Defeating the Deficit

2011, 2012 and Beyond

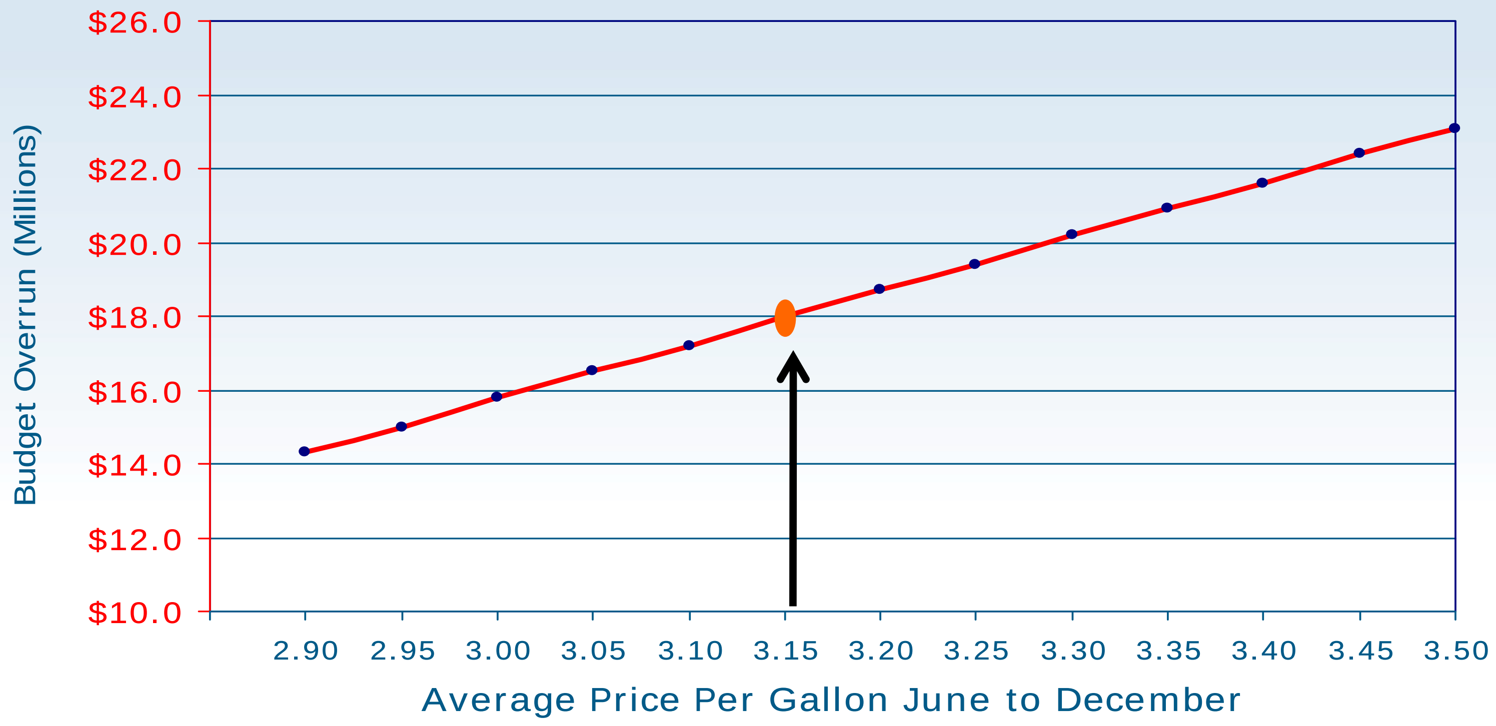
Metra Board of Directors

June 10, 2011

Presented by Alex Clifford

Executive Director/CEO

2011 Fuel Price Effect On Budget



Metra 2011 Forecast

$ in millions

Diesel Fuel Variance	$ (18.5)

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Metra 2011 Forecast

$ in millions

Diesel Fuel Variance	$ (18.5)
Revenue Variance, Net	1.0
Balance	(17.5)

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Metra 2011 Forecast

$ in millions

Diesel Fuel Variance	$ (18.5)
Revenue Variance, Net	1.0
Balance	(17.5)
Operating Efficiencies	6.2
Balance	(11.3)

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Metra 2011 Forecast

$ in millions

Diesel Fuel Variance		$ (18.5)
Revenue Variance, Net		1.0
Balance		(17.5)
Operating Efficiencies		6.2
Balance		(11.3)
Cash Items:		
Est. 2011 Excess Sales Tax	9.0	
Est. Senior Fare Proceeds	2.5	
FEMA Snow Reimbursement	0.9	
Total Cash		12.4

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Metra 2011 Forecast

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FEMA Snow Reimbursement	0.9	
Total Cash		12.4
Balance		**$ 1.1**

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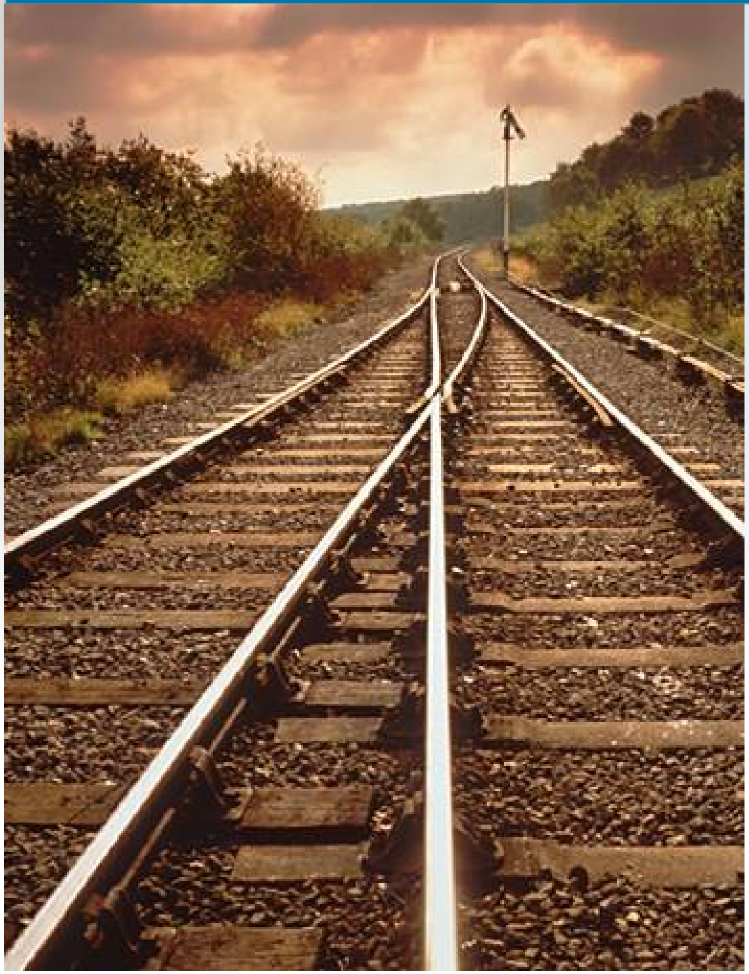
Financial Picture 2012 and Beyond



- Funding and fare gaps
- How we have managed through
- The future as it stands today
- Next steps

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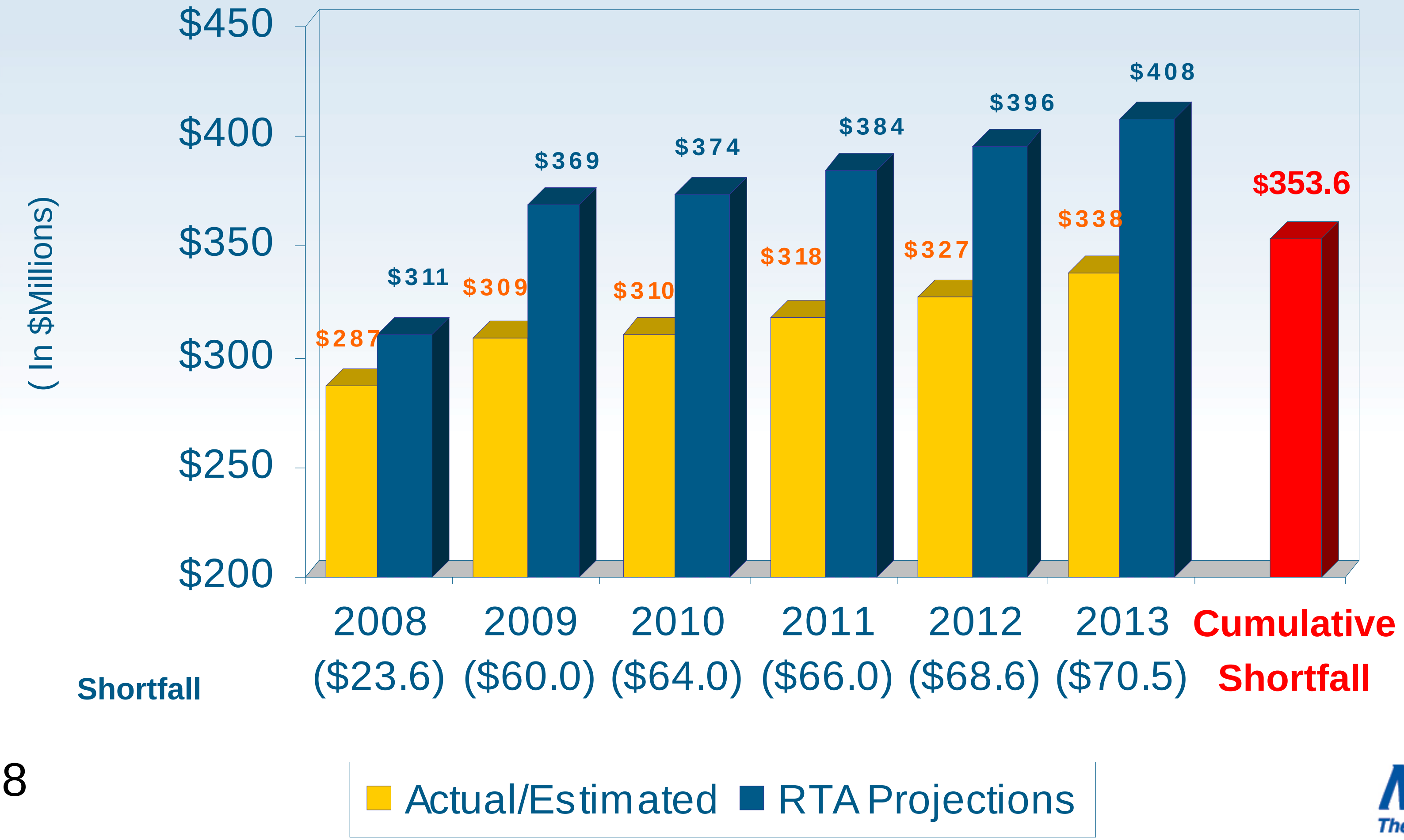
Growing Sales Tax Shortfall

Metra 85% Sales Tax and New Transit Funding

2008 – 2013 Actual/Estimated vs. RTA Projections Made in 2007



Shortfall

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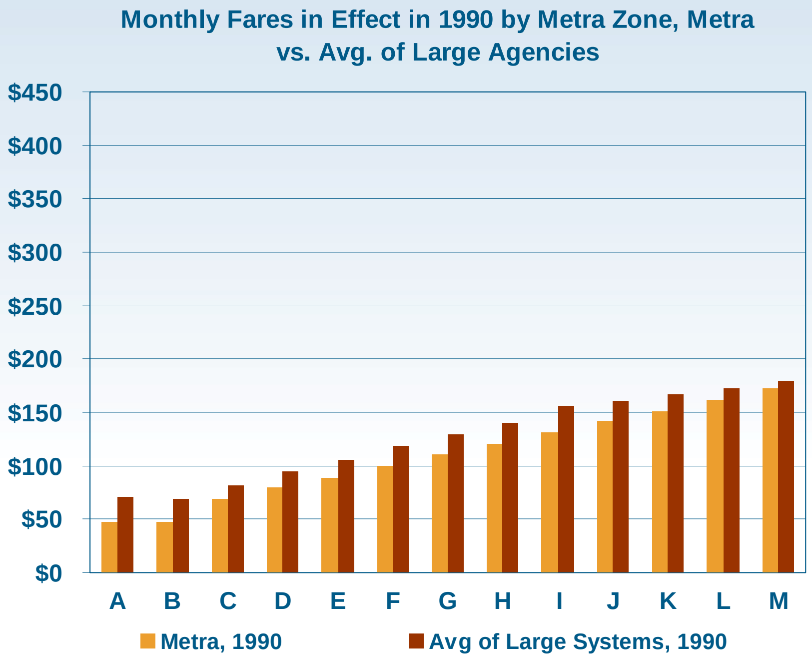
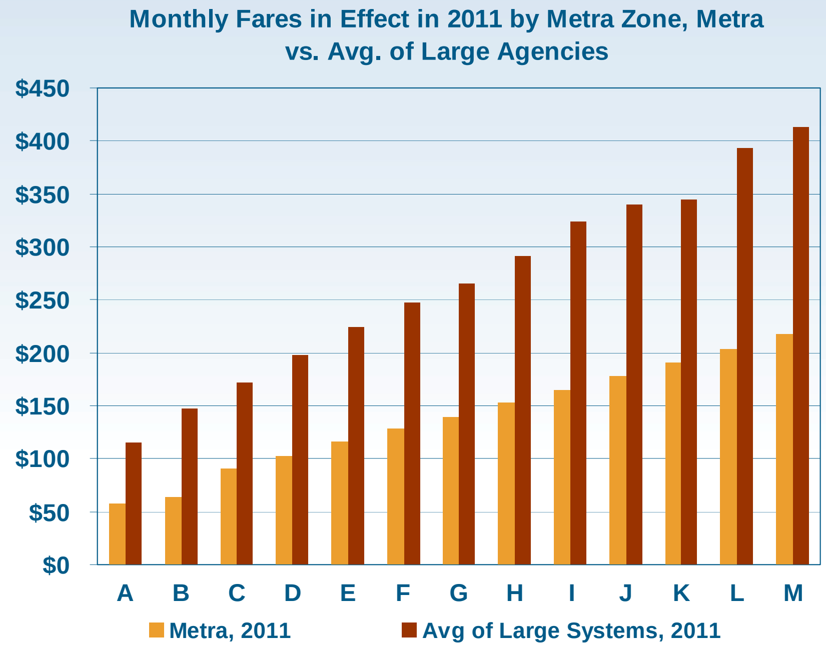
Growing Fare Gap

Metra vs. Peer Agency Fares

Monthly Fares, 1990 and 2011





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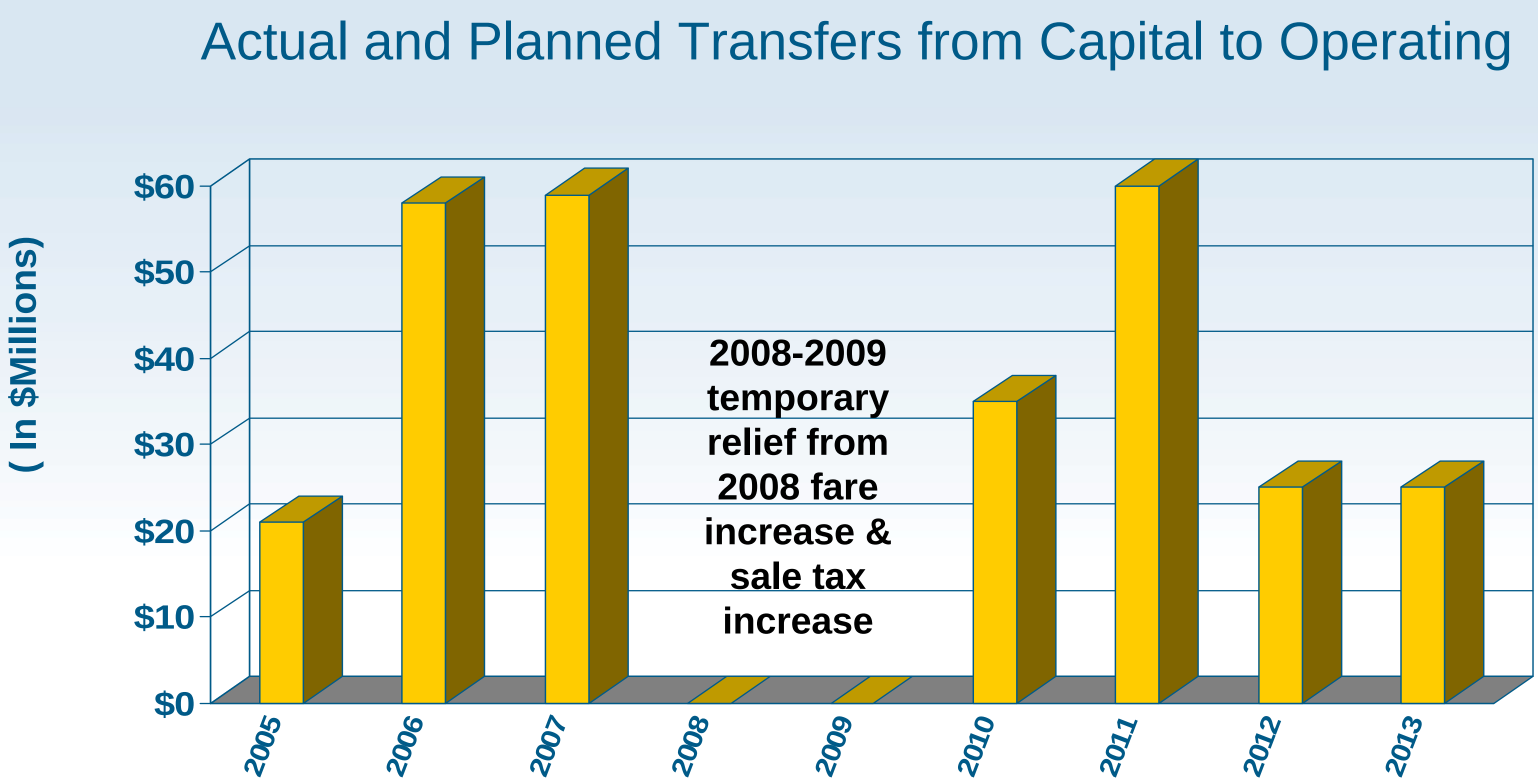
Depleting Capital to Fund Operations



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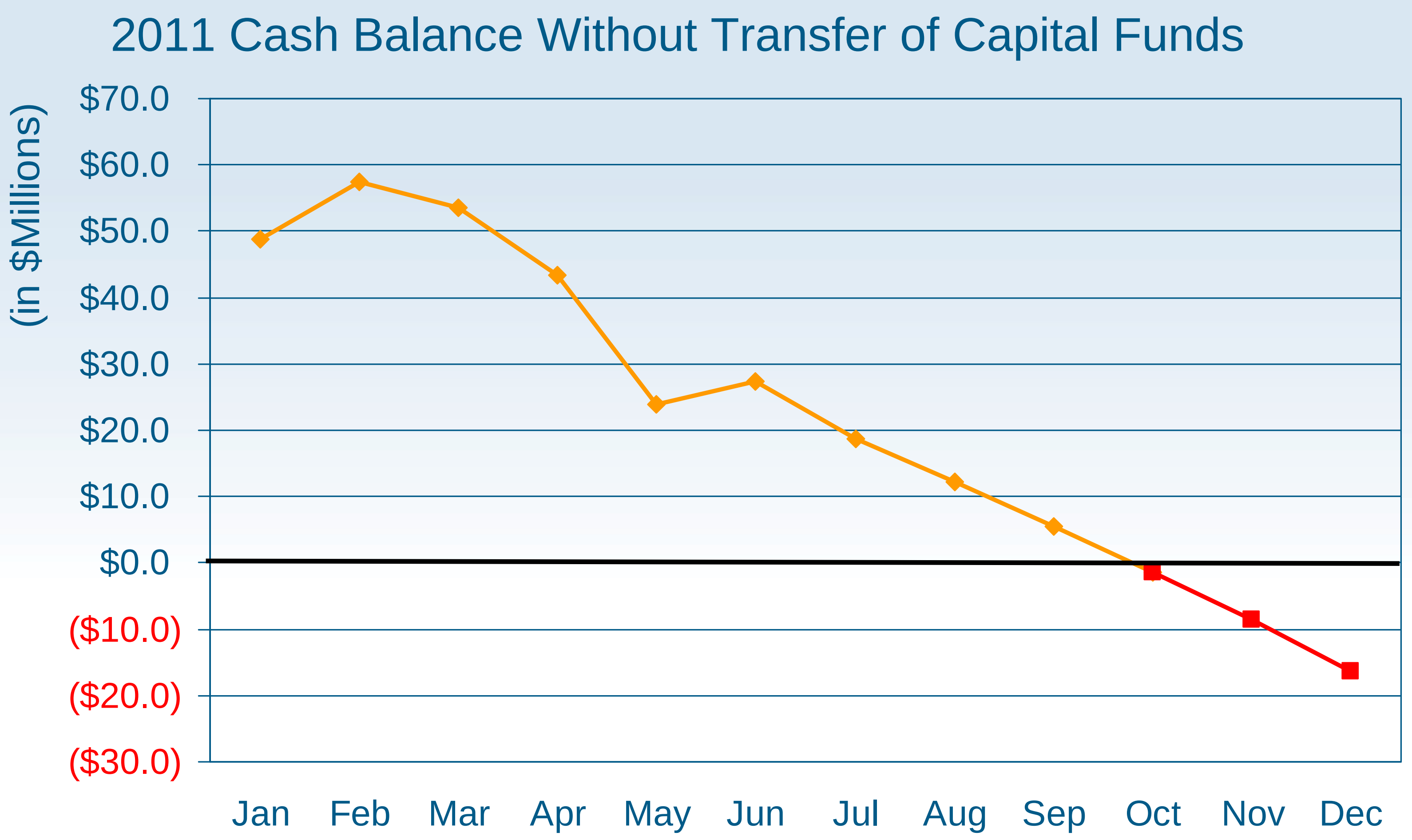
Operating Cuts

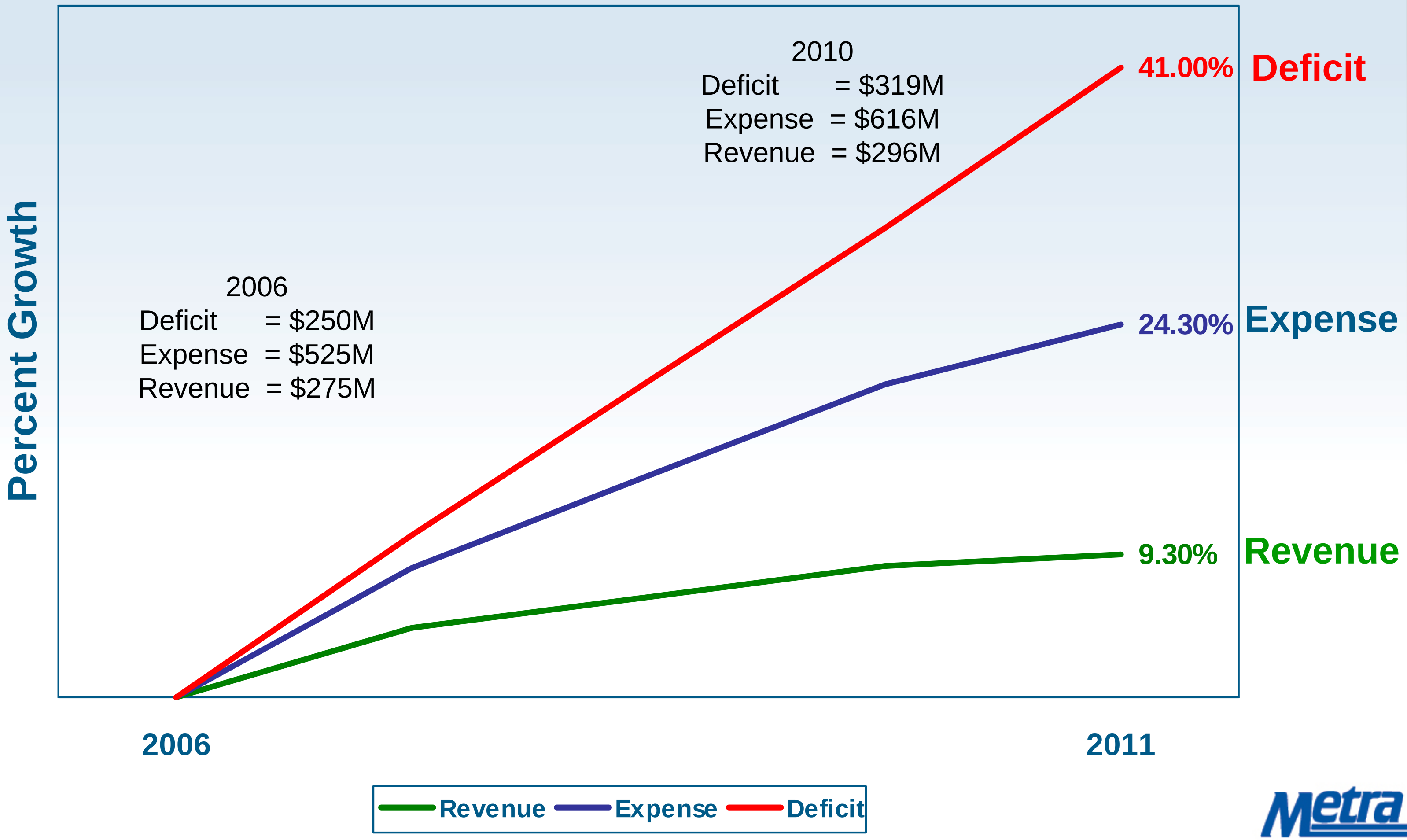
- Management Depletion
  - Vacancies not filled
  - Lack of training
  - Lack of competitive pay
- Systems Decline
  - Outdated IT systems
  - Outdated financial systems
  - Lack of strategic technology planning
- Operating Cuts
  - Deferred apprentice program
  - Uniforms and other customer interface
  - Fewer Double-Header Locomotives

2011 Cash Situation



Growing Operating Deficit

Metra Historical Financial Results – Percent Growth from 2006



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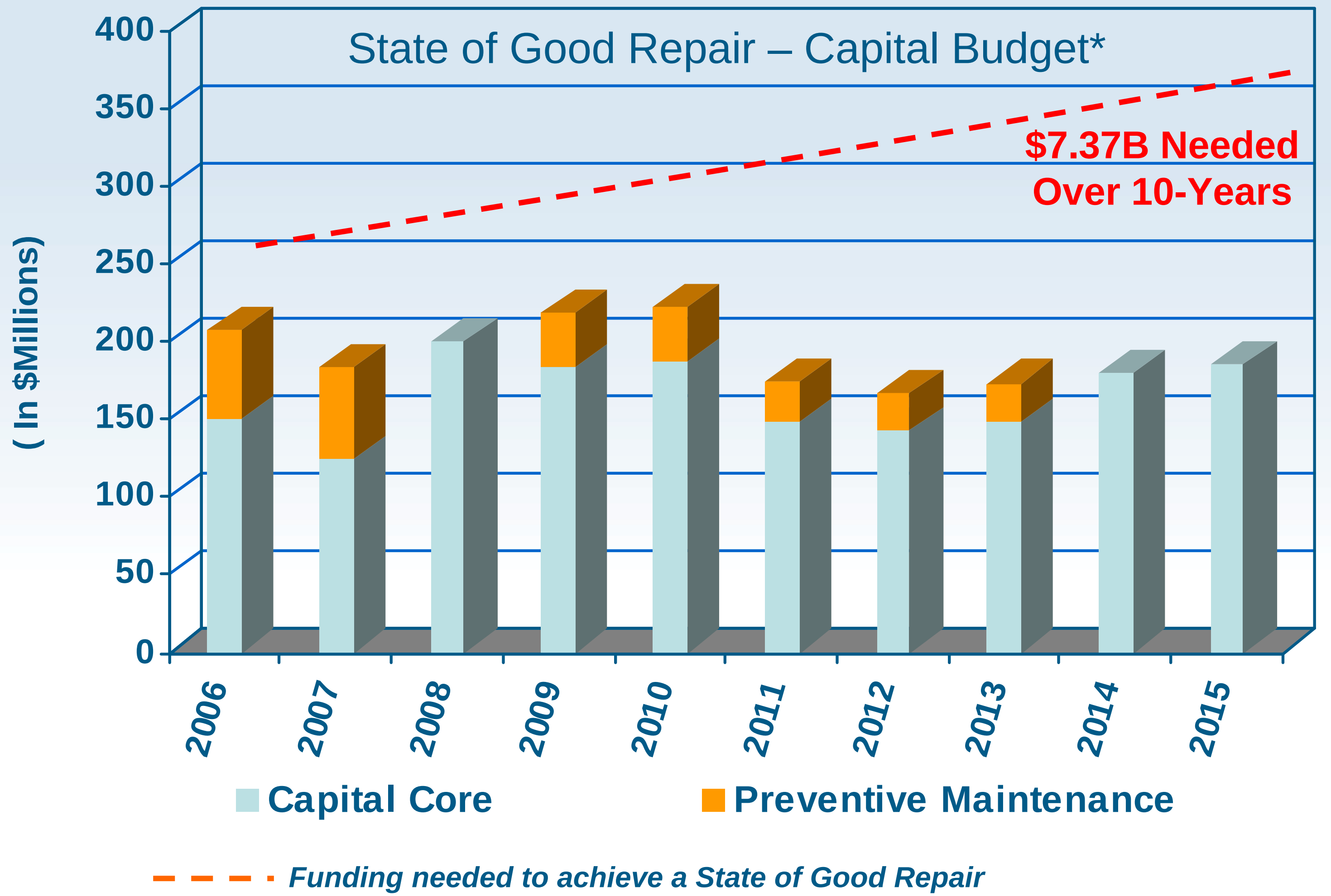
Growing Capital Deficit



** 2012 – 2015 amounts are projected estimates*

† Not inclusive of State of Illinois Bond funding

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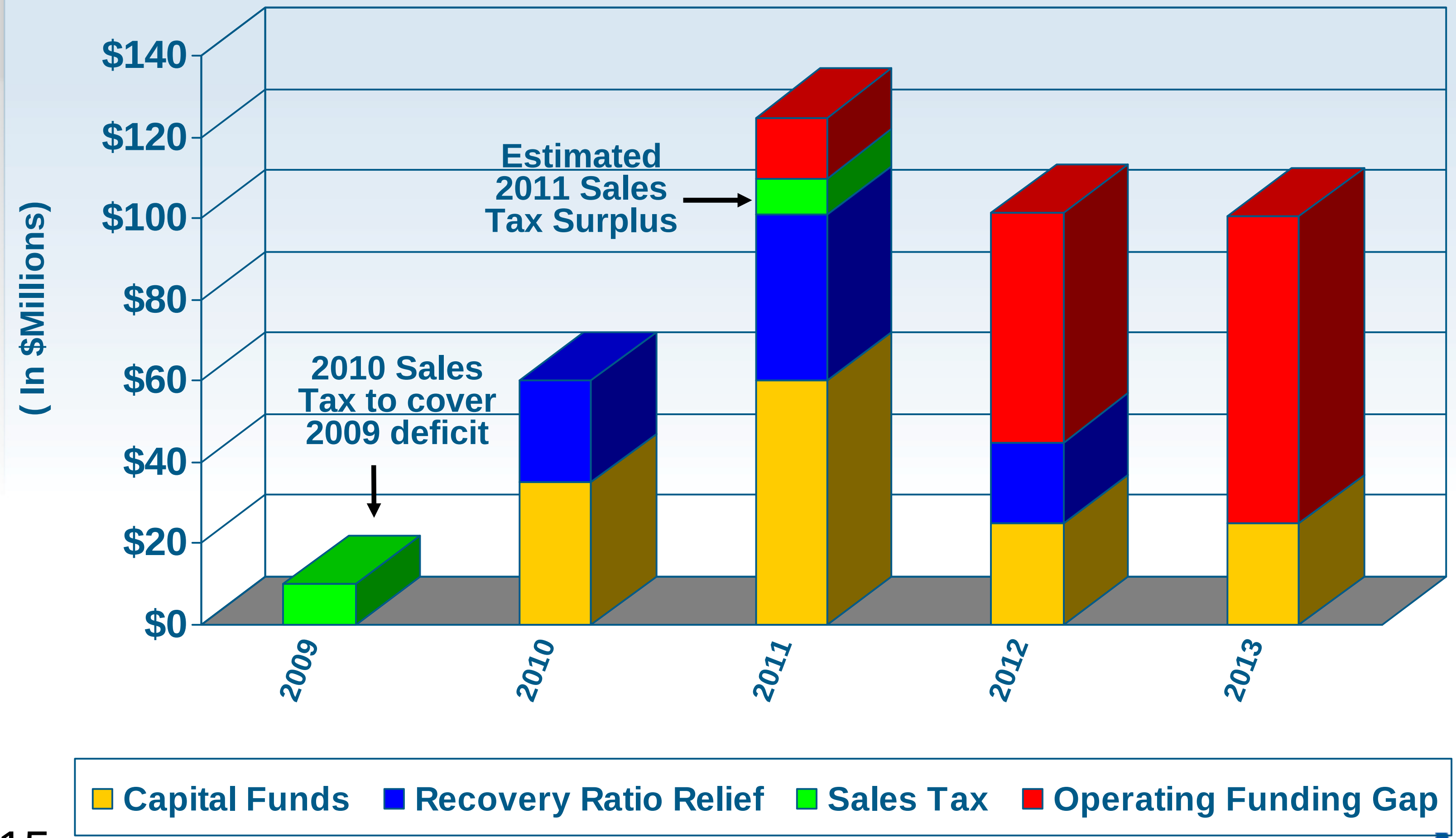
Growing Funding Deficit

Capital Funds / Credits / Other Sources to cover Operating Expense Growth



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Operating/Capital Downward Spiral

- Reduced On-Time Reliability
  - Rising Delays
  - Slow orders
  - Locomotive failures
- Inferior Customer Environment
  - Heating & Air Conditioning
  - Station environment
  - More over-crowding, shorter trains
  - Service cuts, less frequent service
- Failure to Meet Recovery Ratio
- Shrinking instead of Growing
  - Lost New Starts opportunities

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Next Steps

- Request for Finance Committee Meeting
  - Late June