



Monthly Financial Report August 2020

Metra Board of Directors
October 6, 2020
Presented by Thomas Farmer
Chief Financial Officer

August 2020 Actual vs. Budget

Dollars in Millions	<u>Actual</u>	<u>Budget</u>	<u>Actual v Budget</u>
Passenger Revenue	3.8	31.0	(27.2)
<i>Other Rev - Leases</i>	2.0	2.4	(0.4)
<i>Other Rev - Advertising</i>	0.0	0.3	(0.3)
<i>Other Rev - Misc Other</i>	<u>1.2</u>	<u>1.3</u>	<u>(0.1)</u>
Total Other Revenue	3.2	4.0	(0.8)
Total Operating Revenue	7.0	35.0	(28.0)
Transportation	19.5	24.4	4.9
Engineering	11.7	12.7	1.0
Mechanical	13.2	16.2	3.0
Administration	9.1	10.1	1.0
Diesel Fuel	3.4	4.5	1.1
Metra Electric District Electricity	0.2	0.4	0.2
Total Operating Expense	57.1	68.3	11.2
Operating Deficit	50.1	33.3	(16.8)
Revenue Recovery Ratio	13.6%	54.7%	-41.1%

August 2020 YTD Actual vs. Budget

Dollars in Millions	<u>Actual</u>	<u>Budget</u>	<u>Actual v Budget</u>
Passenger Revenue	93.2	242.5	(149.3)
<i>Other Rev - Leases</i>	15.6	16.1	(0.5)
<i>Other Rev - Advertising</i>	2.4	3.0	(0.6)
<i>Other Rev - Misc Other</i>	<u>9.8</u>	<u>10.4</u>	<u>(0.6)</u>
Total Other Revenue	27.8	29.5	(1.7)
Total Operating Revenue	121.0	272.0	(151.0)
Transportation	177.1	192.7	15.6
Engineering	98.4	107.2	8.8
Mechanical	111.6	129.9	18.3
Administration	69.6	80.4	10.8
Diesel Fuel	28.9	36.4	7.5
Metra Electric District Electricity	2.2	3.6	1.4
Total Operating Expense	487.8	550.2	62.4
Operating Deficit	366.8	278.2	(88.6)
Revenue Recovery Ratio	26.9%	52.8%	-25.9%

\$ Mil

June 2020 YTD Sales Tax Funding

	<u>2020</u>	<u>2019</u>	<u>Budget</u>	Variance to:	
				<u>Prior Year</u>	<u>Budget</u>
Taxes and PTF	\$173.0	\$181.6	\$190.8	-\$8.5	-\$17.8
				-4.7%	-9.3%
Surcharges	\$3.1	\$3.2			

- Surcharges were 1.5% on sales taxes and 5% on PTF YTD 2019
- Same surcharges apply for sales taxes and PTF YTD 2020



2020-2021 Passenger Revenue and Sales Tax Forecast

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Increasing ridership (89% down, inching up)

- We need business to bring people back to the Central Business District.
 - Businesses must feel comfortable having people in the workplace
 - Unemployment needs to drop
 - Schools need to reopen for in-person learning
- We must compete with the automobile. We need to:
 - Adjust our service to new demand patterns and make transit the easy choice
 - Market our sanitation standards to get people comfortable with transit
- Long-term planning – adjusting to our new reality
 - COVID-19 will drive relocation and permanently increased telecommuting
 - We have known for years our riders were telecommuting once a week or more
 - A shift that would normally take 10-20 years occurred in 10-20 weeks

2020 Revenue Scenarios

The Good scenario (Passing Storm)

Greater emphasis on sanitation in transit; old habits of ridership return quickly.

The Difficult scenario (Perfect Storm)

Significant and sustained decrease in ridership.

Our Original Forecast (between the extremes)

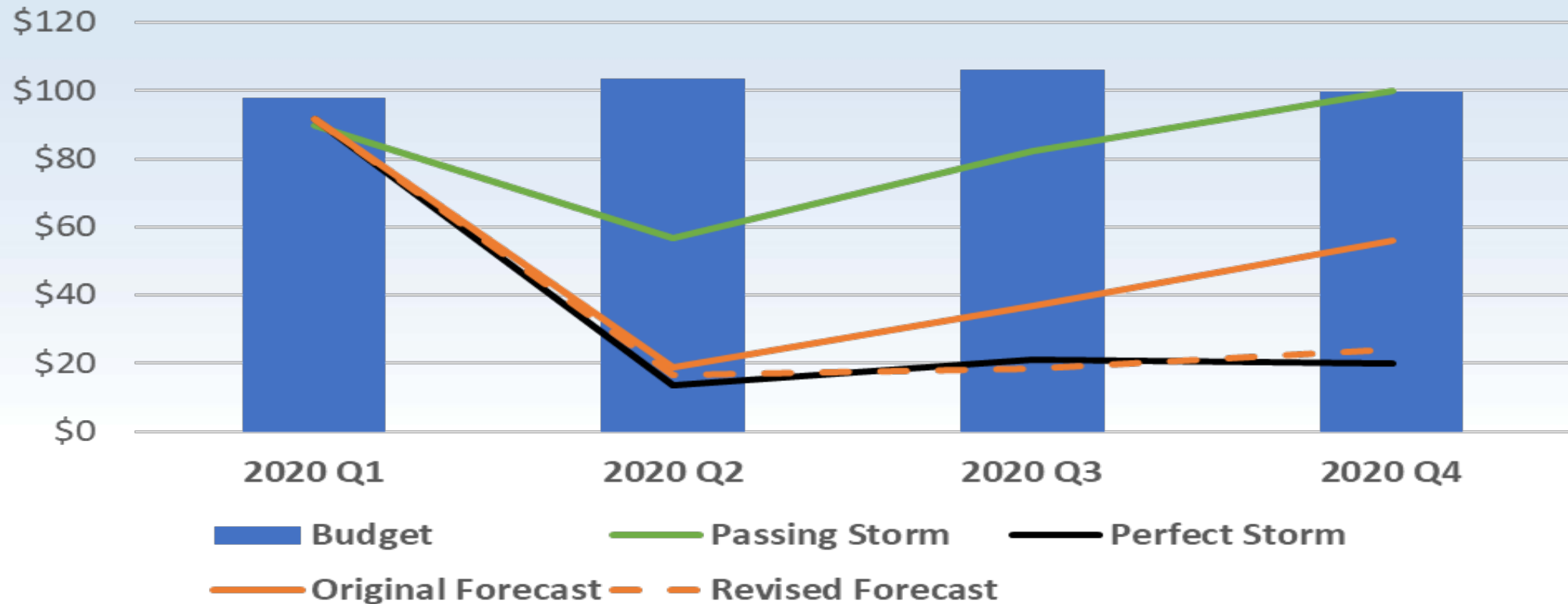
Expected increase in return to work and school positively effecting ridership.

Our New Forecast (revised expectations)

Ridership is ~ 11% of pre-COVID levels and forecasted to be 20% by yearend, as many schools and workplaces have not brought people back for in-person activities

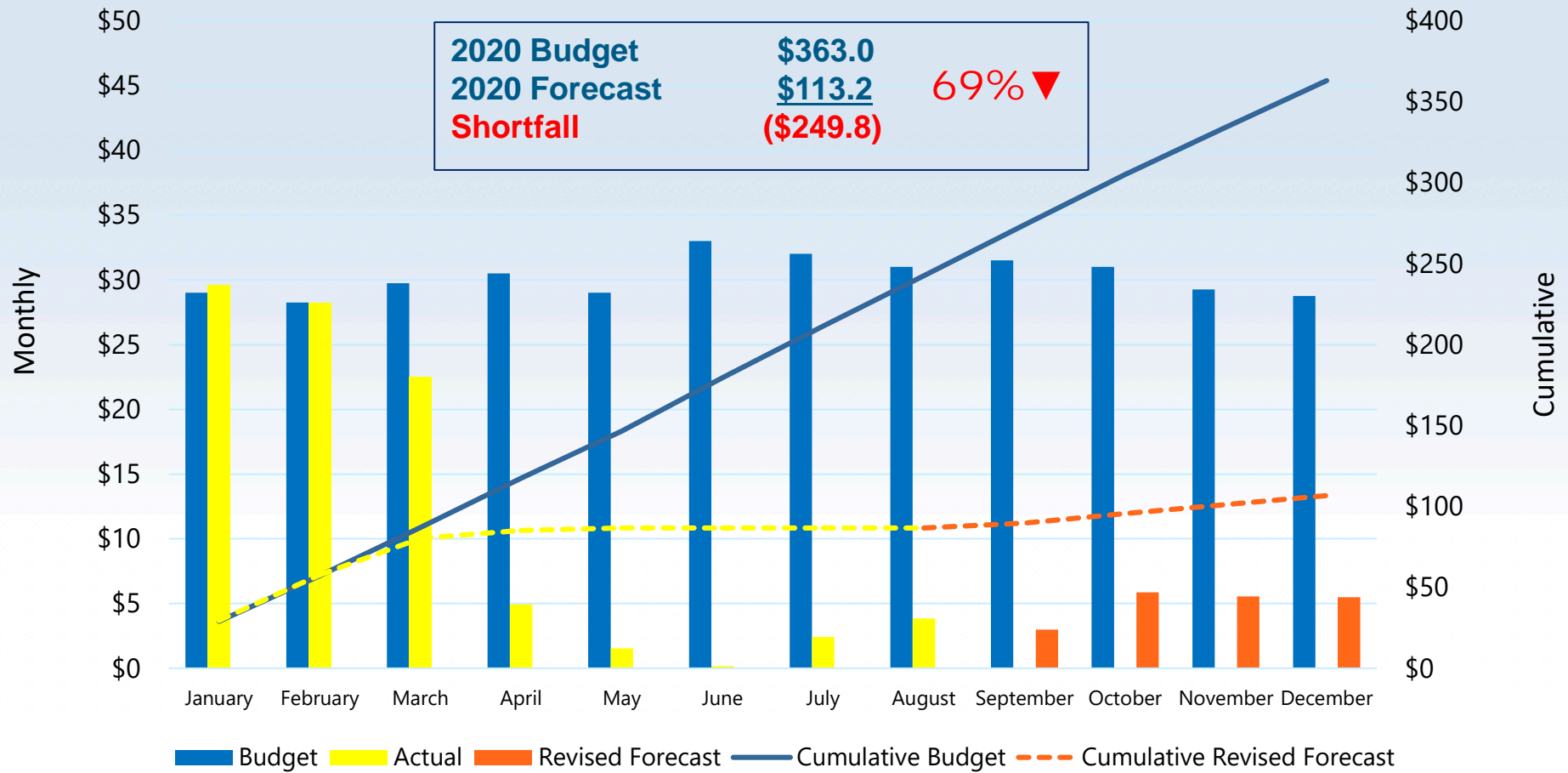
Scenarios for Passenger and Other Revenues

\$ in Millions



2020 Passenger Revenues (est.)

(\$ in Millions)

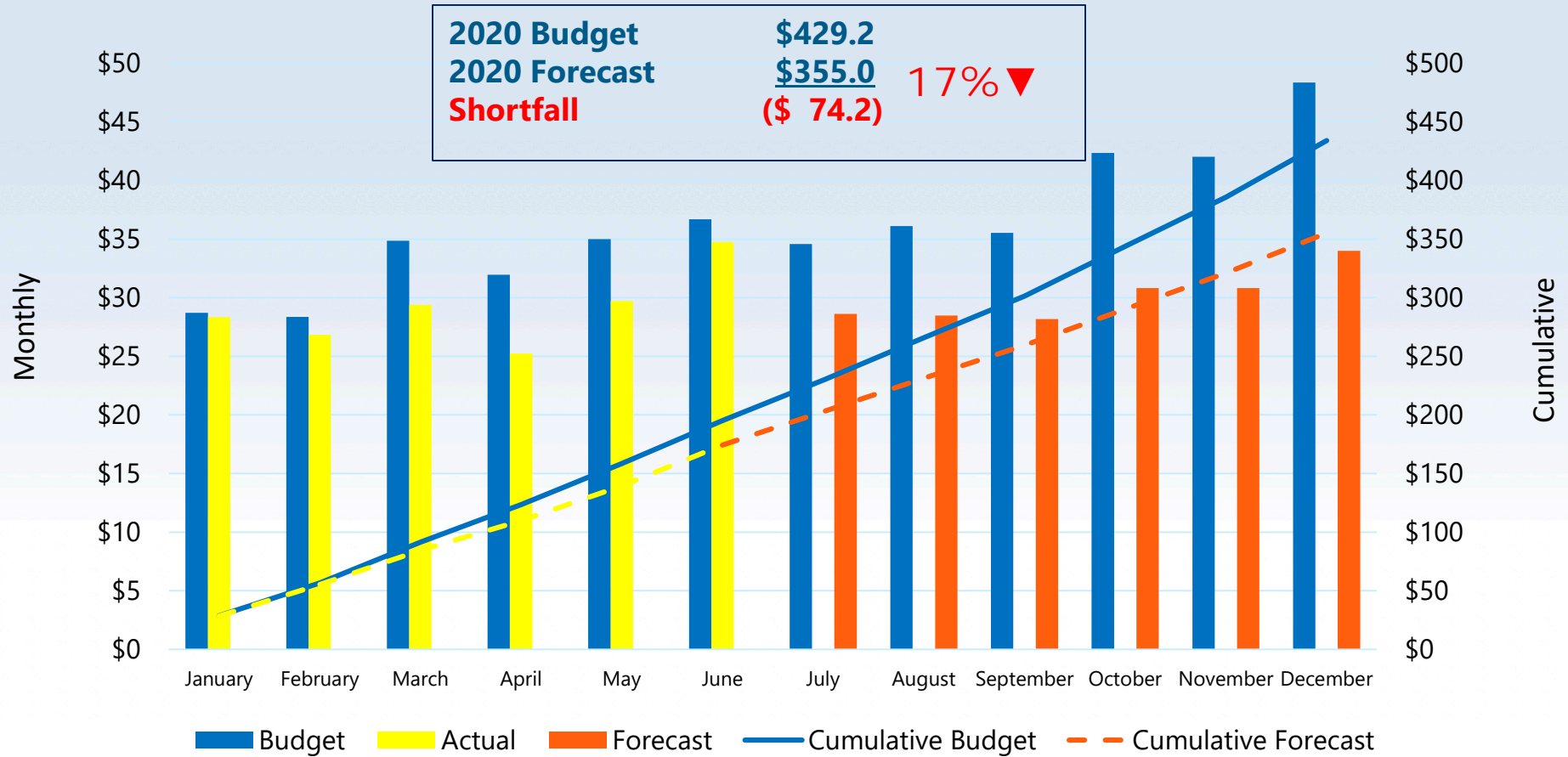


2020 Budget	\$363.0	
2020 Forecast	\$113.2	69% ▼
Shortfall	(\$249.8)	



2020 Sales Tax Funding (est.)

(\$ in Millions)



GAMEPLAN

WE ARE MANAGING COVID-19 IN THE NEAR TERM WITH:

- Saving ~\$8m/mo. ongoing and finding one-time items
- Using employees freed up by efficiencies to pursue capital improvements
- New levels of cleanliness
- Engaging employees, riders, and elected officials in our mission to increase ridership

WE ARE BEING PROACTIVE AND SELLING METRA

- Researching public sentiment so we can spend our marketing dollars optimally to regain lost riders and gain new ones
- Improved communications with current/potential riders

WE ARE PLANNING FOR THE FUTURE BY:

- Developing new metrics
- Experimenting with new service patterns and fare collection techniques
- Working our plan, but recognizing the need to constantly adjust
- Creating scenarios to determine our future path

Conclusions

- Taxes/revenue are projected down \$682m in 2020 through 2021.
- CARES Funds provide breathing room to restructure and survive
 - We received \$479m. Aug YTD we have used ~\$146m.
 - At this pace, CARES runs out mid-2021. We cannot let this happen.
 - We will take all steps necessary to:
 - Make it through 2021 and maybe 2022 using CARES money judiciously
 - Balance our budget by the time the CARES money runs out
 - NO IDEA OR ACTION IS “OFF THE TABLE.”
- We need and appreciate the full support of all of our stakeholders!

THANK YOU FOR YOUR TIME.