

METRO

Fiscal Year 2013 Monthly Board Report

Revenue • Expense • Ridership • Performance

July 2013



MONTHLY BOARD REPORT

July 2013

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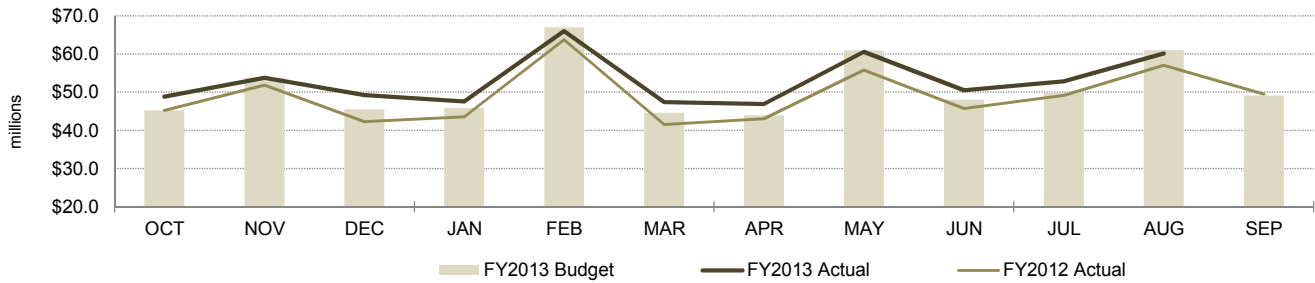
MONTHLY BOARD REPORT

July 2013

Summary

- Sales Tax revenue year-to-date of \$583.7 million through August 2013 is \$18.1 million or 3.2% over budget. August 2013 revenue of \$60.1 million is \$0.9 million or 1.4% under budget.
- Fare revenue of \$57.9 million through July 2013 year-to-date is \$4.4 million or 8.1% over budget. July 2013 revenue of \$5.9 million is \$0.7 million or 12.7% over budget.
- Grant Revenue Applied to Operating Expenses year-to-date of \$29.3 million through July 2013 is \$20.7 million or 242.2% over budget. July 2013 revenue of \$0.3 million is \$0.1 million or 22.6% under budget.
- Capital Grant revenue year-to-date of \$143.8 million through July 2013 is \$17.5 million or 10.8% under budget.
- Interest & Miscellaneous revenue year-to-date of \$6.4 million through July 2013 is \$2.4 million or 60.2% over budget. July 2013 revenue of \$0.6 million is \$0.4 million or 188.4% over budget.
- Operating expenses year-to-date of \$352.8 million through July 2013 are \$9.4 million or 2.6% under budget. July 2013 expenses of \$35.2 million are \$1.9 million or 5.2% under budget.
- METRORail Expansion expenses year-to-date of \$314.9 million through July 2013 are \$104.0 million or 24.8% under budget. July 2013 expenses of \$35.8 million are \$6.2 million or 14.7% under budget.
- Other Capital Improvement Program expenses year-to-date of \$37.4 million through July 2013 are \$74.7 million or 66.6% under budget. July 2013 expenses of \$4.2 million are \$13.9 million or 76.9% under budget.
- General Mobility Program expenses year-to-date of \$130.1 million through July 2013 are \$7.7 million or 5.6% under budget. July 2013 expenses of \$11.0 million are \$2.5 million or 18.7% under budget.
- Debt Service expenses of \$65.1 million through July 2013 year-to-date are \$0.7 million or 1.1% under budget. July 2013 expenses of \$4.9 million are \$0.4 million or 7.4% under budget.
- METROBus ridership (fixed route) year-to-date of 56.9 million through July 2013 is 2,485,000 or 4.6% over last year. July 2013 ridership of 5.6 million is 512,000 or 10.1% over last year.
- METRORail ridership year-to-date of 9.5 million through July 2013 is 183,000 or 2.0% over last year. July 2013 ridership of 0.9 million is 5,000 or 0.6% over last year.
- Performance Indicator Summary:
 - Safety & Security Both Bus and Rail Accidents are below the benchmark both for the month and for the year-to-date. Total Major Security Incidents missed the benchmark for the month and but are below the benchmark for the year-to-date. Major Security Incidents on METRO properties are below the benchmark for the month and for the year-to-date.
 - Service Reliability On-Time Performance for Local Bus and Park & Ride Bus are above the minimum performance standard for both the month and the year-to-date. On-Time Performance for Rail missed the minimum performance standard for the month but was above the minimum performance standard for the year-to-date. The Mean Distance Between Mechanical Failures (MDBF) for all buses is 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 the year-to-date. The Average Call Center Answer Delay met the goal for the month and year-to-date periods.

MONTHLY BOARD REPORT
July 2013
Sales Tax Revenue thru August 2013



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 | 45.5 | 49.2 | 3.7 | 8.2% |
| January | 45.8 | 47.6 | 1.7 | 3.8% |
| February | 67.0 | 66.0 | (1.0) | (1.4%) |
| March | 44.6 | 47.4 | 2.8 | 6.3% |
| April | 43.9 | 46.9 | 2.9 | 6.7% |
| May | 60.9 | 60.5 | (0.4) | (0.7%) |
| Jun | 48.0 | 50.5 | 2.4 | 5.1% |
| July | 49.8 | 52.9 | 3.0 | 6.1% |
| August | 61.0 | 60.1 | (0.9) | (1.4%) |
| September | - | - | - | 0.0% |
| FY 2013 | \$ 565.6 | \$ 583.7 | \$ 18.1 | 3.2% |

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 | 42.3 | 49.2 | 6.9 | 16.4% |
| January | 43.5 | 47.6 | 4.0 | 9.3% |
| February | 63.7 | 66.0 | 2.3 | 3.6% |
| March | 41.6 | 47.4 | 5.9 | 14.1% |
| April | 43.0 | 46.9 | 3.8 | 8.9% |
| May | 55.8 | 60.5 | 4.8 | 8.6% |
| June | 45.8 | 50.5 | 4.7 | 10.3% |
| July | 49.1 | 52.9 | 3.7 | 7.6% |
| August | 57.0 | 60.1 | 3.1 | 5.5% |
| September | - | - | - | 0.0% |
| FY 2013 | \$ 538.8 | \$ 583.7 | \$ 44.9 | 8.3% |

MONTHLY BOARD REPORT

July 2013

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 | 5.3 | 5.6 | 0.3 | 5.9% |
| December | 4.9 | 5.1 | 0.2 | 3.9% |
| January | 5.1 | 5.8 | 0.7 | 12.8% |
| February | 5.0 | 5.6 | 0.6 | 13.0% |
| March | 6.0 | 6.0 | 0.0 | 0.6% |
| April | 5.4 | 6.1 | 0.7 | 13.2% |
| May | 5.4 | 5.8 | 0.5 | 8.5% |
| June | 5.6 | 5.3 | (0.2) | (4.4%) |
| July | 5.2 | 5.9 | 0.7 | 12.7% |
| August | - | - | - | 0.0% |
| September | - | - | - | 0.0% |
| July 2013 YTD | \$ 53.5 | \$ 57.9 | \$ 4.4 | 8.1% |

Prior Year vs. Current Year

(\$ millions)

| | Prior Year | Current Year | Variance | % |
|----------------------|----------------|----------------|---------------|--------------|
| October | \$ 5.8 | \$ 6.6 | \$ 0.8 | 13.9% |
| November | 5.7 | 5.6 | (0.1) | (1.7%) |
| December | 5.0 | 5.1 | 0.1 | 2.5% |
| January | 5.1 | 5.8 | 0.7 | 12.9% |
| February | 5.2 | 5.6 | 0.4 | 8.3% |
| March | 5.8 | 6.0 | 0.2 | 4.1% |
| April | 5.2 | 6.1 | 1.0 | 18.5% |
| May | 5.4 | 5.8 | 0.5 | 8.4% |
| June | 5.5 | 5.3 | (0.1) | (2.0%) |
| July | 5.3 | 5.9 | 0.6 | 10.9% |
| August | - | - | - | 0.0% |
| September | - | - | - | 0.0% |
| July 2013 YTD | \$ 53.8 | \$ 57.9 | \$ 4.0 | 7.5% |

MONTHLY BOARD REPORT

July 2013

Grants Applied to Operating Expenses

Total FY2013 Grants Applied to Operating Expenses budget is \$71.1 million

Budget to Actual FY2013

(\$ millions)

| | Budget | Actual | Variance | % |
|----------------------|---------------|----------------|----------------|----------------|
| October | \$ 0.3 | \$ 0.3 | \$ 0.0 | 2.3% |
| November | 5.4 | 5.0 | (0.3) | (6.1%) |
| December | 0.4 | 0.8 | 0.5 | 126.8% |
| January | 0.4 | 0.9 | 0.5 | 145.3% |
| February | 0.4 | 20.5 | 20.1 | 5568.4% |
| March | 0.4 | 0.2 | (0.2) | (53.9%) |
| April | 0.4 | 0.3 | (0.0) | (3.8%) |
| May | 0.4 | 0.6 | 0.2 | 60.4% |
| June | 0.4 | 0.4 | 0.0 | 6.0% |
| July | 0.4 | 0.3 | (0.1) | (22.6%) |
| August | - | - | - | 0.0% |
| September | - | - | - | 0.0% |
| July 2013 YTD | \$ 8.6 | \$ 29.3 | \$ 20.7 | 242.2% |

Capital Grant Revenue

Year-to-date Capital Grant revenue is \$143.8 million versus \$161.3 million budgeted.

Interest & Miscellaneous Revenue

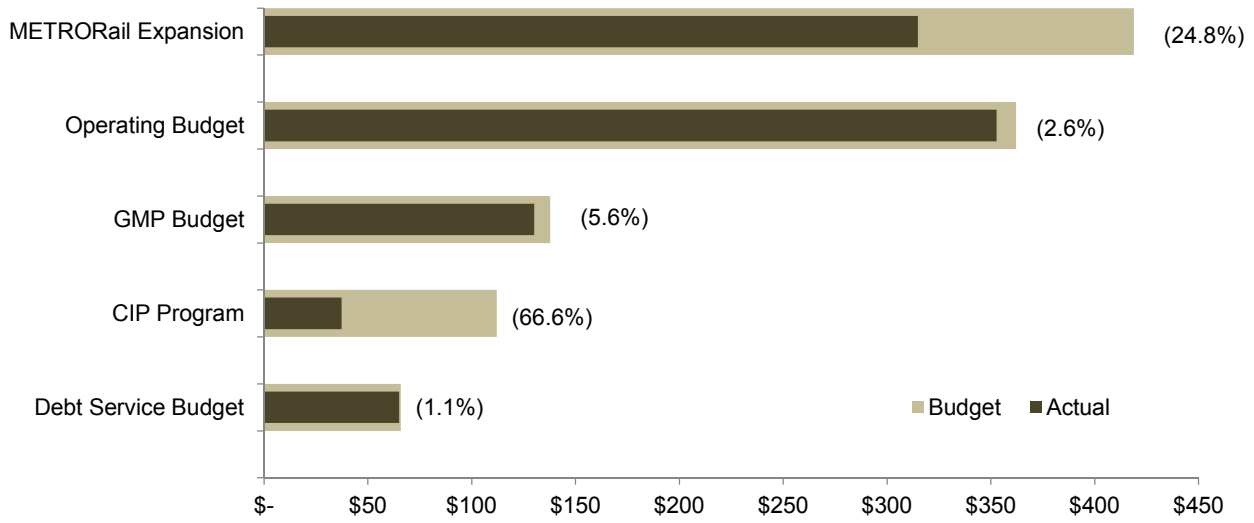
Total FY2013 Interest & Miscellaneous Revenue budget is \$5.3 million

Budget to Actual FY2013

(\$ millions)

| | Budget | Actual | Variance | % |
|----------------------|---------------|---------------|---------------|---------------|
| October | \$ 0.4 | \$ 0.5 | \$ 0.1 | 14.4% |
| November | 0.3 | 0.4 | 0.1 | 48.4% |
| December | 0.3 | 0.4 | 0.1 | 52.6% |
| January | 0.3 | 0.5 | 0.2 | 76.6% |
| February | 0.3 | 0.6 | 0.3 | 92.3% |
| March | 0.7 | 2.0 | 1.3 | 191.3% |
| April | 1.2 | 0.7 | (0.5) | (44.7%) |
| May | 0.2 | 0.5 | 0.3 | 119.0% |
| June | 0.2 | 0.4 | 0.2 | 126.0% |
| July | 0.2 | 0.6 | 0.4 | 188.4% |
| August | - | - | - | 0.0% |
| September | - | - | - | 0.0% |
| July 2013 YTD | \$ 4.0 | \$ 6.4 | \$ 2.4 | 60.2% |

MONTHLY BOARD REPORT
July 2013
Budget and Expense Summary
(\$ millions)



MONTHLY BOARD REPORT

July 2013

Operating Expenses

Comparison of Budget to Actual for the Month (July 2013)

| | FY13 Annual Budget | July Budget | July Actual | \$ Variance (favorable)/unfavorable | % Variance |
|---------------------------------------|-------------------------------|------------------------|------------------------|--|-------------------|
| Labor & Fringe Benefits | \$ 265,781,470 | \$ 22,800,592 | \$ 21,960,961 | \$ (839,631) | (3.7%) |
| Non-Labor | 193,783,757 | 16,471,403 | 14,727,871 | (1,743,532) | (10.6%) |
| Subtotal Labor & Non-Labor | 459,565,227 | 39,271,995 | 36,688,832 | (2,583,163) | (6.6%) |
| Contingency | 7,158,993 | - | - | - | 0.0% |
| Allocation to Capital and GMP | (21,724,220) | (2,180,576) | (1,518,840) | 661,736 | 30.3% |
| Total Operating Budget | \$ 445,000,000 | \$ 37,091,419 | \$ 35,169,992 | \$ (1,921,427) | (5.2%) |

Comparison of Budget to Actual Year-to-Date July 2013 (10 Months)

| <u>Expense Category</u> | FY13 Annual Budget | Year-to-Date Budget | Year-to-Date Actual | \$ Variance (favorable)/unfavorable | % Variance |
|---|-------------------------------|--------------------------------|--------------------------------|--|-------------------|
| Wages | \$ 103,135,921 | \$ 86,153,204 | \$ 85,204,474 | \$ (948,730) | (1.1%) |
| Union Fringe Benefits | \$ 56,576,950 | 45,265,538 | 42,958,987 | (2,306,551) | (5.1%) |
| Subtotal Union Labor | 159,712,871 | 131,418,742 | 128,163,461 | (3,255,281) | (2.5%) |
| Salaries and Non-Union Wages | 73,847,798 | 61,266,716 | 60,004,724 | (1,261,992) | (2.1%) |
| Non-Union Fringe Benefits | 32,220,801 | 26,461,093 | 25,753,740 | (707,353) | (2.7%) |
| Subtotal Non-Union Labor | 106,068,599 | 87,727,809 | 85,758,464 | (1,969,345) | (2.2%) |
| Subtotal Labor and Fringe Benefits | 265,781,470 | 219,146,551 | 213,921,925 | (5,224,626) | (2.4%) |
| Services | 33,568,569 | 28,081,045 | 21,956,381 | (6,124,664) | (21.8%) |
| Materials and Supplies | 19,502,440 | 16,398,212 | 16,028,513 | (369,699) | (2.3%) |
| Fuel & Utilities | 50,104,164 | 41,544,777 | 40,447,620 | (1,097,157) | (2.6%) |
| Casualty and Liability | 3,190,864 | 2,722,582 | 2,115,504 | (607,078) | (22.3%) |
| Purchased Transportation | 79,695,333 | 66,123,773 | 66,973,412 | 849,639 | 1.3% |
| Leases, Rentals and Misc. | 7,722,387 | 5,882,051 | 6,003,127 | 121,076 | 2.1% |
| Subtotal Non-Labor | 193,783,757 | 160,752,440 | 153,524,555 | (7,227,886) | (4.5%) |
| Subtotal Labor and Non-Labor | 459,565,227 | 379,898,991 | 367,446,480 | (12,452,511) | (3.3%) |
| Contingency | 7,158,993 | - | - | - | 0.0% |
| Allocation to Capital and GMP | (21,724,220) | (17,721,122) | (14,666,951) | 3,054,171 | 17.2% |
| Subtotal Contingency / Allocations | (14,565,227) | (17,721,122) | (14,666,951) | 3,054,171 | 17.2% |
| Total Operating Budget | \$ 445,000,000 | \$362,177,869 | \$352,779,529 | \$ (9,398,340) | (2.6%) |

MONTHLY BOARD REPORT
July 2013
Major Operating Budget Variance Items - Categories with major variances

| <u>Expense Type</u> | <u>YTD Budget</u> | <u>YTD Actual</u> | <u>July 2013 Year-to-Date \$ Variance (favorable) / unfavorable</u> |
|--|-----------------------|-----------------------|---|
| Union Labor | \$ 131,418,742 | \$ 128,163,461 | \$ (3,255,281) |
| Wages & Fringe Benefits - primarily mechanic, technician, cleaner, and operator vacancies | | | (5,289,000) |
| Benefits Trust Contribution - less than anticipated participation in the union health plan | | | (1,490,000) |
| Overtime Wages | | | 3,475,000 |
| Non-Union Labor | 87,727,809 | 85,758,464 | (1,969,345) |
| Salaries and fringes primarily related to vacancies | | | (3,056,000) |
| Fewer retirees than budgeted in healthcare plan plus timing related to retiree pharmaceutical claims | | | (279,000) |
| Timing in the use of vacation and sick time | | | 847,000 |
| Overtime related to the Rodeo and four rail shut downs due to construction | | | 518,000 |
| Services | 28,081,045 | 21,956,381 | (6,124,664) |
| Delay in the 290 HOT Lane start-up and timing of invoices from the HOT Lane contractor | | | (1,897,000) |
| Timing of contract services for buildings and grounds, general outside maintenance costs and related support services, offset by overruns in outside maintenance labor and waste removal | | | (1,078,000) |
| Reprogrammed spending on advertising, promotion, and planned marketing campaigns | | | (875,000) |
| Timing of financial services expenses and savings resulting from contract modifications, and delays in the billing of audit and legal expenses | | | (698,000) |
| <u>Timing delays and savings in other areas throughout the Authority - mostly in:</u> | | | |
| - Equipment repairs and maintenance in the IT | | | (532,000) |
| - Education and training | | | (310,000) |
| - Legislative coordination | | | (223,000) |
| - Contract services for hiring | | | (158,000) |
| - Support and other services | | | (141,000) |
| - Equipment repairs and maintenance in the Print Shop | | | (131,000) |
| - Planning contracts | | | (112,000) |
| - Human Resources expenses, specifically wellness and benefits administration | | | (86,000) |
| - Contracted vehicle repairs | | | (68,000) |
| <u>Overruns in -</u> | | | |
| Unbudgeted employee related legal fees plus other general legal fees | | | 597,000 |
| Temporary help for the Customer Care Call Center | | | 343,000 |
| Unbudgeted consulting fees | | | 118,000 |
| Materials & Supplies | 16,398,212 | 16,028,513 | (369,699) |
| <u>Timing delays in -</u> | | | |
| - Purchasing of cleaning material and supplies | | | (222,000) |
| - Special and general office supplies | | | (202,000) |
| - Purchasing of special supplies pertaining to ticket and fare collection | | | (124,000) |
| <u>Overruns in Service Delivery and Capital Programs -</u> | | | |
| - Brakes and parts | | | 214,000 |
| - Minor tools | | | 181,000 |
| Fuel & Utilities | 41,544,777 | 40,447,620 | (1,097,157) |
| Timing variances in phone services billing | | | (669,000) |
| Lower natural gas expense due to early summer temperatures experienced in the second quarter | | | (205,000) |
| Variances in Power due to more favorable contract terms with the new provider as of July 1st | | | (417,000) |
| Mostly unbudgeted fuel transportation costs | | | 158,000 |
| Casualty and Liability | 2,722,582 | 2,115,504 | (607,078) |
| More than expected recovery of subrogation | | | (516,000) |
| Timing variance in premiums, mostly physical damages | | | (100,000) |
| Purchased Transportation | 66,123,773 | 66,973,412 | 849,639 |
| METROLift - reflecting a 4.6% ridership increase, service mix, and contractor rate variance | | | 1,158,000 |
| Savings of Vanpool expenses | | | (211,000) |
| Correction of contracted bus operating facility expenses | | | (97,000) |
| Leases, Rentals and Miscellaneous | 5,882,051 | 6,003,127 | 121,076 |
| Unbudgeted employee related expenses | | | 520,000 |
| Timing of software rentals | | | 229,000 |
| Overrun in fees associated with the Referendum | | | 207,000 |
| Delayed spending and savings in discretionary items (Travel, Memberships, Subscriptions, etc.) | | | (292,000) |
| Mostly Timing of HOT Lanes expenses in Capital Programs | | | (206,000) |
| Mostly timing of IT expenses in Business Services | | | (158,000) |
| Allocation to Capital and GMP | (17,721,122) | (14,666,951) | 3,054,171 |
| Vacancies in Capital Programs plus slower than anticipated execution of projects | | | 3,274,000 |

MONTHLY BOARD REPORT
July 2013
Total Net Operating Budget / Expenses by Department

| <u>Department</u> | -----Year-to-Date----- | | | | --Current Month-- |
|--------------------------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>Annual Budget</u> | <u>Budget</u> | <u>Expense</u> | <u>Variance</u> | <u>Variance</u> |
| Service Delivery | \$ 313,745,265 | \$ 259,462,022 | \$ 259,450,438 | \$ (11,584) | \$ (430,310) |
| Executive Vice President | 41,672,793 | 34,043,066 | 31,767,320 | (2,275,746) | (542,942) |
| Business Services | 38,515,795 | 31,537,810 | 29,600,028 | (1,937,782) | (547,757) |
| Small Business | 978,764 | 828,716 | 670,529 | (158,187) | 3,300 |
| Procurement & Materials | 7,314,931 | 6,034,367 | 5,994,104 | (40,263) | 2,401 |
| Diversity & Compliance | 629,320 | 527,207 | 450,578 | (76,629) | (2,029) |
| Human Resources | 15,150,590 | 12,483,760 | 11,899,351 | (584,409) | 59,466 |
| VP of Business Services | 251,222 | 204,055 | 71,027 | (133,028) | (15,511) |
| Information Techology | 14,190,968 | 11,459,705 | 10,514,439 | (945,266) | (595,384) |
| Compl, EEO, ER, OD, Drug & Alcohol | 1,199,684 | 993,453 | 835,944 | (157,509) | 33,190 |
| Office of Executive VP | 709,312 | 474,091 | 405,059 | (69,032) | (10,468) |
| Performance Improvement | 1,248,002 | 1,037,712 | 926,290 | (111,422) | (17,907) |
| Capital Programs | 30,045,864 | 24,800,182 | 20,947,387 | (3,852,795) | (395,175) |
| Capital Projects | 7,023,427 | 5,838,153 | 4,259,795 | (1,578,358) | 302,050 |
| Facilities Maintenance | 23,022,437 | 18,962,029 | 16,687,591 | (2,274,438) | (697,225) |
| METRO Police | 17,339,396 | 14,495,075 | 13,874,727 | (620,349) | (193,641) |
| Finance | 10,257,255 | 8,462,764 | 7,471,429 | (991,335) | (215,175) |
| Government & Public Affairs | 7,184,087 | 6,280,754 | 4,472,976 | (1,807,778) | (284,600) |
| Government Affairs | 529,640 | 446,410 | 320,410 | (126,000) | (111,589) |
| Public Engagement | 1,332,590 | 1,118,247 | 701,204 | (417,043) | (38,922) |
| Stakeholder Affairs | 139,467 | 114,755 | 0 | (114,755) | (11,947) |
| Marketing & Corporate Communications | 5,182,390 | 4,601,342 | 3,451,362 | (1,149,980) | (122,142) |
| Contingency | 7,158,993 | - | - | - | - |
| Safety | 5,725,726 | 4,799,122 | 4,535,608 | (263,514) | 5,999 |
| Legal | 4,715,714 | 4,129,814 | 4,604,044 | 474,230 | (57,934) |
| Legal | 3,986,858 | 3,523,696 | 4,298,739 | 775,043 | (30,755) |
| Real Estate & Property Management | 728,856 | 606,118 | 305,305 | (300,813) | (27,179) |
| Service Design & Development | 4,449,085 | 3,590,982 | 3,402,873 | (188,109) | 22,375 |
| Executive & Board | 1,326,625 | 1,092,585 | 1,354,602 | 262,017 | 186,292 |
| Audit | 1,229,197 | 1,021,503 | 898,127 | (123,376) | (16,318) |
| Small Capital Expenses | 150,000 | - | - | - | - |
| TOTAL NET OPERATING | \$ 445,000,000 | \$ 362,177,869 | \$ 352,779,530 | \$ (9,398,339) | \$ (1,921,428) |

MONTHLY BOARD REPORT
July 2013
Total Net Operating Budget / Expenses by Department
as of the end of July FY2013 vs. July FY2012

| Department | July FY2013 | | | July FY2012 | | |
|--------------------------------------|------------------------|-----------------------|-----------------------|------------------------|-----------------------|------------------------|
| | -----Year-to-Date----- | | | -----Year-to-Date----- | | |
| | Budget | Expense | Variance | Budget | Expense | Variance |
| Service Delivery | \$ 259,462,022 | \$ 259,450,438 | \$ (11,584) | \$ 254,994,380 | \$ 253,456,274 | \$ (1,538,106) |
| Executive Vice President | 34,043,066 | 31,767,320 | (2,275,746) | 74,652,489 | 65,224,306 | (9,428,183) |
| Business Services | 31,537,810 | 29,600,028 | (1,937,782) | 52,173,827 | 44,773,343 | (7,400,484) |
| Small Business | 828,716 | 670,529 | (158,187) | 832,341 | 761,925 | (70,416) |
| Procurement & Materials | 6,034,367 | 5,994,104 | (40,263) | 6,155,627 | 5,996,846 | (158,781) |
| Diversity & Compliance | 527,207 | 450,578 | (76,629) | 359,059 | 333,603 | (25,456) |
| Human Resources | 12,483,760 | 11,899,351 | (584,409) | 12,729,472 | 10,620,553 | (2,108,919) |
| VP of Business Services | 204,055 | 71,027 | (133,028) | 223,392 | 218,172 | (5,220) |
| Marketing & Corporate Communications | N/A | N/A | N/A | 3,664,610 | 2,882,988 | (781,622) |
| Real Estate & Property Management | N/A | N/A | N/A | 679,386 | 387,291 | (292,095) |
| Facilities Maintenance | N/A | N/A | N/A | 17,742,914 | 15,202,932 | (2,539,982) |
| Information Techology | 11,459,705 | 10,514,439 | (945,266) | 9,787,026 | 8,369,033 | (1,417,993) |
| Compl, EEO, ER, OD, Drug & Alcohol | 993,453 | 835,944 | (157,509) | 823,145 | 717,669 | (105,476) |
| METRO Police | N/A | N/A | N/A | 15,466,306 | 14,045,767 | (1,420,539) |
| Safety | N/A | N/A | N/A | 4,672,197 | 4,268,381 | (403,816) |
| Office of Executive VP | 474,091 | 405,059 | (69,032) | 454,153 | 446,860 | (7,293) |
| Performance Improvement | 1,037,712 | 926,290 | (111,422) | 1,062,861 | 972,286 | (90,575) |
| Capital Programs | 24,800,182 | 20,947,387 | (3,852,795) | 1,941,816 | 1,363,785 | (578,031) |
| Capital Projects | 5,838,153 | 4,259,795 | (1,578,358) | 1,941,816 | 1,363,785 | (578,031) |
| Facilities Maintenance | 18,962,029 | 16,687,591 | (2,274,438) | N/A | N/A | N/A |
| METRO Police | 14,495,075 | 13,874,727 | (620,349) | N/A | N/A | N/A |
| Finance | 8,462,764 | 7,471,429 | (991,335) | 8,445,460 | 7,757,601 | (687,859) |
| Government & Public Affairs | 6,280,754 | 4,472,976 | (1,807,778) | N/A | N/A | N/A |
| Government Affairs | 446,410 | 320,410 | (126,000) | N/A | N/A | N/A |
| Public Engagement | 1,118,247 | 701,204 | (417,043) | N/A | N/A | N/A |
| Stakeholder Affairs | 114,755 | 0 | (114,755) | N/A | N/A | N/A |
| Marketing & Corporate Communications | 4,601,342 | 3,451,362 | (1,149,980) | N/A | N/A | N/A |
| Contingency | - | - | - | - | - | - |
| Safety | 4,799,122 | 4,535,608 | (263,514) | N/A | N/A | N/A |
| Legal | 4,129,814 | 4,604,044 | 474,230 | 1,941,508 | 2,297,853 | 356,345 |
| Legal | 3,523,696 | 4,298,739 | 775,043 | 1,941,508 | 2,297,853 | 356,345 |
| Real Estate & Property Management | 606,118 | 305,305 | (300,813) | N/A | N/A | N/A |
| Service Design & Development | 3,590,982 | 3,402,873 | (188,109) | 4,925,019 | 4,308,627 | (616,392) |
| Executive & Board | 1,092,585 | 1,354,602 | 262,017 | 1,393,861 | 1,334,407 | (59,454) |
| Audit | 1,021,503 | 898,127 | (123,376) | 1,025,717 | 829,718 | (195,999) |
| Small Capital Expenses | - | - | - | 112,500 | 3,282 | (109,218) |
| TOTAL NET OPERATING | \$ 362,177,869 | \$ 352,779,530 | \$ (9,398,339) | \$ 349,432,750 | \$ 336,575,853 | \$ (12,856,897) |

MONTHLY BOARD REPORT
July 2013
Capital, General Mobility and Debt Service Expenses
Budget vs. Actual - Month and Fiscal Year-to-Date
(\$ millions)

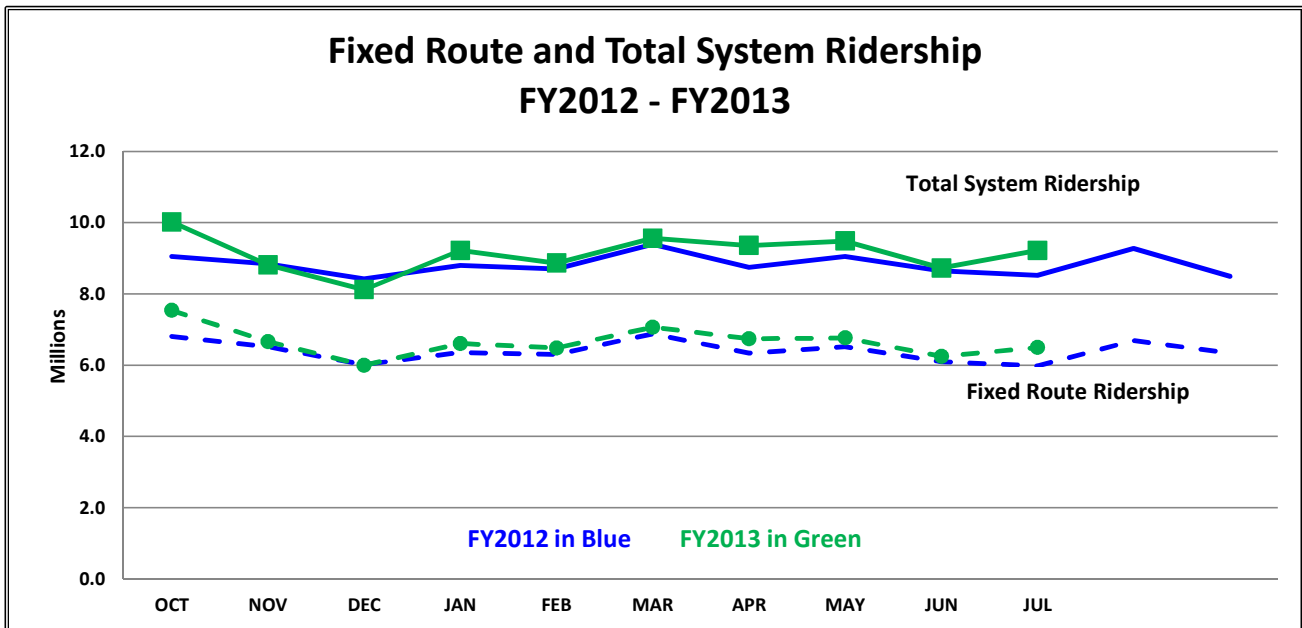
| | FY2013 Annual <u>Budget</u> | <u>Month of July 2013</u> | | | | <u>Fiscal YTD July 2013</u> | | | |
|--------------------------------|-----------------------------------|---------------------------|---------------|-----------------|----------------|-----------------------------|----------------|-----------------|----------------|
| | | <u>Budget</u> | <u>Actual</u> | Variance | | <u>Budget</u> | <u>Actual</u> | Variance | |
| | | | | \$ | % | | | \$ | % |
| METRORail Expansion | \$ 559.4 | \$ 42.0 | \$ 35.8 | \$ (6.2) | (14.7%) | \$ 418.9 | \$ 314.9 | \$ (104.0) | (24.8%) |
| Capital Improvement Program | 159.8 | 18.1 | 4.2 | (13.9) | (76.9%) | 112.0 | 37.4 | (74.7) | (66.6%) |
| Total Capital Budget | \$ 719.2 | 60.1 | 40.0 | (20.1) | (33.5%) | 530.9 | 352.2 | (178.7) | (33.7%) |
| General Mobility | \$ 164.8 | 13.5 | 11.0 | (2.5) | (18.7%) | 137.8 | 130.1 | (7.7) | (5.6%) |
| Debt Service | \$ 78.3 | \$ 5.3 | \$ 4.9 | \$ (0.4) | (7.4%) | \$ 65.9 | \$ 65.1 | \$ (0.7) | (1.1%) |

MONTHLY BOARD REPORT
July 2013
Ridership by Service Category

| Service Category | Jul-12 Boardings | Jul-13 Boardings | Jul-13 vs. Jul-12 | Jul-12 YTD Boardings | Jul-13 YTD Boardings | YTD % Change |
|---|------------------|------------------|-------------------|----------------------|----------------------|-------------------|
| | | | | | | Jul-13 vs. Jul-12 |
| Fixed Route Bus | | | | | | |
| Local | 4,469,946 | 4,905,510 | 9.7% | 48,235,595 | 50,259,289 | 4.2% |
| Park & Ride | 609,571 | 685,829 | 12.5% | 6,137,123 | 6,598,649 | 7.5% |
| Subtotal Fixed Route Bus | 5,079,517 | 5,591,339 | 10.1% | 54,372,718 | 56,857,938 | 4.6% |
| METRO Rail | 897,162 | 902,220 | 0.6% | 9,358,078 | 9,540,609 | 2.0% |
| Subtotal Fixed Route | 5,976,679 | 6,493,559 | 8.6% | 63,730,796 | 66,398,547 | 4.2% |
| Special Events * | 0 | 820 | N/A | 102,137 | 174,878 | 71.2% |
| Total Fixed Route | 5,976,679 | 6,494,379 | 8.7% | 63,832,933 | 66,573,425 | 4.3% |
| Customized Bus Services | | | | | | |
| METROLift | 137,931 | 154,285 | 11.9% | 1,379,615 | 1,442,985 | 4.6% |
| METRO STAR Vanpool | 209,600 | 214,672 | 2.4% | 2,068,975 | 2,072,156 | 0.2% |
| Internal Service | 72 | 24 | (66.7%) | 1,566 | 324 | (79.3%) |
| Subtotal Customized Bus | 347,603 | 368,981 | 6.2% | 3,450,156 | 3,515,465 | 1.9% |
| Subtotal Bus and Rail | 6,324,282 | 6,863,360 | 8.5% | 67,283,089 | 70,088,890 | 4.2% |
| HOV/HOT Carpools, Vanpools, and Non-METRO Buses | 2,199,393 | 2,354,880 | 7.1% | 20,915,100 | 21,295,994 | 1.8% |
| Total System | 8,523,675 | 9,218,240 | 8.1% | 88,198,189 | 91,384,884 | 3.6% |

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
July 2013
Performance Statistics

Benchmark Met Benchmark Missed

| Fiscal Year 2013 | | | | | | | | | | | | | | Monthly Target | FY2013 YTD GOAL | FY2013 YTD | YTD % Change |
|---|-------|--------|--------|--------|--------|--------|--------|-------|-------|-------|---------|---------|---------|----------------|-----------------|------------|--------------|
| SAFETY & SECURITY | | | | | | | | | | | | | | | | | |
| Bus Accidents | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | ≤ 44 | ≤ 440 | 391 | 11.1% | |
| Bus Accidents per 100,000 vehicle miles | 0.69 | 0.51 | 0.89 | 0.54 | 0.65 | 0.71 | 0.86 | 0.75 | 0.80 | 0.68 | ≤ 0.79 | ≤ 0.79 | 0.71 | 10.5% | | | |
| Rail Accidents | 2 | 2 | 4 | 4 | 3 | 3 | 2 | 3 | 7 | 3 | ≤ 4 | ≤ 35 | 33 | 5.7% | | | |
| Rail Accidents per 100,000 vehicle miles | 2.46 | 2.60 | 5.24 | 5.22 | 3.95 | 3.11 | 2.42 | 3.52 | 7.92 | 3.08 | ≤ 5.56 | ≤ 5.56 | 3.94 | 29.1% | | | |
| Major Security Incidents - total | 47 | 35 | 35 | 34 | 26 | 50 | 41 | 45 | 47 | 63 | ≤ 45 | ≤ 450 | 423 | 6.0% | | | |
| Major Security Incidents per 100,000 boardings | 0.612 | 0.515 | 0.571 | 0.505 | 0.396 | 0.707 | 0.596 | 0.653 | 0.739 | 0.950 | ≤ 0.670 | ≤ 0.670 | 0.624 | 6.8% | | | |
| Major Security Incidents - METRO properties | 16 | 18 | 10 | 17 | 16 | 32 | 17 | 22 | 17 | 26 | ≤ 28 | ≤ 280 | 191 | 31.8% | | | |
| Major Security Incidents per 100,000 boardings | 0.307 | 0.356 | 0.212 | 0.352 | 0.339 | 0.653 | 0.355 | 0.444 | 0.371 | 0.582 | ≤ 0.417 | ≤ 0.417 | 0.282 | 32.4% | | | |
| SERVICE & RELIABILITY | | | | | | | | | | | | | | | | | |
| Bus On-Time Performance | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | ≥ 67% | ≥ 67% | 72% | 6.8% | |
| Local Bus OTP | 71% | 71% | 72% | 73% | 71% | 71% | 72% | 71% | 72% | 72% | ≥ 75% | ≥ 75% | 78% | 4.1% | | | |
| Park & Ride Bus OTP | 79% | 78% | 77% | 80% | 78% | 78% | 78% | 79% | 78% | 77% | ≥ 69% | ≥ 69% | 73% | 6.2% | | | |
| Weighted Average Bus OTP | 73% | 73% | 73% | 74% | 73% | 73% | 73% | 73% | 74% | 74% | | | | | | | |
| Rail On-Time Performance | 98% | 97% | 98% | 99% | 97% | 98% | 98% | 98% | 97% | 92% | ≥ 95% | ≥ 95% | 98% | | | | |
| MDBF (Mean Distance Between Mechanical Failures) - All Buses | 9,664 | 10,539 | 11,233 | 10,463 | 11,540 | 10,660 | 10,479 | 9,158 | 8,180 | 8,895 | ≥ 7,000 | ≥ 7,000 | 9,962 | 42.3% | | | |
| CUSTOMER SERVICE | | | | | | | | | | | | | | | | | |
| *Complaint Contacts per 100,000 boardings | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | ≤ 27.00 | ≤ 27.00 | 24.64 | 8.8% | |
| Compliments | 240 | 208 | 258 | 290 | 210 | 295 | 389 | 366 | 441 | 602 | ≥ 209 | ≥ 2083 | 3,299 | 58.4% | | | |
| Average Call Center Answer Delay (Sec.) | 93 | 93 | 93 | 115 | 113 | 90 | 81 | 87 | 99 | 102 | ≤ 120 | ≤ 120 | 97 | 19.5% | | | |

* 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
July 2013
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
July 2013
Balance Sheet

| | July 31, 2012 (\$) | July 31, 2013 (\$) | Change (\$) |
|---|-------------------------|-------------------------|----------------------|
| Cash | \$ 2,217,873 | \$ 2,826,407 | \$ 608,534 |
| Receivables | 113,866,743 | 127,866,506 | 13,999,763 |
| Inventory | 17,659,276 | 21,017,813 | 3,358,537 |
| Investments | 481,084,534 | 332,540,782 | (148,543,752) |
| Other Assets | 225,112,646 | 99,101,134 | (126,011,512) |
| Debt Issuance Costs | 8,524,091 | 8,100,333 | (423,758) |
| Property Net of Depreciation | 2,043,986,027 | 2,421,359,773 | 377,373,746 |
| Land & Improvements | 482,899,777 | 410,557,837 | (72,341,940) |
| Total Assets and Other | 3,375,350,966 | 3,423,370,585 | 48,019,619 |
| Liabilities | | | |
| Trade Payables | 53,376,892 | 30,926,432 | (22,450,460) |
| Accrued Payroll | 23,858,158 | 28,337,539 | 4,479,381 |
| Commercial Paper | 189,000,000 | 187,000,000 | (2,000,000) |
| Long-Term Liabilities | 1,063,096,455 | 1,066,653,911 | 3,557,456 |
| Other Liabilities | 224,337,330 | 88,313,611 | (136,023,719) |
| Total Liabilities | 1,553,668,834 | 1,401,231,493 | (152,437,341) |
| Net Assets - Retained | 1,821,682,132 | 2,022,139,092 | 200,456,960 |
| Total Liabilities and Net Assets | \$ 3,375,350,966 | \$ 3,423,370,585 | \$ 48,019,619 |