

PROGRAM

&

BUDGET BOOK

2014



Metra[®]

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SYSTEM OVERVIEW

Metra is geographically one of the largest commuter rail systems in the nation, serving a six-county region of more than 3,700 square miles. This complex system is comprised of 11 rail lines operating over more than 1,100 miles of track, 800 bridges, and 2,000 signals.

Metra's 241 stations, including five stations in the Chicago Central Business District, are served by 700 trains each weekday. The railroad uses more than 1,100 pieces of rolling stock, storing and maintaining this equipment at 24 rail yards and seven maintenance facilities. Metra also oversees and maintains more than 400 station platforms and provides more than 90,000 parking spaces.

Metra, the Commuter Rail Service Board of the RTA, assumed direct responsibility for commuter railroad operations for Northeastern Illinois in 1984. Metra operates service directly on seven lines and through purchase of service agreements with two freight railroads on four lines. Since 1985, Metra ridership has grown by 31.1 percent and train miles have increased by 32.2 percent. Metra projects it will have provided 81.6 million rides in 2013, a 0.4 percent increase from 2012.

Metra by the Numbers

- 241 Stations (5 downtown and 236 outlying)
- 90,019 Parking Spaces
- 1,155 Miles of Track
- 487.7 Route Miles
- 821 Bridges
- 571 Grade Crossings
- 24 Rail Yards (6 downtown, 18 outlying)
- 10 Electrical Substations
- 5 Electrical Tie Stations
- 12 Fuel Facilities

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Treasurer
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Donald A. Orseno
Interim Executive Director/CEO



Board of Directors' Letter

To the riders and taxpayers of Northeast Illinois,

The Metra Board of Directors present for your review Metra's 2014 Program and Budget document, which outlines our operating budget and capital program for the coming year.

The budget for 2014 is balanced and meets the requirements of the Regional Transportation Authority Act. The operating budget includes no fare increase for 2014 and recognizes the constraints placed upon us by our funding sources, while the capital program focuses on projects necessary to maintain and enhance our existing infrastructure.

The Metra Board has devoted considerable thought to several issues that we feel the agency must begin to address in 2014 to move forward and meet the needs of our region for today and the future. They are, in short: people, processes and procedures, and passengers. The driving force behind these proposals is to achieve excellent customer service.

Metra's success is built on a dedicated group of employees who work long hours to keep our trains running on time. In recent years, Metra has had difficulty retaining and attracting people in many professional positions. To address this, the Board firmly believes that Metra must perform a comprehensive review of its human resources needs. This includes career development, retention planning and the development of an attractive compensation plan that fits within the budget. This is critical to Metra's success and we hope that our passengers understand that it is critical to them as well.

The next area that we believe requires attention is the agency's internal processes and procedures. We find that some of our existing processes have been in place for a long time and may need freshening to allow Metra to fully benefit from new technologies and respond to a dynamic business environment. The driving force behind all these proposals is our passengers.

A railroad's costs are largely fixed. Thus, any increase in business has a large impact on the bottom line. The Board wants to create incentives for people to use our service. To that end, we will be reviewing our fare policies to ensure we attract and retain customers and have policies that are consistent and equitable. We are also supporting projects to advance the development and implementation of an electronic fare collection system and additional passenger amenities such as Wi-Fi. We understand that the first and last mile of any trip is a critical component in the decision to use mass transit and will ask staff to examine our schedules with an eye to achieving seamless connectivity with CTA and Pace. By improving the customer experience, Metra will secure rider loyalty, increase ridership and ultimately increase our value to the region's transportation network.

Metra's ability to meet these challenges will have a large part in determining our future success. The most serious challenge to mass transit in Northeast Illinois, and across the nation, is the lack of capital funding. Fares and sales tax subsidies cover our operating costs but do not provide a consistent source of funding for capital expenses. Mass transit has always been forced to rely upon sporadic state and federal grants to cover the costs of maintaining and replacing our assets. We estimate that Metra will need approximately \$9.7 billion over the next decade just to keep our current assets in a state of good repair, but current funding formulas show that we can expect to receive approximately 20 percent of that amount. We are committed as a Board and an agency to promoting the need for a stable source of capital dollars from both federal and state sources. We are also committed to the idea that any such funding source must be allocated fairly to benefit the entire region. Without a stable source of capital dollars, mass transit in Northeast Illinois is not economically sustainable over the long term.

The goals that we have outlined here are necessary to secure the sustainability of Metra and the region's mass transit system.

The Metra Board of Directors

Interim Executive Director's Letter

Metra is proud that we provide more than 300,000 rides each weekday, getting our passengers to their destinations safely and reliably. Metra's more than 4,400 dedicated employees are focused every day on providing the best possible commuter rail service. Riders can be assured that Metra is strong and steady.

There are many examples of good things happening at Metra. Third-quarter ridership numbers are up. We are excited about our new cars for the Metra Electric Line that continue to roll out of the factory at a rate of four to six a month. Those cars are bringing more reliable service, and for the first time, bathrooms to the Metra Electric. We continue to renovate 176 cars into like-new condition for our diesel lines in-house, which has saved us money and allowed us to add such amenities as electrical outlets and intercoms for passengers. It has also provided jobs right here in Chicago. In addition, major projects such as the UP North bridge work, the Englewood flyover bridge and station rehabilitations remain on track.

We have been deliberate in our stakeholder engagement through marketing campaigns to increase ridership and inform our customers about transit benefits programs, and for the first time we partnered with NBC 5 in a back-to-school supply drive. We carried out another successful school safety poster contest and have launched the 8th annual campaign. We have increased advertising revenue by 34 percent and we have developed new advertising products.

Metra has a variety of other plans in the works to benefit our riders. In 2014, we want to enhance the public's trust in Metra, and we know the best way to do that is to concentrate on operating safely and reliably and on spending public dollars wisely. Beyond that, we also want to boost our riders' experience by continuing to explore new initiatives that will take our customer service to the next level.

As you can see, there are many exciting things happening at Metra. We anticipate 2014 will be a great year for new beginnings, continued growth and improvements. Providing good commuter service, meeting our on-time performance goals, being fiscally prudent and striving to be a world-class railroad are our top priorities in serving Metra customers.

Don Orseno
Interim Executive Director/CEO



VISION 2014

As Metra navigates the sluggish economic recovery and diminishing capital resources, we are reaffirming the goals that have helped us create our current rail system. These include: providing a high-quality travel experience for our customers; effectively communicating with our customers and stakeholders; maintaining customer security and emergency preparedness; ensuring financial stability; achieving a state of good repair; strengthening ties with the regional transportation network and communities we serve; attracting and maintaining a quality workforce; improving efficiency across the agency; implementing system expansion to meet transportation needs as resources allow; and supporting the stability of the agency and the region we serve.

Metra's Vision

To be a world-class commuter rail agency linking communities throughout the region by:

- Providing the safest, most efficient, and most reliable service to our customers
- Sustaining our infrastructure for future generations
- Leading the industry in achieving continuous improvement, innovation and transparency
- Facilitating economic vitality throughout Northeast Illinois

Metra's Mission & Vision

During Metra's strategic planning process which was initiated in 2012, mission and vision statements for the agency were developed with input from staff, senior leadership, the Board of Directors, stakeholders and the general public. Metra's mission statement describes the overall purpose of the organization, and Metra's vision statement describes where we are going.

As Metra moves to finalize and implement its strategic plan in 2014 and beyond, the mission and vision statements will help guide and shape the agency's actions.

Metra's Mission

As part of a regional transportation network, Metra provides safe, reliable, efficient commuter rail service that enhances the economic and environmental health of Northeast Illinois.



STAYING ON TRACK

Metra provides a vital transportation link for more than 300,000 commuters each weekday. Since 1985, Metra has invested more than \$6 billion to rebuild, maintain and expand the region's passenger rail network.

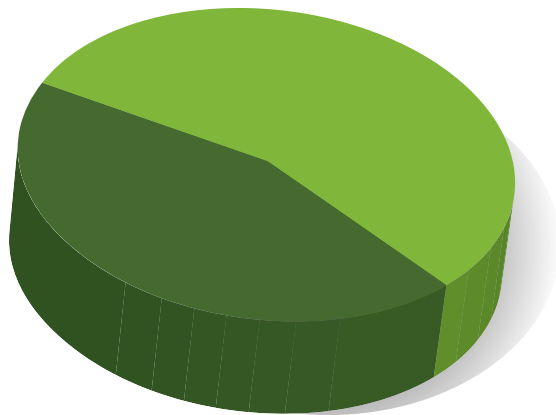
Public funding for transit is provided for two broad categories: operations and capital. In the six-county region of Northeast Illinois served by Metra, operations funding is provided through system-generated revenues – primarily fares –and subsidized in large part through a regional sales tax. Capital funding is provided through a variety of federal programs and state and local funding sources, including bond programs.

For 2014, Metra's total budget for operations and capital is \$1,309.3 million. As shown in Exhibit 1 below, this total includes \$728.6 million for operations and \$580.7 million for capital.

Exhibit 1

Use of Funds

Total \$1,309.3 million



■ Capital: \$580.7 million* ■ Operating: \$728.6 million

*Total assumes \$45 million in RTA Bond program funding and \$371.4 million of State of Illinois Bond program funds

Operations Funding

Under the provisions of the Regional Transportation Authority Act, the RTA and the service boards (Metra, CTA and Pace) are required to recover a combined 50 percent of operating expenses through fares and other revenues. The RTA sets individual recovery ratios for each of the operating agencies to achieve this requirement as part of the budgeting process. The RTA revenue recovery ratio mark for Metra is 53.0 percent in 2014. Metra's proposed 2014 budget achieves a recovery ratio of 53.1 percent.

For many years, Metra transferred money from its capital program to fund operations in lieu of increasing fares. In 2011 alone \$60 million was transferred from capital to operations. Over the short term, this practice helped Metra put off fare increases. However, over the long term, the practice added to the agency's shortfall in capital investment. In 2012, the Metra Board of Directors supported the staff position that the continued transfer of funds from capital to operations was not sustainable and voted to end this practice.

Metra is committed to a balanced operating budget that does not use capital dollars or borrowing. Metra staff entered into the 2014 budget process with the assumption that additional funding through higher fares would not be an option. Therefore, staff concentrated on identifying efficiencies and constraining expense growth where possible, resulting in a 2014 budget has total operating expenses that are only 1.7 percent higher than the 2013 budget. The 2014 budget, while constrained in its overall expense growth, fully funds operations, maintenance, support, and other activities critical to providing train service. Metra will continue to identify efficiencies that will reduce both operating and administrative costs and will also seek to recover additional indirect costs by applying more fully developed corporate additive rates to joint work activities with third parties.

Capital Funding

Metra's 2014 Core Capital program is funded through federal fixed guideway and federal formula funds, as well as Metra farebox capital funds. Other sources of funds that supplement Metra's capital program include Homeland Security funding, federal CMAQ (Congestion Mitigation and Air Quality) funding and State of Illinois capital bond program funds.

A more detailed discussion of Metra's 2014-2018 capital program begins on page 33. Tables and project descriptions for Metra's 2014-2018 program are included in the Appendix of this document (pages 48-64) and show funding available from current sources.



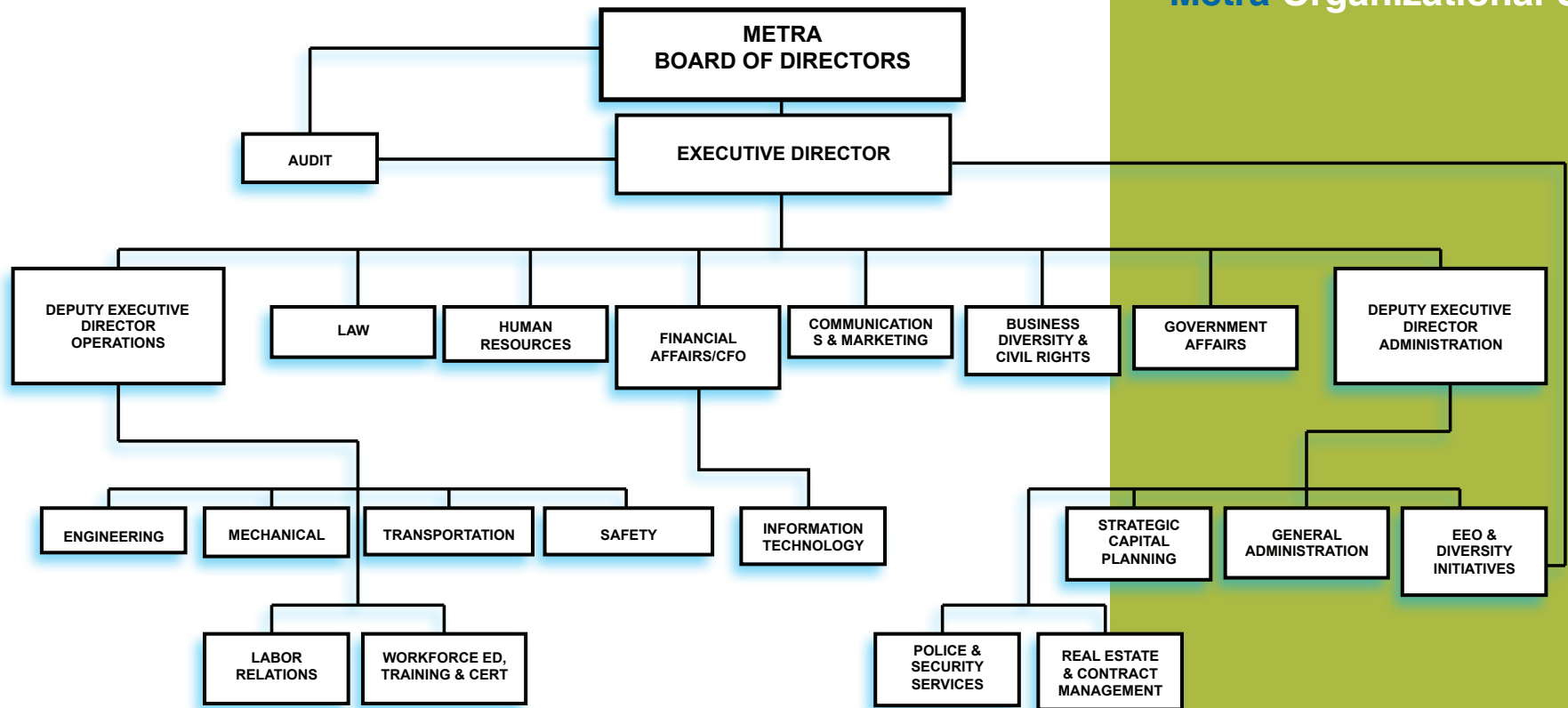
ORGANIZATION

Metra's operations and policies are guided by an 11-member Board of Directors. The chairmen of the Boards of the counties of DuPage, Kane, Lake, McHenry and Will each appoint one director. Four additional directors are appointed by the suburban members of the Cook County Board. One director is appointed by the president of the Cook County Board and one director is

appointed by the mayor of City of Chicago. The chairman of the Metra Board is elected by a vote of the board membership.

Metra's day-to-day operations are overseen by its CEO and executive team. Metra's organizational structure is detailed in Exhibit 2 below.

Exhibit 2
Metra Organizational Units



Operations

Metra's Operations are overseen by the Deputy Executive Director Operations, who provides executive direction and guidance to the chief officers of Engineering, Transportation and Mechanical as well as Safety, Labor Relations, Operations Training and Certification and Regulatory Compliance. The division also provides executive oversight and direction to contract carriers (BNSF and Union Pacific) to ensure that rail operations are consistent with Metra's standards and practices.

Engineering

The Engineering Department is responsible for building and maintaining the majority of Metra's fixed assets, such as buildings, bridges, track, electrical and signal systems. The department also monitors the condition of and assists in building and maintaining the fixed assets on the freight lines that Metra trains operate on. The Engineering Department is split into three major groups: Capital Projects, Communications and Maintenance. The department is staffed by more than 700 employees.

Capital Projects

The Capital Projects group consists of the following subgroups; Construction, Electrical/Mechanical, Signal, Civil/Structural and Station & Parking Design. The subgroups consist of approximately 40 engineers and technical professionals. They manage the design and construction of facilities within their areas of responsibility. Most of the design and construction work is performed by third-party contractors with project management oversight performed by Metra engineers.

Communications

The Communications group is responsible for building and maintaining Metra's communication systems. These systems include: telephone, fiber optics, microwave radio, passenger information display systems, GPS train tracking, video surveillance, ticket vending, all radios for train and police operations, train and platform paging, real-time train website information and security access systems.

Maintenance

The Maintenance group is responsible for maintaining and constructing Metra's signal and track systems. The group also maintains stations, parking lots and support facilities,

such as repair shops and headquarter buildings for our work crews.

Metra maintains 1,155 miles of track, 571 grade crossings, 3.8 million track ties and 115,000 switch ties. Metra has 821 bridges, five downtown stations, 236 outlying stations, and 90,019 parking spaces, all of which need to be maintained on a continuous basis. The signal division is responsible for maintaining all of the circuitry work throughout the Metra system. Metra also has 10 electrical substations and five electrical tie stations, as well as 109 miles of 1,500-volt DC catenary wire and 104 miles of 4-kilovolt AC electrical wiring.

Mechanical

The Mechanical Department coordinates and oversees the repair, inspection, cleaning and maintenance of 1,164 pieces of rolling stock used in commuter service. The department's goal is to provide safe, clean and reliable service while maintaining the fleet to Federal Railroad Administration, Association of American Railroads, American Public Transit Association and Original Equipment Manufacturer standards. The Mechanical Department is also responsible for overseeing Metra's fleet of 463 trucks and automobiles. The department employs 650 people.

Transportation

The Metra Transportation Department is responsible for providing safe, efficient and dependable transportation to commuters on all Metra-operated lines (Milwaukee District North and West, Rock Island, Metra Electric District, SouthWest Service, North Central Service and Heritage Corridor) and those operating under purchase-of-service agreements (BNSF and Union Pacific lines). The Transportation Department also oversees the Rules Department, Dispatching Office, Crew Management Center, Station Services and GPS Center. The department is staffed by nearly 900 employees.

Rules

The Metra Rules Department develops, interprets and monitors the proper application of rules and operating practices to the working environment of the railroad. It is responsible for Metra's rules education process to ensure that Transportation and Engineering employees are adequately prepared to safely perform their duties in compliance with established rules and federal regulations. The department conducts initial and periodic rules review, instructional classes and written examinations.

The department also administers the Operational Testing Program, which monitors

employee responses to situations presented in the field and is designed to measure rules knowledge and application, improve rules compliance and isolate areas of noncompliance for corrective action.

Regulatory Compliance

The Office of Regulatory Compliance was established by Metra in 2011. It is responsible for ensuring Metra is in compliance with all federal regulations issued by the FRA.

The Director of Regulatory Compliance serves as Metra's representative on the FRA Rail Safety Advisory Committee (RSAC). RSAC was established to develop new regulatory standards, through a collaborative process, with all stakeholders of the rail community in an effort to develop solutions on safety regulatory issues.

Dispatching Office

Metra's Dispatching Office, known as its Consolidated Control Facility (CCF), is responsible for operating and/or overseeing functions related to the movement of trains across the Metra system. The office supervises all Metra forces employed in the movement of trains and keeps all records regarding these movements in accordance with federal regulations and practices. The

office also serves as a liaison between Metra and the other rail carriers, both passenger and freight, operating in the six-county region that comprises Metra's operating territory.

The CCF Director of System Operations serves as Metra's representative on the Chicago Transportation Coordination Office (CTCO) team. CTCO was established to address railroad coordination and congestion issues in the Chicago Switching District. CTCO addresses passenger/freight conflicts and works to improve the overall fluidity of rail traffic.

Crew Management Center

Metra's Crew Management Center (CMC) is responsible for ensuring the day-to-day staffing for all Metra train crew and engineer positions as well as all clerical positions in the field. The CMC coordinates staffing needs with the various Metra districts, works with payroll to ensure accurate payroll distribution, and coordinates with the Medical Department on Family and Medical Leave Act and leave of absence documentation. The CMC also provides intra-departmental manpower forecasting, maintains sick time and exception reports as well as seniority rosters and administrative documentation and reviews all time claims.

Station Services

Metra's Station Services Department's employees are one of the primary points of contact for the public, whether it is at the ticket window or on the concourses at our downtown terminals. Station Services is also responsible for the deposit of all monies collected for over-the-counter and onboard sales, as well as the replenishment of ticket stock for ticket vending machines at downtown stations.

In addition, Station Services acts as the primary support for passenger assistance during any service disruption or special event and regularly assists customers by changing passenger information displays and in-station announcements.

GPS Center

The Global Positioning System (GPS) Center monitors the on-time performance of all trains systemwide, to ensure that delays are promptly communicated to the public so they are aware of any service disruption that may alter their commute.

Within the GPS Center, technical communication specialists monitor a satellite system that utilizes a Mobile Information Terminal attached to each

train and provides real-time tracking. Delays are communicated to the public via public address systems and electronic signage at outlying stations, the Metra website and e-alerts sent to My Metra subscribers. Also, Metra's Passenger Assistance Line (PAL)/GPS section monitors the functionality of credit card and cash vending machines and elevators on the Metra Electric District.

Safety

Safety is one of Metra's top priorities. Metra's Safety Department is responsible for the implementation, oversight and coordination of the agency's passenger and employee safety programs, designed to promote the safest travel and working environment possible.

The department oversees Metra's employee workplace safety programs, passenger safety programs, rail safety education and outreach programs, emergency evacuation training for first responders, and employee safety training. In addition, the department is responsible for reporting all railroad incident and accident data to the appropriate federal and state regulatory agencies.

Labor Relations

Metra's stand-alone Labor Relations Department, unique to the rail industry, is charged with the responsibility for the negotiation and administration of 17 collective bargaining agreements between the Northeast Illinois Regional Commuter Railroad Corporation (NIRCRC d.b.a. Metra) and its employees represented by 14 unions. These responsibilities include representing Metra in arbitration with respect to minor disputes and the ongoing negotiations meant to reach amicable negotiated settlements and thus avoid a major dispute as defined by the Railway Labor Act with each of these unions.

As its core mission, Labor Relations builds and maintains productive relationships with employee representatives to ensure a professional and cooperative association that ensures continuity of service and controlled adjudication of disputes.

Workforce Education Training & Certification

Metra requires a skilled workforce practicing a variety of railroad-specific trades. Metra must continue to train and develop employees to meet the specific needs of operating Metra service. The Operations Training and Workforce Education departments conduct and oversee the training programs that enable current employees to meet regulatory mandates and help new employees develop necessary skills.

Operations Training & Certification

The Training and Certification Department is responsible for training locomotive engineers, conductors and assistant conductors who perform service for Metra. The department's core mission is to provide quality training while continuing to improve the efficiency and safety of our train crews and passengers.

In addition to training for their specific job functions, employees need to meet regulatory requirements in order to comply with federal guidelines under the Code of Federal Regulations Title 49 Transportation.

Workforce Education

In addition to well-trained locomotive engineers and conductors, Metra requires a skilled workforce practicing a variety of railroad-specific trades. As our workforce ages and skilled workers retire, Metra must continue to train and develop employees to meet its specific needs.

A large number of our skilled mechanical employees are age 50 or older, and most are eligible to retire by 60 under the rules of the Federal Railroad Retirement System. With such a scenario in mind, Metra has, for the past several years, invested in an apprenticeship program to train machinists, carmen, electricians and sheet metal workers. This program focuses on general aspects of these trades as well as functions specific to the railroad industry.

The continuation of our apprentice programs, regardless of the constraints of our current economic environment, is critical to Metra's ability to operate service at existing levels.

In addition, the FRA's new Positive Train Control (PTC) regulations will require that Metra hire and train a number of engineering employees in the specific requirements of a PTC system.

After they complete initial training programs, many Metra employees are required to complete additional training at regular intervals. Metra is using technology to streamline some of these processes. In September 2009, Metra entered into an intergovernmental agreement with Western Illinois University's Center for the Application of Information Technologies

(CAIT) to provide computer-based training courses for employees throughout the Metra system. Under the agreement, CAIT is working with Metra's Workforce Education team to create interactive online courses. In 2012, Metra launched the online training tracking system called MeTS. MeTS hosts and tracks all of Metra's online training courses and allows Metra to track all employee training.



Administration

Metra's Administration Division is principally charged with providing support resources to the Operations Division employees who deliver train service to our customers. Whether engaging customers or collaborating with regional stakeholders to develop strategic transportation plans, hiring and training new personnel, managing real estate assets, negotiating service contracts to deliver the best value for taxpayers, or maintaining a safe and secure transportation system, the employees assigned to the Administration Division play a major role in supporting Metra's core mission of moving people.

Strategic Capital Planning

The Strategic Capital Planning group provides support services in many areas within and outside Metra. The group consists of three departments: Capital Program Development, Long-Range Planning and System Performance and Data. The three departments collaborate and work with staff of other Metra divisions as well as agencies and municipalities in northeast Illinois.

The Capital Program Development Department develops the capital program and amendments in collaboration with multiple divisions within Metra and also prepares all discretionary grant applications. This department, along with other Metra divisions, is working with RTA, CTA and Pace to update the Capital Condition Assessment, and to develop and implement a Capital Investment Decision Tool by 2014.

The Long Range Planning Department identifies new opportunities for expanding and enhancing the rail system, including line extensions, development of new routes, adding new stations on existing rail lines, and transit-oriented development in station areas. Planning for extensions and new routes typically is directed towards the

federal New Starts grants program. Long Range Planning staff also participate in planning studies led by other entities that will impact Metra operations or Metra riders, including corridor plans and station area studies. Early in 2012, staff took the lead developing Metra's new Strategic Plan, a critically important document that will guide the agency for years to come, helping Metra to prioritize spending decisions and use the agency's scarce capital dollars in the most efficient and effective way.

The System Performance and Data Department prepares monthly reports on system ridership, on-time performance, and capacity utilization of trains, based on data from other Metra divisions.

Often in partnership with other divisions and agencies, the department manages periodic surveys, counts and analyses of:

- Rider satisfaction;
- Rider origins and destinations;
- Rider boarding of each train at each station;
- Rider vehicles parked at each station, and fees paid;
- Metra's adherence to Title VI and other equity standards.

The department polls other North American commuter railroads on fare policy and other practices. The department serves as the primary research and development staff for a Metra internal working group that will recommend how to implement the legislated regional fare payment system (Illinois Public Act 097-0085).

General Administration

The Materials Management group consists of three divisions, Procurement, Professional Services/Contracts and Materials. The purpose of the Materials Management Department is to serve various customers within Metra by soliciting and procuring goods or services required for operations.

Additionally, the department operates Metra's four storehouses, maintaining, distributing and safeguarding the inventories contained within them.

EEO & Diversity Initiatives

The mission of the Equal Employment Opportunity (EEO)/Diversity Initiatives Department is threefold: develop and administer an effective EEO Program that will be carried out in accordance with the mandates and regulations of the FTA and

other federal, state and local government statutes; provide timely and effective counseling and/or mediation to resolve internal organizational conflicts and identify employment practices that need improvement; and provide training in the areas of EEO and workforce diversity for supervisory and staff personnel to foster more effective collaborative efforts on the part of employees in their day-to-day interactions.

EEO/Diversity Initiatives supports Metra's mission to move people by striving to ensure that employees work in an environment free of discrimination and harassment. This includes proactively educating employees on respect in the workplace, accepting differences and communicating effectively with co-workers. These efforts enable employees to engage fully in their assignments and support Metra's overall mission to get individuals to their destinations safely and on time.

Police & Security Services

The Metra Police Department serves and protects the commuters using the Metra system and protects Metra's property. The mission of the Metra Police is to safeguard the lives and property of the people they serve, to reduce the incidence and fear of crime, and to enhance public safety.

Metra Police work to expedite all onboard issues with the commuting public as well as the handling of vehicle accidents and trespasser incidents on Metra railroad right-of-way and property. Metra Police also actively engage and work with first responders and local, state and federal agencies during service disruptions and partner with these agencies on security planning. Their work ensures the safety of Metra's passengers and employees and reduces train delays.

Real Estate & Contract Management

The core mission of the Real Estate and Contract Management Department is to maximize Metra's non-passenger revenue and minimize its liability exposure through effective negotiation, pricing and contract administration of Metra property and real estate assets. The department's activities support the agency's core mission by participating in real estate/property acquisition for station and parking areas, managing station and vendor facilities and ensuring that utility easements placed in the right-of-way are in compliance with Metra's engineering standards to allow for safe travel along Metra's corridors.

Law

Metra's Law Department's core mission is to provide legal guidance and support to the Board of Directors, the executive team, and every other department in the organization. The department focuses on preventing legal issues at every feasible level, as well as defending the corporation's position if issues arise. The Law Department supports Metra's transportation mission by guiding the corporation through the myriad of restrictions and mandates of federal, state and local statutes, regulations, and ordinances. The Department is comprised of three basic divisions: General Corporate/Ethics, Litigation and Risk Management and Real Estate & Grants.

General Corporate/Ethics

Metra's General Corporate division supports the Board and all departments with respect to governance, employment, procurement, contracts, discrimination, Freedom of Information Act (FOIA), ethics, and other general municipal and government law issues. On a daily basis, the division engages in preventing and resolving legal matters concerning virtually every area of Metra's operation. With the amendment of the State Officials and Employees Ethics Act, 5 ILCS 430/1 et seq. ("Ethics Act"), all Metra employees are now subject to the Ethics Act and have been brought under the jurisdiction of the Executive Ethics Commission (EEC) and the Office of the Executive Inspector General (OEIG). The Ethics Officer is designated by the Board, and provides ethics advice and training. The Officer acts as a liaison between Metra and the EEC and the OEIG. The Ethics Officer also provides guidance to Metra employees and board members in the interpretation and implementation of the Ethics Act.

Litigation and Risk Management

The Litigation/Risk Management division investigates and responds to claims and lawsuits brought against Metra. Cases are thoroughly investigated and are prepared for trial. In this way, Metra is placed in the best position to settle, if it is in Metra's best interest, or to try any given case. We continue to strive for innovation and detail in assembling cases to ensure that Metra's position is well founded and well prepared.

Real Estate & Grants

Metra's Corporate Railroad, Real Estate and Capital Grants division supports the Board and all departments with respect to all matters involving transactions and agreements with other railroads, real estate acquisition, leasing and development, and intergovernmental and grant agreements. The division is also responsible for regulatory and compliance oversight and in providing general corporate support.

Human Resources

Metra's Human Resources Department's mission is to recruit and retain qualified employees in a diverse workforce; treat all employees fairly; facilitate training and professional development for career growth; effectively manage and administer compensation; negotiate and administer flexible benefit programs that provide quality and value; administer medical leaves and related services; promote wellness; provide confidential and efficient records administration; ensure that Metra's policies and procedures comply with all laws governing employment, benefits and other ancillary services; and foster an environment of trust and mutual respect with employees as well as internal and external partners. Human Resources is staffed by 30 employees.

Financial Affairs

Financial Affairs is headed by the Chief Financial Officer (CFO) and divided into four groups. The core mission of these groups is to provide accurate financial information so that Metra can run its business efficiently.

2013 has been a year of building for this team. We are in the process of bringing new staff onboard to replace a number of recent retirees, reorganizing to meet current business demands and preparing to meet future demands. The 2014 headcount for finance and IT functions at Metra totals 160.

General Accounting

Reporting to the Controller, this group is charged with the accurate and timely processing of transactions and production of financial statements. Group functions include accounting, payroll, accounts payable, accounts receivable and revenue financial systems.

Budget and Contracts

This group is divided into two sections and reports to the Senior Director of Budgets. The Budget section is charged with the accurate and timely production of annual budgets and monthly variance reporting.

The Contracts section is charged with the management and periodic renegotiation of various contracts with other railroads and with utility providers.

Grant Management and Accounting

This group is divided into four sections: development, administration, reimbursement and accounting. These sections report to the Senior Director Grant Management and Accounting.

The Grant Development section is charged with coordinating program-level information for each project, creating detailed scope and account information suitable for funding agency grants and Metra's financial accounting system, and submitting applications for capital, operating and demonstration grants to appropriate funding agencies.

The Grant Administration section is charged with tracking approved grant contracts, setting up project budgets in Metra's financial accounting system, providing financial oversight in project implementation, and reporting project and grant level progress to the funding agencies.

The Grant Reimbursement section is charged with requesting reimbursements from funding agencies for capital expenditures, closing out capital projects and grants after implementation, and providing information on grant-related activities for audits and funding agency reviews.

The Grant Accounting section is charged with developing and maintaining records and reports related to fixed assets, depreciation, funding agency equity and capital grant receivables, and reconciling reimbursements with capital expenditures, fixed assets and other general ledger accounts.

Information Technology

This group reports to the Director of IT and is charged with the maintenance of the hardware and software supporting Metra's financial, revenue and other systems.

Customer Service, Communications & Marketing

The Communications and Marketing Department is headed by the Chief Communications and Marketing Officer and is divided into six groups: Customer Service, Ticket Services, External Communications and Stakeholder Management, Marketing, Web and Social Media and Print and Design Services.

Together, these groups are dedicated to helping riders maximize their use of Metra by providing clear and timely communications that inform and educate potential and current riders. The department is responsible for communicating directly to the public, the media and various stakeholders through a number of different channels and promotes the safety, usability and comfort of the Metra system.

Customer Service

The Customer Service Group operates a call center where members of the public can inquire about Metra services, schedules and policies and file complaints when necessary. The group also helps arrange group travel on Metra trains.

In addition, the department employs a Disability Specialist to help persons with disabilities navigate the Metra system. The Disability Specialist also oversees an advisory committee of representatives of the disabled community who meet quarterly to review Metra's progress on making its system accessible and advise the agency regarding specific accessibility issues.

Ticket Services

Tickets Services is responsible for the production, inventory, design and distribution of ticket stock to Metra stations and vending machines. The group also processes and fulfills all Metra ticket orders for Ticket-by-Mail, Ticket-by-Internet and outside fare media providers. The group additionally oversees contracts for the secure storage of ticket stock and destruction of unsold expired tickets.

External Communications & Stakeholder Management

The External Communications and Stakeholder Management team acts as the agency's primary channel to interact with the media and various stakeholder groups across the region. The team acts as the primary source for the distribution of information to the

media regarding Metra services, policies and initiatives. They actively engage in outreach through the development of corporate and community partnerships that strengthen Metra's image and highlight our contribution to regional mobility. Team members seek community events to participate in and provide opportunities for Metra leadership to share information on various issues and establish personal interaction with the communities Metra serves. They also proactively work to promote agency activities to the media and the community to secure media coverage and goodwill in the business, grassroots, and faith-based communities.

Team members serve as the agency's spokespeople, promote Metra activities through press releases and other materials, produce the On the Bi-Level onboard newsletter, create and manage media events and support staff throughout the agency in the development of public presentations.

Members of the department also respond to and/or route to the appropriate department all customer e-mails sent to metrarail_feedback@metrarr.com.

Marketing

The Marketing Group works to increase Metra's ridership base and non-fare revenues. The group is responsible for marketing promotions, business development and overseeing the advertising contracts for display advertising at Metra-owned facilities and on Metra trains.

Marketing actively pursues and develops partnerships with the business community to grow ridership and/or provide sources of non-fare revenue. The group also initiates and oversees research to help Metra analyze and better understand the needs of its customer base and promote the service to new customer markets. To achieve its goal of growing ridership and promoting the convenience and reliability of Metra service, the department creatively uses its resources to produce targeted marketing campaigns executed in-house and employs a mix of media, including radio, digital outdoor, online and social media.

Web & Social Media

Metra's website (www.metrarail.com) is one of the primary vehicles Metra uses to communicate with the public on all service and policy issues. The website team is responsible for overseeing the site's functionality and content, social media management and working with departments across the agency as well as outside contractors to maintain accurate and updated data and address functional and technical issues. The team also oversees the implementation and integration of digital tools, including e-alerts and Rail-Time Tracker, with the website providing Metra with the ability to share real-time information with riders.

Print & Design Services

Metra's Print and Design Services Department is responsible for creating and implementing design and brand standards for all graphic materials produced for use by the agency. The department is also responsible for printing contract management and fulfillment.

Business Diversity & Civil Rights

The Office of Business Diversity and Civil Rights (OBDCR) is responsible for administering the Disadvantaged Business Enterprise (DBE) and Title VI programs.

Through these programs, the OBDCR works to ensure non-discrimination in the award and administration of Metra contracts, and make certain that all individuals have access to Metra's transit services, regardless of race, color, gender or national origin.

The OBDCR's 12 full time staff provides the following services:

- DBE certification
- DBE contract compliance
- Labor compliance (prevailing wage compliance)
- Federal and non-federal reporting
- Outreach events, including vendor fairs, certification workshops, business opportunity fairs and expos, and contractor seminars
- Compilation and monitoring of the Title VI program

Government Affairs and Community Affairs

The Government and Community Affairs Department provides strategic advice to the Metra Board, Executive Director and senior staff on issues relating to Metra's state and federal legislative agendas. The department also develops and implements Metra's state and federal legislative programs and communicates Metra's position on various transportation policies and legislative issues.

Government and Community Affairs staff work with members and staff of the Illinois General Assembly, executive officers of the State of Illinois, Illinois Department of Transportation (IDOT), the U.S. Congress and officials of federal regulatory agencies such as the U.S. Department of Transportation (USDOT), Federal Railroad Administration (FRA), Federal Transit Administration (FTA) and 200 communities in Metra's six county service region. Staff also monitor transportation-related developments, write analyses and advance proposed legislation and legislative strategies to benefit transit in the region.

Federal Relations

Metra's federal relations efforts center on maintaining positive working relationships with members of the Illinois congressional delegation, particularly members from the greater Chicago area. In addition, a close working relationship is maintained with key House and Senate committee staffs that are responsible for transit issues.

Activities regarding congressional offices can be broken down into three broad categories:

- Work on legislation that addresses transit programs, including the passage of a new long-term surface transportation authorization bill.
- Work with congressional offices on matters such as transit service needs or a specific project in a district.
- Work to secure funding for transit projects in the annual congressional transportation appropriations bills.

State Relations

Metra's state relations efforts center on maintaining frequent communication with members of the Illinois General Assembly, particularly legislative offices within the six-county Metra service region. In addition, a close working relationship is maintained with key House Mass Transit and Senate Transportation committee staff and others who are responsible for state transit issues.

Efforts also include maintaining contact with other units of local government, governmental agencies and state transit advocacy organizations, including: the Illinois Department of Transportation, the Governor's Office, the City of Chicago, Cook County, Northeast Illinois collar county governments, the Chicago Metropolitan Agency for Planning (CMAP) and the Illinois Public Transit Association.

The activities regarding legislative offices can be broken down into three main components:

- Work with legislative offices on transit service needs or a specific project in a legislative district.
- Work on transit issues with the members of the Northeast Illinois state delegation, including members who serve on the House Mass Transit and Senate Transportation Committees.
- Work to secure state funding for capital investment and operations.

Local Relations

Metra's Government and Community Relations unit also serves as a key liaison with the various mayors, board chairs, aldermen and other elected officials in the six-county region that we serve. This unit responds to any service-related issues in a given area, while assisting the agency in obtaining the proper approvals for the various Metra planning and construction projects from the various municipalities throughout the region.

Audit

The Audit department reports to the Chief Audit and Compliance Officer who reports directly to the Metra Board. The department is focused on operational, financial and compliance audits and the continuous review of money-handling at the highest levels of the agency. The department is committed to ensuring absolute transparency and proper conduct by all Metra employees.

The department has initiated a compliance hotline (312-COMPLY1) and e-mail address (compliancecounts@metrarr.com). Both the hotline and the e-mail address are intended for the use of passengers, employees and the public to report matters of concern.

MOVING THE AGENCY FORWARD

The Metra Board of Directors has collectively put forward a plan in the short term to move this agency forward and enable it to meet the needs of our region for today and the future. They are: people, processes and procedures and passengers.

People

Metra must maintain a dedicated and qualified workforce to continue to meet the needs of the day-to-day operation of the railroad and all the support functions that this entails. The Metra Board believes that in recent years employee retention has become an issue that is affecting the agency's ability to move forward efficiently.

The Board further believes that the primary cause is the lack of a competitive compensation plan and seeks the development of a plan that is competitive with salary rates for public employees in comparable professional positions. In addition, a comprehensive review of the agency's human resources needs, including the implementation of career development options for current employees, should be addressed in the near term.

Processes and Procedures

Another issue having a direct impact on the agency's effectiveness is that existing processes and procedures, particularly in the area of accounting, are antiquated and inefficient and have received little or no attention over the years. This is having a direct effect on the agency's ability to be cost efficient. The Board plans to direct management to appoint a chief restructuring officer to lead this effort to identify and implement the appropriate technological and process solutions.

To that end in 2014 Metra will continue to work on the development of a long-term plan to move to an Enterprise Resource Planning (ERP) system that will provide better insight into business functions and automate manual business processes.

Efforts have also moved forward to increase transparency and accountability. In 2012, the Metra Board of Directors appointed a Chief Audit and Compliance Officer and mandated that this position report directly to the Board to ensure that Metra employees at all levels within the organization be held to the same standards of conduct and accountability. Since that time, Metra's audit function has been reorganized to include ongoing and

comprehensive reviews of operational and financial functions. Metra employees are also required to complete the Illinois Office of Inspector General's ethics training course annually.

Metra also initiated a compliance telephone hotline (1-312-COMPLY1) and a compliance e-mail address (compliancecounts@metrarr.com) to be used by passengers, employees and members of the public to report matters of concern.

Passengers

The agency and its employees must always remember that the people riding Metra trains are the sole reason for the railroad's existence and increasing ridership should be a constant goal. In 2014 and beyond, the Board wants to refocus Metra's efforts to create incentives for people to use our service. This includes reexamining our fare structure to ensure that it is economical and fair to all as well as reexamining our schedules and physical connectivity issues to remove barriers to ridership. Staff plans to develop and implement an electronic fare collection system and to explore the implementation of additional passenger amenities such as Wi-Fi are also part of this equation.

OVERSIGHT

Illinois Inspector General

Effective July 1, 2011, the State Officials and Employees Ethics Act (5 ILCS 43/1-1, et seq.) as amended, applied to Metra's board members and employees. This amendment designated the Office of Executive Inspector General for the Agencies of the Illinois Governor (the OEIG) to serve as executive inspector general for Metra and the other regional transit boards (RTA, CTA and Pace). On that date, responsibilities for inspector general activities were transferred from Metra's inspector general, Hillard Heintze LLC, to the OEIG.

Complaints regarding misconduct, fraud or abuse by Metra employees and its Board of Directors can be directed to the OEIG, which can be contacted through its website, www.inspectorgeneral.illinois.gov, its toll-free hotline (866-814-1113), TTY (888-261-2734), fax (312-814-5479) or mail OEIG, ATTN: Complaint Division, 32 W. Randolph St., Ste 1900, Chicago, IL 60601.

Citizens Advisory Board

In 2011, Metra launched a reconstituted Citizens Advisory Board (CAB). The board is composed of 13 residents of the region Metra

serves who are appointed by members of the Metra Board and suburban mass transit districts. CAB is intended to reflect the geographic, ethnic and economic diversity of the six-county region. CAB members are appointed to two-year terms and serve without compensation.

The function of CAB is to meet with the Metra Board quarterly and provide counsel on how Metra's policies, programs and services impact their constituencies. Metra and its Board hope that CAB members will increase the dialogue between Metra and the riders it serves.



MAINTAINING OUR SYSTEM: STATE OF GOOD REPAIR

Many of today's riders did not use commuter rail when Metra was first created, and therefore have no memory of the deteriorated condition of the rail system we inherited. Century-old infrastructure had seen a bare minimum of preventive maintenance, particularly in the later years of private railroad operations. Outdated rail facilities and yards hampered Metra's efforts to maintain our equipment and provide on-time service. Over its first 28 years, Metra spent approximately \$6 billion to renew its capital assets. These projects have created the safe and reliable service that Metra's riders have come to expect.

Metra has continually emphasized the need for new capital funding sources that will enable investment in the system to uphold the current levels of service and reliability while keeping the system in a state of good repair. A state of good repair is defined as providing sufficient capital investment to sustain on-time train operations on a daily basis. It is achieved when infrastructure components are replaced consistent with their life expectancy. It addresses preventive maintenance, rehabilitation and regularly scheduled replacement of assets to avert operational deficiencies and maintain compliance with

Federal Railroad Administration regulations.

It was estimated in 2012 that Metra would need \$9.7 billion from 2012 through 2021 to keep our railroad in a state of good repair. Optimistically, Metra might receive a little more than \$2 billion over the same period from federal formula funds and approved state bond programs. This leaves a funding gap of more than \$7 billion.

Partnering with RTA, CTA and Pace, Metra is participating in the development and utilization of an objective criteria-based, capital decision prioritization tool for capital programming purposes. The Capital Optimization Support Tool (COST) will be a valuable instrument in the capital program development process and will allow Metra to forecast its backlog, state of good repair and replacement needs.

The FTA has emphasized the critical need for asset management systems by transit providers nationwide. In order to properly utilize COST, Metra must maintain a comprehensive inventory of its assets to ensure the use of accurate data as the basis for its capital programming decisions. Metra is nearing completion of its asset inventory.

On October 1, 2012, Congress reauthorized the federal funding of transportation programs through FY 2014. This bill, known as Moving Ahead for Progress in the 21st Century or MAP-21, increased funding for transit and changed the way programs are administered. It is critical that Congress pass a long-term transportation bill when the reauthorization of MAP-21 is considered. Metra and other transportation providers require steady streams of guaranteed funding in order to adequately plan and program funding for future capital projects. Metra staff will continue to work with local, state, and national leaders to pursue additional capital funding sources.

The agency's 2014 core capital program totals \$580.7 million and includes \$153.3 million in federal formula funds and \$371.4 million in State of Illinois bonds.

The RTA's planned State of Good Repair Bond program is needed to support Metra's capital program and allow us to fund projects that we would not otherwise be able to include due to funding constraints. Without the RTA State of Good Repair Bond funds, the following projects will be eliminated or reduced in the 2014 program:

- Rolling Stock Replacement
- Locomotive Gen Set Switchers
- Locomotive & Car Improvements
- HVAC Refrigerant Conversion
- Telephone System Replacement
- Mechanical Equipment & Vehicles Replacement
- IT Components & Services
- Locomotive Rehabilitation
- Rebuild Metra Electric Traction Motors
- Microwave (Communications) System Replacement
- Right of Way Equipment
- Yard Improvement: Rock Island, Metra Electric, Milwaukee District crew facilities and Union Pacific
- Financial System Replacement
- West Chicago Station
- A-5 Interlocker (Reduced)
- ADA Platforms (Reduced)

In addition, should additional Metra fare box funds or RTA capital funding become available, these funds would be programmed into the 2014 - 2018 Capital Program under Locally-funded/Match Project.

State Bond Program

The Illinois General Assembly passed bond programs in 2009 that provide up to \$1.1 billion to supplement Metra's core capital program.

Metra's first project initiated under the State of Illinois Bond Program was the purchase of 160 Highliner cars to replace an aging Metra Electric railcar fleet. The railcars being replaced date back to 1971 and can no longer be rebuilt or refurbished. In August 2010, the Metra Board approved a \$585.1 million contract with Sumitomo Corporation of America for this acquisition. The first cars of this order arrived in fall 2012, and deliveries continue at the rate of four to six cars a month. An additional \$38.2 million of state bond funds has been made available to fund Metra station projects throughout the region.

In 2013, Metra applied for \$106 million in State of Illinois Bond funds to be made available to a number of critical Metra projects. The State Bond funds will fund a portion of Positive Train Control (PTC) and the Union Pacific North Line Bridge project as well as needed yard and station improvements and to test Wi-Fi. Funding for design and/or construction for the following stations were included: 59th Street

Station (design/construction), Peterson Ridge Station (construction), Hickory Creek Station (design), Romeoville Station (construction), Racine Station (construction), Mayfair Station (construction), Grayland Station (construction), Burr Oak Station (construction), Hubbard Woods Station (design), River Forest Station (design/partial construction), Healy Station (construction), 63rd Street Station (construction), Calumet Station (construction), Blue Island Vermont Street Station (construction), and Downers Grove Station (construction).

The remaining \$371.4 million of bonds in the 2011-14 state capital program will be used to address various infrastructure projects, including a number of rolling stock, station, bridge and yard projects in the six-county region, and to partially fund the installation of PTC. While the remaining state bond funds have been programmed in 2014, the use of these funds is subject to the release of funding and prioritization of projects by the State of Illinois. More information can be found in Exhibits 13-16 on pages 63-64.

Chicago Region Environmental and Transportation Efficiency (CREATE)

The Chicago Region Environmental and Transportation Efficiency (CREATE) Program is a partnership between the State of Illinois, the City of Chicago, freight railroads, Metra and Amtrak to remove and reduce train congestion throughout Chicago and the Midwest. Congestion on our rail system impacts all modes of transportation, forcing more trucks on to the highways, limiting access to airports and reducing railroad capacity.

The goal of CREATE Project P1, also known as the Englewood Flyover, is to provide a safer and more efficient rail transportation facility at the intersection of the Metra Rock Island Line and the Norfolk Southern (NS) line in the vicinity of the Englewood interlocking at 63rd and State streets in Chicago. The existing at-grade crossing of these two lines is one of the Chicago area's major rail junctions. Metra trains are given priority at this intersection with tracks used by freight and Amtrak trains during rush hour periods. Currently, 78 Metra Rock Island trains and approximately 60 freight and Amtrak trains pass through the Englewood interlocking each weekday. This

results in capacity and operational problems for movements between the NS's 47th Street Yard (west of Englewood interlocking) and Park Manor Yard (east of Englewood interlocking), as well as delays for NS and Amtrak trains as they wait for the Metra trains to clear the interlocking.

In addition to current Amtrak service, train service on four high-speed rail corridors is proposed to pass through this location as part of the Midwest Regional Rail System. Nine Midwestern states have been working together since 1996 to develop a 3,000-mile high-speed rail system for the region. When this plan is fully implemented, passenger rail service will be dramatically increased and trip times significantly decreased. Chicago will serve as the hub of the system.

The CREATE Project P1 will raise the existing Metra Rock Island Line by approximately 29 feet over a 1.59-mile-long span above the existing NS tracks.

In 2012, construction contracts were awarded and work began on the Englewood Flyover project. The \$141 million project is funded in part through the American Recovery and Reinvestment Act (ARRA) High Speed Rail Grant and is scheduled for completion at the end of 2014.

Strategic Plan

In 2012, Metra initiated the creation of its first comprehensive strategic plan since the agency's creation in 1983. The key principles underlying this effort were to define who we are, where we are going, and how to best utilize our financial resources to keep operating safely and sustainably into the future. To achieve this, mission and vision statements, goals, implementation strategies and strategic priorities for capital investment were developed.

Metra involved the public in this process by holding 18 public meetings throughout the six-county Chicago region (nine in July 2012, nine in November 2012). We asked the public to weigh in on our mission, vision and values statements in July and our goals and objectives in November. In coordination with the public meetings, we furthered our outreach efforts by commissioning two surveys and setting up a web page at metrarail.com/strategicplan where the surveys and all the meeting materials and presentations were available for review.

The public meetings were attended by 400 people and 4,700 people responded to the surveys. The strategic plan web page received 371,000 views and 700 letters were sent to stakeholders.

Metra staff presented a draft version of the plan to the Capital Committee of Metra's Board in June 2013. Staff is working to incorporate feedback received at that meeting with the goal of completing the process in the coming months. Staff is beginning work on the development of some of the policies called for in the plan and is pursuing many of the implementation strategies outlined under the plan's goals and objectives. During the development of the strategic plan, 35 potential long-term system expansion/enhancement projects were identified. Beginning in early 2014, these projects will be evaluated through a cost-benefit analysis, funded through the Federal Transit Administration's Unified Planning Work Program.

PTC

Positive Train Control (PTC) is an unfunded federal mandate designed to improve operational safety and to prevent the type of head-on collision experienced by Metrolink in southern California in 2008. To date, Metra has programmed \$88 million for PTC. An additional \$46 million has been programmed for PTC in 2014, with the remaining PTC budget accounted for in the State of Illinois Bond Program.

When installation is completed, Metra's PTC System will provide automatic speed supervision of all trains on all tracks represented in the Metra track database. The PTC System will respond to data obtained from the dispatching center, the existing wayside signal system, monitored wayside appliances, position-determining equipment, a train's onboard infrastructure database and a train's movements in real-time. The PTC System will be expandable to add functionality and services to enable the management of risks and conditions that may develop over the life of the system.

Regional Fare Payment System

In May 2012, Metra, via its Board, adopted principles for its part of the Regional Fare Payment System to meet the intent of Illinois Public Act 097-0085, which states the following "By January 1, 2015, the [Regional Transportation] Authority must develop and implement a regional fare payment system. The regional fare payment system must use and conform with established information security industry standards and requirements of the financial industry. The system must allow consumers to use contactless credit cards, debit cards, and prepaid cards to pay for all fixed-route public transportation services."

In October 2013, Metra formally declared its intention to participate in the CTA's open fare system initiative. Using information developed by peer agencies across the country that are also in the process of implementing onboard electronic payment systems, Metra will move forward in 2014 to develop and implement an onboard payment system that allows the use of the CTA's Ventra card as well as other contactless credit and debit cards.

Additional Challenges

Technological investments necessary to replace Metra’s financial systems are programmed for \$5 million in 2014. This is in addition to the \$20 million that was programmed in 2012-13. Auditors found many of the existing systems to be outdated. The new systems will increase the efficiency of the process, improve sharing of information, and enable Metra’s management team to develop metrics that drive performance and efficiency.

Metra also will continue to pursue options for adding Wi-Fi service to its trains in 2014 per Illinois Public Act 97-0085. Through passenger surveys, Metra is aware that this amenity is desired by some of its customers. Previous attempts to add such service at minimal or no cost to Metra have not met with success. In 2013, the Board – when presented with the results of a consultant study that included cost estimates for pilot projects and implementation of Wi-Fi – decided that capital start-up costs were too high in light of the rail system’s backlog of state of good repair projects. However, recent developments at other transit properties in the U.S. may make it more feasible for Metra to partner with a vendor for this service. Metra is currently directing its consultants to develop a request for proposals (RFP) for a pilot project to install and test a Wi-Fi system on one Metra line. This will enable the agency to again test the market for partners interested in providing a Wi-Fi system at low or no-cost to the agency.

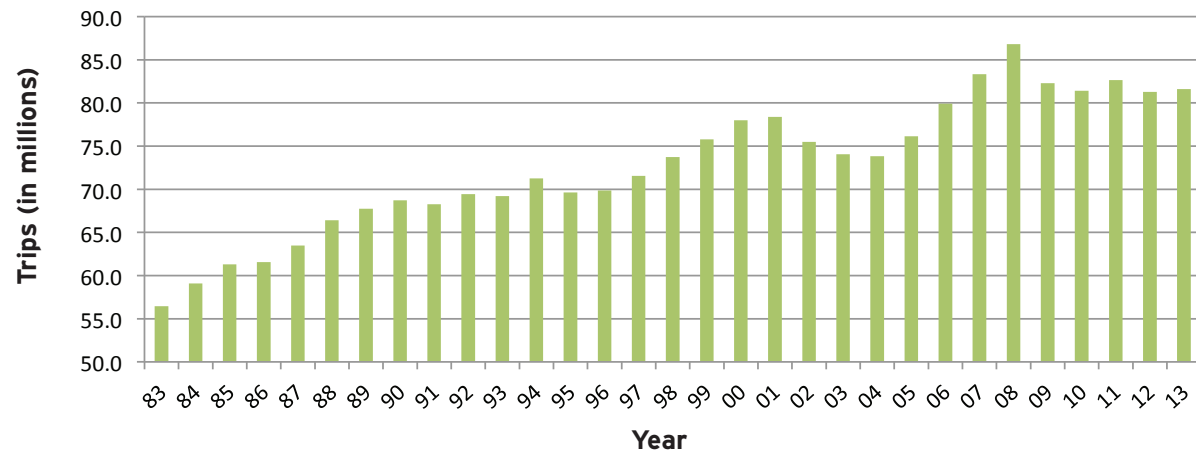
RIDERSHIP

Metra’s customer base is comprised primarily of city and suburban residents who use Metra’s system to travel to work in downtown Chicago. After setting record ridership levels in 2008, ridership has generally declined since then due to the economic downturn and slow recovery. However, ridership still remains among the highest levels in Metra’s history with more than 80 million rides provided annually.

Despite an average 25 percent fare increase effective February 1, 2012, ridership only decreased by 1.7 percent in 2012 compared to 2011. 2012 actually marked the sixth-highest annual ridership in Metra’s history.

Metra’s 2013 ridership through August is up 0.6 percent compared to the prior year. In the summer of 2013 (June through August), ridership was up 2.2 percent compared to the same period last year. 2013 ridership has been positively impacted by moderate summer temperatures, the Chicago Blackhawks parade/rally in June 2013, modest employment gains in the region, agency marketing programs and record regional tourism levels.

Exhibit 3
Metra Annual Passenger Trips (in millions)



Note: 2013 is an estimate.

2013 ridership has also been impacted by the fare adjustment of the ten-ride ticket that became effective Feb. 1, 2013. In response to the fare adjustment, some Metra riders have shifted away from the ten-ride ticket in favor of monthly and one-way tickets. Due to these factors, Metra's 2013 ridership is on pace to meet and slightly exceed its budgeted target of 81.5 million passenger trips. Exhibit 3 on page 30 shows annual ridership since 1983.

Ongoing uncertainties about the economy and its impact on the region's employment continue to pose the biggest challenge to increasing ridership. External factors such as gas prices and the cost of parking in downtown Chicago also impact Metra's efforts to attract new riders and maintain existing ridership levels. However, secondary markets, such as reverse-commuting and recreational travel, are Metra's fastest-growing market segments and present the greatest opportunity for growth.

A commuter marketing campaign, Metra Makes Life Easier, was implemented in Spring 2013. The campaign was integrated employing multiple tactics, including radio, digital, outdoor and online components. The campaign also included a "test drive" sweepstakes" to attract non-riders to our system. A summer "Traincation" print campaign promoted the Summer Fun Kit and the weekend pass for non-commuter travel and a Back to Work campaign was unveiled in September.

In 2014, marketing and planning staff will oversee a customer satisfaction survey to update the demographic profile of our customer base, obtain mode of access data and most importantly allow customers to grade Metra on various service attributes.

Metra is committed to growing ridership across all market segments by positioning its service as the preferred mode of travel in terms of reliability, efficiency, and convenience. To deliver on this strategy, Metra needs to adequately maintain its infrastructure to ensure reliable service. Ongoing capital projects and funding through the State of Illinois Bond program and the RTA State of Good Repair Bond Program will help Metra achieve this goal. The 2014 budget forecasts ridership growth of 1.3 percent (Exhibit 19 page 67).



FARES

Commuter Rail fares are set according to travel between designated fare zones, which are established at five-mile intervals beginning at each rail line's downtown Chicago terminal. A uniform base fare is charged for travel within a zone and increments are added to the base fare as additional fare zone boundaries are crossed. Within the general structure of zones and one-way fares, an assortment of ticket types are designed to allow flexibility in the use of Metra services; these are described in the table below. For an additional fee, Metra monthly ticket holders can use a Link-Up pass, which allows peak-period travel on CTA and unlimited travel on Pace, or a PlusBus pass, which allows unlimited travel on Pace.

Ticket Type	Period of Validity	Number of Rides	Pricing Basis
Monthly*	Calendar Month	Unlimited	28.5 times one-way fare
Ten-Ride*	One Year	Ten	10 times one-way fare
One-Way*	14 Days	One	Base fare plus increments
Weekend	Saturday/Sunday	Unlimited	Flat Rate - \$7

* These ticket types are offered at a reduced rate to senior citizens, persons with disabilities, children, students through high school, and active duty military personnel. Restrictions and more details on these reduced fare programs can be found at metrarail.com. Please note that the price basis is different for reduced fare media than those noted above.

During the 2012 budget review process the Board adopted the following principles for fare policy:

- Consider regular fare adjustments that ensure a balanced budget, keep pace with inflation, and avoid significant, infrequent fare increases.
- Allow no diversion of capital-eligible funds to the operating budget.
- Acknowledge the total cost and the total value of providing services.
- Maintain a fair pricing structure that maximizes revenues.
- Review fare media to improve fare collection and simplify overall collection activities and reconciliation.
- Minimize on-train transactions and overall transaction costs.
- Recognize that convenience has a value.
- Equalize fare differentials by zone over time.
- Evaluate fare policies of partner and peer agencies.

In 2013, Metra adjusted the price of the 10-ride ticket from ten rides for the price of nine to ten for the price of ten. This was equivalent to an 11.1 percent increase on this ticket type.

Metra proposes no changes to fares for 2014. Fares tables can be found in Exhibits 23 and 24 on pages 72-73.

RECOVERY RATIO

The recovery ratio represents the ratio of Metra system revenues to expenses, less certain exclusions, that must be achieved within the statutory provisions of the RTA Act. For 2014, Metra is excluding \$39 million from this calculation. With this exclusion, Metra's 2014 budget achieves a recovery ratio of 53.1 percent (Exhibit 5, page 45).

CAPITAL PROGRAM

Metra's 2014 Core Capital program is funded through federal fixed guideway and federal formula funds, as well as Metra fare box capital funds. Metra's supplemental capital program includes Homeland Security funding, RTA bond funding and State of Illinois capital bond program funding. The 2014-2018 Metra Capital Program tables and project descriptions are included in the Appendix (pages 48-64) and show funding available from current sources.

The agency's 2014 capital program totals \$580.7 million. Metra anticipates receiving \$153.3 million of federal fixed guideway and formula funds as well as \$5 million of federal Homeland Security grant funds in 2014 for its capital program. The 2014 budget proposes using \$4 million in Metra's fare box capital financing to support the capital program.

A cornerstone of Metra's 2014 capital program is the assumption that we will receive \$45 million in RTA bond funds and \$371.4 million in State of Illinois bond funds. These funds are needed to supplement our capital program and allow Metra to allocate scarce federal resources to projects that it would not otherwise be able to fund. Without

the RTA bond funds, the following federally funded programs will be eliminated or reduced in the 2014 program:

- Rolling Stock Replacement
- Locomotive Gen Set Switchers
- Locomotive & Car Improvements
- HVAC Refrigerant Conversion
- Telephone System Replacement
- Mechanical Equipment & Vehicles Replacement
- IT Components & Services
- Locomotive Rehabilitation
- Rebuild Metra Electric Traction Motors
- Microwave (Communications) System Replacement Right of Way Equipment
- Yard Improvement: Rock Island, Metra Electric, Milwaukee District crew facilities and Union Pacific
- Financial System Replacement
- West Chicago Station
- A-5 Interlocker (Reduced)
- ADA Platforms (Reduced)

In addition, should additional Metra fare box funds or RTA capital funding become available, these funds would be programmed into the 2014-2018 Capital Program under Locally-funded/Match Project.

The absence of a fully authorized state capital program and delays in the renewal of a long-term federal transportation funding have limited the available capital dollars available for Metra to maintain infrastructure and rolling stock. The result is a continued reliance on Metra “self-help” and other local funds to support its capital funding needs and a growing backlog of capital projects.

Rolling Stock

Metra’s fleet consists of 146 locomotives, 837 bi-level cars and 181 electric-propelled Highliner cars. For Metra to maintain a state of good repair for its rail fleet, we must replace or rehab 12 locomotives and 70 railcars each year. Without a state capital program, Metra has been able to rehabilitate only 23 cars per year since 2005, resulting in an 18- to 19-year rehabilitation cycle, instead of a 12-year cycle.

Railcar rehabilitation costs Metra \$650,000 per car versus \$2.5 million for a new gallery car. Rehabilitation of railcars also represents a significant cost savings for Metra, while extending the life of the equipment and improving service for riders. Through the State of Illinois bond program, Metra is

replacing its Highliner cars used on the Metra Electric District. A total of \$585.1 million has been programmed through the capital program for the purchase of 160 new Highliner cars.

Diesel locomotives must be rehabilitated every ten years to maintain a state of good repair. The current limits on available capital funding have forced that cycle to be extended from ten to 15 years.

Remanufacturing locomotives provides a significant cost savings for Metra while extending the life of this equipment by an estimated 25 years. The cost of remanufacturing a locomotive is \$1.7 million versus \$5 million for a new locomotive. The 2014-2018 capital program provides \$173.7 million for locomotive rehabilitation. Metra’s five-year core capital program calls for additional rolling stock projects, such as the rehabilitation of commuter cars at \$147.9 million and major fleet component overhaul at \$31.3 million.

Track & Structure

Track and structure are the foundation of the Metra system. Without the continual renewal of track components, retaining walls and bridges, Metra’s reliable on-time service would deteriorate and the wear and tear on our rail cars and locomotives would increase. Since Metra was formed, Metra has spent more than \$1 billion on track and structural replacement.

To maintain a state of good repair, Metra has established a continual cycle of inspection and renewal for its track and structures. Metra currently replaces 80,000 ties and 35 rail crossings annually. Ballast and track resurfacing is performed on a 4-year cycle, and since 1980, 83 bridges on the Metra system have been replaced. However, Metra estimates that to achieve a state of good repair for these assets, Metra would need to replace or rehab eight bridges, and replace 111,000 ties and 105 grade crossings annually.

Track and structure project highlights in the 2014-2018 core capital program include nearly \$83 million for bridge replacement and renewal and retaining wall rehabilitation. Additionally, \$29 million is programmed in the core program for the replacement of ties and ballast, nearly \$15 million for railroad

crossing replacement, and \$23 million for rail replacement and renewal. The State of Illinois bond program includes \$100 million for bridge renewal through 2014.

Signal, Electrical and Communications

Signal, electrical and communications systems are vital to safe railroad operation. Since Metra's formation, we have invested \$554.3 million to upgrade signal systems. The Metra system has 571 highway grade crossings, 148 of them interconnected with traffic signals. The 2014-2018 Program includes \$36 million for signal improvements.

The 2014-2018 core program also includes \$60.4 million to upgrade interlockings, which will improve operational efficiency and enable increased capacity on the Metra system; nearly \$24 million in electrical systems improvements; \$3.8 million in communications improvements; and \$46 million for the further installation of communications-based PTC, plus an additional \$102 million programmed through 2014 in the State of Illinois bond program toward the installation of this federally mandated system.

Facilities & Equipment

Metra has 24 rail yards and seven maintenance facilities. When Metra took over commuter rail operations in Northeast Illinois, most of these facilities were out of date and inefficient. To date, \$473.3 million has been spent to modernize the rail yards and shops.

The majority of these capital expenditures occurred more than a decade ago. Equipment and vehicles have reached the end of their useful life and must be replaced. Upgrades and expansions are also necessary to accommodate future system needs. These projects can have an immediate impact on Metra's operating budget since operating costs increase when equipment does not perform at optimum efficiency. The five-year core program includes nearly \$80 million for support facilities and equipment.

A significant investment in this category is the financial systems replacement project. The 2014 capital program includes \$5 million for Metra to begin implementation of an enterprise resource planning system that will be compliant with current best practices for financial systems and improve Metra's revenue collection accounting. This system

will: support electronic data interchange; be fully scalable and upgradeable; use integrated and highly flexible user friendly analytical reporting tools; and support microcomputer/network based software productivity tools.

Stations and Parking

Station and parking improvements are some of the most visible capital improvements to our customers. Metra has invested \$967 million since 1985 to improve our stations and parking facilities. To maintain a state of good repair, Metra estimates that we would need to rehab or replace five stations and 20 platforms annually.

In 2013, Metra applied to the State of Illinois for \$40 million in bond funds for engineering and construction of station improvements throughout the Metra system. Metra will apply for an additional \$40 million in 2014 to continue its station rehabilitation program. The 2014-2018 core capital and State of Illinois bond program allocate more than \$80 million for station and parking improvements.

NON-CAPITAL PROGRAMS

ADA

In compliance with the requirements of the Americans with Disabilities Act, the majority of stations on all 11 lines in the Metra system, plus the South Shore Line operated by the Northern Indiana Commuter Transportation District, are fully accessible to customers with disabilities. Metra has modified railcars and made accessible most of its busiest train stations to accommodate individuals with hearing, vision, and mobility disabilities. Metra currently has 169 fully accessible stations and 22 partially accessible stations located throughout the six-county region. These represent our busiest stations used by more than 94 percent of our customer base.

As a service to our customers who are disabled, Metra offers a large print system map. The map is divided into three sectors: North, West, and South. Each sector map includes the area's rail lines and stations along the lines. In addition to the larger print, every station in the system is color-coded to identify accessible, partially accessible and inaccessible stations. A braille rider's and station guide is also available to customers with vision disabilities. Metra also provides a video titled "All Aboard" to acquaint customers who are disabled with the rail system and shows changes that have been

made to rail cars and stations in order to accommodate individuals with mobility, hearing, and vision disabilities. The video is available to organizations that work on behalf of the disabled and can be obtained by calling Metra's ADA Specialist at 312-322-6766.

Business Development

Metra outreach initiatives also include targeting specific populations, such as Central Business District (CBD) commercial property managers and hotel concierges and sales staff, to raise awareness about Chicago's vast network of coordinated transit services and to promote ridership among local commuters as well as visitors and convention attendees. Metra convention activity is particularly strong at McCormick Place, where the Electric District Line offers service to/from the heart of downtown Chicago to our station just steps from the convention floors. Each year Metra works with several major trade shows that arrange for a customized Metra pass.

In recent years, the City of Chicago has attracted several key employers to relocate their corporate offices in its CBD. To prepare employees for their new commutes, Metra

works directly with these companies well in advance of the actual move. Over the past few years, Marketing staff assisted United Airlines, BP, University Health Consortium, Google, Gibbs-Soell, Hillshire Brands and Nokia with their CBD relocations, while also working with Allstate, Land of Nod and Dyson on their suburban moves by providing information to educate employees about commuting options.

By the end of 2013 into early 2014, Metra will add Motorola Mobility to the movers group, which now exceeds more than 10,000 employees and counting in this population since 2010.

Customer Experience

Metra staff across the agency will work on several programs in 2014 geared to enhancing the customer experience for riders.

Metra values the quality of our customers' experience from the time they park their car, purchase their ticket, board the trains and arrive at their destinations. Through a "mystery rider" program planned for launch in 2014, Metra's goal will be to solicit objective feedback from riders. The

information gained through this program will enable Metra to track performance in specific areas from the customer perspective, identify strengths and weaknesses, and help the agency to develop plans for improvement and monitor compliance with established standards and performance measures.

Amenities are another way to improve the customer experience. In 2014, Metra will continue to pursue options for introducing Wi-Fi to our trains that minimizes the financial impact on our operating budget. Metra, with the assistance of a consultant, will develop a request for proposals (RFP) for a pilot project to install and test a Wi-Fi system on one Metra line. This will enable the agency to again test the market for partners interested in providing a Wi-Fi system at low or no-cost to the agency.

Downtown Connections

Metra worked with the RTA to improve signage at downtown Metra stations to provide coordinated interagency service and connection information to enhance the customer experience. Through joint inspections, Metra identified many potential improvements. Metra will continue to work with the RTA and other transit services on

collateral materials such as the downtown visitor guide maps, connections guides and other popular passenger informational materials.

Non-Farebox Revenue

Metra expanded opportunities to cultivate revenue from sources other than the farebox to support operating expenditures in 2013. Metra's marketing group worked with its partner, Clear Channel Outdoor, to create additional outlets for advertisers by adding external frames on BNSF and UP passenger cars. The frames create rolling billboards on the side of its railcars. Metra also expanded its station advertising inventory with the implementation of a station domination program that allows an advertiser to wrap glass surfaces throughout a station.

Metra also offers a variety of other advertising opportunities including web-based ads, display ads in our commuter newsletter, Ticket-by-Mail inserts and train schedule panel ads. Outreach initiatives pursue corporate sponsorships such as the Northwestern Medicine partnership, which placed defibrillators on all trains. The marketing staff continue to pursue various public and private foundation grants to

fund Metra's existing public safety outreach programs, including the school safety program and annual Poster and Essay Contest. We are also examining initiatives that have the potential to offer significant revenue streams, including naming rights for the Rock Island Line and LaSalle Street Station.

Unrelated to advertising revenue opportunities, Metra continues to generate revenue from property, such as income from parking locations that we own and right-of-way usage from other railroads. These activities are overseen by the Real Estate Department. In 2014, Metra will continue to identify and pursue various advertisers, partnerships and sponsorships to increase non-ridership revenue.

Quiet Cars

After soliciting feedback from riders through its onboard newsletter, On the Bi-Level, Metra began a pilot program to test the Quiet Car concept on its Rock Island Line trains in January 2011. Following a successful test, the Quiet Car program was expanded to all of the Metra lines in June 2011.

The Quiet Cars, identified with decals and signage, are the second car from the

locomotive and the second car from the other end of the train on all morning and evening rush hour trains with six or more cars. If there are fewer than six cars on the train, only the second car from the locomotive is designated as a Quiet Car. On Metra's Electric District, only the third car from the south end of the train is designated as quiet.

Quiet Cars provide passengers with the option of riding in a car where cell phone calls and other conversations are discouraged. Passengers are also required to mute all electronic devices. Metra expects the Quiet Car policies to be largely enforced by peer pressure, with conductor intervention as necessary. The Quiet Car program is one way for Metra to respond to our customers and provide service enhancement with minimal expense.

Regional Real-Time Travel Information

In July 2012, Metra debuted on its website the "Rail-Time Tracker," which allows riders to check the status of the next trains at every station on the Metra system. If trains are running late, the Rail-Time Tracker shows riders the estimated revised departure times.

The new feature is linked to the Metra GPS tracking system, which uses satellites to plot the exact locations of all trains on the system and can record precisely when a train arrives at and leaves from each station. In 2014, Metra will add an estimated arrival time feature to the tracker tool. Metra has also received additional funding from the RTA that will incorporate Google's General Transit Feed Specifications (GTFS) protocols to provide for the use of scheduling data that will enable our riders to access even more real-time information.

As more and more passengers have become aware of the Rail-Time Tracker feature, hits on Metra's website have steadily increased. Since September 2009, Metra has been publishing service advisories online and via "My Metra" account e-mail and Twitter alerts. Metra's mobile website was launched in 2010 and now accounts for 52.5 percent of Metra's website usage. In 2014, Metra will expand the use of social media and e-mail communications to deliver more real-time information to our riders.

Metra has received Innovation, Coordination, and Enhancement (ICE) funding from the RTA to expand the electronic Visual Information System (VIS) signs to 19 stations. Metra will

also receive federal funding through the New Freedom program for adding these signs at 11 other stations throughout the Metra system. Metra plans to begin installing these signs in 2014. VIS signs are located centrally on station platforms to provide current train service and delay information, and other announcements, in compliance with the Americans with Disabilities Act (ADA). Although the intent of the VIS is to assist the hearing-impaired, other Metra customers also benefit, especially when there are service disruptions.

Reverse Commute

One of Metra's ongoing marketing objectives is to identify and cultivate reverse-commute markets. The agency's work with TMA Lake Cook, DuPage Mayors and Managers Conference and other partners has facilitated this effort. In 2013, Metra collaborated with RTA and Pace to expand our work on cultivating reverse-commute markets by identifying additional stations that present viable locations for "last mile" shuttle connections. Existing shuttle services, such as those provided through the TMA network, have been very valuable in generating reverse and suburb-suburb ridership. In 2013, Metra revenue directly attributable to TMA

Lake Cook shuttle passengers is projected to exceed \$1.3 million. Metra's financial support of these shuttle projects in 2013 was nearly \$270,000, or about 21 percent of the cost. In various surveys, up to 70 percent of respondents have reported that they would drive alone to work if the TMA shuttles were not available. Metra also encourages and supports other connecting options, such as Pace's Metra Feeder vanpool program, which enables Metra's reverse-commute passengers to park Pace vans at or near suburban Metra stations overnight and use them to reach job sites in the morning.

Safety First

The safety of our employees, passengers and the general public is Metra's number one priority. Metra's ongoing efforts to improve safety throughout our system are overseen by our Safety Department and include numerous programs which incorporate education, engineering and enforcement activities.

In 2014, Metra will continue its partnership with Operation Lifesaver, a national organization created in 1986 to educate people of all ages on the dangers of disobeying railroad warning devices and

trespassing along the railroad right-of-way. Metra has partnered with Operation Lifesaver since 1992 and offers free train safety presentations to schools, professional drivers, bus companies, community organizations and emergency responders.

Metra will continue its Safety Poster Contest in 2014, with particular emphasis on the region's school children. In its eighth year, Metra's Safety Poster Contest, which is overseen by the External Communications group, is a key part of our ongoing effort to increase public awareness of railroad safety practices. The winning designs will be distributed as part of a calendar to more than 2,000 schools in northeast Illinois and will be featured on Metra's monthly passes.

Metra's exceptional safety record has been recognized throughout the railroad industry with numerous safety awards and accolades over the years. We continue to keep safety at the forefront of our operation, ensuring that our employees have the safest possible work environment, as well as operating the safest commuter rail agency in the nation.

Transit Benefit Program

The RTA will streamline the Transit Benefit Program by transitioning the transit voucher to a credit/debit card system in late 2013. The RTA has solicited private vendor proposals to implement and administer the upgraded program. The new program will be accompanied by a broad marketing effort to increase program visibility and participation. Metra has continually championed the RTA's transit benefit program as well as those offered by other qualified vendors in our region. Our main objective is to elevate awareness and encourage greater participation in this money-saving program. Metra is undertaking a major outreach campaign in late 2013 to aggressively promote the benefit to small and midsized businesses throughout the region. The campaign's message has already reached nearly 2,000 companies.

Website

In 2009, Metra launched a redesigned website that is more customer-oriented, providing train service alerts via e-mail and Twitter as well as the ability to purchase monthly passes and 10-ride tickets online

with credit cards. The site's customizable "My Metra" feature also enables users to create accounts tailored to their train schedules and enables them to automate recurring ticket purchases.

By August 2013, more than 135,000 customers had signed up for "My Metra" accounts, and the site averaged more than 33,000 unique visits daily. Through September 2013, more than 66,400 tickets have been processed through the website. Although this is a decrease in total tickets sold compared to the same period in 2012, the change in the 10-ride ticket prices has resulted in a shift to monthly ticket purchases. This correlates with the decrease in the overall numbers of tickets sold as customers have migrated to a media that requires the purchase of a single item vs. multiple items.

This activity demonstrates that the website is being used by our customers as the primary digital destination for information, communication and interaction with Metra.

In 2010, Metra's new mobile website became operational, giving riders with web-enabled phones another option to access the

information they need to easily use Metra. The mobile website currently accounts for 52.5 percent of Metra's website traffic.

The website management staff will continue to expand their efforts in 2014 to more fully engage passengers through online surveys and Twitter, with the goal of better informing the general public about issues that impact Metra and its customers. To increase transparency regarding the agency and its Board of Directors, the website now includes on-time performance reports, expanded ridership data and other operational data as well as senior-level reports, agendas and minutes from Metra Board meetings.

The website also began to generate revenue through the inclusion of banner advertising in 2011 and is currently generating more than \$25,000 annually from ads.

In 2012, Rail-Time Train Tracker was added in a Beta version to the homepage of the Metra website in order to provide passengers with up-to-the-minute arrival and departure information per train derived from GPS data.

In 2013, Metra entered into an intergovernmental agreement with RTA

as part of an initiative to standardize the real-time transit information data feeds provided by each of the service boards to the RTA for an overall project to develop a Regional Transit Tracker and Dynamic Trip Planner application. Through this RTA-funded project, Metra will adopt the industry standard GTFS protocols for schedules and real-time information. This project will improve the overall performance of Metra Rail-Time Train Tracker and provide a higher level of real-time schedule and travel information to our riders.

Metra's website management staff is currently working on the development of a dynamic media portal press room with plans to launch the project in early 2014. Visitors to the new media pressroom microsite will be able to browse through current media postings and information regarding Metra news and current initiatives. Features will include a gallery of images, videos, PDFs, digital press kits, and a comprehensive listing of current Metra news.

2014 BUDGET OVERVIEW

Metra's 2014 operating budget and 2015-2016 financial plan meets the RTA's revenue recovery ratio and deficit funding requirements.

The RTA's projection for available funding in 2014 is 4.5 percent higher than the amended 2013 budget. For 2015, the RTA estimates that available funding will increase by 3.2 percent over 2014. For 2016, the RTA estimates an increase of 4.0 percent from the prior year.

The budget and financial plan presented in this document is based upon the terms of contractual agreements and reasonable estimates from currently available information. The following additional information about revenues and expenses is provided. Exhibits providing further detail are found in the Appendix on pages 45-47.

Revenue

Passenger Revenue

Passenger revenue for 2014 is expected to be lower than the 2013 budget by \$8.5 million or 2.7 percent. This budget-to-budget decrease reflects that the 2013 budget was constructed using a higher forecast that has not been achieved in 2013 actual results.

Reduced Fare Reimbursement

Reduced fare reimbursement is budgeted to be \$2.4 million for 2014 based on updated information from RTA. The State of Illinois administers this program and has reduced the 2014 Fiscal Year appropriation for this item.

Capital Credits, Leases, etc...

The 2014 budget for capital credits, leases, etc. has been increased by \$1.5 million or 3 percent versus 2013, reflecting higher capital credit billing rates and moderate growth in other items.

Operating Expenses

The 2014 budget projects an increase in operating expenses of \$12 million, or 1.7 percent, compared to the 2013 budget. Train service levels are assumed the same in 2014 as they were in 2013. The budgeted expense increase reflects projected price increases in labor, benefits, diesel fuel, rents, materials, and other costs associated with operating the service. The increase also reflects costs associated with meeting maintenance and inspection requirements related to equipment and infrastructure.

For 2015 through 2016, expenses are estimated to increase in accordance with the terms of current contracts and agreements, or with projections of market indices, as applicable. Staff will continue to examine all aspects of Metra operations, including those of the contract carriers, for cost efficiencies. All parties are expected to cut or contain costs wherever possible.

Operations and Maintenance

The 2014 budget for operations and maintenance, which represent about 72 percent of Metra's operating costs, is projected to increase by \$19 million or 3.8 percent over 2013. This category includes the operation of 700 weekday trains, the maintenance and inspection of more than 1,100 pieces of equipment, 241 stations, 1,100 miles of track, 800 bridges, 2,000 signals and other infrastructure.

With an aging system and the slow growth in available capital funds, more and more of the costs of maintaining equipment and infrastructure are borne by the operating budget. While Metra is constantly looking for efficiencies and other cost-saving measures within its operations, there is an overwhelming burden related to the shortfall in the overall capital funding to meet a state of good repair. This consistent shortfall means that meeting the daily demands for sufficient equipment and a safe infrastructure to provide current levels of train service is becoming more expensive each year.

Operations and maintenance expenses for 2014 are projected to grow by 2.3 percent over the 2013 budget and for 2016 to grow by 3.9 percent over the 2015 plan.

Administration

The 2014 budget for administration, which represents almost 11 percent of Metra's operating costs, is projected to decrease by \$5.2 million or 5.9 percent compared to 2013. Efficiencies identified in the budget process, including lower credit card fees and the completion of various studies that will not be repeated, account for a significant portion of this decrease. For the plan years of 2015 and 2016, administration costs are projected to grow by 3.4 percent in 2015 over the 2014 budget and by 4 percent in 2016 over the 2015 plan.

Diesel Fuel

Diesel fuel for 2014 is currently budgeted at \$3.22 per gallon, representing no change from the 2013 budget. Although Metra will continue to look for price lock opportunities, the lack of a locked price for diesel fuel remains an exposure for Metra during 2014 that could negatively affect the agency's budget. For 2015 and 2016, Metra's projected annual average price for diesel fuel is \$3.33 and \$3.40 per gallon, respectively.

Motive Electricity

Motive electricity for 2014 is currently budgeted at \$8 million, which is \$1 million higher than the 2013 budget. Metra is projecting higher expenses for 2014 through 2016 due to the expiration of the current supply agreement and higher energy usage by more powerful motors used by the new Metra Electric Highliner fleet.

Claims and Insurance

Claims and insurance for 2014 are currently budgeted at \$16.9 million, which is \$2.2 million or 11.5 percent lower than the 2013 budget. For 2015 and 2016, expenses in this category are projected to be \$17.9 million and \$20.7 million, respectively.

Downtown Stations

For 2014, the downtown stations category, which includes charges for Chicago Union Station, LaSalle Street Station and the Ogilvie Transportation Center, is budgeted at \$15.5 million. This is the same amount as the 2013 budget for this category. The station rents are covered by long-term leases that contain annual inflators that were lower than budget during 2013. For 2015 and 2016, the budget projections for this line item are \$15.9 million and \$16.3 million, respectively.

Summary

Exhibit 7 (page 46) presents Metra's 2014 budget while Exhibit 6 (page 46) summarizes Metra's 2014 budget and its 2015-2016 financial plan. Metra's budget and financial plan is presented in a manner consistent with its financial statements, with adjustments in format made, as appropriate, for illustrative purposes. Revenues are recognized when earned and expenses are recorded in the period in which goods and services are used. Metra's 2014 projected cash flow summary is included in the Appendix on page 47 as Exhibit 8.

If operating funding levels noted in these budget schedules are made available by the RTA during the budget process, these funds will be reserved for working capital or future programs.





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Exhibit 4

Metra Operating Budget Comparisons 2013 Budget & 2014 Budget

(\$ in millions)

	2013 Budget	2014 Budget	Growth Amt	%
Revenues				
Passenger Revenue	\$318.5	\$310.0	\$(8.5)	-2.7%
Reduced Fare Subsidy	2.4	2.4	0.0	0.0%
Capital Credits, Leases, etc.	50.3	51.8	1.5	3.0%
Total Revenues	\$371.2	\$364.2	\$(7.0)	-1.9%
Operating Expenses				
Transportation	\$223.7	\$233.6	\$9.9	4.4%
Maintenance of Way	125.4	130.0	4.6	3.7%
Maintenance of Equipment	153.9	158.4	4.5	2.9%
Administration / Regional Services	87.9	82.7	(5.2)	-5.9%
Non-contract Compensation Adj.	3.6	3.0	(0.6)	-16.7
Diesel Fuel	80.5	80.5	0.0	0.0%
Motive Electricity	7.0	8.0	1.0	14.3%
Claims & Insurance	19.1	16.9	(2.2)	-11.5%
Downtown Stations	15.5	15.5	0.0	0.0%
Total Operating Expenses	\$716.6	\$728.6	\$12.0	1.7%
Total Funded Deficit	\$345.4	\$364.4	\$19.0	5.5%
Metra Sales Taxes	\$349.7	\$365.4	\$15.7	4.5%
Add: Security Grant	1.2	3.0	1.8	150.0%
Less: Capital Fare Program	(5.5)	(4.0)	1.5	-27.3%
Total Funds for Operating	345.4	364.4	19.0	5.5%
Excess / (Shortfall) of Funds	0.0	0.0	0.0	
Recovery Ratio - RTA Calculation	55.0%	53.1%		
Recovery Ratio Additions	1.7	1.8		
Recovery Ratio Exclusions	\$38.5	\$39.0		

Exhibit 5

Calculation of 2014 - 2016 Farebox Recovery Ratios

(\$ in millions)

Year	2014	2015	2016
System Generated Revenues	\$364.2	\$379.4	\$386.1
Additions to Recovery Ratio Revenues	1.8	1.9	2.0
Farebox Recovery Ratio Revenue	366.0	381.3	388.1
Total Operating Expenses	\$728.6	\$749.6	\$771.6
Exclusions from Recovery Ratio Expenses	\$(39.0)	\$(39.5)	\$(40.0)
Farebox Recovery Ratio Expenses	689.6	710.1	731.6
Farebox Recovery Ratio	53.1%	53.7%	53.0%

Exhibit 6

2014 Budget Summary and 2015 - 2016 Financial Plan (\$ in millions)

	2014 Budget	2015 Plan	2016 Plan
Revenues			
Passenger Revenue	\$ 310.0	\$ 310.0	\$ 322.4
Reduced Fare Subsidy	2.4	2.4	2.4
Capital Credits, Leases, etc.	51.8	53.0	54.5
Required Additional Revenue	0.0	12.4	12.9
Total Revenues	\$ 364.2	\$ 377.8	\$ 392.2
Operating Expenses			
Transportation	\$ 233.6	\$ 239.5	\$ 248.4
Maintenance of Way	130.0	133.3	138.4
Maintenance of Equipment	158.4	161.0	167.8
Administration / Regional Services	82.7	85.5	88.9
Non-Contract Compensation Adjs.	3.0	3.2	3.4
Diesel Fuel	80.5	83.3	85.1
Motive Electricity	8.0	8.4	8.7
Claims & Insurance	16.9	17.9	20.7
Downtown Stations	15.5	15.9	16.3
Total Operating Expenses	\$ 728.6	\$ 748.0	\$ 777.7
Total Funded Deficit	\$ 364.4	\$ 370.2	\$ 385.5
Metra Sales Taxes	\$ 365.4	\$ 377.2	\$ 392.5
Add: Security Grant	3.0	3.0	3.0
Less: Capital Fare Program	(4.0)	(10.0)	(10.0)
Total Funds for Operating	364.4	370.2	385.5
Excess / (Shortfall) of Funds	0.0	0.0	0.0
Revenue Recovery Ratio	53.1%	53.6%	53.4%
Recovery Ratio Additions	1.8	1.9	2.0
Recovery Ratio Exclusions	\$ 39.0	\$ 39.5	\$ 40.0

Exhibit 7

2014 Budget by Carrier & Type of Expense (\$ in millions)

Carrier	NIRCRC	Union Pacific	BNSF Railway	Total Metra
Revenues				
Passenger Revenue	\$ 137.5	\$ 108.4	\$ 64.1	\$ 310.0
Reduced Fare Subsidy	1.1	0.8	0.5	2.4
Capital Credits, Leases, Etc...	51.8	0.0	0.0	51.8
Total Revenues	\$ 190.4	\$ 109.2	\$ 64.6	\$ 364.2
Operating Expenses				
Transportation	\$ 134.0	\$ 72.3	\$ 27.3	\$ 233.6
Maintenance of Way	85.2	40.2	4.6	130.0
Maintenance of Equipment	86.5	48.7	23.2	158.4
Administration / Regional Services	61.3	15.5	5.9	82.7
Non-Contract Compensation Adjs.	3.0	0.0	0.0	3.0
Diesel Fuel	32.2	33.3	15.0	80.5
Motive Electricity	8.0	0.0	0.0	8.0
Claims & Insurance	11.1	4.0	1.8	16.9
Downtown Stations	9.0	1.4	5.1	15.5
Total Operating Expenses	\$ 430.3	\$ 215.4	\$ 82.9	\$ 728.6
Total Funded Deficit	\$ 239.9	\$ 106.2	\$ 18.3	\$ 364.4
Metra Sales Taxes				\$ 365.4
Add: Security Grant				3.0
Less: Capital Fare Program				(4.0)
Total Funds for Operating				364.4
Excess / (Shortfall) of Funds				0.0
Revenue Recovery Ratio				53.1%
Recovery Ratio Additions				1.8
Recovery Ratio Exclusions				\$ 39.0

Exhibit 8

2014 Projected Cash Flow Summary (\$ in millions)

Month	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
BEGINNING BALANCE	\$99,900	\$84,186	\$70,834	\$63,197	\$59,776	\$56,174	\$57,553	\$56,206	\$53,797	\$55,160	\$65,617	\$76,134	
OPERATING REVENUE	26,898	26,854	29,864	30,072	30,330	30,998	32,954	31,546	30,708	30,342	28,635	29,987	\$359,189
CAPITAL FAREBOX REVENUE	333	333	333	333	333	333	333	333	333	333	333	337	\$4,000
TOTAL OPERATING REVENUE	27,294	27,248	30,290	30,497	30,745	31,419	33,382	31,969	31,135	30,754	29,030	30,426	\$363,189
RTA SALES TAX - (Month Earned)	17,371	18,273	22,503	22,709	23,756	25,837	24,870	26,050	25,170	33,892	34,728	39,742	\$314,901
STATE PTF - (Month Earned)	2,337	2,009	2,064	4,429	4,699	4,950	3,771	3,769	3,936	5,606	5,758	7,182	\$50,510
RTA SALES TAX / STATE PTF	19,708	20,282	24,567	27,138	28,455	30,787	28,641	29,819	29,106	39,498	40,486	46,924	\$365,411
CAPITAL GRANTS													
FTA	\$9,182	\$9,182	\$9,182	\$9,182	\$9,182	\$9,182	\$9,182	\$9,182	\$9,182	\$9,182	\$9,182	\$9,182	\$110,184
RTA	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	\$34,128
IDOT	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	\$27,324
SUBTOTAL	\$14,303	\$14,303	\$14,303	\$14,303	\$14,303	\$14,303	\$14,303	\$14,303	\$14,303	\$14,303	\$14,303	\$14,303	\$171,636
TOTAL CASH RECEIPTS	\$61,242	\$61,772	\$69,067	\$71,846	\$73,421	\$76,421	\$76,231	\$76,001	\$74,450	\$84,476	\$83,757	\$91,551	\$900,236
OPERATING EXPENSES	61,966	60,132	61,744	60,306	62,052	60,077	62,620	63,447	58,128	59,045	58,249	60,834	\$728,600
CAPITAL FAREBOX EXPENSES	---	---	---	---	---	---	---	---	---	---	---	---	---
TOTAL OPERATING EXPENSES	\$61,966	\$60,132	\$61,744	\$60,306	\$62,052	\$60,077	\$62,620	\$63,447	\$58,128	\$59,045	\$58,249	\$60,834	\$728,600
CAPITAL PROJECTS													
FTA/RTA/IDOT	\$14,303	\$14,303	\$14,303	\$14,303	\$14,303	\$14,303	\$14,303	\$14,303	\$14,303	\$14,303	\$14,303	\$14,303	\$171,636
METRA	750	750	750	750	750	750	750	750	750	750	750	750	9,000
TOTAL CAPITAL PROJECTS	15,053	15,053	15,053	15,053	15,053	15,053	15,053	15,053	15,053	15,053	15,053	15,053	180,636
TOTAL CASH DISBURSEMENTS	77,019	75,185	76,797	75,359	77,105	75,130	77,673	78,500	73,181	74,098	73,302	75,887	\$909,236
ENDING BALANCE	\$84,123	\$70,710	\$62,980	\$59,467	\$55,783	\$57,074	\$55,632	\$53,133	\$54,402	\$64,780	\$75,235	\$90,900	

Exhibit 9

Capital Program 2014

PE	Description	RR	Source	Amount
Rolling Stock				
3913	ROLLING STOCK REPLACEMENT	MED	f	\$ 1,500,000
4401	LOCOMOTIVE REPOWERING	MET	f	720,000
4464	LOCOMOTIVE GENSETS	MET	f	500,000
4464	LOCOMOTIVE GENSET SWITCHERS	MET	f	1,500,000
4809	TIER III LOCO PURCHASE	MET	ib	120,700,000
4801	TRACTION MOTORS	MET	f	1,500,000
4806	LOCOMOTIVE MID LIFE REHAB	MET	rb	10,000,000
4510	CAR REHAB (BUDD CARS)	MET	f	8,000,000
4604	CAR REHAB AMERAIL CARS P4 (PHASED)	MET	f	7,000,000
4704	CAR REHAB AMERAIL CARS P5 (PHASED)	MET	f	14,000,000
4602	HOTEL POWER MODIFICATION	MET	f	2,270,370
4605	HOTEL POWER MODIFICATION	MET	f	4,480,741
4711	HOTEL POWER MP36 LOCOS	MET	f	2,248,889
4802	LOCOMOTIVE & CAR IMPROVEMENTS	MET	f	4,000,000
4805	EVENT RECORDERS	MET	mt	500,000
4705	EMERGENCY CAR LIGHTING	MET	mt	1,800,000
4803	WHEEL REPLACEMENT	MET	f	3,090,000
4807	HVAC REFRIGERANT CONVERSION	MET	f	1,500,000
Rolling Stock Sub-Total				\$ 183,310,000
Track & Structure				
4815	TIES, BALLAST & SW HEATERS	BNS	f	\$ 1,000,000
4817	TIES AND BALLAST	MWD	f	2,500,000
4818	TIES AND BALLAST	RID	f	2,172,000
4819	TIES AND BALLAST	UPR	f	1,000,000
4812	TIES AND BALLAST	MED	f	2,000,000
4821	RAIL GRINDING	MET	f	300,000
4822	RAIL GRINDING	UPR	f	120,000
4825	UNDERCUTTING & SURFACING	MET	f	800,000
4826	UNDERCUTTING & SURFACING	UPR	f	250,000
4827	RAIL AND SWITCHES	BNS	f	500,000
4828	RAIL REPLACEMENT	MWD	f	250,000
4820	NCS IMPROVEMENTS	NCS	mt	700,000
4823	CROSSINGS (ROAD & TRACK)	MET	f	1,000,000

PE	Description	RR	Source	Amount
4824	CROSSINGS (ROAD & TRACK)	MWD	f	500,000
4834	CROSSINGS (ROAD & TRACK)	UPR	f	500,000
4829	CATENARY STRUCTURE REHAB	MED	f	500,000
4832	RIGHT OF WAY FENCING	MET	f	100,000
4848	RIGHT OF WAY FENCING	UPR	f	100,000
4838	BRIDGE & RETAINING WALL IMPROVEMENTS	MET	f	1,900,000
4837	BRIDGE IMPROVEMENTS	UPR	f	800,000
4836	BRIDGE IMPROVEMENTS	MET	f	750,000
4839	BRIDGE IMPROVEMENTS	MWD	f	250,000
4831	BRIDGE UPGRADES	MWD	f	250,000
2112	NORTH LINE BRIDGES	UPR	f	9,215,000
2112	NORTH LINE BRIDGES	UPR	ib	100,000,000
4740	MIDLOTHIAN EMBANKMENT	RID	f	1,000,000
Track & Structure Sub-Total				\$ 128,457,000
Signal, Electrical & Communications				
3446	FIBER OPTIC CABLE (PHASED)	BNS	f	\$ 1,800,000
4744	PROTECTIVE RELAY REPLACEMENT	MED	f	400,000
4850	RECTIFIER REPLACEMENT	MED	f	500,000
4254	TRACTION PWR SYS AUGMENT	MED	rb	6,000,000
4855	SIGNAL INFRASTRUCTURE	MET	f	2,000,000
2938	A-5 INTERLOCKER	MWD	f	500,000
2938	A-5 INTERLOCKER	MWD	rb	2,900,000
3337	LAKE STREET INTERLOCKER	UPR	f	1,500,000
3241	LAKE STREET INTERLOCKER	MET	f	2,000,000
4552	A-2 INTERLOCKER	MWD	f	1,000,000
4842	16TH STREET SIGNAL	RID	f	500,000
4343	POSITIVE TRAIN CONTROL	UPR	f	15,000,000
4343	POSITIVE TRAIN CONTROL	MET	f	17,500,000
4343	POSITIVE TRAIN CONTROL	MET	rb	13,500,000
4343	POSITIVE TRAIN CONTROL	MET	ib	102,000,000
4645	AC SWITCHES REPLACEMENT	MED	f	1,220,000
4562	TELEPHONE SYSTEM REPLACEMENT	MET	f	2,000,000
4564	MICROWAVE SYS REPLACEMENT	MET	rb	500,000
4757	MILLENNIUM LIFE SECURITY	MED	f	850,000
Signal, Electrical & Communications Sub-Total				\$ 171,670,000

PE	Description	RR	Source	Amount
Facilities & Equipment				
4865	RIGHT OF WAY EQUIPMENT	MET	rb	\$ 1,000,000
4868	EQUIPMENT AND VEHICLES	MET	f	2,000,000
4866	OFFICE EQUIPMENT	MET	f	250,000
4853	YARD IMPROVEMENTS	BNS	f	500,000
4875	YARD IMPROVEMENTS	UPR	f	2,000,000
4876	YARD IMPROVEMENTS	MWD	f	3,000,000
4876	YARD IMPROVEMENTS	MWD	rb	1,000,000
4873	YARD IMPROVEMENTS	MET	rb	500,000
4873	YARD IMPROVEMENTS	MET	ib	7,840,000
4874	YARD IMPROVEMENTS	MED	f	260,000
4872	YARD IMPROVEMENTS	RID	rb	500,000
4159	CREW FACILITIES	UPR	f	250,000
4159	CREW FACILITIES	UPR	rb	250,000
4849	IT COMPONENTS & SERVICES	MET	f	1,500,000
4849	IT COMPONENTS & SERVICES	MET	f	1,000,000
4852	FINANCIAL SYSTEM REPLACEMENT	MET	rb	5,000,000
Facilities & Equipment Sub-Total				\$ 26,850,000
Stations & Parking				
4867	ADA PLATFORMS	MET	f	\$ 3,500,000
4867	ADA PLATFORMS	MET	rb	850,000
4784	VAN BUREN ST STATION	MED	f	3,000,000
4878	WEST CHICAGO STATION	UPR	rb	3,000,000
4484	AUBURN PARK NEW STATION	RID	ib	10,000,000
4880	STATION FAC IMPROVEMENTS	MET	ib	30,860,000
4870	SYSTEMWIDE STATION IMPS	MET	f	2,000,000
Stations & Parking Sub-Total				\$ 53,210,000
Support Activities				
4889	HOMELAND SECURITY	MET	zz	\$ 5,000,000
4495	ENGINEERING ASSET MANAGEMENT	MET	f	1,000,000
4796	LOCALLY FUNDED PROJECTS / MATCH	MET	rd	2,000,000
4898	PROJECT ADMINISTRATION	MET	f	400,000
4899	CONTINGENCIES	MET	f	800,000
4894	INFRASTRUCTURE ENGINEERING	MET	f	5,000,000
4896	UNANTICIPATED CAPITAL	MET	mt	1,000,000

PE	Description	RR	Source	Amount
Support Activities Sub-Total				\$ 15,200,000
Grand Totals For Uses				\$580,697,000
Description		Source	Amount	
Federal State of Good Repair and Formula		f	\$153,297,000	
Federal Homeland Security		zz	5,000,000	
RTA Service Board Capital		rd	2,000,000	
RTA State of Good Repair Bonds*		rb	45,000,000	
Metra Farebox Capital		mt	4,000,000	
State of Illinois Bond Funds*		ib	\$371,400,000	
TOTAL FUNDING 2014 PROGRAM				\$580,697,000

* Pending bond issuance

Exhibit 10
Metra Capital Program
Sources 2014-2018 (\$ in millions)

Funding Source	2014	2015-18	Total
Federal Base Program			
State of Good Repair (5337)/ Formula (5307)	\$153.3	\$646.1	\$799.4
Sub-Total Federal Base Program	\$153.3	\$646.1	\$799.4
Supplemental			
Federal Homeland Security	\$5.0	\$20.0	\$25.0
Federal CMAQ	\$0.0	\$16.8	\$16.8
RTA Service Board Capital	\$2.0	\$0.0	\$2.0
RTA State of Good Repair Bonds*	\$45.0	\$0.0	\$45.0
Metra Farebox Capital	\$4.0	\$40.0	\$44.0
Illinois State Bond* (Jobs Now)	\$80.7	\$0.0	\$80.7
Illinois State Bond* (Jump Start)	\$290.7	\$0.0	\$290.7
Sub-Total Supplemental Program	\$427.4	\$76.8	\$504.2
Total	\$580.7	\$722.9	\$1,303.6

*Pending bond issuance

2014 CAPITAL PROGRAM PROJECT ELEMENT DESCRIPTIONS

Rolling Stock

PE 3913 ROLLING STOCK REPLACEMENTS, HIGHLINERS, MED

This project involves the purchase of approximately 160 new electric Highliner cars, which will be wheelchair accessible pursuant to the requirements of the Americans with Disabilities Act (ADA). The cars will replace existing electric multi-unit commuter cars, currently in service on Metra’s Electric District, and will also include the purchase of some spare cars.

PE 4401 LOCOMOTIVE REPOWERING F40Cs, MET

Metra proposes to repower two F40C locomotives used to provide commuter passenger rail service in the Chicago area. The repowering will consist of a new diesel engine and control package. The diesel engine will be certified to EPA Tier III requirements, thus achieving reduction in greenhouse gas emissions in addition to those achieved through remanufacturing of locomotives. This project also includes the purchase of spare parts.

PE 4464 LOCOMOTIVE GENSET SWITCHERS, MET

Metra is installing generator sets (GenSets) on two of its switch locomotives (numbers NIRC 6 & NIRC 7) operating on Metra’s Milwaukee District (MWD). These switch engines are used mainly at Western Avenue Yard to add and/or remove cars from train sets, transfer train sets between the yard and Chicago Union Station and transfer equipment between operating districts. In addition, these locomotives are used in train service on the Milwaukee District during the construction season.

PE 4809 LOCOMOTIVE PURCHASE, MET

This project funds the purchase of approximately 25 new advance design diesel passenger locomotives built to Tier III EPA specifications. These locomotives will replace 25 of Metra’s oldest locomotives which would need to undergo a second life extending rehabilitation which would include bringing them up to Tier III. It is more cost effective to purchase new locomotives.

PE 4801 TRACTION MOTORS-REBUILD, MET

This project funds the overhaul of traction motors and traction alternators for locomotives. This project also involves the overhaul of auxiliary generators and head-end-power alternators. The overhauled equipment will be used on locomotives operated on railroads either owned or operated by Metra. These traction motors and alternators were originally placed in service between 1974 and 2003. These motors are showing signs of deterioration. A basic overhaul is required to return these motors to an acceptable level of performance.

PE 4806 LOCOMOTIVE MID LIFE REHAB, MET

This project is for the mid-life rehabilitation of up to ten locomotives that are among those purchased in the early 1990s as part of a purchase of 30 F40PHM2 model locomotives using State of Illinois Bond funds. This rehabilitation will enable these locomotives to reach their useful life of 25 years with a minimum of maintenance on major components.

Line Abbreviations

Line Name	Shown as
BNSF Railway	BNS
Heritage Corridor	HC
Metra Electric District	MED
Milwaukee District	MWD
North Central Service	NCS
Rock Island District	RID
System-wide non-line specific	MET
Union Pacific	UPR

PE 4510 BUDD CAR REHAB, MET

This project involves the life-extending rehabilitation of 41 commuter rail cars. This is the fourth year of a multi-year project. These cars have not undergone any type of programmed rehabilitation since 1992. In 2013, they will have been in service 21 to 23 years since the last rehabilitation. The FTA recommends a life extending rehabilitation be completed when the car is 25 years of age.

PE 4604 CAR REHAB AMERAIL RAIL (P4), MET

The goal of this project (Phase IV) and the projects/phases that are to follow in subsequent years is to complete the mid-life rehabilitation of all 176 commuter cars built by Morrison Knudsen/Amerail. These cars have not undergone any type of programmed rehabilitation prior to this project. These cars were built between 1996 and 1997 by the Morrison Knudsen or Amerail Company. They will be 16 to 19 years old prior to rehabilitation under this project.

PE 4704 CAR REHAB AMERAIL (P5), MET

This project involves the upgrading and rehabilitation (mid-life overhaul) of 30 of

the remaining commuter rail cars built by Morrison-Knudsen/Amerail not rehabilitated by one of the preceding Amerail car rehab projects. This is the next-to-last phase of this project. These cars have not undergone any type of programmed overhaul prior to this project. These cars were built between 1996 and 1997 by the Morrison Knudsen or Amerail Company. They will be 17 to 18 years old prior to rehabilitation under this project, and their major components are beginning to wear out.

PE 4602 HOTEL POWER MODIFICATION, MET

This project will modify five MP36 passenger locomotives currently assigned to service on the BNSF. The project will replace the main engine driven generator-inverter combination that provides hotel power for the train consist with a separate engine/generator set for hotel power. This will save fuel and reduce emissions.

PE 4605 HOTEL POWER MODIFICATION, MET

This project will modify ten MP36 locomotives currently assigned to service on the RID and MWD lines. The project will replace the main engine driven generator-inverter combination that provides hotel power for the train consist

with a separate engine/generator set for hotel power. This will save fuel and reduce emissions. This project has been funded partially under the FTA's Transit Investment for Greenhouse Gas and Energy Reduction (TIGGER) Program. FY2014 Federal Formula funds will be used to complete this project.

PE 4711 HOTEL POWER MODIFICATION (12 MPI LOCO), MET

This project will modify 12 MP36 locomotives by replacing the main engine driven generator-inverter combination that provides hotel power for the train consist with a separate engine/generator set for hotel power. The locomotives are currently assigned to service on the RID and MWD railroad lines. This will save fuel and reduce emissions.

PE 4802 LOCOMOTIVE AND CAR IMPROVEMENTS, MET

This project involves various improvements to diesel-hauled and electric commuter cars, as well as locomotives. These are improvements that may not be identified until the start of a major rehabilitation project, or even during routine maintenance or inspection, depending upon what is found when the vehicle is dismantled for

rehabilitation. The improvements also include items that were not required by federal or state law at the time the improvements were engineered, but did become a requirement before construction began.

PE 4805 EVENT RECORDERS, MET

This project involves the replacement of the event recorders on Metra's locomotives, EMUs (Highliner Cars), and cab control cars with a completely digital recording system that will make them less prone to failure in the event of an accident. The new technology will allow recording at a faster frame rate and higher resolution, allowing slowing down the recording to less than real time rates without distortion, blurring, or loss of resolution.

PE 4705 EMERGENCY LIGHTING LOW-LEVEL MARKING, MET

This project involves the upgrading of the current emergency lighting system on all cab cars and trailers with low-level pathway lighting, as required by FRA regulations. The new emergency lighting will employ LEDs which use significantly less power and last far longer than existing lighting.

PE 4803 WHEEL REPLACEMENT, MET

This project will implement the FRA-mandated replacement of wheel sets on Metra's fleet of locomotives and commuter cars. The replaced wheels will be used on vehicles being operated on all carriers and railroads in the Metra system as part of an ongoing program to overhaul major components on Metra's fleet. Compliance with FRA rules and regulations is an operational requirement for our railroad.

PE 4807 HVAC REFRIGERANT CONVERSION, MET

This project involves the conversion of the air-conditioning units from the R22 refrigerant to a more environmentally-friendly R407C refrigerant on Metra's bi-level commuter cars. This work will be done on all cab cars, trailers and EMUs. The work involves replacing the AC system and replacing the temperature control systems. The HVAC system provides heating and cooling to the car's interior.

Track and Structure

PE 4815 TIES AND BALLAST, BNS

PE 4817 TIES AND BALLAST, MWD

PE 4818 TIES AND BALLAST, RID

PE 4819 TIES AND BALLAST, UPR

PE 4812 TIES AND BALLAST, MED

These projects consist of the replacement of cross ties, switch ties and ballast. In order to maintain proper track gauge and surface, it is necessary to replace ties and ballast periodically. This improves the riding quality of the trains and reduces the incidence of slow orders, which adversely affect adherence to train schedules. These projects represent part of an ongoing program to replace ties and ballast throughout the commuter territory.

PE 4821 RAIL GRINDING, MET

PE 4822 RAIL GRINDING, UPR

These projects consist of on-site grinding of rail that has been recently installed at various locations. This includes second-hand rail, corrugated rail and in-track welded rail. Grinding removes mill scale and corrects irregularities from field and plant welding. Corrugation reduces the useful life of the rail and accelerates the deterioration of the rolling stock. Grinding creates a uniform rail profile and prevents corrugation.

PE 4825 UNDERCUTTING & SURFACING, MET

PE 4826 UNDERCUTTING & SURFACING, UPR

Track undercutting provides for the removal of all fouled track ballast, which is then cleaned and returned to the track bed. The major functions of ballast are to hold ties in place, prevent lateral deflections of the rail and distribute track loading. When the ballast is fouled, the load spreading capability is lost. Soggy ballast also freezes in winter, causing additional stress on the rail and tie systems. Undercutting is necessary when the ballast section has become so contaminated that normal ballasting and surfacing will no longer hold a proper track surface. The results of undercutting are a smooth, well-aligned track surface, extended tie and ballast life and reduced ongoing maintenance expense.

PE 4827 RAIL AND SWITCHES, BNS

This project will provide for the installation of rail and switches on the BNSF commuter line. The project also includes the renewal of switch points at various locations along the BNSF railroad, the replacement of

switch machines and the replacement of turnouts. The high density of freight and commuter traffic, including extensive express service, requires close monitoring and periodic replacement of switches and switch machines. Turnouts must be inspected and replaced frequently to protect against derailment. While minor defects in switch points and turnouts can be remedied with field welding, replacement over time is required to ensure reliable operations.

PE 4828 RAIL, MWD

This project provides for the replacement of rail on the Metra Milwaukee District line. Specific locations are to be determined. In the course of installing the rail, a portion of the ties, ballast, and other track material is typically replaced as well. Rail replacement assures continued safe operations, reduces maintenance costs and provides a smoother, quieter ride for commuters.

PE 4820 RAIL, NCS

This project consists of the installation of rail, ties and ballast, undercutting, and other capital improvements on the North Central Service (NCS) commuter rail line.

PE 4823 CROSSINGS (ROAD & TRACK) MET

PE 4824 CROSSINGS (ROAD & TRACK), MWD

PE 4834 CROSSINGS (ROAD & TRACK), UPR

These projects provide for the renewal of rail-highway grade crossings at various locations on the Metra commuter lines, the Milwaukee District, and the Union Pacific Commuter Lines. The specific crossings to be renewed will be based on the stage of deterioration at each crossing. The work will include, but not be limited to, replacement of cross ties, crossing material, and ballast, as well as the surfacing of the track.

PE 4829 CATENARY STRUCTURE REHAB, MED

This project involves the ongoing rehabilitation of various catenary structures on all three Metra Electric District sub-districts. The work depends on the results of condition assessments and the availability of track time to the rehabilitation. Work consists of rehabilitating structural steel, walkways and concrete foundation pedestals.

PE 4832 ROW FENCING, MET

PE 4848 ROW FENCING, UPR

This project consists of the materials and labor necessary to erect fencing along the railroad right-of-way on the Union Pacific commuter rail lines. Specific locations are determined based on field conditions and are subject to change in the course of consultation with local officials.

PE 4838 BRIDGE AND RETAINING WALL REHABILITATION, BNS

This project will provide for the rehabilitation of retaining walls on the BNSF commuter line. Retaining wall sections at intermittent locations along the right-of-way will be rehabilitated. This work typically includes complete reconstruction with steel sheet piling, concrete panels or bin wall to prevent retaining wall deterioration that can result in destabilization of the roadbed and in turn lead to track shifting.

PE 4837 BRIDGE IMPROVEMENTS, UPR

PE 4836 BRIDGE IMPROVEMENTS, MET

PE 4839 BRIDGE IMPROVEMENTS, MWD

These projects fund the improvement of bridges along the BNSF Railway, the Milwaukee District and the Union Pacific commuter rail lines. These improvements can include such rehabilitation items as timber wing walls and fencing, cracked bearing blocks and cracked bridge seats on abutments. Specific improvements will be determined based on a survey of field conditions.

PE 4831 BRIDGE UPGRADES, MWD

This project will be for improvements of bridges and culverts on the Milwaukee District North and West Lines. These improvements can include such rehabilitation items as timber wing walls and fencing, cracked bearing blocks and cracked bridge seats on abutments. Specific improvements will be determined based on a survey of field conditions.

PE 2112 NORTH LINE BRIDGES, UPR

This project includes the replacement of 22 bridges on the Union Pacific North Line in Chicago, from Fullerton Avenue on the south end to Balmoral Avenue on the north end. These bridges are more than 100 years old. They are showing signs of increased deterioration and have reached the end of their useful life. These bridges cannot be repaired economically and must be replaced in order to provide uninterrupted commuter service. Phase 2 will be for design and construction of the bridges south of Addison Street to Fullerton Avenue.

PE 4740 MIDLOTHIAN EMBANKMENTS, RID

This project is for the embankment stabilization along Midlothian Creek from milepost 17.9 to milepost 19.5 on the Rock Island District. The rehabilitation of the embankment will prevent localized areas of erosion. During high water events, the stability of the tracks can be compromised because of embankment erosion.

Signal, Electrical and Communications

PE 3446 FIBER OPTIC CABLE, BNS

This project consists of the installation of fiber optic cable at various locations along the BNSF railroad. This cable will be used along with Vital Harmon Logic Controllers to provide a signal communications and control system for interlockings and crossings. This project also includes the installation of Illinois Commerce Commission (ICC) mandated constant warning time equipment at several grade crossings. In addition, the signals for Positive Train Control (PTC) will be upgraded by inclusion of radios and transponders.

PE 4744 PROTECTIVE RELAY REPLACEMENT, MED

This project will replace the protective relay at all traction power substations. They will be replaced by electronic relays that are more reliable than the existing mechanical relays. The protective relay system protects the local breakers at these locations.

PE 4850 RECTIFIER REPLACEMENT, MED

This project is for the replacement of the rectifiers at the Cheltenham Substation. The rectifiers are 35 years old and they have long exceeded their useful life. Replacement parts are not available.

PE 4254 TRACTION POWER SYSTEM AUGMENTATION, MED

This project consists of converting four tie stations into electrical substations with substantially greater power, and installing a new prefabricated substation at 31st Street. The tie stations will be converted to substations by adding 12 kilovolt (KV) switchgear, transformers and rectifiers. The new equipment will be housed in prefabricated metal buildings. With these improvements, Metra's new Electric District Highliner cars will possess the electrical power required to accelerate faster and provide sufficient traction power to allow them to increase their maximum operating speed.

PE 4855 SIGNAL INFRASTRUCTURE, MET

This project will replace various signal infrastructures such as junction boxes, electrical cabinets, wiring, LED lights, etc. on an as needed basis when some part of the signal system is determined to be substandard upon inspection or failure. A large portion of Metra's signal system infrastructure in the field has become obsolete. It is also affected by the extremes of weather common to the Chicago region.

PE 2938 A-5 INTERLOCKER RENEWAL

This project consists of the modernization and upgrade of the A-5 interlocker at Pacific Junction in Chicago. This is the point where the Milwaukee District main line diverges into the West and North lines. Under this project, signal system components will be replaced. The interlocker control will be upgraded to a solid state system. Additionally, the control point will be shifted from the A-5 Tower to Metra's Consolidated Control Facility (CCF).

PE 3337 LAKE STREET INTERLOCKER, UPR

This project consists of the modernization and upgrading of the Lake Street interlocker, at the north end of the Ogilvie Transportation Center (OTC). It will replace track, track bed, switches, switch machines, switch heaters, dwarf signals and signal cable for the remaining facilities. In the future, the interlocking control machine in Lake Street Tower will be replaced by modern solid state equipment.

PE 3241 LAKE STREET INTERLOCKER, MET

This project consists of the modernization and upgrading of outmoded electro-mechanical facilities at the south end of Chicago Union Station (CUS). The project will include, but not be limited to, three interlocker locations: Harrison Street, Taylor Street, and Roosevelt Road as well as the platform area on the south side of CUS. It will also include, but not be limited to, new rail, ties and ballast as needed. The cost of the project will be shared by Metra and Amtrak.

PE 4552 A-2 INTERLOCKER, MWD, UPR

This project consists of the rehabilitation or rebuilding of signal equipment and the replacement of track at or immediately adjacent to the A-2 interlocker at Western Avenue on the Milwaukee District West and North railroad lines and adjacent to the Union Pacific Railroad California Avenue yard. This will include the rebuilding of air-powered switch machines, changing relays, replacing cable in the control tower, rewiring the control machine and various rail improvements such as replacing the rail and plates on frogs and switches. In addition, ties will be replaced as needed and the track will be surfaced.

PE 4842 16TH STREET SIGNAL, RID

This project will replace the 16th Street interlocking with a modern solid state automated electronic system. The 16th Street interlocking is an obsolete manual interlocking consisting of two outdated hand lever machines built in 1901 and 1929. There are no manufacturers of spare or replacement equipment for lever machines. If the interlocking goes down it will be very difficult and time-consuming to rebuild the parts for repair.

PE 4343 POSITIVE TRAIN CONTROL, MET

This project consists of the development and installation of a federally mandated Positive Train Control (PTC) system that integrates new technology with existing train control and operating systems to enhance train operations. This system will help prevent track authority violations, speed limit violations and unauthorized entry into work zones. The system will monitor and ensure the train crew's compliance with all operating instructions, while a screen-based display will provide the train crew with additional operating information. The system will also query wayside devices for broken rails, proper switch alignment and signal aspects in real time to provide improved train operation.

PE 4645 AC SWITCHES REPLACEMENT, MED

This project involves replacing several motor-operated switches used to sectionalize the 4 KV overhead electrical power line. The existing switches are worn out and must be replaced as parts are very difficult to obtain.

PE 4562 TELEPHONE SYSTEM REPLACEMENT, MET

This project will replace the entire Metra telephone system, which was last upgraded in 1999 under PE 2946. The new system will be capable of high-speed digital voice and data communications. The project will provide computer hardware and software upgrades. The current system uses outdated software and an obsolete operating system. The current manufacturer/vendor of this system has notified Metra it will not provide support for this system much longer.

Facilities and Equipment

PE 4564 MICROWAVE SYSTEM REPLACEMENT, MET

This project is part of an effort to replace and upgrade Metra's microwave communications system, which provides voice and data transmissions throughout Metra's territory. The project will increase the number of channels that contain information and make new features available such as voice over internet protocol. Prior to procurement, Metra's specifications for microwaves will be upgraded to incorporate the latest improvements in radio communications technology.

PE 4757 MILLENNIUM LIFE SECURITY, MED

This project involves installing walkways, stairways, pedestrian ramps, and hydraulic emergency doors and exit signs at Millennium Station. This equipment will allow for proper egress from the station and minimize danger from smoke and fumes in the event of a fire. While Millennium Station has adequate exit signs to direct commuters to egress the station for most exits, the South Shore Station level does not have this and has only one exit leading to Millennium Park.

PE 4865 RIGHT OF WAY EQUIPMENT (ENG), MET

PE 4868 EQUIPMENT & VEHICLES – MECHANICAL, MET

This project provides for the purchase and rehabilitation of vehicles and equipment to be utilized by Metra's Mechanical and Engineering Departments. The vehicles and equipment purchased will replace various pieces of obsolete or inadequate support vehicles and equipment used to help service and maintain Metra's fleet at the various yards. This includes but is not limited to supervisory vehicles for supervision of field work, small pickup trucks, various forklift trucks and car movers. The existing equipment has surpassed its useful life.

PE 4866 EQUIPMENT – OFFICE, MET

This project involves the purchase of new and replacement support equipment for use throughout the Metra system. Obsolete support equipment needs to be replaced in order to increase productivity and efficiency and decrease repair costs. Such equipment can include general office equipment, copiers, personal computers, servers, mainframe processors, peripheral equipment, printers and network devices.

PE 4853 YARD IMPROVEMENTS, BNS

PE 4876 YARD IMPROVEMENTS, MWD

PE 4872 YARD IMPROVEMENTS, RID

PE 4874 YARD IMPROVEMENTS, MED

PE 4873 YARD IMPROVEMENTS, MET

PE 4875 YARD IMPROVEMENTS, UPR

These projects involve various upgrades to improve the effectiveness and efficiency of train yards (and yard equipment) on the Rock Island, Metra Electric, Union Pacific North and Northwest, BNSF and Milwaukee Districts. Work may include platforms, sand dispensing towers, fueling facilities and track work in the yards.

PE 4159 CREW FACILITIES, UPR

This project will provide funding for updating and rehabilitating facilities for crews and other railroad personnel involved in operating and servicing the commuter rail service.

PE 4849 IT COMPONENTS & SERVICES, MET

This project covers a systems upgrade for information technology infrastructure at Metra headquarters to be integrated with the financial system replacement and upgrade.

Stations and Parking

PE 4852 FINANCIAL SYSTEMS REPLACEMENT, MET

This project will provide funding for Metra to implement an Enterprise Resource Planning (ERP) system that will be compliant with current financial system “best practices”. This system will: support electronic data interchange; is fully extensible and upgradeable; use integrated highly flexible analytical reporting tools and; support microcomputer/network based software productivity tools.

PE 4867 ADA PLATFORMS & RAMPS, MET

This project is part of Metra’s ongoing effort to bring commuter rail stations into compliance with the requirements of the Americans with Disabilities Act (ADA) of 1990. This project identifies, at each key station, the specific work that will be done to bring the key stations into compliance. At these stations, existing platforms will be rehabilitated in order to allow deteriorated tactile surfaces to be replaced with the ADA-compliant “truncated dome” type surfaces. The work will include, but is not limited to, rehabilitation of stations.

PE 4784 VAN BUREN ST STATION, MED

This project will include rehabilitation of the Van Buren Street station, a major downtown facility. Work to be done includes improvements to structure, access tunnel, stairs, elevators and related facilities.

PE 4878 WEST CHICAGO STATION, UPR

This project involves the rehabilitation of the West Chicago Station facility. Work to be done may include, but is not limited to, rehabilitation of the access tunnels, stairs, ramps, waiting room, platforms, lighting, retaining wall improvements and painting.

PE 4880 AUBURN PARK NEW STATION, RID

This project will construct a new station facility at Auburn Park on the Rock Island District. The station will adhere to the standards of the Americans with Disabilities Act and Metra’s station design guidelines. Work to be done includes platform improvements, sheltered passenger warming facilities, retaining wall improvements and signage improvements.

PE 4880 STATION FACILITY IMPROVEMENTS

This project element includes, but is not limited to, the replacement and/or rehabilitation of station platforms, new lighting, and rehabilitation of access stairs, stair enclosures, shelters, and repair of warming shelters. Work to be done may also include gatehouse/head house rehabilitation, replacement of leaking roofs, replacement of ceilings, and installation of new lighting, and other related work.

PE 4870 STATION FACILITY IMPROVEMENTS

This project element includes, but is not limited to, the replacement of station facility identifier and information signs, replacement and/or rehabilitation of station platforms, new lighting, and rehabilitation of access stairs, stair enclosures, shelters, and repair of warming shelters.

Support Activities

PE 4889 HOMELAND SECURITY, MET

This project provides for the further expansion of security throughout Metra's operating territory for the benefit of our passengers. This project also enhances the ability for Metra to secure its assets from the threat of domestic or international terrorism. Funding will be provided by U.S. Department of Homeland Security.

PE 4495 ENGINEERING ASSET MANAGEMENT, MET

This project funds the initial phases of a comprehensive asset assessment. This phase will primarily inventory the age and condition of capital assets generally categorized by rolling stock; track and structure; signal, electrical and communications equipment; facilities and equipment; and stations and parking facilities throughout the system. Within each category, there are several asset types for which condition rating/useful life standards will be assessed and actual age will be recorded. The resulting data will assist in capital project prioritization decisions.

PE 4898 PROJECT ADMINISTRATION, MET

This project funds the activities associated with the administration of capital grants and

the projects in those grants. This includes only those labor, fringe and overhead costs covered by Metra's cost allocation plan. Examples of the types of activities associated with the administration of capital grants are budget revisions, requisitions, quarterly reports and reconciliation of expenses done at project closeout. Metra funds associated with capital grant administration are recognized as capitalized costs under Generally Accepted Accounting Principles (GAAP).

PE 4899 CONTINGENCIES, MET

This project will fund both emergencies and unanticipated capital needs that arise throughout the course of the program year. Items covered under this project require immediate attention and cannot wait for inclusion in the budget for the forthcoming program year. Contingencies are necessary to fund emergency and other activities to prevent project and service delays.

PE 4894 INFRASTRUCTURE ENGINEERING, MET

This project funds various engineering responsibilities for capital projects. Metra's Engineering Department as well

as consultant engineers provide support to capital projects. The associated professional consultant services include design engineering and/or construction management in the areas of civil, structural, electrical, mechanical, signal, communications and environmental engineering.

PE 4896 UNANTICIPATED CAPITAL, MET

This project is a reserve of funds available for capital projects that arise throughout the year. Federal grant funds and other grant monies nearly always require local matching funds. Having the local match available will allow Metra to better leverage federal funds when grant opportunities become available. This project will also allow Metra to fully fund capital projects out of Metra dollars.

PE 4796 LOCALLY FUNDED PROJECTS/ MATCH, MET

Metra fare box capital funds to be used to fund projects locally and to provide local "matching" funds for alternate funding sources in order to supplement and advance the system's capital program needs.



Exhibit 11

Metra 2014 -2018 Core Capital Program (\$ in 000s)

Description	2014	2015	2016	2017	2018	Total
Rolling Stock						
Locomotive Improvements	\$139,700	\$ 30,257	\$ 51,000	\$ 49,000	\$ 24,239	\$ 294,196
Car Rehabilitation	29,000	23,000	26,300	29,600	40,000	147,900
MU Car Improvements	0	500	500	500	500	2,000
Fleet Component Overhaul	15,110	10,445	7,024	7,130	3,800	43,509
HVAC Refrigerant Conversion	1,500	2,000	2,000	2,000	2,000	9,500
Sub-Total	\$185,310	\$ 66,202	\$ 86,824	\$ 88,230	\$ 70,539	\$ 497,105
Track & Structure						
Ties and Ballast	\$ 8,672	\$ 5,500	\$ 3,650	\$ 5,670	\$ 6,500	\$ 29,992
Rail	3,120	4,355	4,350	4,840	6,335	23,000
Crossings (Road and Track)	2,000	1,825	2,825	4,395	3,825	14,870
Bridges	111,265	15,900	17,150	16,400	21,900	82,615
Retaining Wall Rehabilitation	2,900	5,000	5,000	4,200	5,200	22,300
Structural Upgrades	500	1,000	1,500	1,500	850	5,350
Sub-Total	\$ 128,457	\$ 33,580	\$ 34,475	\$ 37,005	\$ 44,610	\$ 278,127
Signal, Electrical & Communications						
Signal System Upgrades	\$ 4,300	\$ 16,000	\$ 11,000	\$ 750	\$ 6,000	\$ 38,050
Interlockings	7,900	13,500	13,500	12,500	13,000	60,400
Electrical System Improvements	8,970	3,500	2,450	5,750	3,250	23,920
Communications Improvements	2,500	1,250	0	0	100	3,850
Positive Train Control	148,000	0	0	0	0	148,000
Sub-Total	\$ 171,670	\$ 34,250	\$ 26,950	\$ 19,000	\$ 22,350	\$ 272,220

Description	2014	2015	2016	2017	2018	Total
Facilities & Equipment						
Yard Improvements	\$ 15,600	\$ 4,700	\$ 4,900	\$ 2,000	\$ 2,950	\$ 30,150
Building Improvements	500	0	900	400	400	2,200
Equipment and Vehicles	5,750	7,015	6,410	3,650	6,330	29,155
Financial Systems Replacement	5,000	5,000	1,000	10,000	5,000	26,000
Sub-Total	\$ 26,850	\$ 16,715	\$ 13,210	\$ 16,050	\$ 14,680	\$ 87,505
Stations & Parking						
Stations & Parking	\$ 47,210	\$ 5,250	\$ 5,250	\$ 6,250	\$ 4,500	\$ 68,460
Community Initiatives	6,000	4,850	500	1,500	1,000	13,850
Sub-Total	\$ 53,210	\$ 10,100	\$ 5,750	\$ 7,750	\$ 5,500	\$ 82,310
Support Activities						
Homeland Security	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
Technical Studies	6,000	4,000	5,000	3,000	13,000	31,000
Project Administration	400	800	800	800	1,000	3,800
Locally Funded Projects	2,000	0	1,653	3,580	5,283	12,516
Contingencies	800	400	800	800	1,000	3,800
Unanticipated Capital	1,000	1,250	2,000	2,000	2,000	8,250
Sub-Total	\$ 15,200	\$ 11,450	\$ 15,253	\$ 15,180	\$ 27,283	\$ 84,366
Grand Total	\$ 580,697	\$ 172,297	\$ 182,462	\$ 183,215	\$ 184,962	\$ 1,303,633

*2014 Program Includes \$45 Million RTA State of Good Repair Bond Funding and \$371.4 Million in State of Illinois Bond Funding

Metra 2014 -2018 Capital Program

Core and State of Illinois Bond Programs (\$ in 000s)

Description	Core Program		State Bond Program 2010 to 2014
	2014	2015-2018	
Rolling Stock			
Highliner Car Replacement	\$ 0	\$ 0	\$ 585,100
Tier III Locomotives	0	0	120,700
Locomotive Improvements	19,000	154,496	0
Car Rehabilitation	29,000	118,900	0
MU Car Improvements	0	2,000	0
Fleet Component Overhaul	15,110	28,397	0
HVAC Refrigerant Conversion	1,500	8,000	0
Sub-Total	\$ 64,610	\$ 311,795	\$ 705,800
Track & Structure			
Ties and Ballast	\$ 8,672	\$ 21,320	\$ 0
Rail	3,120	19,880	0
CREATE	0	0	0
Crossings (Road and Track)	2,000	12,870	0
Bridges	11,265	71,350	112,000
Retaining Wall Rehab	2,900	19,400	0
Structural Upgrades	500	4,850	0
Sub-Total	\$ 28,457	\$ 149,670	\$ 112,000
Signal, Electrical & Communications			
Signal System Upgrades	\$ 4,300	\$ 33,750	\$ 0
Interlockings	7,900	52,500	0
Electrical System Improvements	8,970	14,950	0
Communications Improvements	2,500	1,350	0
Wi-Fi On Trains	0	0	2,180
Positive Train Control	46,000	0	146,000
Sub-Total	\$ 69,670	\$ 102,550	\$ 148,180

Description	Core Program		State Bond Program 2010 to 2014
	2014	2015-2018	
Facilities & Equipment			
Yard Improvements	\$ 7,760	\$ 14,550	\$ 14,990
Building Improvements	500	1,700	0
Equipment and Vehicles	5,750	23,405	0
Financial Systems Replacement	5,000	21,000	0
Sub-Total	\$ 19,010	\$ 60,655	\$ 14,990
Stations & Parking			
Stations and Parking	\$ 6,350	\$ 21,250	\$ 119,730
Community Initiatives	6,000	7,850	0
Sub-total	\$ 12,350	\$ 29,100	\$ 119,730
Support Activities			
Homeland Security	\$ 5,000	\$ 20,000	\$ 0
Technical Studies	6,000	25,000	0
Project Administration	400	3,400	0
Locally Funded Projects	2,000	10,516	0
Contingencies	800	3,000	0
Unanticipated Capital	4,000	7,250	0
Sub-Total	\$ 15,200	\$ 69,166	\$ 0
Grand Total	\$ 209,297	\$ 722,936	\$ 1,100,700

Note: Core Program Includes \$45 Million RTA State of Good Repair Bond Funding

Exhibit 13

Metra State of Illinois Capital Bond Program (in \$ millions)

Capital Assets	2010	2011	2012	2013	2014	2010-2014 Total
Tier III Locomotives	\$0.0	\$0.0	\$0.0	\$0.0	\$120.7	\$120.7
Highliner Cars Replacement, MED (160)	118.8	466.3	0.0	0.0	0.0	585.1
Renew Bridges	0.0	0.0	0.0	12.0	100.0	112.0
Positive Train Control	0.0	0.0	0.0	44.0	102.0	146.0
Yard Improvements	0.0	0.0	0.0	7.2	7.8	15.0
Stations	38.2	0.0	0.0	40.6	40.9	119.7
WI-FI On Trains	0.0	0.0	0.0	2.2	0.0	2.2
Total Bond Program	\$157.0	\$466.3	\$0.0	\$106.0	\$371.4	\$1,100.7

Note: Use of Bond funding is subject to the release of funds and prioritizing of projects by the State of Illinois in order to meet cash flow requirements

Exhibit 14

Metra State of Illinois Jobs Now Program Request (in \$ millions)

Capital Assets	Jobs Now State Bond
PTC	\$42.0
Yards	7.8
Stations/Parking	30.9
Total	\$80.7

Exhibit 15

Metra State of Illinois Jump Start Program Request (in \$ millions)

Capital Assets	Jump Start State Bond	Metra Future Federal Funds	Total
Phase II UP Bridge (Stage II)	\$100.0	\$35.0	\$135.0
PTC	60.0	0.0	60.0
24 Tier III Locos	120.7	11.3	132.0
Auburn Park - 79th St Station	10.0	0.0	10.0
Total	\$290.7	\$46.3	\$337.0

Metra Stations State Bond Program (\$ in millions)

Station	Rail Line	\$ Total	Design Starts	Construct. Starts	Notes
Naperville	BNSF	\$1.7	NA	2011	Complete
Flossmoor	MED	5.0	NA	2014	
Cicero	BNSF	6.5	NA	2013	
Hazel Crest	MED	5.0	2013	2015	
Elmhurst Deck	UP-W	2.5	NA	2010	Complete
Geneva Deck	UP-W	3.5	NA	2014	
Fox River Grove	UP-NW	2.0	NA	2013	Complete
New Auburn Park Station	RID	21.5	2013-14	2015-16	Pending release of state bond funds.
New Peterson/Ridge Station	UP-N	5.0	2013	2014	
Burr Oak	MED-BI	0.6	2014	2014	
115th Street	RID-BI	9.0	2015	2016	Pending release of state bond funds.
91st Street	MED	9.0	2015	2016	Pending release of state bond funds.
63rd Street	MED	1.0	2014	2014-15	
Calumet	MED	5.5	NA	2015	
River Forest	UP-W	6.0	2014	2015	Pending release of state bond funds.
59th Street	MED	8.0	2014	2015	
Healy	MWD-N	5.0	2013	2014	
Hickory Creek	RID	4.0	2014	2015	Pending release of state bond funds.
Downers Grove Main St.	BNSF	4.0	2014	2014	
New Romeoville Station	HC	2.0	2014	2015	
Cumberland	UP-NW	1.8	2014	2014-15	Pending release of state bond funds.
Hubbard Woods	UP-N	6.9	2014	2015	Pending release of state bond funds.
Ashland Avenue	MED-BI	0.6	2015	2015	Pending release of state bond funds.
Racine Avenue	MED-BI	0.6	2014	2014	
Blue Island Vermont St.	RID	1.3	2014	2014-15	
Mayfair	MWD-N	0.9	2014	2014	
Grayland	MWD-N	0.8	2014	2014	
Total		\$119.7			
Total 2010 Bond \$ Received		\$38.2			
Total 2013 Bond \$ Received		\$40.6			
Total Remaining		\$40.9			

Exhibit 17
Metra Physical Description

				Number of Stations			Accessible Stations		Rolling Stock					
Carrier	Line	Location of Outlying Terminal	Downtown Terminal	Illinois	Out of State	Total	Partial	Full	Loco-motives	Trailer Cars	Cab Cars	Electric Propelled	Track Miles	Route Miles
BNSF Railway		Aurora, IL (Kane Co.)	CUS	25	0	25	5	13	26	117	53	0	144.0	37.5
Union Pacific	North Line	Kenosha, WI (Kenosha Co.)	OTC	24	1	25	1	20					107.5	51.6
	Northwest Line	Harvard, IL (McHenry Co.)	OTC	21	0	21	2	16					161.1	63.1
	McHenry Br.	McHenry, IL (McHenry Co.)	OTC	1	0	1	1	0					8.0	7.4
	West Line	Elburn, IL (Kane Co.)	OTC	18	0	18	3	13					144.2	43.6
Total				64	1	65	7	49	55	260	73	0	418.2	162.3
Electric District	Main Line	University Park, IL (Will Co.)	Millennium	32	0	32	0	13					86.0	31.5
	Blue Island Br.	Blue Island, IL (Cook Co.)	Millennium	7	0	7	0	1					5.0	4.4
	South Chicago Br.	Chicago, IL (Cook Co.)	Millennium	8	0	8	0	7					11.3	4.7
Total				47	0	47	0	21	0	0	0	181	102.3	40.6
Heritage Corridor		Joliet, IL (Will Co.)	CUS	5	0	5	0	4	5	6	7	0	78.0	37.2
Milwaukee District	North Line	Fox Lake, IL (Lake Co.)	CUS	20	0	20	3	14					97.0	49.5
	West Line	Elgin, IL (Kane Co.)	CUS	21	0	21	0	20					102.8	39.8
Total				41	0	41	3	34	32	74	76	0	186.4	83.9
North Central Service		Antioch, IL (Lake Co.)	CUS	15	0	15	0	15	6	15	15	0	85.0	52.8
SouthWest Service		Manhattan, IL (Will Co.)	CUS	12	0	12	0	12	5	25	7	0	59.3	40.8
Rock Island District	Main Line	Joliet, IL (Will Co.)	LaSalle	14	0	14	2	11					84.0	40.2
	Beverly Br.	Blue Island, IL (Cook Co.)	LaSalle	12	0	12	5	5					13.3	6.6
Total				26	0	26	7	16	17	63	46	0	97.1	46.8
Downtown Stations				5	0	5	0	5						
System Totals*				240	1	241	22	169	146	560	277	181	1,155.1	487.7

*South Shore (NICTD) is not included; CUS = Chicago Union Station; OTC = Ogilvie Transportation Center

Metra Operating & Service Characteristics as of 2013

Carrier	Line	Revenue Trains			Train Miles Jul12-Jun13	Car Miles Jul12-Jun13	Average Scheduled Speeds			On-Time Performance	
		Weekday	Sat	Sun/Hol			Weekday Peak	Weekday Off-Peak	Weekend/Holiday	2012 Average	Jan-Jun13 Average
BNSF Railway		94	28	18	943,965	6,946,407	35.0	30.6	28.0	96.0%	93.7%
Union Pacific	North	70	26	18	755,741	4,331,242	30.4	28.9	30.2	96.4%	96.7%
	Northwest	65	24	15	938,387	6,249,496	33.9	32.7	34.0	96.3%	94.6%
	West	59	20	18	697,633	4,727,318	32.0	30.9	30.6	95.3%	94.5%
	Total	194	70	51	2,391,761	15,308,056				96.0%	95.3%
Electric District	Main Line	79	46	20	726,539	3,784,575	23.7	21.9	21.9	96.5%	98.0%
	Blue Island	37	30	0	156,515	512,781	32.1	27.8	28.2	98.3%	98.8%
	So Chicago	54	48	20	228,665	896,273	20.2	20.0	20.5	97.9%	98.5%
	Total	170	124	40	1,111,719	5,193,629				97.3%	98.3%
Heritage Corridor		6	0	0	56,771	264,755	34.3	--	--	95.6%	95.9%
Milwaukee District	North	60	24	20	764,798	4,694,203	32.2	30.3	31.1	93.8%	93.8%
	West	58	24	18	658,831	4,509,879	29.6	29.3	29.0	94.7%	94.6%
	Total	118	48	38	1,423,629	9,204,082				94.2%	94.2%
North Central Service		22	0	0	294,013	1,309,330	34.2	33.9	--	92.4%	92.4%
SouthWest Service		30	6	0	242,472	1,769,169	27.0	27.4	28.8	94.8%	95.5%
Rock Island District		69	20	16	698,379	4,997,458	29.5	29.7	29.0	95.3%	95.6%
System Totals/Averages*		703	296	163	7,162,709	44,992,886	31.5	29.7	29.7	95.8%	95.6%

*South Shore (NICTD) is not included.

Exhibit 19

2014 -2016 Forecasted Ridership and Vehicle Miles

	2012 Actual	2013 Projected*	2014 Forecast	2015 Forecast	2016 Forecast
Passenger Trips ¹					
BNSF Railway	16,360,000	16,434,000	16,648,000	16,898,000	17,151,000
Union Pacific	28,090,000	28,395,000	28,765,000	29,196,000	29,634,000
Electric District	9,673,000	9,558,000	9,683,000	9,828,000	9,975,000
Heritage Corridor	683,000	688,000	697,000	708,000	718,000
Milwaukee District	13,753,000	13,811,000	13,991,000	14,201,000	14,414,000
North Central Service	1,690,000	1,669,000	1,691,000	1,716,000	1,742,000
SouthWest Service	2,531,000	2,559,000	2,593,000	2,631,000	2,671,000
Rock Island District	8,491,000	8,511,000	8,622,000	8,751,000	8,882,000
System Total**	81,270,000	81,627,000	82,689,000	83,929,000	85,188,000
Year-to-Year Change		0.4%	1.3%	1.5%	1.5%
Passenger Miles ²					
BNSF Railway	383,998,000	385,970,000	390,987,000	396,852,000	402,805,000
Union Pacific	613,376,000	617,648,000	625,678,000	635,063,000	644,589,000
Electric District	186,820,000	183,891,000	186,282,000	189,076,000	191,912,000
Heritage Corridor	19,149,000	19,199,000	19,449,000	19,740,000	20,036,000
Milwaukee District	326,388,000	326,561,000	330,806,000	335,768,000	340,805,000
North Central Service	53,461,000	52,664,000	53,348,000	54,149,000	54,961,000
SouthWest Service	48,164,000	48,969,000	49,605,000	50,349,000	51,105,000
Rock Island District	179,891,000	179,416,000	181,749,000	184,475,000	187,242,000
System Total**	1,811,247,000	1,814,318,000	1,837,904,000	1,865,472,000	1,893,455,000
Year-to-Year Change		0.2%	1.3%	1.5%	1.5%
Revenue Car Miles					
BNSF Railway	6,296,000	6,325,000	6,360,000	6,360,000	6,367,000
Union Pacific	14,913,000	15,050,000	15,142,000	15,142,000	15,162,000
Electric District	4,865,000	4,897,000	4,918,000	4,918,000	4,928,000
Heritage Corridor	266,000	270,000	273,000	273,000	273,000
Milwaukee District	8,985,000	9,071,000	9,116,000	9,116,000	9,129,000
North Central Service	1,311,000	1,326,000	1,338,000	1,338,000	1,338,000
SouthWest Service	1,773,000	1,815,000	1,840,000	1,840,000	1,842,000
Rock Island District	4,693,000	4,736,000	4,762,000	4,762,000	4,767,000
System Total**	43,102,000	43,490,000	43,748,000	43,748,000	43,805,000
Year-to-Year Change		0.9%	0.6%	0.0%	0.1%

* Passenger trips and passenger miles based on January-August actuals. Revenue car miles based on January-June actuals.

** South Shore (NICTD) is not included.

1 Based on Ticket Sales and Free Trips.

2 Based on Ticket Sales but does not include Free Trips.

Note: Columns may not add exactly to System Totals due to rounding.

Metra Commuter Rail Stations by Fare Zone

* CUS = Chicago Union Station, # OTC = Ogilvie Transportation Center

ZONE (mile post)	BNSF	ELECTRIC MAIN LINE	ELECTRIC BLUE ISLAND	ELECTRIC S. CHICAGO	HERITAGE	MILWAUKEE NORTH	MILWAUKEE WEST		
A (0.0-5.0)	CUS*	0.0 Millennium	0.0			CUS*	0.0 CUS*	0.0 CUS*	0.0
	Halsted St	1.8 Van Buren	0.8				Western Ave	2.9 Western Ave	2.9
	Western Ave	3.8 Museum Campus/ 11th St	1.4						
		18th St	2.2						
		McCormick Place	2.7						
		27th St	3.2						
B (5.1-10.0)	Cicero	7.0 47th St	5.9		Stony Island 9.1	Healy	6.4 Grand/Cicero	6.5	
	LaVergne	9.1 53rd St	6.5		Bryn Mawr 9.7	Grayland	8.2 Hanson Park	7.7	
	Berwyn	9.6 56th St	7.0		South Shore 10.3	Mayfair	9.0 Galewood	8.6	
	Harlem Ave	10.1 59th St	7.4		Windsor Park 10.9		Mars	9.1	
		63rd St	7.9		79th St 11.5		Mont Clare	9.5	
		75th St	9.3		83rd St 12.0				
C (10.1-15.0)	Riverside	11.1 83rd St	10.4			Summit 11.9	Forest Glen 10.2	Elmwood Park 10.2	
	Hollywood	11.8 87th St	10.9				Edgebrook 11.6	River Grove 11.4	
	Brookfield	12.3 91st St	11.4				Morton Grove 14.3	Franklin Park 13.2	
	Congress Park	13.1 95th St	12.0					Mannheim 14.0	
	LaGrange Rd	13.8 103rd St	13.0						
	Stone Ave	14.2 107th St	13.5						
D (15.1-20.0)	Western Springs	15.5 Riverdale	17.3	State St 15.6		Willow Springs 17.5	Golf 16.2	Bensenville 17.2	
	Highlands	16.4 Ivanhoe	18.2	Stewart Ridge 16.0			Glenview 17.4	Wood Dale 19.1	
	Hinsdale	16.9 147th St	19.0	W. Pullman 16.7			Glen/N.Glenview 18.8		
	W. Hinsdale	17.8 Harvey	20.0	Racine Ave 17.0					
	Clarendon Hills	18.3		Ashland Ave 17.9					
	Westmont	19.5		Burr Oak 18.4 Blue Island 18.9					
E (20.1-25.0)	Fairview Ave	20.4 Hazel Crest	22.3			Lemont 25.3	Northbrook 21.1	Itasca 21.1	
	Main St	21.2 Calumet	22.8				Lake Cook Road 23.0	Medinah 23.0	
	Belmont	22.6 Homewood	23.5				Deerfield 24.2	Roselle 23.9	
	Lisle	24.5 Flossmoor	24.9						
F (25.1-30.0)	Naperville	28.5 Olympia Fields	26.6				Lake Forest 28.4	Schaumburg 26.5	
		211th St	27.6					Hanover Park 28.4	
		Matteson	28.2					Bartlett 30.1	
G (30.1-35.0)	Route 59	31.6 University Park	31.5			Lockport 32.9			
H (35.1-40.0)	Aurora	37.5				Joliet 37.2	Libertyville 35.5	National St 36.0	
							Prairie Crossing/ Libertyville 39.2	Elgin 36.6 Big Timber 39.8	
I (40.1-45.0)							Grayslake 41.0		
							Round Lake 44.0		
J (45.1-50.0)							Long Lake 46.0		
							Ingleside 47.8		
							Fox Lake 49.5		
K (50.1-55.0)									
M (60.1-65.0)									

NORTH CENTRAL SERVICE		ROCK ISLAND MAIN		ROCK ISLAND BRANCH		SOUTHWEST SERVICE		UNION PACIFIC NORTH		UNION PACIFIC NORTHWEST		UNION PACIFIC WEST	
CUS*	0.0	LaSalle	0.0			CUS*	0.0	OTC#	0.0	OTC#	0.0	OTC#	0.0
Western Ave	2.9	35th St./"Lou" Jones	3.1					Clybourn	2.9	Clybourn	2.9	Kedzie	3.6
		Gresham	9.8					Ravenswood	6.5	Irving Park	7.0	Oak Park	8.5
								Rogers Park	9.4	Jefferson Park	9.1	River Forest	9.7
										Gladstone Park	10.1		
River Grove	11.4	95th St	10.9	Brainerd	10.6	Wrightwood	11.2	Main St	11.0	Norwood Park	11.4	Maywood	10.5
Belmont Ave	13.0	Washington Hts	12.0	91st St	11.3	Ashburn	12.6	Davis St	12.0	Edison Park	12.6	Melrose Park	11.3
Schiller Park	14.8			95th St	11.7			Central St	13.3	Park Ridge	13.5	Bellwood	12.6
				99th St	12.3			Wilmette	14.4	Dee Road	15.0	Berkeley	14.3
				103rd St	12.8								
				107th St	13.3								
				111th St	13.8								
				115th St	14.3								
				119th St	14.8								
Rosemont	15.6	Vermont St	15.7	123rd St	15.2	Oak Lawn	15.2	Kenilworth	15.2	Des Plaines	17.1	Elmhurst	15.7
O'Hare Transfer	17.1	Robbins	17.2	Prairie St	15.8	Chicago Ridge	16.8	Indian Hill	15.8	Cumberland	18.6	Villa Park	17.8
		Midlothian	18.4	Vermont St	16.5	Worth	18.2	Winnetka	16.6	Mt Prospect	20.0	Lombard	19.9
						Palos Heights	18.7	Hubbard Woods	17.7				
								Glencoe	19.2				
Prospect Heights	24.0	Oak Forest	20.4			Palos Park	20.3	Braeside	20.5	Arlington Heights	22.8	Glen Ellyn	22.4
		Tinley Park	23.5			143rd St	23.6	Ravinia	21.5	Arlington Park	24.4	College Ave	23.8
		80th Ave	25.1			153rd St	25.2	Highland Park	23.0			Wheaton	25.0
								Highwood	24.5				
Wheeling	27.2	Hickory Creek	27.5			179th St	28.9	Fort Sheridan	25.7	Palatine	26.8	Winfield	27.5
Buffalo Grove	29.5	Mokena	29.6					Lake Forest	28.3			West Chicago	29.8
Prairie View	31.6	New Lenox	34.0					Lake Bluff	30.2	Barrington	31.9		
Vernon Hills	33.0							Great Lakes	32.2				
								North Chicago	33.7				
Mundelein	36.9	Joliet	40.2			Laraway Road	35.8	Waukegan	35.9	Fox River Grove	37.3	Geneva	35.5
Prairie Crossing/ Libertyville	40.7									Cary	38.6		
Washington St	43.9					Manhattan	40.8	Zion	42.1	Pingree Road	41.7	La Fox	40.9
								Winthrop Harbor	44.5	Crystal Lake	43.2	Elburn	43.6
Round Lake Beach	45.9												
Lake Villa	48.2												
Antioch	52.8							Kenosha	51.5	McHenry	50.6		
										Woodstock	51.6		
										Harvard	63.1		

Ridership-Related Statistics - July 2012 - June 2013

		Passenger Loads (conductor counts)								Annual Passenger Trips *	Annual Passenger Miles **	Annual Passenger Revenue	Avg Rev Per Psngr Trip	Avg Trip Length (miles)
		Weekday Average					Avg Saturday	Avg Sunday	Avg Week					
Carrier	Line	Peak	Reverse	Midday	Evening	Total								
BNSF Railway		50,000	4,400	7,000	4,800	66,200	14,100	8,800	353,900	16,325,900	383,000,000	\$ 62,614,000	\$ 3.84	23.5
Union Pacific	North	21,600	5,300	4,600	3,100	34,600	10,800	6,600	190,400	9,115,400	156,935,400	31,499,600	3.46	17.2
	Northwest	28,800	2,700	4,700	3,000	39,100	11,500	7,000	214,000	11,021,600	277,850,400	43,586,700	3.95	25.2
	West	21,700	1,500	3,300	2,000	28,600	7,300	5,600	155,900	8,079,600	179,193,900	30,468,600	3.77	22.2
	Total	72,100	9,500	12,600	8,100	102,300	29,600	19,200	560,300	28,216,600	613,979,700	\$ 105,554,900	\$ 3.74	21.8
Electric District	Main Line	20,300	800	3,600	1,600	26,300	6,000	3,300	140,800	8,338,400	168,320,600	\$ 29,344,200	\$ 3.52	20.2
	Blue Island	1,700	200	300	100	2,300	700	0	12,200	288,900	4,741,800	910,500	3.15	16.4
	S. Chicago	3,200	600	1,000	300	5,200	1,900	800	28,700	886,800	10,276,500	1,963,600	2.21	11.6
	Total	25,200	1,600	4,900	2,000	33,800	8,600	4,100	181,700	9,514,100	183,338,900	\$ 32,218,300	\$ 3.39	19.3
Heritage Corridor		2,500	0	0	0	2,500	0	0	12,500	685,400	19,148,900	\$ 2,755,400	\$ 4.02	27.9
Milwaukee District	North	14,800	3,100	2,600	1,600	22,200	5,300	3,600	119,900	6,901,100	159,051,100	26,779,300	3.88	23.0
	West	17,700	1,300	2,500	1,300	22,800	5,500	3,600	123,100	6,821,500	165,483,300	26,372,100	3.87	24.3
	Total	32,500	4,400	5,100	2,900	45,000	10,800	7,200	243,000	13,722,600	324,534,400	\$ 53,151,400	\$ 3.87	23.6
North Central Service		4,600	300	500	200	5,600	0	0	28,000	1,662,600	52,586,800	\$ 7,475,000	\$ 4.50	31.6
SouthWest Service		8,200	100	800	400	9,600	400	0	48,400	2,631,600	48,608,100	8,979,200	3.41	18.5
Rock Island District		25,100	600	3,200	1,100	29,900	3,900	2,600	156,000	8,366,200	178,395,700	30,572,600	3.65	21.3
System Totals***		220,200	21,000	34,100	19,500	294,800	67,500	41,800	1,583,800	81,125,000	1,803,592,600	\$ 303,320,900	\$ 3.74	22.2

Note: Columns may not add exactly to system totals due to rounding.

* Includes free trips

** Does not include free trips

*** South Shore (NICTD) is not included

Ticket Sales by Ticket Type: July 2012 - June 2013

Carrier	Line	Between Chicago, IL (Cook County) and...	Monthly	Ten-Ride	Regular One-Way	Conductor One-Way	Weekend & Special Event	Link-Up	PlusBus
BNSF Railway		Aurora, IL (Kane County)	252,900	333,900	998,500	463,000	243,600	15,800	11,600
Union Pacific	North	Kenosha, WI (Kenosha County)	103,900	257,900	573,000	891,500	203,200		
	Northwest	Harvard, IL (McHenry County)	152,400	226,900	815,600	628,600	276,600		
	West	Elburn, IL (Kane County)	111,100	173,300	627,700	427,300	186,800		
	Total		367,500	658,000	2,016,400	1,947,400	666,700	16,400	2,900
Electric District	Main Line	University Park, IL (Will County)	118,400	151,500	1,134,600	218,500	99,100		
	Blue Island	Blue Island, IL (Cook County)	3,500	4,600	31,700	34,800	2,700		
	So Chicago	Chicago, IL (Cook County)	8,800	23,100	148,000	67,700	2,600		
	Total		130,700	179,200	1,314,400	321,100	104,300	11,300	600
Heritage Corridor		Joliet, IL (Will County)	12,900	10,600	\$11,700	13,100	200	600	25
Milwaukee District	North	Fox Lake, IL (Lake County)	90,100	165,000	471,700	450,400	171,300		
	West	Elgin, IL (Kane County)	97,100	114,200	538,100	468,100	158,700		
	Total		187,200	279,200	1,009,800	918,500	330,100	9,400	1,100
North Central Service		Antioch, IL (Lake County)	26,000	33,800	63,600	145,700	300	1,200	200
SouthWest Service		Manhattan, IL (Will County)	44,400	43,500	88,600	97,200	5,100	2,500	50
Rock Island District		Joliet, IL (Will County)	133,500	149,200	556,800	348,800	100,300	7,700	400
System Totals*			1,155,100	1,687,300	6,059,700	4,254,700	1,450,600	65,000	16,900

* South Shore (NICTD) is not included.

Note: Columns may not add exactly to System Totals due to rounding.

Exhibit 23
2014
Adult Fares

Weekend: \$7.00
 On-Board Surcharge: \$3.00

Zone	Ticket	A	B	C	D	E	F	G	H	I	J	K	M
A	Monthly	\$78.25											
	Ten-Ride	27.50											
	One-Way	2.75											
B	Monthly	85.50	\$78.25										
	Ten-Ride	30.00	27.50										
	One-Way	3.00	2.75										
C	Monthly	121.00	85.50	\$78.25									
	Ten-Ride	42.50	30.00	27.50									
	One-Way	4.25	3.00	2.75									
D	Monthly	135.25	121.00	85.50	\$78.25								
	Ten-Ride	47.50	42.50	30.00	27.50								
	One-Way	4.75	4.25	3.00	2.75								
E	Monthly	149.50	135.25	121.00	85.50	\$78.25							
	Ten-Ride	52.50	47.50	42.50	30.00	27.50							
	One-Way	5.25	4.75	4.25	3.00	2.75							
F	Monthly	163.75	149.50	135.25	121.00	85.50	\$78.25						
	Ten-Ride	57.50	52.50	47.50	42.50	30.00	27.50						
	One-Way	5.75	5.25	4.75	4.25	3.00	2.75						
G	Monthly	178.00	163.75	149.50	135.25	121.00	85.50	\$78.25					
	Ten-Ride	62.50	57.50	52.50	47.50	42.50	30.00	27.50					
	One-Way	6.25	5.75	5.25	4.75	4.25	3.00	2.75					
H	Monthly	192.25	178.00	163.75	149.50	135.25	121.00	85.50	\$78.25				
	Ten-Ride	67.50	62.50	57.50	52.50	47.50	42.50	30.00	27.50				
	One-Way	6.75	6.25	5.75	5.25	4.75	4.25	3.00	2.75				
I	Monthly	206.50	192.25	178.00	163.75	149.50	135.25	121.00	85.50	\$78.25			
	Ten-Ride	72.50	67.50	62.50	57.50	52.50	47.50	42.50	30.00	27.50			
	One-Way	7.25	6.75	6.25	5.75	5.25	4.75	4.25	3.00	2.75			
J	Monthly	220.75	206.50	192.25	178.00	163.75	149.50	135.25	121.00	85.50	\$78.25		
	Ten-Ride	77.50	72.50	67.50	62.50	57.50	52.50	47.50	42.50	30.00	27.50		
	One-Way	7.75	7.25	6.75	6.25	5.75	5.25	4.75	4.25	3.00	2.75		
K	Monthly	235.00	220.75	206.50	192.25	178.00	163.75	149.50	135.25	121.00	85.50	\$78.25	
	Ten-Ride	82.50	77.50	72.50	67.50	62.50	57.50	52.50	47.50	42.50	30.00	27.50	
	One-Way	8.25	7.75	7.25	6.75	6.25	5.75	5.25	4.75	4.25	3.00	2.75	
M	Monthly	263.50	249.25	235.00	220.75	206.50	192.25	178.00	163.75	149.50	135.25	121.00	\$78.25
	Ten-Ride	92.50	87.50	82.50	77.50	72.50	67.50	62.50	57.50	52.50	47.50	42.50	27.50
	One-Way	\$9.25	\$8.75	\$8.25	\$7.75	\$7.25	\$6.75	\$6.25	\$5.75	\$5.25	\$4.75	\$4.25	\$2.75

Exhibit 24
2014
Special User
Fares

Zone	Ticket	A	B	C	D	E	F	G	H	I	J	K	M
A	Monthly	\$43.75											
	Ten-Ride	12.50											
	One-Way	1.25											
B	Monthly	52.50	\$43.75										
	Ten-Ride	15.00	12.50										
	One-Way	1.50	1.25										
C	Monthly	70.00	52.50	\$43.75									
	Ten-Ride	20.00	15.00	12.50									
	One-Way	2.00	1.50	1.25									
D	Monthly	78.75	70.00	52.50	\$43.75								
	Ten-Ride	22.50	20.00	15.00	12.50								
	One-Way	2.25	2.00	1.50	1.25								
E	Monthly	87.50	78.75	70.00	52.50	\$43.75							
	Ten-Ride	25.00	22.50	20.00	15.00	12.50							
	One-Way	2.50	2.25	2.00	1.50	1.25							
F	Monthly	96.25	87.50	78.75	70.00	52.50	\$43.75						
	Ten-Ride	27.50	25.00	22.50	20.00	15.00	12.50						
	One-Way	2.75	2.50	2.25	2.00	1.50	1.25						
G	Monthly	105.00	96.25	87.50	78.75	70.00	52.50	\$43.75					
	Ten-Ride	30.00	27.50	25.00	22.50	20.00	15.00	12.50					
	One-Way	3.00	2.75	2.50	2.25	2.00	1.50	1.25					
H	Monthly	113.75	105.00	96.25	87.50	78.75	70.00	52.50	\$43.75				
	Ten-Ride	32.50	30.00	27.50	25.00	22.50	20.00	15.00	12.50				
	One-Way	3.25	3.00	2.75	2.50	2.25	2.00	1.50	1.25				
I	Monthly	122.50	113.75	105.00	96.25	87.50	78.75	70.00	52.50	\$43.75			
	Ten-Ride	35.00	32.50	30.00	27.50	25.00	22.50	20.00	15.00	12.50			
	One-Way	3.50	3.25	3.00	2.75	2.50	2.25	2.00	1.50	1.25			
J	Monthly	131.25	122.50	113.75	105.00	96.25	87.50	78.75	70.00	52.50	\$43.75		
	Ten-Ride	37.50	35.00	32.50	30.00	27.50	25.00	22.50	20.00	15.00	12.50		
	One-Way	3.75	3.50	3.25	3.00	2.75	2.50	2.25	2.00	1.50	1.25		
K	Monthly	140.00	131.25	122.50	113.75	105.00	96.25	87.50	78.75	70.00	52.50	\$43.75	
	Ten-Ride	40.00	37.50	35.00	32.50	30.00	27.50	25.00	22.50	20.00	15.00	12.50	
	One-Way	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.25	2.00	1.50	1.25	
M	Monthly	157.50	148.75	140.00	131.25	122.50	113.75	105.00	96.25	87.50	78.75	70.00	\$43.75
	Ten-Ride	45.00	42.50	40.00	37.50	35.00	32.50	30.00	27.50	25.00	22.50	20.00	12.50
	One-Way	\$4.50	\$4.25	\$4.00	\$3.75	\$3.50	\$3.25	\$3.00	\$2.75	\$2.50	\$2.25	\$2.00	\$1.25

Commuter Rail Board Ordinance No. MET 13-33

2014 BUDGET ORDINANCE

This proposed budget and financial plan is submitted to comply with Section 4.11 of the RTA Act. The following 2014 Operating and Capital Program and Budget, 2015-2016 Financial Plan, and 2014-2018 Capital Program are based upon the funding estimates provided by the Regional Transportation Authority.

WHEREAS, the Commuter Rail Board has held at least one public hearing in each of the counties in the metropolitan region in which the Division provides service, and

WHEREAS, the Commuter Rail Board has held at least one meeting for consideration of the program and budget with the county board of each of the several counties in the metropolitan region, and

WHEREAS, the 2014 Operating and Capital Program and Budget, the 2015-2016 Financial Plan and the 2014-2018 Capital Program are based upon the RTA estimate of funds to be made available to the Commuter Rail Board and conforms in all respects to the program and budget requirements of the RTA Act,

NOW, THEREFORE, BE IT ORDAINED THAT:

1. The Board of Directors of the Commuter Rail Division of the Regional Transportation Authority ("Commuter Rail Division") hereby approves the 2014 Operating and Capital Program and Budget, the 2015-2016 Financial Plan, and the 2014-2018 Capital Program, copies of which are attached hereto and made a part hereof, and further authorizes their transmittal to the Board of Directors of the Regional Transportation Authority ("Authority") in full compliance with Section 4.11 of the RTA Act.
2. The Interim Executive Director of the Commuter Rail Division is hereby authorized and directed to take such action, as he deems necessary or appropriate to implement, administer, and enforce this Ordinance.
3. This Budget Ordinance shall constitute the annual program of the Commuter Rail Division for services to be provided, operations to be continued or begun, and capital projects to be continued or begun during the fiscal year beginning January 1, 2014 and ending December 31, 2014. Authorization is hereby given that the programs and projects herein named may be implemented, or actions toward their implementation taken, during said fiscal year.
4. Sections 5 through 7 of this Ordinance shall constitute the Budget for operations of the services ("Operations") provided by the Commuter Rail Division other than for technical studies and capital projects as provided in Sections 8 through 10 of this Ordinance for the fiscal year beginning January 1, 2014 and ending December 31, 2014. Sections 8 through 10 of this Ordinance shall constitute the capital budget for project expenditures incurred during the fiscal year beginning January 1, 2014 and ending December 31, 2014. Funds expected to be available from all sources during 2014 which are not identified herein for use in the operating or capital budget are to be used for potential funding shortfalls and working cash.

5. The estimated Commuter Rail Division Operating Funds expected to be available from all sources during 2014 are (in 000's):

Total Operating Revenues (excluding Capital Farebox Revenues)	\$ 360,189
Metra 2014 Sales Tax 1	269,234
Metra 2014 Sales Tax 2 & PTF 2 (New Transit Funding)	95,271
Reduced Fare Reimbursement Replacement	906
Transportation Security Grant	3,000
Total Sources of Operating Funds	\$ 728,600

6. The following named sums, or so much as may be necessary, are hereby appropriated for the specified use (in 000's):

Operating Commuter Rail Services and Support	\$ 728,600
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7. The following are estimates of the revenues and expenses for the Commuter Railroads (in 000's):

Operating Revenues	\$ 360,189
Operating Expenses	728,600
Total Funded Deficit	\$ 368,411

8. The following named sum, or so much thereof as may be necessary, respectively, for technical studies and capital projects which remain unexpended as of December 31, 2013, is hereby reappropriated to meet all obligations of the Commuter Rail Division incurred during the fiscal year beginning January 1, 2014 and ending December 31, 2014 (in 000's):

Total	\$790,979
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Note: Includes a portion of \$585.1 million in State of Illinois bond funds.

9. The estimated Commuter Rail Division Capital Funds expected to be available from all sources to finance the 2014 Capital Program are (in 000's):

Federal Transit Administration	\$153,297
Federal Department of Homeland Security	5,000
RTA Capital Funds	2,000
RTA State of Good Repair Bonds	45,000
Metra 2014 Capital Farebox	4,000
State of Illinois Bond Funds	371,400
Total Sources of 2014 Capital Funds	\$580,697

10. The following named sum, or so much thereof as may be necessary, respectively, for technical studies and capital projects, are hereby appropriated to meet all obligations of the Commuter Rail Division incurred during the fiscal year beginning January 1, 2014 and ending December 31, 2014 (in 000's):

Rolling Stock	\$185,310
Track & Structure	128,457
Signal, Electrical & Communications	171,670
Support Facilities & Equipment	26,850
Stations & Parking	53,210
Support Activities	15,200
Total Uses of 2014 Capital Funds	\$580,697

Public Notice

PUBLIC NOTICE IS HEREBY GIVEN that the Commuter Rail Division of the Regional Transportation Authority (Metra) will hold public hearings on Metra's proposed Operating and Capital Program and Budget for the Fiscal Year 2014 (January 1, 2014 to December 31, 2014).

Any person wishing to comment on Metra's Proposed 2014 Program and Budget, Two-Year Financial Plan and Five-Year Capital Program, may do so verbally at one of the scheduled public hearings, or in writing at any time, but not later than 24 hours after the conclusion of the hearings on November 7, 2013. Written comments may be submitted online or via U.S. mail. Written comments may be submitted to Metra at the following web and physical addresses:

Metra Headquarters
Attn: Assistant Secretary to the Board of Directors
547 West Jackson Boulevard
Chicago, Illinois 60661
Metrarail_feedback@metrarr.com

Copies of the preliminary Operating and Capital Program and Budget for Fiscal Year 2014 together with the 2014 and 2015 Financial Plan, and Fiscal Years 2014-2018 Capital Program, (collectively, "Budget Documents") will be available for public inspection after October 18, 2013, at the offices of the Metra Board, 547 West Jackson Boulevard, Room 1300, Chicago, Illinois 60661 and in the offices of the Regional Transportation Authority, 175 West Jackson Boulevard, Chicago, Illinois 60604. The documents will be available for view on the www.metrarail.com website on October 18, 2013 and will be available at city and village offices in the six-county northeastern Illinois region seven (7) days prior to the hearings. The Budget Documents are based on the preliminary funding marks set by the RTA and provides alternative strategies that will be employed based upon public comments, the final RTA marks, and funding provided by the Regional Transportation Authority.

Listed on page 76 are the dates, times and locations for the Public Hearings scheduled.

Reasonable Auxiliary aids or services necessary to afford an individual with a disability an equal opportunity to participate will be provided. Persons requiring assistance are requested to notify Metra of their needs well in advance to provide sufficient time to make these accommodations. Request for services should be made to Keith Madsen at 312-322-6788.

Exhibit 25

**FY2014 Metra
Program and Budget
Public Hearing Schedule**

November 6th 4:00 - 7:00 PM	November 7th 4:00 - 7:00 PM
Lake County Grayslake Village Hall Village Council Chambers 10 South Seymour Grayslake, Illinois	McHenry County Woodstock Village Hall Village Council Chambers 121 W. Calhoun Street Woodstock, Illinois
North Suburban Cook County Arlington Heights Village Hall Village Board Room 33 South Arlington Heights Road Arlington Heights, Illinois	City of Chicago Metra Board Room 547 W. Jackson Blvd. Chicago, Illinois
South Suburban Cook County Homewood Village Hall Village Board Room 2020 Chestnut Road Homewood, Illinois	Will County Joliet City Hall Conference Room #1 150 West Jefferson Street Joliet, Illinois
DuPage County Village of Downers Grove Village Board Room 801 Burlington Avenue Downers Grove, Illinois	Kane County City of Geneva City Council Chambers 22 South First Street Geneva, Illinois

Exhibit 26

**FY2014 Metra
Program and Budget
County Board Presentations**

Date	Time	Location
Wednesday, November 13, 2013	10:45AM	Cook County Board of Commissioners County Building 118 N. Clark Street - 5th Floor Chicago, Illinois
Tuesday, November 5, 2013	9:00AM	McHenry County Board County Board Room 667 Ware Road Woodstock, Illinois
Friday, November 8, 2013	8:30AM	Lake County Board Central Permit Facility 500 W. Winchester Road – Second Floor Libertyville, Illinois
Tuesday, November 12, 2013	9:45AM	Kane County Board Kane County Government Center County Board Room 719 Batavia Avenue, Building A Geneva, Illinois
Thursday, November 21, 2013	9:30AM	Will County Board Will County Board Office 302 N. Chicago Street Joliet, Illinois
Tuesday, November 26, 2013	10:00AM	DuPage County Board DuPage County Administration Building County Board Room 421 N. County Farm Road Wheaton, Illinois

Citizens Advisory Board

Patricia Mahon - Chairman

Appointed by Director Don De Graff
representing Suburban Cook County

Thomas Brabec

Appointed by the Chicago South Suburban
Mass Transit District

Timothy M. Calcagno

Appointed by former Director James Dodge
representing Suburban Cook County

Ray Campbell

Appointed by former Director Paul Darley
representing DuPage County

Larry Falbe

Appointed by Director Norm Carlson
representing Lake County

Sue Klinkhamer

Appointed by former Director
Caryl J. Van Overmeiren
representing Kane County

Gary L. McClung

Appointed by Director Arlene J. Mulder
representing Suburban Cook County

William J. Molony

Appointed by Director Jack E. Partelow
representing Will County

Robert J. Nunamaker

Appointed by Director Jack Schaffer
representing McHenry County

George Pearce, Esq.

Appointed by former Director
William A. Widmer III
representing Suburban Cook County

Pamela Pelizzari

Appointed by the Chicago West Suburban
Mass Transit District

Metra's Notice of Title VI Protection

Protecting your Rights

Metra is committed to ensuring that no one is denied participation in, or denied the benefits of, or is otherwise discriminated against in the provision of public transportation by commuter rail because of race, color, or national origin, in accordance with Title VI of the Civil Rights Act of 1964, and pursuant to 49 CFR 21.9 (d).

Metra fully complies with Title VI of the Civil Rights Act of 1964 and related statutes, executive orders, and regulations in all programs and activities.

For additional information please contact:

Metra's Office of Business Diversity & Civil Rights

Attn: Title VI
547 W. Jackson Blvd., 5 West
Chicago, IL 60661
metradbe@metrarr.com
312.322.8093 (Fax)
or
Visit our website at www.metrarail.com



Metra would like to thank Mark Llanuza for providing many of the photographs used within this document.



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