

METRO

Fiscal Year 2013 Monthly Board Report

Revenue • Expense • Ridership • Performance

October 2012



MONTHLY BOARD REPORT

October 2012

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 October 2012 Budget vs. Actual FY2013 YTD Budget vs. Actual FY2013 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

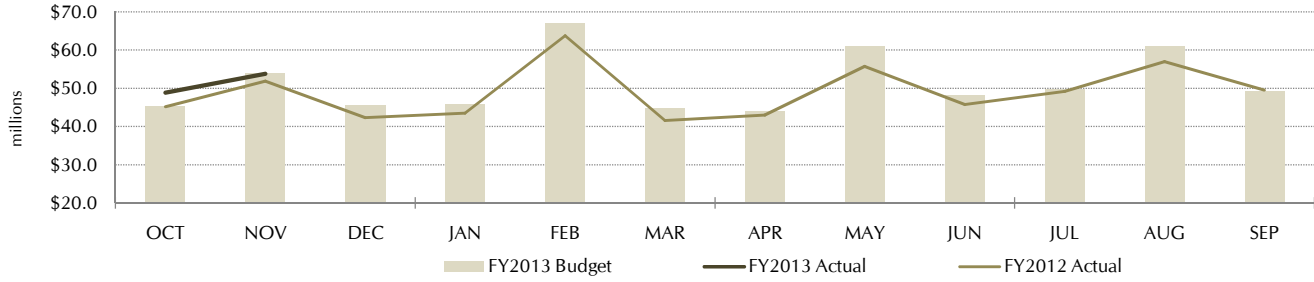
MONTHLY BOARD REPORT

October 2012

Summary

- Sales Tax revenue year-to-date of \$102.6 million through November 2012 is \$3.6 million or 3.6% over budget. November 2012 revenue of \$53.8 million is on budget.
- Fare revenue of \$6.6 million through October 2012 year-to-date is \$0.9 million or 16.5% over budget.
- Operating Grant revenue year-to-date of \$.3 million through October 2012 is on budget.
- There are no Capital Grants budgeted nor received in October 2012.
- Interest & Miscellaneous revenue year-to-date of \$0.3 million through October 2012 is \$0.1 million or 25.0% under budget.
- Operating expenses year-to-date of \$35.4 million through October 2012 are \$1.0 million or 2.7% under budget.
- METRORail Expansion expenses year-to-date of \$1.1 million through October 2012 are \$0.3 million or 21.9% under budget.
- Other Capital Improvement Program expenses year-to-date of \$.6 million through October 2012 are \$0.6 million or 50.8% under budget.
- General Mobility Program expenses year-to-date of \$14.6 million through October 2012 are \$1.7 million or 10.6% under budget.
- Debt Service expenses year-to-date of \$15.1 million through October 2012 are on budget.
- METROBus ridership (fixed route) year-to-date of 6.5 million through October 2012 is 614,000 or 10.5% over last year.
- METRORail ridership year-to-date of 1.1 million through October 2012 is 108,000 or 11.4% over last year.
- Performance Indicator Summary:
 - Safety & Security Bus and rail accidents are below the benchmark for the month and year-to-date. Total Major Security Incidents are over the benchmark for the month and year-to-date. Major Security Incidents on METRO properties are below the benchmark for 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 Complaint Contacts met the goal for the month and year-to-date. The number of Commendations met the goal for the month and year-to-date. The Average Call Center Answer Delay met the goal for the month and year-to-date.

MONTHLY BOARD REPORT
October 2012
Sales Tax Revenue thru November 2012



Total FY2013 Sales Tax budget is \$614.8 million

Budget to Actual FY2013

(\$ millions)

	Budget	Actual	Variance	%
October	\$ 45.2	\$ 48.9	3.6	8.0%
November	53.8	53.8	(0.0)	(0.0%)
December	-	-	-	0.0%
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%
FY 2013	\$ 99.0	\$ 102.6	\$ 3.6	3.6%

Prior Year vs. Current Year

(\$ millions)

	Prior Year	Current Year	Variance	%
October	\$ 45.2	\$ 48.9	3.7	8.1%
November	51.8	53.8	2.0	3.8%
December	-	-	-	0.0%
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%
FY 2013	\$ 97.0	\$ 102.6	\$ 5.6	5.8%

MONTHLY BOARD REPORT

October 2012

Fare Revenue

Total FY2013 Fare Revenue budget is \$65 million

Budget to Actual FY2013

(\$ millions)

	Budget	Actual	Variance	%
October	\$ 5.7	\$ 6.6	\$ 0.9	16.5%
November	-	-	-	0.0%
December	-	-	-	0.0%
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%
October 2012 YTD	\$ 5.7	\$ 6.6	\$ 0.9	16.5%

Prior Year vs. Current Year

(\$ millions)

	Prior Year	Current Year	Variance	%
October	\$ 5.8	\$ 6.6	\$ 0.8	13.9%
November	-	-	-	0.0%
December	-	-	-	0.0%
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%
October 2012 YTD	\$ 5.8	\$ 6.6	\$ 0.8	13.9%

MONTHLY BOARD REPORT

October 2012

Operating Grant Revenue

Total FY2013 Operating Grant Revenue budget is \$71.1 million

Budget to Actual FY2013

(\$ millions)

	Budget	Actual	Variance	%
October	\$ 0.3	\$ 0.3	\$ 0.0	2.3%
November	-	-	-	0.0%
December	-	-	-	0.0%
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%
October 2012 YTD	\$ 0.3	\$ 0.3	\$ 0.0	2.3%

Capital Grant Revenue

There are no Capital Grants budgeted nor received in October 2012.

Interest & Miscellaneous Revenue

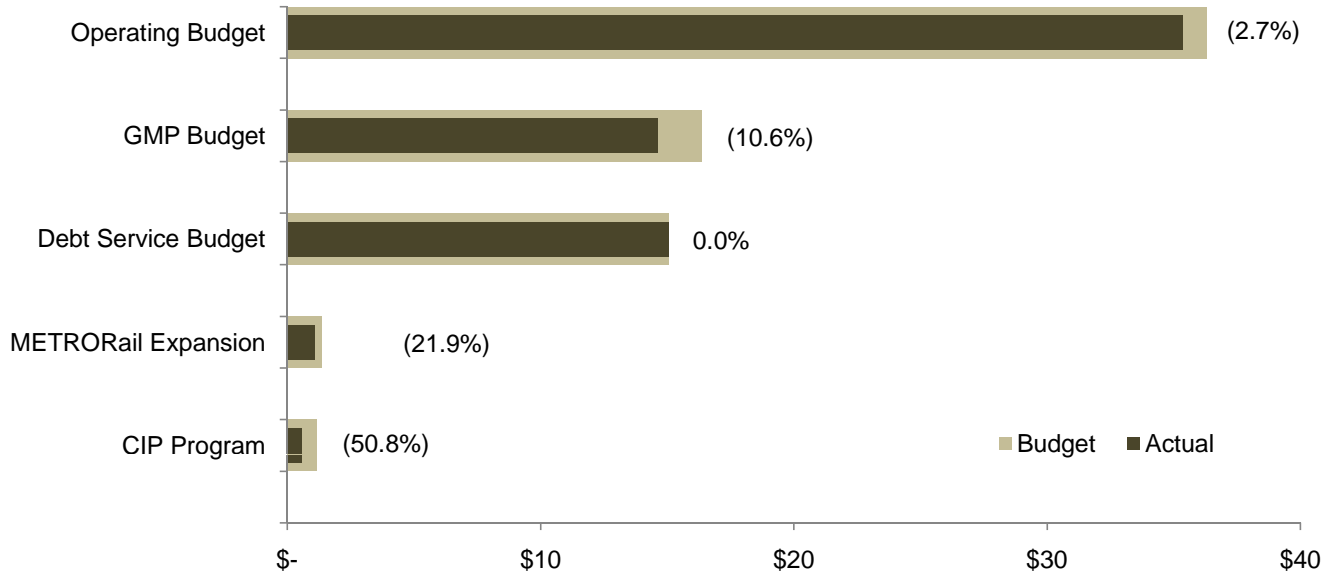
Total FY2013 Interest & Miscellaneous Revenue budget is \$5.3 million

Budget to Actual FY2013

(\$ millions)

	Budget	Actual	Variance	%
October	\$ 0.4	\$ 0.3	\$ (0.1)	(25.0%)
November	-	-	-	0.0%
December	-	-	-	0.0%
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%
October 2012 YTD	\$ 0.4	\$ 0.3	\$ (0.1)	(25.0%)

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



MONTHLY BOARD REPORT

October 2012

Operating Expenses

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

	FY13 Annual Budget	October Budget	October Actual	\$ Variance (favorable)/unfavorable	% Variance
Labor & Fringe Benefits	\$ 263,390,434	\$ 22,149,750	\$ 20,765,325	\$ (1,384,425)	(6.3%)
Non-Labor	194,671,370	15,884,993	15,661,519	(223,474)	(1.4%)
Subtotal Labor & Non-Labor	458,061,804	38,034,743	36,426,844	(1,607,899)	(4.2%)
Contingency	8,608,846	-	-	-	0.0%
Allocation to Capital and GMP	(21,670,650)	(1,699,150)	(1,068,135)	631,015	37.1%
Total Operating Budget	\$ 445,000,000	\$ 36,335,593	\$ 35,358,709	\$ (976,884)	(2.7%)

Comparison of Budget to Actual Year-to-Date October 2012 (1 Month)

<u>Expense Category</u>	FY13 Annual Budget	Year-to-Date Budget	Year-to-Date Actual	\$ Variance (favorable)/unfavorable	% Variance
Wages	\$ 103,153,260	\$ 8,802,479	\$ 8,270,746	\$ (531,733)	(6.0%)
Union Fringe Benefits	\$ 56,573,028	4,531,147	4,117,234	(413,913)	(9.1%)
Subtotal Union Labor	159,726,288	13,333,626	12,387,980	(945,646)	(7.1%)
Salaries and Non-Union Wages	71,624,797	6,133,441	5,777,150	(356,291)	(5.8%)
Non-Union Fringe Benefits	32,039,349	2,682,683	2,600,195	(82,488)	(3.1%)
Subtotal Non-Union Labor	103,664,146	8,816,124	8,377,345	(438,779)	(5.0%)
Subtotal Labor and Fringe Benefits	263,390,434	22,149,750	20,765,325	(1,384,425)	(6.3%)
Services	34,462,856	2,772,278	1,980,918	(791,360)	(28.5%)
Materials and Supplies	19,525,962	1,552,003	1,608,161	56,158	3.6%
Fuel & Utilities	50,102,879	4,337,608	4,220,725	(116,883)	(2.7%)
Casualty and Liability	3,256,864	298,786	258,993	(39,793)	(13.3%)
Purchased Transportation	79,695,333	6,730,589	6,824,258	93,669	1.4%
Leases, Rentals and Misc.	7,627,476	193,729	768,464	574,735	296.7%
Subtotal Non-Labor	194,671,370	15,884,993	15,661,518	(223,476)	(1.4%)
Subtotal Labor and Non-Labor	458,061,804	38,034,743	36,426,843	(1,607,900)	(4.2%)
Contingency	8,608,846	-	-	-	0.0%
Allocation to Capital and GMP	(21,670,650)	(1,699,150)	(1,068,135)	631,015	37.1%
Subtotal Contingency / Allocations	(13,061,804)	(1,699,150)	(1,068,135)	631,015	37.1%
Total Operating Budget	\$ 445,000,000	\$ 36,335,593	\$ 35,358,709	\$ (976,884)	(2.7%)

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

<u>Expense Type</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>October 2012 Year-to-Date \$ Variance (favorable) / unfavorable</u>
Union Labor	\$ 13,333,626	\$ 12,387,980	\$ (945,646)
Wages & Fringe Benefits - primarily mechanic, cleaner, and operator vacancies			(647,000)
Benefits Trust Contribution - less than anticipated participation in the union health plan			(299,000)
Non-Union Labor	8,816,124	8,377,345	(438,779)
Salaries - related to vacancies			(356,000)
Non-Union Fringe Benefits - due to vacancies			(82,000)
Services	2,772,278	1,980,918	(791,360)
Lagging HOT Lanes invoice			(662,000)
Timing of legislative coordination and legal fees			(147,000)
Timing of expenses in HR, specifically wellness and benefits administration			(93,000)
Timing of expenses in Service Delivery, e.g., support services, education and training, etc.			(121,000)
Timing in audit and legal expenses			(95,000)
Fewer Facilities Maintenance expenses made on an as-needed basis			(68,000)
Budgeted temporary help in METRO Police expensed as Labor			(56,000)
Timing of IT expenses			(17,000)
Marketing expenses for referendum budgeted for the following month			539,000
Fuel & Utilities	4,337,608	4,220,725	(116,883)
Timing variances in Diesel fuel			(85,000)
Timing variances in Telephone			(21,000)
Casualty and Liability	298,786	258,993	(39,793)
More than expected recovery of subrogation			(37,000)
Purchased Transportation	6,730,589	6,824,258	93,669
Unbudgeted increases to contract costs plus more taxicab backup usage due to increased ridership			153,000
Leases, Rentals and Miscellaneous	193,729	768,464	574,735
Referendum expenses budgeted in November			705,000
Savings in discretionary items (membership dues, travel, etc.)			(107,000)
Allocation to Capital and GMP	(1,699,150)	(1,068,135)	631,015
Vacancies in Capital Programs plus timing in the anticipated execution of projects			631,000

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

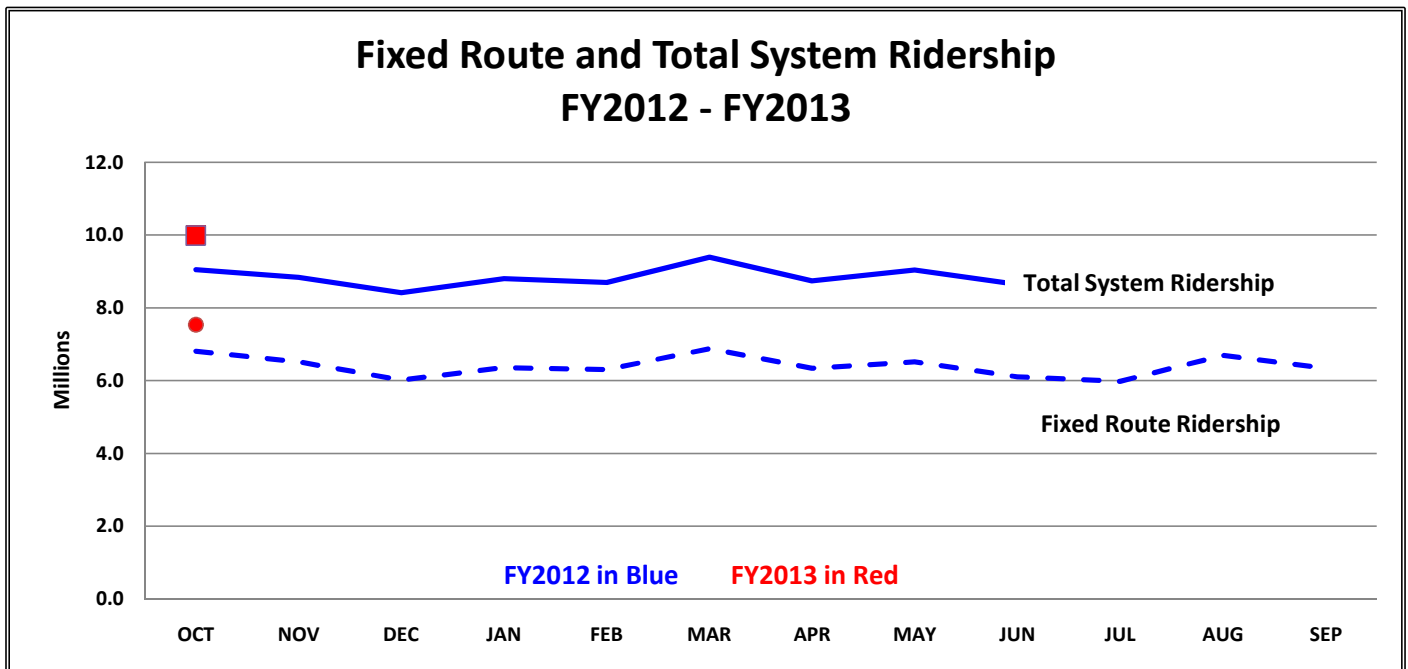
	FY2013 Annual Budget	Month of October 2012				Fiscal YTD October 2012			
		Budget	Actual	Variance		Budget	Actual	Variance	
				\$	%			\$	%
METRORail Expansion	\$ 559.4	\$ 1.4	\$ 1.1	\$ (0.3)	(21.9%)	\$ 1.4	\$ 1.1	\$ (0.3)	(21.9%)
Capital Improvement Program *	159.8	1.2	0.6	(0.6)	(50.8%)	1.2	0.6	(0.6)	(50.8%)
Total Capital Budget	\$ 719.2	2.5	1.6	(0.9)	(35.2%)	2.5	1.6	(0.9)	(35.2%)
General Mobility *	\$ 164.8	16.4	14.6	(1.7)	(10.6%)	16.4	14.6	(1.7)	(10.6%)
Debt Service	\$ 78.3	\$ 15.1	\$ 15.1	\$ 0.0	0.0%	\$ 15.1	\$ 15.1	\$ 0.0	0.0%

MONTHLY BOARD REPORT
October 2012
Ridership by Service Category

Service Category	Oct-11 Boardings	Oct-12 Boardings	% Change Oct-12 vs. Oct-11	Oct-11 YTD Boardings	Oct-12 YTD Boardings	YTD % Change
						Oct-12 vs. Oct-11
Fixed Route Bus						
Local	5,218,836	5,712,144	9.5%	5,218,836	5,712,144	9.5%
Park & Ride	641,145	761,547	18.8%	641,145	761,547	18.8%
Subtotal Fixed Route Bus	5,859,981	6,473,691	10.5%	5,859,981	6,473,691	10.5%
METRO Rail	951,970	1,060,143	11.4%	951,970	1,060,143	11.4%
Subtotal Fixed Route	6,811,951	7,533,834	10.6%	6,811,951	7,533,834	10.6%
Special Events *	1,033	856	(17.1%)	1,033	856	(17.1%)
Total Fixed Route	6,812,984	7,534,690	10.6%	6,812,984	7,534,690	10.6%
Customized Bus Services						
METROLift	140,824	154,481	9.7%	140,824	154,481	9.7%
METRO STAR Vanpool	205,381	203,005	(1.2%)	205,381	203,005	(1.2%)
Internal Service	1,177	34	(97.1%)	1,177	34	(97.1%)
Subtotal Customized Bus	347,382	357,520	2.9%	347,382	357,520	2.9%
Subtotal Bus and Rail	7,160,366	7,892,210	10.2%	7,160,366	7,892,210	10.2%
HOV/HOT Carpools, Vanpools, and Non-METRO Buses	1,900,164	2,098,934	10.5%	1,900,164	2,098,934	10.5%
Total System	9,060,530	9,991,144	10.3%	9,060,530	9,991,144	10.3%

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
October 2012
Performance Statistics

Benchmark Met Benchmark Missed

Fiscal Year 2013																
SAFETY & SECURITY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Monthly Target	FY2013 YTD GOAL	FY2013 YTD	YTD % Change
	Bus Accidents	40												≤ 44	44	40
Bus Accidents per 100,000 vehicle miles	0.69												≤ 0.79	≤ 0.79	0.69	13.2%
Rail Accidents	2												≤ 3	≤ 3	2	33.3%
Rail Accidents per 100,000 vehicle miles	2.46												≤ 5.56	≤ 5.56	2.46	55.8%
Major Security Incidents - total	50												≤ 45	≤ 45	50	11.1%
Major Security Incidents per 100,000 boardings	0.651												≤ 0.670	≤ 0.670	0.651	2.9%
Major Security Incidents - METRO properties	16												≤ 28	≤ 28	16	42.9%
Major Security Incidents per 100,000 boardings	0.307												≤ 0.417	≤ 0.417	0.208	50.1%
SERVICE & RELIABILITY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Monthly Target	FY2013 YTD GOAL	FY2013 YTD	YTD % Change
Bus On-Time Performance	71%												≥ 67%	≥ 67%	71.0%	6.0%
Local Bus OTP	79%												≥ 75%	≥ 75%	79.0%	5.3%
Park & Ride Bus OTP	73%												≥ 69%	≥ 69%	73.0%	5.8%
Weighted Average Bus OTP	98.1%												≥ 95%	≥ 95%	98.1%	3.3%
Rail On-Time Performance	9,664												≥ 7,000	≥ 7,000	9,664	38.1%
MDBF (Mean Distance Between Mechanical Failures) - All Buses																
CUSTOMER SERVICE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Monthly Target	FY2013 YTD GOAL	FY2013 YTD	YTD % Change
*Complaint Contacts per 100,000 boardings	25.16												≤ 27.00	≤ 27.00	25.16	6.8%
Commendations	241												≥ 209	≥ 209	241	15.3%
Average Call Center Answer Delay (Sec.)	93												≤ 120	≤ 120	93	22.5%

* Note: Starting in FY13 the reporting of Complaint Contacts per 100,000 boardings is modified to be consistent with Service Delivery's internal FY13 Scorecard reporting.

MONTHLY BOARD REPORT
October 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 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 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 as the number of contacts per 100,000 boardings. This reporting of Complaint Contacts was modified starting in FY2013 to be consistent with Service Delivery's internal FY13 Scorecard.

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

October 2012

Balance Sheet

	Oct 31, 2011 (\$)	Oct 31, 2012 (\$)	Change (\$)
Cash	\$ 2,399,364	\$ 1,584,187	\$ (815,177)
Receivables	125,613,806	135,991,986	10,378,180
Inventory	21,172,633	18,314,689	(2,857,944)
Investments	536,867,284	487,230,632	(49,636,652)
Other Assets	221,451,919	91,906,556	(129,545,363)
Debt Issuance Costs	8,532,572	8,100,333	(432,239)
Property Net of Depreciation	1,824,084,245	2,155,303,234	331,218,989
Land & Improvements	481,686,283	415,721,684	(65,964,599)
Total Assets and Other	3,221,808,105	3,314,153,301	92,345,196
Liabilities			
Trade Payables	144,077,844	83,835,788	(60,242,056)
Accrued Payroll	23,569,547	23,822,499	252,952
Commercial Paper	190,000,000	189,000,000	(1,000,000)
Long-Term Liabilities	552,681,455	1,079,548,911	526,867,456
Other Liabilities	739,042,145	97,212,257	(641,829,888)
Total Liabilities	1,649,370,990	1,473,419,455	(175,951,535)
Net Assets - Retained	1,572,437,115	1,840,733,846	268,296,731
Total Liabilities and Net Assets	\$ 3,221,808,105	\$ 3,314,153,301	\$ 92,345,196