

# METRO

## Fiscal Year 2012 Monthly Board Report

Revenue • Expense • Ridership • Performance

September 2012  
(Fourth Quarter Fiscal Year-to-Date)

This report is based on a preliminary closing of the year-end financials for FY2012



# **MONTHLY BOARD REPORT**

## **September 2012**

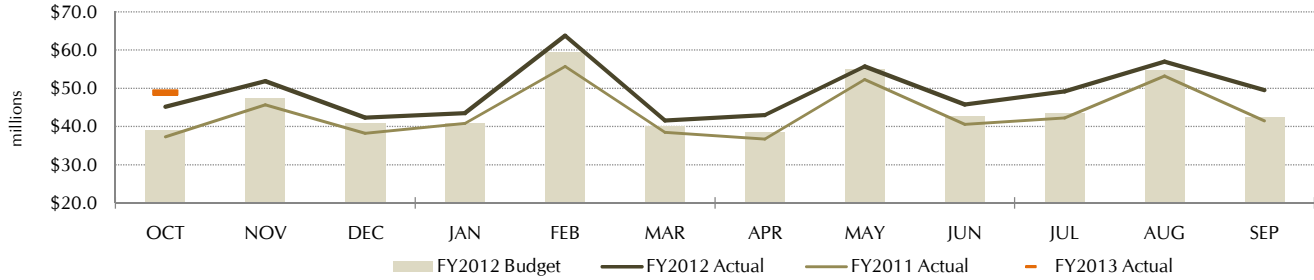
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**MONTHLY BOARD REPORT**  
**September 2012**  
**Summary**

- FY2012 Sales Tax revenue was \$588.3 million, 45.0 million or 8.27% over estimates. Sales Tax revenue for October 2012 is \$48.9 million, \$2.2 million or 4.65% over estimates.
- Fare revenue of \$66.4 million through September 2012 year-to-date is \$1.6 million or 2.4% over budget. September 2012 revenue of \$6.7 million is \$1.3 million or 23.3% over budget due to the recognition of fare revenue from dormant METRO Q fare cards and METRO Money.
- Operating Grant revenue year-to-date of \$52.9 million through September 2012 is \$23.0 million or 30.3% under budget. METRO expects to receive these funds by December upon approval of the Statewide Transportation Improvement Program (STIP). September 2012 revenue of \$39.1 million is \$31.4 million or 411.6% over budget.
- Capital Grant revenue year-to-date of \$348.3 million through September 2012 is \$176.0 million or 102.1% over budget.
- Interest & Miscellaneous revenue year-to-date of \$4.6 million through September 2012 is \$0.4 million or 10.1% over budget. September 2012 revenue of \$0.9 million or 22.0% under budget.
- Operating expenses year-to-date of \$419.2 million through September 2012 are \$11.2 million or 2.6% under budget. September 2012 expenses of \$44.8 million are \$0.2 million or 0.5% over budget.
- METRORail Expansion expenses year-to-date of \$410.0 million through September 2012 are \$9.3 million or 2.2% under budget. September 2012 expenses of \$93.3 million are \$1.0 million or 1.1% under budget.
- Other Capital Improvement Program expenses year-to-date of \$79.9 million through September 2012 are \$60.6 million or 43.1% under budget. September 2012 expenses of \$4.8 million are \$37.8 million or 88.7% under budget due to buses paid for in FY2011 which were budgeted for FY2012 in addition to the delayed implementation of HOT Lanes.
- General Mobility Program expenses year-to-date of \$153.8 million through September 2012 are \$15.5 million or 9.2% under budget. September 2012 expenses of \$12.4 million are \$1.7 million or 12.3% under budget.
- Debt Service expenses year-to-date of \$77.6 million through September 2012 are \$3.5 million or 4.3% under budget. September 2012 expenses of \$5.2 million are \$0.3 million or 6.2% under budget.
- METROBus ridership (fixed route) year-to-date of 65.5 million through September 2012 is 814,000 or 1.2% under last year. September 2012 ridership of 5.4 million is 460,000 or 7.8% under last year.
- METRORail ridership year-to-date of 11.3 million through September 2012 is 633,000 or 5.9% over last year. September 2012 ridership of 0.9 million is 30,000 or 3.3% over last year.
- Performance Indicator Summary:
  - Safety & Security Bus accidents are above the benchmark for the month while Rail accidents are below the benchmark for the month. However, both Bus and Rail accidents are below the benchmark for the year-to-date. Total Major Security Incidents are over the benchmark for the month but remain below the benchmark for the year-to-date. Major Security Incidents on METRO properties are 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 did not meet the goal for the month nor year-to-date. The number of Commendations did not meet the goal for the month, but did meet the goal for the year-to-date. The Average Call Center Answer Delay did not meet the goal for the month but met the goal for the year-to-date.

**MONTHLY BOARD REPORT**  
**September 2012**  
**Sales Tax Revenue thru October 2011**



**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               | 39.9            | 41.6            | 1.6            | 4.0%        |
| April               | 38.3            | 43.0            | 4.7            | 12.2%       |
| May                 | 55.0            | 55.8            | 0.7            | 1.3%        |
| June                | 42.5            | 45.8            | 3.2            | 7.6%        |
| July                | 43.4            | 49.1            | 5.8            | 13.3%       |
| August              | 54.6            | 57.0            | 2.4            | 4.4%        |
| September           | 42.3            | 49.5            | 7.2            | 16.9%       |
| <b>FY 2012</b>      | <b>\$ 543.3</b> | <b>\$ 588.3</b> | <b>\$ 45.0</b> | <b>8.3%</b> |
| <b>October 2012</b> | <b>46.7</b>     | <b>48.9</b>     | <b>2.2</b>     | <b>4.6%</b> |

**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               | 38.4            | 41.6            | 3.1            | 8.2%         |
| April               | 36.7            | 43.0            | 6.3            | 17.2%        |
| May                 | 52.3            | 55.8            | 3.5            | 6.7%         |
| June                | 40.6            | 45.8            | 5.2            | 12.8%        |
| July                | 42.2            | 49.1            | 6.9            | 16.4%        |
| August              | 53.2            | 57.0            | 3.8            | 7.1%         |
| September           | 41.5            | 49.5            | 8.0            | 19.2%        |
| <b>FY 2012</b>      | <b>\$ 522.5</b> | <b>\$ 588.3</b> | <b>\$ 65.8</b> | <b>12.6%</b> |
| <b>October 2012</b> | <b>45.2</b>     | <b>48.9</b>     | <b>3.7</b>     | <b>8.1%</b>  |

## MONTHLY BOARD REPORT

September 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                  | 5.0            | 5.2            | 0.2           | 3.4%         |
| March                     | 6.0            | 5.8            | (0.2)         | (3.8%)       |
| April                     | 5.8            | 5.2            | (0.6)         | (10.4%)      |
| May                       | 5.3            | 5.4            | 0.1           | 2.1%         |
| June                      | 5.6            | 5.5            | (0.1)         | (2.5%)       |
| July                      | 5.1            | 5.3            | 0.2           | 3.9%         |
| August                    | 5.6            | 5.9            | 0.3           | 4.9%         |
| <b>September</b>          | <b>5.4</b>     | <b>6.7</b>     | <b>1.3</b>    | <b>23.3%</b> |
| <b>September 2012 YTD</b> | <b>\$ 64.8</b> | <b>\$ 66.4</b> | <b>\$ 1.6</b> | <b>2.4%</b>  |

### 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                  | 4.7            | 5.2            | 0.5           | 11.4%        |
| March                     | 6.0            | 5.8            | (0.3)         | (4.5%)       |
| April                     | 5.5            | 5.2            | (0.4)         | (6.6%)       |
| May                       | 5.3            | 5.4            | 0.1           | 2.3%         |
| June                      | 5.6            | 5.5            | (0.2)         | (2.8%)       |
| July                      | 5.0            | 5.3            | 0.3           | 5.6%         |
| August                    | 5.9            | 5.9            | (0.1)         | (1.1%)       |
| <b>September</b>          | <b>5.4</b>     | <b>6.7</b>     | <b>1.2</b>    | <b>22.8%</b> |
| <b>September 2012 YTD</b> | <b>\$ 63.6</b> | <b>\$ 66.4</b> | <b>\$ 2.8</b> | <b>4.3%</b>  |

**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**

**September 2012**

**Operating Grant Revenue**

**Total FY2012 Operating Grant Revenue budget is \$75.9 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              | 20.3%          |
| January                   | 0.4            | 1.1            | 0.7              | 199.4%         |
| February                  | 0.4            | 0.3            | (0.0)            | (11.6%)        |
| March                     | 0.4            | 0.6            | 0.2              | 57.5%          |
| April                     | 0.4            | 0.0            | (0.4)            | (98.7%)        |
| May                       | 4.9            | 5.1            | 0.2              | 4.0%           |
| June                      | 0.4            | (0.7)          | (1.0)            | (285.3%)       |
| July                      | 7.5            | 3.6            | (4.0)            | (52.5%)        |
| August                    | 53.0           | 0.8            | (52.2)           | (98.6%)        |
| <b>September</b>          | <b>7.6</b>     | <b>39.1</b>    | <b>31.4</b>      | <b>411.6%</b>  |
| <b>September 2012 YTD</b> | <b>\$ 75.9</b> | <b>\$ 52.9</b> | <b>\$ (23.0)</b> | <b>(30.3%)</b> |

**Capital Grant Revenue**

**Year-to-date Capital Grant revenue is \$348.3 million versus \$172.3 million budgeted.**

**Interest & Miscellaneous Revenue**

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

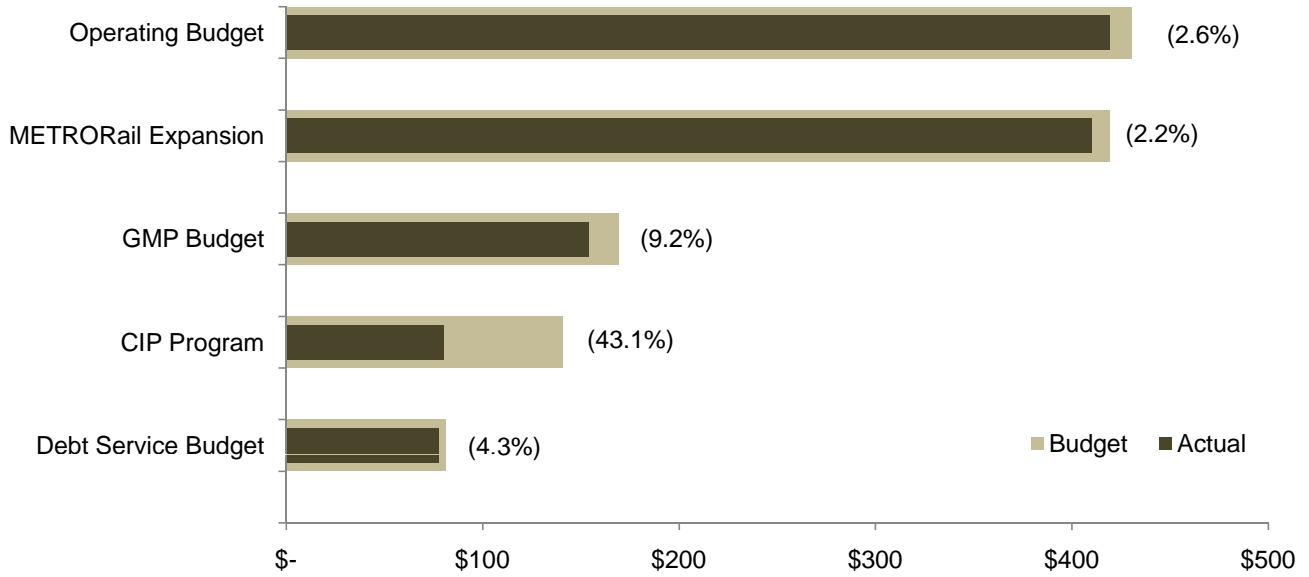
**Budget to Actual FY2012**

(\$ millions)

|                           | Budget        | Actual        | Variance      | %              |
|---------------------------|---------------|---------------|---------------|----------------|
| October                   | \$ 0.3        | \$ 0.1        | \$ (0.2)      | (69.5%)        |
| November                  | 0.1           | 1.0           | 0.9           | 965.5%         |
| December                  | 0.1           | 0.3           | 0.2           | 165.8%         |
| January                   | 0.1           | 0.4           | 0.3           | 306.5%         |
| February                  | 0.2           | 0.3           | 0.1           | 60.8%          |
| March                     | 0.2           | 0.6           | 0.4           | 209.0%         |
| April                     | 1.2           | 0.2           | (1.0)         | (85.9%)        |
| May                       | 0.2           | (0.5)         | (0.7)         | (309.9%)       |
| June                      | 0.3           | 0.9           | 0.6           | 244.4%         |
| July                      | 0.2           | 0.2           | 0.0           | 6.5%           |
| August                    | 0.3           | 0.3           | 0.0           | 4.5%           |
| <b>September</b>          | <b>1.12</b>   | <b>0.87</b>   | <b>(0.2)</b>  | <b>(22.0%)</b> |
| <b>September 2012 YTD</b> | <b>\$ 4.2</b> | <b>\$ 4.6</b> | <b>\$ 0.4</b> | <b>10.1%</b>   |

**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. HOT Lanes revenue is captured in this budget.

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



**MONTHLY BOARD REPORT**  
**September 2012**  
**Operating Expenses**

**Comparison of Budget to Actual for the Month (September 2012)**

|                                       | <b>FY12 Annual<br/>Budget</b> | <b>September<br/>Budget</b> | <b>September<br/>Actual</b> | <b>\$ Variance<br/>(favorable)/unfavorable</b> | <b>% Variance</b> |
|---------------------------------------|-------------------------------|-----------------------------|-----------------------------|--|-------------------|
| Labor & Fringe Benefits               | \$ 256,153,314                | \$ 20,783,149               | \$ 22,832,745               | \$ 2,049,596                                   | 9.9%              |
| Non-Labor                             | 182,366,511                   | 19,372,328                  | 23,101,161                  | 3,728,833                                      | 19.2%             |
| <b>Subtotal Labor &amp; Non-Labor</b> | <b>438,519,825</b>            | <b>40,155,477</b>           | <b>45,933,906</b>           | <b>5,778,429</b>                               | <b>14.4%</b>      |
| Contingency                           | 5,684,040                     | 5,684,040                   | -                           | (5,684,040)                                    | (100.0%)          |
| Cost Reimbursement (Cost Recovery)    | -                             | -                           | (119,855)                   | (119,855)                                      | 0.0%              |
| Allocation to Capital and GMP         | (13,803,865)                  | (1,259,121)                 | (1,030,353)                 | 228,768  | 18.2%             |
| <b>Total Operating Budget</b>         | <b>\$ 430,400,000</b>         | <b>\$ 44,580,396</b>        | <b>\$ 44,783,698</b>        | <b>\$ 203,302</b>                              | <b>0.5%</b>       |

**Comparison of Budget to Actual Year-to-Date September 2012 (12 Months)**

| <b>Expense Category</b>                   | <b>FY12 Annual<br/>Budget</b> | <b>Year-to-Date<br/>Budget</b> | <b>Year-to-Date<br/>Actual</b> | <b>\$ Variance<br/>(favorable)/unfavorable</b> | <b>% Variance</b> |
|---|-------------------------------|--------------------------------|--------------------------------|--|-------------------|
| Wages                                     | \$ 99,642,102                 | \$ 99,642,102                  | \$ 99,804,668                  | \$ 162,566                                     | 0.2%              |
| Union Fringe Benefits                     | 52,738,297                    | 52,738,297                     | 51,354,994                     | (1,383,303)                                    | (2.6%)            |
| <b>Subtotal Union Labor</b>               | <b>152,380,399</b>            | <b>152,380,399</b>             | <b>151,159,662</b>             | <b>(1,220,737)</b>                             | <b>(0.8%)</b>     |
| Salaries and Non-Union Wages              | 69,257,084                    | 69,257,084                     | 66,227,357                     | (3,029,727)                                    | (4.4%)            |
| Non-Union Fringe Benefits                 | 34,515,831                    | 34,515,831                     | 31,703,723                     | (2,812,108)                                    | (8.1%)            |
| <b>Subtotal Non-Union Labor</b>           | <b>103,772,915</b>            | <b>103,772,915</b>             | <b>97,931,080</b>              | <b>(5,841,835)</b>                             | <b>(5.6%)</b>     |
| <b>Subtotal Labor and Fringe Benefits</b> | <b>256,153,314</b>            | <b>256,153,314</b>             | <b>249,090,742</b>             | <b>(7,062,572)</b>                             | <b>(2.8%)</b>     |
| Services                                  | 24,525,315                    | 24,525,312                     | 25,021,002                     | 495,690  | 2.0%              |
| Materials and Supplies                    | 22,311,865                    | 22,311,865                     | 22,154,998                     | (156,867)                                      | (0.7%)            |
| Fuel & Utilities                          | 49,517,956                    | 49,517,956                     | 49,554,449                     | 36,493   | 0.1%              |
| Casualty and Liability                    | 2,758,945                     | 2,758,945                      | 2,829,166                      | 70,221   | 2.5%              |
| Purchased Transportation                  | 77,296,968                    | 77,296,968                     | 78,384,761                     | 1,087,793                                      | 1.4%              |
| Leases, Rentals and Misc.                 | 5,955,462                     | 5,955,465                      | 5,821,341                      | (134,124)                                      | (2.3%)            |
| <b>Subtotal Non-Labor</b>                 | <b>182,366,511</b>            | <b>182,366,511</b>             | <b>183,765,717</b>             | <b>1,399,206</b>                               | <b>0.8%</b>       |
| <b>Subtotal Labor and Non-Labor</b>       | <b>438,519,825</b>            | <b>438,519,825</b>             | <b>432,856,459</b>             | <b>(5,663,366)</b>                             | <b>(1.3%)</b>     |
| Contingency                               | 5,684,040                     | 5,684,040                      | -                              | (5,684,040)                                    | (100.0%)          |
| Cost Reimbursement (Cost Recovery)        | -                             | -                              | (119,855)                      | (119,855)                                      | 0.0%              |
| Allocation to Capital and GMP             | (13,803,865)                  | (13,803,865)                   | (13,369,005)                   | 434,860  | 3.2%              |
| <b>Subtotal Contingency / Allocations</b> | <b>(8,119,825)</b>            | <b>(8,119,825)</b>             | <b>(13,608,715)</b>            | <b>(5,488,890)</b>                             | <b>(67.6%)</b>    |
| <b>Total Operating Budget</b>             | <b>\$ 430,400,000</b>         | <b>\$ 430,400,000</b>          | <b>\$ 419,247,744</b>          | <b>\$ (11,152,256)</b>                         | <b>(2.6%)</b>     |



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

| <u>Expense Type</u>  | <u>YTD Budget</u>     | <u>YTD Actual</u>     | <u>September 2012 Year-to-Date<br/>\$ Variance<br/>(favorable) / unfavorable</u> |
|--|-----------------------|-----------------------|--|
| <b>Union Labor</b>   | <b>\$ 152,380,399</b> | <b>\$ 151,159,662</b> | <b>\$ (1,220,737)</b>  |
| Wages & Fringe Benefits - primarily mechanic, cleaner, and operator vacancies                                |                       |                       | (8,837,900)  |
| Benefits Trust Contribution - less than anticipated participation in the health plan                         |                       |                       | (1,194,000)  |
| Overtime Wages - related to the current level of service being higher than budgeted                          |                       |                       | 9,000,900  |
| <b>Non-Union Labor</b>   | <b>103,772,915</b>    | <b>97,931,080</b>     | <b>(5,841,835)</b>   |
| Salaries - related to vacancies  |                       |                       | (3,030,000)  |
| Non-Union Fringe Benefits - due to vacancies and savings resulting from the pension fund evaluation          |                       |                       | (2,812,000)  |
| <b>Services</b>  | <b>24,525,312</b>     | <b>25,021,002</b>     | <b>495,690</b>   |
| Expenses for SAFEbus initially budgeted as capital   |                       |                       | 1,985,000  |
| Primarily vehicle repair services in rail for the damaged rail car   |                       |                       | 1,333,000  |
| Unbudgeted employment related expenses and union arbitration legal fees                                      |                       |                       | 775,000  |
| Savings in renegotiated ACS contract fees plus savings in other financial services                           |                       |                       | (1,504,000)  |
| Less equipment repairs & maintenance expenses made on an as-needed basis                                     |                       |                       | (713,000)  |
| Conservative spending on major advertising and promotional campaigns   |                       |                       | (438,000)  |
| Delayed start of HOT Lanes revenue operations as well as delayed invoicing from the contractor               |                       |                       | (355,000)  |
| Savings in contractual support in service planning   |                       |                       | (243,000)  |
| <b>Materials &amp; Supplies</b>  | <b>22,311,865</b>     | <b>22,154,998</b>     | <b>(156,867)</b>   |
| Timing variances in bus maintenance  |                       |                       | 635,000  |
| Timing variances as well as savings in Chief Administrative Office, including IT and Facilities Maintenance. |                       |                       | (652,000)  |
| <b>Fuel &amp; Utilities</b>  | <b>49,517,956</b>     | <b>49,554,449</b>     | <b>36,493</b>  |
| Unbudgeted drainage fees   |                       |                       | 578,000  |
| Increased diesel usage due to the reduced service elimination and fleet efficiency                           |                       |                       | 473,000  |
| Savings and accrual reversals in Power   |                       |                       | (676,000)  |
| Savings and accrual reversals in Gas   |                       |                       | (330,000)  |
| <b>Casualty and Liability</b>  | <b>2,758,945</b>      | <b>2,829,166</b>      | <b>70,221</b>  |
| Less than expected recovery of subrogation   |                       |                       | 335,000  |
| Savings in premiums  |                       |                       | (265,000)  |
| <b>Purchased Transportation</b>  | <b>77,296,968</b>     | <b>78,384,761</b>     | <b>1,087,793</b>   |
| Increased contract bus service due to the cancellation of planned service reductions                         |                       |                       | 1,049,000  |
| <b>Leases, Rentals and Miscellaneous</b>   | <b>5,955,465</b>      | <b>5,821,341</b>      | <b>(134,124)</b>   |
| Timing in budgeted software renewals   |                       |                       | 577,000  |
| Other miscellaneous expense line items   |                       |                       | (564,000)  |
| Savings in discretionary items (membership dues, travel, etc.)   |                       |                       | (186,000)  |

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

|                                  | FY2012<br>Annual<br>Budget | Month of September 2012 |               |                 |                | Fiscal YTD September 2012 |                |                 |                |
|----------------------------------|----------------------------|-------------------------|---------------|-----------------|----------------|---------------------------|----------------|-----------------|----------------|
|                                  |                            | Budget                  | Actual        | Variance        |                | Budget                    | Actual         | Variance        |                |
|                                  |                            |                         |               | \$              | %              |                           |                | \$              | %              |
| METRORail Expansion              | \$ 419.2                   | \$ 94.3                 | \$ 93.3       | \$ (1.0)        | (1.1%)         | \$ 419.2                  | \$ 410.0       | \$ (9.3)        | (2.2%)         |
| Capital Improvement<br>Program * | 140.6                      | 42.6                    | 4.8           | (37.8)          | (88.7%)        | 140.6                     | 79.9           | (60.6)          | (43.1%)        |
| <b>Total Capital Budget</b>      | <b>\$ 559.8</b>            | <b>136.9</b>            | <b>98.1</b>   | <b>(38.8)</b>   | <b>(28.3%)</b> | <b>559.8</b>              | <b>489.9</b>   | <b>(69.9)</b>   | <b>(12.5%)</b> |
| <b>General Mobility *</b>        | <b>\$ 169.3</b>            | <b>14.1</b>             | <b>12.4</b>   | <b>(1.7)</b>    | <b>(12.3%)</b> | <b>169.3</b>              | <b>153.8</b>   | <b>(15.5)</b>   | <b>(9.2%)</b>  |
| <b>Debt Service</b>              | <b>\$ 81.1</b>             | <b>\$ 5.5</b>           | <b>\$ 5.2</b> | <b>\$ (0.3)</b> | <b>(6.2%)</b>  | <b>\$ 81.1</b>            | <b>\$ 77.6</b> | <b>\$ (3.5)</b> | <b>(4.3%)</b>  |

\*The Capital Improvement Program includes the \$3.2 million budget increase approved by the METRO Board in January 2012.

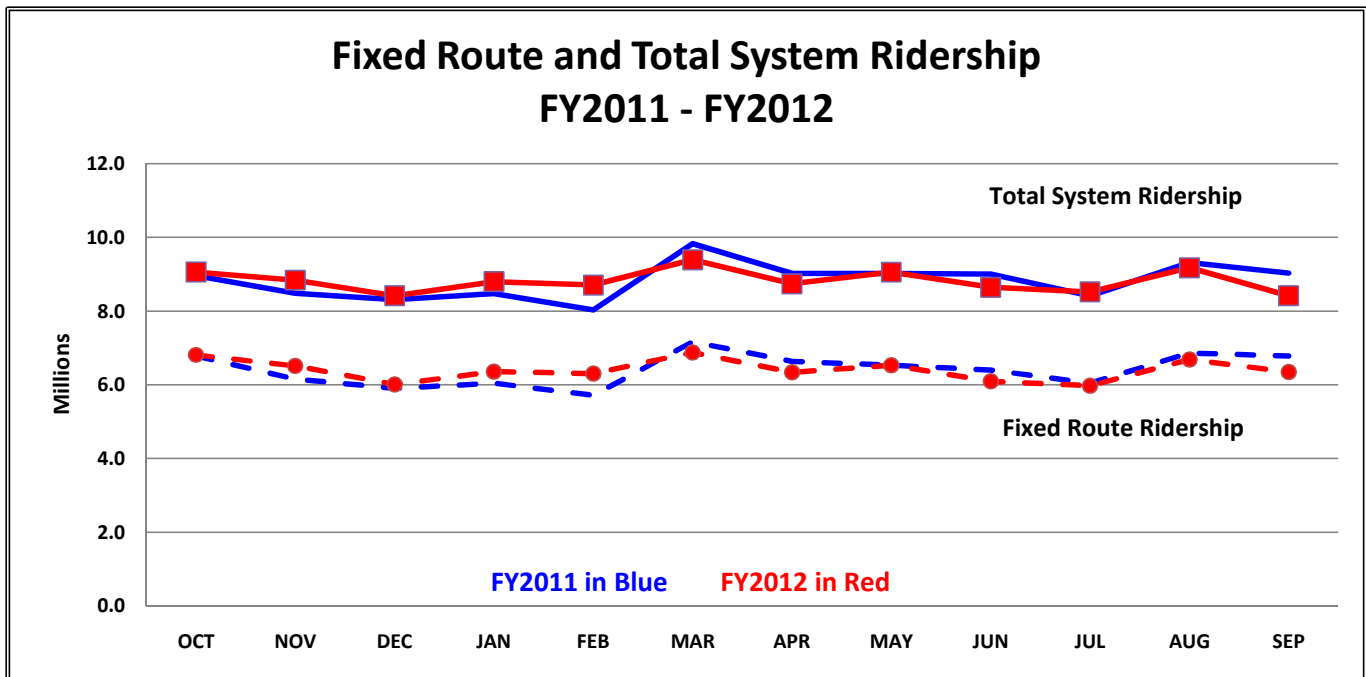
\*The General Mobility Program includes \$8.9 million in accrued expenses; does not include an additional \$7.9 million to be accrued and included in the final and audited FY2012 year end financials.

**MONTHLY BOARD REPORT**  
**September 2012**  
**Ridership by Service Category**

| Service Category                            | Sep-11 Boardings | Sep-12 Boardings | % Change Sep-12 vs. Sep-11 | Sep-11             | Sep-12             | YTD % Change Sep-12 vs. Sep-11 |
|---|------------------|------------------|----------------------------|--------------------|--------------------|--------------------------------|
|   |                  |                  |                            | YTD Boardings      | YTD Boardings      |                                |
| <b>Fixed Route Bus</b>                      |                  |                  |                            |                    |                    |                                |
| Local                                       | 5,206,986        | 4,805,359        | (7.7%)                     | 58,837,097         | 58,067,350         | (1.3%)                         |
| Park & Ride                                 | 653,249          | 594,878          | (8.9%)                     | 7,438,396          | 7,394,538          | (0.6%)                         |
| Subtotal Fixed Route Bus                    | 5,860,235        | 5,400,237        | (7.8%)                     | 66,275,493         | 65,461,888         | (1.2%)                         |
| METRO Rail                                  | 919,203          | 949,409          | 3.3%                       | 10,676,793         | 11,309,467         | 5.9%                           |
| Subtotal Fixed Route                        | 6,779,438        | 6,349,646        | (6.3%)                     | 76,952,286         | 76,771,355         | (0.2%)                         |
| Special Events *                            | 304              | 0                |                            | 69,195             | 0                  | (100.0%)                       |
| <b>Total Fixed Route</b>                    | <b>6,779,742</b> | <b>6,349,646</b> | <b>(6.3%)</b>              | <b>77,021,481</b>  | <b>76,771,355</b>  | <b>(0.3%)</b>                  |
| <b>Customized Bus Services</b>              |                  |                  |                            |                    |                    |                                |
| METROLift                                   | 140,134          | 138,493          | (1.2%)                     | 1,654,303          | 1,672,022          | 1.1%                           |
| METRO STAR Vanpool                          | 208,771          | 196,140          | (6.1%)                     | 2,430,852          | 2,496,215          | 2.7%                           |
| Internal Service                            | 370              | 26               | (93.0%)                    | 3,892              | 1,679              | (56.9%)                        |
| Subtotal Customized Bus                     | 349,275          | 334,659          | (4.2%)                     | 4,089,047          | 4,169,916          | 2.0%                           |
| Subtotal Bus and Rail                       | 7,129,017        | 6,684,305        | (6.2%)                     | 81,110,528         | 80,941,271         | (0.2%)                         |
| HOV Carpools, Vanpools, and Non-METRO Buses | 1,900,164        | 1,733,902        | (8.7%)                     | 24,706,519         | 24,747,852         | 0.2%                           |
| <b>Total System</b>                         | <b>9,029,181</b> | <b>8,418,207</b> | <b>(6.8%)</b>              | <b>105,817,047</b> | <b>105,689,123</b> | <b>(0.1%)</b>                  |

*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**  
**September 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     |
| <b>Bus Accidents</b>  | 39     | 32     | 40     | 38     | 45     | 49     | 48     | 42     | 38     | 37     | 38     | 52     | ≤ 44           | ≤ 528           | 498        | 5.7%         |
| Bus Accidents per 100,000 vehicle miles                             | 0.67   | 0.57   | 0.70   | 0.66   | 0.81   | 0.84   | 0.87   | 0.73   | 0.68   | 0.66   | 0.63   | 0.96   | ≤ 0.80         | ≤ 0.80          | 0.73       | 8.8%         |
| <b>Rail Accidents</b>   | 4      | 0      | 1      | 4      | 4      | 3      | 3      | 2      | 2      | 4      | 2      | 4      | ≤ 3            | ≤ 43            | 33         | 23.3%        |
| Rail Accidents per 100,000 vehicle miles                            | 5.24   | 0.00   | 1.30   | 5.23   | 5.40   | 3.91   | 4.17   | 2.56   | 2.65   | 5.38   | 2.51   | 5.50   | ≤ 5.54         | ≤ 5.54          | 3.65       | 34.2%        |
| <b>Major Security Incidents - total</b>                             | 45     | 25     | 25     | 40     | 43     | 59     | 31     | 48     | 58     | 41     | 46     | 48     | ≤ 45           | ≤ 540           | 509        | 5.7%         |
| Major Security Incidents per 100,000 boardings                      | 0.628  | 0.365  | 0.395  | 0.596  | 0.647  | 0.815  | 0.464  | 0.695  | 0.899  | 0.648  | 0.650  | 0.718  | ≤ 0.670        | ≤ 0.670         | 0.628      | 6.3%         |
| <b>Major Security Incidents - METRO properties</b>                  | 17     | 4      | 7      | 15     | 18     | 32     | 15     | 25     | 31     | 12     | 20     | 20     | ≤ 28           | ≤ 336           | 216        | 35.7%        |
| Major Security Incidents per 100,000 boardings                      | 0.237  | 0.058  | 0.111  | 0.224  | 0.271  | 0.442  | 0.224  | 0.362  | 0.481  | 0.190  | 0.283  | 0.299  | ≤ 0.417        | ≤ 0.417         | 0.267      | 36.1%        |
| SERVICE & RELIABILITY   | OCT    | NOV    | DEC    | JAN    | FEB    | MAR    | APR    | MAY    | JUN    | JUL    | AUG    | SEP    | Monthly Target | FY2012 YTD GOAL | FY2012 YTD | YTD % Change |
| <b>Bus On-Time Performance</b>                                      |        |        |        |        |        |        |        |        |        |        |        |        |                |                 |            |              |
| Local Bus OTP   | 70%    | 71%    | 71%    | 71%    | 70%    | 71%    | 71%    | 72%    | 73%    | 74%    | 73%    | 71%    | ≥ 67%          | ≥ 67%           | 71.5%      | 6.7%         |
| Park & Ride Bus OTP   | 79%    | 78%    | 77%    | 79%    | 76%    | 78%    | 78%    | 79%    | 79%    | 79%    | 79%    | 79%    | ≥ 75%          | ≥ 75%           | 78.3%      | 4.4%         |
| Weighted Average Bus OTP  | 73%    | 73%    | 73%    | 73%    | 72%    | 73%    | 72%    | 73%    | 75%    | 75%    | 75%    | 73%    | ≥ 69%          | ≥ 69%           | 73.3%      | 6.3%         |
| <b>Rail On-Time Performance</b>                                     | 98.6%  | 98.9%  | 96.5%  | 96.1%  | 97.8%  | 97.8%  | 98.0%  | 98.2%  | 98.2%  | 97.8%  | 98.7%  | 98.2%  | ≥ 95%          | ≥ 95%           | 97.3%      | 2.4%         |
| <b>MDBF (Mean Distance Between Mechanical Failures) - All Buses</b> | 8,722  | 8,902  | 11,546 | 11,174 | 12,241 | 11,298 | 10,518 | 9,340  | 7,983  | 8,893  | 8,585  | 8,855  | ≥ 7,000        | ≥ 7,000         | 9,664      | 38.1%        |
| CUSTOMER SERVICE  | OCT    | NOV    | DEC    | JAN    | FEB    | MAR    | APR    | MAY    | JUN    | JUL    | AUG    | SEP    | Monthly Target | FY2012 YTD GOAL | FY2012 YTD | YTD % Change |
| <b>Complaint Contacts</b>   | 2,277  | 1,737  | 1,604  | 1,638  | 1,924  | 2,110  | 1,826  | 1,873  | 1,967  | 1,628  | 2,053  | 2,114  | ≤ 1,667        | ≤ 20,000        | 22,751     | 13.8%        |
| Complaint Contacts as a % of boardings                              | 0.0319 | 0.0255 | 0.0255 | 0.0245 | 0.0292 | 0.0294 | 0.0274 | 0.0273 | 0.0306 | 0.0259 | 0.0291 | 0.0319 | ≤ 0.0248       | ≤ 0.0248        | 0.0281     | 13.2%        |
| <b>Commendations</b>  | 243    | 184    | 168    | 203    | 283    | 252    | 261    | 261    | 317    | 261    | 294    | 200    | ≥ 209          | ≥ 2500          | 2,927      | 17.1%        |
| <b>Average Call Center Answer Delay (Sec.)</b>                      | 132    | 115    | 81     | 98     | 110    | 91     | 107    | 115    | 113    | 103    | 124    | 124    | ≤ 120          | ≤ 120           | 109        | 8.8%         |

**MONTHLY BOARD REPORT**  
**September 2012**  
**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

September 2012

## Balance Sheet

|   | Sep 30, 2011 (\$)       | Sep 30, 2012 (\$)       | Change (\$)           |
|---|-------------------------|-------------------------|-----------------------|
| Cash                                    | \$ 1,860,652            | \$ 1,205,441            | \$ (655,211)          |
| Receivables                             | 127,198,982             | 138,615,873             | 11,416,891            |
| Inventory                               | 21,648,173              | 17,532,502              | (4,115,671)           |
| Investments                             | 571,628,624             | 525,402,949             | (46,225,675)          |
| Other Assets                            | 225,193,946             | 224,742,825             | (451,121)             |
| Debt Issuance Costs                     | 8,622,518               | 8,100,333               | (522,185)             |
| Property Net of Depreciation            | 1,810,448,500           | 2,163,305,083           | 352,856,583           |
| Land & Improvements                     | 482,368,456             | 481,497,942             | (870,514)             |
| <b>Total Assets and Other</b>           | <b>3,248,969,852</b>    | <b>3,560,402,948</b>    | <b>311,433,096</b>    |
| <b>Liabilities</b>                      |                         |                         |                       |
| Trade Payables                          | 150,161,475             | 122,537,638             | (27,623,837)          |
| Accrued Payroll                         | 25,055,497              | 23,350,185              | (1,705,312)           |
| Commercial Paper                        | 190,000,000             | 189,000,000             | (1,000,000)           |
| Long-Term Liabilities                   | 486,290,427             | 1,063,096,455           | 576,806,028           |
| Other Liabilities                       | 821,568,641             | 237,719,702             | (583,848,939)         |
| <b>Total Liabilities</b>                | <b>1,673,076,040</b>    | <b>1,635,703,980</b>    | <b>(37,372,060)</b>   |
| Net Assets - Retained                   | 1,575,893,812           | 1,924,698,968           | 348,805,156           |
| <b>Total Liabilities and Net Assets</b> | <b>\$ 3,248,969,852</b> | <b>\$ 3,560,402,948</b> | <b>\$ 311,433,096</b> |