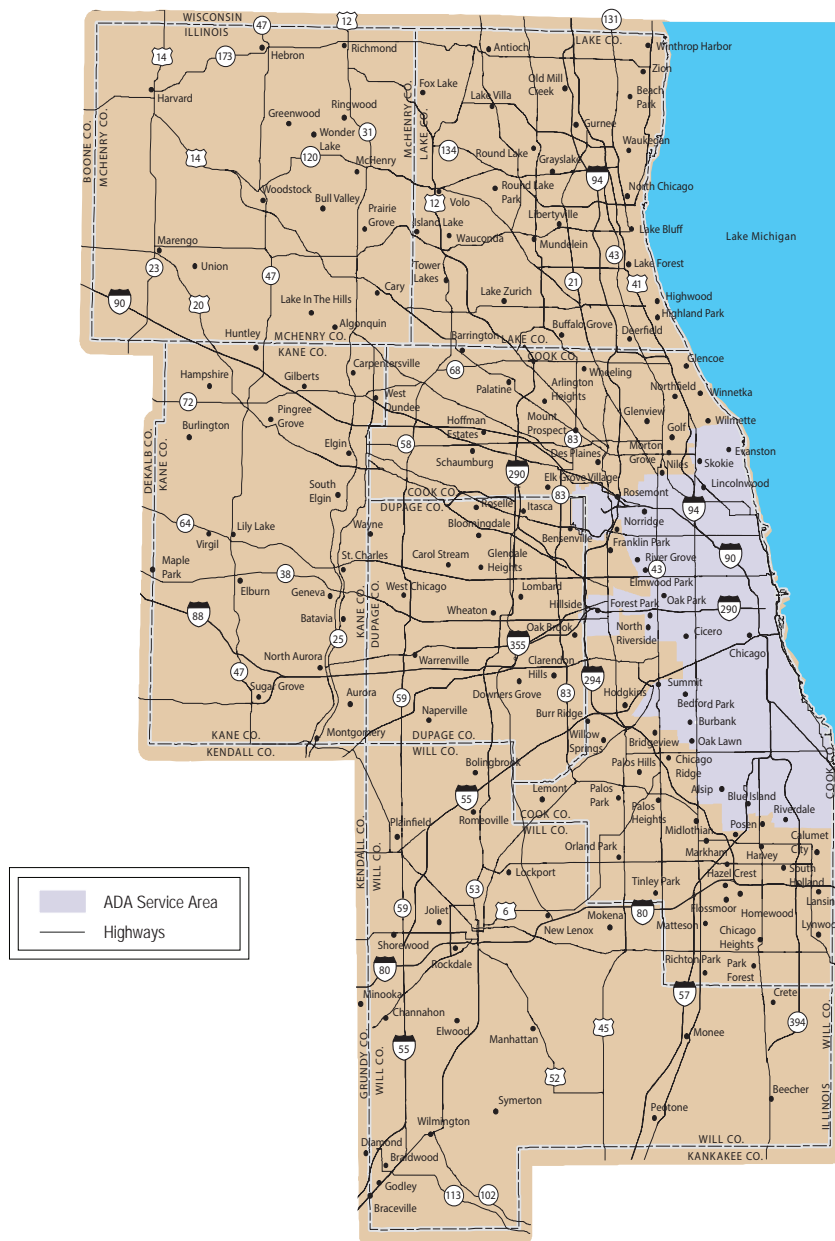
## City of Chicago ADA Paratransit Service Characteristics

Four contractors (SCR Transportation, CDT/National Express, MV Transportation, and First Transit) and contracted Taxi Contractors (303Taxi, Ride X, Blue Ribbon and Taxi-SCR) provide ADA Paratransit services to locations within 3/4 mile of CTA/Pace bus routes and up to a 3/4 mile radius of each CTA rail station.

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

City of Chicago ADA Paratransit utilizes 843 vehicles, as well as taxi providers, to provide service to approximately 174,200 riders each month in 2022. Prior to the pandemic, Pace provided service to approximately 252,500 riders each month. 2022 ridership is estimated at 69% of pre-pandemic levels.

In addition to dedicated ADA Paratransit service, the Taxi Access Program (TAP) will provide service to approximately 85,800 riders each month in 2022. Current ridership is estimated at 377% above pre-pandemic levels.



# Appendix A • Pace Overview

Table 35. Pace Rolling Stock - Active Fleet on December 31, 2021

Fixed Route (Fully Accessible)				
Manufacturer	Model Year	# of Vehicles	Age	Length
EIDorado	2007	42	15	30'
EIDorado	2008	32	14	30'
EIDorado	2009	24	13	30'
EIDorado	2010	38	12	30'
Orion Hybrid	2011	2	11	30'
EIDorado	2011	4	11	30'
EIDorado	2013	74	9	40'
MCI	2013	13	9	40'
EIDorado	2014	37	8	40'
EIDorado	2015	47	7	40'
MCI	2015	9	7	40'
EIDorado CNG	2015	19	7	40'
EIDorado	2016	88	6	40'
EIDorado	2017	86	5	40'
EIDorado Trolley	2017	7	5	30'
EIDorado CNG	2017	70	5	40'
MCI	2017	8	5	40'
EIDorado CNG	2018	11	4	40'
EIDorado CNG	2020	6	2	40'
New Flyer	2020	85	2	40'
EIDorado	2020	23	2	30'
<b>Total</b>		<b>725</b>		
Average Age			7.1 years	

Vanpool				
Manufacturer	Model Year	# of Vehicles	Age	Length
Ford E350	2010	2	12	20'
Ford E350	2011	3	11	19'
Dodge Caravan	2012	1	10	17'
Dodge Caravan	2013	16	9	17'
Ford E350	2013	33	9	18'-20'
Dodge Caravan	2016	5	6	17'
Ford Transit	2016	46	6	20'
Ford Transconnect	2016	19	6	20'
Dodge Caravan	2017	180	5	17'
Ford Transit	2017	50	5	19'
Ford Transit	2018	83	4	19'
Ford Transit	2020	82	2	18'-19'
<b>Total</b>		<b>520</b>		
Average Age			5.0 years	



## Paratransit (Fully Accessible)

Manufacturer	Model Year	# of Vehicles	Age	Length
EIDorado Aerotech	2009	5	13	23'
EIDorado Aerolite	2010	1	12	22'
EIDorado Aerotech	2010	10	12	23'
EIDorado Aerotech	2014	115	8	25'
Champion Challenger	2014	96	8	22'
EIDorado Aerotech	2016	49	6	25'
EIDorado Aerotech	2017	119	5	25'
EIDorado Aerotech	2018	28	4	25'
<b>Total</b>		<b>423</b>		
<b>Average Age</b>			<b>6.8 years</b>	

## Community Transit & On Demand

Manufacturer	Model Year	# of Vehicles	Age	Length
Champion Crusader	2007	1	15	21'
Champion Crusader	2009	3	13	21'
Ford E350	2011	2	11	19'
Champion Crusader	2012	3	10	21'
Dodge Caravan	2013	8	9	17'
Ford E350	2013	10	9	18'-19'
Champion Crusader	2015	16	7	23'
Ford Transit	2016	1	6	20'
Dodge Caravan	2017	3	5	17'
Champion Crusader	2017	35	5	23'
Ford Transit	2017	1	5	19'
Champion Crusader	2018	3	4	21'-23'
Ford Transit	2018	10	4	19'
Champion Crusader	2019	21	3	21'
Ford Transit	2020	3	2	19'
<b>Total</b>		<b>120</b>		
<b>Average Age</b>			<b>5.9 years</b>	



Paratransit vehicle



On Demand vehicle

## Pace System Infrastructure

Pace's Operating Divisions provide inside bus storage for approximately 730 buses with a total building size of over 1.3 million square feet at the locations provided below. Pace also leases Administrative and Operating space. Lastly, Pace contracts with regional municipal and private carriers to supplement Fixed Route and Paratransit Passenger Services.

### Operating Divisions

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

### Municipal Garages

- City of Highland Park
- Village of Niles

### Leased Premises

- Chicago Paratransit Office  
Chicago
- East Dundee Garage  
East Dundee
- Print Shop  
Elk Grove Village
- 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 is on our website: [www.pacebus.com](http://www.pacebus.com).

### Transportation Centers

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

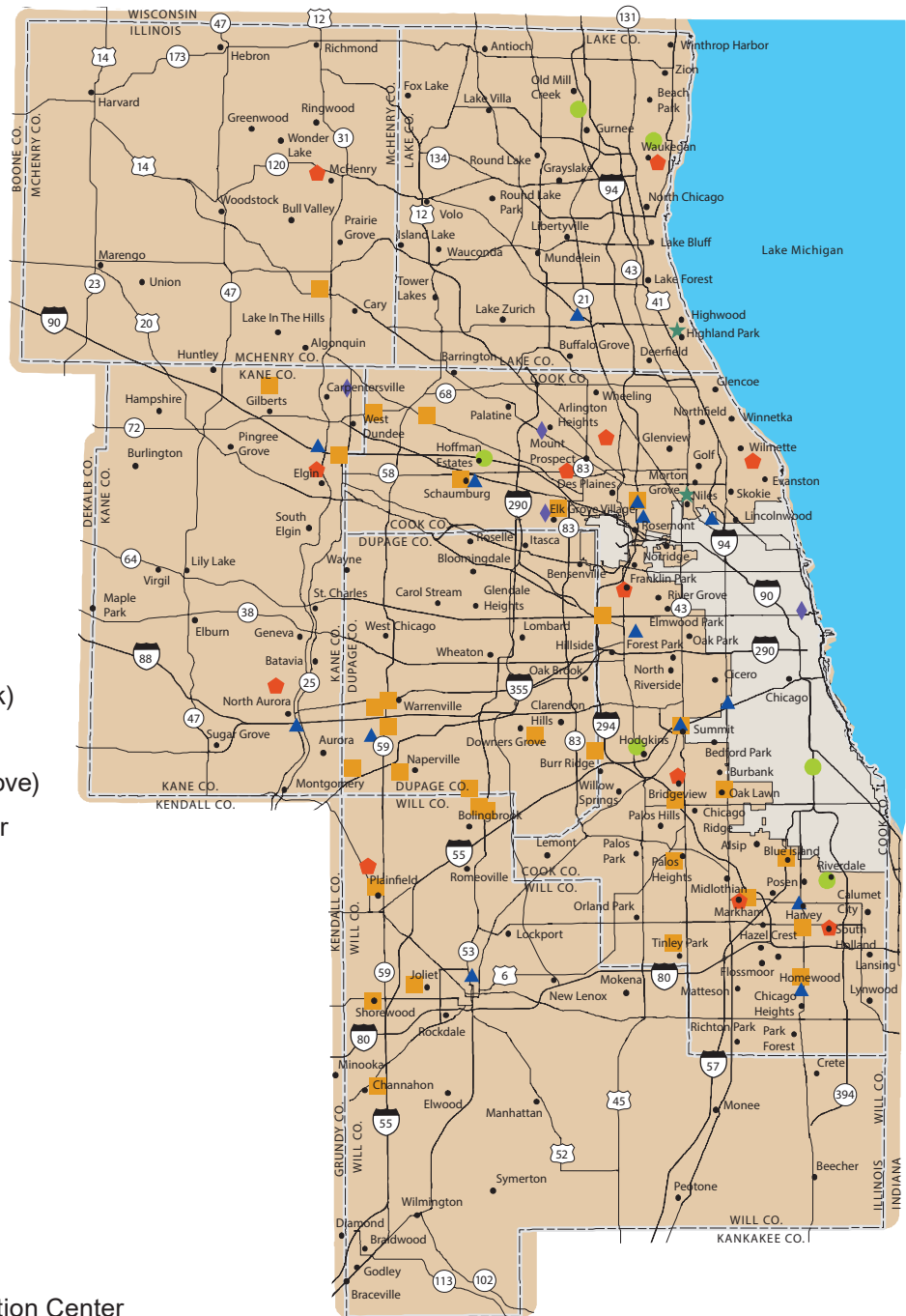
## Bus Turnarounds and Terminals

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

## Park-n-Ride Facilities

- Blue Island
- Bolingbrook - Canterbury
- Bolingbrook - Old Chicago
- Bridgeview Transit Center
- Burr Ridge
- Community Christian Church (Naperville)
- DeVry University (Tinley Park)
- Elk Grove Village
- Fairview Plaza (Downers Grove)
- Harvey Transportation Center
- Hillside
- Homewood
- I-90 / Barrington Road
- I-90 / IL 25
- I-90 / Randall Road
- IDOT Channahon
- IDOT Joliet
- IDOT Shorewood
- McHenry DOT
- Naperville – 91st Street
- Northwest Zetek Transportation Center (Schaumburg)
- Oak Lawn Metra
- Pace South Division (Markham)
- Palos Heights Metra
- Plainfield
- Rosemont Transit Center
- Route 59 Transportation Center (Aurora / Naperville)

## Pace System Garages and Support Facilities



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

- Sears Centre (Lot C)
- St. Thomas the Apostle Church (Naperville)
- Wheatland Salem Church (Naperville)
- White Fence Farm (Romeoville)

# Appendix B • Ridership & Fares

## Pace Ridership

The following table identifies projected ridership changes by operating element for 2021 through 2025.

	2021 Actual	2022 Estimated	% Change	2023 Projected	% Change	2024 Projected	% Change	2025 Projected	% Change
Pace Divisions	11,971	12,637	5.6%	12,842	1.6%	13,131	2.3%	13,131	0.0%
Public Carriers	183	308	68.3%	308	0.0%	308	0.0%	308	0.0%
Private Carriers	223	265	18.8%	265	0.0%	265	0.0%	265	0.0%
<b>Total Fixed Route</b>	<b>12,377</b>	<b>13,210</b>	<b>6.7%</b>	<b>13,415</b>	<b>1.6%</b>	<b>13,704</b>	<b>2.2%</b>	<b>13,704</b>	<b>0.0%</b>
Demand Response*	554	622	12.3%	641	3.1%	660	3.0%	680	3.0%
Vanpool	298	417	39.9%	453	8.6%	453	0.0%	453	0.0%
<b>Suburban Service Total</b>	<b>13,229</b>	<b>14,249</b>	<b>7.7%</b>	<b>14,509</b>	<b>1.8%</b>	<b>14,817</b>	<b>2.1%</b>	<b>14,837</b>	<b>0.1%</b>
Regional ADA Paratransit*	3,130	3,792	21.2%	4,051	6.8%	4,157	2.6%	4,281	3.0%
<b>Combined Pace Service</b>	<b>16,359</b>	<b>18,041</b>	<b>10.3%</b>	<b>18,560</b>	<b>2.9%</b>	<b>18,974</b>	<b>2.2%</b>	<b>19,118</b>	<b>0.8%</b>

\*Ridership includes companions and personal care attendants.





## Ridership & Fares

### *Suburban Service Ridership*

Pace Suburban Service ridership is estimated to finish the year up 7.7% from 2021 levels and will exceed the 2022 budget by 10.6% due to a stronger than expected rebound of ridership lost during the pandemic. Fixed route ridership is expected to finish the year up 6.7% from 2021. Demand Response is expected to finish the year up 12.3% and Vanpool ridership up 39.9% from 2021.

For 2023, total Suburban Service ridership is expected to grow slightly from 2022 but will still be 49% lower than pre-pandemic levels. Baseline fixed route ridership is expected to stay flat to 2022 but overall ridership will see improvement from the implementation of service adjustments, resulting in an increase of 1.6% from 2022 levels. Demand Response ridership is also expected to grow slightly in 2023 at 3.1%, while Vanpool ridership is expected to increase 8.6%, resulting in an overall suburban service ridership increase of 1.8%.

Fixed route ridership is expected to increase 2.1% in 2024, reflecting the service adjustments implemented in 2023, but stay flat in 2025. Demand Response ridership is expected to grow at 3.0% in each of the out-years, while Vanpool ridership is expected to stay flat in 2024 and 2025.

### *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 2022 above 2021 levels by 21.2%. For 2023, ridership is expected to grow 6.8% over 2022 levels. Ridership is expected to grow an additional 2.6% in 2024 and 3.0% in 2025.

### *Pace Fares*

There are no Suburban Service fare increases in 2023. Fixed route fare changes are planned for 2023 which will increase the number of Pace/CTA shared passes available to purchase and reduce transfer fares between Pace services. For ADA, the Taxi Access Program (TAP) fare is \$3, which was temporarily reduced to \$0 in 2020. For 2023, Pace proposes to adjust the temporary fare from \$0 to \$2. This adjustment would also apply to the DuPage Uber Access Program.

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



## Pace Fare Structure

Table 37. Pace Fare Structure				
	Current Fares		Revised Fares	
	Full Fare	Reduced Fare	Full Fare	Reduced Fare
<b>Regular Fares</b>				
Cash Fare	\$2.25	\$1.10		
Full Fare Ventra®	2.00	1.00		
Transfer to Pace (with Ventra value only)	0.30	0.20	0.00	0.00
<b>Passes</b>				
Pace/CTA 30-Day Pass	\$75.00	\$35.00		
Pace/CTA 7-Day Pass	25.00	N/A	20.00	N/A
Pace/CTA 3-Day Pass	N/A	N/A	15.00	N/A
Pace/CTA 1-Day Pass	N/A	N/A	5.00	N/A
Pace 30-Day Pass	60.00	30.00		
Regional Connect Pass	30.00	N/A		
Student Summer Haul Pass	45.00	N/A		
Pace Campus Connection (College Student Pass) Valid for One Semester - 5 months				
Purchased in:				
August or January	\$175.00	N/A		
September or February	165.00	N/A		
October or March	140.00	N/A		
November or April	105.00	N/A		
December or May	60.00	N/A		
Campus Connection - Summer Pass	140.00	N/A		
<b>Express/Other Fares</b>				
Premium Routes*	\$4.50	\$2.25		
Pace Transfer to Premium Routes (with Ventra value only)	2.80	1.45	2.50	1.25
Pace Transfer to Premium Routes (with Pace/CTA and Pace only Passes)	2.25	1.15	2.25	1.10
Pace Premium 30-Day Pass	140.00	70.00		
On Demand	2.00	1.00		
Demand Response	Fare based on community policy			
<b>ADA Paratransit</b>				
ADA Paratransit	\$3.25	N/A		
Mobility Direct (Chicago Only)	3.00	N/A		
Taxi Access Program (Chicago Only)	3.00	N/A		

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

Please visit [PaceBus.com](http://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.

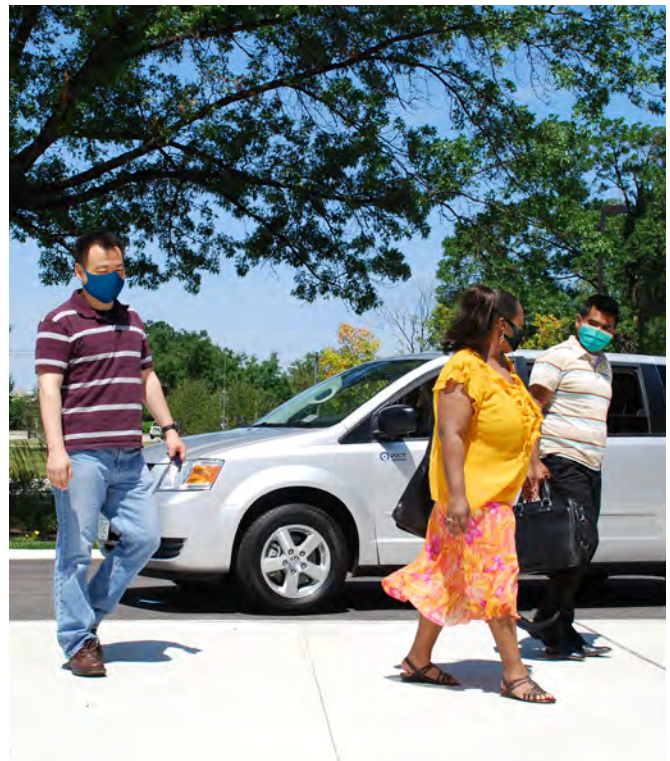
Fares are based on 21 work/commute days per month (approximately five work/commute days per week). Fares will be adjusted to accommodate van operation which is consistently greater or fewer than 21 work days per month. In 2022, Pace implemented a part-time fare for passengers commuting three days or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

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

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

#### OTHER VANPOOL SERVICE MONTHLY FARES

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



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## Demographic Profiles of Pace Users/Non-Users



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

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

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

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

**Data Source**

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

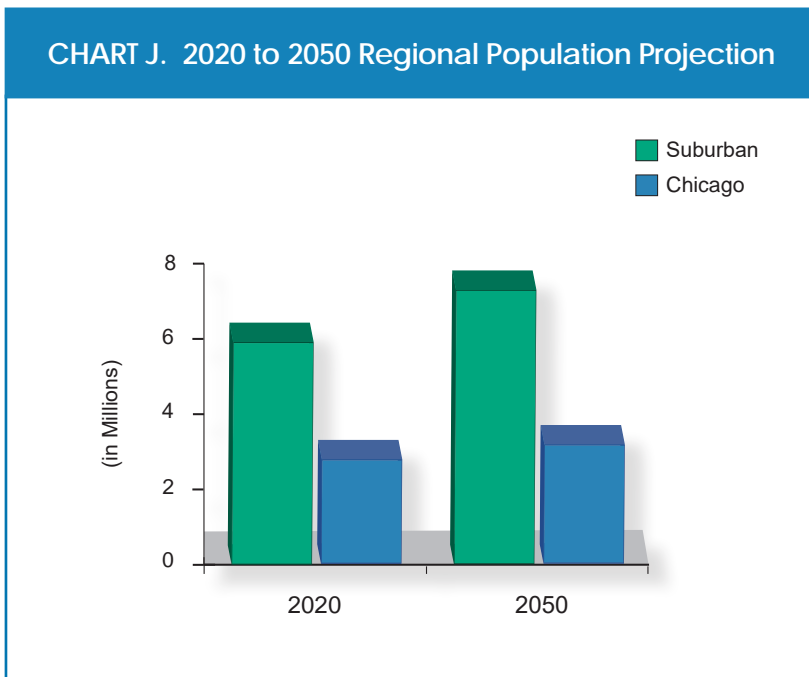
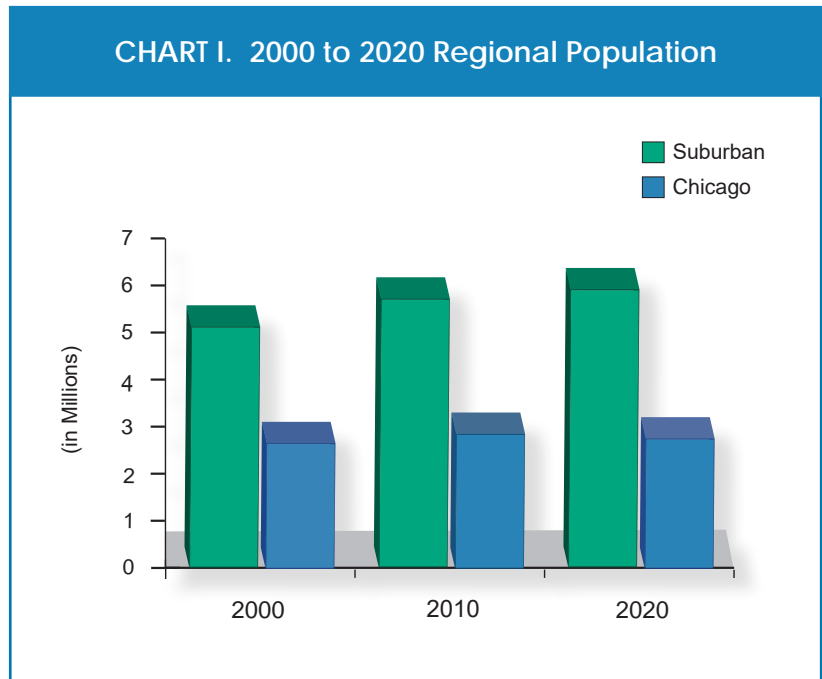
*Restructuring Initiative, 2006, sample size = 1,195*

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

## Regional Population

### Population

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

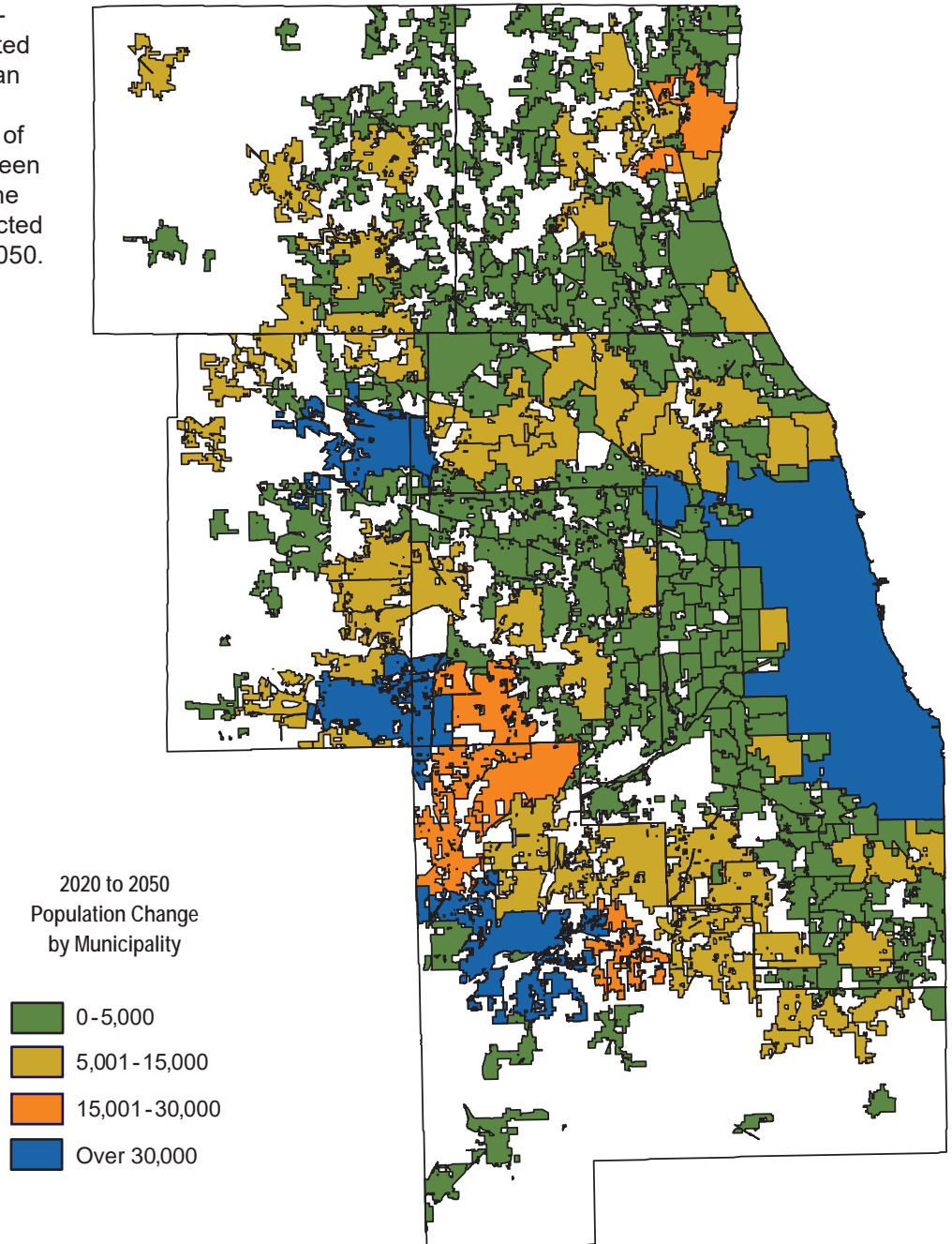


### Regional Population Change 2020 to 2050

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

## Regional Population Change 2020 to 2050

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

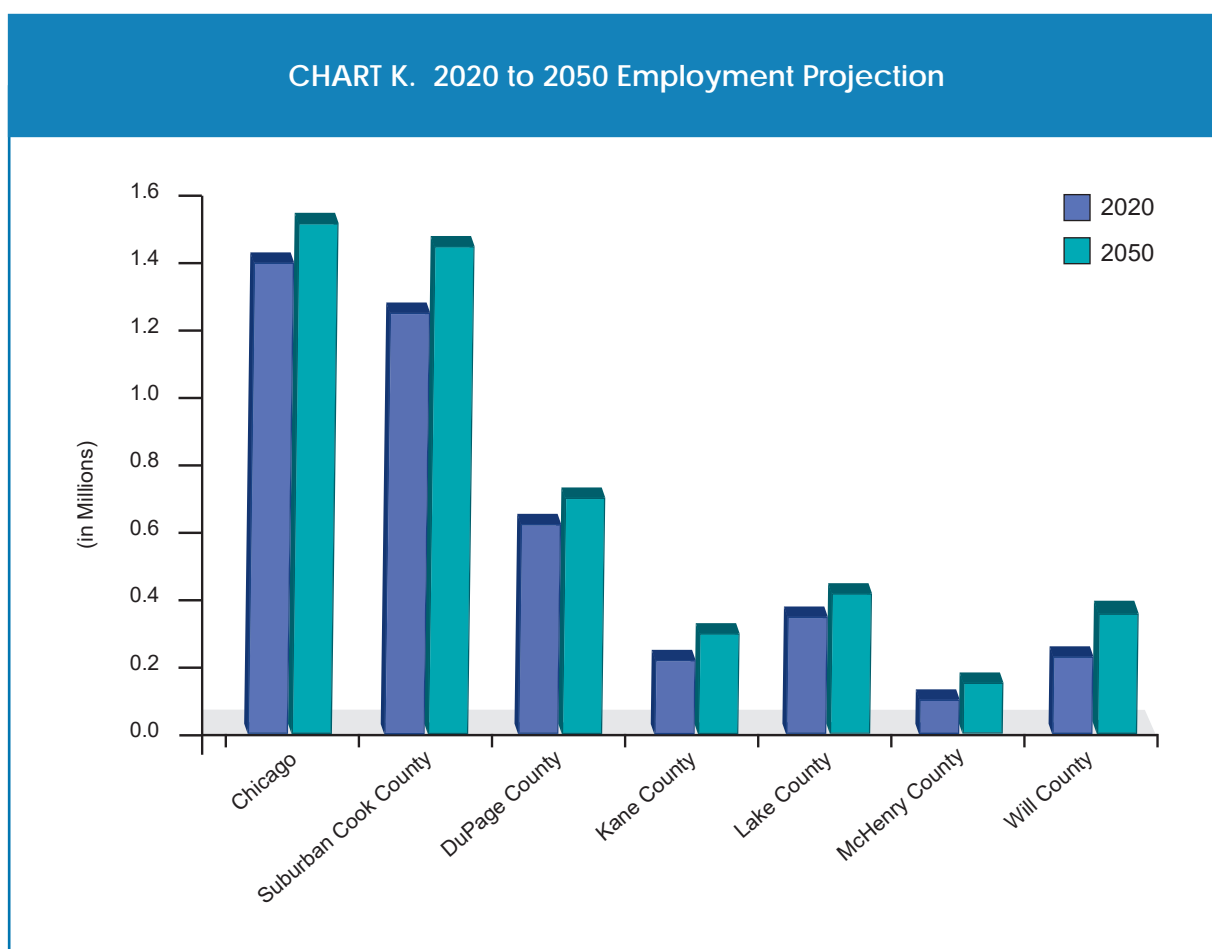


## Regional Employment

### Employment

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

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





## Travel & Congestion

### Travel Patterns

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

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

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

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

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



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## Pace Goals & Performance Measures

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 2021, projected performance for 2022, and 2023 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

		2021 Actual	2022 Estimate	2023 Projected
<b>Safety</b>				
Goal: Provide Safe Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Goal</i>			
Accidents per 100,000 Revenue Miles	Less than 5	3.46	2.95	3.10
<b>Reliability</b>				
Goal: Provide Reliable Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Standard</i>			
On-Time Performance	Greater than 85%	70.10%	71.60%	72.00%
Actual Vehicle Miles per Road Call	Greater than 14,000	15,572	16,000	16,200
Percent Missed Trips per Total Trip Miles	Less than .5%	0.08%	0.10%	0.10%
<b>Courtesy</b>				
Goal: Provide Courteous Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Standard</i>			
Complaints per 100,000 Passenger Miles	Less than 4	4.69	3.90	3.85
Website Hits on Web Watch Site	Increase over prior period	(5.00%)	10.00%	15.00%
<b>Efficiency</b>				
Goal: Provide Efficient Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Standard</i>			
Revenue Miles per Revenue Hour	Greater than 17	17.28	17.28	17.25
Revenue Miles per Total Operator Pay Hours	Greater than 10*	13.52	13.08	13.12
Expense per Revenue Mile	Less than \$6.50*	\$5.50	\$6.32	\$6.42
Expense per Revenue Hour	Less than \$125.00*	\$94.96	\$109.27	\$110.75
Recovery Ratio	Greater than 18%	12.54%	10.96%	10.48%
Subsidy per Passenger	Less than \$4.00	\$8.13	\$9.24	\$9.87
<b>Effectiveness</b>				
Goal: Provide Effective Public Transportation Services				
<i>Measure(s):</i>	<i>Performance Standard</i>			
Ridership	Increase from prior period	(8.96%)	6.73%	1.56%
Passenger Miles per Revenue Mile	Greater than 9*	3.77	3.91	3.77
Productivity (Ridership per Revenue Hour)	Greater than 24*	9.85	10.24	9.85
Ridership per Revenue Mile	Greater than 1.5*	0.57	0.59	0.57
Vanpool Units in Service	Increase from prior period	(13.12%)	3.36%	8.44%

\*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. The RTA selected the peer group for Pace based on what they identified as similar service characteristics—operating in suburban areas, providing comparable amounts of service levels, and contracting with private providers for some of the service.

The RTA's peer group includes the following systems:

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



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

### Service Efficiency

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

### Cost Effectiveness

- Operating Expense per Passenger
- Operating Expense per Passenger Mile

### Service Effectiveness

- Passengers per Revenue Hour
- Passengers per Revenue Mile



The following charts were prepared using 2020 National Transit Database (NTD) data for bus only, which is the latest data available as of this writing. It is noteworthy that Pace is the only agency that reports on a calendar year basis. The varying fiscal year timeframes of the agencies has resulted in Pace's data reflecting nine months of the impact of the pandemic on data, Broward County's reflecting six months, and the remaining agencies only reflecting three months. As such, many of the performance comparisons will not be reasonable for 2020 data.

# Appendix D • Performance Measures

## Peer Performance Comparison

### Service Efficiency

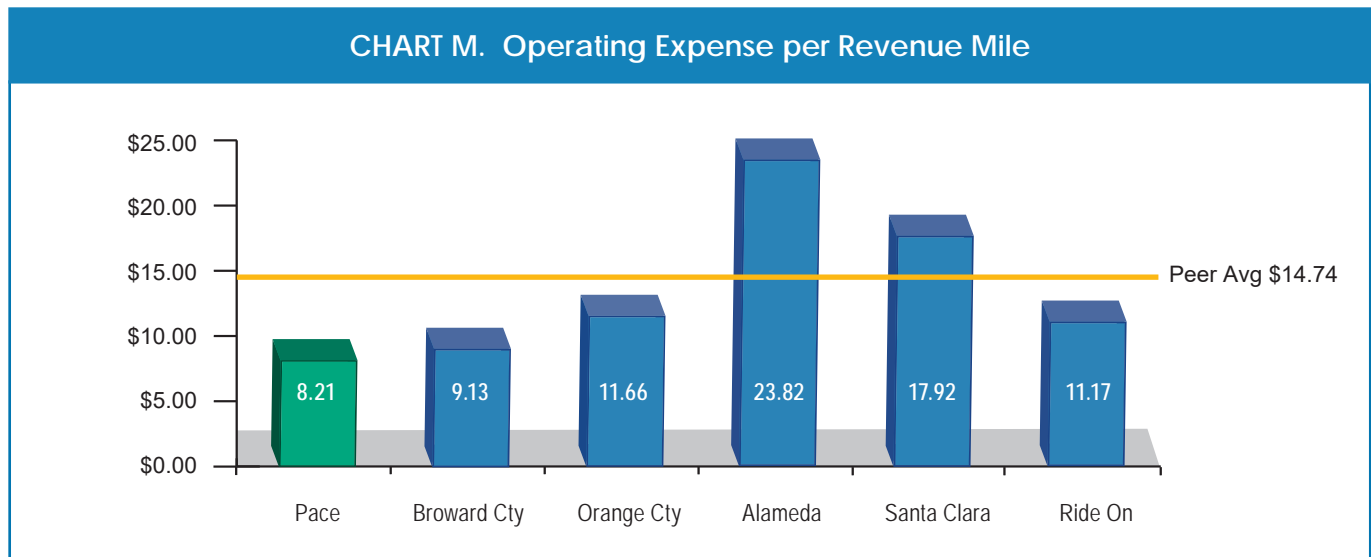
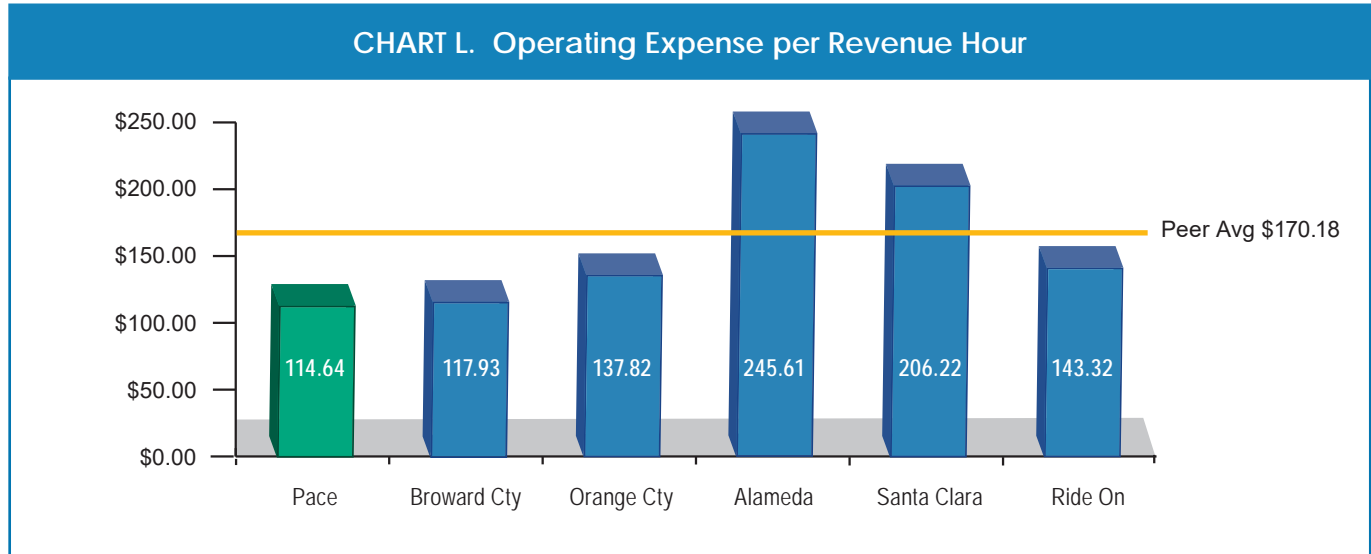


CHART L - Service efficiency, as measured by the performance ratios of operating expense per total revenue hour and revenue mile, shows Pace to be more efficient than the peer average. At \$114.64, Pace's cost per hour is \$55.54 per hour or 32.6% less than the peer average for this performance measurement category.

CHART M - At \$8.21 per mile, Pace is \$6.53 per mile or 44.3% below the peer average.

## Cost Effectiveness

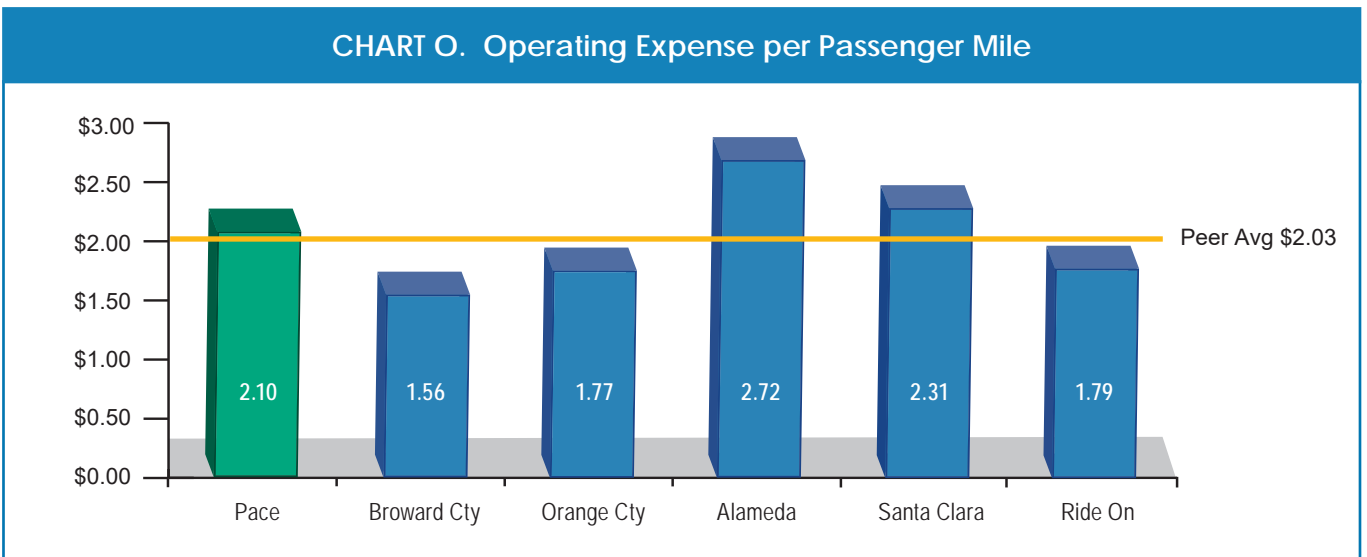
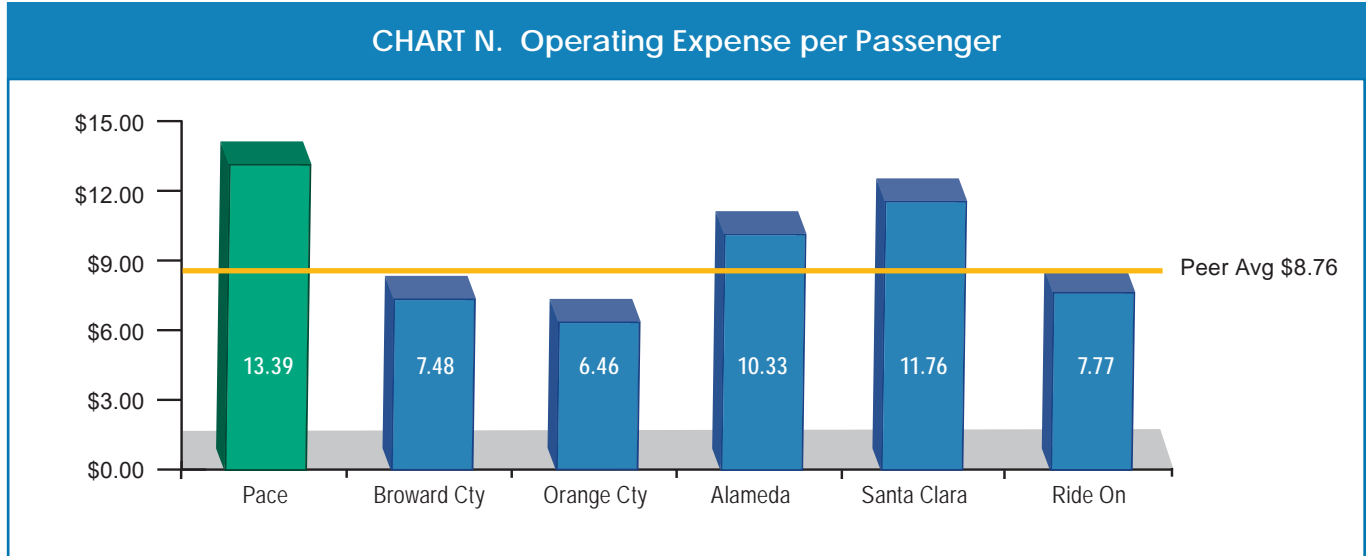
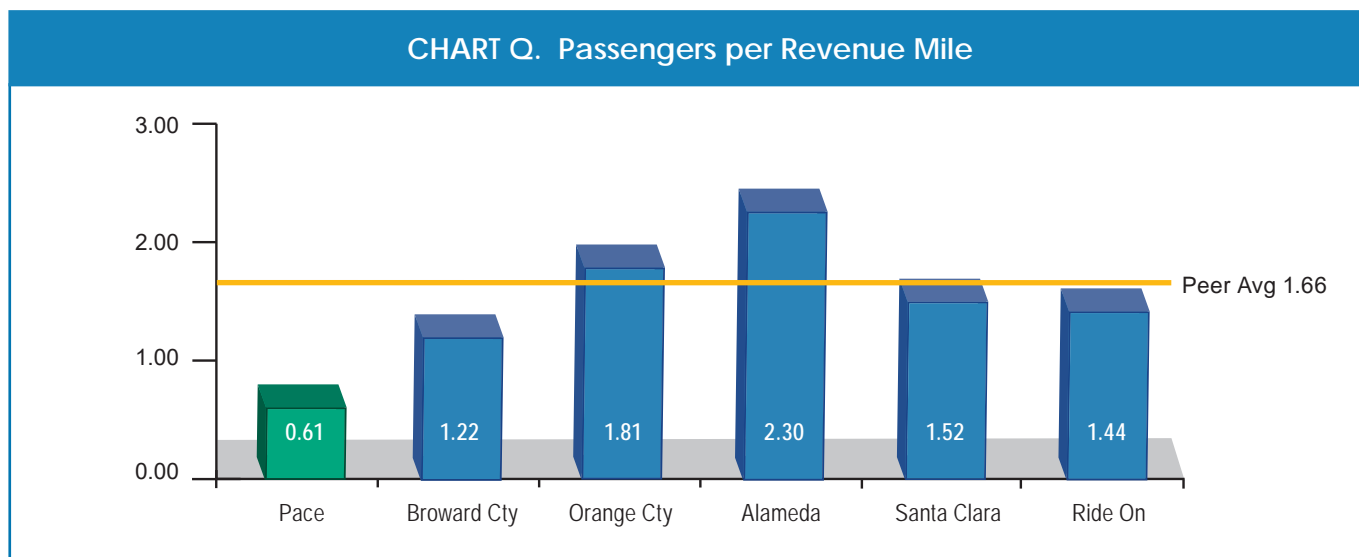
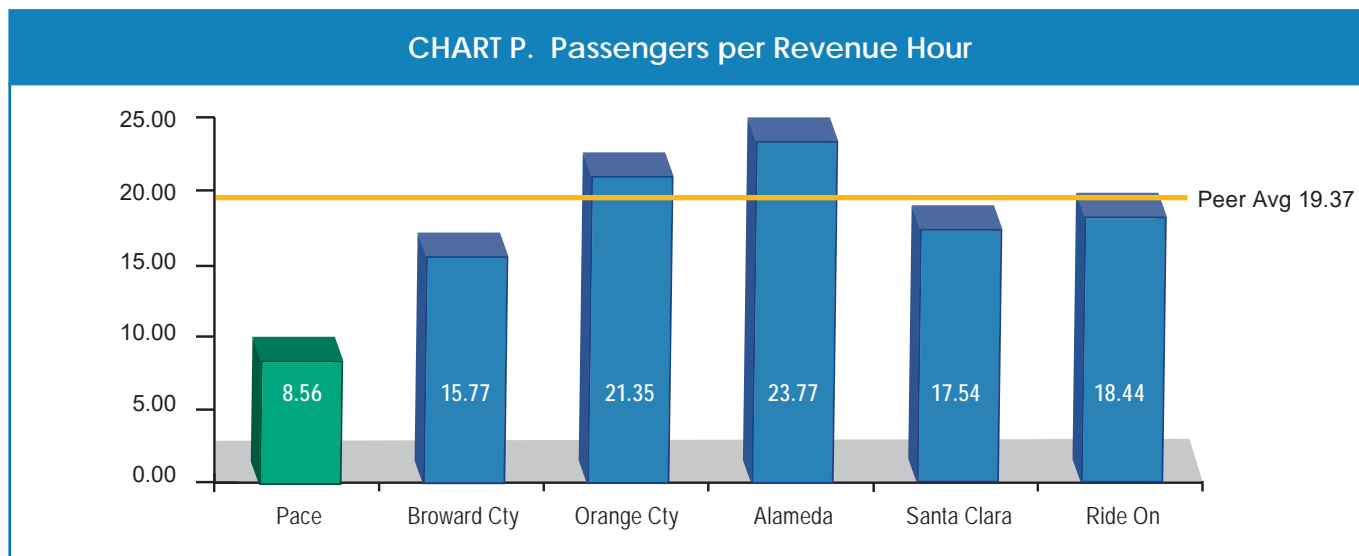


CHART N - Cost effectiveness, as measured by the performance ratio of operating expense per passenger, shows Pace to be higher than other agencies within this peer group for 2020. This is attributable to variations in fiscal years between agencies, with Pace's result reflecting the impact of ridership loss as a result of the pandemic for the fiscal year starting January 2020.

CHART O - At \$2.10, Pace's expense per passenger mile is consistent with other agencies in this peer group.

# Appendix D • Performance Measures

## Service Effectiveness





## Farebox Recovery Ratio

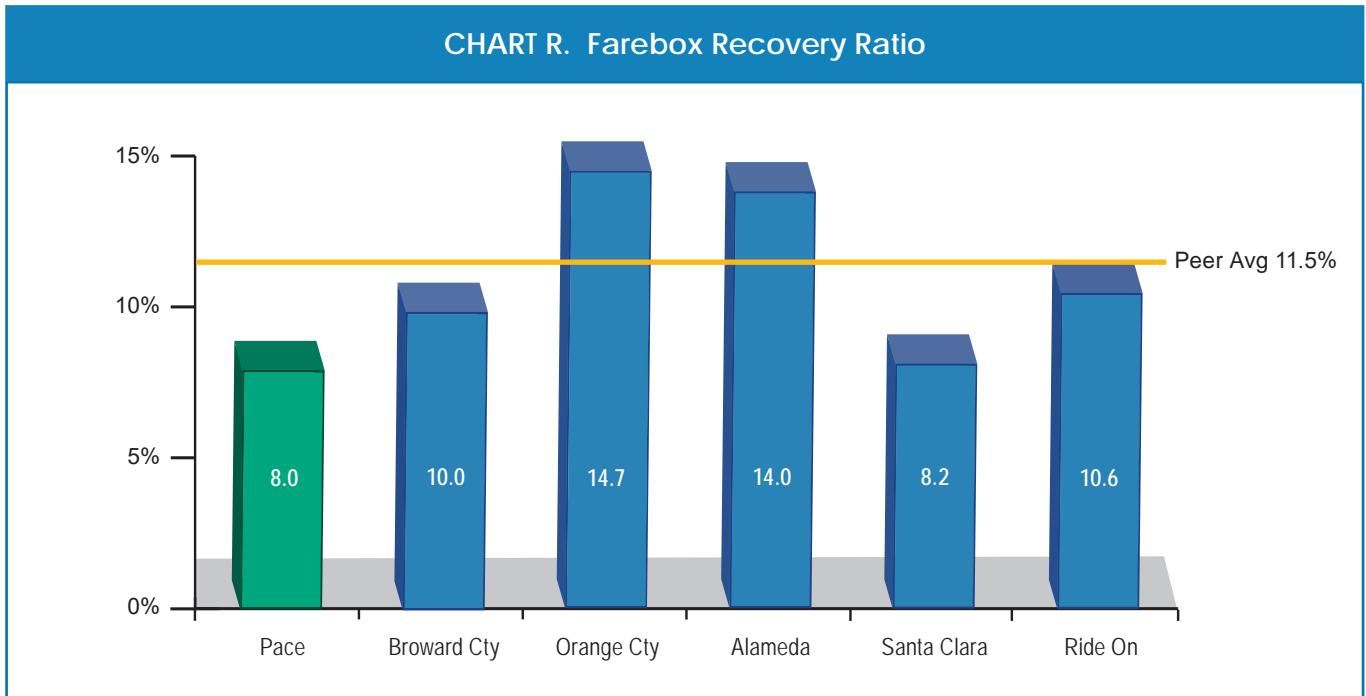


CHART P - Service effectiveness, as measured by passengers per total revenue hour and passengers per total revenue mile, shows Pace to have the lowest performance ratio compared to all agencies. The decrease in ridership due to the impact of the pandemic in 2020, in addition to the size of the service 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 density than our peers, contributes to this result.

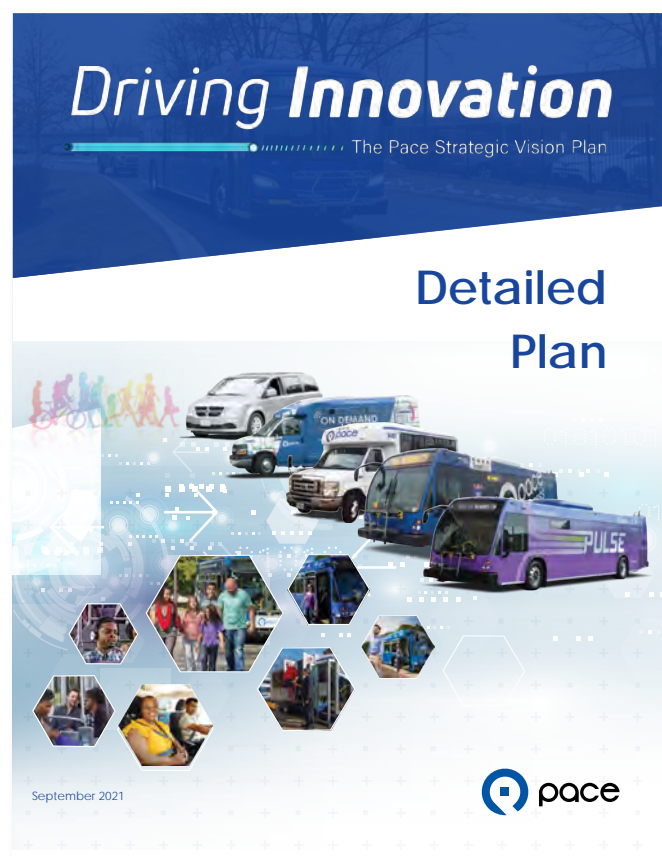
CHART R - Pace's bus only farebox recovery rate of 8.0% is lower than the peer average bus ratio of 11.5%. The impact of the pandemic on ridership has directly effected this performance measure.

## Priority Project Management Office Initiatives

### *Driving Innovation*

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

Since the adoption of the plan, the agency has invested resources and successfully delivered many innovative projects that are advancing these initiatives. Focus has been given to the Agency Priority Initiatives through Pace's capital program, with investments in new garages, passenger facilities and rapid transit lines continuing in 2023 and beyond.



*Driving Innovation* calls for new fixed route transit investments 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 encour-

ages communities to upgrade land uses, pedestrian environments and development patterns that make public transit a more viable option. Perhaps most critically, Pace is committed to becoming an agency that operates a 100 percent zero-emission fleet by 2040 and has accelerated its efforts over the past year by procuring electric vehicles and ensuring forthcoming capital investments are designed to handle this new technology.

The agency has also been significantly impacted by the COVID-19 pandemic, and thus faces an even greater need to assess how to invest diminished resources throughout a region where travel patterns and customer needs are changing. 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.

*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 and marketing activities related to the plan will continue into 2023. The plan is also being updated on an annual basis, and as part of this process includes a Progress Report detailing how initiatives are being implemented.

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

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

### *Fleet Electrification Transition and Facility Plan*

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

This plan is helping Pace prepare for the costs and operational logistics of new vehicle technologies and associated capital needs, as it advances the design of major capital projects, and continues to seek funding and other support for this historic change.

To meet this challenge, Pace is developing plans and specifications for the North Division garage in Waukegan to accommodate an all-electric fleet by 2026. Pace ordered the agency's first 20 electric buses this past year. We are also actively coordinating planning, project management, design, and operational capacities to ensure the smooth rollout of this multi-year effort in conjunction with the many other projects and efforts happening at Pace, including those outlined in *Driving Innovation*.

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

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

### *Rapid Transit Program*

The agency's Priority Project Management Office 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".

### *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.

The next line in the network will be Pulse Dempster. Engineering and design are complete for this corridor, fabrication of station elements began in 2021, and civil construction began in 2022. The \$10.5 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 wrapping up environmental review and advanced conceptual design 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 before terminating 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, with additional funding from the federal Rebuilding American Infrastructure with Sustainability and Equity (RAISE) discretionary grant program.

Pace is also advancing the Pulse 95th Street Line, which will span 12.8 miles between the CTA Red Line 95th/Dan Ryan Station in Chicago to Moraine Valley Community



College in Palos Hills. The agency is currently conducting environmental review and advanced conceptual design work for this project, thanks to funding received from an Invest in Cook grant from Cook County. The design and construction of the project has also been recommended for funding by CMAP as part of the CMAQ federal grant program. Additionally, the combined investments from the RTA and federal government will fund the installation of transit signal priority in this corridor. The 95th Street Line is also being coordinated with the Pulse Halsted Line, with both services anticipated to leverage shared stations along 95th Street east of Halsted. The 95th Street Line is currently anticipated to be implemented in 2026.

The Rapid Transit Program will soon expand to include the western portion of Pace's service area by kicking off planning work for the Pulse Cermak Line. This work is expected to advance throughout 2023 and position the Cermak corridor for implementation in the latter part of the decade. The Cermak Line also provides an opportunity to tie in with Pace's Express Service network along I-294, as further described below.

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

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

### *Express Bus Network*

Building on the success of expressway-based services to date, Pace has evaluated service and station concepts with the I-294 Tri-State Market & Facilities Feasibility Study. Several proposed Pace Express services in this corridor would benefit from a multi-billion dollar 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*. The identified station sites would create convenient transfer opportunities with the planned Pulse 95th, Halsted, Cermak, and Harlem Lines, as well as current I-55 and I-90 Express Bus services. Pace plans to further leverage investments in the Harvey Transportation Center with several proposed Express Bus routes terminating at the facility and enhancing network connectivity even further.

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 funding is secured to soon launch a planning study to evaluate service and station concepts. Additional planning studies for these corridors are also being developed and coordinated with Pace's *Rebuild Illinois* projects, the *Network Revitalization* initiative, and other *Driving Innovation* initiatives.

More information on the I-294 Tri-State Market & Facilities Feasibility Study can be found on Pace's website at:

[www.pacebus.com/tristate](http://www.pacebus.com/tristate)

## Service Planning Initiatives

### *Pace Network Revitalization Initiative*

Pace will be seeking submittals from consulting firms to conduct a Network Revitalization & Systemwide Restructuring Initiative (NRSR) based on the goals and initiatives outlined in *Driving Innovation*. The 24-month initiative is expected to begin in Spring 2023.

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

Pace has experienced significant loss of ridership, revenue and staffing levels due to COVID-19, and thus faces an even greater need to assess how to invest diminished resources. Now more than ever, there is a need to re-allocate resources to develop a regional service network based on market demand providing the appropriate level of service to each travel market.

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

Major components of the Network Revitalization & Systemwide Restructuring Initiative include: establishing a regional advisory committee; conducting a systemwide market analysis assessment to understand current and future service and travel demand; developing a service standards framework; service analysis; developing various service concepts and infrastructure recommendations; service design; completing a Title VI analysis; and establishing an implementation plan and timeline.

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

### *Service Planning and Scheduling*

As outlined in *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. To achieve these goals in 2023, a greater emphasis will continue to be placed on investing Pace's limited resources in routes and services that are ridership-oriented or serve key areas.

A key example of Pace's efforts to focus on ridership-oriented services in key areas is the future implementation of the Pulse Dempster Line. The Pulse Dempster Line will operate along Dempster Street, between the CTA Purple Line Davis Street Station in Evanston and the O'Hare Multi-Modal Facility in Chicago. Pulse will add more frequency to the corridor, serving the most popular boarding locations and will also be complemented by Route 250 service. Overall, the operating plans for Pulse Dempster and Route 250 will increase service in the cor-

ridor by 103%, while also providing faster, more frequent service along the corridor on all service days.

Investing additional resources in more productive services helps Pace to maintain a higher farebox recovery ratio. This higher return on investment means that Pace can further stretch our limited resources, while also being able to generate more ridership overall. In 2023, Pace will continue to focus on efforts to increase the frequency and hours of service on weekdays, Saturday, and Sunday on the busiest routes.

For areas where coverage-oriented service is more applicable, alternative models such as Pace's On Demand service may be employed, and partnerships with Transportation Network Companies (TNCs) will also be explored in 2023. 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.

Another area where Pace will be investing resources is in technology. To facilitate Pace's transition to zero emission buses, Pace will update its fixed route scheduling software to incorporate electric vehicle scheduling into its service planning & scheduling practices.

### *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 service pilots with TNCs. One of the technological upgrades is the recently announced Mobility as a Service (MaaS) pilot that aims to provide a single place for passengers to see Pace's family of services, including Pace On Demand and Paratransit, that will be developed over the next couple of years.

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. As part of a pilot project launched in 2022, Pace expanded the Naperville-Aurora On Demand service area to provide more flexible all-day service to a larger portion of the Naperville area. Passengers are able to make multiple first/last mile connections between Pace and Metra and have improved access to numerous community destinations. Other areas of the suburbs with large commuter workforces may offer opportunities to explore similar expansions and pilots as part of the On Demand program or in partnership with TNCs. These new opportunities would provide passengers with increased options and better connections to the larger regional transit network.

### *Transportation Innovation and Technology Program*

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

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

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

Pace already deployed the TSP system for the Pulse Milwaukee Line, Pulse Dempster Line, and on portions of the Roosevelt Road corridor. Pace has also deployed and successfully tested TSP along a portion of Grand Avenue in Lake County. Pace plans to deploy TSP along eight additional corridors including: 159th Street, Sibley Boulevard/147th Street, Cicero Avenue, 95th Street, Grand Avenue (Lake County), Cermak Road, Rand Road and Halsted Street.

Pace is planning the development of a regionwide centralized TSP system as part of IDOT's Advanced Traffic Management Center and will test it in Lake County.

### *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*.

The technology for the Ventra platform will continue to evolve in the coming year. In 2022, Pace officially joined CTA and Cubic in launching "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. New communications equipment was installed on buses in the second quarter of 2022, with more hardware and software improvements coming in 2023.

Pace and CTA are also procuring new fareboxes for their bus fleets. Pace's current fareboxes are over 30 years old and obsolete. The new fareboxes will save money while ensuring the ability to accept cash fares for decades to come. Pace secured a vendor for this project in 2022, and expects to see most of the construction, testing, and installation of fareboxes completed in 2023.

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.

Pace has been working with several of its software vendors to improve the quality of the data which has led to increased accuracy and timeliness of data provided to the RTA, the FTA, and other agencies.

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. In addition, Pace is investigating software integration options that will provide more accurate and timely dashboards and increase the visibility of the data to internal customers.

## Marketing Plan

As northeastern Illinois emerged from the pandemic in 2022, Pace ridership continued to grow in all our markets, despite the continued suspension of many bus routes and the new reality of telecommuting for many workers. One source of increased interest in public transportation in 2022 was the sharp and historic rise in gasoline prices, which Pace acted on with a marketing campaign that reminded commuters they can avoid those gas prices by riding our transit service.

The Pace Marketing Department can point to a number of other successes in 2022, including high-profile events to celebrate the opening of our Joliet Transit Center, our Plainfield garage, and construction of the Pulse Dempster Line. As we continued to implement our post-pandemic marketing plan with ads encouraging use of transit as residents get back into the community, ridership steadily grew from 2020 and 2021 levels. Pace also spent considerable resources to recruit employees into our workforce—including ads in both English and Spanish. Without this new crop of dedicated bus operators, mechanics, and servicers, we would not be able to operate enough service to meet the growing demand. Furthermore, we executed new and continued partnerships with advertisers to trade media space, leveraging Pace's unsold space to share our messages at minimal cost.



*In May 2022, U.S. Secretary of Transportation Pete Buttigieg, Governor JB Pritzker, and Congressman Bill Foster attended Pace's ribbon cutting ceremony at the Joliet Transit Center.*

The past year also saw a continuation of the “Ride Safe on Pace” campaign, in which the messaging transitioned from a focus on COVID-related sanitization efforts to a reminder that riding Pace continues to be a very safe mode of travel. In 2023, Pace will continue to make the case that riding public transit is still the safest way to travel around Chicago and the suburbs.

As we look to 2023, a big focus of Pace's marketing efforts will surround the agency's Network Revitalization initiative. This plan to modernize our bus route network and family of other services to meet current needs was the main action item from 2021's *Driving Innovation* strategic vision plan. The coming year will see focus groups, public outreach about proposed plans and rider education about any changes to bus service.

Pace will also continue promoting our revamped Vanpool program in 2023. As the realities of in-person work have changed, our program changed with it, and Pace will continue to pursue growth in this program for commuters for whom fixed route public transit is not a viable option to avoid high gas prices on their trips to work. Pace will continue promoting the innovative VanGo program in 2023. As in past years, Pace can take advantage of Rideshare grants to fund this promotional effort.

Another activity from 2022 which will pay dividends in the coming year was Pace's customer satisfaction survey. Pace undertook our latest comprehensive survey of riders and will use the data in 2023 to drive both decisions about changes to operations but also marketing strategies to promote elements of our service that customers find most attractive. Demographic data is another key take-away from the survey process, as that information helps ensure that our communications are usable by our region's riders and potential riders of a variety of languages and cultural backgrounds. In 2023, a similar survey of paratransit and vanpool customers will be conducted.

With the launch of Pace's new customer relations management software in 2022, Pace plans to improve the speed and efficiency of our responses to the public's questions and concerns. This latest improvement in our workplace technology confirms our commitment to serving our customers as effectively as possible. Additionally, the improved reporting functionality of this new software will foster more strategic decision-making about how Pace communicates the details of our programs and where we invest new resources in bus service.

Riders with disabilities have been, and will continue to be, a major focus of our marketing efforts in 2023. In 2022, Pace consistently communicated with this audience about the benefits of the Taxi Access Program in Chicago and the new Uber pilot program in DuPage County, as well as the customer-friendly TripCheck tools that let riders and their loved ones more easily manage their trips. A direct mail piece educated riders with disabilities about all the transit options available in their community. Those efforts will continue in 2023, along with our longstanding message about the convenience and affordability of fixed route transit service relative to ADA Paratransit.

# Appendix F • Operating Budget Detail

## 2021 Actual Operating Results

2021 ACTUAL PROGRAM, ACTIVITY & OBJECT MATRIX				
	Pace Operating Divisions	Public Carriers	Private Carriers	Demand Response Services
<b>Revenue</b>				
Farebox	\$14,452,227	\$404,454	\$107,379	\$1,205,936
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	2,871,472	474,296	384,696	7,645,704
<b>Total Revenue</b>	<b>\$17,323,699</b>	<b>\$878,750</b>	<b>\$492,075</b>	<b>\$8,851,640</b>
<b>Operating Expenses</b>				
<b>Operations</b>				
Labor/Fringes	\$77,928,705	\$1,358,304	\$0	\$0
Parts/Supplies	3,783	603	0	0
Purchased Transportation	0	225,738	2,791,602	14,395,650
Fuel	0	0	0	0
Other	215,330	11,757	0	0
<b>Total Operations</b>	<b>\$78,147,818</b>	<b>\$1,596,402</b>	<b>\$2,791,602</b>	<b>\$14,395,650</b>
<b>Vehicle Maintenance</b>				
Labor/Fringes	\$19,596,023	\$535,538	\$0	\$0
Parts/Supplies	6,268,258	119,859	0	0
Other	350,384	108,428	0	240,340
<b>Total Vehicle Maintenance</b>	<b>\$26,214,665</b>	<b>\$763,825</b>	<b>\$0</b>	<b>\$240,340</b>
<b>Non-Vehicle Maintenance</b>				
Labor/Fringes	\$967,612	\$0	\$0	\$0
Parts/Supplies	589,813	0	0	0
Other	1,261,764	0	0	62,427
<b>Total Non-Vehicle Maintenance</b>	<b>\$2,819,189</b>	<b>\$0</b>	<b>\$0</b>	<b>\$62,427</b>
<b>General Administration</b>				
Labor/Fringes	\$3,573,679	\$372,252	\$0	\$0
Parts/Supplies	45,985	1,129	0	0
Utilities	2,390,168	1,175	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	623,934	27,559	0	507,178
Indirect Overhead Allocation	0	0	0	0
<b>Total Administration</b>	<b>\$6,633,766</b>	<b>\$402,115</b>	<b>\$0</b>	<b>\$507,178</b>
<b>Total Expenses</b>	<b>\$113,815,438</b>	<b>\$2,762,342</b>	<b>\$2,791,602</b>	<b>\$15,205,595</b>
<b>Funding Requirement</b>	<b>\$96,491,739</b>	<b>\$1,883,592</b>	<b>\$2,299,527</b>	<b>\$6,353,955</b>
<b>Recovery Ratio</b>	<b>15.22%</b>	<b>31.81%</b>	<b>17.63%</b>	<b>58.21%</b>



# Appendix F • Operating Budget Detail

2021 ACTUAL PROGRAM, ACTIVITY & OBJECT MATRIX					
Vanpool	Administration	Centralized Support	Total Suburban Service	Total Regional ADA Paratransit	Combined 2021 Actual
\$831,782	\$0	\$0	\$17,001,778	\$6,754,041	\$23,755,819
0	1,345,862	0	1,345,862	0	1,345,862
0	1,984,909	0	1,984,909	0	1,984,909
0	217,219	0	217,219	46,862	264,081
0	406,193	0	11,782,361	0	11,782,361
<b>\$831,782</b>	<b>\$3,954,183</b>	<b>\$0</b>	<b>\$32,332,129</b>	<b>\$6,800,903</b>	<b>\$39,133,032</b>
\$0	\$0	\$2,887,066	\$82,174,075	\$0	\$82,174,075
0	0	1,517,822	1,522,208	0	1,522,208
0	0	0	17,412,990	165,001,417	182,414,407
360,695	0	10,159,894	10,520,589	5,774,237	16,294,826
703,314	0	0	930,401	0	930,401
<b>\$1,064,009</b>	<b>\$0</b>	<b>\$14,564,782</b>	<b>\$112,560,263</b>	<b>\$170,775,654</b>	<b>\$283,335,917</b>
\$0	\$0	\$3,271,809	\$23,403,370	\$0	\$23,403,370
0	0	49,751	6,437,868	0	6,437,868
0	0	536,579	1,235,731	0	1,235,731
<b>\$0</b>	<b>\$0</b>	<b>\$3,858,139</b>	<b>\$31,076,969</b>	<b>\$0</b>	<b>\$31,076,969</b>
\$0	\$0	\$1,598,739	\$2,566,351	\$0	\$2,566,351
0	0	0	589,813	0	589,813
0	258,463	1,189,354	2,772,008	0	2,772,008
<b>\$0</b>	<b>\$258,463</b>	<b>\$2,788,093</b>	<b>\$5,928,172</b>	<b>\$0</b>	<b>\$5,928,172</b>
\$0	\$22,101,586	\$0	\$26,047,517	\$3,957,841	\$30,005,358
0	132,976	0	180,090	332	180,422
0	1,442,451	0	3,833,794	382,059	4,215,853
0	0	9,570,992	9,570,992	648,372	10,219,364
0	0	23,593,779	23,593,779	861,228	24,455,007
0	10,488,317	6,413,181	18,060,169	2,032,086	20,092,255
0	0	0	(7,609,249)	7,609,249	0
<b>\$0</b>	<b>\$34,165,330</b>	<b>\$39,577,952</b>	<b>\$73,677,092</b>	<b>\$15,491,167</b>	<b>\$89,168,259</b>
<b>\$1,064,009</b>	<b>\$34,423,793</b>	<b>\$60,788,966</b>	<b>\$223,242,496</b>	<b>\$186,266,821</b>	<b>\$409,509,317</b>
<b>\$232,227</b>	<b>\$30,469,610</b>	<b>\$60,788,966</b>	<b>\$190,910,367</b>	<b>\$179,465,918</b>	<b>\$370,376,285</b>
<b>78.17%</b>	<b>11.49%</b>	<b>0.00%</b>	<b>19.90%</b>	<b>10.60%</b>	

# Appendix F • Operating Budget Detail

## 2022 Estimated Operating Results

2022 ESTIMATED PROGRAM, ACTIVITY & OBJECT MATRIX				
	Pace Operating Divisions	Public Carriers	Private Carriers	Demand Response Services
<b>Revenue</b>				
Farebox	\$14,674,644	\$645,413	\$126,283	\$1,293,253
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	2,237,357	759,823	384,696	6,162,628
<b>Total Revenue</b>	<b>\$16,912,001</b>	<b>\$1,405,236</b>	<b>\$510,979</b>	<b>\$7,455,881</b>
<b>Operating Expenses</b>				
<b>Operations</b>				
Labor/Fringes	\$85,417,508	\$1,916,087	\$0	\$0
Parts/Supplies	4,658	1,087	0	0
Purchased Transportation	0	496,319	7,984,013	16,447,268
Fuel	0	0	0	0
Other	276,498	12,432	0	0
<b>Total Operations</b>	<b>\$85,698,664</b>	<b>\$2,425,925</b>	<b>\$7,984,013</b>	<b>\$16,447,268</b>
<b>Vehicle Maintenance</b>				
Labor/Fringes	\$22,587,341	\$618,175	\$0	\$0
Parts/Supplies	8,092,660	116,294	0	0
Other	419,807	119,251	0	160,262
<b>Total Vehicle Maintenance</b>	<b>\$31,099,808</b>	<b>\$853,720</b>	<b>\$0</b>	<b>\$160,262</b>
<b>Non-Vehicle Maintenance</b>				
Labor/Fringes	\$1,314,718	\$0	\$0	\$0
Parts/Supplies	936,715	0	0	0
Other	1,736,123	0	0	25,366
<b>Total Non-Vehicle Maintenance</b>	<b>\$3,987,556</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,366</b>
<b>General Administration</b>				
Labor/Fringes	\$4,215,442	\$405,321	\$0	\$0
Parts/Supplies	105,991	1,200	0	0
Utilities	3,391,885	1,500	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	728,154	300	0	515,843
Indirect Overhead Allocation	0	0	0	0
<b>Total Administration</b>	<b>\$8,441,472</b>	<b>\$408,321</b>	<b>\$0</b>	<b>\$515,843</b>
<b>Total Expenses</b>	<b>\$129,227,500</b>	<b>\$3,687,966</b>	<b>\$7,984,013</b>	<b>\$17,148,739</b>
<b>Funding Requirement</b>	<b>\$112,315,499</b>	<b>\$2,282,730</b>	<b>\$7,473,034</b>	<b>\$9,692,858</b>
<b>Recovery Ratio</b>	<b>13.09%</b>	<b>38.10%</b>	<b>6.40%</b>	<b>43.48%</b>

# Appendix F • Operating Budget Detail

2022 ESTIMATED PROGRAM, ACTIVITY & OBJECT MATRIX					
Vanpool	Administration	Centralized Support	Total Suburban Service	Total Regional ADA Paratransit	Combined 2022 Estimate
\$1,020,456	\$0	\$0	\$17,760,049	\$7,608,151	\$25,368,200
0	1,345,862	0	1,345,862	0	1,345,862
0	365,000	0	365,000	0	365,000
0	1,544,700	0	1,544,700	150,000	1,694,700
0	1,380,988	0	10,925,492	914,032	11,839,524
<b>\$1,020,456</b>	<b>\$4,636,550</b>	<b>\$0</b>	<b>\$31,941,103</b>	<b>\$8,672,183</b>	<b>\$40,613,286</b>
\$0	\$0	\$3,719,421	\$91,053,016	\$0	\$91,053,016
0	0	1,824,085	1,829,830	0	1,829,830
0	0	0	24,927,600	194,601,556	219,529,156
708,659	0	17,682,711	18,391,370	8,614,801	27,006,171
821,168	0	0	1,110,098	0	1,110,098
<b>\$1,529,827</b>	<b>\$0</b>	<b>\$23,226,217</b>	<b>\$137,311,914</b>	<b>\$203,216,357</b>	<b>\$340,528,271</b>
\$0	\$0	\$3,324,168	\$26,529,684	\$0	\$26,529,684
0	0	200,000	8,408,954	0	8,408,954
0	0	745,287	1,444,607	0	1,444,607
<b>\$0</b>	<b>\$0</b>	<b>\$4,269,455</b>	<b>\$36,383,245</b>	<b>\$0</b>	<b>\$36,383,245</b>
\$0	\$0	\$1,783,388	\$3,098,106	\$0	\$3,098,106
0	0	0	936,715	0	936,715
0	344,798	1,337,305	3,443,592	0	3,443,592
<b>\$0</b>	<b>\$344,798</b>	<b>\$3,120,693</b>	<b>\$7,478,413</b>	<b>\$0</b>	<b>\$7,478,413</b>
\$0	\$22,810,646	\$0	\$27,431,409	\$4,555,204	\$31,986,613
0	187,400	0	294,591	2,767	297,358
0	1,412,485	0	4,805,870	240,545	5,046,415
0	0	17,943,075	17,943,075	1,332,641	19,275,716
0	0	25,231,097	25,231,097	991,019	26,222,116
0	18,825,550	8,046,424	28,116,271	3,953,900	32,070,171
0	0	0	(8,591,918)	8,591,918	0
<b>\$0</b>	<b>\$43,236,081</b>	<b>\$51,220,596</b>	<b>\$95,230,395</b>	<b>\$19,667,994</b>	<b>\$114,898,389</b>
<b>\$1,529,827</b>	<b>\$43,580,879</b>	<b>\$81,836,961</b>	<b>\$276,403,967</b>	<b>\$222,884,351</b>	<b>\$499,288,318</b>
<b>\$509,371</b>	<b>\$38,944,329</b>	<b>\$81,836,961</b>	<b>\$244,462,864</b>	<b>\$214,212,168</b>	<b>\$458,675,032</b>
<b>66.70%</b>	<b>10.64%</b>	<b>0.00%</b>	<b>17.00%</b>	<b>8.77%</b>	

# Appendix F • Operating Budget Detail

## 2023 Operating Budget

2023 PROGRAM, ACTIVITY & OBJECT MATRIX				
	Pace Operating Divisions	Public Carriers	Private Carriers	Demand Response Services
<b>Revenue</b>				
Farebox	\$15,035,080	\$645,413	\$126,283	\$1,332,051
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	1,164,611	802,247	634,696	6,632,480
<b>Total Revenue</b>	<b>\$16,199,691</b>	<b>\$1,447,660</b>	<b>\$760,979</b>	<b>\$7,964,531</b>
<b>Operating Expenses</b>				
<b>Operations</b>				
Labor/Fringes	\$92,078,872	\$1,969,797	\$0	\$0
Parts/Supplies	4,758	1,114	0	0
Purchased Transportation	0	519,212	8,845,164	16,020,272
Fuel	0	0	0	0
Other	282,784	13,950	0	0
<b>Total Operations</b>	<b>\$92,366,414</b>	<b>\$2,504,073</b>	<b>\$8,845,164</b>	<b>\$16,020,272</b>
<b>Vehicle Maintenance</b>				
Labor/Fringes	\$23,392,216	\$633,134	\$0	\$0
Parts/Supplies	8,676,950	118,353	0	0
Other	463,896	122,445	0	170,024
<b>Total Vehicle Maintenance</b>	<b>\$32,533,062</b>	<b>\$873,932</b>	<b>\$0</b>	<b>\$170,024</b>
<b>Non-Vehicle Maintenance</b>				
Labor/Fringes	\$1,367,559	\$0	\$0	\$0
Parts/Supplies	1,068,216	0	0	0
Other	1,964,523	0	0	26,127
<b>Total Non-Vehicle Maintenance</b>	<b>\$4,400,298</b>	<b>\$0</b>	<b>\$0</b>	<b>\$26,127</b>
<b>General Administration</b>				
Labor/Fringes	\$4,276,157	\$413,908	\$0	\$0
Parts/Supplies	120,470	1,200	0	0
Utilities	3,724,042	1,840	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	746,457	300	0	547,263
Indirect Overhead Allocation	0	0	0	0
<b>Total Administration</b>	<b>\$8,867,126</b>	<b>\$417,248</b>	<b>\$0</b>	<b>\$547,263</b>
<b>Total Expenses</b>	<b>\$138,166,900</b>	<b>\$3,795,253</b>	<b>\$8,845,164</b>	<b>\$16,763,686</b>
<b>Funding Requirement</b>	<b>\$121,967,209</b>	<b>\$2,347,593</b>	<b>\$8,084,185</b>	<b>\$8,799,155</b>
<b>Recovery Ratio</b>	<b>11.72%</b>	<b>38.14%</b>	<b>8.60%</b>	<b>47.51%</b>

# Appendix F • Operating Budget Detail

2023 PROGRAM, ACTIVITY & OBJECT MATRIX					
Vanpool	Administration	Centralized Support	Total Suburban Service	Total Regional ADA Paratransit	Combined 2023 Budget
\$1,108,796	\$0	\$0	\$18,247,623	\$10,560,095	\$28,807,718
0	1,345,862	0	1,345,862	0	1,345,862
0	1,095,000	0	1,095,000	0	1,095,000
0	2,536,350	0	2,536,350	150,000	2,686,350
0	946,402	0	10,180,436	1,851,302	12,031,738
<b>\$1,108,796</b>	<b>\$5,923,614</b>	<b>\$0</b>	<b>\$33,405,271</b>	<b>\$12,561,397</b>	<b>\$45,966,668</b>
\$0	\$0	\$4,314,583	\$98,363,252	\$0	\$98,363,252
0	0	1,859,828	1,865,700	0	1,865,700
0	0	0	25,384,648	209,561,989	234,946,637
742,529	0	18,694,340	19,436,869	7,862,189	27,299,058
829,081	0	0	1,125,815	0	1,125,815
<b>\$1,571,610</b>	<b>\$0</b>	<b>\$24,868,751</b>	<b>\$146,176,284</b>	<b>\$217,424,178</b>	<b>\$363,600,462</b>
\$0	\$0	\$3,857,112	\$27,882,462	\$0	\$27,882,462
0	0	300,000	9,095,303	0	9,095,303
0	0	782,246	1,538,611	0	1,538,611
<b>\$0</b>	<b>\$0</b>	<b>\$4,939,358</b>	<b>\$38,516,376</b>	<b>\$0</b>	<b>\$38,516,376</b>
\$0	\$0	\$2,071,378	\$3,438,937	\$0	\$3,438,937
0	0	0	1,068,216	0	1,068,216
0	337,370	1,451,043	3,779,063	0	3,779,063
<b>\$0</b>	<b>\$337,370</b>	<b>\$3,522,421</b>	<b>\$8,286,216</b>	<b>\$0</b>	<b>\$8,286,216</b>
\$0	\$26,246,403	\$0	\$30,936,468	\$4,678,117	\$35,614,585
0	204,750	0	326,420	3,144	329,564
0	2,069,244	0	5,795,126	0	5,795,126
0	0	14,625,801	14,625,801	1,023,055	15,648,856
0	0	27,060,122	27,060,122	1,046,690	28,106,812
0	30,738,960	8,697,290	40,730,270	5,297,570	46,027,840
0	0	0	(9,027,717)	9,027,717	0
<b>\$0</b>	<b>\$59,259,357</b>	<b>\$50,383,213</b>	<b>\$110,446,490</b>	<b>\$21,076,293</b>	<b>\$131,522,783</b>
<b>\$1,571,610</b>	<b>\$59,596,727</b>	<b>\$83,713,743</b>	<b>\$303,425,366</b>	<b>\$238,500,471</b>	<b>\$541,925,837</b>
<b>\$462,814</b>	<b>\$53,673,113</b>	<b>\$83,713,743</b>	<b>\$270,020,095</b>	<b>\$225,939,074</b>	<b>\$495,959,169</b>
<b>70.55%</b>	<b>9.94%</b>	<b>0.00%</b>	<b>17.00%</b>	<b>7.50%</b>	

## Budget Process & Calendar

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

### *The Budget Process*

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

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

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

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

Prior to submitting a budget and financial plan to the RTA, Pace is required to prepare and publish a comprehensive budget and program document (as represented by this document) and hold at least one public hearing on the budget in each of the six counties Pace serves. 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. This requirement has been waived through 2023 due to the impact of the coronavirus pandemic on system-generated revenue. The RTA also meets with each county board and holds public hearings in each county on the consolidated regional budget. At the conclusion of these meetings and hearings, the RTA adopts a final budget which requires the approval of twelve of the RTA's sixteen-member Board of Directors. The RTA Act requires that the RTA adopt the consolidated regional budget no later than December 31 for presentation to the Governor and General Assembly.

### *Budget Amendment Process*

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

or a significant reduction of service, the Board will also conduct public hearings in the affected service areas.

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

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

### *Budget Calendar*

Below are key dates and events in the Pace 2023 budget development cycle. The annual capital budget and five-year program, as well as the annual budget and two-year financial plan for operations, are developed in accordance with this schedule.

2023 Budget Development Calendar	
Date (2022)	Event
May 13	Budget call released to Pace management
May-August	Budget discussions/meetings with RTA and other Service Boards
June 10	Budget call requests due from Pace management
June-August	Staff develops a preliminary budget
September 15	RTA sets 2023 Funding and Recovery Marks
September 21	Pace Board meets to discuss preliminary 2023 Budget
October 14	Pace submits Proposed 2023 Budget to RTA
October 19	Pace Board releases Proposed 2023 Budget for Public Hearings
October 20-28	Public Hearings on Pace's Proposed 2023 Budget
November 9	Pace Board adopts Final 2023 Budget
November 15	Pace submits Final 2023 Budget to RTA
November	RTA evaluates Pace, Metra, and CTA budgets for compliance
November 17	RTA Finance Committee Review of Regional Budget
December 15	RTA scheduled to approve 2023 Regional Budget

## Budget & Financial Policies

### Budget Policies Overview

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

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

### Balanced Budget Definition and Criteria

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

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

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

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

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

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

### Budget Monitoring and Reporting

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

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



## Budget Control Policies

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

### *Line-Item Budget Control*

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

### *Authorized Head Count*

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

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

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

## Long Range Financial Planning

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

## Working Capital Policy

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

For Pace's policy, the unexpended, approved PBV capital projects balance is also deducted from current assets. The policy requires working capital of between 45 and 90 days. Based on the policy, as of June 30, 2022, Pace has 303 days of liquidity.

The ADA Paratransit service is excluded from this policy.

## Investment Policy

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

### *Safety of Principal*

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

### *Liquidity*

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

### *Yield*

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

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

## Use of One-Time Revenue

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

### *RTA Funding Policy*

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

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

### Asset Inventory/Condition Assessment

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

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

### Risk Management

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

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

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

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

### Debt Policy

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

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

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

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

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

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

The 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. Pace has never exercised this option.

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

### *Bond Payments*

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

### *Bond Rating*

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

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

### *Bond Issues*

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

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

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

The total remaining debt service is shown below.

	2023	2024
Principal	\$1,200,000	\$1,200,000
Interest	82,200	42,000
<b>Total Annual</b>	<b>\$1,282,200</b>	<b>\$1,242,000</b>

### *2023 Budget*

The 2023 Budget does not include plans for issuing a bond.

### *Actual Debt Service Schedules*

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



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

## Schedule A. South Division CNG Project

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

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



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## Budget/Funding/Transit Service Terms

### accessible vehicle

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

### accrual

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

### ADA—Americans with Disabilities Act

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

### ADA paratransit service

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

### administrative expense

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

### appropriation

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

### 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.

### ART—Arterial Rapid Transit

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

### audit

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

### balanced budget

Financial plan in which revenue and expenses are equal.

### bond

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

### BOS—Bus on Shoulder

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

### BRT—Bus Rapid Transit

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

### budget

A financial plan showing estimated or planned revenue and expenses.

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

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

### capital budget

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

### capital cost of contracting

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

### 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.

### CMAP—Chicago Metropolitan Agency for Planning

The regional planning organization for northeastern Illinois.



**CMAQ—Congestion Mitigation/Air Quality**

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

**cost per mile**

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

**cost per passenger**

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

**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.

**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.

**deficit**

The amount by which total operating expense exceeds total revenue.

**demand response service**

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

**discretionary operating funds**

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

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

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

**express bus**

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

### 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.

### 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.

### 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.

### feeder route

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

### FEMA—Federal Emergency Management Agency

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

### fixed route service

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

### flex lane

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

### fringe(s)—fringe benefit expense

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

### FTA—Federal Transit Administration

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

### full-time equivalent (FTE) position

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

### fund

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

### funding formula

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

### grant

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

### IBS—Intelligent Bus System

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

### ICE—Innovation, Coordination and Enhancement Fund

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

### IDOT—Illinois Department of Transportation

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

### IJA—Infrastructure Investment and Jobs Act

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

### labor expense

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

### low income individual

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

### MaaS—Mobility as a Service

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

### maintenance expense

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

### marks

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

### Metra (Commuter Rail Division)

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

### non-vehicle maintenance expense

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

### NTD—National Transit Database

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

### On Demand

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

### operating assistance

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

### operating budget

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

### operations expense

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

### Pace (Suburban Bus Division)

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

### Pace Bond Program

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

### paratransit service

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

### 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.

### performance measure

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

### performance target

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

### Posted-Stops-Only

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

### private contract services

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

### program (noun)

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

### proprietary fund

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

### PTF—Public Transportation Fund

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

### public transportation

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

### Pulse

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

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

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

### Rebuild Illinois

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

### recovery ratio

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

### Regional ADA Paratransit Service

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

### RETT—Real Estate Transfer Tax

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

### ridership (unlinked passenger trips)

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

### rolling stock

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

### RTA—Regional Transportation Authority

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

### RTA Bond Funding

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

### RTA Sales Tax Part I

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

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

### RTA Sales Tax Part II

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

### SCMF—Suburban Community Mobility Fund

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

**senior**

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

**service board**

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

**SGR—state of good repair**

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

**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.

**SSJA—South Suburban Job Access**

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

**suburban service**

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

**TAM—Transit Asset Management**

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

**TAP—Taxi Access Program**

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

**TMA—Transportation Management Association**

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

**TNC—Transportation Network Company**

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

**total vehicle miles**

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

### Transfer Capital

Budget year operating funds directed to capital projects.

### Transit Asset Management Plan

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

### TSP—Transit Signal Priority

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

### unrestricted net assets (fund balance)

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

### urbanized area

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

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

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

### UWP—Unified Work Program

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

### vanpool

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

### 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.



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## Service Characteristics



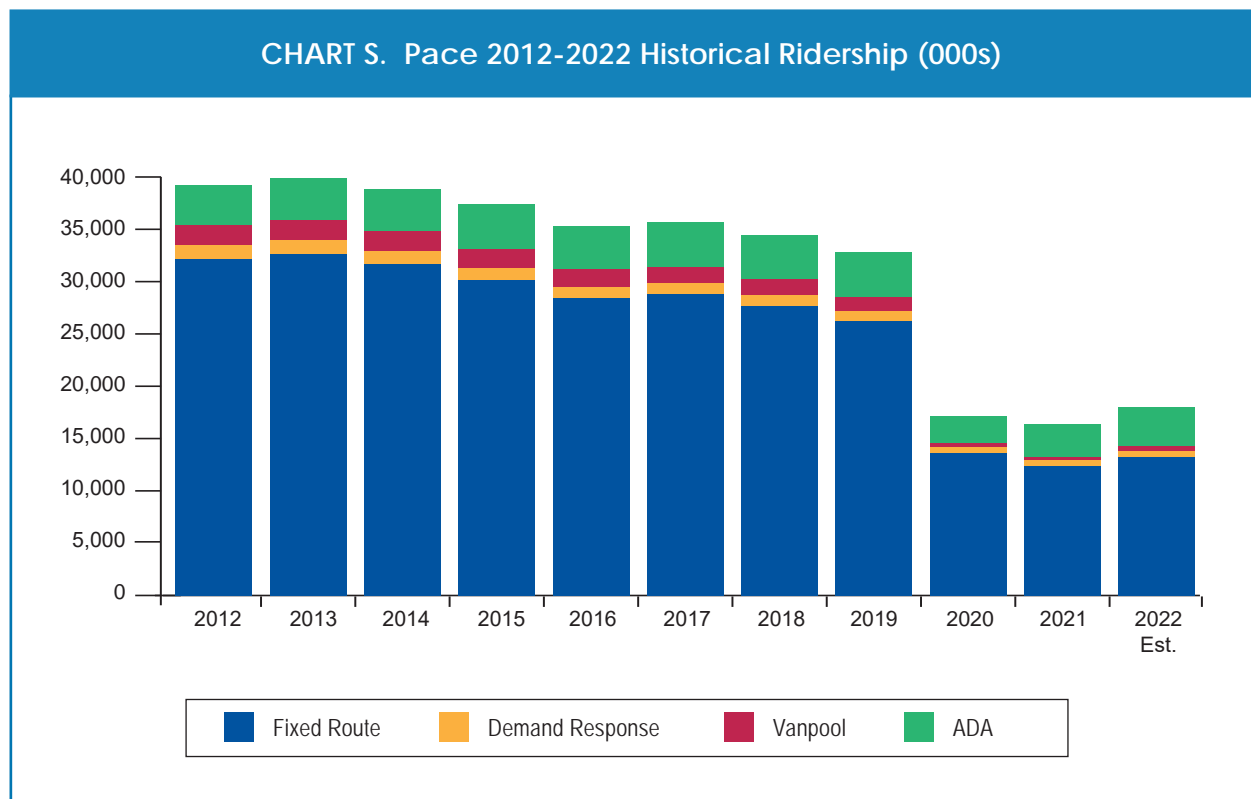
		2021 Actual	2022 Estimate	2023 Budget	
<b>Fixed Route Service</b>		<b>Ridership (000s)</b>			
Number of Fixed Routes ( <i>August 2022</i> )	137	12,377	13,210	13,415	
• Regular Routes	132	554	622	641	
• Feeder Routes	5	298	417	453	
<i>(All Routes are Accessible)</i>		<b>Total Suburban Service</b>			
Peak Period Vehicle Requirements	481	13,229	14,249	14,509	
Vehicles in Service ( <i>All Vehicles are Accessible</i> )	725	Regional ADA*	3,130	3,792	4,051
Average Vehicle Age	7.1 yrs	<b>Total System</b>			
Number of Private Contractors	2	16,359	18,041	18,560	
Number of Pace-owned Garages	11	<b>Vehicle Miles (000s)</b>			
Number of Pace Municipal Contractors	2	Fixed Route	26,069	26,072	27,451
		Demand Response	3,467	3,616	3,725
		Vanpool	2,192	2,984	3,241
<b>Paratransit</b>		<b>Total Suburban Service</b>			
Number of Communities Served	274	31,728	32,672	34,417	
Number of Local Demand Response Projects	27	Regional ADA	20,244	19,932	21,155
Pace-owned Fleet Size ( <i>Includes Suburban ADA</i> )	424	<b>Total System</b>			
Average Pace-owned Vehicle Age	6.7 yrs	51,971	52,604	55,571	
Community Transit Vehicles in Service ( <i>August 2022</i> )	84	<b>Vehicle Hours (000s)</b>			
Contractor-owned Vehicles in City ADA Service	843	Fixed Route	1,732	1,773	1,876
		Demand Response	198	200	206
		Vanpool	N/A	N/A	N/A
<b>Vanpool</b>		<b>Total Suburban Service</b>			
Vans in Service ( <i>August 2022</i> )—VIP	79	1,930	1,973	2,082	
Vans in Service ( <i>August 2022</i> )— Shuttle	17	Regional ADA	1,430	1,444	1,354
Vans in Service ( <i>August 2022</i> )—Advantage	176	<b>Total System</b>			
Total Vans in Service	272	3,361	3,417	3,436	
Average Vehicle Age	5.0 yrs	<i>*Ridership includes companions and personal care attendants.</i>			
<b>Other</b>					
Number of Pace Employees ( <i>Includes ADA Staff</i> )	1,796.5				

Ridership

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

Table 41. Pace 2012–2022 Ridership Historical Summary (000s)						
Year	Fixed Route	Demand Response*	Vanpool	Total Suburban Service	ADA*	Total System
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	13,595	520	452	14,567	2,576	17,143
2021	12,377	554	298	13,229	3,130	16,359
2022 Est.	13,210	622	417	14,249	3,792	18,041

\*Ridership includes companions and personal care attendants.



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For the Fiscal Year Beginning

**January 01, 2022**

*Christopher P. Morill*

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, 2022. 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.

