

# **METRO**

Fiscal Year 2016 Monthly Performance Report

Revenue • Expense • Ridership • Performance

August 2016



# **MONTHLY PERFORMANCE REPORT**

## **August 2016**

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## MONTHLY PERFORMANCE REPORT

August 2016

### Summary

- Sales Tax revenue of \$689.7 million through September 2016 year-to-date is \$5.7 million or 0.8% under estimates. September 2016 Sales Tax revenue of \$53.4 million is \$2.6 million or 4.6% under estimates.
- Fare revenue of \$59.1 million through August 2016 year-to-date is \$4.4 million or 6.9% under budget. August 2016 revenue of \$5.5 million is \$0.8 million or 12.7% under budget.
- Service related grant revenue for the year-to-date of \$63.2 million through August 2016 is \$11.4 million or 15.3% under budget. August 2016 revenue of \$7.9 million is \$7.5 million or 1875.0% over budget.
- Capital Grant revenue year-to-date of \$21.3 million through August 2016 is \$13.6 million under budget.
- Interest & Miscellaneous revenue year-to-date of \$12.1 million through August 2016 is \$2.6 million or 27.4% over budget. August 2016 revenue of \$1.1 million is \$0.4 million or 57.1% over budget.
- Operating expenses year-to-date of \$474.7 million through August 2016 is \$24.2 million or 4.8% under budget. August 2016 expenses of \$45.6 million is \$2.1 million or 4.4% under budget.
- METRORail Completion expenses year-to-date of \$48.0 million through August 2016 are \$29.3 million or 37.9% under budget. August 2016 expenses of \$3.4 million are \$0.7 million or 17.1% under budget.
- Other Capital Improvement Program expenses year-to-date of \$52.1 million through August 2016 are \$74.7 million or 58.9% under budget. August 2016 expenses of \$8.5 million are \$32.1 million or 79.1% under budget.
- General Mobility Program for the year-to-date is \$117.9 million through August 2016, \$38.7 million or 24.7% under budget. August 2016 transfers of \$29.4 million are \$15.9 million or 117.8% over budget.
- Debt Service expenses of \$86.1 million through August 2016 year-to-date is on budget.
- Total fixed route ridership, excluding special events, for the year-to-date is 78.1 million through August 2016 which is 4.0 million or 5.4% over last year. August 2016 ridership of 7.3 million is 95,000 or 1.3% under compared to last year.
- METRORail ridership year-to-date of 17.0 million through August 2016 is 3.3 million or 24.5% over last year. August 2016 ridership of 1.5 million is 14,000 or 0.9% under last year.

### Performance Indicator Summary:

#### Safety & Security

- Bus Accidents met the benchmark for the month and for the year-to-date.
- Rail Accidents met 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 did not meet the monthly goal, but did meet the year-to-date goal.

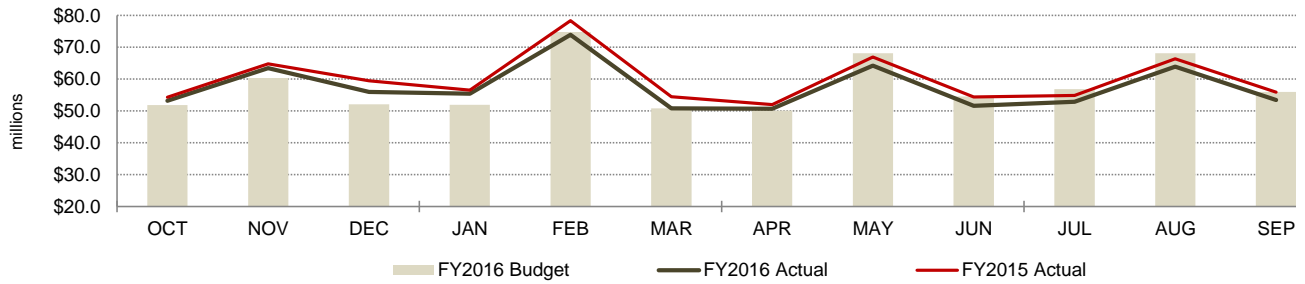
#### Service Reliability

- 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 met the goal for the month and for the year-to-date.
- The Average Call Center Answer Delay met the goals for the month and for the year-to-date.

**MONTHLY PERFORMANCE REPORT**  
**August 2016**  
**Sales Tax Revenue thru September 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%)
<b>September</b>	<b>56.0</b>	<b>53.4</b>	<b>(2.6)</b>	<b>(4.6%)</b>
<b>FY 2016 YTD</b>	<b>\$ 695.4</b>	<b>\$ 689.7</b>	<b>\$ (5.7)</b>	<b>(0.8%)</b>

**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%)
<b>September</b>	<b>55.9</b>	<b>53.4</b>	<b>(2.5)</b>	<b>(4.5%)</b>
<b>FY 2016 YTD</b>	<b>\$ 718.4</b>	<b>\$ 689.7</b>	<b>\$ (28.7)</b>	<b>(4.0%)</b>

## MONTHLY PERFORMANCE REPORT

August 2016

Fare Revenue

**Total FY2016 Fare Revenue budget is \$70.8 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%)
<b>August</b>	<b>6.3</b>	<b>5.5</b>	<b>(0.8)</b>	<b>(12.7%)</b>
September	-	-	-	0.0%
<b>FY 2016 YTD</b>	<b>\$ 63.5</b>	<b>\$ 59.1</b>	<b>\$ (4.4)</b>	<b>(6.9%)</b>

\* Excluding budget for vanpool revenue

### 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%)
<b>August</b>	<b>4.8</b>	<b>5.5</b>	<b>0.7</b>	<b>14.6%</b>
September	-	-	-	0.0%
<b>FY 2016 YTD</b>	<b>\$ 60.7</b>	<b>\$ 59.1</b>	<b>\$ (1.6)</b>	<b>(2.6%)</b>

**MONTHLY PERFORMANCE REPORT**

**August 2016**

**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%
<b>August</b>	<b>0.4</b>	<b>7.9</b>	<b>7.5</b>	<b>1875.0%</b>
September	-	-	-	0.0%
<b>FY 2016 YTD</b>	<b>\$ 74.6</b>	<b>\$ 63.2</b>	<b>\$ (11.4)</b>	<b>(15.3%)</b>

**Capital Grant Revenue**

**Year-to date Capital Grant revenue is \$21.3 million  
versus \$34.9 million budgeted**

**Interest & Miscellaneous Revenue**

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

**Budget to Actual FY2016**

(\$ millions)

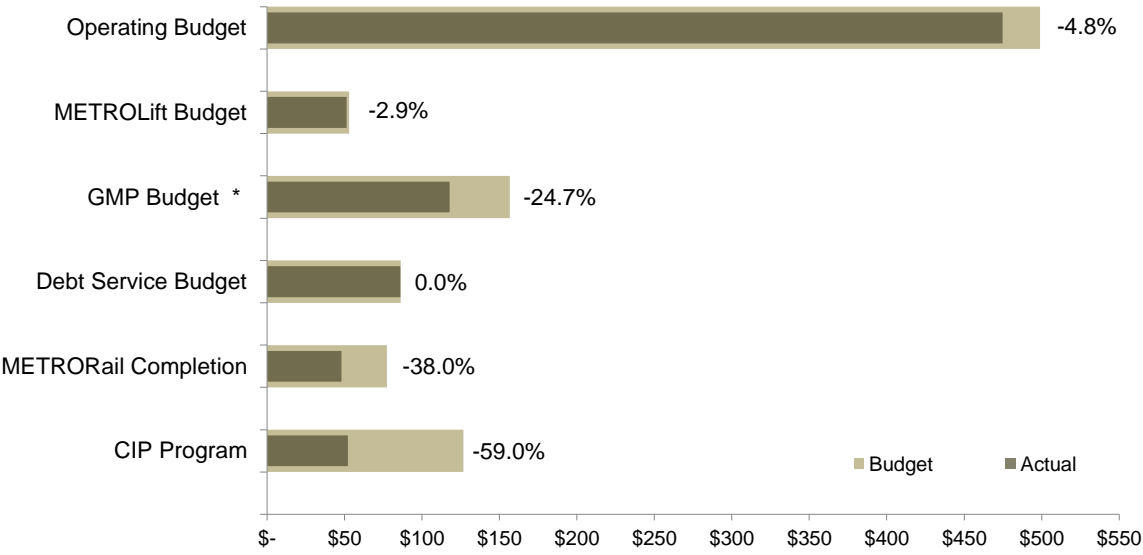
	Budget	Actual	Variance	%
October	0.8	2.0	1.1	142.7%
November	0.7	0.8	0.1	15.6%
December	0.6	0.8	0.1	21.6%
January	0.7	0.9	0.2	17.5%
February	0.8	1.1	0.3	37.5%
March	1.1	1.4	0.3	27.3%
April	1.7	2.1	0.4	23.5%
May	0.8	1.0	0.2	25.0%
June	0.6	1.1	0.5	83.3%
July	0.8	(0.1)	(0.9)	(112.5%)
<b>August</b>	<b>0.7</b>	<b>1.1</b>	<b>0.4</b>	<b>57.1%</b>
September	-	-	-	0.0%
<b>FY 2016 YTD</b>	<b>\$ 9.5</b>	<b>\$ 12.1</b>	<b>\$ 2.6</b>	<b>27.4%</b>

**MONTHLY PERFORMANCE REPORT**

**August 2016**

**Budget and Expense Summary**

(in \$ millions)



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

**MONTHLY PERFORMANCE REPORT**

**August 2016**

**Operating Expenses**

**Comparison of Budget to Actual for the Month (August 2016)**

	FY16 Annual Budget	August Budget	August Actual	\$ Variance (favorable)/unfavorable	% Variance
Labor & Fringe Benefits	\$ 331,869,317	\$ 29,712,770	\$ 28,436,829	\$ (1,275,941)	(4.3%)
Non-Labor	230,648,987	19,350,016	18,586,381	(763,635)	(3.9%)
<b>Subtotal Labor &amp; Non-Labor</b>	<b>562,518,304</b>	<b>49,062,786</b>	<b>47,023,210</b>	<b>(2,039,576)</b>	<b>(4.2%)</b>
Contingency	10,735,619	-	-	-	0.0%
Allocation to Capital and GMP	(14,982,923)	(1,325,389)	(1,377,930)	(52,541)	4.0%
<b>Total Operating Budget</b>	<b>\$ 558,271,000</b>	<b>\$ 47,737,397</b>	<b>\$ 45,645,280</b>	<b>\$ (2,092,117)</b>	<b>(4.4%)</b>

**Comparison of Budget to Actual Year-to-Date August 2016 (11 months)**

<u>Expense Category</u>	FY16 Annual Budget	Year-to-Date Budget	Year-to-Date Actual	\$ Variance (favorable)/unfavorable	% Variance
Wages	\$ 131,210,740	\$ 120,417,982	\$ 117,415,494	\$ (3,002,488)	(2.5%)
Union Fringe Benefits	70,153,010	63,536,256	63,832,209	295,953	0.5%
<b>Subtotal Union Labor</b>	<b>201,363,750</b>	<b>183,954,238</b>	<b>181,247,703</b>	<b>(2,706,535)</b>	<b>(1.5%)</b>
Salaries and Non-Union Wages	91,371,387	83,649,125	81,806,810	(1,842,315)	(2.2%)
Non-Union Fringe Benefits	39,134,180	35,825,990	34,471,622	(1,354,368)	(3.8%)
<b>Subtotal Non-Union Labor</b>	<b>130,505,567</b>	<b>119,475,115</b>	<b>116,278,432</b>	<b>(3,196,683)</b>	<b>(2.7%)</b>
<b>Subtotal Labor and Fringe Benefits</b>	<b>331,869,317</b>	<b>303,429,353</b>	<b>297,526,135</b>	<b>(5,903,218)</b>	<b>(1.9%)</b>
Services	42,809,211	38,622,103	29,506,681	(9,115,422)	(23.6%)
Materials and Supplies	24,871,902	22,861,671	23,532,503	670,832	2.9%
Fuel and Utilities	49,403,346	45,143,497	42,848,758	(2,294,739)	(5.1%)
Casualty and Liability	4,910,742	4,614,462	4,133,459	(481,003)	(10.4%)
Purchased Transportation	99,584,504	91,257,402	85,350,693	(5,906,709)	(6.5%)
Leases, Rentals and Misc.	9,069,282	6,685,906	6,149,616	(536,290)	(8.0%)
<b>Subtotal Non-Labor</b>	<b>230,648,987</b>	<b>209,185,041</b>	<b>191,521,710</b>	<b>(17,663,331)</b>	<b>(8.4%)</b>
<b>Subtotal Labor and Non-Labor</b>	<b>562,518,304</b>	<b>512,614,394</b>	<b>489,047,845</b>	<b>(23,566,549)</b>	<b>(4.6%)</b>
Contingency	10,735,619	-	-	-	0.0%
Allocation to Capital and GMP	(14,982,923)	(13,718,070)	(14,311,876)	(593,806)	(4.3%)
<b>Subtotal Contingency / Allocations</b>	<b>(4,247,304)</b>	<b>(13,718,070)</b>	<b>(14,311,876)</b>	<b>(593,806)</b>	<b>(4.3%)</b>
<b>Total Operating Budget</b>	<b>\$ 558,271,000</b>	<b>\$ 498,896,324</b>	<b>\$ 474,735,969</b>	<b>\$ (24,160,355)</b>	<b>(4.8%)</b>



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

<u>Expense Type</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>August 2016 Year-to-Date \$ Variance (favorable) / unfavorable</u>
<b>Union Labor</b>	<b>183,954,238</b>	<b>181,247,703</b>	<b>\$ (2,706,535)</b>
Wages & Fringe Benefits - bus operator vacancies			(10,878,000)
Wages & Fringe Benefits - primarily mechanic, technician, cleaners			(3,816,000)
Overtime wages in bus maintenance			570,000
Effect of the unbudgeted rate increase for Benefit Trust for Retirees			1,035,000
Overtime wages in rail operations			1,083,000
Overtime wages mostly due to vacancies in bus operator positions			9,218,000
<b>Non-Union Labor</b>	<b>119,475,115</b>	<b>116,278,432</b>	<b>(3,196,683)</b>
Savings in salaries and fringes primarily related to vacancies			(4,769,000)
Underruns noted in active employee health plan elections and vacancies			(729,000)
Timing of Retiree Health benefits			(217,000)
<u>Offset by</u>			
Authority overtime mostly within the Operations (largely in METROLift, Bus and Rail ) mostly associated with special projects and campaigns			1,040,000
More than expected use and timing of Vacation/401a/Sick/Other Paid Absences			1,500,000
<b>Services</b>	<b>38,622,103</b>	<b>29,506,681</b>	<b>(9,115,422)</b>
<u>Timing in</u>			
Change in direction in major advertising programs and related support services			(2,292,000)
Delayed start in both system planning and system development projects			(1,677,000)
Delayed Facility Maintenance BOF maintenance costs and custodial services			(614,000)
Delays in the receipt and processing IT Equipment Maintenance invoices for VCE and WMWare			(580,000)
Delays in the contract services relating to ticket and fare collection equipment and the repair and maintenance of existing equipment			(517,000)
HOT Lane invoicing activity			(482,000)
Support services throughout the Authority excluding Marketing & Corporate Communications, Audit, Warranty and financial advisor expense items			(390,000)
Legal fees - lower than expected case load requiring external legal services			(357,000)
Lower than expected charges to contract service type arrangements, contract employment services and contracted HR services spread across various divisions			(350,000)
Delayed Facility Maintenance equipment repair and maintenance, and security services			(350,000)
Delayed work in rail operations for rail grinding, track geometry and vegetation control; delayed billing for completed ultrasonic testing work			(299,000)
Education and training throughout the Authority excluding bus operations training and COO's area			(286,000)
Other contractual services spread throughout the Agency			(240,000)
Less than anticipated legislative coordination activity			(192,000)
Other miscellaneous services spread across the Authority			(183,000)
Savings from unused financial advisors budget			(176,000)
Bus operator training			(116,000)
Delay in audit support services			(114,000)
Unused education and training held in COO's area			(113,000)
Less than anticipated BAE warranty expense			(113,000)
Other services Operations			(105,000)
Lower than expected general insurance expense			(86,000)
Delayed Regional Fare study			(75,000)
<u>Offset by</u>			
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			195,000
Internal Fare media expense to be reversed at year end			284,000

*Continued on next Page*

**MONTHLY PERFORMANCE REPORT**

August 2016

**Major Operating Budget Variance Items - Categories with major variances**

<u>Expense Type</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>August 2016 Year-to-Date \$ Variance (favorable) / unfavorable</u>
<b>Materials &amp; Supplies</b>	<b>22,861,671</b>	<b>23,532,503</b>	<b>670,832</b>
<u>Timing underruns in</u>			
Central shop market price differentials in bus batteries and chassis			(556,000)
Warranty credits for rail and bus operations			(255,000)
Underrun in special office supplies across the Agency			(252,000)
Rail A/C and heat parts			(158,000)
Bus brakes due to reprogrammed warranty recovery for upcoming MCI project			(108,000)
<u>Offset by overruns in</u>			
Propulsion			108,000
Bus chassis			140,000
Rail Trucks			141,000
Minor tools			152,000
Rail signal communications maintenance			209,000
Exhaust System parts largely due to ongoing failures of diesel particulate filters			211,000
Cleaning materials in Operations and Facilities maintenance due to a higher run rate than budget			236,000
Overruns mostly in bus operations and facility maintenance			369,000
Exterior Body and Windows in both bus and rail due to accidents and vandalism			434,000
<b>Fuel &amp; Utilities</b>	<b>45,143,497</b>	<b>42,848,758</b>	<b>(2,294,739)</b>
Lower than expected diesel fuel expense and related taxes due to lower prices on unhedged gallons, usage variances, and variances on inventoried fuel expensed			(982,000)
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			(574,000)
Lower than planned consumption of power			(321,000)
Timing delay in propulsion power invoicing and lower than expected consumption in half of the year			(283,000)
Underutilization in bulk oils - fuel, lubricants and ATF			(193,000)
Lower than expected natural gas expenses resulting from lower than planned consumption			(154,000)
Mostly resulting from first quarter savings realized from a delay in the service start date of 35/50 CNG buses rescheduled for December 2015			(147,000)
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			(123,000)
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			(111,000)
Timing of billing activity in the recording of the Authority's routine telephone expenses			668,000
<b>Casualty and Liability</b>	<b>4,614,462</b>	<b>4,133,459</b>	<b>(481,003)</b>
Higher than expected subrogation recovery			(567,000)
Lower premiums			(204,000)
<u>Offset by</u>			
Higher than expected vehicle liability costs mainly due to increased reserves required for AON report			290,000
<b>Purchased Transportation</b>	<b>91,257,402</b>	<b>85,350,693</b>	<b>(5,906,709)</b>
Due to a 8-month delay in completing the master lease assumption for vanpool leases			(4,323,000)
Lower than expected service hours operated for First Transit and an over accrual of prior year performance bonus			(580,000)
Underrun in METROLift largely due to operating fewer hours than budgeted and experiencing lower ridership than expected			(533,000)
Fewer vanpools in operation as a result of significant layoffs in the energy sector			(405,000)
<b>Leases, Rentals and Miscellaneous</b>	<b>6,685,906</b>	<b>6,149,616</b>	<b>(536,290)</b>
Delayed lease payments due to construction delay of Grand Parkway Park & Ride from Apr16 now rescheduled for Nov/Dec 2016 timeframe			(709,000)
Underspending in discretionary items (Travel, Memberships, Subscriptions, etc.)			(301,000)
Timing in the receipt and processing of IT software, equipment usage and licensing fee invoices			481,000
<b>Allocation to Capital and GMP</b>	<b>(13,718,070)</b>	<b>(14,311,876)</b>	<b>(593,806)</b>
<u>Higher than expected capital related activity within</u>			
Bus Maintenance			(718,000)
METROLift operations			(410,000)
Other areas			(363,000)
Procurement			(257,000)
Planning			(207,000)
<u>Offset by project delays in</u>			
IT			192,000
METRO Police			358,000
Engineering & Construction projects			811,000

**MONTHLY PERFORMANCE REPORT**  
**August 2016**  
**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>Annual Budget</u>	<u>Budget</u>	<u>Expense</u>	<u>Variance</u>	<u>Variance</u>
<b>3,339</b>	<b>Operations, Public Safety and Customer Service</b>	<b>\$ 434,927,625</b>	<b>\$ 398,428,811</b>	<b>\$ 384,193,189</b>	<b>\$ (14,235,622)</b>	<b>(1,018,767)</b>
2,952	Operations	400,540,762	366,838,876	354,376,943	(12,461,933)	(975,069)
305	Public Safety	28,438,625	26,117,876	24,792,053	(1,325,823)	(141,968)
73	Customer Service	4,793,474	4,412,138	4,075,529	(336,609)	93,287
9	EVP Operations, Public Safety & Customer Servi	1,154,764	1,059,921	948,663	(111,258)	4,982
<b>231</b>	<b>Administration</b>	<b>49,383,555</b>	<b>42,714,288</b>	<b>42,439,696</b>	<b>(274,592)</b>	<b>135,605</b>
41	Human Resources	19,420,342	17,789,804	17,866,065	76,261	(18,415)
70	Information Technology	19,329,040	15,200,791	15,481,987	281,196	(62,398)
117	Procurement & Materials	10,179,651	9,307,057	8,721,896	(585,161)	(59,489)
3	EVP Administration	454,522	416,636	369,748	(46,888)	275,907
<b>249</b>	<b>Planning, Engineering and Construction</b>	<b>35,668,191</b>	<b>32,713,624</b>	<b>28,542,209</b>	<b>(4,171,415)</b>	<b>139,336</b>
185	Facility Maintenance	29,416,873	26,915,592	24,368,035	(2,547,557)	274,164
32	Planning	6,570,940	6,083,102	4,042,679	(2,040,423)	(107,295)
2	EVP Planning, Engineering and Construction	(15,929)	(14,214)	(10,241)	3,973	(1,717)
30	Engineering and Construction	(303,693)	(270,856)	141,735	412,591	(25,816)
<b>81</b>	<b>Finance</b>	<b>9,872,262</b>	<b>8,964,304</b>	<b>7,362,113</b>	<b>(1,602,191)</b>	<b>(767,138)</b>
81	Finance	9,126,752	8,319,832	7,130,854	(1,188,978)	(162,503)
	CFO	745,510	644,472	231,260	(413,212)	(604,634)
<b>37</b>	<b>Gov't &amp; Public Affairs</b>	<b>8,959,889</b>	<b>8,195,451</b>	<b>5,729,612</b>	<b>(2,465,839)</b>	<b>25,150</b>
24	Mktg & Corporate Communications	7,161,248	6,542,494	4,294,836	(2,247,658)	(123,542)
5	Public Engagement	682,036	624,025	538,819	(85,206)	(15,781)
2	Government Affairs	666,505	616,067	581,280	(34,787)	172,097
6	Stakeholder Affairs	450,100	412,865	314,677	(98,188)	(7,624)
<b>17</b>	<b>Legal</b>	<b>3,808,611</b>	<b>3,494,173</b>	<b>2,803,868</b>	<b>(690,305)</b>	<b>(52,484)</b>
15	Legal	3,504,971	3,214,621	2,595,671	(618,950)	(43,136)
2	Records Management	303,640	279,552	208,197	(71,355)	(9,348)
<b>16</b>	<b>Executive &amp; Board</b>	<b>2,763,722</b>	<b>2,506,925</b>	<b>2,402,153</b>	<b>(104,772)</b>	<b>(116,156)</b>
16	Executive Office	2,763,722	2,506,925	2,402,153	(104,772)	(116,156)
<b>11</b>	<b>Audit</b>	<b>1,564,886</b>	<b>1,432,900</b>	<b>1,143,425</b>	<b>(289,475)</b>	<b>(34,365)</b>
11	Audit	1,564,886	1,432,900	1,143,425	(289,475)	(34,365)
<b>3</b>	<b>Office of Innovation</b>	<b>487,163</b>	<b>445,848</b>	<b>119,704</b>	<b>(326,144)</b>	<b>(403,300)</b>
3	Office of Innovation	487,163	445,848	119,703.55	(326,144.45)	(403,299.57)
	<b>Contingency</b>	<b>10,000,000</b>	-	-	-	-
	Contingency - President & CEO	10,000,000	-	-	-	-
	<b>Non Departmental</b>	<b>835,096</b>	-	-	-	-
	Non Departmental	835,096	-	-	-	-
<b>3,984</b>	<b>TOTAL NET OPERATING</b>	<b>\$ 558,271,000</b>	<b>\$ 498,896,324</b>	<b>\$ 474,735,969</b>	<b>\$ (24,160,355)</b>	<b>\$ (2,092,118)</b>

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.

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

<u>Department</u>	August FY2016 -----Year-to-Date-----			August FY2015 -----Year-to-Date-----		
	<u>Budget</u>	<u>Expense</u>	<u>Variance</u>	<u>Budget</u>	<u>Expense</u>	<u>Variance</u>
<b>Operations, Public Safety and Customer Service</b>	<b>\$ 398,428,811</b>	<b>\$ 384,193,189</b>	<b>\$ (14,235,622)</b>	<b>\$ 364,986,551</b>	<b>\$ 353,813,909</b>	<b>\$ (11,172,642)</b>
Operations	366,838,876	354,376,943	(12,461,933)	332,204,190	324,729,494	(7,474,696)
Public Safety	26,117,876	24,792,053	(1,325,823)	27,234,661	23,989,766	(3,244,895)
Customer Service	4,412,138	4,075,529	(336,609)	4,380,884	4,022,590	(358,294)
EVP Operations, Public Safety & Customer Service	1,059,921	948,663	(111,258)	1,166,816	1,072,059	(94,757)
<b>Administration</b>	<b>42,714,288</b>	<b>42,439,696</b>	<b>(274,592)</b>	<b>40,928,720</b>	<b>39,359,211</b>	<b>(1,569,509)</b>
Human Resources	17,789,804	17,866,065	76,261	17,010,005	15,232,092	(1,777,913)
Information Technology	15,200,791	15,481,987	281,196	14,922,326	15,594,040	671,714
Procurement & Materials	9,307,057	8,721,896	(585,161)	8,654,012	8,277,452	(376,560)
EVP Administration	416,636	369,748	(46,888)	342,377	255,627	(86,750)
<b>Planning, Engineering and Construction</b>	<b>32,713,624</b>	<b>28,542,209</b>	<b>(4,171,415)</b>	<b>31,741,507</b>	<b>26,662,086</b>	<b>(5,079,421)</b>
Facility Maintenance	26,915,592	24,368,035	(2,547,557)	23,693,664	21,891,243	(1,802,421)
Planning	6,083,102	4,042,679	(2,040,423)	7,863,650	4,795,885	(3,067,765)
EVP Planning, Engineering and Construction	(14,214)	(10,241)	3,973	13,725	0	(13,725)
Engineering and Construction	(270,856)	141,735	412,591	170,468	(25,043)	(195,511)
<b>Finance</b>	<b>8,964,304</b>	<b>7,362,113</b>	<b>(1,602,191)</b>	<b>8,864,435</b>	<b>6,919,476</b>	<b>(1,944,959)</b>
Finance	8,319,832	7,130,854	(1,188,978)	8,864,435	6,919,476	(1,944,959)
CFO	644,472	231,260	(413,212)	N/A	N/A	N/A
<b>Gov't &amp; Public Affairs</b>	<b>8,195,451</b>	<b>5,729,612</b>	<b>(2,465,839)</b>	<b>7,754,826</b>	<b>5,153,618</b>	<b>(2,601,208)</b>
Mktg & Corporate Communications	6,542,494	4,294,836	(2,247,658)	6,444,262	4,059,379	(2,384,883)
Public Engagement	624,025	538,819	(85,206)	654,874	531,280	(123,594)
Government Affairs	616,067	581,280	(34,787)	525,603	463,092	(62,511)
Stakeholder Affairs	412,865	314,677	(98,188)	130,087	99,868	(30,219)
<b>Legal</b>	<b>3,494,173</b>	<b>2,803,868</b>	<b>(690,305)</b>	<b>3,402,826</b>	<b>3,788,925</b>	<b>386,099</b>
Legal	3,214,621	2,595,671	(618,950)	3,092,847	3,499,113	406,266
Records Management	279,552	208,197	(71,355)	309,979	289,812	(20,167)
<b>Executive &amp; Board</b>	<b>2,506,925</b>	<b>2,402,153</b>	<b>(104,772)</b>	<b>1,929,074</b>	<b>1,992,222</b>	<b>63,148</b>
<b>Audit</b>	<b>1,432,900</b>	<b>1,143,425</b>	<b>(289,475)</b>	<b>1,197,725</b>	<b>1,192,916</b>	<b>(4,809)</b>
Office of Innovation	445,848	119,704	(326,144)	N/A	N/A	N/A
Contingency	-	-	-	-	-	-
Non-Departmental	-	-	-	-	-	-
<b>TOTAL NET OPERATING</b>	<b>\$ 498,896,324</b>	<b>\$ 474,735,969</b>	<b>\$ (24,160,355)</b>	<b>\$ 460,805,664</b>	<b>\$ 438,882,364</b>	<b>\$ (21,923,300)</b>

**MONTHLY PERFORMANCE REPORT**  
**August 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 August 2016</u>					<u>Fiscal YTD August 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 Completion	\$ 83.2	\$ 4.1	\$ 3.4	\$ (0.7)	(17.1%)	\$ 77.3	\$ 48.0	\$ (29.3)	(37.9%)		
Capital Improvement Program	\$ 177.0	\$ 40.7	\$ 8.5	\$ (32.1)	(79.1%)	\$ 126.8	\$ 52.1	\$ (74.7)	(58.9%)		
<b>Total Capital</b>	<b>\$ 260.2</b>	<b>\$ 44.7</b>	<b>\$ 12.0</b>	<b>\$ (32.7)</b>	<b>(73.2%)</b>	<b>\$ 204.1</b>	<b>\$ 100.1</b>	<b>\$ (104.0)</b>	<b>(51.0%)</b>		
<b>General Mobility*</b>	<b>\$ 172.6</b>	<b>\$ 13.5</b>	<b>\$ 29.4</b>	<b>\$ 15.9</b>	<b>117.8%</b>	<b>\$ 156.6</b>	<b>\$ 117.9</b>	<b>\$ (38.7)</b>	<b>(24.7%)</b>		
<b>Debt Service</b>	<b>\$ 96.9</b>	<b>\$ 7.0</b>	<b>\$ 7.0</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ 86.1</b>	<b>\$ 86.1</b>	<b>\$ (0.0)</b>	<b>(0.0%)</b>		

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

MONTHLY PERFORMANCE REPORT

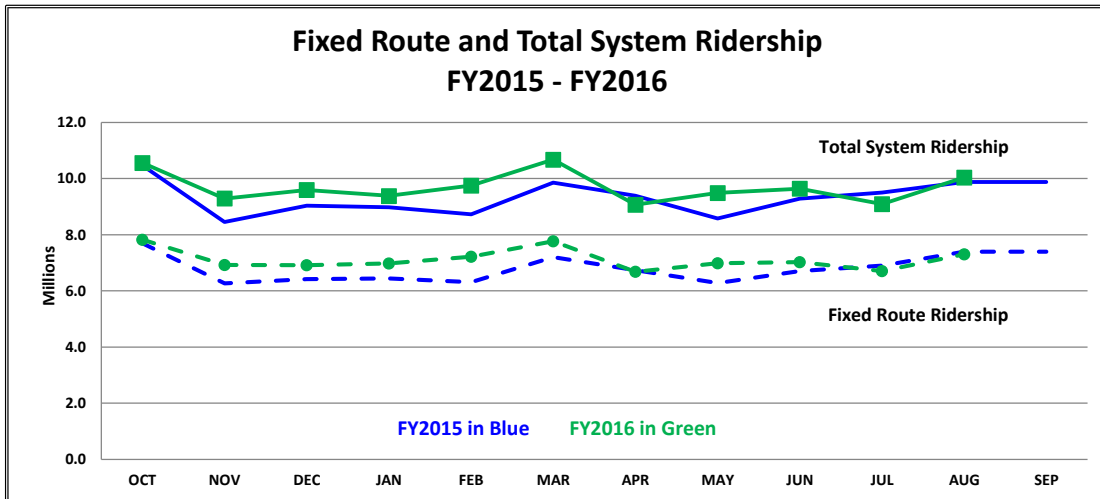
August 2016

Ridership by Service Category

Service Category	Aug-15 Boardings	Aug-16 Boardings	Aug-16 vs. Aug-15	Aug-15 YTD Boardings	Aug-16 YTD Boardings	YTD % Change Aug-16 vs. Aug-15
<b>Fixed Route Services</b>						
<u>Local Network</u>						
Local Bus	5,150,269	5,045,246	(2.0%)	52,852,399	53,602,073	1.4%
<u>METRORail</u>						
Red Line	1,379,150	1,316,550	(4.5%)	13,202,325	15,001,940	13.6%
Green/Purple Trunk	0	0	0.0%	0	0	0.0%
Green Line (East)	61,861	79,984	29.3%	168,460	825,650	390.1%
Purple Line (Southeast)	91,002	114,192	25.5%	255,992	1,154,384	350.9%
METRORail (all lines)	1,532,013	1,510,726	(1.4%)	13,626,777	16,981,974	24.6%
METRORail-Bus Bridge	945	8,036	750.4%	28,267	18,182	(35.7%)
<b>METRORail</b>	<b>1,532,958</b>	<b>1,518,762</b>	<b>(0.9%)</b>	<b>13,655,044</b>	<b>17,000,156</b>	<b>24.5%</b>
<b>Subtotal Local Network</b>	<b>6,683,227</b>	<b>6,564,008</b>	<b>(1.8%)</b>	<b>66,507,443</b>	<b>70,602,229</b>	<b>6.2%</b>
<u>Commuter</u>						
Park & Ride	715,332	739,207	3.3%	7,655,337	7,530,039	(1.6%)
<b>Subtotal Fixed Route Service</b>	<b>7,398,559</b>	<b>7,303,215</b>	<b>(1.3%)</b>	<b>74,162,780</b>	<b>78,132,268</b>	<b>5.4%</b>
Special Events *	385	260	0.0%	209,713	200,985	(4.2%)
<b>Total Fixed Route</b>	<b>7,398,944</b>	<b>7,303,475</b>	<b>(1.3%)</b>	<b>74,372,493</b>	<b>78,333,253</b>	<b>5.3%</b>
<b>Customized Bus Services</b>						
METROLift	164,058	169,077	3.1%	1,736,784	1,763,010	1.5%
METRO STAR Vanpool	203,354	198,227	(2.5%)	2,269,730	2,071,890	(8.7%)
Internal Service	626	24	(96.2%)	829	132	(84.1%)
<b>Subtotal Customized Bus</b>	<b>368,038</b>	<b>367,328</b>	<b>(0.2%)</b>	<b>4,007,343</b>	<b>3,835,032</b>	<b>(4.3%)</b>
HOV/HOT Carpools, Vanpools, and Non-METRO Buses	2,115,288	2,367,298	11.9%	23,788,400	24,229,978	1.9%
<b>Total System</b>	<b>9,882,270</b>	<b>10,038,101</b>	<b>1.6%</b>	<b>102,168,236</b>	<b>106,398,263</b>	<b>4.1%</b>

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

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



**MONTHLY PERFORMANCE REPORT**  
**August 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
	<b>Bus Accidents</b> (Includes METROLift)	53	36	41	57	60	60	50	50	55	48	47		≤ 53	≤ 591	557
Bus Accidents per 100,000 vehicle miles	0.88	0.64	0.69	0.99	1.05	0.97	0.90	0.85	0.93	0.83	0.76		≤ 0.72	≤ 0.89	0.86	3.2%
<b>Rail Accidents</b>	10	7	9	8	9	8	9	16	8	12	5		≤ 9	≤ 102	101	1.0%
Rail Accidents per 100,000 vehicle miles	3.27	2.51	3.02	2.71	3.19	2.54	3.11	5.45	2.76	4.00	1.76		≤ 6.58	≤ 6.58	3.13	52.5%
<b>Major Security Incidents - total</b>	50	45	44	49	44	42	43	50	51	55	55		≤ 70	≤ 770	528	31.4%
Major Security Incidents per 100,000 boardings	0.474	0.484	0.459	0.522	0.451	0.393	0.474	0.527	0.529	0.605	0.548		≤ 0.920	≤ 0.920	0.495	46.2%
<b>Major Security Incidents - METRO properties</b>	20	19	19	22	23	21	21	33	33	25	31		≤ 30	≤ 330	267	19.1%
Major Security Incidents per 100,000 boardings	0.189	0.204	0.198	1.044	0.236	0.197	0.231	0.348	0.342	0.275	0.309		≤ 0.400	≤ 0.400	0.250	37.4%
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%	75.2%		≥ 79%	≥ 74%	73.5%	0.5%
Park & Ride Bus OTP	76.9%	75.4%	74.8%	74.8%	74.9%	76.0%	78.4%	77.9%	76.5%	75.7%	75.1%		≥ 75%	≥ 75%	76.0%	1.4%
Weighted Average Bus OTP	73.9%	75.9%	74.8%	71.7%	72.8%	73.6%	75.0%	74.7%	75.2%	75.7%	75.2%		≥ 78%	≥ 74%	74.4%	0.4%
METROLift OTP	90.0%	90.2%	90.0%	90.1%	89.3%	90.6%	90.2%	89.9%	91.9%	92.9%	92.6%		≥ 90%	≥ 90%	90.7%	0.8%
Rail - Red Line OTP	93.4%	94.3%	92.0%	90.5%	86.7%	78.5%	80.9%	85.2%	81.7%	70.8%	74.8%		≥ 95%	≥ 95.0%	84.4%	11.1%
Rail - East End Green Line OTP	93.2%	94.5%	91.5%	95.9%	92.4%	92.9%	92.6%	94.8%	87.9%	87.3%	89.0%		≥ 85%	≥ 85.0%	92.0%	8.2%
Rail - South East Purple Line OTP	95.3%	94.4%	92.1%	92.8%	86.1%	88.5%	87.1%	89.6%	88.8%	91.0%	87.0%		≥ 85%	≥ 85.0%	90.1%	6.0%
<b>MDBF (Mean Distance Between Mechanical Failures) - All Buses</b>	8,960	9,454	10,652	11,776	12,032	11,456	9,647	9,654	7,596	8,298	8,815		≥ 7,750	≥ 8,705	9,652	10.9%
<b>MDBF (Mean Distance Between Mechanical Failures) - METROLift</b>	13,657	20,516	21,324	17,216	29,800	20,803	21,171	21,540	18,100	20,288	20,739		≥ 19,000	≥ 19,000	19,758	4.0%
<b>MDBSI (Mean Distance Between Service Interruptions) - METRORail</b>	25,502	34,799	22,948	18,426	35,315	26,291	24,115	20,954	28,940	15,009	17,720		≥ 12,000	≥ 12,000	22,918	
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	16.81	19.33	15.30	16.04	15.20	16.67	15.37	16.56		≤ 23.00	≤ 23.83	17.57	26.3%
Commendations	391	318	406	396	357	374	423	378	415	294	320		≥ 250	≥ 2750	4,072	48.1%
Average Call Center Answer Delay (Sec.)	93.00	87.00	82.00	124.00	117.00	81.00	105.00	83.00	129.00	83.00	83.00		≤ 135	≤ 135	97.00	28.1%

**MONTHLY PERFORMANCE REPORT**  
**August 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 METRO Rail and other vehicles, pedestrians, or bicyclists. This definition has been revised beginning in FY2011 to include pedestrian accidents.

**Major Security Incidents** - The total Major Security Incidents is based on two industry standards: the FBI Uniform Crime Report and the National Transit Database (NTD) Report issued by the Federal Transit Administration (FTA). The eight (8) categories included are: homicide, forcible rape, robbery, aggravated assault, burglary, larceny and theft, motor vehicle theft and arson. This metric is reported both in terms of the absolute number of incidents and the number of incidents per 100,000 boardings.

**Major Security Incidents - METRO Properties** - The total Major Security Incidents - METRO Properties is the number of incidents that occur at Park & 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 METRO Rail, a train departing from the beginning of the line or arriving at the end of the line less than five (5) minutes after the scheduled time is considered on-time. 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**  
**August 2016**  
**Balance Sheet**

	August 31, 2015 (\$)	August 31, 2016 (\$)	Change (\$)
Cash	\$ 4,581,743	\$ 6,832,462	\$ 2,250,719
Receivables	126,344,555	119,369,777	(6,974,778)
Inventory	30,810,210	33,272,003	2,461,793
Investments	502,644,762	411,981,734	(90,663,028)
Other Assets	40,854,892	11,188,214	(29,666,678)
Property Net of Depreciation	2,750,590,771	2,667,355,180	(83,235,591)
Land & Improvements	357,123,863	360,317,410	3,193,547
<b>Total Assets</b>	<b>3,814,850,384</b>	<b>3,677,228,884</b>	<b>(202,634,016)</b>
Deferred Outflow of Resources	1,899,588	66,912,104	65,012,516
<b>Liabilities</b>			
Trade Payables	58,457,114	67,429,525	8,972,411
Accrued Payroll	28,299,613	28,804,895	505,282
Commercial Paper	121,300,000	117,400,000	(3,900,000)
Long-Term Liabilities	1,360,377,820	1,540,602,161	180,224,341
Other Liabilities	38,568,020	48,535,817	9,967,797
<b>Total Liabilities</b>	<b>1,607,002,567</b>	<b>1,802,772,398</b>	<b>195,769,831</b>
Deferred Inflow of Resources	-	-	-
Net Assets - Retained Earnings	2,207,847,816	1,874,456,486	(333,391,330)
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,814,850,383</b>	<b>\$ 3,677,228,884</b>	<b>\$ (137,621,499)</b>

*Note:*

\* A deferred outflow of resources is defined by the Governmental Accountability Standards Board as "a consumption of net assets by the government that is applicable to a future reporting period," and a deferred inflow of resources is defined as "an acquisition of net assets by the government that is applicable to a future reporting period."

The deferred outflow for FY2016 includes [1] Mark-to-Market (MTM) values of outstanding diesel fuel SWAP agreements at the fiscal year end (\$15,041,432), [2] defined benefit pension plan contributions made between January and September (\$32,384,271), and [3] the net difference between the defeased liabilities, related investment issuance costs and new liabilities (\$19,486,401). These items will be recognized as expenses in future periods to which they relate.