



Finance, Administration and Oversight Committee

Information Item IV-B

October 8, 2009

Ridership and Revenue Trends

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input type="radio"/> Action <input checked="" type="radio"/> Information	MEAD Number:	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
---	--------------	--

TITLE:

FY2010 Ridership and Revenue Review

PURPOSE:

To inform the Board regarding the status of ridership and revenue for the first two months of FY2010.

DESCRIPTION:

Provide the Board with current revenue and ridership levels for FY2010. Discuss the effects of rising unemployment and the Red Line accident of June 22, 2009 on ridership and revenue.

FUNDING IMPACT:

No impact on funding.

RECOMMENDATION:

None



WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

FY2010 Ridership and Revenue Review

Finance, Administration and Oversight Committee

October 8, 2009



Purpose

- To discuss rail and bus ridership trends and the impact on FY2010 operating revenues
- To provide general reasons for declines in Metrorail and Metrobus ridership and revenues, including rising District of Columbia unemployment, the Red Line Metrorail accident of June 22, 2009, decreasing gas prices, and declining levels of service dues to maintenance and track repairs



FY2010 Ridership Overview

- For the first two months of the fiscal year (July and August) Metrorail ridership is below FY2009 and FY2010 budget projections
- AM peak period rail trips, which are predominately work trips, were below the same period last year in July and August of 5.1 and 3.7 percent, respectively. Average weekday ridership fell 3.8 and 2.5 percent below July and August 2008
- The Red Line accident is still negatively affecting rail ridership. In July and August, average weekday Red Line ridership fell below the same period last year by 10.4 and 8.3 percent, respectively

Year-to-Date Ridership (July and August)					
				Variance to	Variance to
(1,000)	FY09 Actual	FY10 Budget	FY10 Actual	FY09 Actual	FY10 Budget
Rail	39,527	40,698	38,441	(1,086)	(2,258)
Bus	23,828	24,793	22,733	(1,094)	(2,060)
MetroAccess	326	372	394	68	22
Total	63,680	65,864	61,568	(2,112)	(4,296)



FY2010 Revenue Review

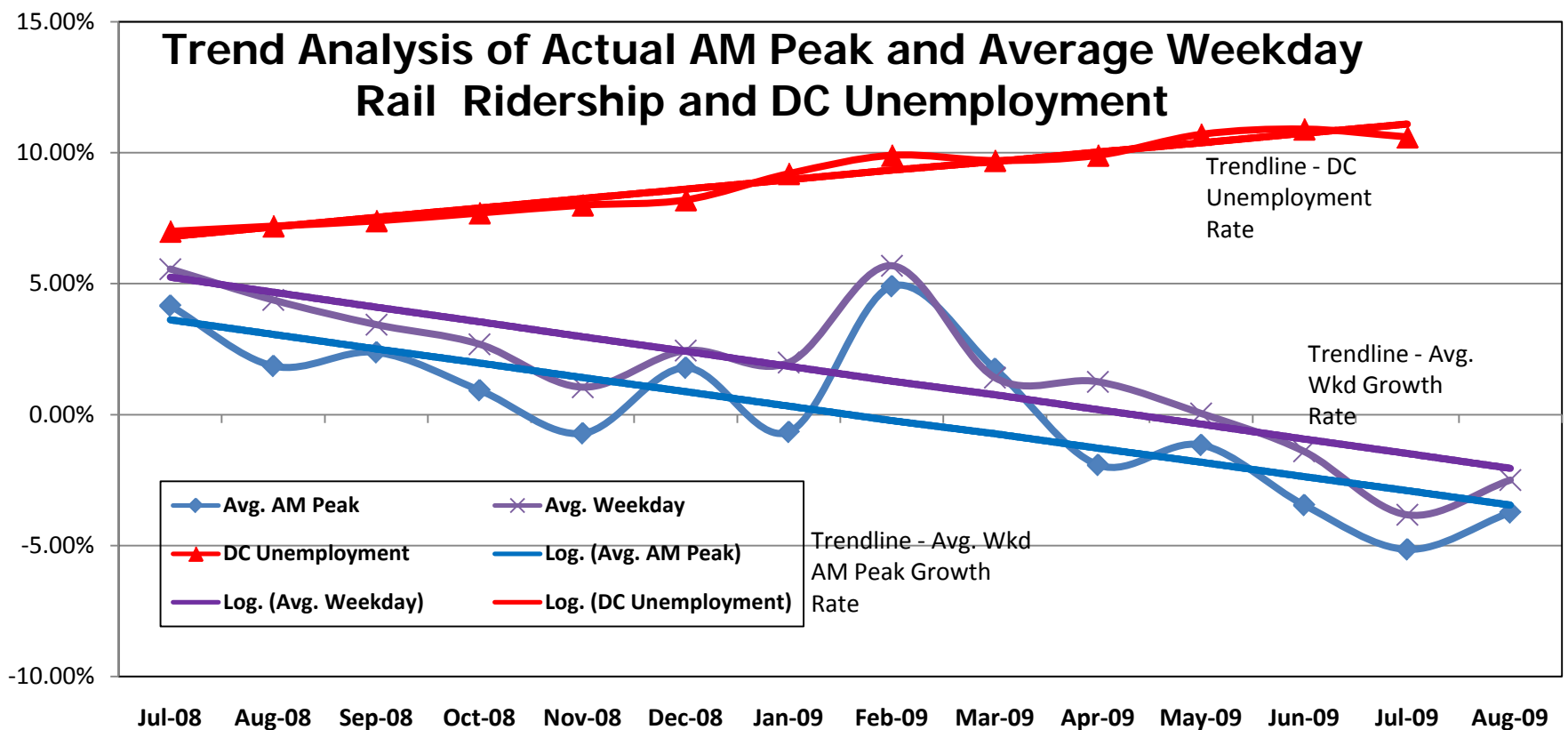
- Year-to-date rail passenger revenue is below budget by \$5.8 million, or 6 percent
- Metrobus passenger revenue is \$2.3 million below budget, or almost 12 percent

Year-to-Date Passenger Revenue (July and August)					
(in millions)	FY09 Actual	FY10 Budget	FY10 Actual	Variance to FY10 Budget	Variance to FY09 Actual
Rail	\$88.5	\$92.6	\$86.8	(\$5.8)	(\$1.7)
Bus	\$20.0	\$20.5	\$18.2	(\$2.3)	(\$1.8)
MetroAccess	\$0.6	\$0.8	\$0.7	(\$0.1)	\$0.1
Total	\$109.1	\$113.9	\$105.7	(\$8.2)	(\$3.4)



FY2010 Metrorail Ridership

- The DC employment rate is directly correlated to Metrorail ridership
- As the unemployment rate has risen, Metrorail ridership and revenues have declined
 - DC unemployment, August: 11.1%, July 9.7%
 - National unemployment, August 9.7%, July 9.4%

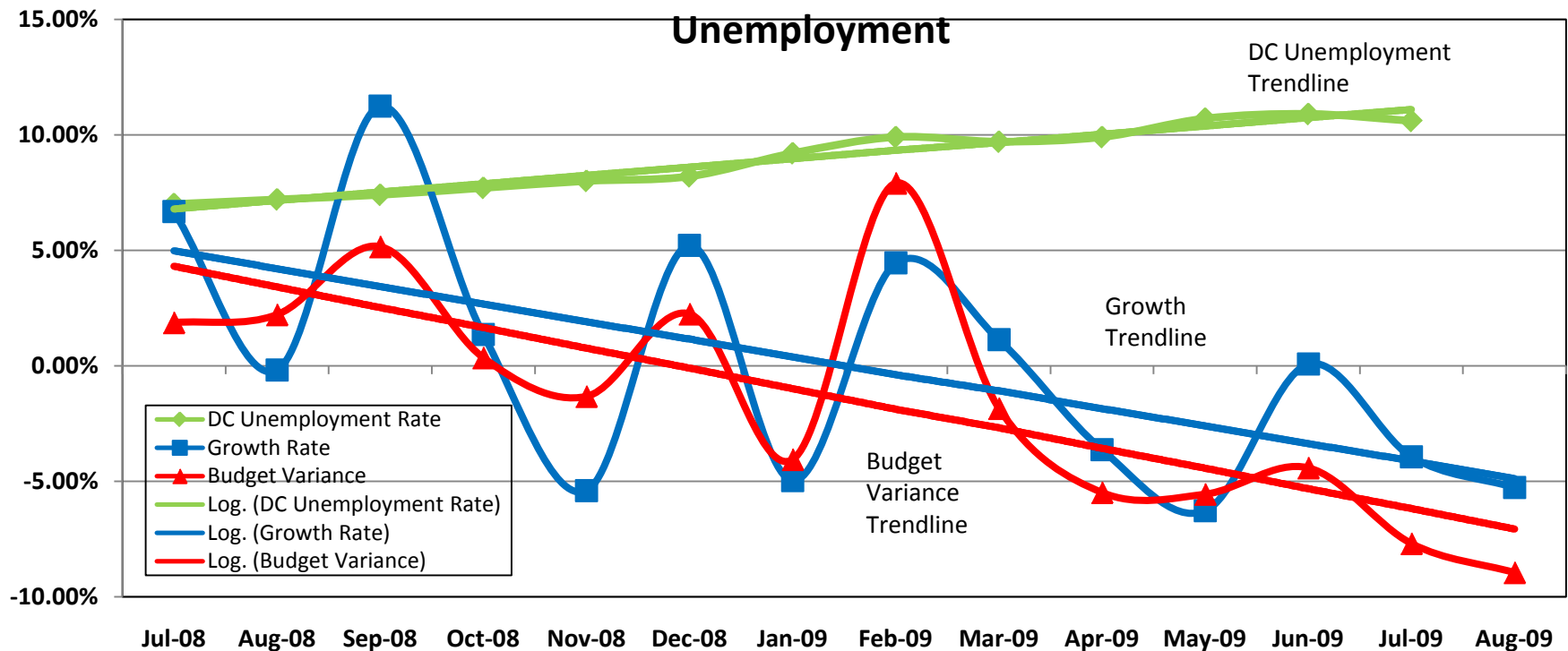




FY2010 Metrobus Ridership

- Metrobus ridership declined in July and August below the same period last year
 - The downturn in economic conditions and rising unemployment is disproportionately affecting bus ridership.

Trend Analysis of Bus Average Weekday Ridership and DC





FY2010 Passenger Revenue Forecast

- Given ridership and revenue trends, preliminary forecasts predict an overall passenger revenue shortfall of \$22.4 million in FY2010
 - This assumes rail and bus revenue declines through December of 5.6 and 11.5, percent, respectively
 - This forecast is based on the average revenue decline for July and August, 2009

FY2010 Passenger Revenue Forecast

Passenger Revenue forecasted to decrease \$22.4 Million
(forecast through September 25, 2009)

(in \$millions)

	Metrorail	Metrobus	MetroAccess	Total
FY2010 Approved Budget	\$525.9	\$116.7	\$5.0	\$647.6
Budget Variance (August 2009) ¹	-\$5.9	-\$2.4	-\$0.1	-\$8.4
Forecast Variance (Sept-Dec) ²	-\$9.3	-\$4.5	-\$0.2	-\$14.0
FY2010 Revised Forecast (Sept. 25, 2009)	\$510.7	\$109.8	\$4.7	\$625.2
FY2010 Forecasted Budget Variance	-\$15.2	-\$6.9	-\$0.3	-\$22.4

¹ Actual Budget Variance through August 2009

² Forecasted budget variance. Assumes rail revenue will decline 5.6% from September through December due to effects of the recession.

Assumes bus revenue will decline 11.5% for the same period. Ridership for bus and rail after December 2009 projected at budgeted levels



FY2010 Metrobus

- In January, Metro eliminated paper transfers, implemented balanced transfers and require Smartrip for free bus-to-bus transfers
- As part of the FY2010 Budget, the Board included \$10 million in revenue from the elimination of paper transfers. The current estimate for the elimination of paper transfers is \$6.8 million
- From January through June 2009, Metro realized \$3.4 million from the elimination of paper transfers and anticipates that an additional \$3.4 million will be realized from July through December 2009, given our actual experience to date



Next Steps

- Staff are developing a plan to deal with declining ridership and revenues, and expenditure pressures. The Board will be provided an update on our progress at the November meeting.