

FOR IMMEDIATE RELEASE

No fare increase in proposed 2019 budget

But capital needs must be addressed soon or system will be downsized

CHICAGO (Oct. 9, 2018) – Metra today proposed a 2019 operating budget of \$822 million that does not include a fare increase. Metra also proposed a 2019 capital budget of \$185.6 million, far short of Metra’s needs, and warned about the system’s deterioration and possible downsizing unless chronic capital funding shortfalls are addressed.

“While this budget contains good news for our customers, that good news comes with a warning: Metra cannot continue to operate the system as it now exists – and we cannot grow it - unless we receive the funding we need,” said Metra CEO/Executive Director Jim Derwinski. “We will be spending the coming months highlighting our needs and working with our business and political leaders to solve this problem.”

Metra expects its operating costs to grow by about \$36 million in 2019. The primary drivers of that growth are rising costs in labor, benefits, fuel, rents, materials and other costs associated with operating the service and meeting the maintenance and inspection requirements related to the equipment and infrastructure.

About \$11 million of the increase will be covered by an increase in RTA funding, primarily from the regional transportation sales tax. Metra will offset an additional \$12 million of that increase through two actions: 1) Identifying about \$6 million in efficiencies, primarily personnel savings in the Engineering, Mechanical and Administrative departments and cuts to IT costs, and 2) Reducing its budget by approximately \$6 million, reflecting a normal level of employees who are on a leave of absence and not receiving wages or benefits in 2019. The remainder of the increase will be covered by reducing the amount of fare revenue spent on capital needs by about \$13 million (thus allocating that \$13 million to the operating budget).

That results in a 2019 operating budget of \$822 million, which is \$25 million or 3.1 percent, higher than \$797 million in 2018.

No fare increase for operations will be needed. And Metra Board members agreed that a fare increase for capital needs in 2019 would burden customers after four fare increases in a row while providing only a fraction of the needed revenue.

Those capital needs, however, aren’t going away. About 40 percent of Metra’s assets are classified as in marginal or worn condition. Half of its bridges are more than 100 years old, and at the present rate of replacement of three bridges a year, it would take Metra 150 years to replace

the oldest bridges. Its diesel cars have an average age of 30 years, the oldest in the nation. The oldest cars in daily service are more than 65 years old. Its locomotives have an average age of 31 years, the oldest in the nation. The oldest locomotives are more than 41 years old.

To address those needs next year, Metra's 2019 capital program contains only \$173.6 million in federal funds, \$5 million in local RTA funds and \$7 million in fare revenues set aside for capital needs. About half of that budget will pay for priorities such as new and rehabilitated cars and engines, bridges, yard rehabilitation and PTC. The remaining half will go to routine capital maintenance of tracks, signals, stations and other facilities.

Additional funding is needed – much more than could come from fares. Metra needs help, and the most likely source of that help is the state of Illinois, which created the RTA in 1973 and then Metra a decade later after recognizing that the private railroads then operating commuter rail service in Chicago could not continue without public subsidies.

The proposed 2019 budget will be the subject of a series of eight public hearings throughout the Chicago area. The schedule accompanies this release. Metra customers and members of the public are encouraged to attend and provide comments on the proposed budget.

Comments on the proposed budget can also be emailed to 2019budgetcomments@metrarr.com, faxed to 312-322-7094 or mailed to the Assistant Secretary to the Metra Board, Room 1300, 547 W. Jackson Blvd., Chicago, IL, 60661. Comments must be received no later than 24 hours after the last public hearing on Nov. 5. All comments received will be presented to Metra's Board of Directors prior to voting on the final budget in November 2018.

For more information about Metra's proposed 2019 budget, please visit metrarail.com.

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About Metra

Metra is one of the largest and most complex commuter rail systems in North America, serving Cook, DuPage, Will, Lake, Kane and McHenry counties in northeastern Illinois. The agency provides service to and from downtown Chicago with 242 stations over 11 routes totaling nearly 500 route miles and approximately 1,200 miles of track. Metra operates nearly 700 trains and provides nearly 290,000 passenger trips each weekday.

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Public hearing schedule for Metra's 2019 budget

Nov. 1, 2018, 4 p.m. to 7 p.m.

North Suburban Cook County

Arlington Heights Village Hall
Village Board Room
33 S. Arlington Heights Road

McHenry County

Crystal Lake City Hall
City Council Chambers
100 W. Woodstock St.

DuPage County

Clarendon Hills Village Hall
Village Board Room
1 N. Prospect Ave.

Will County

Will County Office Building
County Board Room – 2nd Floor
302 N. Chicago St.
Joliet

Nov. 5, 2018, 4 p.m. to 7 p.m.

Lake County

Mundelein Village Hall
Village Board Room
300 Plaza Circle

South Suburban Cook County

East Hazel Crest Village Hall
Village Board Room
1904 W. 174th St.

Kane County

Kane County Government Center
Building A – 1st Floor Auditorium
719 S. Batavia Ave.
Geneva

City of Chicago

Metra
Board Room, 13th floor
547 W. Jackson Blvd.
Chicago