

METRO

Fiscal Year 2012 Monthly Board Report

Revenue • Expense • Ridership • Performance

December 2011

(First Quarter Fiscal Year-to-Date)



MONTHLY BOARD REPORT

December 2011

Table of Contents

Section A	Summary
Section B	Sales Tax Revenue
Section C	Fare Revenue
Section D	Grant and Interest & Miscellaneous Revenue
Section E	Budget and Expense Summary
Section F	Operating Expenses December 2011 Budget vs. Actual FY2012 YTD Budget vs. Actual FY2012 YTD Major Variance Items
Section G	Capital, General Mobility & Debt Service Expenditures
Section H	Ridership by Service Category
Section I	Performance Statistics Performance Statistic Notes
Section J	Balance Sheet

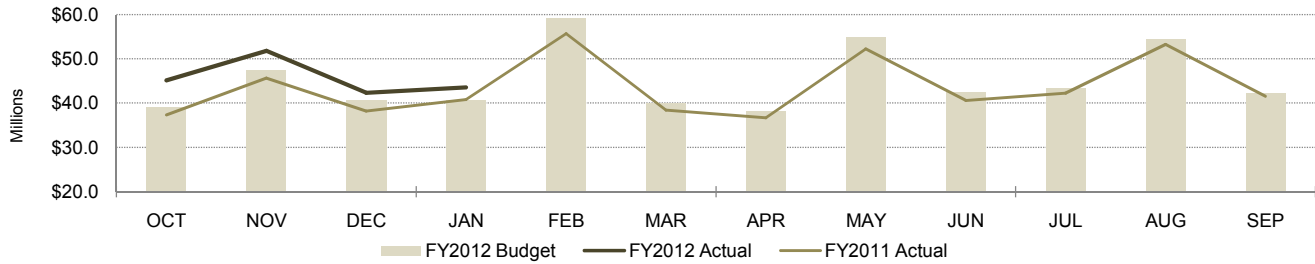
MONTHLY BOARD REPORT

December 2011

Summary

- Sales Tax revenue of \$182.8 million through January 2012 year-to-date is \$14.9 million or 8.9% over budget. January 2012 revenue of \$43.5 million is \$2.8 million or 6.9% over budget.
- Fare revenue of \$16.5 million through December 2011 year-to-date is \$0.5 million or 3.2% over budget. December 2011 revenue of \$5.0 million is \$0.2 million or 3.7% over budget.
- Operating Grant revenue of \$3.2 million through December 2011 year-to-date is \$2.1 million or 196.8% over budget. December 2011 revenue of \$0.4 million is \$0.1 million or 21.5% over budget.
- Capital Grant revenue of \$150.3 million through December 2011 year-to-date is 38.9 million or 34.9% over budget.
- Interest & Miscellaneous revenue of \$0.6 million through December 2011 year-to-date is \$0.1 million or 21.5% over budget. December 2011 revenue of \$0.3 million is \$0.2 million or 161.5% over budget.
- Operating expenses of \$99.9 million through December 2011 year-to-date are \$6.5 million or 6.1% under budget. December 2011 expenses of \$35.3 million are \$0.4 million or 1.1% under budget.
- METRORail Expansion expenses of \$49.4 million through December 2011 year-to-date are \$8.8 million or 15.1% under budget. December 2011 expenses of \$26.5 million are \$5.5 million or 17.3% under budget.
- Capital Improvement Program expenses of \$36.6 million through December 2011 year-to-date are \$6.6 million or 15.3% under budget. December 2011 expenses of \$15.1 million are \$12.0 million or 44.3% under budget.
- General Mobility Program expenses of \$28.7 million through December 2011 year-to-date are \$15.8 million or 35.4% under budget. December 2011 expenses of \$18.7 million are \$4.6 million or 32.5% over budget.
- Debt Service expenses of \$26.2 million through December 2011 year-to-date are \$0.4 million or 1.6% under budget. December 2011 expenses of \$6.1 million are \$0.1 million or 1.5% under budget.
- METROBus ridership (fixed route) of 16.7 million through December 2011 year-to-date is 355,000 or 2.2% over last year. December 2011 ridership of 5.2 million is 44,000 or 0.9% over last year.
- METRORail ridership of 2.6 million through December 2011 year-to-date is 142,000 or 5.7% over last year. December 2011 ridership of 0.8 million is 67,000 or 9.1% over last year.
- Performance Indicator Summary:
 - Safety & Security Both Bus and Rail accidents are below the benchmark for the month and year-to-date. Major Security Incidents (both total and on METRO properties) were below the benchmark for both the month and year-to-date.
 - Service Reliability On-time performance for Local Bus, Park & Ride Bus, and Rail were above the minimum performance standard for both the month and the year-to-date. The Mean Distance Between Mechanical Failures (Bus MDBF) for all buses were above both the monthly and year-to-date minimum standard.
 - Customer Service The number of Complaint Contacts met the goal for the month but did not meet the year-to-date goal; while, the Average Call Center Answer Delay met the goal for both the month and year-to-date.

MONTHLY BOARD REPORT
December 2011
Sales Tax Revenue



Total FY2012 Sales Tax budget is \$543.3 million

Budget to Actual FY2012

(\$ millions)

	Budget	Actual	Variance	%
October	\$ 39.1	\$ 45.2	6.1	15.6%
November	47.4	51.8	4.4	9.3%
December	40.7	42.3	1.6	3.9%
January	40.7	43.5	2.8	6.9%
February	-	-	-	-
March	-	-	-	-
April	-	-	-	-
May	-	-	-	-
June	-	-	-	-
July	-	-	-	-
August	-	-	-	-
September	-	-	-	-
January 2012 YTD	\$ 167.9	\$ 182.8	\$ 14.9	8.9%

Prior Year vs. Current Year

(\$ millions)

	Prior Year	Current Year	Variance	%
October	\$ 37.3	\$ 45.2	7.9	21.1%
November	45.6	51.8	6.2	13.6%
December	38.2	42.3	4.1	10.8%
January	40.8	43.5	2.7	6.7%
February	-	-	-	-
March	-	-	-	-
April	-	-	-	-
May	-	-	-	-
June	-	-	-	-
July	-	-	-	-
August	-	-	-	-
September	-	-	-	-
January 2012 YTD	\$ 161.9	\$ 182.8	\$ 20.9	12.9%

MONTHLY BOARD REPORT

December 2011

Fare Revenue

Total FY2012 Fare Revenue budget is \$64.8 million

Budget to Actual FY2012

(\$ millions)

	Budget	Actual	Variance	%
October	\$ 5.9	\$ 5.8	\$ (0.1)	(2.2%)
November	5.2	5.7	0.5	8.9%
December	4.8	5.0	0.2	3.7%
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%
December 2011	\$ 16.0	\$ 16.5	\$ 0.5	3.2%
YTD				

Prior Year vs. Current Year

(\$ millions)

	Prior Year	Current Year	Variance	%
October	\$ 5.6	\$ 5.8	\$ 0.2	3.2%
November	4.8	5.7	0.9	19.3%
December	4.8	5.0	0.2	4.9%
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%
December 2011	\$ 15.2	\$ 16.5	\$ 1.3	8.8%
YTD				

Note: In METRO's FY2012 Business Plan & Budget, the budget for fare revenue was \$62.6 million. The current budget (above) reflects the reclassification of other revenue items to the fare revenue category.

MONTHLY BOARD REPORT

December 2011

Operating Grant Revenue

Total FY2012 Operating Grant Revenue budget is \$57.7 million

Budget to Actual FY2012

(\$ millions)

	Budget	Actual	Variance	%
October	\$ 0.4	\$ 0.3	\$ (0.1)	(16.0%)
November	0.4	2.4	2.1	588.5%
December	0.4	0.4	0.1	21.5%
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%
December 2011 YTD	\$ 1.1	\$ 3.2	\$ 2.1	196.8%

Capital Grant Revenue

Year-to-date Capital Grant revenue is \$150.3 million versus \$111.4 million budgeted.

Interest & Miscellaneous Revenue

Total FY2012 Interest & Miscellaneous Revenue budget is \$4.2 million

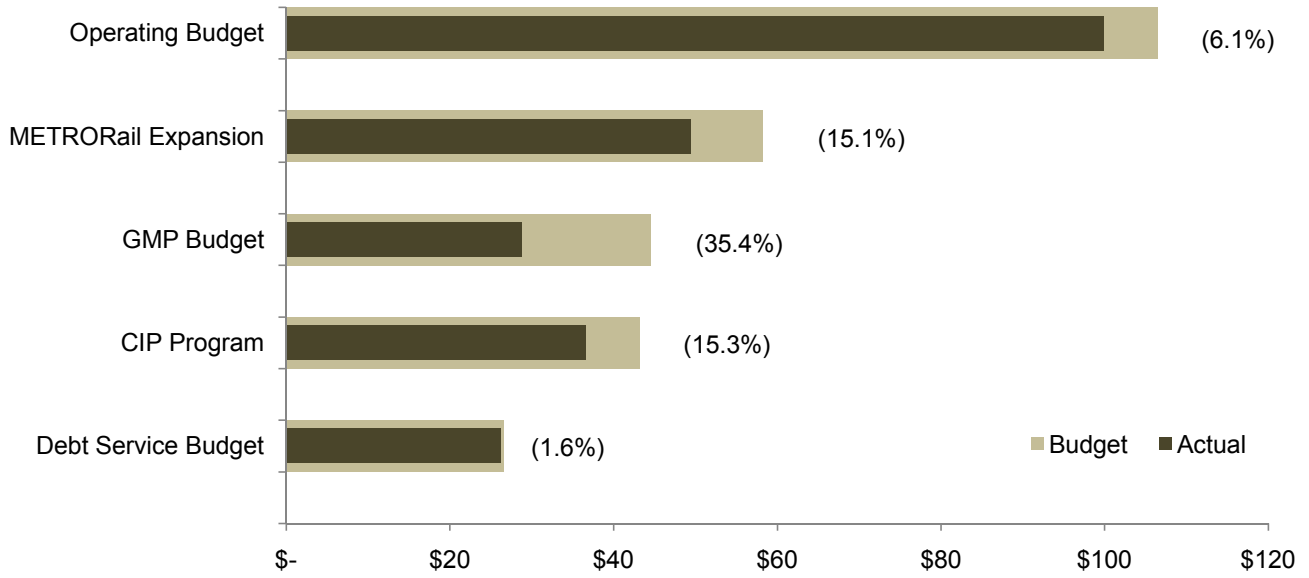
Budget to Actual FY2011

(\$ millions)

	Budget	Actual	Variance	%
October	\$ 0.3	\$ 0.1	\$ (0.2)	(69.5%)
November	0.1	0.2	0.1	96.7%
December	0.1	0.3	0.2	161.5%
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%
December 2011 YTD	\$ 0.5	\$ 0.6	\$ 0.1	21.5%

Note: In METRO's FY2012 Business Plan & Budget, the budget for Interest & Miscellaneous revenue was \$4.0 million. The current budget (above) reflects the reclassification of other revenue items to the Interest & Miscellaneous category.

MONTHLY BOARD REPORT
December 2011
Budget and Expense Summary
(\$ millions)



MONTHLY BOARD REPORT

December 2011

Operating Expenses

Comparison of Budget to Actual for the Month (December 2011)

	FY12 Annual Budget	December Budget	December Actual	\$ Variance (favorable)/unfavorable	% Variance
Labor & Fringe Benefits	\$ 256,178,814	\$ 21,880,938	\$ 22,792,026	\$ 911,088	4.2%
Non-Labor	180,841,070	14,871,519	13,830,297	(1,041,222)	(7.0%)
Subtotal Labor & Non-Labor	437,019,884	36,752,457	36,622,323	(130,134)	(0.4%)
Contingency	6,858,247	-	-	-	0.0%
Allocation to Capital and GMP	(13,478,131)	(1,078,610)	(1,327,362)	(248,752)	(23.1%)
Total Operating Budget	\$ 430,400,000	\$ 35,673,847	\$ 35,294,961	\$ (378,886)	(1.1%)

Comparison of Budget to Actual Year-to-Date December 2011 (3 Months)

<u>Expense Category</u>	FY12 Annual Budget	Year-to-Date Budget	Year-to-Date Actual	\$ Variance (favorable)/unfavorable	% Variance
Wages	\$ 99,642,102	\$ 25,913,028	\$ 24,832,365	\$ (1,080,663)	(4.2%)
Union Fringe Benefits	52,788,297	13,208,060	12,390,345	(817,715)	(6.2%)
Subtotal Union Labor	152,430,399	39,121,088	37,222,710	(1,898,378)	(4.9%)
Salaries and Non-Union Wages	69,232,584	17,047,366	16,385,951	(661,415)	(3.9%)
Non-Union Fringe Benefits	34,515,831	8,509,566	8,448,891	(60,675)	(0.7%)
Subtotal Non-Union Labor	103,748,415	25,556,932	24,834,842	(722,090)	(2.8%)
Subtotal Labor and Fringe Benefits	256,178,814	64,678,020	62,057,552	(2,620,468)	(4.1%)
Services	26,463,251	5,131,548	3,704,537	(1,427,011)	(27.8%)
Materials and Supplies	18,992,134	4,881,266	4,015,099	(866,167)	(17.7%)
Fuel & Utilities	49,431,186	12,228,747	12,298,948	70,201	0.6%
Casualty and Liability	2,788,945	670,099	427,875	(242,224)	(36.1%)
Purchased Transportation	77,296,968	19,657,927	19,076,543	(581,384)	(3.0%)
Leases, Rentals and Misc.	5,868,586	2,346,497	1,864,249	(482,248)	(20.6%)
Subtotal Non-Labor	180,841,070	44,916,084	41,387,251	(3,528,833)	(7.9%)
Subtotal Labor and Non-Labor	437,019,884	109,594,104	103,444,803	(6,149,301)	(5.6%)
Contingency	6,858,247	-	-	-	0.0%
Allocation to Capital and GMP	(13,478,131)	(3,188,812)	(3,506,094)	(317,282)	(9.9%)
Subtotal Contingency / Allocations	(6,619,884)	(3,188,812)	(3,506,094)	(317,282)	(9.9%)
Total Operating Budget	\$ 430,400,000	\$ 106,405,292	\$ 99,938,709	\$ (6,466,583)	(6.1%)

MONTHLY BOARD REPORT
December 2011
Major Operating Budget Variance - Categories with major variances

<u>Expense Type</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>December 2011 Year-to-Date \$ Variance (favorable) / unfavorable</u>
Union Labor	\$ 39,121,088	\$ 37,222,710	\$ (1,898,378)
Wages - primarily mechanic and cleaner vacancies plus lower than expected training			(1,081,000)
Union Fringe Benefits - related to vacancies			(818,000)
Non-Union Labor	25,556,932	24,834,842	(722,090)
Salaries - related to vacancies			(661,000)
Non-Union Fringe Benefits - related to vacancies			(61,000)
Services	5,131,548	3,704,537	(1,427,011)
Delayed start of contracts for bus shelter cleaning and METRONet security and surveillance			(214,000)
Delayed start of new planning contract			(205,000)
IT contractual support services savings and timing variances			(180,000)
Slow start of major advertising and promotional campaigns			(152,000)
Variances due to timing and slow starts			(680,000)
Materials & Supplies	4,881,266	4,015,099	(866,167)
Mainly delayed purchase of fare media			(286,000)
Less bus parts usage from reduced maintenance activity during the holiday season and deployment of new buses			(260,000)
Timing variances in bus and non-revenue vehicle maintenance materials			(153,000)
Timing variances in miscellaneous tools, equipment, and supplies in Service Delivery			(105,000)
Casualty and Liability	670,099	427,875	(242,224)
Less than expected payments of vehicle liability due to fewer claims			(347,000)
Less than expected recovery of subrogation			125,000
Purchased Transportation	19,657,927	19,076,543	(581,384)
Fixed route bus service contract underrun - lower performance bonus paid			(514,000)
Leases, Rentals and Miscellaneous	2,346,497	1,864,249	(482,248)
Savings in discretionary items (membership dues, travel, etc.)			(126,000)
Delayed major vendor invoices			(92,000)
Timing delay in budgeted software renewals			(89,000)
Other miscellaneous underruns spread throughout the Authority			(175,000)
Allocation to Capital and GMP	(3,188,812)	(3,506,094)	(317,282)
Mainly timing of GMP charges from METRO Police associated with MAP and related activities			(273,000)

MONTHLY BOARD REPORT
December 2011
Capital, General Mobility and Debt Service Expenses
Budget vs. Actual - Month and Fiscal Year-to-Date
(\$ millions)

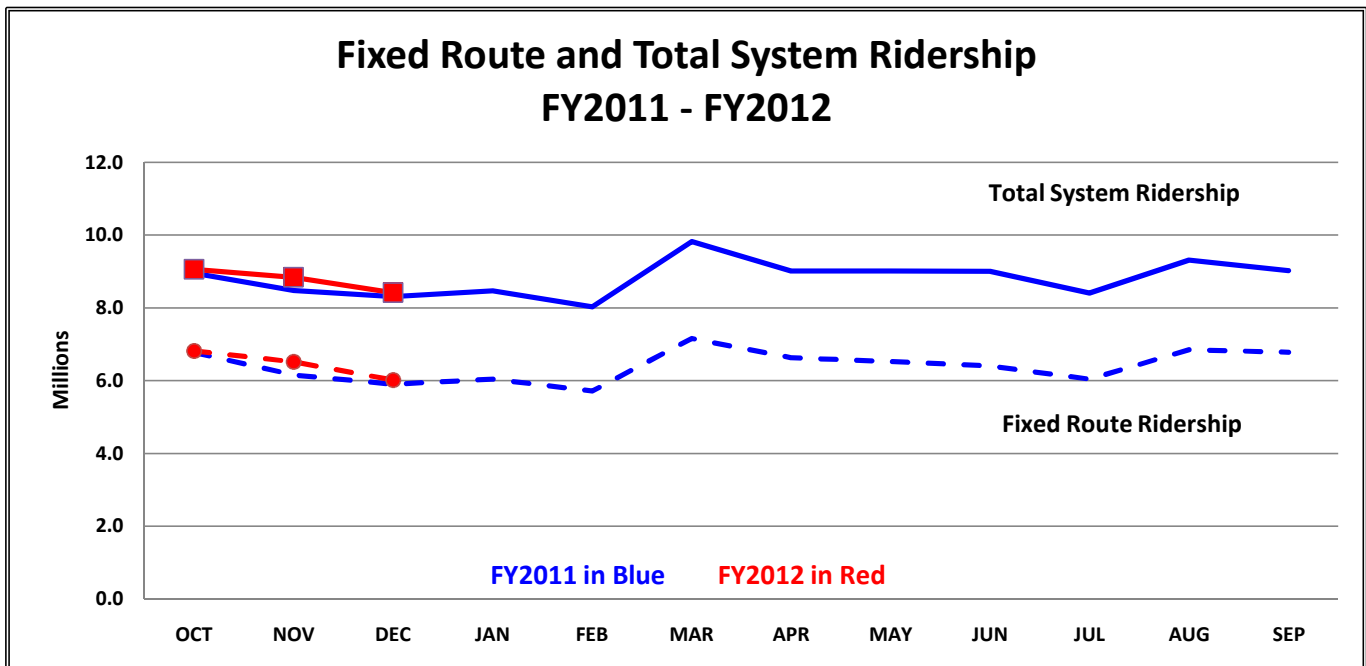
	FY2012 Annual Budget	Month of December 2011				Fiscal YTD December 2011			
		Budget	Actual	Variance		Budget	Actual	Variance	
				\$	%			\$	%
METRORail Expansion	\$ 419.2	\$ 32.0	\$ 26.5	\$ (5.5)	(17.3%)	\$ 58.2	\$ 49.4	\$ (8.8)	(15.1%)
Capital Improvement Program	137.4	27.1	15.1	(12.0)	(44.3%)	43.2	36.6	(6.6)	(15.3%)
Total Capital Budget	\$ 556.6	59.2	41.6	(17.6)	(29.7%)	101.3	85.9	(15.4)	(15.2%)
General Mobility	\$ 169.3	14.1	18.7	4.6	32.5%	44.5	28.7	(15.8)	(35.4%)
Debt Service	\$ 81.1	\$ 6.2	\$ 6.1	\$ (0.1)	(1.5%)	\$ 26.6	\$ 26.2	\$ (0.4)	(1.6%)

MONTHLY BOARD REPORT
December 2011
Ridership by Service Category

Service Category	Dec-10 Boardings	Dec-11 Boardings	% Change Dec-11 vs. Dec-10	Dec-10 YTD Boardings	Dec-11 YTD Boardings	YTD % Change Dec-11 vs. Dec-10
Fixed Route Bus						
Local	4,665,634	4,707,412	0.9%	14,646,761	14,975,731	2.2%
Park & Ride	503,345	506,019	0.5%	1,711,557	1,737,677	1.5%
Subtotal Fixed Route Bus	5,168,979	5,213,431	0.9%	16,358,318	16,713,408	2.2%
METRO Rail	734,413	801,076	9.1%	2,484,787	2,627,230	5.7%
Subtotal Fixed Route	5,903,392	6,014,507	1.9%	18,843,105	19,340,638	2.6%
Special Events *	994	908	(8.7%)	1,856	2,192	18.1%
Total Fixed Route	5,904,386	6,015,415	1.9%	18,844,961	19,342,830	2.6%
Customized Bus Services						
METROLift	134,495	132,633	(1.4%)	409,081	408,235	(0.2%)
METRO STAR Vanpool	174,101	173,240	(0.5%)	564,475	573,239	1.6%
Internal Service	712	0	(100.0%)	1,821	1,405	(22.8%)
Subtotal Customized Bus	309,308	305,873	(1.1%)	975,377	982,879	0.8%
Subtotal Bus and Rail	6,213,694	6,321,288	1.7%	19,820,338	20,325,709	2.5%
HOV Carpools, Vanpools, and Non-METRO Buses	2,094,897	2,096,598	0.1%	5,929,532	5,993,522	1.1%
Total System	8,308,591	8,417,886	1.3%	25,749,870	26,319,231	2.2%

Fixed route ridership is reported on the same basis as in the National Transit Database

** The Special Events category of ridership reflects customer service oriented short-term additional motor bus service provided for events at Reliant Park such as football games and RODEO Houston.*



MONTHLY BOARD REPORT
December 2011
Performance Statistics

Benchmark Met Benchmark Missed

Fiscal Year 2012																	
SAFETY & SECURITY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	FY2012				
													Monthly Target	YTD GOAL	FY2012 YTD	YTD % Change	
Bus Accidents	39	32	40											44	132	111	15.9%
Bus Accidents per 100,000 vehicle miles	0.69	0.57	0.70											0.80	0.80	0.65	18.2%
Rail Accidents	4	0	1											4	10	5	50.0%
Rail Accidents per 100,000 vehicle miles	5.24	0.00	1.30											5.54	5.54	2.22	60.0%
Major Security Incidents - total	45	25	25											45	135	95	29.6%
Major Security Incidents per 100,000 boardings	0.628	0.365	0.395											0.670	0.670	0.467	30.2%
Major Security Incidents - METRO properties	17	4	7											28	84	28	66.7%
Major Security Incidents per 100,000 boardings	0.237	0.058	0.111											0.417	0.417	0.138	67.0%
SERVICE & RELIABILITY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	FY2012				
													Monthly Target	YTD GOAL	FY2012 YTD	YTD % Change	
Bus On-Time Performance																	
Local Bus OTP	70%	71%	71%											67%	67%	70.7%	5.5%
Park & Ride Bus OTP	79%	78%	77%											75%	75%	78.0%	4.0%
Weighted Average Bus OTP	73%	73%	73%											69%	69%	73.0%	5.8%
Rail On-Time Performance	98.6%	98.9%	96.2%											95%	95%	98.1%	3.3%
MDBF (Mean Distance Between Mechanical Failures) - All Buses	8,722	8,825	11,484											7,000	7,000	9,530	36.1%
CUSTOMER SERVICE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	FY2012				
													Monthly Target	YTD GOAL	FY2012 YTD	YTD % Change	
Complaint Contacts	2,289	1,751	1,613											1,667	5,000	5,653	13.1%
Complaint Contacts as a % of boardings	0.0320	0.0256	0.0255											0.0248	0.0248	0.0278	12.1%
Commendations	243	182	168													593	
Average Call Center Answer Delay (Sec.)	132	115	81											120	120	109	8.9%

MONTHLY BOARD REPORT
December 2011
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 METRORail 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 METRORail, 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 120 seconds or less.

MONTHLY BOARD REPORT

December 2011

Balance Sheet

	December 2010 (\$)	December 2011 (\$)	Change (\$)
Assets			
Cash	\$ 2,100,233	\$ 1,554,663	\$ (545,570)
Receivables	122,129,795	120,921,136	(1,208,659)
Inventory	23,275,517	17,168,950	(6,106,567)
Investments	168,934,624	564,378,489	395,443,865
Other Assets	250,819,657	114,620,164	(136,199,493)
Debt Issuance Costs	5,616,013	8,806,342	3,190,329
Property Net of Depreciation	1,566,583,028	1,862,623,926	296,040,898
Land & Improvements	479,311,980	481,278,109	1,966,129
Total Assets and Other	2,618,770,848	3,171,351,779	552,580,932
Liabilities			
Trade Payables	68,492,896	44,268,454	(24,224,442)
Accrued Payroll	24,171,670	23,731,364	(440,306)
Commercial Paper	190,000,000	190,000,000	-
Long-Term Liabilities	486,290,427	1,063,096,455	576,806,028
Other Liabilities	250,677,006	118,417,978	(132,259,028)
Total Liabilities	1,019,631,999	1,439,514,251	419,882,252
Net Assets - Retained	1,599,138,849	1,731,837,528	132,698,679
Total Liabilities and Net Assets	\$ 2,618,770,848	\$ 3,171,351,779	\$ 552,580,931