

METRO

Fiscal Year 2017 Monthly Performance Report

Revenue • Expense • Ridership • Performance

December 2016

(First Quarter Fiscal Year-to-Date)



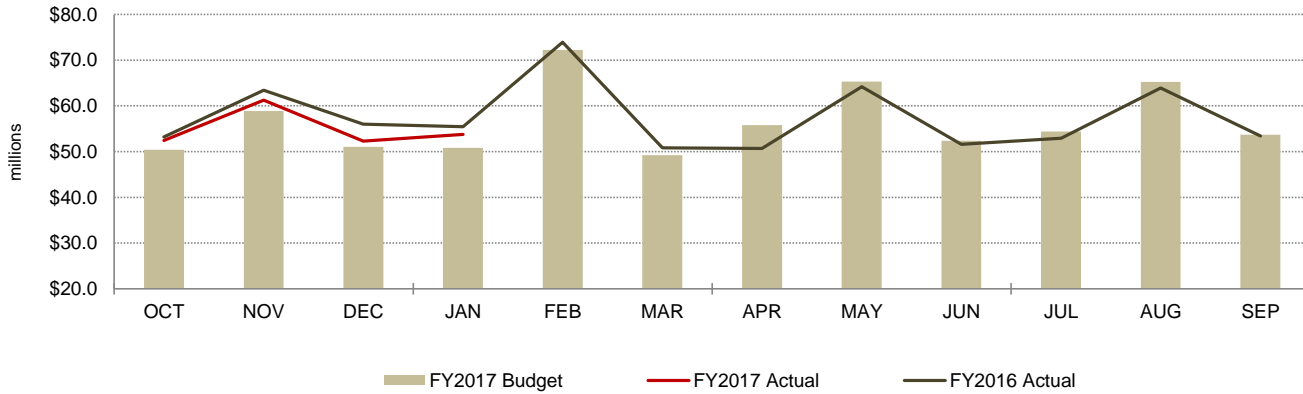
MONTHLY PERFORMANCE REPORT

December 2016

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MONTHLY PERFORMANCE REPORT
December 2016
Sales Tax Revenue thru January 2016



Total FY2017 Sales Tax budget is \$679.4 million

Budget to Actual FY2017

(\$ millions)

	Budget	Actual	Variance	%
October	50.4	52.4	2.0	4.0%
November	58.9	61.2	2.3	4.0%
December	51.0	52.3	1.3	2.6%
January	50.8	53.8	3.0	5.9%
February	-	-	-	0.0%
March	-	-	-	0.0%
April	-	-	-	0.0%
May	-	-	-	0.0%
June	-	-	-	0.0%
July	-	-	-	0.0%
August	-	-	-	0.0%
September	-	-	-	0.0%
FY 2017 YTD	\$ 211.1	\$ 219.8	\$ 8.7	4.1%

Prior Year vs. Current Year

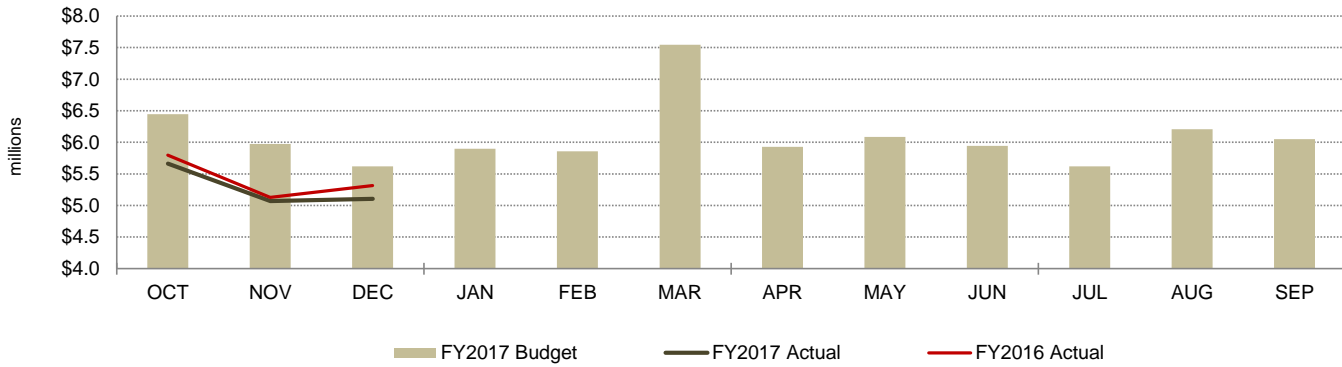
(\$ millions)

	Prior Year	Current Year	Variance	%
October	53.2	52.4	(0.8)	(1.5%)
November	63.5	61.2	(2.3)	(3.5%)
December	56.0	52.3	(3.7)	(6.6%)
January	55.4	53.8	(1.6)	(2.9%)
February	-	-	-	0.0%
March	-	-	-	0.0%
April	-	-	-	0.0%
May	-	-	-	0.0%
June	-	-	-	0.0%
July	-	-	-	0.0%
August	-	-	-	0.0%
September	-	-	-	0.0%
FY 2017 YTD	\$ 228.1	\$ 219.8	\$ (8.3)	(3.6%)

Year-to-date Sales Tax revenue of \$219.8 million through January 2016 is \$8.7 million or 4.1% over estimates.

Sales Tax revenue for the month of January 2016 is \$3.0 million or 5.9% over estimates.

MONTHLY PERFORMANCE REPORT
December 2016
Fare Revenue



Total FY2017 Fare Revenue budget is \$73.2 million

Budget to Actual FY2017

(\$ millions)

	Budget	Actual	Variance	%
October	6.4	5.7	(0.7)	(10.9%)
November	6.0	5.1	(0.9)	(15.0%)
December	5.6	5.1	(0.5)	(8.9%)
January	-	-	-	0.0%
February	-	-	-	0.0%
March	-	-	-	0.0%
April	-	-	-	0.0%
May	-	-	-	0.0%
June	-	-	-	0.0%
July	-	-	-	0.0%
August	-	-	-	0.0%
September	-	-	-	0.0%
FY 2017 YTD	\$ 18.0	\$ 15.8	\$ (2.2)	(12.2%)

Prior Year vs. Current Year

(\$ millions)

	Prior Year	Current Year	Variance	%
October	5.8	5.7	(0.1)	(1.7%)
November	5.1	5.1	(0.1)	(1.2%)
December	5.3	5.1	(0.2)	(3.8%)
January	-	-	-	0.0%
February	-	-	-	0.0%
March	-	-	-	0.0%
April	-	-	-	0.0%
May	-	-	-	0.0%
June	-	-	-	0.0%
July	-	-	-	0.0%
August	-	-	-	0.0%
September	-	-	-	0.0%
FY 2017 YTD	\$ 16.2	\$ 15.8	\$ (0.4)	(2.5%)

Fare revenue of \$15.8 million through December 2016 year-to-date is \$2.2 million or 12.2% under budget.

Fare revenue for the month of December 2016 of \$5.1 million is \$0.5 million or 8.9% under budget.

**MONTHLY PERFORMANCE REPORT
December 2016**

**Service Related Grant Revenue
Total FY2017 Service Related Grant budget is \$69.5 million**

	(\$ millions)			
	Budget	Actual	Variance	%
October	5.8	0.9	(4.9)	(84.5%)
November	5.8	5.2	(0.6)	(10.3%)
December	5.8	0.4	(5.4)	(93.1%)
January	-	-	-	0.0%
February	-	-	-	0.0%
March	-	-	-	0.0%
April	-	-	-	0.0%
May	-	-	-	0.0%
June	-	-	-	0.0%
July	-	-	-	0.0%
August	-	-	-	0.0%
September	-	-	-	0.0%
FY 2017 YTD	\$ 17.4	\$ 6.5	\$ (10.9)	(62.6%)

Service related grant revenue for the year-to-date of \$6.5 million through December 2016 is \$10.9 million or 62.6% under budget.

Service related grant revenue for the month of December 2016 of \$.4 million is \$5.4 million or 93.1% under budget.

**Capital Grant Revenue
Total FY2017 Capital Grant budget is \$55.8 million**

	(\$ millions)			
	Budget	Actual	Variance	%
October	4.6	0.4	(4.3)	(92.8%)
November	4.6	0.7	(4.0)	(84.5%)
December	4.6	5.3	0.7	13.7%
January	-	-	-	0.0%
February	-	-	-	0.0%
March	-	-	-	0.0%
April	-	-	-	0.0%
May	-	-	-	0.0%
June	-	-	-	0.0%
July	-	-	-	0.0%
August	-	-	-	0.0%
September	-	-	-	0.0%
FY 2017 YTD	\$ 13.8	\$ 6.5	\$ (7.3)	(52.7%)

Capital Grant revenue for the year-to-date of \$6.5 million through December 2016 is \$7.3 million under budget.

MONTHLY PERFORMANCE REPORT

December 2016

Interest & Miscellaneous Revenue

Total FY2017 Interest & Miscellaneous Revenue budget is \$15.9 million

(\$ millions)

	Budget	Actual	Variance	%
October	1.2	0.9	(0.3)	(25.0%)
November	1.1	1.2	0.1	9.1%
December	1.02	1.05	0.02	2.0%
January	-	-	-	0.0%
February	-	-	-	0.0%
March	-	-	-	0.0%
April	-	-	-	0.0%
May	-	-	-	0.0%
June	-	-	-	0.0%
July	-	-	-	0.0%
August	-	-	-	0.0%
September	-	-	-	0.0%
FY 2017 YTD	\$ 3.3	\$ 3.1	(0.2)	(6.0%)

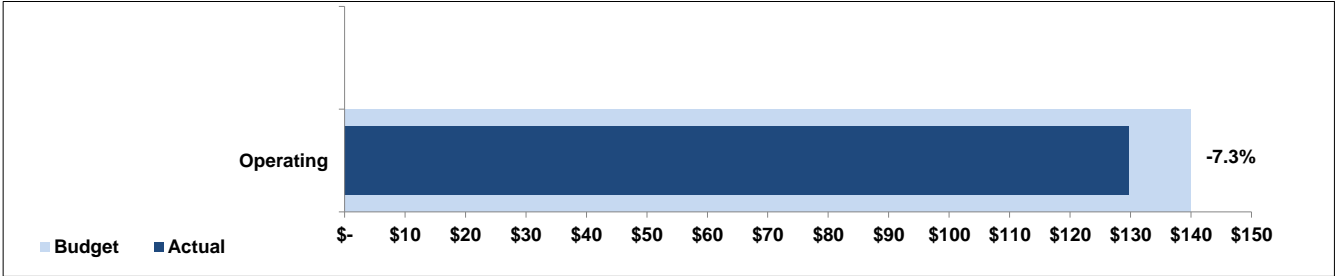
Composition of Interest and Miscellaneous Revenue

	<u>Year-to-date Actual</u>		<u>Current Month Actual</u>	
	<u>\$ millions</u>	<u>% of Total</u>	<u>\$ millions</u>	<u>% of Total</u>
Actual Interest Income	0.7	21.6%	0.3	29.0%
HOT Lanes Revenue	1.8	58.1%	0.5	50.1%
Inter Government Revenue	-	0.0%	-	0.0%
Other	0.6	20.4%	0.2	20.9%
Total \$	3.1	100.0%	\$ 1.05	100.0%

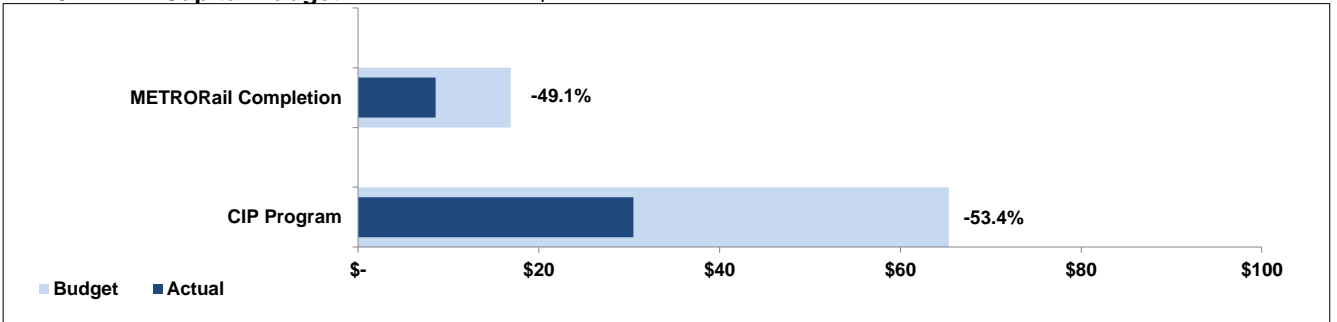
Interest & Misc. revenue year-to-date of \$3.1 million through December 2016 is \$0.2 million or 6.0% under budget.

MONTHLY PERFORMANCE REPORT
December 2016
Budget Summary
(in millions)

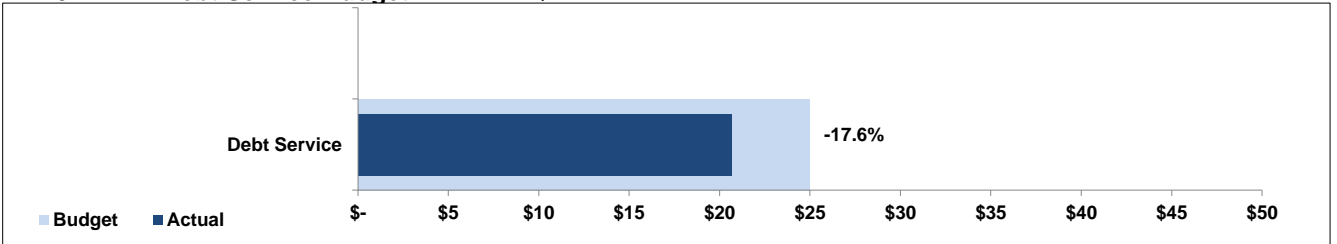
FY2017 Annual Operating Budget \$ 568.1
FY2017 YTD Operating Budget \$ 140.1



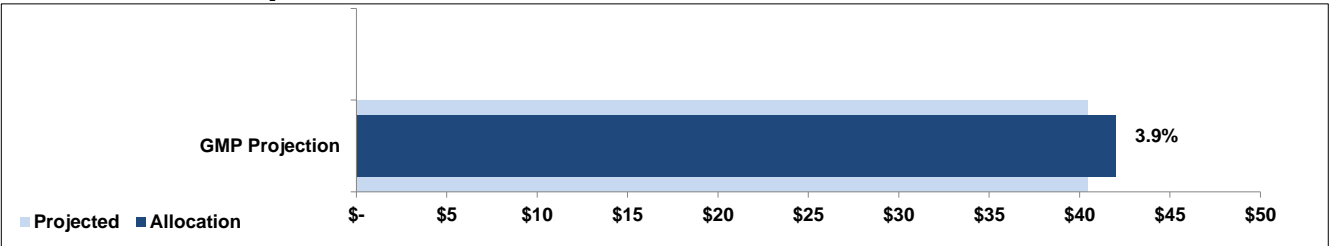
FY2017 Annual Capital Budget \$ 178.2
FY2017 YTD Capital Budget \$ 82.3



FY2017 Annual Debt Service Budget \$ 99.3
FY2017 YTD Debt Service Budget \$ 25.0



FY2017 Annual GMP Projected Allocation \$ 169.8
FY2017 YTD GMP Projected Allocation \$ 40.4



MONTHLY PERFORMANCE REPORT
December 2016
Operating Expenses

Comparison of Budget to Actual for the Month (December 2016)						
	FY17 Annual Budget	December Budget	December Actual	\$ Variance (favorable)/unfavorable	% Variance	
Labor & Fringe Benefits	\$ 337,584,587	\$ 28,413,965	\$ 27,437,898	\$ (976,067)	(3.4%)	
Non-Labor	227,986,413	\$ 18,804,732	\$ 15,807,351	(2,997,381)	(15.9%)	
Subtotal Labor & Non-Labor	565,571,000	47,218,697	43,245,249	(3,973,449)	(8.4%)	
Contingency	2,500,000	\$ -	\$ -	-	0.0%	
Total Operating Budget	\$ 568,071,000	\$ 47,218,697	\$ 43,245,249	\$ (3,973,449)	(8.4%)	

Comparison of Budget to Actual Year-to-Date December 2016 (3 months)						
	FY17 Annual Budget	Year-to-Date Budget	Year-to-Date Actual	\$ Variance (favorable)/unfavorable	% Variance	
Payroll & Benefits						
Wages	\$ 135,671,695	\$ 34,373,917	\$ 33,030,903	\$ (1,343,014)	(3.9%)	
Union Fringe Benefits	75,397,198	18,402,561	18,382,512	(20,048)	(0.1%)	
Subtotal Union Labor	211,068,893	52,776,477	51,413,415	(1,363,063)	(2.6%)	
Salaries and Non-Union Wages	96,197,848	23,608,737	23,037,682	(571,055)	(2.4%)	
Non-Union Fringe Benefits	41,460,123	10,318,598	10,014,213	(304,385)	(2.9%)	
Subtotal Non-Union Labor	137,657,972	33,927,335	33,051,895	(875,440)	(2.6%)	
Capital & GMP	(11,142,278)	(2,805,036)	(2,157,651)	647,384	23.1%	
Subtotal Labor and Fringe Benefits	337,584,587	83,898,777	82,307,658	(1,591,118)	(1.9%)	
Materials & Supplies						
Services	45,227,979	10,461,709	6,076,171	(4,385,538)	(41.9%)	
Materials and Supplies	26,326,640	6,503,667	7,567,340	1,063,674	16.4%	
Fuel and Utilities	42,583,501	10,883,793	9,402,727	(1,481,066)	(13.6%)	
Miscellaneous	-	-	(1,715,993)	(1,715,993)	0.0%	
	114,138,120	27,849,168	21,330,246	(6,518,922)	(23.4%)	
Administration						
Casualty and Liability	4,260,078	1,107,575	1,083,696	(23,879)	(2.2%)	
Purchased Transportation	99,478,007	25,207,242	23,854,256	(1,352,986)	(5.4%)	
Leases, Rentals and Misc.	10,176,992	2,004,617	1,129,648	(874,969)	(43.6%)	
Capital & GMP	(66,785)	(13,048)	-	13,048	100.0%	
Gain/ Loss Disposal	-	-	174,293	174,293	0.0%	
Asset Disposal	-	-	(111,862)	(111,862)	0.0%	
	113,848,292	28,306,386	26,130,031	(2,176,354)	(7.7%)	
Subtotal Non-Labor	227,986,413	56,155,554	47,460,278	(8,695,277)	(15.5%)	
Subtotal Labor and Non-Labor	565,571,000	140,054,331	129,767,936	(10,286,395)	(7.3%)	
Contingency	2,500,000	-	-	-	0.0%	
Subtotal Contingency	2,500,000	-	-	-	0.0%	
Total Operating Budget	\$ 568,071,000	\$ 140,054,331	\$ 129,767,936	\$ (10,286,395)	(7.3%)	

Operating expenses year-to-date of \$129.8 million through December 2016 is \$10.3 million or 7.3% under budget.
Operating expenses for the month of December 2016 of \$43.2 million is \$4.0 million or 8.4% under budget.

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

<u>Expense Type</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>December 2016 Year-to-Date \$ Variance (underbudget) / overbudget</u>
<u>Payroll & Benefits</u>			
Union Labor	52,776,477	51,413,415	\$ (1,363,063)
Wages & Fringe Benefits - bus operator vacancies offset by operators overtime			(1,626,000)
Wages & Fringe Benefits - primarily mechanic, technician, cleaners offset by overtime			(721,000)
Lower than expected sick leave cash out payment			(103,000)
<u>Offset by</u>			
Timing overrun in Pension Union (Defined Contribution) - resulting from five payroll periods occurring in Dec16			114,000
Operator Overtime			329,000
Overtime wages in other areas mainly bus maintenance and rail			607,000
Non-Union Labor	33,927,335	33,051,895	(875,440)
Savings in salaries and fringes related to vacancies			(1,222,000)
<u>Offset by</u>			
Salaried overtime			538,000
<u>Materials & Supplies</u>			
Services	27,849,168	21,330,246	(6,518,922)
<u>Information Technology</u> Timing of IT equipment maintenance and contract services (-\$538,000) and other contract management expenses (-\$374,000)			(912,000)
<u>Facility Maintenance</u> due to underspending and timing in building grounds and maintenance expense (-\$201,000) and BOF maintenance costs (-\$289,000) and custodial services (-\$74,000)			(564,000)
<u>Marketing & Corporate Communications</u> due to timing in the recording of advertising fees and related printing and support services			(517,600)
<u>Planning</u> largely due to timing delays in both system development (\$441,000) and planning activity (-\$50,000)			(491,000)
<u>Operations</u> due to underspending in several areas including building and grounds maintenance specifically radio maintenance (-\$128,000) and less than anticipated warranty expenses (-\$210,000) and timing of HOT Lane invoice charges (-\$137,000)			(475,000)
<u>Human Resources</u> largely due to a pending budget reallocation transfer of the Union benefits plan consulting contract inadvertently budgeted in its entirety in October (-\$100,000), and timing delays in both contract services including contract employment, advertising and contracted HR services spread across various areas within the division (-\$240,000)			(340,000)
Timing delay in education and training throughout the Authority mostly in Operations			(226,000)
<u>Legal</u> due to less than expected legislation coordination activity year to date (-\$216,000) offset by higher than expected legal fees (\$153,000)			(63,000)
<u>General underspending in other areas Authoritywide not mentioned above</u>			
Contract and contractual support services			(234,000)
Equipment repair and maintenance including ticket and fare collection which are required on an as-needed basis			(133,000)
Other miscellaneous services type expenses			(493,000)
<u>Offset by</u>			
Slight overrun in audit fees			63,000.00

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

Materials and Supplies

Timing delays in

Maintenance supplies (260,000)

Minor tools (165,000)

Special office supplies (157,000)

Offset by overruns in

Chassis 105,000

EDP Supplies 143,000

Bus engines - Unit overhaul 668,000

Bus batteries - mostly in Unit overhaul 703,000

Material prices variances on Production/refurbished orders and inventory revaluations mostly for bus batteries and bus engines (1,716,000)

Fuel and Utilities

Underrun in Diesel Fuel (including taxes) mainly due to lower prices per gallon. (803,000)

Invoice processing delays of the Authority routing telephone charges (435,000)

Slight underrun in Gasoline due to lower than expected consumption (212,000)

Miscellaneous

Administration 28,306,386 26,130,031 \$ (2,176,354)

Casualty & Liability

Premium expenses and related subrogation activity is on budget -

Purchased Transportation

METROLIFT - Actual ridership for December is 6% lower than budget (896,000)

Delay in implementing fuel program plus some lower vanpool leases than projected in the service plan (356,000)

Northwest - First Transit under budget largely due to an over accrued prior year performance bonus. (294,000)

Unbudgeted contract expense caused by a delay in bringing vanpool program in house. This is offset by underrun in salaries due to positions not filled. 192,000

Leases, Rentals, & Miscellaneous

Timing of IT Rent Software Payments (474,000)

Underspending in discretionary items (Travel, Memberships, Subscriptions, etc.) (240,000)

Underspending in Miscellaneous expenses across the authority (147,000)

Gain /Loss Disposal 174,000

Asset Disposal (112,000)

MONTHLY PERFORMANCE REPORT
December 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>
3,442	Oper, Public Safety, & Cust Service	444,341,629	111,253,807	106,540,255	(4,713,551)	(1,852,264)
3,047	Operations	407,461,023	102,233,323	97,959,120	(4,274,203)	(1,360,212)
9	EVP Oper Pub Safety & Cust Serv	1,164,345	289,242	277,160	(12,082)	(782)
270	METRO Police	22,566,930	5,526,838	5,475,021	(51,817)	(277,595)
43	Safety	8,338,200	2,012,696	1,769,550	(243,146)	(125,510)
73	Customer & Ridership SVCs	4,811,131	1,191,708	1,059,405	(132,303)	(88,165)
233	Administration	54,535,715	13,344,087	10,638,428	(2,705,659)	(1,241,678)
3	EVP, Administration	632,328	156,067	125,732	(30,334)	(21,741)
70	IT	21,690,014	5,002,615	3,424,832	(1,577,783)	(901,433)
41	Human Resources	21,531,535	5,511,327	4,586,638	(924,689)	(211,770)
119	Procurement & Materials	10,681,839	2,674,078	2,501,225	(172,853)	(106,733)
322	Planning, Engineer, & Construct	36,330,267	8,547,915	7,064,773	(1,483,143)	(540,687)
2	EVP PE&C	49,951	9,186	24,688	15,502	9,992
30	Enginer & Cap Project	488,018	(12,274)	110,980	123,254	14,630
32	Planning	6,743,079	1,290,980	598,645	(692,335)	(288,562)
178	Facilities Maint	29,049,218	7,260,023	6,330,459	(929,564)	(276,747)
80	Finance	10,447,229	2,490,770	2,226,472	(264,298)	(256,136)
2	Finance	9,721,051	2,364,169	2,124,171	(239,998)	(249,503)
78	CFO	726,177	126,601	102,301	(24,300)	(6,634)
37	Govt & Public Affairs	9,769,492	2,029,904	1,180,400	(849,504)	(131,878)
24	Marketing	7,961,802	1,553,946	828,773	(725,173)	(99,556)
11	Community Outreach	1,342,815	337,468	256,594	(80,875)	(12,304)
2	Gov't Affairs	464,876	138,490	95,033	(43,457)	(20,018)
17	Legal	4,224,297	1,047,869	957,597	(90,272)	102,560
17	Executive and Board	3,023,650	750,445	635,319	(115,127)	(77,869)
11	Audit	1,556,351	387,442	355,560	(31,882)	16,987
3	Office of Innovation	642,149	170,900	126,056	(44,844)	(1,040)
	Non Departmental	700,221	31,191	-	(31,191)	(10,398)
	President & CEO Contingency	2,500,000	-	-	-	-
	Other (MTA Revenue/Expense)	-	-	43,076	43,076	18,958
4,162	Grand Total	568,071,000	140,054,331	129,767,936	(10,286,395)	(3,973,444)

MONTHLY PERFORMANCE REPORT
December 2016
Total Net Operating Budget / Expenses by Department
as of the end of December 2016 vs. December 2015

<u>Department</u>	<u>December 2016</u>			<u>December 2015</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	111,253,807	106,540,255	(4,713,551)	107,090,205	102,975,838	(4,114,367)
Operations	102,233,323	97,959,120	(4,274,203)	98,615,643	95,078,598	(3,537,045)
EVP Oper Pub Safety & Cust Serv	289,242	277,160	(12,082)	290,154	260,305	(29,849)
METRO Police	5,526,838	5,475,021	(51,817)	3,071,373	2,900,056	(171,317)
Safety	2,012,696	1,769,550	(243,146)	3,828,896	3,657,270	(171,626)
Customer & Ridership SVCs	1,191,708	1,059,405	(132,303)	1,284,139	1,079,609	(204,530)
Administration	13,344,087	10,638,428	(2,705,659)	13,910,756	12,295,240	(1,615,516)
EVP, Administration	156,067	125,732	(30,334)	145,218	97,704	(47,514)
IT	5,002,615	3,424,832	(1,577,783)	6,382,260	5,217,467	(1,164,793)
Human Resources	5,511,327	4,586,638	(924,689)	4,826,546	4,645,415	(181,131)
Procurement & Materials	2,674,078	2,501,225	(172,853)	2,556,732	2,334,654	(222,078)
Planning, Engineering and Construction	8,547,915	7,064,773	(1,483,143)	8,739,717	7,192,599	(1,547,118)
EVP PE&C	9,186	24,688	15,502	(8,348)	(16,502)	(8,154)
Engineering & Cap Project	(12,274)	110,980	123,254	(131,227)	16,957	148,184
Planning	1,290,980	598,645	(692,335)	1,554,705	1,019,484	(535,221)
Facilities Maintenance	7,260,023	6,330,459	(929,564)	7,324,587	6,172,659	(1,151,928)
Finance	2,490,770	2,226,472	(264,298)	2,162,246	1,986,232	(176,014)
Finance	2,364,169	2,124,171	(239,998)	2,162,246	1,986,232	(176,014)
CFO	126,601	102,301	(24,300)	N/A	N/A	N/A
Gov't & Public Affairs	2,029,904	1,180,400	(849,504)	1,922,603	1,356,757	(565,846)
Marketing	1,553,946	828,773	(725,173)	1,459,006	1,016,497	(442,509)
Community Outreach	337,468	256,594	(80,875)	286,434	228,889	(57,545)
Gov't Affairs	138,490	95,033	(43,457)	177,163	111,372	(65,791)
Legal	1,047,869	957,597	(90,272)	940,080	600,308	(339,772)
Legal	1,047,869	957,597	(90,272)	862,035	549,760	(312,275)
Records Management	N/A	N/A	N/A	78,045	50,548	(27,497)
Executive & Board	750,445	635,319	(115,127)	646,069	620,894	(25,175)
Audit	387,442	355,560	(31,882)	371,006	324,400	(46,606)
Office of Innovation	170,900	126,056	(44,844)	N/A	N/A	N/A
Contingency	-	-	-	-	-	-
Non-Departmental	31,191	-	(31,191)	-	-	-
Other MTA Revenue / Expense	-	43,076	43,076	N/A	N/A	N/A
TOTAL NET OPERATING	\$ 140,054,331	\$ 129,767,936	\$ (10,286,395)	\$ 135,782,682	\$ 127,352,269	\$ (8,430,413)

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

Capital Budget

	FY2017		Month of December 2016				Fiscal Year to Date			
	Annual		Budget		Actual		Budget		Actual	
	Budget		Budget	Actual	\$	%	Budget	Actual	\$	%
METRORail Completion	\$ 47.2	\$ 3.7	\$ 5.5	\$ 1.8	48.6%	\$ 16.9	\$ 8.6	\$ (8.3)	(49.1%)	
Capital Improvement Program	\$ 131.0	\$ 21.7	\$ 25.9	\$ 4.2	19.4%	\$ 65.4	\$ 30.5	\$ (34.9)	(53.4%)	
Total Capital	\$ 178.2	\$ 25.4	\$ 31.4	\$ 6.0	23.6%	\$ 82.3	\$ 39.1	\$ (43.2)	(52.5%)	

METRORail Completion expenses year-to-date of \$8.6 million through December 2016 are \$8.3 million or 49.1% under budget.

Other Capital Improvement Program expenses year-to-date of \$30.5 million through December 2016 are \$34.9 million or 53.4% under budget.

Debt Service Budget

	FY2017		Month of December 2016				Fiscal Year to Date			
	Annual		Budget		Actual		Budget		Actual	
	Budget		Budget	Actual	\$	%	Budget	Actual	\$	%
Debt Service	\$ 99.3	\$ 8.1	\$ 7.9	\$ (0.2)	(2.5%)	\$ 25.0	\$ 20.6	\$ (4.4)	(17.6%)	

Debt Service expenses of \$20.6 million through December 2016 year-to-date is under budget by \$4.4 million.

General Mobility Transfers

General Mobility Program Projections
Projected Funding vs. Actual Allocation - Month and Fiscal Year-to-Date
(\$ millions)

	FY2017		Month of December 2016				Fiscal Year to Date			
	Annual		Projection		Allocation		Projection		Allocation	
	Projection		Projection	Allocation	\$	%	Projection	Allocation	\$	%
General Mobility	\$ 169.8	\$ 13.3	\$ 13.0	\$ (0.3)	(2.3%)	\$ 40.4	\$ 42.0	\$ 1.6	3.9%	

Funds allocated to the General Mobility Fund totaled \$42.0 million for the year-to-date through December 2016, \$1.6 million or 3.9% greater than the amount projected.

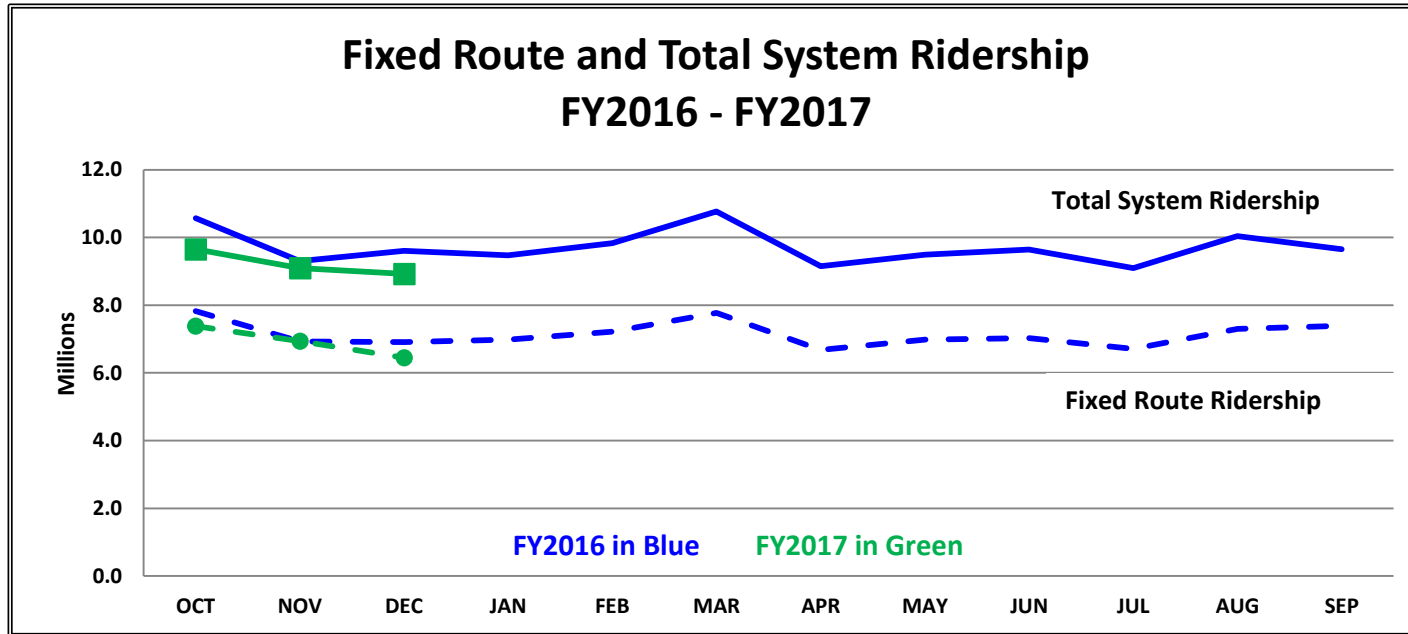
MONTHLY PERFORMANCE REPORT

December 2016

Ridership by Service Category

Service Category					YTD % Change	
	Dec-15 Boardings	Dec-16 Boardings	Dec-16 vs. Dec-15	Dec-15 YTD Boardings	Dec-16 YTD Boardings	Dec-16 vs. Dec-15
Fixed Route Services						
<u>Local Network</u>						
Local Bus	4,871,495	4,650,782	(4.5%)	15,095,685	14,743,984	(2.3%)
<u>METRORail</u>						
Red (North) Line	1,259,750	1,145,793	(9.0%)	4,001,020	3,704,029	(7.4%)
Green (East) Line	74,798	72,278	(3.4%)	218,806	200,173	(8.5%)
Purple (Southeast) Line	95,649	62,615	(34.5%)	318,459	329,972	3.6%
METRORail (all lines)	1,430,197	1,280,686	(10.5%)	4,538,285	4,234,174	(6.7%)
METRORail-Bus Bridge	355	18,990	5249.3%	3,106	45,576	1367.4%
METRORail total	1,430,552	1,299,676	(9.1%)	4,541,391	4,279,750	(5.8%)
Subtotal Local Network	6,302,047	5,950,458	(5.6%)	19,637,076	19,023,734	(3.1%)
<u>Commuter</u>						
Park & Ride	610,362	497,537	(18.5%)	2,026,835	1,737,966	(14.3%)
Subtotal Fixed Route Service	6,912,409	6,447,995	(6.7%)	21,663,911	20,761,700	(4.2%)
Special Events	164	0	0.0%	926	1,938	109.3%
Total Fixed Route	6,912,573	6,447,995	(6.7%)	21,664,837	20,763,638	(4.2%)
Customized Bus Services						
METROLift	160,673	155,814	(3.0%)	484,656	481,214	(0.7%)
METRO STAR Vanpool	171,512	144,717	(15.6%)	564,734	488,127	(13.6%)
Internal Service	0	0	0.0%	0	0	0.0%
Subtotal Customized Bus	332,185	300,531	(9.5%)	1,049,390	969,341	(7.6%)
HOV/HOT Carpools, Vanpools, and Non-METRO Buses	2,358,246	2,177,658	(7.7%)	6,753,159	5,940,105	(12.0%)
Total System	9,603,004	8,926,184	(7.0%)	29,467,386	27,673,084	(6.1%)

MONTHLY PERFORMANCE REPORT
December 2016
Ridership by Service Category



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.

Total fixed route ridership, excluding special events, for the year-to-date is 20.8 million through December 2016 which is 0.9 million or 4.2% less than last year.

Total fixed route ridership for the month of December 2016 of 6.4 million is 464,000 or 6.7% less than last year.

METRORail ridership year-to-date of 4.3 million through December 2016 is 0.3 million or 5.8% less than last year.

METRORail ridership for the month of December 2016 of 1.3 million is 131,000 or 9.1% less than last year.

MONTHLY PERFORMANCE REPORT

December 2016

Performance Statistics

Benchmark Met Benchmark Missed

Fiscal Year 2017														Current Month Target	FY2017 YTD Actual	FY2017 YTD GOAL
SAFETY & SECURITY																
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP				
Bus Accidents (Includes METROLift)	53	61	45										≤ 50	159	≤ 153	
Bus Accidents per 100,000 vehicle miles	0.88	1.05	0.76										≤ 0.72	0.90	≤ 0.89	
Rail Accidents	11	8	7										≤ 9	26	≤ 27	
Rail Accidents per 100,000 vehicle miles	3.64	2.88	2.41										≤ 6.58	2.99	≤ 6.58	
Major Security Incidents - total	37	27	52										≤ 70	116	≤ 210	
Major Security Incidents per 100,000 boardings	0.383	0.297	0.583										≤ 0.920	0.419	≤ 0.920	
Major Security Incidents - METRO properties	25	15	29										≤ 30	69	≤ 90	
Major Security Incidents per 100,000 boardings	0.259	0.165	0.325										≤ 0.400	0.249	≤ 0.400	
CUSTOMER SERVICE														Current Month Target	FY2016 YTD Actual	FY2016 YTD GOAL
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP				
Complaint Contacts per 100,000 Boardings	16.42	15.42	14.43										≤ 22.00	15.45	≤ 22.50	
Commendations	347	360	371										≥ 300	1,078	≥ 900	
Average Call Center Answer Delay (Sec.)	74	69	51										≤ 135	65	≤ 135	

Safety & Security

- The number of bus accidents met the safety goal for the month and the year-to-date.
- The number of rail accidents met the benchmark for the month and 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 benchmark for both the month and the year-to-date.

Customer Service

- Complaint contacts per 100,000 boardings met the goal for the month and for the year-to-date.
- The number of commendations exceeded 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
December 2016
Performance Statistics

Benchmark Met Benchmark Missed

Fiscal Year 2017															
SERVICE & RELIABILITY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Current Month Target	FY2017 YTD Actual	FY2017 YTD GOAL
On-Time Performance															
Local Bus	74.6%	74.6%	74.7%										≧ 75%	74.6%	≧ 75%
Park & Ride	77.7%	84.0%	76.8%										≧ 75%	80.8%	≧ 75%
Weighted Average Bus	75.8%	78.3%	75.5%										≧ 75%	76.5%	≧ 75%
METROLift	91.3%	92.0%	93.0%										≧ 90%	92.1%	≧ 90%
Rail - Red Line OTP	80.2%	85.3%	87.8%										≧ 90%	84.6%	≧ 90.0%
Rail - South East Purple Line OTP	90.0%	86.9%	95.9%										≧ 90%	90.3%	≧ 90.0%
Rail - East End Green Line OTP	91.7%	94.9%	97.2%										≧ 90%	94.5%	≧ 90.0%
MDBF (Mean Distance Between Mechanical Failures) - All Buses	9,765	11,479	10,643										≧ 9,500	10,565	≧ 8,917
MDBF (Mean Distance Between Mechanical Failures) - METROLift	20,217	19,021	22,533										≧ 19,000	20,460	≧ 19,000
MDBSI (Mean Distance Between Service Interruptions) - METRORail	30,228	39,664	29,070										≧ 12,000	32,245	≧ 12,000
Average Peak HOT Lanes Speed (mile per hour)															
I-45 North HOV	53	52	55										≧ 45	53	≧ 45
I-45 South HOV	50	50	53										≧ 45	51	≧ 45
US-290 HOV	56	55	56										≧ 45	56	≧ 45
US-59 North HOV	61	61	62										≧ 45	61	≧ 45
US-59 South HOV	48	49	53										≧ 45	50	≧ 45

On-Time Performance

- 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.

METRORail On-Time Performance

- Rail (red line) missed the benchmark for both the month and the year-to-date.
- Rail (purple line) missed the benchmark for both the month, but met the year-to-date goal.
- Rail (green line) met the benchmark for the month and for the year-to-date.

Service Reliability

- 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 performance standards for the month and for the year-to-date.
- Mean Distance Between Service Interruptions for METRORail met minimum standards for the month and the year-to-date.

HOT Lane Average Speed

- The average peak speed for all HOT Lanes met the monthly and year-to-date goals.

MONTHLY PERFORMANCE REPORT
December 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.

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.

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.

Average Peak HOT Lane Speed - HOT Lane speed is based on an average of measurements conducted during the AM and PM high-volume commuter periods. METRO's 45 mph benchmark is based on Federal statute 23 USC 166: HOV facilities, which sets 45 mph as a minimal acceptable rate of speed.

MONTHLY PERFORMANCE REPORT
December 2016
Balance Sheet

	December 31, 2015 (\$)	December 31, 2016 (\$)	Change (\$)
Assets			
Cash	5,715,153	9,528,099	3,812,946
Receivables	147,977,708	155,997,112	8,019,404
Inventory	30,467,183	33,682,747	3,215,564
Investments	416,571,843	366,301,267	(50,270,576)
Other Assets	12,935,505	15,605,889	2,670,384
Land & Improvements	378,775,083	419,859,464	41,084,381
Capital Assets, Net of Depreciation	2,735,120,863	2,616,947,082	(118,173,781)
Total Assets	3,727,563,338	3,617,921,662	(41,554,345)
Deferred Outflow of Resources	47,425,703	115,513,035	68,087,332
	3,774,989,041	3,733,434,696	26,532,987
Liabilities			
Trade Payables	73,410,362	80,522,071	7,111,709
Accrued Payroll	26,614,666	25,973,508	(641,158)
Commercial Paper	117,400,000	116,400,000	(1,000,000)
Debt Payable	1,097,980,665	1,134,264,274	36,283,609
Debt Interest Payable	235,322	396,145	160,823
Pension and OPEB Liabilities	408,196,766	484,783,690	76,586,924
Other Liabilities	68,864,408	37,043,835	(31,820,573)
Total Liabilities	1,792,702,189	1,879,383,523	86,681,334
Deferred Inflow of Resources	-	-	-
Net Assets - Retained Earnings	1,982,286,852	1,854,051,173	(60,148,347)
Total Liabilities and Net Assets	3,774,989,041	3,733,434,696	(41,554,345)

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 FY2017 includes [1] Mark-to-Market (MTM) values of outstanding diesel fuel SWAP agreements at the fiscal year end (\$1,394,262), [2] defined benefit pension plan contributions made between January and September (\$57,467,835), [3] the net difference between the defeased liabilities, related investment issuance costs and new liabilities (\$21,794,232), and [4] Union Pension Plan (\$34,856,706). These items will be recognized as expenses in future periods to which they relate.

Budget Change Request Report
Operating Budget - \$556.1 million
First Quarter - Fiscal Year 2017

Date	Type	Description	Amount
October-16	Technical / Administrative	Reallocation of funds within Bus Operations to reclassify positions; no net change to Operations budget resulted.	182,493
December-16	Technical / Administrative	Reassignment of fund centers for diesel fuel expenses as part of the SAP conversion; the departmental budget did not change	22,845,858
December-16	Technical / Administrative	Reallocation of budgeted funds within the same account to a period that the expenses will be incurred; the budget to this account has not changed.	3,396
December-16	Technical / Administrative	Reallocation of funds from the overtime salaries account to the regular salaries account for an upgraded position.	20,000
December-16	Technical / Administrative	Application of the budget authorized cost of living adjustment (COLA) to departmental budgets.	1,900,585
December-16	Technical / Administrative	Reallocation of funds to facilitate the movement of personnel from Stakeholder Affairs to Community Outreach; no net change to the departmental budget resulted.	534,429
December-16	Technical / Administrative	Reallocation of funds to facilitate the movement of personnel from Public Affairs to Government Affairs; no net change to the departmental budget resulted.	77,123
December-16	Technical / Administrative	Transfer of funds from Human Resources to Finance for census work on the GASB 45 OPEB actuarial evaluation.	18,000
December-16	Technical / Administrative	Reallocation of funds from the education & training account to the support services account for appeal officer services.	3,000
First Quarter Total			\$ 25,584,884

Notes:

Tech/Admin changes are changes within the original scope of the budgets and do not represent a change in the Authority's work plan or priorities.

**Budget Change Request Report
Capital Budget - \$178.2 million
First Quarter - Fiscal Year 2017**

Date	Type	Description	Amount
November-16	Technical / Administrative	Reallocation of funds between two related Bus Operations capital budget items; no net change to the Bus Operations budget resulted.	50,000
December-16	Technical / Administrative	Reallocation of local funds from the West Loop bus lane project to facilitate HOT lane extension upgrades.	850,000
December-16	Technical / Administrative	Transfer of Non-Obligated Capital Funds for implementation of the Risk Management Information System.	562,000
First Quarter Total			<u>\$ 1,462,000</u>

Notes:

Tech/Admin changes are changes within the original scope of the budgets and do not represent a change in the Authority's work plan or priorities.