

METRO

Fiscal Year 2012 Monthly Board Report

Revenue • Expense • Ridership • Performance

January 2012



MONTHLY BOARD REPORT

January 2012

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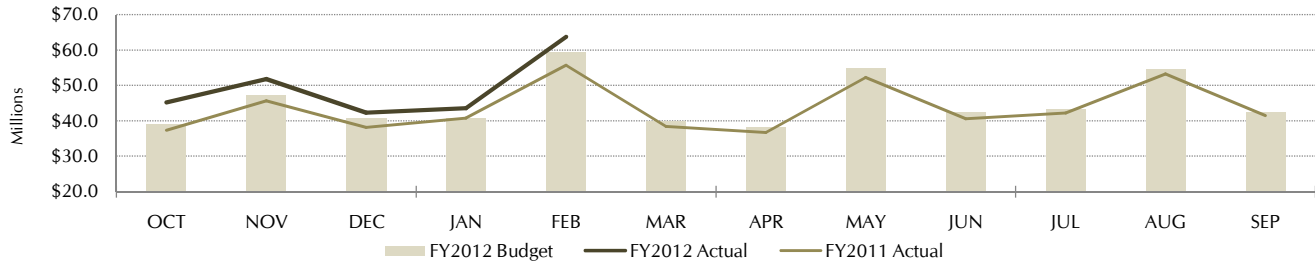
MONTHLY BOARD REPORT

January 2012

Summary

- Sales Tax revenue year-to-date of \$246.6 million through February 2012 is \$19.3 million or 8.5% over budget. February 2012 revenue of \$63.7 million is \$4.4 million or 7.5% over budget.
- Fare revenue year-to-date of \$21.6 million through January 2012 is \$0.5 million or 2.4% over budget. January 2012 revenue of \$5.1 million is essentially on budget.
- Operating Grant revenue year-to-date of \$4.4 million through January 2012 is \$3.0 million or 209.2% over budget. January 2012 revenue of \$1.2 million is \$0.9 million or 246.7% over budget.
- Capital Grant revenue year-to-date of \$170.4 million through January 2012 is \$57.0 million or 50.2% over budget.
- Interest & Miscellaneous revenue year-to-date of \$1.0 million through January 2012 is \$0.4 million or 68.6% over budget. January 2012 revenue of \$0.4 million is \$0.3 million or 306.5% over budget.
- Operating expenses year-to-date of \$134.2 million through January 2012 are \$7.1 million or 5.0% under budget. January 2012 expenses of \$34.3 million are \$0.7 million or 1.9% under budget.
- METRORail Expansion expenses year-to-date of \$86.4 million through January 2012 are \$0.2 million or 0.2% over budget. January 2012 expenses of \$37.1 million are \$9.0 million or 32.0% over budget.
- Other Capital Improvement Program expenses year-to-date of \$37.2 million through January 2012 are \$11.1 million or 23.0% under budget. January 2012 expenses of \$0.6 million are \$4.5 million or 87.7% under budget.
- General Mobility Program expenses year-to-date of \$32.8 million through January 2012 are \$25.4 million or 43.6% under budget. January 2012 expenses of \$4.1 million are \$9.6 million or 70.2% under budget.
- Debt Service expenses year-to-date of \$31.2 million through January 2012 are \$0.9 million or 2.7% under budget. January 2012 expenses of \$5.0 million are \$0.5 million or 8.5% under budget.
- METROBus ridership (fixed route) year-to-date of 22.2 million through January 2012 is 533,000 or 2.5% over last year. January 2012 ridership of 5.5 million is 178,000 or 3.4% over last year.
- METRORail ridership year-to-date of 3.5 million through January 2012 is 278,000 or 8.6% over last year. January 2012 ridership of 0.9 million is 136,000 or 17.7% over last year.
- Performance Indicator Summary:
 - Safety & Security Both Bus and Rail accidents are below the benchmark for the month and year-to-date periods. Major Security Incidents (both total and on METRO properties) were below the benchmark for both the month and year-to-date periods.
 - 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 periods. The Mean Distance Between Mechanical Failures (Bus MDBF) for all buses were above both the monthly and year-to-date periods' minimum standard.
 - Customer Service The number of Complaint Contacts met the goal for the period of the month but did not meet the year-to-date period goal. In addition, the number of Commendations did not meet its monthly nor year-to-date periods' goal. The Average Call Center Answer Delay met the goal for both the month and year-to-date periods.

MONTHLY BOARD REPORT
January 2012
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	59.3	63.7	4.4	7.5%
March	-	-	-	-
April	-	-	-	-
May	-	-	-	-
June	-	-	-	-
July	-	-	-	-
August	-	-	-	-
September	-	-	-	-
February 2012 YTD	\$ 227.2	\$ 246.6	\$ 19.3	8.5%

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	55.7	63.7	8.0	14.4%
March	-	-	-	-
April	-	-	-	-
May	-	-	-	-
June	-	-	-	-
July	-	-	-	-
August	-	-	-	-
September	-	-	-	-
February 2012 YTD	\$ 217.6	\$ 246.6	\$ 29.0	13.3%

MONTHLY BOARD REPORT

January 2012

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	5.1	5.1	(0.0)	(0.3%)
February	-	-	-	0.0%
March	-	-	-	0.0%
April	-	-	-	0.0%
May	-	-	-	0.0%
June	-	-	-	0.0%
July	-	-	-	0.0%
August	-	-	-	0.0%
September	-	-	-	0.0%
January 2012 YTD	\$ 21.1	\$ 21.6	\$ 0.5	2.4%

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	5.0	5.1	0.1	2.0%
February	-	-	-	0.0%
March	-	-	-	0.0%
April	-	-	-	0.0%
May	-	-	-	0.0%
June	-	-	-	0.0%
July	-	-	-	0.0%
August	-	-	-	0.0%
September	-	-	-	0.0%
January 2012 YTD	\$ 20.2	\$ 21.6	\$ 1.4	7.1%

Note: In METRO's FY2012 Business Plan & Budget, the budget for fare revenue is \$62.6 million. The current budget (above) reflects the reclassification of \$2.2 million of other revenue items to the fare revenue category.

MONTHLY BOARD REPORT

January 2012

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	0.4	1.2	0.9	246.7%
February	-	-	-	0.0%
March	-	-	-	0.0%
April	-	-	-	0.0%
May	-	-	-	0.0%
June	-	-	-	0.0%
July	-	-	-	0.0%
August	-	-	-	0.0%
September	-	-	-	0.0%
January 2012 YTD	\$ 1.4	\$ 4.4	\$ 3.0	209.2%

Capital Grant Revenue

Year-to-date Capital Grant revenue is \$170.4 million versus \$113.4 million budgeted.

Interest & Miscellaneous Revenue

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

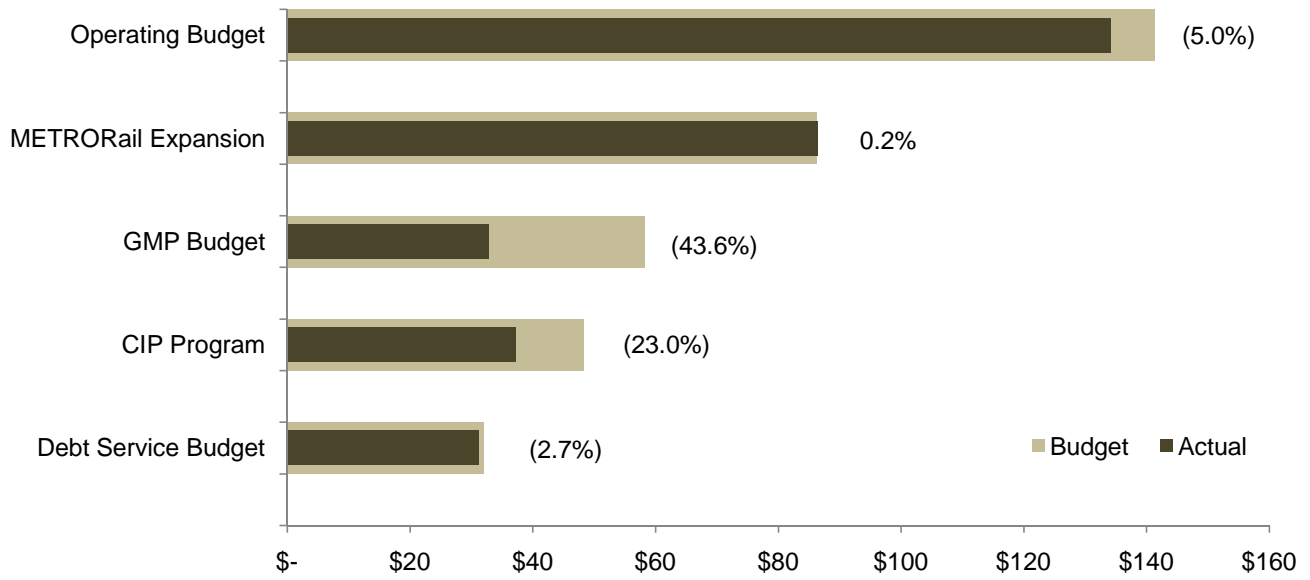
Budget to Actual FY2012

(\$ 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	165.8%
January	0.1	0.4	0.3	306.5%
February	-	-	-	0.0%
March	-	-	-	0.0%
April	-	-	-	0.0%
May	-	-	-	0.0%
June	-	-	-	0.0%
July	-	-	-	0.0%
August	-	-	-	0.0%
September	-	-	-	0.0%
January 2012 YTD	\$ 0.6	\$ 1.0	\$ 0.4	68.6%

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 \$0.2 million of other revenue items to the Interest & Miscellaneous category.

MONTHLY BOARD REPORT
January 2012
Budget and Expense Summary
(\$ millions)



MONTHLY BOARD REPORT

January 2012

Operating Expenses

Comparison of Budget to Actual for the Month (January 2012)

	FY12 Annual Budget	January Budget	January Actual	\$ Variance (favorable)/unfavorable	% Variance
Labor & Fringe Benefits	\$ 256,178,814	\$ 21,197,781	\$ 20,353,324	\$ (844,457)	(4.0%)
Non-Labor	180,841,070	14,926,893	14,714,532	(212,361)	(1.4%)
Subtotal Labor & Non-Labor	437,019,884	36,124,674	35,067,856	(1,056,818)	(2.9%)
Contingency	6,858,247	-	-	-	0.0%
Allocation to Capital and GMP	(13,478,131)	(1,144,960)	(758,799)	386,161	33.7%
Total Operating Budget	\$ 430,400,000	\$ 34,979,714	\$ 34,309,057	\$ (670,657)	(1.9%)

Comparison of Budget to Actual Year-to-Date January 2012 (4 Months)

<u>Expense Category</u>	FY12 Annual Budget	Year-to-Date Budget	Year-to-Date Actual	\$ Variance (favorable)/unfavorable	% Variance
Wages	\$ 99,642,102	\$ 34,500,537	\$ 33,423,950	\$ (1,076,587)	(3.1%)
Union Fringe Benefits	52,788,297	17,537,112	16,395,763	(1,141,349)	(6.5%)
Subtotal Union Labor	152,430,399	52,037,649	49,819,713	(2,217,936)	(4.3%)
Salaries and Non-Union Wages	69,232,584	22,567,248	21,511,919	(1,055,329)	(4.7%)
Non-Union Fringe Benefits	34,515,831	11,270,904	11,079,244	(191,660)	(1.7%)
Subtotal Non-Union Labor	103,748,415	33,838,152	32,591,163	(1,246,989)	(3.7%)
Subtotal Labor and Fringe Benefits	256,178,814	85,875,801	82,410,876	(3,464,925)	(4.0%)
Services	26,437,509	7,339,477	5,315,896	(2,023,581)	(27.6%)
Materials and Supplies	18,992,134	6,474,065	5,636,447	(837,618)	(12.9%)
Fuel & Utilities	49,434,176	16,082,298	16,122,351	40,053	0.2%
Casualty and Liability	2,788,945	897,285	674,829	(222,456)	(24.8%)
Purchased Transportation	77,296,968	26,099,937	25,750,972	(348,965)	(1.3%)
Leases, Rentals and Misc.	5,891,338	2,949,915	2,601,288	(348,627)	(11.8%)
Subtotal Non-Labor	180,841,070	59,842,977	56,101,783	(3,741,194)	(6.3%)
Subtotal Labor and Non-Labor	437,019,884	145,718,778	138,512,659	(7,206,119)	(4.9%)
Contingency	6,858,247	-	-	-	0.0%
Allocation to Capital and GMP	(13,478,131)	(4,333,772)	(4,264,893)	68,879	1.6%
Subtotal Contingency / Allocations	(6,619,884)	(4,333,772)	(4,264,893)	68,879	1.6%
Total Operating Budget	\$ 430,400,000	\$ 141,385,006	\$ 134,247,766	\$ (7,137,240)	(5.0%)

MONTHLY BOARD REPORT
January 2012
Major Operating Budget Variance - Categories with major variances

<u>Expense Type</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>January 2012 Year-to-Date \$ Variance (favorable) / unfavorable</u>
Union Labor	\$ 52,037,649	\$ 49,819,713	\$ (2,217,936)
Wages - primarily mechanic and cleaner vacancies plus lower than expected training			(1,077,000)
Union Fringe Benefits - related to vacancies			(1,141,000)
Non-Union Labor	33,838,152	32,591,163	(1,246,989)
Salaries - related to vacancies			(1,055,000)
Non-Union Fringe Benefits - related to vacancies			(192,000)
Services	7,339,477	5,315,896	(2,023,581)
Delayed start of the HOT Lanes roll-out			(441,000)
Delayed start of contracts for bus shelter cleaning and METRONet security and surveillance			(328,000)
Delayed start of new planning contract			(347,000)
IT savings and timing in contractual support services plus equipment repairs and maintenance			(193,000)
Delayed spending on major advertising and promotional campaigns			(154,000)
Variances due to timing, slow starts, and conservative spending			(537,000)
Materials & Supplies	6,474,065	5,636,447	(837,618)
Timing variances in miscellaneous tools, equipment, and supplies			(274,000)
Timing variances in bus and non-revenue vehicle maintenance materials			(187,000)
Mainly delayed purchase of fare media			(174,000)
Less bus parts usage from reduced maintenance activity during the holiday season and deployment of new buses			(122,000)
Casualty and Liability	897,285	674,829	(222,456)
Less than expected payments of vehicle liability due to fewer claims			(349,000)
Less than expected recovery of subrogation			157,000
Purchased Transportation	26,099,937	25,750,972	(348,965)
Fixed route bus service contract underrun - lower performance bonus paid			(224,000)
Leases, Rentals and Miscellaneous	2,949,915	2,601,288	(348,627)
Savings in discretionary items (membership dues, travel, etc.)			(163,000)
Timing delay in budgeted software renewals			(76,000)
Other miscellaneous underruns spread throughout the Authority			(118,000)

MONTHLY BOARD REPORT
January 2012
Capital, General Mobility and Debt Service Expenses
Budget vs. Actual - Month and Fiscal Year-to-Date
(\$ millions)

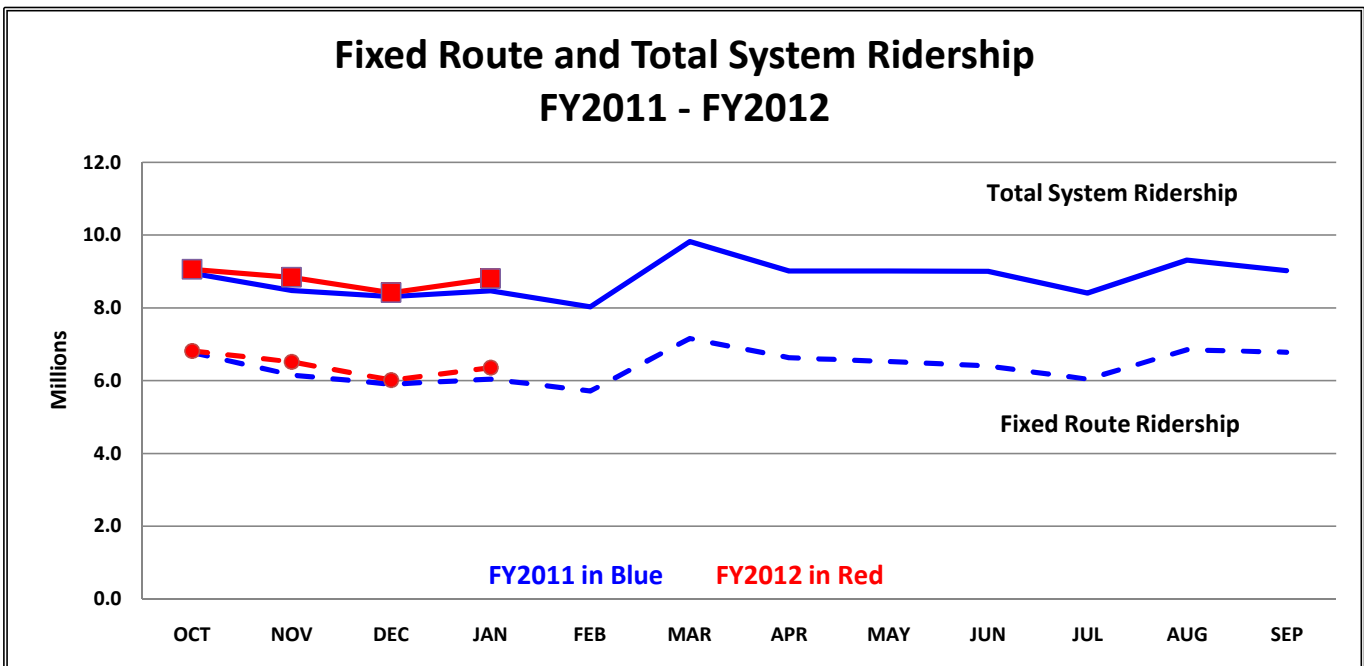
	FY2012 Annual Budget	Month of January 2012				Fiscal YTD January 2012			
		Budget	Actual	Variance		Budget	Actual	Variance	
				\$	%			\$	%
METRORail Expansion	\$ 419.2	\$ 28.1	\$ 37.1	\$ 9.0	32.0%	\$ 86.3	\$ 86.4	\$ 0.2	0.2%
Capital Improvement Program	137.4	5.1	0.6	(4.5)	(87.7%)	48.3	37.2	(11.1)	(23.0%)
Total Capital Budget	\$ 556.6	33.2	37.7	4.5	13.5%	134.5	123.6	(10.9)	(8.1%)
General Mobility	\$ 169.3	13.7	4.1	(9.6)	(70.2%)	58.2	32.8	(25.4)	(43.6%)
Debt Service	\$ 81.1	\$ 5.4	\$ 5.0	\$ (0.5)	(8.5%)	\$ 32.0	\$ 31.2	\$ (0.9)	(2.7%)

MONTHLY BOARD REPORT
January 2012
Ridership by Service Category

Service Category	Jan-11 Boardings	Jan-12 Boardings	% Change Jan-12 vs. Jan-11	Jan-11 YTD Boardings	Jan-12 YTD Boardings	YTD % Change Jan-12 vs. Jan-11
Fixed Route Bus						
Local	4,690,853	4,834,295	3.1%	19,337,614	19,810,026	2.4%
Park & Ride	586,376	620,811	5.9%	2,297,933	2,358,488	2.6%
Subtotal Fixed Route Bus	5,277,229	5,455,106	3.4%	21,635,547	22,168,514	2.5%
METRO Rail	766,051	902,025	17.7%	3,250,838	3,529,255	8.6%
Subtotal Fixed Route	6,043,280	6,357,131	5.2%	24,886,385	25,697,769	3.3%
Special Events *	242	684	182.6%	2,098	2,876	37.1%
Total Fixed Route	6,043,522	6,357,815	5.2%	24,888,483	25,700,645	3.3%
Customized Bus Services						
METROLift	132,130	133,956	1.4%	541,211	542,019	0.1%
METRO STAR Vanpool	204,290	214,223	4.9%	768,765	788,228	2.5%
Internal Service	16	0	(100.0%)	1,837	1,405	(23.5%)
Subtotal Customized Bus	336,436	348,179	3.5%	1,311,813	1,331,652	1.5%
Subtotal Bus and Rail	6,379,958	6,705,994	5.1%	26,200,296	27,032,297	3.2%
HOV Carpools, Vanpools, and Non-METRO Buses	2,094,897	2,096,598	0.1%	8,024,429	8,090,120	0.8%
Total System	8,474,855	8,802,592	3.9%	34,224,725	35,122,417	2.6%

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
January 2012
Performance Statistics

Benchmark Met Benchmark Missed

Fiscal Year 2012																
SAFETY & SECURITY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	FY2012	YTD		
													Monthly Target	YTD GOAL	FY2012 YTD	% Change
Bus Accidents	39	32	40	38									44	176	149	15.3%
Bus Accidents per 100,000 vehicle miles	0.69	0.57	0.70	0.66									0.80	0.80	0.66	18.1%
Rail Accidents	4	0	1	4									4	14	9	35.7%
Rail Accidents per 100,000 vehicle miles	5.24	0.00	1.30	5.23									5.54	5.54	2.98	46.2%
Major Security Incidents - total	45	25	25	37									45	180	132	26.7%
Major Security Incidents per 100,000 boardings	0.628	0.365	0.395	0.552									0.670	0.670	0.488	27.1%
Major Security Incidents - METRO properties	17	4	7	15									28	112	43	61.6%
Major Security Incidents per 100,000 boardings	0.237	0.058	0.111	0.224									0.417	0.417	0.159	61.9%
SERVICE & RELIABILITY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	FY2012	YTD		
Bus On-Time Performance													Monthly Target	YTD GOAL	FY2012 YTD	% Change
Local Bus OTP	70%	71%	71%	73%									67%	67%	71.3%	6.3%
Park & Ride Bus OTP	79%	78%	77%	78%									75%	75%	78.0%	4.0%
Weighted Average Bus OTP	73%	73%	73%	75%									69%	69%	73.5%	6.5%
Rail On-Time Performance	98.6%	98.9%	96.5%	96.1%									95%	95%	97.6%	2.7%
MDBF (Mean Distance Between Mechanical Failures) - All Buses	8,722	8,825	11,484	11,203									7,000	7,000	9,902	41.5%
CUSTOMER SERVICE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	FY2012	YTD		
Complaint Contacts	2,277	1,737	1,604	1,650									1,667	6,667	7,268	9.0%
Complaint Contacts as a % of boardings	0.0318	0.0254	0.0254	0.0246									0.0248	0.0248	0.0269	8.4%
Commendations	243	184	168	204									208	833	799	4.1%
Average Call Center Answer Delay (Sec.)	132	115	81	98									120	120	107	11.3%

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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 Care 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.

Commendations - Patrons may contact METRO's Customer Care Center to recognize, compliment or praise a METRO employee or the METRO organization for exemplary work or performance. Contacts made via telephone, internet, email or mail which result in a commendation record being generated in the Public Comment System are reported only on the basis of the absolute number of contacts received.

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

January 2012

Balance Sheet

	January 2011 (\$)	January 2012 (\$)	Change (\$)
Assets			
Cash	\$ 2,224,217	\$ 2,893,921	\$ 669,704
Receivables	130,596,865	116,512,129	(14,084,736)
Inventory	22,660,033	16,965,703	(5,694,330)
Investments	156,227,557	578,566,934	422,339,377
Other Assets	249,411,556	114,469,629	(134,941,927)
Debt Issuance Costs	5,616,013	8,807,342	3,191,329
Property Net of Depreciation	1,570,443,449	1,885,851,129	315,407,680
Land & Improvements	478,363,177	484,355,865	5,992,688
Total Assets and Other	2,615,542,868	3,208,422,652	592,879,784
Liabilities			
Trade Payables	58,499,448	63,971,396	5,471,948
Accrued Payroll	23,955,893	24,303,546	347,653
Commercial Paper	190,000,000	190,000,000	-
Long-Term Liabilities	486,290,427	1,063,096,455	576,806,028
Other Liabilities	250,962,147	119,111,931	(131,850,216)
Total Liabilities	1,009,707,915	1,460,483,328	450,775,413
Net Assets - Retained	1,605,834,953	1,747,939,324	142,104,371
Total Liabilities and Net Assets	\$ 2,615,542,868	\$ 3,208,422,652	\$ 592,879,784