

METRO

Fiscal Year 2016 Monthly Performance Report

Revenue • Expense • Ridership • Performance

July 2016



MONTHLY PERFORMANCE REPORT

July 2016

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Summary

- Sales Tax revenue of \$636.2 million through August 2016 year-to-date is \$3.2 million or 0.5% under estimates. August 2016 Sales Tax revenue of \$63.9 million is \$4.2 million or 6.2% under estimates.
- Fare revenue of \$53.5 million through July 2016 year-to-date is \$8.0 million or 13.0% under budget. July 2016 revenue of \$5.0 million is \$1.6 million or 24.2% under budget.
- Service related grant revenue for the year-to-date of \$55.3 million through July 2016 is \$18.9 million or 25.5% under budget. July 2016 revenue of \$5.2 million is \$1.4 million or 36.8% over budget.
- Capital Grant revenue year-to-date of \$18.5 million through July 2016 is \$13.5 million under budget.
- Interest & Miscellaneous revenue year-to-date of \$11.0 million through July 2016 is \$2.3 million or 26.4% over budget. July 2016 revenue of -\$0.1 million is \$0.9 million or 112.5% under budget.
- Operating expenses year-to-date of \$429.1 million through July 2016 is \$22.1 million or 4.9% under budget. July 2016 expenses of \$44.4 million is \$1.1 million or 2.4% under budget.
- METRORail Expansion expenses year-to-date of \$44.5 million through July 2016 are \$28.7 million or 39.1% under budget. July 2016 expenses of \$1.3 million are \$3.0 million or 69.8% under budget.
- Other Capital Improvement Program expenses year-to-date of \$43.6 million through July 2016 are \$42.5 million or 49.4% under budget. July 2016 expenses of \$5.7 million are \$3.9 million or 40.6% under budget.
- General Mobility Program expenses year-to-date of \$88.5 million through July 2016 are \$54.6 million or 38.2% under budget. July 2016 expenses of \$1.8 million are \$14.2 million or 88.8% under budget.
- Debt Service expenses of \$79.1 million through July 2016 year-to-date is on budget.
- Total fixed route ridership, excluding special events, for the year-to-date is 70.8 million through July 2016 which is 4.1 million or 6.1% over last year. July 2016 ridership of 6.7 million is 196,000 or 2.8% under compared to last year.
- METRORail ridership year-to-date of 15.5 million through July 2016 is 3.3 million or 27.6% over last year. July 2016 ridership of 1.4 million is 38,000 or 2.7% over last year.

Performance Indicator Summary:

Safety & Security

- Bus Accidents met the benchmark for the month and for the year-to-date.
- Rail Accidents exceeded the benchmark for the month and for the year-to-date.
- Total Major Security Incidents met the benchmark for both the month and the year-to-date.
- Major Security Incidents on METRO properties met the monthly and year-to-date goals.

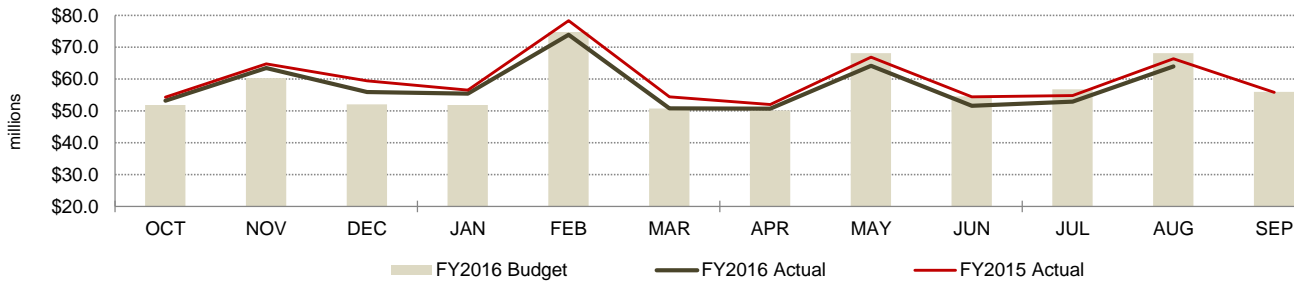
Service Reliability

- On-time performance for Local Bus routes did not meet the minimum performance standards for the month or the year-to-date.
- On-time performance for Park & Ride routes met the minimum performance standards for the month and for the year-to-date.
- METROLift met the on-time performance goals for the month and the year-to-date goal.
- Rail (red line) missed the benchmark for both the month and the year-to-date.
- On-time performance for Rail (both the green and purple lines) met the benchmark for the month and for the year-to-date.
- The Mean Distance Between Mechanical Failures (MDBF) for all buses met the performance goals for the month and for the year-to-date.
- MDBF for METROLift met the minimum standards for the month and the year-to-date.
- Mean Distance Between Service Interruptions for METRORail met minimum standards for the month and the year-to-date.

Customer Service

- Complaint Contacts met the goal for the month and for the year-to-date.
- The number of Commendations did not meet the goal for the month, but did meet the year-to-date goal.
- The Average Call Center Answer Delay met the goals for the month and for the year-to-date.

MONTHLY PERFORMANCE REPORT
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Sales Tax Revenue thru August 2016



Total FY2016 Sales Tax budget is \$695.4 million

Budget to Actual FY2016

(\$ millions)

	Budget	Actual	Variance	%
October	51.8	53.2	1.4	2.7%
November	60.3	63.5	3.1	5.2%
December	52.1	56.0	3.9	7.5%
January	51.9	55.4	3.5	6.8%
February	74.8	73.9	(0.9)	(1.1%)
March	50.8	50.9	0.1	0.1%
April	50.1	50.7	0.6	1.2%
May	68.1	64.2	(3.9)	(5.7%)
June	54.5	51.6	(2.9)	(5.3%)
July	56.8	52.9	(3.9)	(6.9%)
August	68.1	63.9	(4.2)	(6.2%)
September	-	-	-	0.0%
FY 2016 YTD	\$ 639.4	\$ 636.2	\$ (3.2)	(0.5%)

Prior Year vs. Current Year

(\$ millions)

	Prior Year	Current Year	Variance	%
October	54.3	53.2	(1.1)	(2.0%)
November	64.8	63.5	(1.3)	(2.1%)
December	59.5	56.0	(3.5)	(5.9%)
January	56.6	55.4	(1.1)	(2.0%)
February	78.3	73.9	(4.4)	(5.6%)
March	54.4	50.9	(3.5)	(6.4%)
April	52.0	50.7	(1.3)	(2.5%)
May	66.9	64.2	(2.7)	(4.0%)
June	54.4	51.6	(2.8)	(5.1%)
July	54.8	52.9	(1.9)	(3.5%)
August	66.4	63.9	(2.5)	(3.8%)
September	-	-	-	0.0%
FY 2016 YTD	\$ 662.5	\$ 636.2	\$ (26.3)	(4.0%)

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Fare Revenue

Total FY2016 Fare Revenue budget is \$75.1 million

Budget to Actual FY2016

(\$ millions)

	Budget	Actual	Variance	%
October	6.4	5.8	(0.6)	(8.7%)
November	5.5	5.1	(0.3)	(6.2%)
December	5.1	5.3	0.2	4.0%
January	6.0	4.9	(1.1)	(17.5%)
February	6.0	5.4	(0.6)	(10.1%)
March	6.9	6.3	(0.6)	(8.7%)
April	6.6	5.2	(1.4)	(21.2%)
May	6.3	5.3	(1.0)	(15.9%)
June	6.3	5.3	(1.0)	(15.9%)
July	6.6	5.0	(1.6)	(24.2%)
August	-	-	-	0.0%
September	-	-	-	0.0%
FY 2016 YTD	\$ 61.5	\$ 53.5	\$ (8.0)	(13.0%)

Prior Year vs. Current Year

(\$ millions)

	Prior Year	Current Year	Variance	%
October	6.4	5.8	(0.6)	(9.4%)
November	5.1	5.1	(0.0)	(0.3%)
December	5.3	5.3	0.0	0.2%
January	5.6	4.9	(0.7)	(11.1%)
February	5.3	5.4	0.1	1.9%
March	6.4	6.3	(0.1)	(1.6%)
April	5.8	5.2	(0.6)	(10.3%)
May	5.1	5.3	0.2	3.9%
June	5.2	5.3	0.1	1.9%
July	5.8	5.0	(0.8)	(13.8%)
August	-	-	-	0.0%
September	-	-	-	0.0%
FY 2016 YTD	\$ 55.9	\$ 53.5	\$ (2.4)	(4.3%)

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Service Related Grant Revenue

Total FY2016 Service Related Grant budget is \$77.8 million

Budget to Actual FY2016					
(\$ millions)					
	Budget	Actual	Variance	%	
October	0.4	0.4	0.00	0.4%	
November	0.4	0.4	(0.02)	(6.0%)	
December	0.4	0.2	(0.3)	(62.6%)	
January	0.4	0.6	0.2	54.1%	
February	21.1	(0.03)	(21.1)	(100.1%)	
March	25.2	0.6	(24.6)	(97.6%)	
April	0.5	0.5	(0.0)	(1.3%)	
May	14.6	0.4	(14.2)	(97.3%)	
June	7.3	47.0	39.7	543.8%	
July	3.8	5.2	1.4	36.8%	
August	-	-	-	0.0%	
September	-	-	-	0.0%	
FY 2016 YTD	\$ 74.2	\$ 55.3	\$ (18.9)	(25.5%)	

Capital Grant Revenue

**Year-to date Capital Grant revenue is \$18.5 million
versus \$32.0 million budgeted**

Interest & Miscellaneous Revenue

Total FY2016 Interest & Miscellaneous Revenue budget is \$11.2 million

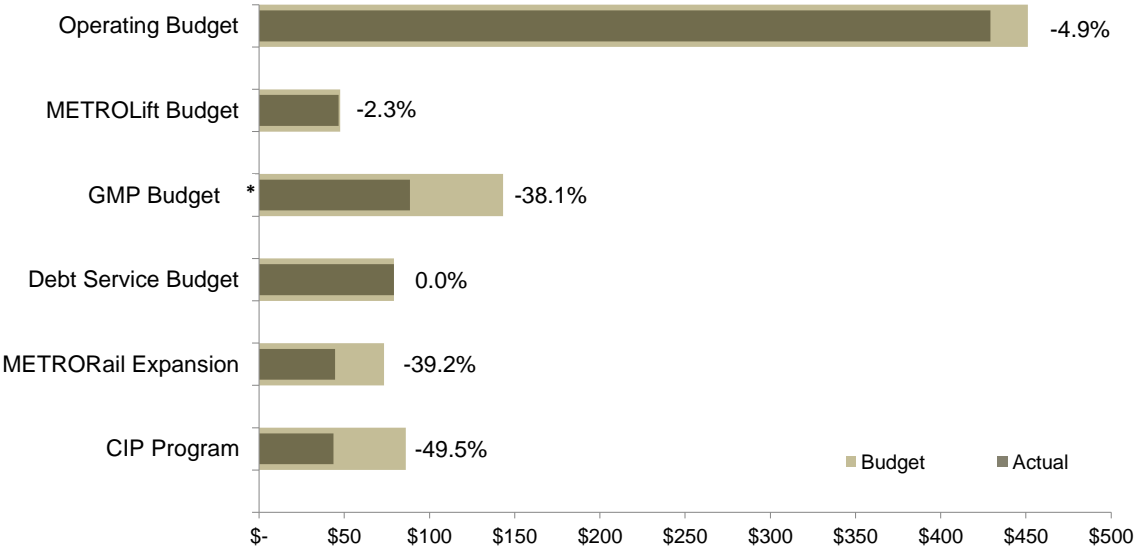
Budget to Actual FY2016					
(\$ millions)					
	Budget	Actual	Variance	%	
October	0.8	2.0	1.1	142.7%	
November	0.7	0.8	0.1	15.6%	
December	0.6	0.8	0.1	21.6%	
January	0.7	0.9	0.2	17.5%	
February	0.8	1.1	0.3	37.5%	
March	1.1	1.4	0.3	27.3%	
April	1.7	2.1	0.4	23.5%	
May	0.8	1.0	0.2	25.0%	
June	0.6	1.1	0.5	83.3%	
July	0.8	(0.1)	(0.9)	(112.5%)	
August	-	-	-	0.0%	
September	-	-	-	0.0%	
FY 2016 YTD	\$ 8.7	\$ 11.0	\$ 2.3	26.4%	

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July 2016

Budget and Expense Summary

(in \$ millions)



* GMP - The General Mobility Program has been adjusted to exclude approximately \$66.5 million carryover balance due to Harris County from previous periods.

MONTHLY PERFORMANCE REPORT

July 2016

Operating Expenses

Comparison of Budget to Actual for the Month (July 2016)

	FY16 Annual Budget	July Budget	July Actual	\$ Variance (favorable)/unfavorable	% Variance
Labor & Fringe Benefits	\$ 331,666,613	\$ 27,346,189	\$ 27,406,516	\$ 60,327	0.2%
Non-Labor	230,648,987	19,409,544	18,322,323	(1,087,221)	(5.6%)
Subtotal Labor & Non-Labor	562,315,600	46,755,733	45,728,839	(1,026,894)	(2.2%)
Contingency	10,938,323	-	-	-	0.0%
Allocation to Capital and GMP	(14,982,923)	(1,231,827)	(1,279,011)	(47,184)	3.8%
Total Operating Budget	\$ 558,271,000	\$ 45,523,906	\$ 44,449,828	\$ (1,074,078)	(2.4%)

Comparison of Budget to Actual Year-to-Date July 2016 (10 months)

<u>Expense Category</u>	FY16 Annual Budget	Year-to-Date Budget	Year-to-Date Actual	\$ Variance (favorable)/unfavorable	% Variance
Wages	\$ 131,210,740	\$ 109,436,856	\$ 106,232,188	\$ (3,204,668)	(2.9%)
Union Fringe Benefits	70,145,039	56,932,622	57,229,052	296,430	0.5%
Subtotal Union Labor	201,355,779	166,369,478	163,461,240	(2,908,238)	(1.7%)
Salaries and Non-Union Wages	91,363,017	74,991,469	74,251,562	(739,907)	(1.0%)
Non-Union Fringe Benefits	38,947,817	32,355,636	31,376,504	(979,132)	(3.0%)
Subtotal Non-Union Labor	130,310,834	107,347,105	105,628,066	(1,719,039)	(1.6%)
Subtotal Labor and Fringe Benefits	331,666,613	273,716,583	269,089,306	(4,627,277)	(1.7%)
Services	42,779,211	35,433,222	26,431,840	(9,001,382)	(25.4%)
Materials and Supplies	24,871,902	20,706,540	21,012,032	305,492	1.5%
Fuel and Utilities	49,403,346	40,757,767	38,324,875	(2,432,892)	(6.0%)
Casualty and Liability	4,910,742	4,130,682	3,732,873	(397,809)	(9.6%)
Purchased Transportation	99,584,504	82,479,295	77,673,987	(4,805,308)	(5.8%)
Leases, Rentals and Misc.	9,099,282	6,327,519	5,759,722	(567,797)	(9.0%)
Subtotal Non-Labor	230,648,987	189,835,025	172,935,329	(16,899,696)	(8.9%)
Subtotal Labor and Non-Labor	562,315,600	463,551,608	442,024,635	(21,526,973)	(4.6%)
Contingency	10,938,323	-	-	-	0.0%
Allocation to Capital and GMP	(14,982,923)	(12,392,681)	(12,933,946)	(541,265)	(4.4%)
Subtotal Contingency / Allocations	(4,044,600)	(12,392,681)	(12,933,946)	(541,265)	(4.4%)
Total Operating Budget	\$ 558,271,000	451,158,927	429,090,689	(22,068,236)	(4.9%)

MONTHLY PERFORMANCE REPORT
July 2016
Major Operating Budget Variance Items - Categories with major variances

<u>Expense Type</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>July 2016 Year-to-Date \$ Variance (favorable) / unfavorable</u>
Union Labor	166,369,478	163,461,240	\$ (2,908,238)
Wages & Fringe Benefits - bus operator vacancies			(10,017,000)
Wages & Fringe Benefits - primarily mechanic, technician, cleaners			(3,616,000)
Overtime wages in bus maintenance			362,000
Effect of the unbudgeted rate increase for Benefit Trust for Retirees			931,000
Overtime wages in rail operations			963,000
Overtime wages mostly due to vacancies in bus operator positions			8,359,000
Non-Union Labor	107,347,105	105,628,066	(1,719,039)
Savings in salaries and fringes primarily related to vacancies			(3,297,000)
Underruns noted in active employee health plan elections and vacancies			(557,000)
Timing of Retiree Health benefits			(204,000)
<u>Offset by</u>			
Authority overtime mostly within the Operations (largely in METROLift, Bus and Rail) mostly associated with special projects and campaigns			795,000
More than expected use and timing of Vacation/401a/Sick/Other Paid Absences			1,539,000
Services	35,433,222	26,431,840	(9,001,382)
<u>Timing in</u>			
Change in direction in major advertising programs and related support services			(2,158,000)
Delayed start in both system planning and system development projects			(1,551,000)
Delayed Facility Maintenance BOF maintenance costs and custodial services			(741,000)
Delays in the contract services relating to ticket and fare collection equipment and the repair and maintenance of existing equipment			(470,000)
HOT Lane invoicing activity			(444,000)
Delays in the receipt and processing IT Equipment Maintenance invoices for VCE and WMWare			(424,000)
Legal fees - lower than expected case load requiring external legal services			(343,000)
Education and training throughout the Authority excluding bus operations training and COO's area			(274,000)
Other contractual support services spread throughout the Agency			(293,000)
Lower than expected charges to contract service type arrangements, contract employment services and contracted HR services spread across various divisions			(291,000)
Delayed work in rail operations for rail grinding, track geometry and vegetation control; delayed billing for completed ultrasonic testing work			(266,000)
Delayed Facility Maintenance equipment repair and maintenance			(208,000)
IT contractual supports services			(194,000)
Savings from unused financial advisors budget			(176,000)
Less than anticipated legislative coordination activity			(172,000)
Delayed bus operator training set to occur in the last quarter in the year			(157,000)
Support services throughout the Authority excluding Marketing & Corporate Communications, Audit, Warranty and financial advisor expense items			(141,000)
Less than anticipated BAE warranty expense			(113,000)
Other services Operations			(109,000)
Delay in audit support services			(108,000)
Unused education and training held in COO's area			(103,000)
Contract employment services in areas other than Human Resources			(91,000)
Lower than expected general insurance expense			(88,000)
Delayed Regional Fare study			(75,000)
Other miscellaneous services spread across the Authority			(336,000)
<u>Offset by</u>			
Internal Fare media expense to be reversed at year end			76,000
Transtar Control facility cell phone expenses inadvertently being charged to contract services instead of the telephone expense account. There is a pending a journal entry to correct			113,000
Timing in general Facility Maintenance building and grounds activity			136,000

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MONTHLY PERFORMANCE REPORT

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Major Operating Budget Variance Items - Categories with major variances

<u>Expense Type</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>July 2016 Year-to-Date \$ Variance (favorable) / unfavorable</u>
Materials & Supplies	20,706,540	21,012,032	305,492
<u>Timing underruns in</u>			
Central shop market price differentials in bus batteries and chassis			(515,000)
Rail A/C and heat parts			(239,000)
Bus brakes due to reprogrammed warranty recovery for upcoming MCI project			(163,000)
Underrun in special office supplies across the Agency			(142,000)
Warranty credits for rail operations			(115,000)
Underspending in facility maintenance furniture and Office contract related supplies			(104,000)
Timing delays in the procurement of IT EDP supplies			(87,000)
<u>Offset by overruns in</u>			
Rail couplers			70,000
Propulsion			78,000
Rail signal communications maintenance			94,000
Print shop supplies costs for NBN including vinyl graphics, trim/fold bus schedules, map guides etc.			98,000
Cleaning materials in Operations due to a higher run rate than budget			124,000
Exhaust System parts largely due to ongoing failures of diesel particulate filters			140,000
Rail Trucks			146,000
Exterior Body and Windows in both bus and rail due to accidents and vandalism			322,000
Fuel & Utilities	40,757,767	38,324,875	(2,432,892)
Lower than expected diesel fuel expense and related taxes due to lower prices on unhedged gallons, usage variances, and variances on inventoried fuel expensed			(799,000)
Favorable gasoline market prices and quantity usage savings due to a switch to using diesel vehicles on certain routes originally planned for Arboc vehicle use			(547,000)
Lower than planned consumption of power			(531,000)
Timing delay in propulsion power invoicing and lower than expected consumption in half of the year			(386,000)
Underutilization in bulk oils - fuel lubricants and ATF			(188,000)
Mostly resulting from first quarter savings realized from a delay in the service start date of 35/50 CNG buses rescheduled for December 2015			(168,000)
Lower than expected natural gas expenses resulting from lower than planned consumption			(156,000)
Timing delays in the billing of the METROLift operations major phone expenses i.e. \$49.5k for Custom Logic Design annual license fee and \$43k for Harris County airtime. The remaining underrun is due to lower repair costs than budgeted			(119,000)
Transtar Control facility cell phone expenses inadvertently being charged to contract services instead of the telephone expense account. There is a pending a journal entry to correct			(112,000)
Timing of billing activity in the recording of the Authority's routine telephone expenses			641,000
Casualty and Liability	4,130,682	3,732,873	(397,809)
Higher than expected subrogation recovery			(480,000)
Lower premiums			(172,000)
<u>Offset by</u>			
Higher than expected vehicle liability costs mainly due to increased reserves required for AON report			254,000
Purchased Transportation	82,479,295	77,673,987	(4,805,308)
Due to a 7-month delay in completing the master lease assumption for vanpool leases			(3,781,000)
Fewer vanpools in operation as a result of significant layoffs in the energy sector			(364,000)
Lower than expected service hours operated for First Transit and an over accrual of prior year performance bonus			(405,000)
Underrun in METROLift largely due to operating fewer hours than budgeted and experiencing lower ridership than expected			(189,000)
Leases, Rentals and Miscellaneous	6,327,519	5,759,722	(567,797)
Delayed lease payments due to construction delay of Grand Parkway Park & Ride from Apr16 now rescheduled for Nov/Dec 2016 timeframe			(607,000)
Underspending in discretionary items (Travel, Memberships, Subscriptions, etc.)			(413,000)
Timing in the receipt and processing of IT software, equipment usage and licensing fee invoices			465,000
Allocation to Capital and GMP	(12,392,681)	(12,933,946)	(541,265)
<u>Higher than expected capital related activity within</u>			
Bus Maintenance			(646,000)
METROrail operations			(389,000)
Procurement			(230,000)
Planning			(201,000)
Other areas including Government and Stakeholder Affairs, Public Safety and Finance			(308,000)
<u>Offset by project delays in</u>			
IT			238,000
METRO Police			310,000
Engineering & Construction projects			695,000

MONTHLY PERFORMANCE REPORT
July 2016
Total Net Operating Budget / Expenses by Department

<u>Authorized</u> <u>EOY</u> <u>Headcount</u>	<u>Department</u>	<u>Annual Budget</u>	-----Year-to-Date-----		--Current Month--	
			<u>Budget</u>	<u>Expense</u>	<u>Variance</u>	<u>Variance</u>
3,339						
	Operations, Public Safety and Customer Service	435,046,755	360,444,928	347,228,073	(13,216,855)	(796,575)
2,952	Operations	400,540,762	331,640,906	320,154,042	(11,486,864)	(543,812)
305	Public Safety	28,438,625	23,719,050	22,535,195	(1,183,855)	(234,743)
73	Customer Service	4,912,604	4,123,270	3,693,374	(429,896)	(15,708)
9	EVP Operations, Public Safety & Customer Serv	1,154,764	961,702	845,462	(116,240)	(2,312)
231	Administration	49,726,777	39,351,610	38,941,413	(410,197)	825,009
41	Human Resources	19,420,342	16,166,789	16,261,465	94,676	(61,535)
70	Information Technology	19,304,620	14,093,956	14,437,550	343,594	1,033,121
117	Procurement & Materials	10,179,651	8,426,080	7,900,408	(525,672)	(69,743)
3	EVP Administration	822,164	664,785	341,990	(322,795)	(76,834)
	Planning, Engineering and Construction	35,692,611	29,732,759	25,422,008	(4,310,751)	(866,120)
249	185 Facility Maintenance	29,441,293	24,454,292	21,632,571	(2,821,721)	(153,933)
32	Planning	6,570,940	5,577,424	3,644,296	(1,933,128)	(768,832)
2	EVP Planning, Engineering and Construction	(15,929)	(12,551)	(6,860)	5,691	(4,465)
30	Engineering and Construction	(303,693)	(286,406)	152,001	438,407	61,110
82	Finance	9,196,860	7,615,702	6,780,649	(835,053)	(8,541)
82	Finance	9,196,860	7,615,702	6,780,649	(835,053)	(8,541)
37	Gov't & Public Affairs	8,959,889	7,495,921	5,004,932	(2,490,989)	(275,410)
24	Mktg & Corporate Communications	7,161,248	5,993,286	3,869,170	(2,124,116)	(231,987)
5	Public Engagement	682,036	566,056	496,631	(69,425)	(7,588)
2	Government Affairs	666,505	563,147	356,263	(206,884)	(27,194)
6	Stakeholder Affairs	450,100	373,432	282,867	(90,565)	(8,640)
17	Legal	3,808,611	3,168,501	2,530,680	(637,821)	34,635
15	Legal	3,504,971	2,913,484	2,337,670	(575,814)	41,332
2	Records Management	303,640	255,017	193,010	(62,007)	(6,697)
16	Executive & Board	2,542,402	2,102,415	2,113,798	11,383	16,019
16	Executive Office	2,542,402	2,102,415	2,113,798	11,383	16,019
11	Audit	1,504,886	1,247,091	991,981	(255,110)	(27,594)
11	Audit	1,504,886	1,247,091	991,981	(255,110)	(27,594)
3	Office of Innovation	-	-	77,155	77,155	24,498
3	Office of Innovation	-	-	77,155	77,155	24,498
	Contingency	10,938,323	-	-	-	-
	Contingency - President & CEO	10,938,323	-	-	-	-
	Non Departmental	863,886	-	-	-	-
	Non Departmental	863,886	-	-	-	-
3,985	TOTAL NET OPERATING	558,271,000	451,158,927.00	429,090,689.27	(22,068,237.73)	(1,074,079.29)

Per Board authorization, Year End Authorized headcount increased by 61 in Jan 2016 from 3,905 to 3,966 i.e. 40 for the Alternative Service and Community Connector, and 21 for the Jan 2016 service change, and further to 3,984 i.e. 18 service drivers in June 2016 service change and 1 Innovation Director to be identified elsewhere. Temporarily headcount is thus 3,985.

MONTHLY PERFORMANCE REPORT
July 2016
Total Net Operating Budget / Expenses by Department
as of the end of July FY2016 vs. July FY2015

<u>Department</u>	<u>July FY2016</u>			<u>July FY2015</u>		
	<u>Budget</u>	<u>Expense</u>	<u>Variance</u>	<u>Budget</u>	<u>Expense</u>	<u>Variance</u>
Operations, Public Safety and Customer Service	\$ 360,444,928	\$ 347,228,073	\$ (13,216,855)	\$ 330,673,812	\$ 316,694,861	\$ (13,978,952)
Operations	331,640,906	320,154,042	(11,486,864)	300,771,852	290,237,117	(10,534,735)
Public Safety	23,719,050	22,535,195	(1,183,855)	24,846,935	21,901,819	(2,945,116)
Customer Service	4,123,270	3,693,374	(429,896)	3,991,942	3,579,766	(412,176)
EVP Operations, Public Safety & Customer Service	961,702	845,462	(116,240)	1,063,083	976,159	(86,924)
Administration	39,351,610	38,941,413	(410,197)	37,939,933	35,579,000	(2,360,933)
Human Resources	16,166,789	16,261,465	94,676	15,560,507	13,406,629	(2,153,878)
Information Technology	14,093,956	14,437,550	343,594	14,200,357	14,456,510	256,153
Procurement & Materials	8,426,080	7,900,408	(525,672)	7,866,195	7,485,084	(381,111)
EVP Administration	664,785	341,990	(322,795)	312,874	230,777	(82,097)
Planning, Engineering and Construction	29,732,759	25,422,008	(4,310,751)	28,842,592	23,709,133	(5,133,459)
Facility Maintenance	24,454,292	21,632,571	(2,821,721)	21,425,139	19,422,401	(2,002,738)
Planning	5,577,424	3,644,296	(1,933,128)	7,322,117	4,317,816	(3,004,301)
EVP Planning, Engineering and Construction	(12,551)	(6,860)	5,691	12,589	-	(12,589)
Engineering and Construction	(286,406)	152,001	438,407	82,747	(31,084)	(113,831)
Finance	7,615,702	6,780,649	(835,053)	8,194,994	6,359,805	(1,835,189)
Finance	7,615,702	6,780,649	(835,053)	8,194,994	6,359,805	(1,835,189)
Gov't & Public Affairs	7,495,921	5,004,932	(2,490,989)	7,176,166	4,468,192	(2,707,974)
Mktg & Corporate Communications	5,993,286	3,869,170	(2,124,116)	5,969,565	3,446,090	(2,523,475)
Public Engagement	566,056	496,631	(69,425)	598,579	491,013	(107,566)
Government Affairs	563,147	356,263	(206,884)	480,813	431,023	(49,790)
Stakeholder Affairs	373,432	282,867	(90,565)	127,209	100,066	(27,143)
Legal	3,168,501	2,530,680	(637,821)	3,098,153	3,485,372	387,219
Legal	2,913,484	2,337,670	(575,814)	2,817,613	3,216,932	399,319
Records Management	255,017	193,010	(62,007)	280,540	268,440	(12,100)
Executive & Board	2,102,415	2,113,798	11,383	1,762,643	1,816,805	54,162
Audit	1,247,091	991,981	(255,110)	1,090,264	1,078,811	(11,453)
Office of Innovation	-	77,155	77,155	N/A	N/A	N/A
Contingency	-	-	-	-	-	-
Non-Departmental	-	-	-	-	-	-
TOTAL NET OPERATING	\$ 451,158,927	\$ 429,090,689	\$ (22,068,238)	\$ 418,778,557	\$ 393,191,977	\$ (25,586,580)

MONTHLY PERFORMANCE REPORT
July 2016
Capital, General Mobility and Debt Service Expenses
Budget vs. Actual - Month and Fiscal Year-to-Date
(\$ millions)

	FY2016 Annual <u>Budget</u>	<u>Month of July 2016</u>					<u>Fiscal YTD July 2016</u>				
		<u>Budget</u>	<u>Actual</u>	<u>Variance</u>		<u>#</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>		
				<u>\$</u>	<u>%</u>				<u>\$</u>	<u>%</u>	
METRO Rail Expansion	\$ 83.2	\$ 4.3	\$ 1.3	\$ (3.0)	(69.8%)	\$ 73.2	\$ 44.5	\$ (28.7)	(39.1%)		
Capital Improvement Program	\$ 177.0	\$ 9.6	\$ 5.7	\$ (3.9)	(40.6%)	\$ 86.1	\$ 43.6	\$ (42.5)	(49.4%)		
Total Capital	\$ 260.2	\$ 13.8	\$ 6.9	\$ (6.8)	(49.5%)	\$ 159.4	\$ 88.1	\$ (71.2)	(44.7%)		
General Mobility*	\$ 172.6	\$ 16.0	\$ 1.8	\$ (14.2)	(88.8%)	\$ 143.1	\$ 88.5	\$ (54.6)	(38.2%)		
Debt Service	\$ 96.9	\$ 7.0	\$ 7.0	0.0	0.0%	\$ 79.2	\$ 79.1	(0.0)	(0.0%)		

* GMP has been adjusted to exclude approximately \$66.5 million carryover balance due to Harris County from previous periods.

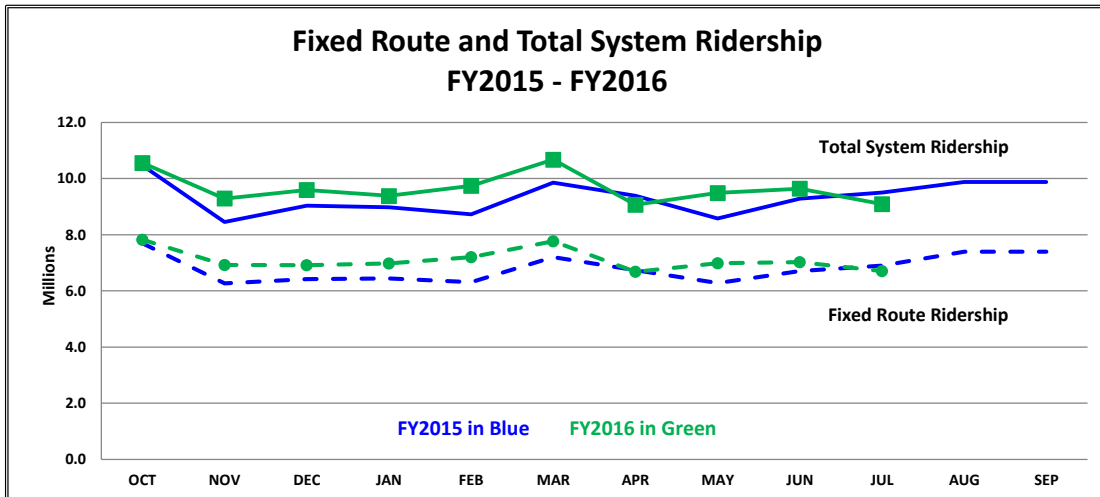
MONTHLY PERFORMANCE REPORT
July 2016

Ridership by Service Category

Service Category	Jul-15 Boardings	Jul-16 Boardings	Jul-16 vs. Jul-15	Jul-15 YTD Boardings	Jul-16 YTD Boardings	YTD % Change
						Jul-16 vs. Jul-15
Fixed Route Services						
Local Network						
Local Bus	4,766,850	4,655,321	(2.3%)	47,702,130	48,556,827	1.8%
METRORail						
Red Line	1,272,446	1,260,322	(1.0%)	11,823,175	13,672,659	15.6%
Green/Purple Trunk	0	0	0.0%	0	0	0.0%
Green Line (East)	46,313	78,354	69.2%	106,599	745,666	599.5%
Purple Line (Southeast)	74,463	97,631	31.1%	164,990	1,040,192	530.5%
METRORail (all lines)	1,393,222	1,436,307	3.1%	12,094,764	15,458,517	27.8%
METRORail-Bus Bridge	5,015	0	(100.0%)	27,322	10,146	(62.9%)
METRORail	1,398,237	1,436,307	2.7%	12,122,086	15,468,663	27.6%
Subtotal Local Network	6,165,087	6,091,628	(1.2%)	59,824,216	64,025,490	7.0%
Commuter						
Park & Ride	737,898	615,848	(16.5%)	6,940,005	6,791,105	(2.1%)
Subtotal Fixed Route Service	6,902,985	6,707,476	(2.8%)	66,764,221	70,816,595	6.1%
Special Events *	2,195	0	0.0%	209,328	198,971	(4.9%)
Total Fixed Route	6,905,180	6,707,476	(2.9%)	66,973,549	71,015,566	6.0%
Customized Bus Services						
METROLift	165,890	158,104	(4.7%)	1,572,726	1,595,506	1.4%
METRO STAR Vanpool	213,269	171,224	(19.7%)	2,066,376	1,876,682	(9.2%)
Internal Service	98	0	(100.0%)	203	68	(66.5%)
Subtotal Customized Bus	379,257	329,328	(13.2%)	3,639,305	3,472,256	(4.6%)
HOV/HOT Carpools, Vanpools, and Non-METRO Buses	2,216,016	2,058,520	(7.1%)	21,673,112	21,862,680	0.9%
Total System	9,500,453	9,095,324	(4.3%)	92,285,966	96,350,502	4.4%

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 PERFORMANCE REPORT
July 2016
Performance Statistics

Benchmark Met Benchmark Missed

Fiscal Year 2016

SAFETY & SECURITY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Current Month Target	FY2016 YTD GOAL	FY2016 YTD	YTD % Change
	Bus Accidents (Includes METROLift) Bus Accidents per 100,000 vehicle miles	53 0.88	36 0.64	41 0.69	57 0.99	60 1.05	60 0.97	50 0.90	50 0.85	55 0.93	48 0.83			≤ 53 ≤ 0.72	≤ 538 ≤ 0.89	510 0.87
Rail Accidents Rail Accidents per 100,000 vehicle miles	10 3.27	7 2.51	9 3.02	8 2.71	9 3.19	8 2.54	9 3.11	16 5.45	8 2.76	12 4.00			≤ 9 ≤ 6.58	≤ 93 ≤ 6.58	96 3.26	3.2% 50.5%
Major Security Incidents - total Major Security Incidents per 100,000 boardings	50 0.474	45 0.484	44 0.459	49 0.522	44 0.452	42 0.393	43 0.474	50 0.527	51 0.529	55 0.605			≤ 70 ≤ 0.920	≤ 700 ≤ 0.920	473 0.490	32.4% 46.7%
Major Security Incidents - METRO properties Major Security Incidents per 100,000 boardings	20 0.189	19 0.204	19 0.198	22 1.044	23 0.236	21 0.197	21 0.231	33 0.348	33 0.342	25 0.275			≤ 30 ≤ 0.400	≤ 300 ≤ 0.400	236 0.244	21.3% 38.9%
SERVICE & RELIABILITY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Current Month Target	FY2016 YTD GOAL	FY2016 YTD	YTD % Change
Local Bus OTP	72.9%	76.0%	74.8%	70.0%	71.7%	72.3%	73.0%	72.9%	74.4%	75.7%			≥ 80%	≥ 73%	73.4%	0.0%
Park & Ride Bus OTP	76.9%	75.4%	74.8%	74.8%	74.9%	76.0%	78.4%	77.9%	76.5%	75.7%			≥ 75%	≥ 75%	76.1%	1.5%
Weighted Average Bus OTP	73.9%	75.9%	74.8%	71.7%	72.8%	73.6%	75.0%	74.7%	75.2%	75.7%			≥ 79%	≥ 74%	74.3%	0.9%
METROLift OTP	90.0%	90.2%	90.0%	90.1%	89.3%	90.6%	90.2%	89.9%	91.9%	92.9%			≥ 90%	≥ 90%	90.5%	0.6%
Rail - Red Line OTP	93.4%	94.3%	92.0%	90.5%	86.7%	78.5%	80.9%	85.2%	81.7%	70.8%			≥ 95%	≥ 95.0%	87.8%	7.5%
Rail - East End Green Line OTP	93.2%	94.5%	91.5%	95.9%	92.4%	92.9%	92.6%	94.8%	87.9%	87.4%			≥ 85%	≥ 85.0%	93.3%	9.8%
Rail - South East Purple Line OTP	95.4%	94.4%	92.1%	92.8%	86.1%	88.5%	87.1%	89.6%	88.8%	91.1%			≥ 85%	≥ 85.0%	90.8%	6.8%
MDBF (Mean Distance Between Mechanical Failures) - All Buses	8,960	9,454	10,652	11,776	12,032	11,456	9,647	9,654	7,596	8,298			≥ 7,750	≥ 8,800	9,749	10.8%
MDBF (Mean Distance Between Mechanical Failures) - METROLift	13,657	20,516	21,324	17,216	29,800	20,803	21,171	21,540	18,100	20,288			≥ 19,000	≥ 19,000	19,660	3.5%
MDBSI (Mean Distance Between Service Interruptions) - METRORail	25,502	34,799	22,948	18,426	35,315	26,291	24,115	20,954	28,940	15,009			≥ 12,000	≥ 12,000	23,583	
CUSTOMER SERVICE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Current Month Target	FY2016 YTD GOAL	FY2016 YTD	YTD % Change
Complaint Contacts per 100,000 boardings	23.33	19.30	18.94	16.80	19.36	15.30	16.04	15.20	16.70	15.37			≤ 23.00	≤ 23.92	17.69	26.1%
Commendations	391	318	406	396	357	374	423	378	416	294			≥ 250	≥ 2500	3,753	50.1%
Average Call Center Answer Delay (Sec.)	85.82	60.08	60.43	41.35	49.95	80.07	60.01	63.13	43.53	33.53			≤ 135	≤ 135	57.79	57.2%

MONTHLY PERFORMANCE REPORT
July 2016
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.

Mean Distance Between Service Interruptions (MDBSI) - Measures total revenue service miles traveled by Light Rail Vehicles (LRVs) between service interruptions that delay LRVs for one minute or more due to mechanical failures.

Complaint Contacts - Patrons may contact METRO's Customer Care Center to express dissatisfaction with METRO Operations. 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 PERFORMANCE REPORT
July 2016
Balance Sheet

	July 31, 2015 (\$)	July 31, 2016 (\$)	Change (\$)
Cash	\$ 3,766,559	\$ 10,746,221	\$ 6,979,662
Receivables	138,939,910	131,813,929	(7,125,981)
Inventory	30,678,005	33,742,462	3,064,457
Investments	396,686,313	404,040,291	7,353,978
Other Assets	41,119,274	11,724,388	(29,394,886)
Property Net of Depreciation	2,767,472,382	2,674,556,527	(92,915,855)
Land & Improvements	357,801,397	376,304,964	18,503,567
Deferred Outflow of Resources	1,899,588	66,912,104	65,012,516
Total Assets and Other	3,738,363,428	3,709,840,886	(28,522,542)
Liabilities			
Trade Payables	56,137,860	68,335,337	12,197,477
Accrued Payroll	29,824,678	29,479,557	(345,121)
Commercial Paper	181,300,000	117,400,000	(63,900,000)
Long-Term Liabilities	1,226,674,475	1,540,602,161	313,927,686
Other Liabilities	32,957,133	47,765,538	14,808,405
Total Liabilities	1,526,894,146	1,803,582,593	276,688,447
Deferred Inflow of Resources	-	-	-
Net Assets - Retained Earnings	2,211,469,282	1,906,258,293	(305,210,989)
Total Liabilities and Net Assets	\$ 3,738,363,428	\$ 3,709,840,886	\$ (28,522,542)