

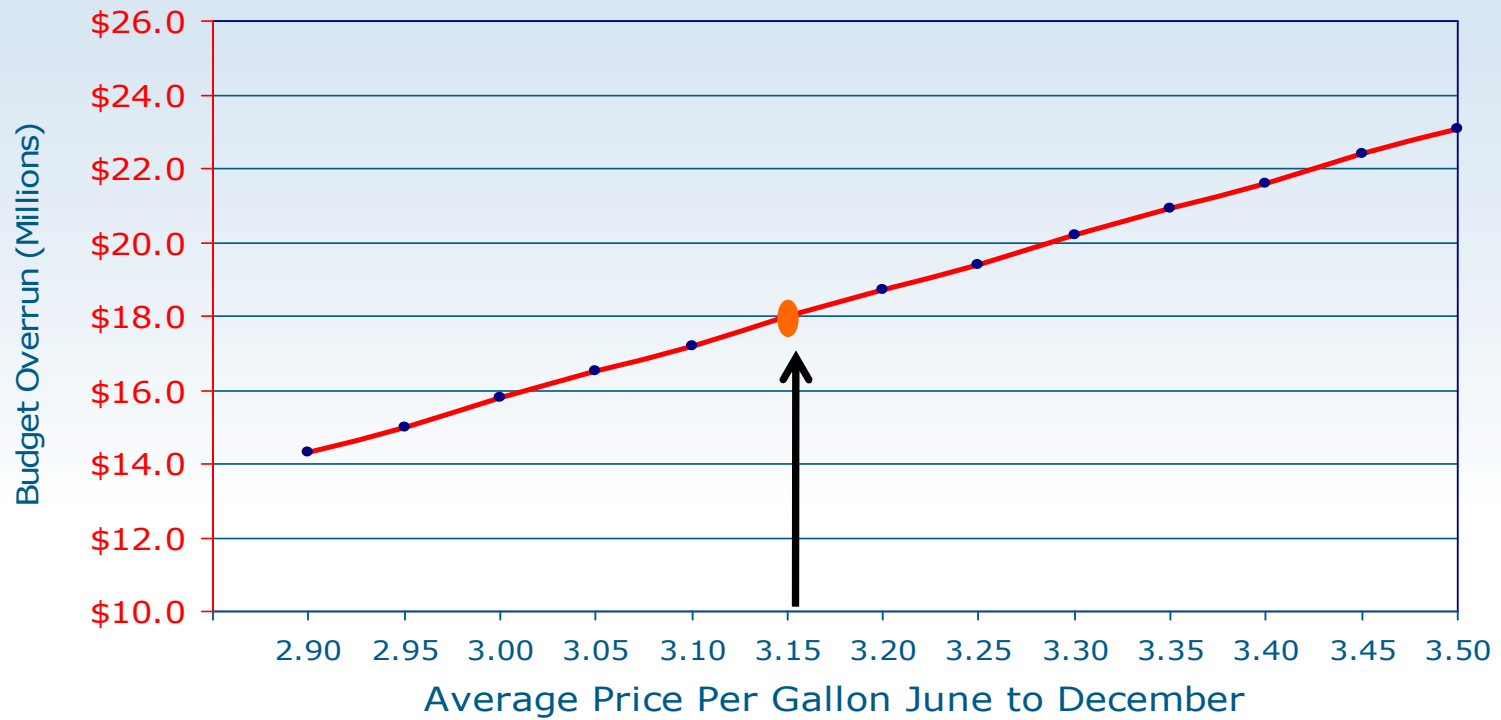


# **Defeating the Deficit** *2011, 2012 and Beyond*

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)

# Metra 2011 Forecast

\$ in millions

Diesel Fuel Variance	\$ (18.5)
Revenue Variance, Net	<u>1.0</u>
Balance	(17.5)

# Metra 2011 Forecast

\$ in millions

Diesel Fuel Variance	\$ (18.5)
Revenue Variance, Net	<u>1.0</u>
Balance	(17.5)
Operating Efficiencies	<u>6.2</u>
Balance	(11.3)

# Metra 2011 Forecast

\$ in millions

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

# Metra 2011 Forecast

\$ in millions

Diesel Fuel Variance		\$ (18.5)
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Cash Items:		
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FEMA Snow Reimbursement	<u>0.9</u>	
Total Cash		<u>12.4</u>
	<b>Balance</b>	<b>\$ 1.1</b>

# Financial Picture 2012 and Beyond



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



# Growing Sales Tax Shortfall

Metra 85% Sales Tax and New Transit Funding

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



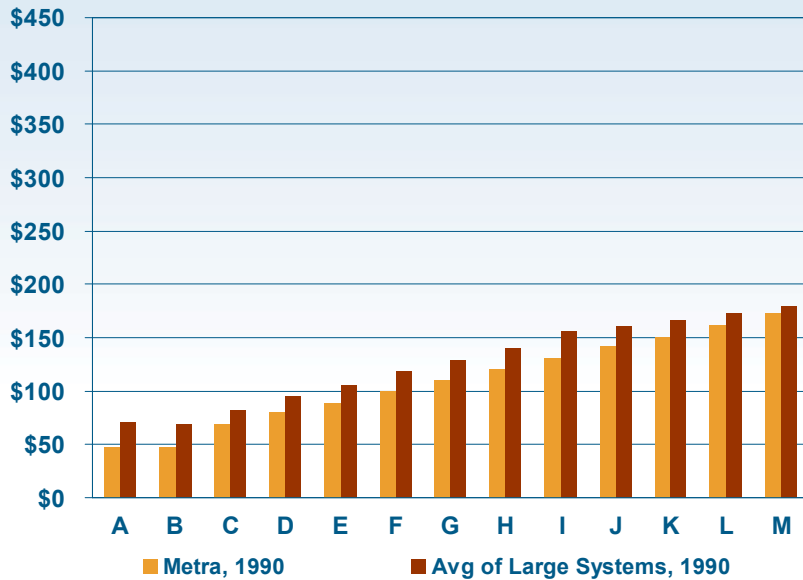
■ Actual/Estimated 
 ■ RTA Projections

# Growing Fare Gap

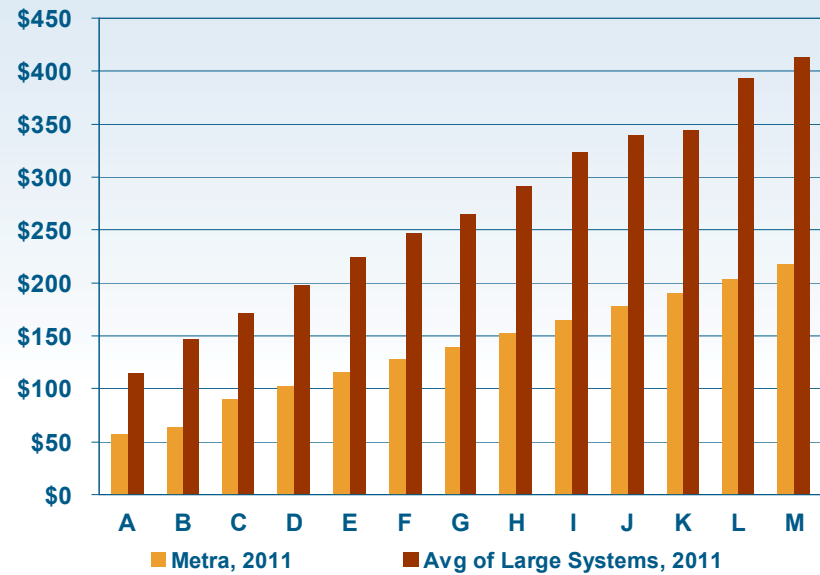
## Metra vs. Peer Agency Fares

### Monthly Fares, 1990 and 2011

Monthly Fares in Effect in 1990 by Metra Zone, Metra vs. Avg. of Large Agencies

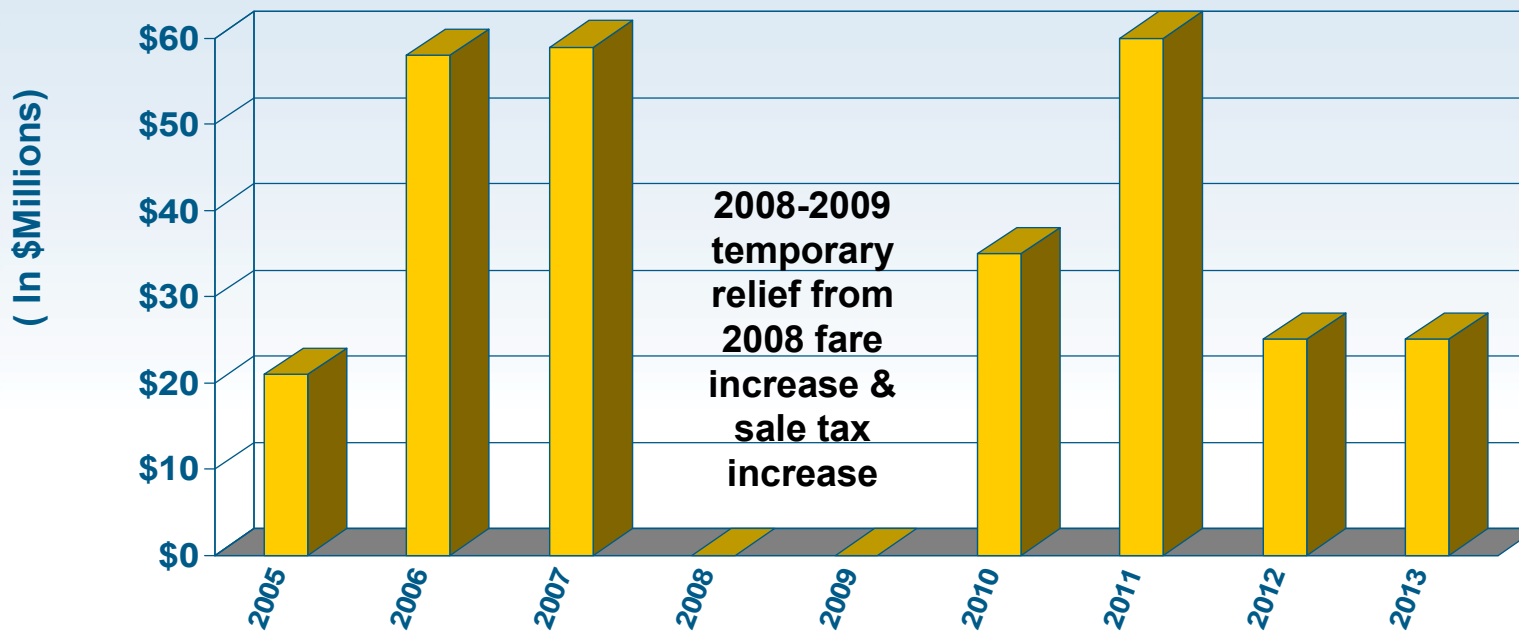


Monthly Fares in Effect in 2011 by Metra Zone, Metra vs. Avg. of Large Agencies



# Depleting Capital to Fund Operations

Actual and Planned Transfers from Capital to Operating



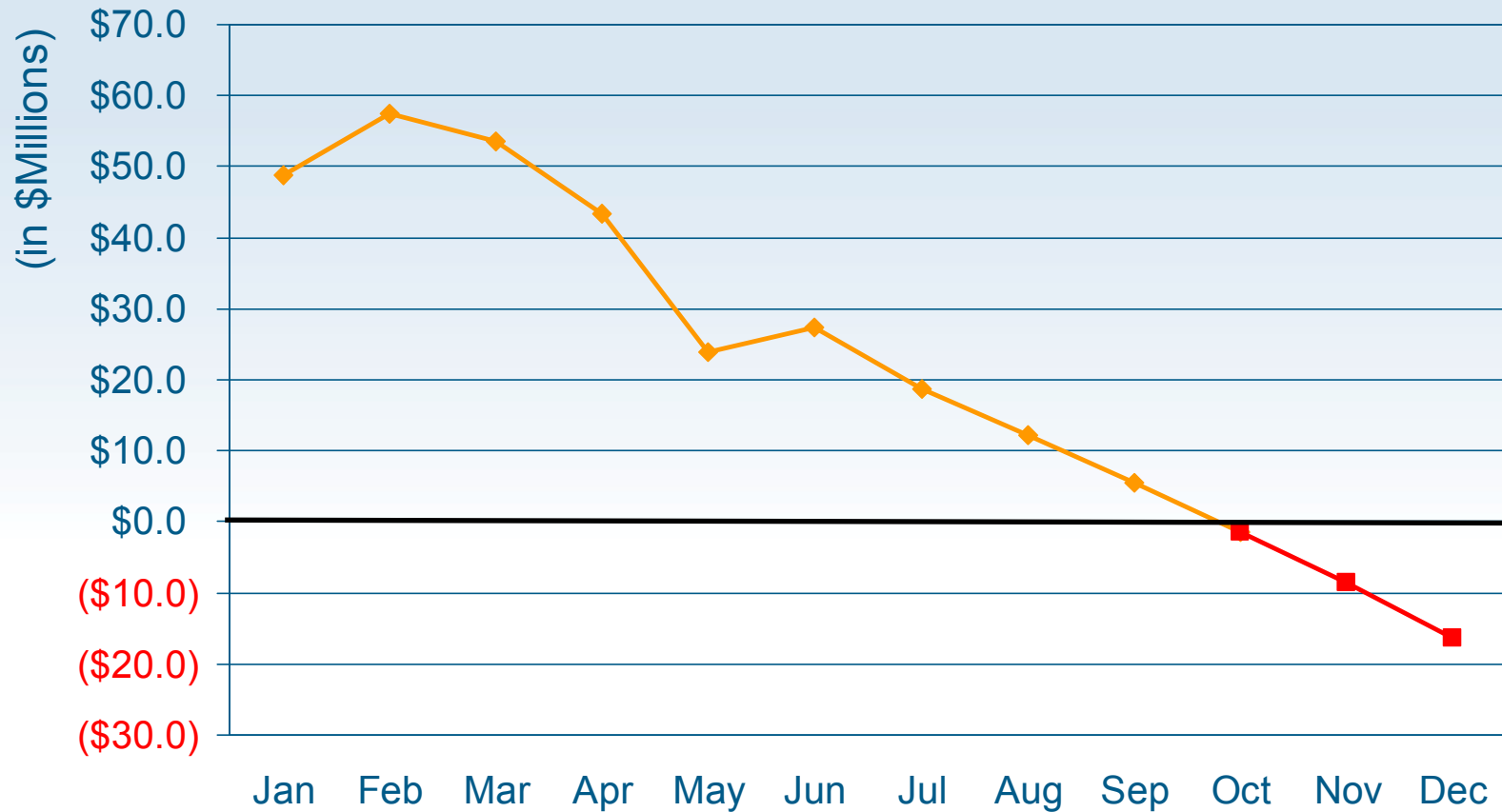
# Operating Cuts

- 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



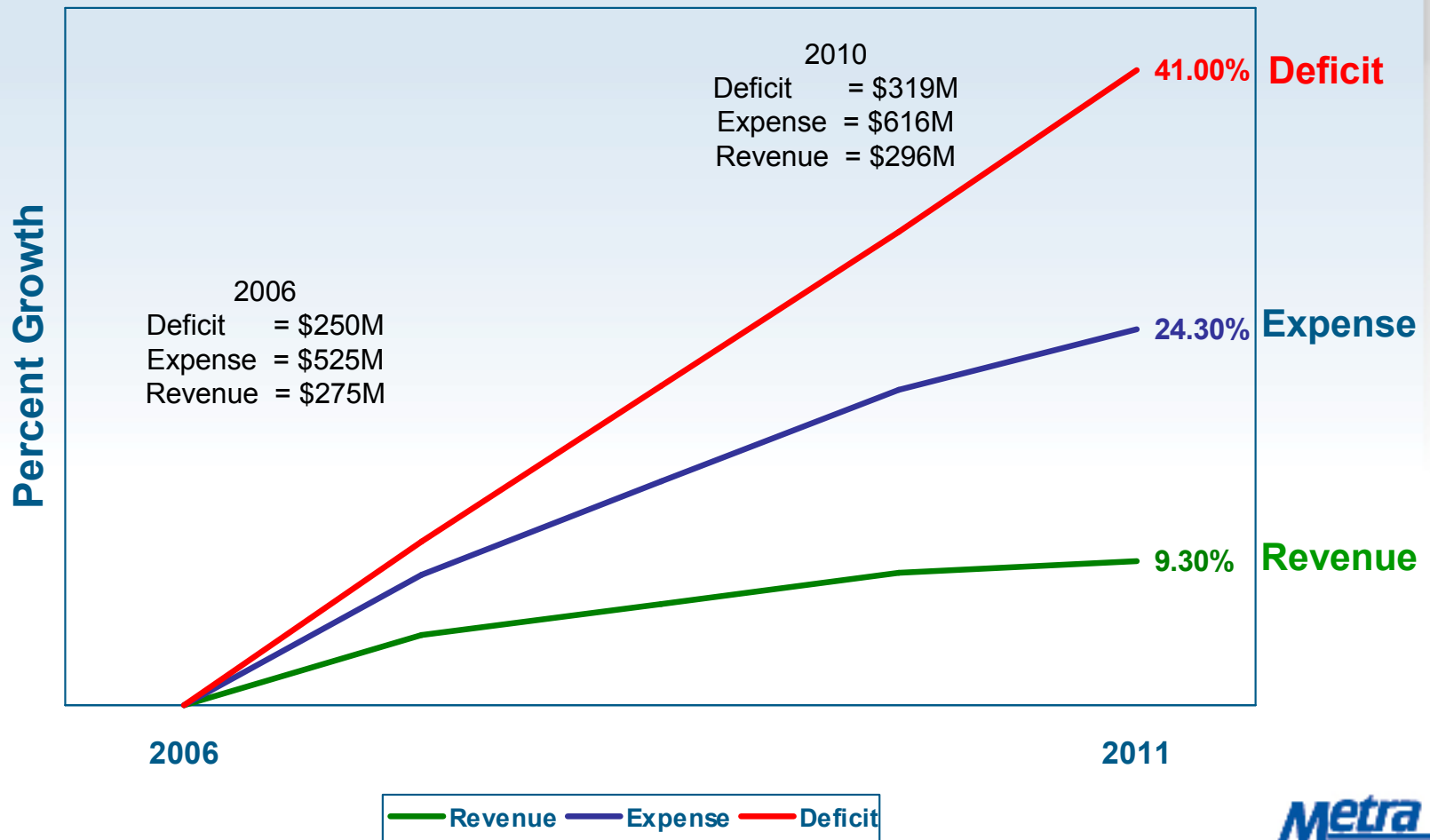
# 2011 Cash Situation

## 2011 Cash Balance Without Transfer of Capital Funds

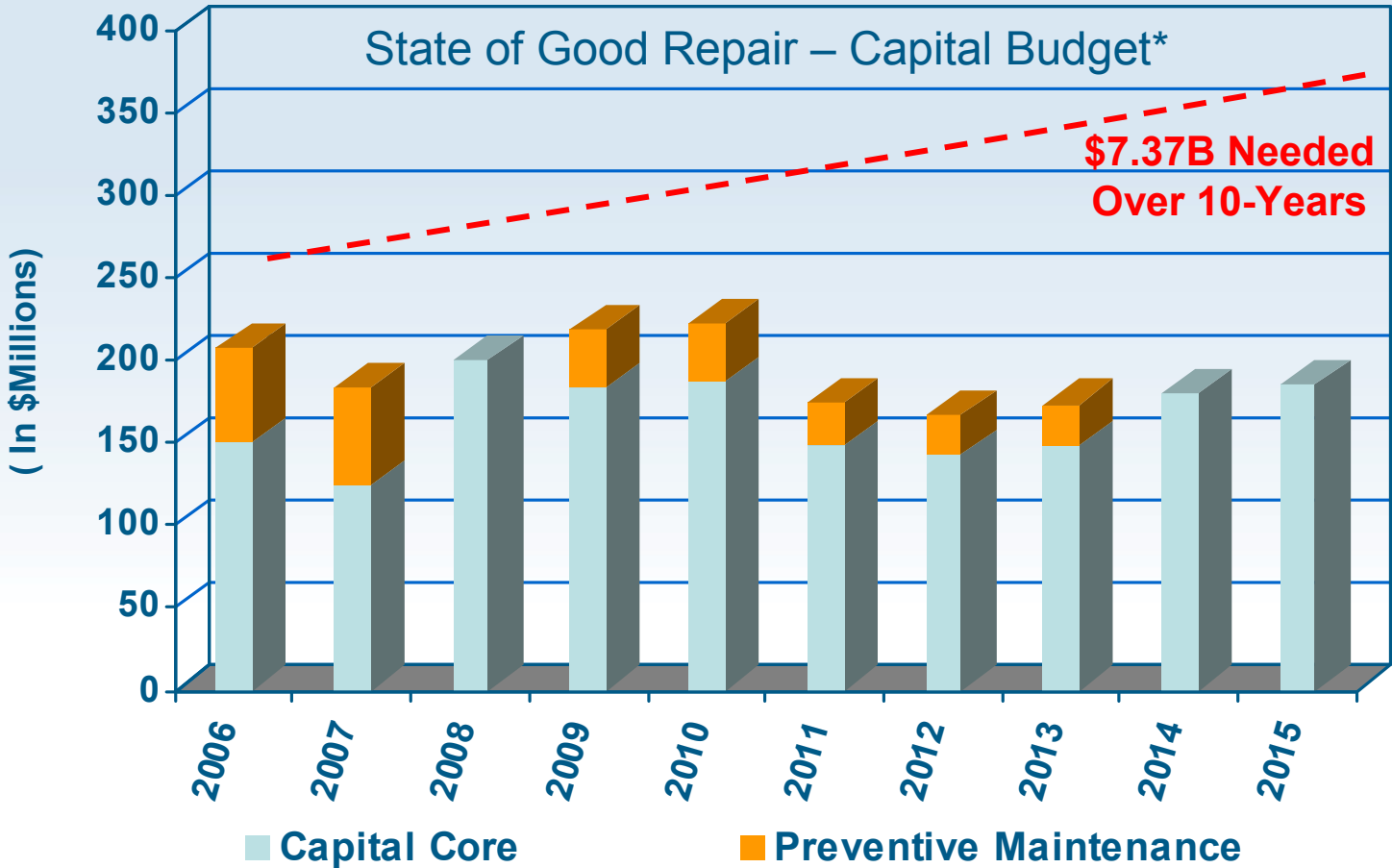


# Growing Operating Deficit

Metra Historical Financial Results – Percent Growth from 2006



# Growing Capital Deficit

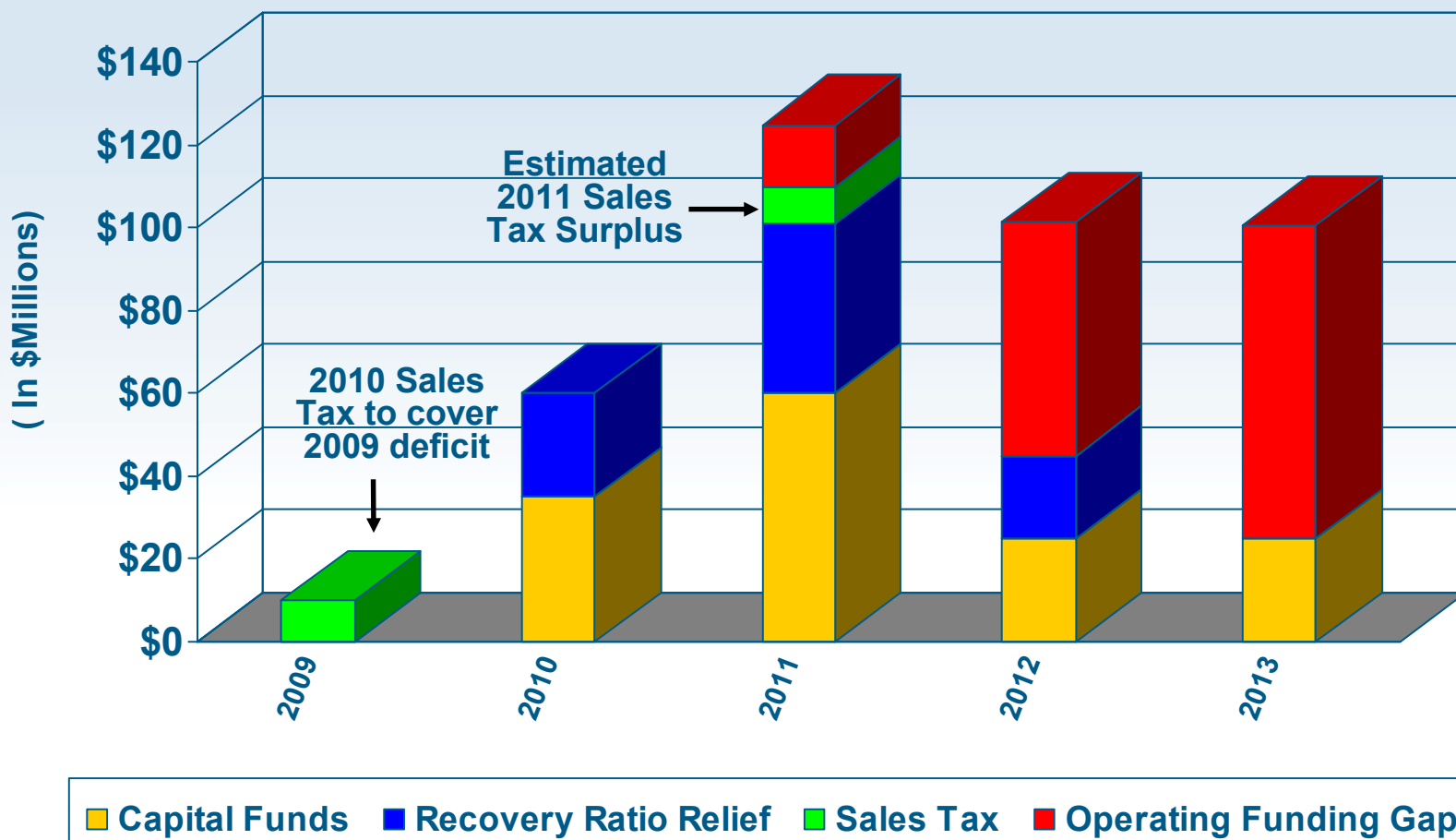


**\$7.37B Needed Over 10-Years**

\* 2012 – 2015 amounts are projected estimates  
 † Not inclusive of State of Illinois Bond funding

# Growing Funding Deficit

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





# 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

## Next Steps

- Request for Finance Committee Meeting
  - Late June