

METRO

Fiscal Year 2014 Monthly Board Report

Revenue • Expense • Ridership • Performance

September 2014

(Fourth Quarter Fiscal Year-to-Date)

This report is based on a preliminary closing of the year-end financials for FY2014



MONTHLY BOARD REPORT

September 2014

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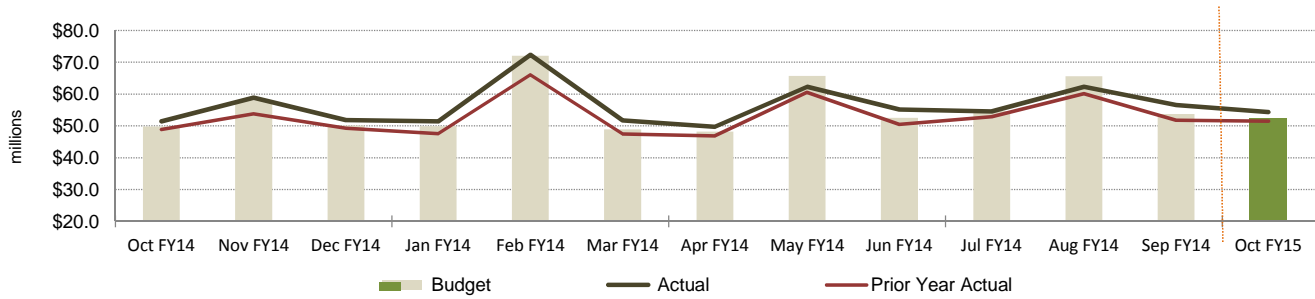
MONTHLY BOARD REPORT

September 2014

Summary

- FY2014 Sales Tax revenue was \$677.9 million, \$8.6 million or 1.3% over estimates. Sales Tax revenue for October 2014 (FY2015) is \$54.3 million, \$2.0 million or 3.8% over estimates.
- Fare revenue of \$69.7 million through September 2014 year-to-date is on budget. September 2014 revenue of \$6.7 million is \$1.0 million or 18.6% over budget.
- Service Related Grant Revenue year-to-date of \$61.6 million through September 2014 is \$0.2 million or 0.3% under budget. September 2014 revenue of \$30.1 million is \$29.4 million or 4656.3% over budget.
- Capital Grant revenue year-to-date of \$94.7 million through September 2014 is \$87.8 million under budget.
- Interest & Miscellaneous revenue year-to-date of \$11.5 million through September 2014 is \$3.2 million or 39.3% over budget. September 2014 revenue of \$1.7 million is \$0.3 million or 24.7% over budget.
- Operating expenses year-to-date of \$448.8 million through September 2014 are \$38.6 million or 7.9% under budget. September 2014 expenses of \$40.3 million are \$11.5 million or 22.2% under budget.
- METRORail Expansion expenses year-to-date of \$246.2 million through September 2014 are \$68.4 million or 21.7% under budget. September 2014 expenses of \$44.7 million are \$0.4 million or 0.9% under budget.
- Other Capital Improvement Program expenses year-to-date of \$110.1 million through September 2014 are \$88.3 million or 44.5% under budget. September 2014 expenses of \$18.9 million are \$60.3 million or 76.2% under budget.
- General Mobility Program expenses year-to-date of \$161.3 million through September 2014 are \$1.2 million or 0.7% over budget. September 2014 expenses of \$23.1 million are \$7.2 million or 45.7% over budget.
- Debt Service expenses of \$78.6 million through September 2014 year-to-date is slightly under budget.
- METROBus ridership (fixed route) year-to-date of 68.2 million through September 2014 is 412,000 or 0.6% under last year. September 2014 ridership of 6.0 million is 102,000 or 1.7% over last year.
- METRORail ridership year-to-date of 12.8 million through September 2014 is 1,344,000 or 11.7% over last year. September 2014 ridership of 1.2 million is 248,000 or 26.9% over compared to last year.
- Performance Indicator Summary:
 - Safety & Security Bus Accidents met the benchmark for the month but missed the benchmark for the year-to-date. Rail Accidents met the benchmark for both the month and the year-to-date. Total Major Security Incidents missed both the benchmark for the month and for the year-to-date. Major Security Incidents on METRO properties met the benchmark for both the month and year-to-date.
 - Service Reliability On-Time Performance for Local Bus is below the minimum performance standard for the month and the year-to-date. On-Time Performance for Park & Ride Bus met the minimum performance standard for both the month and year-to-date. On-Time Performance for METROLift did not meet the minimum performance standard for the month but was above the minimum performance standard for the year-to-date. On-Time Performance for Rail is not yet available. The Mean Distance Between Mechanical Failures (MDBF) for all buses met the minimum standard for the month and year-to-date. MDBF for METROLift is above the minimum standard for both the month and year-to-date.
 - Customer Service Complaint Contacts missed both the goal for the month and for the year-to-date. The number of Commendations met the goal for the month and year-to-date. The Average Call Center Answer Delay missed the goal for the month but met the goal for the year-to-date.

MONTHLY BOARD REPORT
September 2014
Sales Tax Revenue thru October 2014



Total FY2014 Sales Tax budget is \$669.3 million

Budget to Actual FY2014

	(\$ millions)			
	Budget	Actual	Variance	%
October	\$ 49.8	\$ 51.4	1.6	3.3%
November	58.1	58.9	0.8	1.3%
December	50.1	51.8	1.7	3.3%
January	49.9	51.4	1.5	3.0%
February	72.1	72.3	0.2	0.3%
March	48.9	51.7	2.8	5.7%
April	48.2	49.7	1.5	3.1%
May	65.7	62.3	(3.4)	(5.1%)
June	52.5	55.1	2.6	5.0%
July	54.6	54.5	(0.1)	(0.2%)
August	65.6	62.3	(3.4)	(5.1%)
September	53.8	56.5	2.8	5.1%
FY 2014 YTD	\$ 669.3	\$ 677.9	\$ 8.6	1.3%
October 2014	52.4	54.3	2.0	3.8%

Prior Year vs. Current Year

	(\$ millions)			
	Prior Year	Current Year	Variance	%
October	\$ 48.9	\$ 51.4	2.6	5.3%
November	53.8	58.9	5.1	9.4%
December	49.2	51.8	2.5	5.2%
January	47.6	51.4	3.9	8.1%
February	66.0	72.3	6.3	9.5%
March	47.4	51.7	4.3	9.0%
April	46.9	49.7	2.8	6.1%
May	60.5	62.3	1.8	2.9%
June	50.5	55.1	4.7	9.3%
July	52.9	54.5	1.6	3.1%
August	60.1	62.3	2.1	3.6%
September	51.8	56.5	4.7	9.1%
FY 2014 YTD	\$ 635.5	\$ 677.9	\$ 42.4	6.7%
October 2014	51.4	54.3	2.9	5.6%

MONTHLY BOARD REPORT

September 2014

Fare Revenue

Total FY2014 Fare Revenue budget is \$69.7 million

Budget to Actual FY2014

(\$ millions)

	Budget	Actual	Variance	%
October	6.7	6.5	(0.2)	(2.7%)
November	5.6	5.3	(0.4)	(6.6%)
December	5.0	5.0	0.0	0.3%
January	5.8	5.5	(0.3)	(5.4%)
February	5.7	5.5	(0.1)	(2.0%)
March	6.1	6.2	0.1	1.7%
April	6.2	6.0	(0.1)	(2.3%)
May	5.9	5.6	(0.3)	(4.3%)
June	5.4	5.8	0.4	8.0%
July	5.9	5.7	(0.1)	(2.5%)
August	5.9	5.8	(0.1)	(1.9%)
September	5.6	6.7	1.0	18.6%
FY 2014 YTD	\$ 69.7	\$ 69.7	\$ (0.0)	(0.1%)

Prior Year vs. Current Year

(\$ millions)

	Prior Year	Current Year	Variance	%
October	6.6	6.5	(0.1)	(2.2%)
November	5.6	5.3	(0.3)	(6.0%)
December	5.1	5.0	(0.1)	(2.1%)
January	5.8	5.5	(0.3)	(4.9%)
February	5.6	5.5	(0.1)	(1.2%)
March	6.0	6.2	0.2	2.8%
April	6.1	6.0	(0.1)	(1.6%)
May	5.8	5.6	(0.2)	(3.6%)
June	5.3	5.8	0.5	8.8%
July	5.9	5.7	(0.1)	(1.8%)
August	5.9	5.8	(0.1)	(1.2%)
September	5.5	6.7	1.1	20.5%
FY 2014 YTD	\$ 69.3	\$ 69.7	\$ 0.4	0.5%

MONTHLY BOARD REPORT

September 2014

Service Related Grant Revenue

Total FY2014 Service Related Grant budget is \$61.8 million

Budget to Actual FY2014

(\$ millions)

	Budget	Actual	Variance	%
October	\$ 0.3	\$ 1.4	\$ 1.0	311.2%
November	\$ 0.4	\$ 0.4	\$ 0.1	23.2%
December	\$ 0.4	\$ (0.1)	\$ (0.5)	(131.9%)
January	\$ 0.4	\$ 0.6	\$ 0.3	78.7%
February	\$ 0.4	\$ 19.6	\$ 19.2	5411.6%
March	\$ 0.4	\$ 5.3	\$ 4.9	1386.9%
April	\$ 0.4	\$ 0.7	\$ 0.3	91.5%
May	\$ 0.4	\$ 0.4	\$ 0.1	14.4%
June	\$ 0.4	\$ 0.4	\$ 0.0	12.5%
July	\$ 0.4	\$ 0.5	\$ 0.2	48.6%
August	\$ 57.6	\$ 2.3	\$ (55.3)	(95.9%)
September	\$ 0.6	\$ 30.1	\$ 29.4	4656.3%
FY 2014 YTD	\$ 61.8	\$ 61.6	\$ (0.2)	(0.3%)

Capital Grant Revenue

Year-to-date Capital Grant revenue is \$94.7 million versus \$182.4 million budgeted

Interest & Miscellaneous Revenue

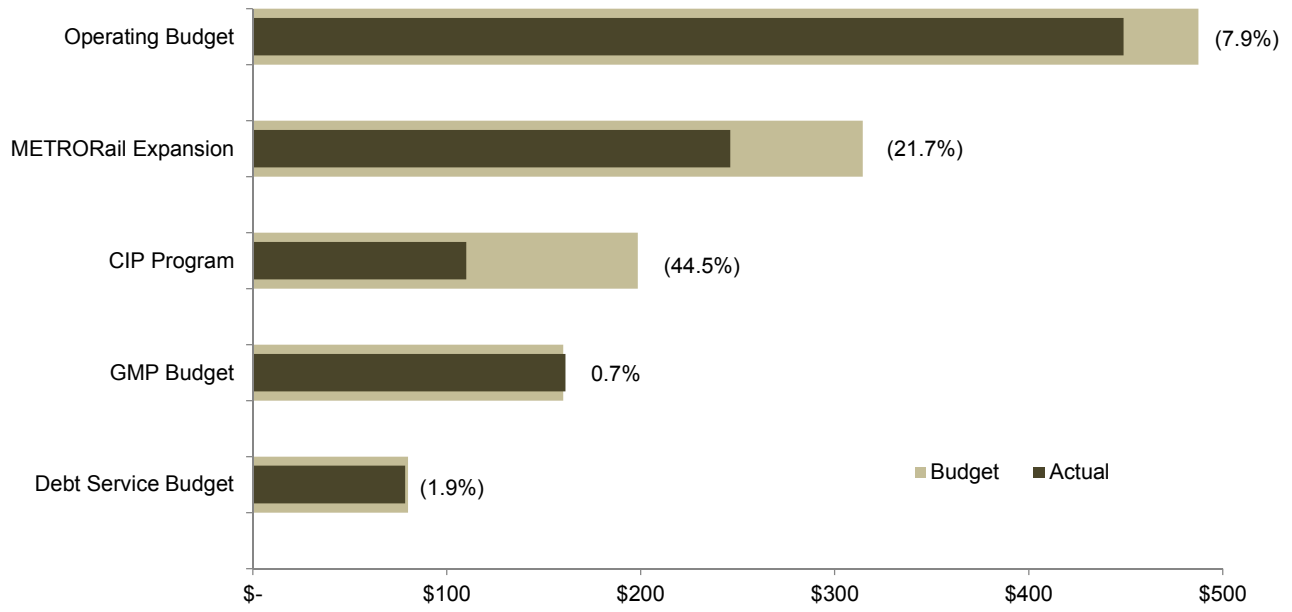
Total FY2014 Interest & Miscellaneous Revenue budget is \$8.2 million

Budget to Actual FY2014

(\$ millions)

	Budget	Actual	Variance	%
October	\$ 0.6	\$ 0.9	\$ 0.3	61.4%
November	\$ 0.5	\$ 0.6	\$ 0.2	32.7%
December	\$ 0.5	\$ 0.6	\$ 0.1	24.9%
January	\$ 0.5	\$ 0.6	\$ 0.1	27.3%
February	\$ 0.6	\$ 0.7	\$ 0.1	22.2%
March	\$ 1.9	\$ 1.1	\$ (0.8)	(43.2%)
April	\$ 0.5	\$ 1.9	\$ 1.4	267.1%
May	\$ 0.5	\$ 0.9	\$ 0.4	89.6%
June	\$ 0.4	\$ 0.9	\$ 0.5	116.1%
July	\$ 0.4	\$ 0.7	\$ 0.3	73.6%
August	\$ 0.5	\$ 0.7	\$ 0.2	50.1%
September	\$ 1.4	\$ 1.7	\$ 0.3	24.7%
FY 2014 YTD	\$ 8.2	\$ 11.5	\$ 3.2	39.3%

MONTHLY BOARD REPORT
September 2014
Budget and Expense Summary
(in \$ millions)



MONTHLY BOARD REPORT

September 2014

Operating Expenses

Comparison of Budget to Actual for the Month (September 2014)

	FY14 Annual Budget	September Budget	September Actual	\$ Variance (favorable)/unfavorable	% Variance
Labor and Fringe Benefits	\$ 285,546,846	\$ 24,652,645	\$ 22,345,855	\$ (2,306,790)	(9.4%)
Non-Labor	213,006,667	18,950,281	19,536,315	586,034	3.1%
Subtotal Labor & Non-Labor	498,553,513	43,602,926	41,882,170	(1,720,756)	(3.9%)
Contingency	9,000,000	9,000,000	-	(9,000,000)	(100.0%)
Emergency Fund	1,000,000	1,000,000	-	(1,000,000)	(100.0%)
Allocation to Capital and GMP	(21,160,326)	(1,803,810)	(1,574,452)	229,358	12.7%
Total Operating Budget	\$ 487,393,187	\$ 51,799,116	\$ 40,307,718	\$ (11,491,398)	(22.2%)

Comparison of Budget to Actual Year-to-Date September 2014 (12 months)

Expense Category	FY14 Annual Budget	Year-to-Date Budget	Year-to-Date Actual	\$ Variance (favorable)/unfavorable	% Variance
Wages	\$ 109,563,117	\$ 109,563,117	\$ 107,209,453	\$ (2,353,664)	(2.1%)
Union Fringe Benefits	\$ 59,177,658	59,177,658	52,735,682	(6,441,976)	(10.9%)
Subtotal Union Labor	168,740,775	168,740,775	159,945,136	(8,795,639)	(5.2%)
Salaries and Non-Union Wages	80,494,053	80,494,053	78,051,623	(2,442,430)	(3.0%)
Non-Union Fringe Benefits	36,312,018	36,312,018	33,958,158	(2,353,860)	(6.5%)
Subtotal Non-Union Labor	116,806,071	116,806,071	112,009,781	(4,796,290)	(4.1%)
Subtotal Labor and Fringe Benefits	285,546,846	285,546,846	271,954,917	(13,591,929)	(4.8%)
Services	39,667,529	39,667,529	27,577,451	(12,090,078)	(30.5%)
Materials and Supplies	21,148,604	21,148,604	22,031,181	882,577	4.2%
Fuel and Utilities	51,522,046	51,522,046	51,135,740	(386,306)	(0.7%)
Casualty and Liability	4,677,569	4,677,569	4,359,364	(318,205)	(6.8%)
Purchased Transportation	88,591,060	88,591,060	87,401,090	(1,189,970)	(1.3%)
Leases, Rentals and Misc.	7,399,859	7,399,859	6,374,203	(1,025,656)	(13.9%)
Subtotal Non-Labor	213,006,667	213,006,667	198,879,029	(14,127,637)	(6.6%)
Subtotal Labor and Non-Labor	498,553,513	498,553,513	470,833,946	(27,719,567)	(5.6%)
Contingency	9,000,000	9,000,000	-	(9,000,000)	(100.0%)
Emergency Fund	1,000,000	1,000,000	-	(1,000,000)	(100.0%)
Allocation to Capital and GMP	(21,160,326)	(21,160,326)	(21,997,886)	(837,560)	(4.0%)
Subtotal Contingency / Allocations	(11,160,326)	(11,160,326)	(21,997,886)	(10,837,560)	(97.1%)
Total Operating Budget	\$ 487,393,187	\$ 487,393,187	\$ 448,836,059	\$ (38,557,128)	(7.9%)

MONTHLY BOARD REPORT
September 2014
Major Operating Budget Variance Items - Categories with major variances

<u>Expense Type</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>September 2014 Year-to-Date</u> <u>\$ Variance</u> <u>(favorable) / unfavorable</u>
Union Labor	168,740,775	\$ 159,945,136	\$ (8,795,639)
Wages & Fringe Benefits - primarily mechanic, technician, cleaner, and operator vacancies			\$ (11,176,000)
Benefits Trust Contribution - less than anticipated participation in the union health plan			(3,347,000)
Pension - Defined Contribution			253,000
Overtime Wages associated with bus transportation and bus maintenance operations necessary to meet existing service schedules			5,474,000
Non-Union Labor	116,806,071	112,009,781	(4,796,290)
Salaries and fringes primarily related to vacancies			(4,165,000)
Lower than expected healthcare expenses resulting from vacancies and the effect of different employee healthcare election options than planned			(2,309,000)
Retiree Advantage Plan Benefits			(166,000)
<u>Offset by</u>			
Timing in the use of vacation and sick time			1,098,000
Overtime mostly associated with the North Line rail launch			563,000
Unbudgeted Severance Pay			246,000
Services	39,667,529	27,577,451	(12,090,078)
Less than anticipated spending in advertising fees, timing of invoice payments, delayed ridership campaign and other pending marketing projects and authority wide promotional campaigns			(3,100,000)
Timing of facilities maintenance contract services for buildings and grounds, general outside maintenance costs and related support services			(2,200,000)
Lower than expected 'as needed' ACS contract expenses plus delayed billing for financial services related to fare media operations			(1,600,000)
Delayed execution of Planning contracts like System Re-Imagining, the Long Range Plan, and Corridor Development, etc.			(839,000)
Savings realized from the delayed implementation of the Risk Management and Information System			(400,000)
Timing in IT equipment repairs and maintenance and support licenses and lower than anticipated utilization of IT contracts and savings from the conversion of desktop technicians to full time employees			(322,000)
Delayed execution of certain project administration contracts within the Engineering department			(286,000)
Cancellation of the METRO Police regional exercise			(179,000)
Unpaid Brokerage fees resulting from a delay in the leasing of 3rd Floor Office space at the METRO 1900 Main Building			(162,000)
Delayed Safety expenses: deferred brokerage services contract plus procurements			(124,000)
Legal contract fees			(83,000)
<u>Underutilization in other areas throughout the Authority - mostly in:</u>			
- Support services			(436,000)
- Education and training			(423,000)
- General legal fees and fees related to defeased lease arrangements			(396,000)
- Promotion expenses			(208,000)
- Contract employment services and Contracted HR services			(298,000)
- IT related Equipment Repairs and Maintenance			(345,000)
- Temp Help Services			(138,000)
- Fare media related equipment and maintenance			(108,000)
- Audit Fees			(61,000)
- Other miscellaneous services spread across the Authority			(583,000)
<u>Offset by</u>			
Overruns in HOT Lane Operations due to unrealized savings and unbudgeted Repairs			367,000
Materials & Supplies	21,148,604	22,031,181	882,577
<u>Overruns in Service Delivery and Capital Programs -</u>			
- Auxiliary Power Supply Parts			348,000
- Maintenance supplies including Electrical, Furniture and Office, facility maintenance contract related supplies			347,000
- Exterior Body and Windows			260,000
- Minor tools			190,000
- Bus Engines			101,000
- Several Misc expense line items bus and rail including electrical, electronic, Signals and other parts			615,000
<u>Underutilization in</u>			
- Fare media supplies - adequate inventory level maintained all year			(594,000)
- Bus batteries			(115,000)
- Technical equipment supplies			(115,000)
- Transmission parts			(102,000)
- A/C and heat			(97,000)
- General underutilization of office supplies throughout the Authority			(97,000)
- Cleaning material and supplies			(79,000)

Continued on next page

MONTHLY BOARD REPORT
September 2014
Major Operating Budget Variance Items - Categories with major variances

<u>Expense Type</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>September 2014 Year-to-Date</u> <u>\$ Variance</u> <u>(favorable) / unfavorable</u>
Fuel & Utilities	51,522,046	51,135,740	(386,306)
Savings resulting from less than budgeted diesel fuel usage and related taxes			(484,000)
Lower than planned consumption of power			(132,000)
Savings in propulsion power due to a delay in the procurement of rail cars			(130,000)
Lower than planned consumption of power and natural gas			(83,000)
<u>Offset by</u>			
Overrun in Gasoline expenses due to extra mileage of Arboc vehicle use			391,000
Overrun in ATF and other Fuel and lubricants			118,000
Casualty and Liability	4,677,569	4,359,364	(318,205)
Primarily lower than expected premiums			(272,000)
Lower than expected vehicle liability costs			(123,000)
Subrogation recovery has been lower than anticipated			77,000
Purchased Transportation	88,591,060	87,401,090	(1,189,970)
Less than anticipated hours of service provided by METRO's contract operator of fixed route service			(1,800,000)
Savings from Vanpool operations			(626,000)
<u>Offset by</u>			
Increasing ridership in METROLift			1,200,000
Leases, Rentals and Miscellaneous	7,399,859	6,374,203	(1,025,656)
Lower than anticipated spending in IT Software licences and programs			(246,000)
Conservative spending and savings in discretionary items (Travel, Memberships, Subscriptions, etc.)			(320,000)
Lower than anticipated spending in Other miscellaneous expense mostly related to contract underspending throughout the Authority			(230,000)
Lower than anticipated spending Small Capital purchases			(148,000)
Lower than anticipated IT software rental payments			(82,000)
Allocation to Capital and GMP	(11,160,326)	(21,997,886)	(837,560)
Primarily due to increased efforts to prepare for the opening of the Red Line extension and lower than projected General Mobility Program (GMP) project activity			(838,000)

MONTHLY BOARD REPORT
September 2014
Total Net Operating Budget / Expenses by Department

<u>Authorized</u> <u>EOY</u> <u>Headcount</u>	<u>Department</u>	-----Year-to-Date-----			--Current Month--
		<u>Budget</u>	<u>Expense</u>	<u>Variance</u>	<u>Variance</u>
2,723	Operations	\$ 344,074,337	\$ 333,396,741	\$ (10,677,596)	\$ (1,378,307)
416	Administration	69,756,286	63,777,762	(5,978,524)	545,823
	Facility Maintenance	25,308,839	22,056,532	(3,252,307)	374,952
	Human Resources	17,083,066	15,282,225	(1,800,841)	(71,766)
	Information Technology	16,445,735	15,846,417	(599,318)	141,769
	Procurement & Materials	8,051,283	8,018,782	(32,501)	(18,417)
	Small Business	940,613	794,924	(145,689)	(1,487)
	Diversity & Compliance	850,200	832,211	(17,989)	76,868
	Best Practices Research	627,649	666,351	38,702	71,031
	Chief Administrative Officer	448,901	280,320	(168,581)	(27,127)
256	METRO Police	18,781,049	17,416,350	(1,364,699)	(82,799)
77	Finance	10,680,588	8,042,593	(2,637,995)	(563,397)
40	Gov't & Public Affairs	8,099,726	4,316,448	(3,783,278)	(322,683)
	Mktg & Corporate Communications	6,797,507	3,355,452	(3,442,055)	(299,057)
	Public Engagement	750,053	549,214	(200,839)	(8,871)
	Government Affairs	550,131	395,549	(154,582)	(12,339)
	Stakeholder Affairs	2,035	16,232	14,197	(2,415)
45	Safety	7,894,971	7,182,473	(712,498)	(93,940)
31	Planning	5,799,393	4,358,078	(1,441,315)	237,683
77	Customer & Ridership Services	4,426,841	4,222,434	(204,407)	19,710
21	Legal	3,859,811	2,973,822	(885,989)	177,276
	Legal	2,883,547	2,488,258	(395,289)	168,862
	Real Estate & Property Management	976,264	485,564	(490,700)	8,414
10	Executive & Board	2,012,043	1,592,617	(419,426)	(69,942)
11	Audit	1,312,114	1,236,394	(75,720)	7,152
40	Engineering & Capital Projects	546,028	318,774	(227,254)	182,026
	Small Capital Expenses	150,000	1,572	(148,428)	(150,000)
	Contingency	9,000,000	-	(9,000,000)	(9,000,000)
	Emergency Fund	1,000,000	-	(1,000,000)	(1,000,000)
3,747	TOTAL NET OPERATING	\$ 487,393,187	\$ 448,836,059	\$ (38,557,128)	\$ (11,491,398)

MONTHLY BOARD REPORT
September 2014
Total Net Operating Budget / Expenses by Department
as of the end of September FY2014 vs. September FY2013

<u>Department</u>	<u>September FY2014</u> -----Year-to-Date-----			<u>September FY2013</u> -----Year-to-Date-----		
	<u>Budget</u>	<u>Expense</u>	<u>Variance</u>	<u>Budget</u>	<u>Expense</u>	<u>Variance</u>
Operations	\$ 344,074,337	\$ 333,396,741	\$ (10,677,596)	\$ 314,734,298	\$ 314,228,365	\$ (505,933)
Administration	69,756,286	63,777,762	(5,978,524)	63,339,660	58,528,448	(4,811,212)
Facility Maintenance	25,308,839	22,056,532	(3,252,307)	23,016,627	20,262,365	(2,754,262)
Human Resources	17,083,066	15,282,225	(1,800,841)	15,167,068	14,660,725	(506,343)
Information Technology	16,445,735	15,846,417	(599,318)	14,225,490	13,385,179	(840,311)
Procurement & Materials	8,051,283	8,018,782	(32,501)	7,346,046	7,279,602	(66,444)
Small Business	940,613	794,924	(145,689)	985,699	814,009	(171,690)
Diversity & Compliance	850,200	832,211	(17,989)	631,937	568,414	(63,523)
Best Practices Research	627,649	666,351	38,702	1,256,672	1,046,156	(210,516)
Chief Administrative Officer	448,901	280,320	(168,581)	710,121	511,998	(198,123)
Compl, EEO, ER, OD, Drug & Alcohol	N/A	N/A	N/A	1,201,188	1,028,761	(172,427)
VP of Business Services	N/A	N/A	N/A	251,836	72,904	(178,932)
METRO Police	18,781,049	17,416,350	(1,364,699)	17,572,257	16,677,054	(895,203)
Finance	10,680,588	8,042,593	(2,637,995)	10,621,534	9,032,076	(1,589,458)
Gov't & Public Affairs	8,099,726	4,316,448	(3,783,278)	7,248,271	5,385,624	(1,862,647)
Mktg & Corporate Communications	6,797,507	3,355,452	(3,442,055)	5,234,288	4,125,860	(1,108,428)
Public Engagement	750,053	549,214	(200,839)	1,338,940	866,957	(471,983)
Government Affairs	550,131	395,549	(154,582)	533,519	392,807	(140,712)
Stakeholder Affairs	2,035	16,232	14,197	141,524	-	(141,524)
Safety	7,894,971	7,182,473	(712,498)	5,755,387	5,489,621	(265,766)
Planning	5,799,393	4,358,078	(1,441,315)	4,891,154	4,189,651	(701,503)
Customer & Ridership Services	4,426,841	4,222,434	(204,407)	N/A	N/A	N/A
Legal	3,859,811	2,973,822	(885,989)	4,729,448	5,229,993	500,545
Legal	2,883,547	2,488,258	(395,289)	3,995,443	4,800,189	804,746
Real Estate & Property Management	976,264	485,564	(490,700)	734,005	429,804	(304,201)
Executive & Board	2,012,043	1,592,617	(419,426)	1,334,723	1,592,017	257,294
Audit	1,312,114	1,236,394	(75,720)	1,244,364	1,089,687	(154,677)
Engineering & Capital Projects	546,028	318,774	(227,254)	6,777,729	6,074,416	(703,313)
Small Capital Expenses	150,000	1,572	(148,428)	150,000	1,906	(148,094)
Contingency	9,000,000	-	(9,000,000)	5,148,151	-	(5,148,151)
Emergency Fund	1,000,000	-	(1,000,000)	N/A	N/A	N/A
TOTAL NET OPERATING	\$ 487,393,187	448,836,059	(38,557,128)	445,000,000	428,620,522	(16,379,477)

MONTHLY BOARD REPORT
September 2014
Capital, General Mobility and Debt Service Expenses
Budget vs. Actual - Month and Fiscal Year-to-Date
(\$ millions)

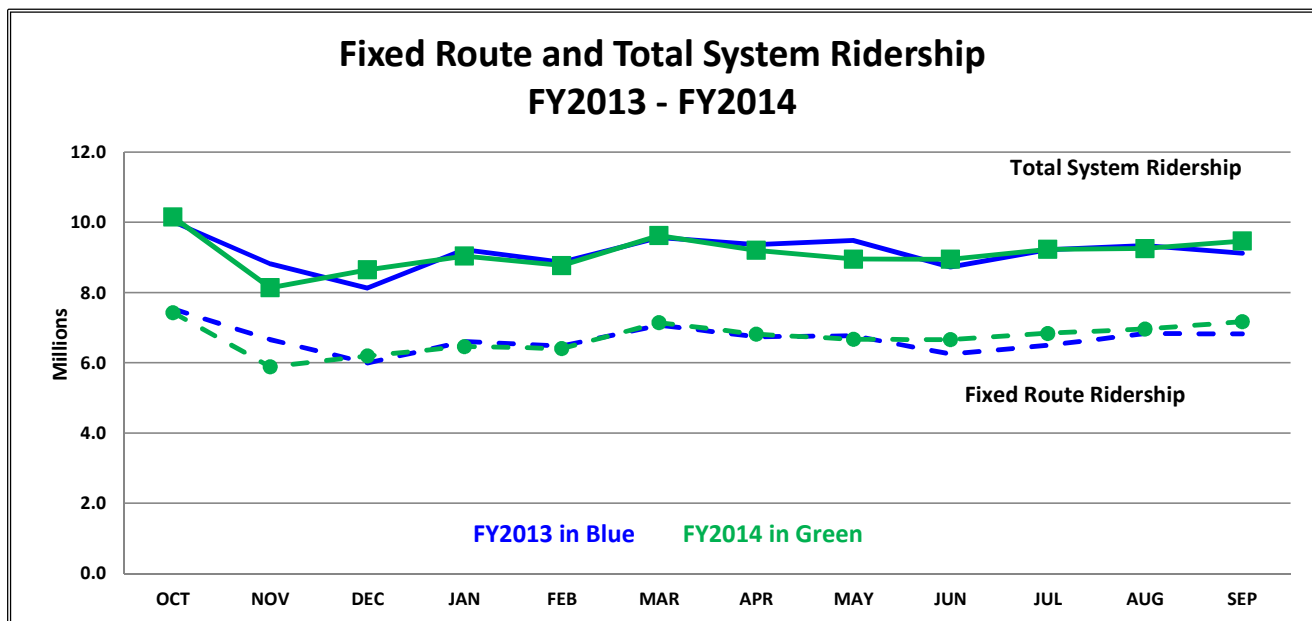
	FY2014 Annual Budget	Month of September 2014				Fiscal YTD September 2014			
		Budget	Actual	Variance		Budget	Actual	Variance	
				\$	%			\$	%
METRORail Expansion	\$ 314.5	\$ 45.1	\$ 44.7	\$ (0.4)	(0.9%)	\$ 314.5	\$ 246.2	\$ (68.4)	(21.7%)
Capital Improvement Program	198.4	79.2	18.9	(60.3)	(76.2%)	198.4	110.1	(88.3)	(44.5%)
Total Capital Budget	\$ 512.9	124.3	63.5	(60.7)	(48.9%)	512.9	356.3	(156.6)	(30.5%)
General Mobility	\$ 160.1	15.9	23.1	7.2	45.7%	160.1	161.3	1.2	0.7%
Debt Service	\$ 80.2	\$ 6.5	\$ 5.9	\$ (0.6)	(9.7%)	\$ 80.1	\$ 78.6	\$ (1.5)	(1.9%)

MONTHLY BOARD REPORT
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Ridership by Service Category

Service Category	Sep-13 Boardings	Sep-14 Boardings	Sep-14 vs. Sep-13	Sep-13 YTD Boardings	Sep-14 YTD Boardings	YTD % Change Sep-14 vs. Sep-13
Fixed Route Bus						
Local	5,215,886	5,230,384	0.3%	60,633,507	59,842,456	(1.3%)
Park & Ride	680,490	768,033	12.9%	7,968,421	8,347,835	4.8%
Subtotal Fixed Route Bus	5,896,376	5,998,417	1.7%	68,601,927	68,190,291	(0.6%)
METRO Rail	923,154	1,171,284	26.9%	11,440,167	12,783,878	11.7%
Subtotal Fixed Route	6,819,530	7,169,701	5.1%	80,042,094	80,974,169	1.2%
Special Events *	0	2,229	N/A	0	98,593	N.A.
Total Fixed Route	6,819,530	7,171,930	5.2%	80,042,094	81,072,762	1.3%
Customized Bus Services						
METROLift	149,856	163,971	9.4%	1,751,677	1,865,187	6.5%
METRO STAR Vanpool	203,532	209,173	2.8%	2,494,191	2,458,030	(1.4%)
Internal Service	926	0	100.0%	1,250	246	(80.3%)
Subtotal Customized Bus	354,314	373,144	5.3%	4,247,118	4,323,463	1.8%
Subtotal Bus and Rail	7,173,844	7,545,074	5.2%	84,289,212	85,396,225	1.3%
HOV/HOT Carpools, Vanpools, and Non-METRO Buses	1,940,760	1,920,555	(1.0%)	25,371,590	24,448,935	(3.6%)
Total System	9,114,604	9,465,629	3.9%	109,660,802	109,845,160	0.2%

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

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



MONTHLY BOARD REPORT
September 2014
Performance Statistics

Benchmark Met Benchmark Missed

Fiscal Year 2014																
SAFETY & SECURITY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Monthly Target	FY2014 YTD GOAL	FY2014 YTD	YTD % Change
	Bus Accidents (Includes METROLift)	54	44	40	36	52	51	50	47	41	40	24	30	≤ 42	≤ 500	509
Bus Accidents per 100,000 vehicle miles	0.91	0.83	0.73	0.65	0.99	0.88	0.87	0.84	0.73	0.69	0.42	0.53	≤ 0.72	≤ 0.72	0.75	4.7%
Rail Accidents	1	6	5	6	2	3	6	6	4	5	5	7	≤ 13	≤ 79	56	29.1%
Rail Accidents per 100,000 vehicle miles	0.87	5.41	3.86	4.02	1.44	1.53	4.16	4.09	2.85	3.16	3.10	4.62	≤ 6.58	≤ 6.58	3.22	51.1%
Major Security Incidents - total	56	43	33	56	25	41	40	43	54	49	45	61	≤ 45	≤ 540	546	1.1%
Major Security Incidents per 100,000 boardings	0.716	0.645	0.506	0.822	0.371	0.547	0.556	0.612	0.769	0.679	0.614	0.808	≤ 0.640	≤ 0.640	0.639	0.1%
Major Security Incidents - METRO properties	27	11	14	24	7	15	14	11	23	25	16	24	≤ 28	≤ 336	211	37.2%
Major Security Incidents per 100,000 boardings	0.517	0.218	0.297	0.496	0.148	0.306	0.292	0.222	0.502	0.559	0.318	0.499	≤ 0.397	≤ 0.397	0.247	37.8%
SERVICE & RELIABILITY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Monthly Target	FY2014 YTD GOAL	FY2014 YTD	YTD % Change
Local Bus OTP	68.4%	67.9%	68.6%	68.7%	68.7%	68.9%	69.6%	69.5%	72.5%	72.9%	71.5%	69.2%	≥ 70.0%	≥ 70%	69.7%	0.4%
Park & Ride Bus OTP	76.5%	75.2%	75.3%	76.8%	76.6%	76.9%	77.3%	77.1%	77.6%	78.3%	78.5%	77.3%	≥ 75.0%	≥ 75%	77.0%	2.6%
Weighted Average Bus OTP	70.5%	69.8%	70.3%	70.9%	70.7%	71.0%	71.6%	71.5%	73.8%	74.3%	73.4%	71.3%	≥ 71.5%	≥ 71.5%	71.6%	0.1%
METROLift OTP	85.4%	84.9%	87.1%	87.7%	86.2%	85.9%	86.2%	86.1%	87.5%	89.4%	88.6%	85.4%	≥ 87.0%	≥ 85.8%	86.7%	1.1%
Rail On-Time Performance	96.6%	93.5%	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	0%	≥ 95%	≥ 95%	NA*	
MDBF (Mean Distance Between Mechanical Failures) - All Buses	9,369	10,248	11,959	10,956	11,865	11,122	12,974	11,862	10,309	8,954	9,146	9,152	≥ 7,500	≥ 8,550	10,493	22.7%
MDBF (Mean Distance Between Mechanical Failures) - METROLift	13,140	13,261	16,419	16,740	16,467	18,865	16,757	13,212	13,478	12,582	14,909	17,257	≥ 11,750	≥ 11,750	14,978	27.5%
CUSTOMER SERVICE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Monthly Target	FY2014 YTD GOAL	FY2014 YTD	YTD % Change
*Complaint Contacts per 100,000 boardings	27.25	23.69	24.25	24.55	27.88	23.83	27.07	28.33	27.65	25.48	26.35	28.63	≤ 26.00	≤ 26.00	26.28	1.1%
Commendations	314	228	253	257	327	301	323	349	271	291	346	333	≥ 208	≥ 2500	3,593	43.7%
Average Call Center Answer Delay (Sec.)	92	88	92	110	90	91	103	125	121	106	133	170	≤ 120	≤ 120	110	8.3%

* Note: Rail OTP is not yet available

MONTHLY BOARD REPORT
September 2014
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 & 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 & Ride bus is considered on-time if it does not depart early (except in the morning when a bus can leave from a Park & 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. For METROLift, a trip is considered on-time if the vehicle arrives within 30 minutes of the scheduled pick-up time and no later than the appointment time.

Mean Distance Between Mechanical Failures (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.

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.

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 2014
Balance Sheet

	September 30, 2013 (\$)	September 30, 2014 (\$)	Change (\$)
Cash	\$ 3,499,304	\$ 3,671,108	\$ 171,804
Receivables	194,206,618	137,995,264	(56,211,354)
Inventory	20,407,175	24,749,710	4,342,535
Investments	370,450,787	415,091,270	44,640,483
Other Assets	86,189,084	37,903,591	(48,285,493)
Property Net of Depreciation	2,588,135,030	2,776,629,498	188,494,468
Land & Improvements	390,656,160	398,127,332	7,471,172
Total Assets and Other	3,653,544,157	3,794,167,773	140,623,616
Liabilities			
Trade Payables	149,021,462	82,474,065	(66,547,397)
Accrued Payroll	27,430,216	26,911,763	(518,453)
Commercial Paper	187,000,000	183,400,000	(3,600,000)
Long-Term Liabilities	1,086,646,395	1,216,078,398	129,432,003
Other Liabilities	93,612,242	47,928,078	(45,684,164)
Total Liabilities	1,543,710,314	1,556,792,304	13,081,990
Net Assets - Retained	2,109,833,843	2,237,375,469	127,541,626
Total Liabilities and Net Assets	\$ 3,653,544,157	\$ 3,794,167,773	\$ 140,623,616