



2020-2021 Passenger Revenue and Sales Tax Forecast

Metra Board of Directors

April 15, 2020

Presented by Thomas Farmer

Chief Financial Officer



TODAY'S DISCUSSION

- Ridership is down
- Tax revenues will fall
- It will be a rough several months as we run largely empty trains, but we will not let down our riding public
- We will make necessary changes through strong planning and effective implementation and we will bring our riders back, but...
- Commuter rail will not be the same after COVID-19. We must understand the new reality, innovate and transform to meet the needs of our public
- We will need help from all our stakeholders to push through and recover

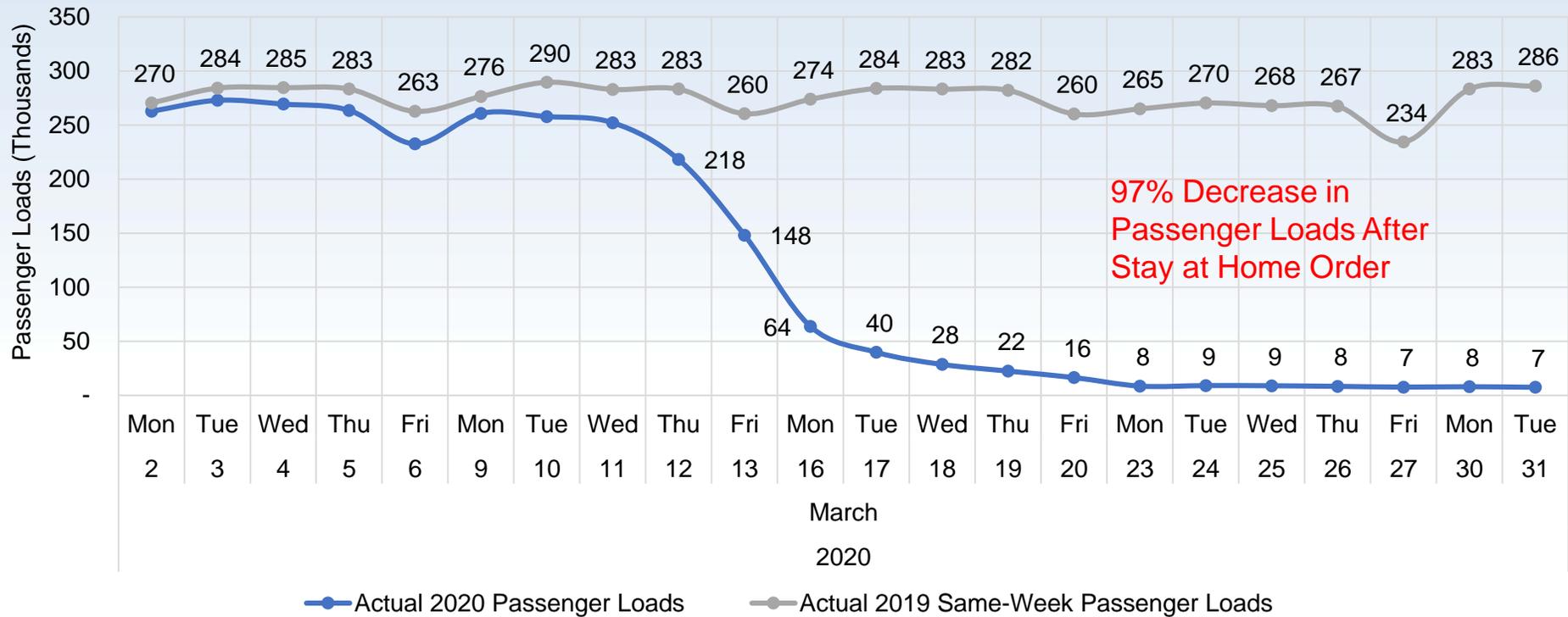


RIDERSHIP REPORT

March 2020 Ridership

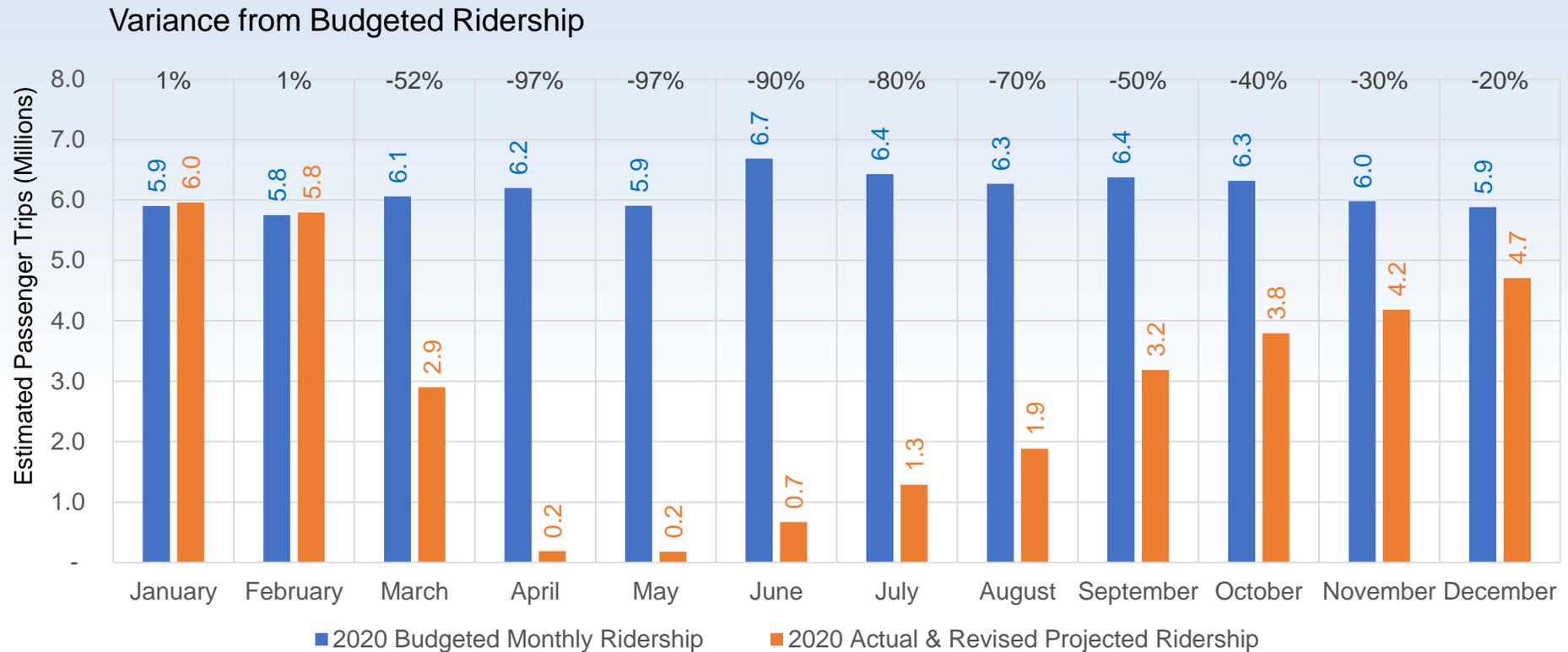
Preliminary indicators show that March 2020 ridership was down about 50% compared to March 2019.

Weekday 2020 Passenger Loads Compared to 2019 Same-Week Passenger Loads



Projected Ridership

2020 Budgeted Ridership and Revised Forecast by Month



Preliminary reporting, based on assumptions as outlined in this presentation



Ridership Considerations

- Due to the demographics we serve, commuter rail ridership losses have been greater than other transit modes
- Ridership *may* never recover to 2019 levels, certainly not in the near term – it may take 1-3 years
- COVID-19 may significantly speed up a trend towards resident relocation and increased telecommuting
- For forecast purposes, impacts on ridership are assumed to be equal across zones with ticket types having a simple linear effect on revenue



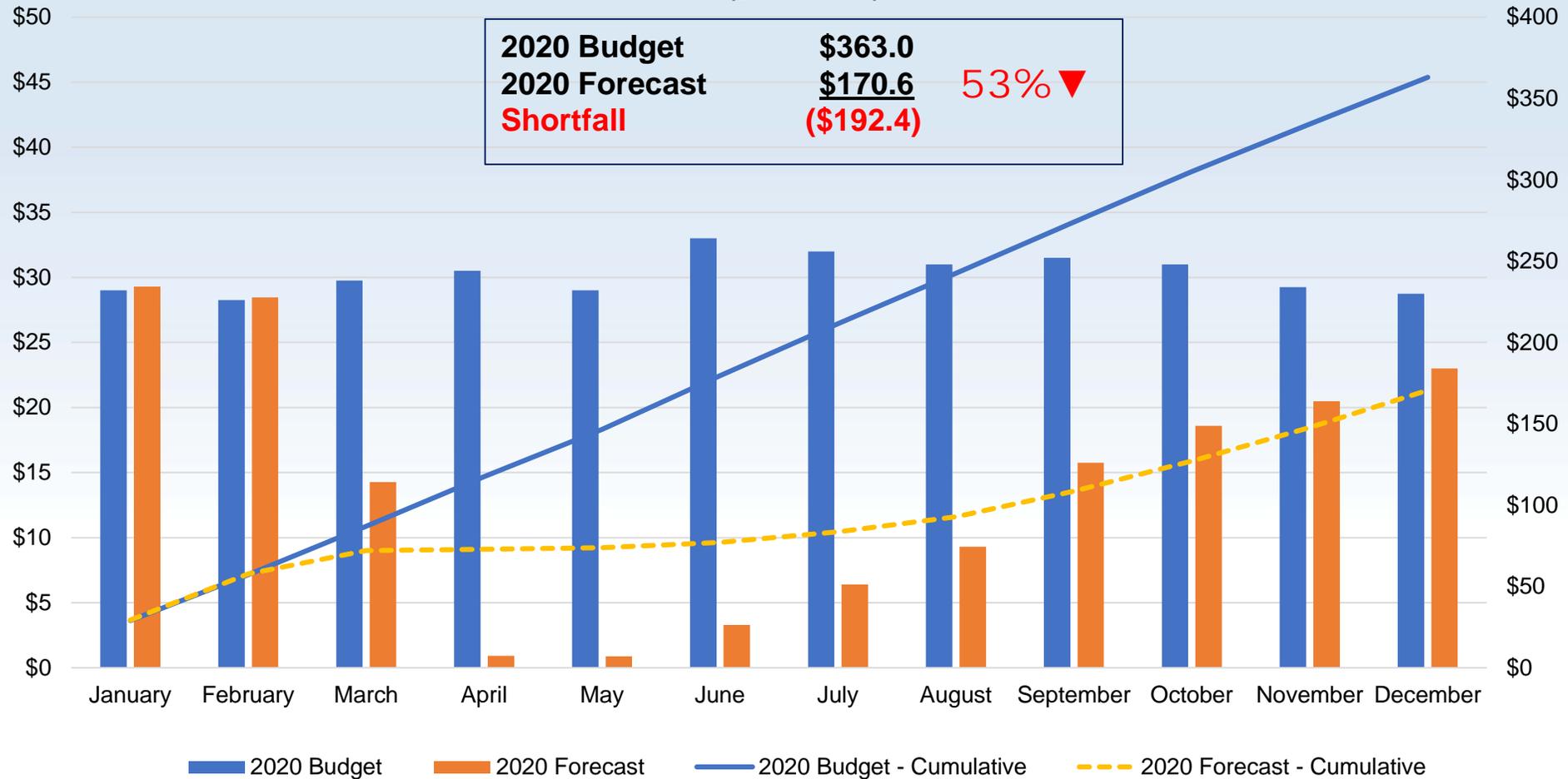
REVENUE IMPLICATIONS

A Few Key Assumptions

- There will be a slow ramp-up
- Unemployment will be low
- Low gas prices and uncongested roads in the immediate reopening will cause people to use cars at first
- Some people will never return
- 2020's ending revenues and tax funding will become the benchmark for 2021's ridership and tax funding
- Tax side information was informed by the RTA

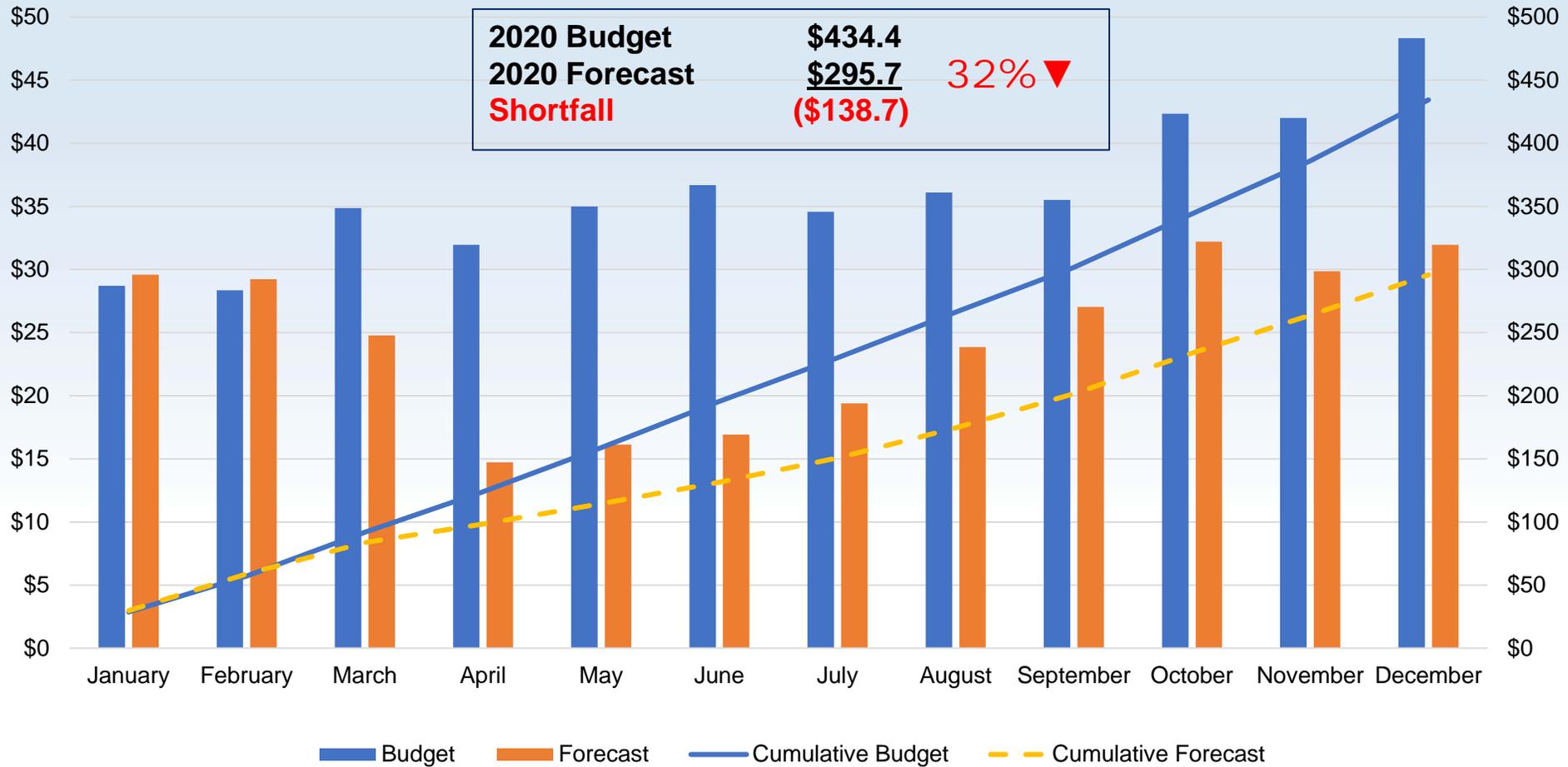
2020 Passenger Revenues (est.)

(\$ in Millions)



2020 Sales Tax Funding (est.)

(\$ in Millions)



2020-2021 Total Sales Tax Funding & Pass Rev (est.)





CORRECTIVE ACTIONS

GAMEPLAN

MANAGE COVID-19 NEAR TERM

- Establish new levels of cleaning and demonstrate sanitary enhancements
- Leverage current events as a rallying cry to garner highest levels of employee engagement
- Develop strategic plans to recover riders and replace lost ones

BE PROACTIVE, BE MARKETERS

- Use research to understand rider sentiment and barriers to entry at the deepest levels
- Communicate better with the public in more meaningful ways (leverage our assets)
- Target populations with the best chance to create new (incremental) riders

ANALYZE, MEASURE AND MODIFY

- Use our current telemetry and metrics but consider adding others
- Understand COVID-19's implications from a more national perspective
- Work our plan, but be fluid in our thinking – become more nimble

Conclusions

- Taxes and revenue are projected down in excess of \$500m in 2020 through 2021, *but could be more*
- To deal with this...
 - We need to understand what the “new normal” is
 - We need to actively innovate to meet the changing public needs
 - We need and appreciate the full support from all of our stakeholders

THANK YOU FOR YOUR TIME.