

METRO

Fiscal Year 2011 Monthly Board Report

Revenue • Expense • Service • Performance

December 2010



MONTHLY BOARD REPORT

December 2010

Table of Contents

Section A	Summary
Section B	Sales Tax Revenue
Section C	Fare Revenue
Section D	Operating Expenses December 2010 budget vs. actual FY2011 YTD budget vs. actual FY2011 YTD Major Variance Items
Section E	Capital, General Mobility & Debt Service Expenses
Section F	Ridership by Service Category
Section G	Performance Statistics Performance Statistic Notes
Section H	Balance Sheet

MONTHLY BOARD REPORT

December 2010

Summary

- Sales Tax revenue through December 2010 year-to-date is \$1.4 million or 1.1% over budget. In the month of December 2010 Sales Tax revenue is \$2.7 million or 6.7% under budget.
- Fare revenue year-to-date is \$0.6 million or 3.8% under budget. In the month of December 2010 Fares are \$0.1 million or 1.9% under budget.
- Operating expenses year-to-date are \$3.1 million or 3.7% under budget. In the month of December 2010 expenses are \$0.2 million or 0.7% over budget.
- METRORail Expansion expenses year-to-date are \$38.0 million or 66.1% under budget. Expenses in the month of December 2010 are \$22.8 million reflecting the reversal of a large prior period accrual. This will not reappear.
- Capital Improvement Program expenses year-to-date are \$8.6 million or 73.8% under budget. In the month of December 2010 CIP expenses are \$3.9 million or 88.3% under budget.
- General Mobility Program expenses year-to-date are \$13.8 million or 25.3% under budget. Expenses in the month of December 2010 are \$13.2 million under budget reflecting the reversal of a large prior period accrual. This will not reappear.
- Debt Service expenses year-to-date are \$0.2 million or 1.0% under budget. In the month of December 2010 Debt Service is \$0.1 million or 3.8% over budget.
- METROBus ridership (fixed route) year-to-date is 174,000 or 1.1% under last year. In the month of December 2010 it is 118,000 or 2.3% over last year.
- METRORail ridership year-to-date is 123,000 or 4.7% under last year. In the month of December 2010 it is 40,000 or 5.1% under last year.
- Performance Indicator Summary:

Safety & Security The number of Bus Accidents did not meet the goal for the month, but met the goal for the year-to-date. Rail Accidents and Major Security Incidents (both total and on METRO properties) met the goal for the month and for the year-to-date.

Service Reliability On-time performance for Local Bus, Park and Ride Bus and METRORail and the Mean Distance Between Mechanical Failures (Bus MDBF) met the goals for the month and for the year-to-date.

Customer Service The number of Complaint Contacts met the goal for the month, but not for the year-to-date. Average Call Center Answer Delay did not meet the goal for the month or for the year-to-date.

Cost Effectiveness The Operating Ratio did not meet the goal for the month, but met the goal for the year-to-date.

MONTHLY BOARD REPORT
December 2010
Sales Tax Revenue

Budget to Actual FY2011

(\$ millions)

	Budget	Actual	Variance	%
October	\$ 36.0	\$ 37.3	\$ 1.3	3.6%
November	42.8	45.6	2.8	6.6%
December	40.9	38.2	(2.7)	(6.7%)
January	34.5	40.8	6.3	18.2%
February	-	-	-	0.0%
March	-	-	-	0.0%
April	-	-	-	0.0%
May	-	-	-	0.0%
June	-	-	-	0.0%
July	-	-	-	0.0%
August	-	-	-	0.0%
September	-	-	-	0.0%
Year-to-Date Total	\$ 154.3	\$ 161.9	\$ 7.6	5.0%

Prior Year vs. Current Year

(\$ millions)

	Prior Year	Current Year	Variance	%
October	\$ 35.1	\$ 37.3	\$ 2.2	6.2%
November	42.2	45.6	3.4	8.1%
December	37.3	38.2	0.9	2.3%
January	34.7	40.8	6.1	17.6%
February	-	-	-	0.0%
March	-	-	-	0.0%
April	-	-	-	0.0%
May	-	-	-	0.0%
June	-	-	-	0.0%
July	-	-	-	0.0%
August	-	-	-	0.0%
September	-	-	-	0.0%
Year-to-Date Total	\$ 149.3	\$ 161.9	\$ 12.6	8.4%

MONTHLY BOARD REPORT
December 2010
Fare Revenue

Budget to Actual FY2011

(\$ millions)

	Budget	Actual	Variance	%
October	\$ 5.7	\$ 5.4	\$ (0.2)	-4.0%
November	5.1	4.8	(0.3)	-5.4%
December	4.8	4.8	(0.1)	-1.9%
January	-	-	-	0.0%
February	-	-	-	0.0%
March	-	-	-	0.0%
April	-	-	-	0.0%
May	-	-	-	0.0%
June	-	-	-	0.0%
July	-	-	-	0.0%
August	-	-	-	0.0%
September	-	-	-	0.0%
Year-to-Date Total	\$ 15.6	\$ 15.0	\$ (0.6)	-3.8%

Prior Year vs. Current Year

(\$ millions)

	Prior Year	Current Year	Variance	%
October	\$ 5.7	\$ 5.4	\$ (0.3)	-5.5%
November	5.1	4.8	(0.3)	-5.4%
December	4.6	4.8	0.1	2.9%
January	-	-	-	0.0%
February	-	-	-	0.0%
March	-	-	-	0.0%
April	-	-	-	0.0%
May	-	-	-	0.0%
June	-	-	-	0.0%
July	-	-	-	0.0%
August	-	-	-	0.0%
September	-	-	-	0.0%
Year-to-Date Total	\$ 15.4	\$ 15.0	\$ (0.5)	-3.0%

MONTHLY BOARD REPORT
December 2010
Operating Expenses

FY2011 Annual Operating Budget = \$354,903,000

Comparison of Budget to Actual for the Month (December 2010)

	December Budget	December Actual	\$ Variance (favorable)/unfavorable	% Variance
Total Labor & Fringe Benefits	\$ 22,534,255	\$ 22,808,749	\$ 274,494	1.2%
Total Non-Labor	13,927,752	13,074,076	(853,676)	(6.1%)
Total Labor & Non-Labor	36,462,007	35,882,825	(579,182)	(1.6%)
Allocations/Reimbursements	(7,296,750)	(6,512,591)	784,159	10.7%
OPERATING BUDGET	\$ 29,165,257	\$ 29,370,234	\$ 204,977	0.7%

Comparison of Budget to Actual - Year-to-Date (3 Month) December 2010

<u>Expense Category</u>	Year-to-Date Budget	Year-to-Date Actual	\$ Variance (favorable)/unfavorable	% Variance
Wages	\$ 25,491,123	\$ 25,283,537	\$ (207,586)	(0.8%)
Union Fringe Benefits	12,719,769	12,743,589	23,820	0.2%
Total Union Labor	38,210,892	38,027,126	(183,766)	(0.5%)
Salaries and Non-Union Wages	19,028,556	18,033,840	(994,716)	(5.2%)
Non-Union Fringe Benefits	8,755,226	8,422,905	(332,321)	(3.8%)
Total Non-Union Labor	27,783,782	26,456,745	(1,327,037)	(4.8%)
Total Labor and Fringe Benefits	65,994,674	64,483,871	(1,510,803)	(2.3%)
Services	5,302,424	3,533,557	(1,768,867)	(33.4%)
Materials and Supplies	4,477,620	3,862,963	(614,657)	(13.7%)
Fuel & Utilities	8,866,725	8,504,628	(362,097)	(4.1%)
Casualty and Liability	602,627	545,053	(57,574)	(9.6%)
Purchased Transportation	18,725,873	18,566,935	(158,938)	(0.8%)
Leases, Rentals and Miscellaneous	1,922,524	1,324,074	(598,450)	(31.1%)
Total Non-Labor	39,897,793	36,337,210	(3,560,583)	(8.9%)
Total Labor and Non-Labor	105,892,467	100,821,081	(5,071,386)	(4.8%)
Cost Reimbursement (Cost Recovery)	(2,019,950)	(1,746,271)	273,679	13.5%
Allocation to Capital and GMP	(6,068,122)	(4,374,930)	1,693,192	27.9%
Capitalized Operating Expenses	(13,452,984)	(13,452,983)	1	(0.0%)
Total Allocations/Reimbursements	(21,541,056)	(19,574,184)	1,966,872	9.1%
OPERATING BUDGET	\$ 84,351,411	\$ 81,246,897	\$ (3,104,514)	(3.7%)

MONTHLY BOARD REPORT
December 2010
Major Operating Budget Variance Items over \$250,000

<u>Expense Type</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>December 2010 Year-to-Date \$ Variance (favorable) / unfavorable</u>
Non-Union Labor	27,783,782	26,456,745	(1,327,037)
Primarily salaries for vacant positions			(995,000)
Non-Union Labor Fringe Benefits - vacancy related			(332,000)
Services	5,302,424	3,533,557	(1,768,867)
Invoice processing delays for Origin and Destination survey, long range plan development and other planning services			(618,000)
Delay in the receipt of an invoice for METRO Q [®] Fare Card support			(237,000)
Service Contracts or Purchase Orders are not in place yet for servicing of new bus shelters and items such as miscellaneous repairs to buildings, Park & Rides, Transit Centers and Rail platforms			(294,000)
Major advertising campaigns and promotion have not yet started			(164,000)
Various equipment, vehicle and general repair contracts are running under budget			(138,000)
Some maintenance contracts for items such as Park & Ride video security systems are only used on an as-needed basis			(140,000)
Legal Fees reflect an unbudgeted extraordinary legal fee of \$75,000			81,000
Materials & Supplies	4,477,620	3,862,963	(614,657)
Bus Parts			(410,000)
Facility Maintenance Parts			(144,000)
Taser and ammunition ordered but not yet expensed			(50,000)
Fuel & Utilities	8,866,725	8,504,628	(362,097)
Natural Gas - reduced facility heating due to the weather			(167,000)
Diesel Fuel - lower price			(101,000)
Telephone Expenses - primarily due to deferral of the SAFEBus project			(68,000)
Leases, Rentals and Miscellaneous	1,922,524	1,324,074	(598,450)
HOV and Main Street Rail line signal maintenance contracts used on an as-needed basis			(243,000)
Delay in the start of the update of the regional model by H-GAC (METRO partners in this project)			(180,000)
Underruns in discretionary items (Travel, Memberships, Subscriptions)			(143,000)
Cost Reimbursement	(2,019,950)	(1,746,271)	273,679
Additional cost recovery resulting from TMC bridge construction			(60,000)
DHS grant funds not yet received			130,000
Vanpool cost recovery			194,000
Allocation to Capital & GMP	\$ (6,068,122)	\$ (4,374,930)	\$ 1,693,192
Slower than anticipated execution of a smaller capital budget			1,693,000

MONTHLY BOARD REPORT
December 2010
Capital, General Mobility and Debt Service Expenses
Budget vs. Actual - Month and Fiscal Year-to-Date
(\$ millions)

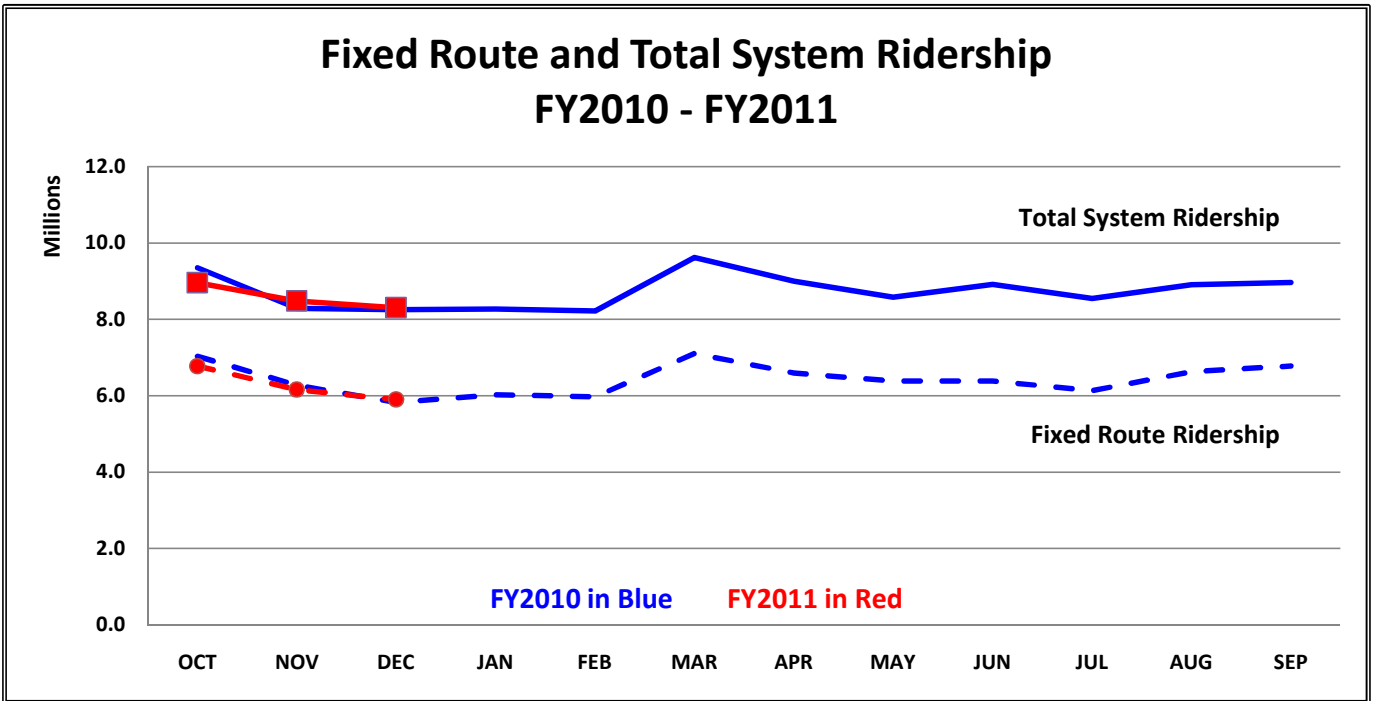
	Month of December 2010				Fiscal YTD December 2010			
	Budget	Actual	Variance		Budget	Actual	Variance	
			\$	%			\$	%
METRORail Expansion	\$ 19.5	\$ (3.3)	\$ (22.8)	-117.0%	\$ 57.4	\$ 19.5	\$ (38.0)	-66.1%
Capital Improvement Program	4.4	0.5	(3.9)	-88.3%	11.6	3.0	(8.6)	-73.8%
Total Capital Budget	23.9	(2.8)	(26.7)	-111.7%	69.1	22.5	(46.5)	-67.4%
General Mobility	4.2	(9.0)	(13.2)	-316.5%	54.6	40.8	(13.8)	-25.3%
Debt Service	\$ 2.8	\$ 2.9	\$ 0.1	3.8%	\$ 17.0	\$ 16.8	\$ (0.2)	-1.0%

Note:

METRORail Expansion expenses in the month of December include a \$16.0 million reversal of a prior period accrual.
General Mobility expenses in the month of December include a \$15.7 million reversal of a prior period accrual.
These will not reappear.

MONTHLY BOARD REPORT
December 2010
Ridership by Service Category

RIDERSHIP DATA						
<i>Fixed route ridership shown here is reported on the same basis as in the National Transit Database</i>						
SERVICE CATEGORY	Dec-09 Boardings	Dec-10 Boardings	% Change Dec-10 vs. Dec-09	Dec-09 YTD Boardings	Dec-10 YTD Boardings	YTD % Change Dec-10 vs. Dec-09
Fixed Route Bus						
Local	4,517,183	4,665,634	3.3%	14,632,650	14,646,761	0.1%
Park & Ride	534,282	503,345	-5.8%	1,899,396	1,711,557	-9.9%
Total Fixed Route Bus	5,051,465	5,168,979	2.3%	16,532,046	16,358,318	-1.1%
METRO Rail	772,376	732,832	-5.1%	2,605,754	2,483,216	-4.7%
Total Fixed Route	5,823,841	5,901,811	1.3%	19,137,800	18,841,534	-1.5%
Special Bus						
METROLift	122,812	134,731	9.7%	378,027	410,017	8.5%
METRO STAR Vanpool	189,838	174,080	-8.3%	600,551	564,454	-6.0%
Internal Service	779	1,706	119.0%	2,050	3,677	79.4%
Total Special Bus	313,429	310,517	-0.9%	980,628	978,148	-0.3%
Total Bus and Rail	6,137,270	6,212,328	1.2%	20,118,428	19,819,682	-1.5%
HOV Carpools, Vanpools, and Non-METRO Buses	2,120,536	2,094,897	-1.2%	5,783,230	5,929,532	2.5%
TOTAL SYSTEM	8,257,806	8,307,225	0.6%	25,901,658	25,749,214	-0.6%



MONTHLY BOARD REPORT
December 2010
Performance Statistics

Meets the goal Does not meet Goal

Fiscal Year 2011														Monthly Target	FY2011 YTD GOAL	FY2011 YTD	YTD % Change
SAFETY & SECURITY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP					
Bus Accidents	45	39	46										44	132	130	1.5%	
Bus Accidents per 100,000 vehicle miles	0.78	0.71	0.81										0.81	0.81	0.77	5.1%	
Rail Accidents	4	1	3										4	10	8	20.0%	
Rail Accidents per 100,000 vehicle miles	4.93	1.36	4.11										5.65	5.65	3.51	37.8%	
Major Security Incidents - total	50	28	22										45	135	100	25.9%	
Major Security Incidents per 100,000 boardings	0.702	0.432	0.354										0.684	0.684	0.505	26.2%	
Major Security Incidents - METRO properties	32	13	11										28	84	56	33.3%	
Major Security Incidents per 100,000 boardings	0.449	0.200	0.177										0.426	0.426	0.283	33.7%	
SERVICE & RELIABILITY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP					
Bus On-Time Performance																	
Local Bus OTP	69%	72%	67%										67%	67%	69.3%	3.5%	
Park & Ride Bus OTP	79%	80%	78%										75%	75%	79.0%	5.3%	
Weighted Average Bus OTP	71%	74%	70%										69%	69%	71.7%	3.9%	
Rail On-Time Performance	97.8%	97.3%	96.3%										96%	96%	97.2%	1.3%	
MDBF (Mean Distance Between Mechanical Failures) - All Buses	10,169	10,089	10,053										6,600	6,600	10,103	53.1%	
MDBF - Buses Age 0 - 3 Years (≈ 26% of fleet)	15,713	13,281	10,221										6,600	6,600	12,611	91.1%	
MDBF - Buses Age 4 - 8 Years (≈ 13% of fleet)	13,465	12,640	18,994										6,600	6,600	14,581	120.9%	
MDBF - Buses Age 9 - 12 Years (≈ 55% of fleet)	8,483	8,728	9,022										6,600	6,600	8,735	32.3%	
MDBF - Buses Age 13+ Years (≈ 6% of fleet)	9,537	10,261	12,834										6,600	6,600	10,792	63.5%	
CUSTOMER SERVICE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP					
Complaint Contacts	1,553	1,439	1,340										1,417	4,250	4,332	1.9%	
Complaint Contacts as a % of boardings	0.0218	0.0222	0.0216										0.0215	0.0215	0.0219	1.7%	
Average Call Center Answer Delay (Sec.)	69	63	61										60	60	64	7.2%	
COST EFFECTIVENESS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP					
Operating Ratio	19.9%	17.5%	16.4%										17%	17%	17.9%	5.3%	

MONTHLY BOARD REPORT
December 2010
Performance Statistic Definitions

Bus and Rail Accidents - An accident is a transit incident with passenger injuries that require immediate medical treatment away from the scene or a collision between a revenue vehicle and an object such that the amount of damage exceeds \$1,000. Bus accidents (which include METROLift) and rail accidents are reported separately and in terms of the absolute number of accidents and the relative number of accidents per 100,000 vehicle miles. Rail accidents reflect collisions between METRO Rail and other vehicles, pedestrians, or bicyclists. This definition has been revised beginning in FY2011 to include pedestrian accidents.

Major Security Incidents - The total Major Security Incidents is based on two industry standards: the FBI Uniform Crime Report and the National Transit Database (NTD) Report issued by the Federal Transit Administration (FTA). The eight (8) categories included are: homicide, forcible rape, robbery, aggravated assault, burglary, larceny and theft, motor vehicle theft and arson. This metric is reported both in terms of the absolute number of incidents and the number of incidents per 100,000 boardings.

Major Security Incidents - METRO Properties - The total Major Security Incidents - METRO Properties is the number of Incidents that occur at Park and Ride lots, Transit Centers, on-board buses and trains and on Light Rail Vehicle (LRV) platforms. This metric is reported both in terms of the absolute number of incidents and the number of incidents per 100,000 boardings.

On-Time Performance (OTP) - A local bus is considered on-time if it does not leave early and is within a five (5) minute window after the scheduled departure time. A Park and Ride bus is considered on-time if it does not depart early (except in the morning when a bus can leave from a Park and Ride lot when full) and is within a five (5) minute window after the scheduled departure time, with measurements during peak hours. OTP is measured by the IVOMS system which calculates data to the second, and the five (5) minute window is defined as anything less than six (6) minutes. For METRO Rail, a train departing from the beginning of the line or arriving at the end of the line less than five (5) minutes after the scheduled time is considered on-time.

Mean Distance Between Bus Mechanical Failure (MDBF) - MDBF reflects any mechanical issue encountered during operation of the vehicle in revenue service that requires a maintenance action resulting from a mechanical failure. Mechanical failures include warranty and fleet defects but exclude accidents. This indicator is for the bus system but excludes METROLift.

Complaint Contacts - Patrons may contact METRO's Customer Information Center to express dissatisfaction with METRO. Contacts made via telephone and over the internet which result in a complaint record being generated in the Public Comment System are reported both in terms of the absolute number of contacts received and the number of contacts as a percentage of total boardings.

Average Call Center Answer Delay - METRO is committed to providing customers with accurate, customer-friendly bus and service information in a timely manner. Customers may obtain bus information over METRO's website and by telephone using an interactive voice response system without speaking to a representative and with no customer wait time. For those customers who prefer to speak with a representative, METRO's goal is to answer their calls in 60 seconds or less.

Operating Ratio - Operating Ratio is calculated as follows:

$$\frac{\text{Total Fares plus Cost Recovery}}{\text{Total Transit Cost}}$$

MONTHLY BOARD REPORT
December 2010
Balance Sheet

		<u>December 2010 (\$)</u>
Assets		
Cash	\$	2,100,233
Receivables		108,950,297
Inventory		23,275,517
Investments		168,934,624
Other Assets		32,834,274
Debts Issuance Costs		5,616,013
Property Net of Depreciation		1,719,963,020
Land & Improvements		<u>479,311,980</u>
Total Assets and Other		2,540,985,958
 Liabilities		
Trade Payables		52,587,045
Accrued Payroll		24,171,670
Short-Term Debt		190,000,000
Long-Term Liabilities		486,290,427
Other Liabilities		<u>32,691,623</u>
Total Liabilities		785,740,765
 Net Assets - Retained		 1,755,245,193
Total Liabilities and Net Assets	\$	2,540,985,958