Metra
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Metra
Preliminary 2013 Program and Budget

Annual Budget, Two-Year Financial Plan and Five-Year Capital Program

October 2012

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Metra's Preliminary 2013 Budget and 2014-2015 Financial Plan

For Fiscal Years 2013 through 2015, Metra presents for your information the following financial information. The Preliminary 2013 Budget is a balanced projection of revenues and expenses in accordance with the guidelines contained in the RTA Act. The Preliminary 2013 Budget has a revenue recovery ratio of 54.0% which is higher than the RTA provided revenue recovery ratio target of 53.0%. While there is a match between anticipated revenues and expenses for the budget year, the projection is not without considerable risks related to the levels of funding available for Metra Capital and cash needs.

Metra anticipates 2013 operating expenditures of $713.5 million. The 2013 Budget operating expenditures fund a level of passenger rail service and maintenance consistent with the levels contained in the 2012 Budget (ie. No service or maintenance reductions or increases). This level of expenditure is a modest increase (3.9%) over the budgeted $686.8 million of operating expenditures in 2012 and allows Metra to keep up with cost increases.

Labor and Benefits, which make up approximately 64% of Metra operating expense, are projected to increase by 3.2% from 2012. A majority of the increase is due to the Purchase of Service of Service Contract Carriers, which have signed labor agreements that are scheduled to pay about 3.7% in wage increases in 2013. Diesel Fuel, which makes up approximately 11% of Metra operating expense, is projected to increase by 3.2% from 2012. Metra is budgeting $3.22 per gallon for 2013 versus $3.12 for 2012. Due to high prices and volatility in the energy market, Metra has been unable to secure an agreement for any of 2013 diesel fuel supplies. This remains a risk for the 2013 budget year. The balance of operating costs, Materials and Other Costs, represent approximately 25% of Metra total budget spending and is projected to increase by 2.6% from 2012.

Funding and revenues necessary to support Metra operations are estimated at $713.5 million. This includes an estimated $310.2 million from the maintenance of existing fare structures and policies. It also includes $4.5 million in assumed operating assistance from RTA Discretionary funds.

Metra annually puts aside some operating funds to support capital investments; these funds are referred to as "Farebox Capital Program" funds. In the coming year, Metra faces several challenges in the Capital area.

There is uncertainty as of this date on:

- The amount of RTA Capital funding which will be made available;
- The amount of Federal Formula funding which will be made available;
- The amount of available grant monies which would have to be funded with a "match" from the Farebox Capital Program;
- The amount of State Bond Program Funding which will be made available and;
- The amount of expenditures which would be needed to fund the Positive Train Control (PTC) initiative.

As such, the amount of Farebox Capital Program funding required for 2013 is uncertain. Estimates on the required amount of Farebox Capital Program funding range from $0.7 million to $29.1 million.

Each $3 million required represents approximately a 1% increase in total farebox revenue collections.

There are three ways in which farebox revenues could be changed:

- An "across the board" percentage change in ticket prices;
- A change to fare policy involving increasing or reducing the discount on a 10 ride ticket (presently priced at 9 rides per 10 ride ticket) and;
- A change to fare policy involving increasing or reducing the discount on a monthly ticket (presently priced at 28.5 rides per monthly ticket).

Depending on the final amount of Farebox Capital Program funding the agency deems necessary, the above actions may be considered, singly or in combination, to raise the necessary amount of funds. If projected RTA discretionary funding does not occur, the Metra Board would consider some combination of making this difference up with spending cuts or funding this shortfall through the above three options, singly or in combination.

The following tables are presented for your convenience

(1) A table showing total revenues raised by revenue increases of 1% through 10%, 33%, 50%
(2) A table showing the % and $ revenue change ($4.1 million per step) from changing the 10 ride to 8 rides, 8.5 rides, 9.0 rides (no change) 9.5 rides and to 10 rides
(3) A table showing the % and $ revenue change ($2 million per step) from changing the monthly to 26.5 rides, 27, 27.5, 28, 28.5 (no change), by 0.5 up to 31.5
(4) A table showing the effect on fares of a 1% change (by zone) for 1 way, 10 ride, monthly by zone
(5) A table showing the effect on 10 rides of a change of 0.5 fares by zone
(6) A table showing the effect on monthly of a change of 0.5 fares by zone

2014 – 2015 Financial Plan

Also presented in accordance with the requirements of the RTA Act is a 2-year financial plan for the years of 2014 and 2015. The financial plan is balanced between revenues and expenses as required and has modest growth levels in both revenue and expense. The revenue recovery ratio for the 2014 financial plan is 55.7% and the ratio for 2015 is 56.2%. The ratios in the Metra plans are higher than the RTA provided target revenue recovery ratio which was 53.0% for each of the years. Projected expenses for 2014 are 3.7% higher than the preliminary 2013 budget. Projected expenses for 2015 are 4.1% higher than the 2014 plan. The available funding amounts represent estimates provided by RTA for these plan years. In order to have the revenues and expenses balance as per the requirements of the RTA Act, there includes a line titled "Required Additional Revenue". For 2014, the Required Additional Revenue is $20.5 million which represents a 6.5 % fare increase. For 2015, the Required Additional Revenue is $18.8 million which represents a 5.6% fare increase. Metra is not currently proposing or advocating fare increases for these plan years. Final plan year proposals for fare adjustments (if any) will be made after a thorough review of expenses and potential efficiencies.

2012 Estimated Results Vs. Budget

($ in millions)

REVENUES:	2012 Estimate	2012 Budget	Growth Amt.	%
Passenger Revenue	305.9	297.6	8.3	2.7%
Reduced Fare Subsidy	3.1	3.4	(0.3)	-9.7%
Capital Credits, Leases, etc.	51.6	52.6	(1.0)	-1.9%
Total Revenues	360.6	353.6	7.0	1.9%
Operating Expenses				
Transportation	214.3	218.5	4.2	2.0%
Maintenance of Way	123.5	126.2	2.7	2.2%
Maintenance of Equipment	148.1	145.6	(2.5)	-1.7%
Subtotal - Operations	485.9	490.3	4.4	0.9%
Administration and Regional Svcs	75.5	76.2	0.7	0.9%
Diesel Fuel	77.5	78.0	0.5	0.6%
Motive Electricity	8.2	8.4	0.2	2.4%
Claims & Insurance	23.2	19.1	(4.1)	-17.7%
Downtown Stations	14.5	14.8	0.3	2.1%
Total Operating Expenses	684.8	686.8	2.0	0.3%
Total Funded Deficit	324.2	333.2	9.0	2.8%
Metra Sales Taxes	340.4	337.5	2.9	0.9%
Add: Security Grant	1.2	1.2	0.0	0.0%
Less: Farebox Capital Program	(5.0)	(5.0)	0.0	0.0%
Total Funds for Operating	336.6	333.7	2.9	0.9%
Excess / (Shortfall) of Funds	12.4	0.5	11.9	
Recovery Ratio	56.0%	54.7%		
Recovery Ratio Additions	1.6	1.6		
Recovery Ratio Exclusions	37.5	38.0		

2013 Base Budget Assumptions - Service and Revenues

2013 Budget Summary - Assumptions	2012 Budget	Growth	2013 Budget
Service			
Assumption - No Change in Train Service From 2012 Levels			
Ridership			
Assumption - Base Ridership was increased by 1.5% over 2012 levels. While base ridership growth for budgeting purposes is assumed to be 1.5%, the Metra Marketing Department has been given the goal for 2013 of increasing ridership by 2.0% year over year.			
Revenues			
Passenger Revenue	297.6		310.2
Assumption - One Month of 2012 Fare Increase		5.0	
Assumption - Growth of 1.5%		4.5	
Assumption - Base Growth for 2012 carried Forward		3.1	
Other Revenue	52.6		49.3
Assumption - Major Projects for Other RR's Reduced		-2.0	
Assumption - Lower Capital Credits		-1.5	
Assumption - New Initiatives from Non-Fare Programs		0.2	
Half Fare Subsidy	3.4		3.1
Assumption - New Information from RTA		-0.3	

2013 Base Budget Assumptions - Expenses

Expenses

Labor	Overall	+ 3.30%
	NIRCRC Management	+ 2.00%
	Class & Compensation	Program Cost is Consistent in the 2012 Budget ($2.9 Million) and the 2013 Budget ($2.9 Million)
	PSA Contract	+ 3.65%
	PSA Management	+ 4.00%
Payroll Tax	Overall	+ 3.20%
Health Ins		
	NIRCRC & PSA Contract	+ 6.00%
	NIRCRC & PSA Management	+ 4.00%
Diesel Fuel	Overall	+ 3.20%
	Overall - 2012 Budget	3.12 Per Gallon
	Overall - 2013 Budget	3.22 Per Gallon
Materials	Overall	+ 2.80%
Other Costs	Overall	+ 2.60%

Snow Expenses
Assumption - 2012 Actual Experience lower - Amount restored to 2012 Budget Level for 2013 Budget

Federal Mandates and Regulations
Assumption - The 2013 Budget assumes Capital Workers for PTC in Mechanical & Engineering (Operating Budget covers Benefits & Paid Time Off Days)

Assumption - The 2013 Budget has funds for an Availability Study for the Metra DBE Program

Assumption - The 2013 Budget has funds for the continued expansion of the FRA Hours of Service Provision that were first introduced in the 2012 Budget

Operating Expenses

2012 Budget Vs. 2013 Baseline Budget - (Note 1)

$ in Millions	2012 Budget	2013 Baseline Budget	Increase (Decrease)	Change
Transportation	218.5	219.5	1.0	0.5%
Maintenance of Way	126.2	134.4	8.2	6.5%
Maintenance of Equipment	145.6	156.3	10.7	7.3%
Unallocated Operations	0.0	5.0	5.0	
Subtotal - Operations & Maintenance	490.3	515.2	24.9	5.1%
Administration & Regional Services	76.2	76.3	0.1	0.1%
Diesel Fuel	78.0	80.5	2.5	3.2%
Motive Electricity	8.4	7.0	(1.4)	-16.7%
Claims and Insurance	19.1	19.2	0.1	0.5%
Downtown Stations	14.8	15.3	0.5	3.4%
Total Operating Expenses	686.8	713.5	26.7	3.9%

(Note 1) - The 2013 Baseline Budget does not include a Fare Increase

Operating Expenses, Funding and Revenues

2012 Budget Vs. 2013 Baseline Budget - (Note 1)

$ in Millions	2012 Budget	2013 Baseline Budget	Increase (Decrease)	Change
Total Operating Expense	686.8	713.5	26.7	3.9%
Funding and Revenues:				
Sales Taxes - Tentative RTA Marks	337.5	350.4	12.9	3.8%
Security Grant	1.2	1.2	0.0	
Base Passenger Revenue	297.6	310.2	12.6	4.2%
Capital Credits, Leases, Etc...	52.6	49.3	(3.3)	-6.3%
Reduced Fare Subsidy	3.4	3.1	(0.3)	-8.8%
Sub-Total Funding and Revenues	692.3	714.2	21.9	3.2%
Farebox Capital Program	(5.0)	(0.7)	4.3	-86.0%
Total Funding and Revenues	687.3	713.5	26.2	3.8%
Excess / (Shortfall) of Funds	0.5	0.0	(0.5)	
Revenue Recovery Ratio	54.7%	54.0%		

(Note 1) - The 2013 Baseline Budget does not include a Fare Increase

Estimated Cash Flow

2012 Budget Vs. 2013 Baseline Budget - (Note 1)

$ in Millions	2012 Budget	2013 Baseline Budget
Beginning Cash Balance	50.1	26.9
Add: Revenues	348.6	361.9
Sales Tax Funding	334.9	350.4
Farebox Capital Program Revenues	5.0	0.7
Capital Funding (FTA/RTA/IDOT)	315.9	198.8
Subtotal - Cash Receipts	1,004.4	911.8
Less: Operating Expenses	(686.8)	(713.5)
Capital Expenditures (FTA/RTA/IDOT)	(318.4)	(197.6)
Capital Expenditures (METRA)	(17.4)	(13.7)
Farebox Capital Program Expense	(5.0)	(0.7)
Subtotal - Cash Expenditures	(1,027.6)	(925.5)
Ending Cash Balance	26.9	13.2

(Note 1) - The 2013 Baseline Budget does not include a Fare Increase

Operating Expenses

2013 Baseline Budget / 2014 & 2015 Financial Plan - (Note 1)

$ in Millions	2013 Baseline Budget	2014 Plan	2015 Plan
Transportation	219.5	228.0	237.4
Maintenance of Way	134.4	139.2	144.5
Maintenance of Equipment	156.3	162.7	170.0
Unallocated Operations	5.0	5.2	5.4
Subtotal - Operations & Maintenance	515.2	535.1	557.3
Administration & Regional Services	76.3	79.3	82.4
Diesel Fuel	80.5	82.5	85.0
Motive Electricity	7.0	7.6	8.7
Claims and Insurance	19.2	19.7	20.4
Downtown Stations	15.3	15.8	16.2
Total Operating Expenses	713.5	740.0	770.0
Change Versus Prior Year		3.7%	4.1%

(Note 1) - The 2013 Baseline Budget does not include a Fare Increase

Operating Expenses, Funding and Revenues

2013 Baseline Budget / 2014 & 2015 Financial Plan - (Note 1)

$ in Millions	2013 Baseline Budget	2014 Plan	2015 Plan
Total Operating Expense	713.5	740.0	770.0
Funding and Revenues:			
Sales Taxes - Tentative RTA Marks	350.4	360.3	371.7
Security Grant	1.2	1.2	0.0
Base Passenger Revenue	310.2	314.9	335.4
Required Additional Revenue	0.0	20.5	18.8
Capital Credits, Leases, Etc...	49.3	50.0	51.0
Reduced Fare Subsidy	3.1	3.1	3.1
Sub-Total Funding and Revenues	714.2	750.0	780.0
Farebox Capital Program	(0.7)	(10.0)	(10.0)
Total Funding and Revenues	713.5	740.0	770.0
Subtotal - Excess / (Shortfall) of Funds	0.0	0.0	0.0
Equivalent Fare Increase Percent		6.5%	5.6%
Revenue Recovery Ratio	54.0%	55.7%	56.2%

(Note 1) - The 2013 Baseline Budget does not include a Fare Increase

2013 Base Budget Risks

2013 Budget - Risks

Available 2013 Budget Funds to cover Identified Risks	$0.0
General	The overall economy worsens in 2013, which would have a negative impact on Metra Sales Tax Receipts and Passenger Revenue - could cause a fare action in 2013 to maintain service levels and cash levels.
Sales Taxes	The RTA does not pass a 2013 Budget by the December 31, 2012 deadline. The state does not pay PTF and a portion of Metra 85% Sales Tax gets diverted to cover RTA Debt Service.
Sales Taxes	The state does not pay the RTA monies owed, resulting in a sales tax intercept to cover RTA Debt Service.
Farebox Capital Program	The base budget assumes only $700,000 for the Farebox Capital Program. This would be an extremely low transfer amount from operating and would not provide sufficient local funds to match various federal grant programs that might come available throughout the year. Additionally, Metra typically needs local funds to pay for certain capital projects that do not qualify for federal dollars.
Passenger Revenue	Ridership loss due to Fare Increase / Fare Action.
Expenses - General	Covering the Cost of new Unfunded Mandates.
Severe Weather	Cold / Heat / Severe Storms could cause an increase in operating expenses.
Health Insurance	Final 2013 premium rates for the National Plans come in higher than anticipated.
Catastrophic Loss	Metra is self-insured for the first $7.5 million of loss from an accident or other incident. Should a major accident or natural disaster occur then Metra is exposed to the loss up to its established loss retention.
Structural Failure	Metra inspects its infrastructure consistent with federal guidelines. Due to wear or some other reason, a structural failure of a bridge or other portion of the infrastructure could cause a breakdown of service with the emergency recovery of the service being above capital or operating fund availability.
Equipment Failure	Metra does not have adequate spare equipment to cover any substantial component failure due to age of the equipment, weather, or some other factor.
Diesel Fuel	The current high diesel fuel prices continue, not allowing Metra to lock in any portion of 2013 diesel fuel supply and exposing Metra to the possibility of high prices during the 2013 Budget year.

Revenue Scenarios

2013 Passenger Revenue with a % Increase - (Note 1)

2013 Base Passenger Revenue		310.2
Percentage Fare Increase Effective February 1, 2013		
1%	2.8	313.0
2%	5.7	315.9
3%	8.5	318.7
4%	11.4	321.6
5%	14.2	324.4
6%	17.1	327.3
7%	19.9	330.1
8%	22.7	332.9
9%	25.6	335.8
10%	28.4	338.6
33%	93.8	404.0
50%	142.2	452.4

(Note 1) On-Board fares will be rounded to quarters. This will change the percentage increase for the One-Way Ticket.

Revenue Scenarios

2013 Passenger Revenue - Change Ten Ride Ticket Pricing

$ in Millions	$ Change	Amount	Revenue Change	Ticket Price Change
2013 Base Passenger Revenue		310.2		
Ticket Price Change Effective February 1, 2013				
8 Rides	(8.2)	302.0	-2.7%	-11.0%
8.5 Rides	(4.1)	306.1	-1.3%	-5.5%
9 Rides	0.0	310.2	0.0%	0.0%
9.5 Rides	4.1	314.3	1.3%	5.5%
10 Rides	8.2	318.4	2.6%	11.0%

Revenue Scenarios

2013 Passenger Revenue - Change Monthly Ticket Ride Discount

$ in Millions	$ Change	Amount	Revenue Change	Ticket Price Change
2013 Base Passenger Revenue		310.2		
Ticket Price Change Effective February 1, 2013				
26.5 Rides	(9.2)	301.0	-3.1%	-6.9%
27.0 Rides	(6.9)	303.3	-2.3%	-5.2%
27.5 Rides	(4.6)	305.6	-1.5%	-3.4%
28.0 Rides	(2.3)	307.9	-0.7%	-1.7%
28.5 Rides	0.0	310.2	0.0%	0.0%
29.0 Rides	2.3	312.5	0.7%	1.8%
29.5 Rides	4.6	314.8	1.5%	3.6%
30.0 Rides	6.9	317.1	2.2%	5.3%
30.5 Rides	9.2	319.4	2.9%	7.1%
31.0 Rides	11.5	321.7	3.6%	8.8%
31.5 Rides	13.8	324.0	4.3%	10.6%

Revenue Scenarios

Example of 2013 Fare Tables – One Percent Fare Change By Zone - (Note 1)
These are estimated Fare Tables subject to rounding and minor adjustments

	2012 One Way	+1% One Way	2012 10 Ride	+1% 10 Ride	2012 Monthly	+1% Monthly
Zone A - A	2.75	2.75	24.75	25.00	78.25	79.05
Zone A - B	3.00	3.00	27.00	27.25	85.50	86.35
Zone A - C	4.25	4.30	38.25	38.65	121.00	122.20
Zone A - D	4.75	4.80	42.75	43.20	135.25	136.60
Zone A - E	5.25	5.30	47.25	47.70	149.50	151.00
Zone A - F	5.75	5.80	51.75	52.25	163.75	165.40
Zone A - G	6.25	6.30	56.25	56.80	178.00	179.80
Zone A - H	6.75	6.80	60.75	61.35	192.25	194.20
Zone A - I	7.25	7.30	65.25	65.90	206.50	208.60
Zone A - J	7.75	7.85	69.75	70.45	220.75	223.00
Zone A - K	8.25	8.35	74.25	75.00	235.00	237.35
Zone A - M	9.25	9.35	83.25	84.10	263.50	266.15

(Note 1) On-Board fares will be rounded to quarters. This will change the percentage increase for the One-Way Ticket.

Revenue Scenarios

Example of 2013 Fare Tables – Impact of Ride Factor on Ten Ride Ticket Pricing
These are estimated Fare Tables subject to rounding and minor adjustments

	10 Rides For 10 Ride Pricing	10 Rides For 9.5 Ride Pricing	10 Rides For 9.0 Ride Pricing (A)	10 Rides For 8.5 Ride Pricing	10 Rides For 8.0 Ride Pricing
Zone A - A	27.50	26.15	24.75	23.40	22.00
Zone A - B	30.00	28.50	27.00	25.50	24.00
Zone A - C	42.50	40.40	38.25	36.15	34.00
Zone A - D	47.50	45.15	42.75	40.40	38.00
Zone A - E	52.50	49.90	47.25	44.65	42.00
Zone A - F	57.50	54.65	51.75	48.90	46.00
Zone A - G	62.50	59.40	56.25	53.15	50.00
Zone A - H	67.50	64.15	60.75	57.40	54.00
Zone A - I	72.50	68.90	65.25	61.65	58.00
Zone A - J	77.50	73.65	69.75	65.90	62.00
Zone A - K	82.50	78.40	74.25	70.15	66.00
Zone A - M	92.50	87.90	83.25	78.65	74.00

(A) - Current (2012) Ticket Pricing

Revenue Scenarios

Example of 2013 Fare Tables – Impact of Ride Factor on Monthly Ticket Pricing
These are estimated Fare Tables subject to rounding and minor adjustments

	Monthly At 29.5 Ride Pricing	Monthly At 29.0 Ride Pricing	Monthly At 28.5 Ride Pricing (A)	Monthly At 28.0 Ride Pricing	Monthly At 27.5 Ride Pricing
Zone A - A	81.00	79.60	78.25	76.90	75.50
Zone A - B	88.50	87.00	85.50	84.00	82.50
Zone A - C	125.25	123.10	121.00	118.90	116.75
Zone A - D	140.00	137.60	135.25	132.90	130.50
Zone A - E	154.75	152.10	149.50	146.90	144.25
Zone A - F	169.50	166.60	163.75	160.90	158.00
Zone A - G	184.25	181.10	178.00	174.90	171.75
Zone A - H	199.00	195.60	192.25	188.90	185.50
Zone A - I	213.75	210.10	206.50	202.90	199.25
Zone A - J	228.50	224.60	220.75	216.90	213.00
Zone A - K	243.25	239.10	235.00	230.90	226.75
Zone A - M	272.75	268.10	263.50	258.90	254.25

(A) - Current (2012) Ticket Pricing

Revenue Scenarios

2012 Budget, 2013 Baseline Budget and 2013 Fare Scenarios - (Note 1)

$ in Millions	2012 Budget	2013 Baseline Budget	2013 Fares +1% Budget	2013 Fares +10% Budget
Beginning Cash Balance	50.1	26.9	26.9	26.9
Add: Revenues	348.6	361.9	361.9	361.9
Sales Tax Funding	334.9	350.4	350.4	350.4
Farebox Capital Program Revenues	5.0	0.7	3.5	29.1
Capital Funding (FTA/RTA/IDOT)	315.9	198.8	198.8	198.8
Subtotal - Cash Receipts	1,004.4	911.8	914.6	940.2
Less: Operating Expenses	(686.8)	(713.5)	(713.5)	(713.5)
Capital Expenditures (FTA/RTA/IDOT)	(318.4)	(197.6)	(197.6)	(197.6)
Capital Expenditures (METRA)	(17.4)	(13.7)	(13.7)	(13.7)
Farebox Capital Program Expenditures	(5.0)	(0.7)	(3.5)	(29.1)
Subtotal - Cash Expenditures	(1,027.6)	(925.5)	(928.3)	(953.9)
Ending Cash Balance	26.9	13.2	13.2	13.2

(Note 1) - The 2013 Baseline Budget does not include a Fare Increase

Metra's Preliminary FY2013, 2014-2017 Capital Programs

The 2013 Core Capital program is funded primarily through federal formula funds, as well as additional funding from Metra farebox capital program, a Northern Indiana Commuter Transit District (NICTD) agreement for capital improvements, Homeland Security, and the RTA Innovation, Coordination and Enhancement program. The State Bond Program funds are shown as a supplement to Metra's core program, which are needed in order for Metra to fully fund the federally mandated Positive Train Control (PTC) project, as well as, address a backlog of infrastructure (stations, bridges, and yard) projects.

At present time, the RTA Board has not provided the funding estimates (or funding marks) and requirements to Metra for use in developing Metra's one and five year capital plans. We are using the preliminary funding estimates the RTA staff has provided to develop the preliminary capital program. Under the preliminary funding estimates, the RTA staff assumed the current 2011 federal levels of funding for 2013 and 2014 and only a nominal growth forecast for the out years 2015-2017. With the passage of MAP-21, Metra anticipates revised funding estimates; however FTA and RTA have not provided details on when the final funding estimates might be released. In addition, uncertainly remains in the amount of RTA capital funding which might be made available to Metra, the amount of funds that could become available for locally funded projects and local "matching" funds from Metra's farebox capital program, and release of funds for spending under the State Bond Program. The scenario presented does not include "additional" Metra farebox capital. A placeholder under funding sources and capital projects has been allowed in the program to accommodate the various operating scenarios presented with the "additional" Metra farebox capital program ranging from $0 to $30 million.

As such, the proposed 2013 and 2014-2017 proposed program of projects attempts to balance the agencies' needs with the preliminary funding estimates set by the RTA staff. Metra has identified a complete list of projects for funding over the next 5-years and that list of projects has been constrained to the preliminary funding estimates provided by the RTA. Should funding estimates by the RTA change providing additional funding to Metra, projects within the five-year program could be advanced and completed sooner. Should the RTA funding estimates become lower, capital projects identified would take longer to complete or will need to be deferred. In order to fully balance Metra's capital program against the identified estimated funding, Metra had to make difficult decisions. The Positive Train Control (PTC) project is a federally mandated requirement with a total project request for 2013 – 2015 of over $157 million. In order to keep up with a minimum level of capital investments for the system, over $94 million of PTC had to be deferred in order to balance the five years program of projects. The State Bond Program has $160 million allocated to PTC, however at this time funding has not been released for this vital project. Metra is very grateful to have received the State's funding commitment under the State Bond Program for the entire MED Highliner cars purchase of $585.1 million and $38.2 million for nine station improvement projects. Metra is hopeful that the State will be able to release additional State Bond Program funding for PTC in the near future in order for Metra to continue to work towards meeting the federal implementation deadline. Without the State Bond Program funds, Metra will be in jeopardy of meeting the required deadline.

While a fully funded State Bond Program will eliminate a portion of our State of Good Repair needs, it unfortunately will not solve our complete capital infrastructure needs. Maintaining a

State of Good Repair has remained a challenge for Metra given the limited capital funding resources we have had available. The RTA's 2009 Capital Asset Condition Assessment Report estimated that Metra would need to invest $7.37 billion over the next 10-years to achieve and maintain a state of good repair. Metra's expected funding levels for the next 10-years, including a fully funded State Bond Program, is estimated at about $2.6 billion; far short of the $7.37 Billion needed. This level of investment may compromise Metra further from achieving a state of good repair for many years. We hope for the fulfillment of the entire State Bond Program and additional bond programs to become available in the future; however these will likely not be enough to sustain the system's infrastructure. This repetitive deferral of investment results in a significant deterioration of both the system and a state of good repair. As equipment ages, regular maintenance costs increase (time and parts) and will have an impact to Metra's overall operating budget.

Given the capital funding constraints, Metra has been actively investigating and pursuing alternate funding sources to supplement the capital program. Last year Metra projects received funding from a variety of different grant sources including CMAQ, TIGGER, ICE, TCSP, and Livability grants. Metra is committed to finding creative and innovative funding strategies in order to advance the capital program. To that end it is important that Metra preserve and increase Metra's Farebox Capital Program in order to leverage grant sources and to fund project locally.

The 2013, 2014-2017 capital program is divided into six main asset categories: Rolling Stock, Track & Structure, Signal, Electrical & Communications, Facilities & Equipment, Station & Parking, and Support Activities.

Preliminary FY 2013 Capital Program Project Element Descriptions

ROLLING STOCK

PE 4507 LOCOMOTIVE REHABILITATION, MET

This project funds the second mid-life rehabilitation of fourteen (14) locomotives delivered between 1989 and 1992. The project includes such components as rebuilding of the diesel engine, overhaul of the traction motors and alternators, replacement of air compressors and batteries, overhaul and modification of electrical systems, and body repair and modifications. This rehabilitation is required to ensure continued reliable service and is part of an ongoing program to rehabilitate locomotives.

PE 4603 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 being operated on railroads 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 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 17 years old prior to rehabilitation under this project, and their major components are wearing out.

PE 4701 ELECTRIC CAR AUGMENTATION, MED

This project is for lead paint removal and asbestos abatement on 165 Metra Electric District cars that are being disposed of. The project will also include the temporary storage of these cars until they are sold or disposed of.

PE 4510 BUDD CAR REHAB, MET

This project involves the life-extending rehabilitation of one hundred and ninety five (195) commuter rail cars. This is the second year of a multi year project. These cars have not undergone any type of programmed rehabilitation since the period of 1990 to 2001. In 2013, they will have been in service 13 to 23 years since the last rehabilitation. The FTA recommends a life extending rehabilitation be completed when the car is 25 years of age. These cars were built between 1974 and 1980 by the Budd Company, making the youngest of these cars 33 years old in 2013. Thus, all of these cars will have their life extending rehabilitation significantly beyond the FTA's schedule.

PE 4602 HOTEL POWER MODIFICATION, MET

This project will modify five 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 on five of Metra's Model MP36 passenger locomotives currently assigned to BNSF service. During normal operation there are periods when the locomotives must provide hotel power to a train consist without carrying passengers, such as when a train is standing in a yard. To do this, the engine is running, not just idling. With an engine/generator set, the main engine speed can be set to idle instead, thus saving fuel and reducing exhaust emissions.

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

This project will modify twelve 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 on twelve of Metra's Model MP36 passenger locomotives currently assigned to service on the RID and MWD railroad lines. This will save fuel and reduce emissions.

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 consist of LEDs which use significantly less power and last far longer than existing lighting.

PE 4708 WHEEL REPLACEMENT, MET

This project will implement the Federal Railroad Administration (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 4706 TRACTION MOTORS, MED

This project will overhaul the following components that are used on Highliner cars operated on the Electric District: motor-alternators, interlocks, traction motors, high speed circuit breakers, couplers, and replacement of air compressors. These components are showing signs of deterioration. A basic overhaul or replacement is required for acceptable performance levels. This is part of an ongoing program to overhaul and replace such equipment.

PE 4709 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 4615 TIES AND BALLAST, BNS
PE 4618 TIES AND BALLAST, RID
PE 4619 TIES AND BALLAST, UPR
PE 4712 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 4722 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. Experience has disclosed that rail corrugation will appear if the rail grinding is not performed. This happens under both freight and commuter operations throughout the country. 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 4725 UNDERCUTTING & SURFACING, MET

Track undercutting provides for the removal of all fouled track ballast, which is then cleaned and returned to the trackbed. 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 proper surface of the track. The results of undercutting are a smooth, well-aligned track surface, extended tie and ballast life, and reduced ongoing maintenance expense.

PE 4727 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, their replacement over time is required to ensure reliable operations.

PE 4728 RAIL AND SWITCHES, MWD

This project provides for the replacement of rail on the Metra Milwaukee Commuter Lines. 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 provides assurance of continued safe operations, reduction of maintenance costs, and a smoother, quieter ride for commuters.

PE 4027 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. The installation allows for more frequent commuter train service and will reduce conflicts between inbound and outbound passenger and freight trains by creating holding sites for trains to pass each other.

PE 4724 CROSSINGS (ROAD & TRACK), MWD

PE 4734 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 4648 RIGT OF WAY 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 4716 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 4637 BRIDGE IMPROVEMENTS, UPR
PE 4736 BRIDGE IMPROVEMENTS, MET
PE 4729 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 wingwalls and fencing, cracked bearing blocks, and cracked bridge seats on abutments. Specific improvements will be determined based on a survey of field conditions.

PD 4737 MORGAN STREET BRIDGE REHABILITATION, RID

This project involves construction of the Morgan Street Bridge on the Rock Island District. Design work will also be done when necessary. The bridge will be replaced with a steel and concrete structure.

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 over 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.

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 lines. 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 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 4746 IMPEDENCE BONDS, MED

This project will replace impedance bonds that are damaged or defective. The impedance bonds control the current path, and thus limit power losses and assure proper function of the protective relays. A total of 504 impedance bonds must be replaced over a ten year period, or about 50 per year.

PE 4747 47TH STREET SWITCHGEAR, RID

This project is part of an ongoing program to make improvements to the facilities at the 47th Street yard and shops. Improvements in 2013 include replacement of switchgear and the 12K overhead power line.

PE 4749 DC SWITCHGEAR REPLACEMENT, MED

This project is for the replacement of the DC switchgear at the Brookdale Substation. The equipment was damaged by fire and is kept in service by the station electricians but this method is unreliable. Replacement parts are not available.

PE 4750 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 4662 CONSTANT WARNING TIME DEVICES, MET

This project will install Constant Warning Time Devices for the crossing at Nagle Avenue on the UPR, along with a number of adjacent crossings. This project is mandated by the ICC and the list of crossings for CWTDs has been developed by the ICC. The UPR, ICC, and IDOT will all be contributing to the project. Due to the nature of this work, multiple crossings will be implemented in overlapping phases.

PE 2938 A-5 INTERLOCKER RENEWAL

This project consists of the modernization and upgrade of the A-5 interlocker at Pacific Junction in Chicago, Illinois. 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) at 1501 S. Canal Street, Chicago.

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, trackbed, switches, switch machines, switch heaters, dwarf signals, and signal cable for the remaining facilities. In addition, in a future year, the interlocking control machine in Lake Street Tower will be replaced by modern solid state equipment.

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 Joint 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 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.

FACILITIES AND EQUIPMENT

PE 4768 EQUIPMENT & VEHICLES – MECHANICAL, MET

This project provide for the purchase and rehabilitation of vehicles and equipment to be utilized by Metra's Mechanical Department. 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 4766 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 4773 YARD IMPROVEMENTS, MET

PE 4775 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, and Milwaukee Districts that is beyond its useful life. Work may include platforms, sand dispensing towers, and track work in the yards.

PE4777 DIESEL POWER FOR PUMP HOUSE, BNS

Installation of emergency diesel locomotive power at the BNSF 14th Street yard. In case of a power outage this system will supply fuel and other lubricants for the locomotives.

PE 4653 SAND DISPENSING SYSTEM REPLACEMENT, BNSF

This project will provide for a portable sand system to be installed at BNSF 14th Street yard. The sand dispensing system has exceed it useful life and is in need of immediate replacement.

PE 4776 NEW STORAGE TRACK, MED

This project will allow for the addition of two new storage tracks in the Weldon Yard, to provide room for storage of new train cars.

PE 4774 BIO WASTE DISPOSAL, MET

This project involves building a waste disposal unit for train cars, which ties into a sewer line. This enables train cars to pull up next to the unit, and empty the waste from the cars.

PE 4751 COMPUTERS AND NETWORKING EQUIPMENT

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

PE 4669 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: (a) support electronic data interchange; (b) be fully extensible and upgradeable; (c) use integrated highly flexible analytical reporting tools and; (d) support microcomputer/network based software productivity tools.

STATIONS and PARKING

PE 4767 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 document 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 work at the 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 4782 CALUMET STATION, MED

This project is a major rehabilitation of the Calumet Station on the Electric District. Improvements will be made to the station structure, and decrepit signage will be replaced.

PE 4675 BLUE ISLAND TRANSFER FACILITY, MET

The Blue Island Vermont Street Station is a hub of interagency transfer activity between Metra, Pace, and CTA. Transit service in this station area is provided by four Pace bus routes (348, 349, 359, and 385), one CTA bus route (49A), and three Metra lines or branches (Metra Electric Blue Island Branch, Rock Island District Beverly Branch, and Rock Island District Main Line). Improvements to the Blue Island, Vermont Street Interagency Transfer Station would include additional interagency signage at multiple locations, including both Metra stations.

SUPPORT ACTIVITIES

PE 4789 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's assets to be secure from the threat of domestic or international terrorism. Funding will be provided by United States Department of Homeland Security.

PE 4495 ENGINEERING ASSET MANAGEMENT, MET

This project funds the initial phases of a Metra's 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 4796 LOCALLY FUNDED PROJETCS/MATCH

Metra farebox 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 capital program needs.

PE 4698 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 4699 CONTINGENCIES, MET

This project can fund both emergencies and unanticipated capital needs that arise throughout the course of the program year. These items require immediate attention prior to 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 4694 INFRASTRUCTURE ENGINEERING, MET

This project funds various engineering responsibilities for capital projects. Metra's Engineering Department as well as consultant engineers will provide support to capital projects. The associated professional consultant services will include design engineering and or construction management in the areas of civil, structural, electrical, mechanical, signal, communications, and environmental engineering.

PE 4693 REGIONAL FARE PAYMENT PROJECT MANAGEMENT/SYSTEM INTERGRATION, MET

This project will fund consultant services to serve in a program management oversight and systems integrator role. This expert would have a strong background in implementing other transit fare technologies and/or systems at various transit peer agencies, relationships with the banking industry, and expertise in the various technologies that are being considered.

PE4791 REGIONAL FARE SYSTEM DEMONSTRATION PROJECT, MET

This project will fund various pilot/demo projects to get a better understanding of the best fare payment solutions and technologies that are currently available. The systems must allow consumers to use contactless credit cards, debit cards, and prepaid cards to pay for all fixed-route public transportation services.

PE 4696 UNANTICIPATED CAPITAL, MET

This project provides for the utilization of funds from Metra's fund balance for emergencies or unforeseen capital expenditures to ensure operational efficiency. Emergencies and unexpected needs arise throughout the course of the year which require immediate attention prior to the availability of the next fiscal year budget.

Metra

Proposed Capital Program

PE	Description	RR	Source	2013 Amount
Rolling Stock				
4507	LOCO REHAB (PHASED)	MET	f	4,000,000
4603	TRACTION MOTORS (REBUILD TURBO CHARGEF	MET	f	700,000
4604	CAR REHAB AMERAIL CARS P4 (PHASED)	MET	f	14,000,000
4701	ELECTRIC CAR AUGMENTATION	MED	f	1,000,000
4510	BUDD CAR REHAB	MET	f	4,000,000
4602	HOTEL POWER MODIFICATION	MET	f	850,000
4711	HOTEL POWER MODIFICATION (12 MPI LOCO)	MET	f	5,000,000
4705	EMERGENCY LIGHTING LOW LEVEL MARKING	MET	f	500,000
4708	WHEEL REPLACEMENT	MET	f	2,500,000
4706	TRACTION MOTORS	MED	f	650,000
4709	HVAC REFRIGERANT CONVERSION	MET	f	500,000
Rolling Stock Sub-Total				**33,700,000**
Track & Structure				
4615	TIES, BALLAST & SW HEATERS	BNS	f	375,000
4618	TIES AND BALLAST	RID	f	1,000,000
4619	TIES AND BALLAST	UPR	f	1,000,000
4712	TIES AND BALLAST	MED	f	2,500,000
4722	RAIL GRINDING	UPR	f	100,000
4725	UNDERCUTTING & SURFACING	MET	f	500,000
4727	RAIL AND SWITCHES	BNS	f	375,000
4728	RAIL	MWD	f	250,000
4027	RAIL	NCS	mt	650,000
4724	CROSSINGS (ROAD & TRACK)	MWD	f	275,000
4734	CROSSINGS (ROAD & TRACK)	UPR	f	750,000
4648	RIGHT OF WAY FENCING	UPR	f	100,000
4716	RETAINING WALL REHAB	BNS	f	1,000,000
4736	BRIDGE IMPROVEMENTS	MET	f	500,000
4729	BRIDGE UPGRADES	MWD	f	500,000
4737	MORGAN ST BRIDGE REHAB	RID	f	1,500,000
4637	BRIDGE IMPROVEMENTS	UPR	f	500,000
2112	NORTH LINE BRIDGES (PHASED)	UPR	f	18,000,000
Track & Structure Sub-Total				**29,875,000**
Signal, Electrical & Communications				
3446	FIBER OPTIC CABLE (PHASED)	BNS	f	2,875,000
4744	PROTECTIVE RELAY REPLACEMENT	MED	f	400,000
4746	IMPEDANCE BONDS	MED	f	790,000
4747	47TH ST. SWITCHGEAR & 12KV HENDRIX LINE	RID	f	1,347,000
4749	DC SWITCHGEAR REPLACEMENT	MED	f	1,020,000
4750	RECTIFIER REPLACEMENT	MED	f	1,300,000
4254	TRACTION POWER SUBSTATION AUGMENTATIO	MED	f	5,048,480
4254	TRACTION POWER SUBSTATION AUGMENTATIO	MED	nl	800,000
4662	CONSTANT TIME WARNING DEVICES	MET	f	600,000
2938	A-5 INTERLOCKER (PHASED)	MWD	f	6,000,000
3337	LAKE STREET INTERLOCKER	UPR	f	2,000,000
4552	A-2 INTERLOCKER	MWD	f	1,000,000
4343	POSITIVE TRAIN CONTROL	MET	f	8,325,520
4343	POSITIVE TRAIN CONTROL	BNS	f	2,875,000
4343	POSITIVE TRAIN CONTROL	UPR	f	8,000,000
Signal, Electrical & Communications Sub-Total				**42,381,000**

Proposed Capital Program

PE	Description	RR	Source	2013 Amount
Facilities & Equipment				
4768	EQUIPMENT & VEHIC--MECH	MET	f	500,000
4766	EQUIPMENT--OFFICE	MET	f	400,000
4773	YARD IMPROVEMENTS	MET	f	750,000
4775	YARD IMPROVEMENTS	UPR	f	500,000
4777	DIESEL POWER FOR PUMP HOUSE	BNS	f	125,500
4653	SAND DISPENSING SYSTEM REPLACEMENT	BNS	f	418,500
4776	NEW STORAGE YARD AND ADD 2 TRACKS -18th	MED	f	2,000,000
4774	BIO WASTE DISPOSAL 18TH ST. 11TH PLACE	MET	f	750,000
4751	COMPUTERS AND NETWORKING EQUIP *	MET	f	2,000,000
4669	FINANCIAL SYSTEM REPLACEMENT	MET	f	10,000,000
Facilities & Equipment Sub-Total				**17,444,000**
Stations & Parking				
4767	ADA PLATFORMS & IMPROVE	MET	f	3,000,000
4784	VAN BUREN ST STATION	MED	f	3,000,000
4782	CALUMET STATION FACILITY IMPROVE	MED	f	2,000,000
4675	BLUE ISLAND TRANSFER FAC	MET	ri	560,000
4675	BLUE ISLAND TRANSFER FAC	MET	mt	140,000
Stations & Parking Sub-Total				**8,700,000**
Support Activities				
4789	HOMELAND SECURITY	MET	zz	5,000,000
4495	ENGINEERING ASSET MANAGEMENT	MET	f	1,000,000
4796	LOCALLY FUNDED PROJECTS / MATCH	MET	mt	0
4798	PROJECT ADMINISTRATION	MET	f	800,000
4799	CONTINGENCIES	MET	f	360,000
4794	INFRASTRUCT ENGINEERING	MET	f	4,000,000
4693	REGIONAL FARE SYSTEM	MET	ri	1,600,000
4693	REGIONAL FARE SYSTEM	MET	mt	400,000
4791	REGIONAL FARE SYSTEM DEMO	MET	ri	800,000
4791	REGIONAL FARE SYSTEM DEMO	MET	mt	200,000
4696	UNANTICIPATED CAPITAL	MET	f	200,000
4696	UNANTICIPATED CAPITAL	MET	mt	50,000
Support Activities Sub-Total				**14,410,000**
Grand Totals For Uses (Without State of Illinois Bond funding)			**$**	**146,510,000**

FEDERAL FIXED GUIDEWAYand 5307 FUNDS	f	$	136,310,000
NICTD FUNDS FOR LOCAL MATCH	ni	$	800,000
HOMELAND SECURITY	zz	$	5,000,000
RTA ICE FUNDS	ri	$	2,960,000
METRA CAPITAL FAREBOX	mt	$	700,000
METRA LOCAL MATCH	mt	$	740,000
ADDITIONAL METRA FAREBOX CAPITAL	mt	$	-
TOTAL FUNDING 2013 PROGRAM		**$**	**146,510,000**

Notes:

* Does not include State Bond Program

PTC Request Amount	$	45,875,000
PTC Funded Amount	$	19,200,520
Unfunded Amount	$	26,674,480

Proposed Capital Program

2013-2017 Core Program

Description	2013	2014	2015	2016	2017	Total
Rolling Stock						
Locomotive Improvements	$9,850	$0	$34,000	$29,600	$41,300	$114,750
Car Rehabilitation	18,000	25,150	25,000	25,000	27,000	120,150
MU Car Improvements	2,350	5,148	3,667	3,667	1,239	16,071
Fleet Component Overhaul	3,000	3,605	4,244	4,243	6,501	21,593
HVAC Refrigerant Conversion	500	515	530	530	563	2,638
Sub-Total	**33,700**	**34,418**	**67,441**	**50,648**	**76,603**	**262,810**
Track & Structure						
Ties and Ballast	4,875	5,000	5,500	4,000	5,000	24,375
Rail	1,875	4,090	4,200	4,850	4,900	19,915
Crossings (Road and Track)	1,025	2,050	2,100	1,850	1,500	8,525
Bridges	21,000	19,750	5,400	36,600	25,400	108,150
Retaining Wall Rehabilitation	1,000	0	500	550	500	2,550
Structural Upgrades	100	100	300	100	0	600
Sub-Total	**29,875**	**30,990**	**18,000**	**47,950**	**38,600**	**165,415**
Signal, Electrical & Communications						
Signal System Upgrades	4,822	1,800	0	5,500	750	12,872
Interlockings	9,000	6,900	2,000	2,000	4,750	24,650
Electrical System Improvements	9,359	5,900	5,900	0	0	21,159
Communications Improvements	0	500	0	0	1,000	1,500
Positive Train Control	19,200	26,586	16,444	0	0	62,230
Sub-Total	**42,381**	**41,686**	**24,343**	**7,500**	**6,500**	**122,410**
Facilities & Equipment						
Yard Improvements	4,000	3,600	5,000	5,100	1,800	19,500
Building Improvements	544	629	750	1,200	900	4,023
Equipment and Vehicles	2,900	5,037	2,700	3,700	2,650	16,987
Financial Systems Replacement	10,000	10,000	10,000	10,000	2,000	42,000
Sub-Total	**17,444**	**19,266**	**18,450**	**20,000**	**7,350**	**82,510**
Stations & Parking						
Station and Parking	8,700	7,000	4,725	6,275	3,500	30,200
Sub-Total	**8,700**	**7,000**	**4,725**	**6,275**	**3,500**	**30,200**
Support Activities						
Homeland Security	5,000	5,000	5,000	5,000	5,000	25,000
Technical Studies	8,000	3,000	3,000	3,100	3,000	20,100
Project Administraion	800	800	800	800	800	4,000
Contingencies	360	400	400	400	400	1,960
Locally Funded Projects/Match	0	10,000	10,000	10,000	10,000	40,000
Unanticipated Capital	250	250	250	336	257	1,343
Sub-Total	**14,410**	**19,450**	**19,450**	**19,636**	**19,457**	**92,403**
Grand Total	**$146,510**	**$152,810**	**$152,410**	**$152,010**	**$152,010**	**$715,750**

Metra

Proposed Capital Program

2013-2017 Core Program Plus State Bond Program

Description	Core Program 2013	Core Program 2014-2017	State Bond Program 2010 to 2014
Rolling Stock			
Highliner Car Replacement	0	0	585,100
Locomotive Improvements	9,850	102,710	0
Car Rehabilitation	18,000	96,150	0
MU Car Improvements	2,350	13,519	0
Fleet Component Overhaul	3,000	14,593	0
HVAC Refrigerant Conversion	500	2,138	0
Sub-Total	**33,700**	**229,110**	**585,100**
Track & Structure			
Ties and Ballast	4,875	0	0
Rail	1,875	24,730	0
CREATE	0	0	17,000
Crossings (Road and Track)	1,025	7,500	0
Bridges	21,000	76,530	151,500
Retaining Wall Rehab	1,000	1,550	0
Structural Upgrades	100	500	0
Sub-Total	**29,876**	**135,540**	**168,500**
Signal, Electrical & Communications			
Signal System Upgrades	4,822	8,800	0
Interlockings	9,000	15,600	0
Electrical System Improvements	9,359	11,100	0
Communications Improvements	0	1,500	0
Positive Train Control	19,200	43,031	160,000
Sub-Total	**42,381**	**80,031**	**160,000**
Facilities & Equipment			
Yard Improvements	4000	15,500	51,350
Building Improvements	544	3,479	0
Equipment and Vehicles	2,900	14,087	0
Financial Systems Replacement	10,000	32,000	0
Sub-Total	**17,444**	**65,066**	**51,350**
Stations & Parking			
Stations and Parking	3,000	9,775	135,750
Community Initiatives	5,700	11,725	0
Sub-Total	**8,700**	**21,500**	**135,750**
Support Activities			
Homeland Security	5,000	20,000	0
Technical Studies	8,000	12,100	0
Project Administration	800	3,200	0
Contingencies	360	1,600	0
Locally Funded Projects/Match	0	40,000	0
Unanticipated Capital	250	1,093	0
Sub-Total	**14,410**	**77,993**	**0**
Grand Total	**$146,510**	**$609,240**	**1,100,700**

Metra Proposed State of Illinois Capital Bond Program (in $000's)

Capital Assets	2010	2011	2012	2013	2014	Total
Highliner Car Replacement, MED (160)	$118,800	$ 466,300	$ -	$ -	$ -	$ 585,100
Renew Bridges	$ -	$ 8,525	$ 19,125	$ 70,000	$ 53,850	$ 151,500
Positive Train Control	$ -	$ 30,000	$ 28,000	$ 35,000	$ 67,000	$ 160,000
CREATE Program	$ -	$ 2,000	$ 5,000	$ 5,000	$ 5,000	$ 17,000
Yard Improvements	$ -	$ -	$ 2,000	$ 21,775	$ 27,575	$ 51,350
Stations *	$ 38,200	$ 23,500	$ 35,000	$ 39,050	$ -	$ 135,750
Total Bond Program	$157,000	$ 530,325	$ 89,125	$170,825	$153,425	$1,100,700

*Station State Bond Program

Station	Rail Line	Total	Construction Starts	Notes
Naperville	BNSF	$ 1,700,000	2010	(a)
Flossmoor	MED	$ 5,000,000	2011	(a)
Cicero	BNSF	$ 6,500,000	2012	(a)
Hazel Crest	MED	$ 5,500,000	2012	
Elmhurst Deck	UP-W	$ 2,500,000	2010	
Geneva Deck	UP-W	$ 3,500,000	2011	
Fox River Grove	UP-NW	$ 2,000,000	2011	
New Auburn Park Station	RID	$ 11,500,000	2012	(b)
New Peterson/Ridge Station	UP-N	$ 5,000,000	2012	(c)
Burr Oak	MED-BI	$ 4,500,000	2012	
91st Street	RID	$ 9,000,000	2012	
115th Street	RID	$ 9,000,000	2012	
63rd Street	MED	$ 8,000,000	2012	
Calumet	MED	$ 5,500,000	2012	(e)
River Forest	UP-W	$ 5,500,000	2012	
59th Street	MED	$ 8,000,000	2012	
Healy	MD-N	$ 4,500,000	2012	
Hickory Creek	RID	$ 4,000,000	2012	
Downers Grove Main St.	BNSF	$ 4,000,000	2012	
Cumberland	UP-NW	$ 4,500,000	2012	
New Romeoville Station	HC	$ 2,000,000	2013	(d)
Hubbard Woods	UP-N	$ 6,900,000	2012	
Ashland Avenue	MED-BI	$ 4,000,000	2012	
Racine Avenue	MED-BI	$ 4,000,000	2012	
Blue Island Vermont St.	RID	$ 3,150,000	2012	
Mayfair	MD-N	$ 3,000,000	2012	
Grayland	MD-N	$ 3,000,000	2012	
Total		$ 135,750,000		
Total Bonds $ Received		$ 38,200,000		

(a) Engineering currently underway.
(b) Senator Collins to secure additional funds required to fully fund station construction costs.
(c) $10 million in State budget. Representative Osterman to secure additional funds required to fully fund station construction costs. Representative Osterman will also need to secure land. $10M Funding received thru DECA.
(d) City designing project - New Station, Metra Platforms only
(e) To be constructed after Flossmoor Station completed.

Legal Notice

Commuter Rail Board (Metra) Public Hearings on Proposed Operating and Capital Program and Budget for Fiscal Year 2013.

PUBLIC NOTICE IS HEREBY GIVEN that the Commuter Rail Division of the Regional Transportation Authority (Metra) will hold public hearings on its proposed Operating and Capital Program and Budget for Fiscal Year 2013 (January 1, 2013 to December 31, 2013).

Any person may present views orally at the hearing or by submitting written material at any time, but not later than 24 hours after the conclusion of the hearings on November 8, 2012. Written comments may be submitted online or via U. S. mail. Written comments may be submitted to the attention of the Assistant Secretary to the Metra Board of Directors, 547 W. Jackson Boulevard, Chicago, Illinois 60661 or via email at 2013budgetcomments@metrarr.com

Copies of the preliminary Operating and Capital Program and Budget for Fiscal Year 2013 together with the 2014 and 2015 Financial Plan, and Fiscal Years 2013-2017 Capital Program, will be available for public inspection after October 12, 2012 at the offices of the Metra Board, Room 1300, 547 West Jackson Boulevard, 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 12, 2012 and will be available at city and village offices in the six-county northeastern Illinois region seven (7) days prior to the hearings.

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. Requests for services should be made to Juanita Cervantes at (312) 322-6753.

Listed below are the dates, times and locations for the Public Hearings scheduled.

Public Hearing Schedule

Metra's Preliminary FY 2013 Budget Public Hearing Schedule
&
Strategic Plan Open House

Thursday, November 1, 2012 4:00 p.m. – 7:00 p.m.

Kane County	Kane County Government Center Building "A", 1st Floor Auditorium, 719 South Batavia Avenue Geneva, Illinois
McHenry County	City of Crystal Lake City Hall City Council Chambers & Executive Conference Room 100 W. Woodstock Street Crystal Lake, Illinois
South Suburban Cook County	Flossmoor Village Hall Village Board Room 2800 Flossmoor Road Flossmoor, Illinois

Wednesday, November 7, 2012 4:00 p.m. – 7:00 p.m.

City of Chicago Public Hearing	Metra 547 W. Jackson Blvd. 13th Floor Board Room Chicago, Illinois
Strategic Plan Open House	Chicago Union Station 210 S. Canal Chicago, Illinois
DuPage County	Wheaton City Hall City Council Chambers, 2nd Floor & Gamon Room, 2nd Floor 303 W. Wesley St. Wheaton, Illinois
North Suburban Cook County	Arlington Heights Village Hall Board Room & Community Room 33 South Arlington Heights Road Arlington Heights, Illinois

FY2013 Metra Proposed Budget Public Hearing Schedule
&
Strategic Plan Open House

Thursday, November 8, 2012 4:00 p.m. – 7:00 p.m.

Lake County	Grayslake Village Hall Village Board Room 10 South Seymour Grayslake, Illinois
Will County	New Lenox Village Hall Council Chambers 1 Veterans Pkwy New Lenox, Illinois

Metra's Preliminary FY2013 Budget Presentations - County Boards

Cook County Board Thursday, November 1, 2012	10:00 a.m.	Cook County Board of Commissioners County Building 118 N. Clark Street, 5th Floor Chicago, Illinois
DuPage County Board Tuesday, November 13, 2012	7:00 p.m.	DuPage County Board DuPage County Administration Building County Board Room 421 N. County Farm Road Wheaton, Illinois
Kane County **Transportation Committee** Tuesday, October 16, 2012	10:00 a.m.	Kane County Board Kane County Government Center County Board Room 719 Batavia Avenue, Building A Geneva, Illinois
Kane County Board Tuesday, November 13, 2012	9:45 a.m.	Kane County Board Kane County Government Center County Board Room 719 Batavia Avenue, Building A Geneva, Illinois
Lake County Board Tuesday, November 20, 2012	9:00 a.m.	Lake County Board Lake County Court House County Board Room 18 N. County Street Waukegan, Illinois
McHenry County Board Thursday, November 8, 2012	9:00 a.m.	McHenry County Board County Board Room 667 Ware Road Woodstock, Illinois
Will County Board Thursday, October 18, 2012	9:30 a.m.	Will County Board Will County Board Office 302 N. Chicago Street Joliet, Illinois

COMMUTER RAIL BOARD

ORDINANCE NO. MET 12-23

BE IT ORDAINED:

1. The Board of Directors of the Commuter Rail Division of the Regional Transportation Authority ("Commuter Rail Division") hereby releases the Preliminary 2013 Operating and Capital Program and Budget, the 2014-2015 Financial Plan, and the 2013-2017 Capital Program for Public Hearings and public discussion.

2. The Board of Directors of the Commuter Rail Division also authorizes said Public Hearings to be held in the City of Chicago, Suburban Cook County, DuPage County, Kane County, Lake County, McHenry County, and Will County with times and locations as specified in the Legal Notice. This is in compliance with Section 3B.10 of the Regional Transportation Authority Act, (70 ILCS 3615/3B.10).

3. The Preliminary 2013 Operating and Capital Program and Budget, the 2014-2015 Financial Plan, and the 2013-2017 Capital Program contain various scenarios that are being contemplated. The selection of scenario(s) by Board of Directors will depend, in part, upon public comments, the marks and funding provided by the Regional Transportation Authority.

OCTOBER 12, 2012

FUNDING UPDATE

On October 10, 2012, the RTA Board approved an ordinance establishing estimates of amounts available to Metra for the 2013 Budget, 2014-2015 Financial Plan, and 2013-2017 Capital Program ("Funding Marks"). Changes between the preliminary information used in this document and the Funding Marks established by the RTA are summarized below. The RTA Funding Marks will be incorporated into the final 2013 Program and Budget adopted by the Metra Board in November.

2013 Budget and 2014-2015 Financial Plan

Changes to Funding Sources $ in millions	2013	2014	2015
Increase/(Decrease)	(4.4)	(4.3)	(4.7)

2013-2017 Capital Program

Changes to Funding Sources $ in millions	2013	2014	2015	2016	2017
Formula Funds	0.0	0.0	4.0	8.0	12.2
RTA ICE & Metra Match	-3.7	0.0	0.0	0.0	0.0
RTA Discretionary	0.0	4.3	4.3	0.0	0.0
RTA SB Capital	7.0	0.0	0.0	0.0	0.0
Net Increase/(Decrease)	3.3	4.3	8.3	8.0	12.2

* RTA Funding Marks also assume $10m Metra Farebox capital for each year 2013 – 2017 and do not include NICTD capital contributions.