

# **METRO**

## Fiscal Year 2017 Monthly Performance Report

Revenue • Expense • Ridership • Performance

September 2017  
(Fourth Quarter Fiscal Year-to Date)



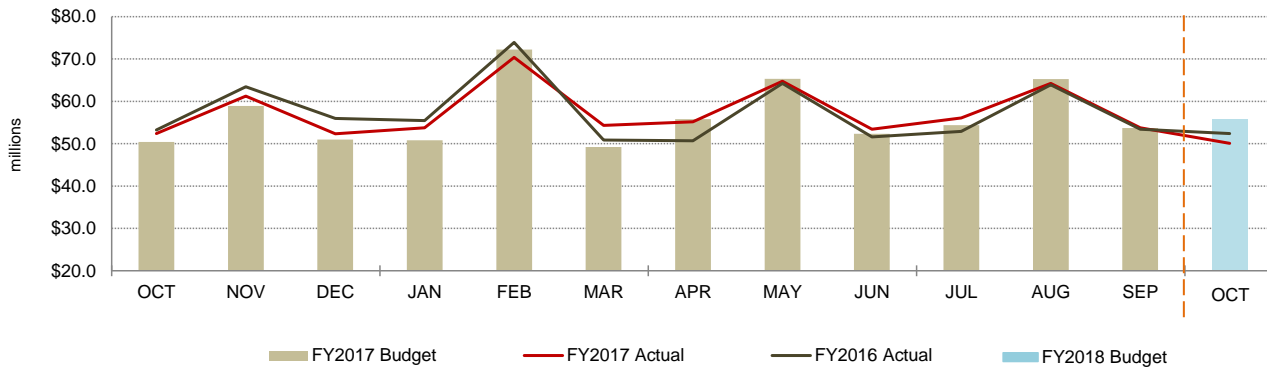
# **MONTHLY PERFORMANCE REPORT**

## **September 2017**

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**MONTHLY PERFORMANCE REPORT**  
**Sales Tax Revenue thru October 2017**



**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            | 3.9%           |
| December                     | 51.0            | 52.3            | 1.3            | 2.5%           |
| January                      | 50.8            | 53.8            | 3.0            | 5.9%           |
| February                     | 72.2            | 70.4            | (1.9)          | (2.5%)         |
| March                        | 49.2            | 54.3            | 5.1            | 10.4%          |
| April                        | 55.8            | 55.2            | (0.6)          | (1.1%)         |
| May                          | 65.3            | 64.7            | (0.6)          | (0.9%)         |
| June                         | 52.3            | 53.4            | 1.1            | 2.1%           |
| July                         | 54.4            | 56.1            | 1.7            | 3.1%           |
| August                       | 65.3            | 64.3            | (1.0)          | (1.6%)         |
| September                    | 53.7            | 53.8            | 0.1            | 0.2%           |
| <b>FY 2017</b>               | <b>\$ 679.4</b> | <b>\$ 692.0</b> | <b>\$ 12.6</b> | <b>1.9%</b>    |
| <b>October 2017 (FY2018)</b> | <b>55.7</b>     | <b>50.1</b>     | <b>(5.6)</b>   | <b>(10.0%)</b> |

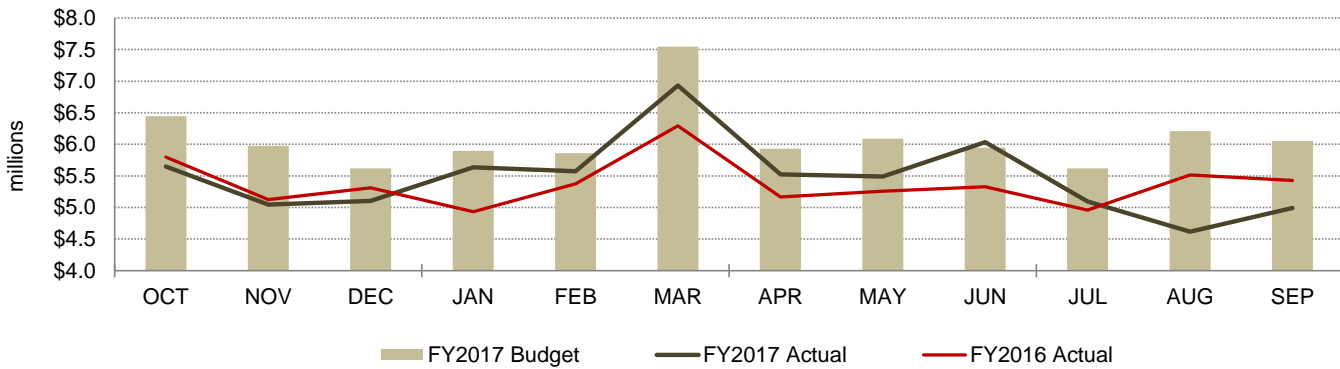
**Prior Year vs. Current Year**

|                              | (\$ millions)   |                 |               |               |
|------------------------------|-----------------|-----------------|---------------|---------------|
|                              | Prior Year      | Current Year    | Variance      | %             |
| October                      | 53.2            | 52.4            | (0.8)         | (1.5%)        |
| November                     | 63.5            | 61.2            | (2.3)         | (3.6%)        |
| December                     | 56.0            | 52.3            | (3.7)         | (6.6%)        |
| January                      | 55.4            | 53.8            | (1.6)         | (2.9%)        |
| February                     | 73.9            | 70.4            | (3.5)         | (4.7%)        |
| March                        | 50.9            | 54.3            | 3.4           | 6.7%          |
| April                        | 50.7            | 55.2            | 4.5           | 8.9%          |
| May                          | 64.2            | 64.7            | 0.5           | 0.8%          |
| June                         | 51.6            | 53.4            | 1.8           | 3.5%          |
| July                         | 52.9            | 56.1            | 3.2           | 6.0%          |
| August                       | 63.9            | 64.3            | 0.3           | 0.5%          |
| September                    | 53.4            | 53.8            | 0.4           | 0.7%          |
| <b>FY 2017</b>               | <b>\$ 689.7</b> | <b>\$ 692.0</b> | <b>\$ 2.3</b> | <b>0.3%</b>   |
| <b>October 2017 (FY2018)</b> | <b>52.4</b>     | <b>50.1</b>     | <b>(2.3)</b>  | <b>(4.4%)</b> |

Sales Tax Revenue for the month of October 2017 is \$5.6 million or 10.0% under estimates.

October Sales Tax Revenue is from August Sales Activity. Hurricane Harvey negatively impacted August Sales Activity.

**MONTHLY PERFORMANCE REPORT**  
**September 2017**  
**Fare Revenue**



**Total FY2017 Fare Revenue budget is \$73.2 million**

**Budget to Actual FY2017**

(\$ millions)

|                  | Budget         | Actual         | Variance        | %              |
|------------------|----------------|----------------|-----------------|----------------|
| October          | 6.4            | 5.7            | (0.8)           | (12.4%)        |
| November         | 6.0            | 5.0            | (0.9)           | (15.6%)        |
| December         | 5.6            | 5.1            | (0.5)           | (9.2%)         |
| January          | 5.9            | 5.6            | (0.3)           | (4.5%)         |
| February         | 5.9            | 5.6            | (0.3)           | (4.8%)         |
| March            | 7.5            | 6.9            | (0.6)           | (8.1%)         |
| April            | 5.9            | 5.5            | (0.4)           | (6.9%)         |
| May              | 6.1            | 5.5            | (0.6)           | (9.8%)         |
| June             | 5.9            | 6.0            | 0.1             | 1.7%           |
| July             | 5.6            | 5.1            | (0.5)           | (8.9%)         |
| August           | 6.2            | 4.6            | (1.6)           | (25.8%)        |
| <b>September</b> | <b>6.1</b>     | <b>5.0</b>     | <b>(1.1)</b>    | <b>(18.0%)</b> |
| <b>FY 2017</b>   | <b>\$ 73.2</b> | <b>\$ 65.7</b> | <b>\$ (7.5)</b> | <b>(10.2%)</b> |

**Prior Year vs. Current Year**

(\$ millions)

|                  | Prior Year     | Current Year   | Variance      | %             |
|------------------|----------------|----------------|---------------|---------------|
| October          | 5.8            | 5.7            | (0.1)         | (1.7%)        |
| November         | 5.1            | 5.0            | (0.1)         | (2.0%)        |
| December         | 5.3            | 5.1            | (0.2)         | (3.8%)        |
| January          | 4.9            | 5.6            | 0.7           | 14.3%         |
| February         | 5.4            | 5.6            | 0.2           | 3.7%          |
| March            | 6.3            | 6.9            | 0.6           | 9.5%          |
| April            | 5.2            | 5.5            | 0.3           | 5.8%          |
| May              | 5.3            | 5.5            | 0.2           | 3.8%          |
| June             | 5.3            | 6.0            | 0.7           | 13.2%         |
| July             | 5.0            | 5.1            | 0.1           | 2.0%          |
| August           | 5.5            | 4.6            | (0.9)         | (17.0%)       |
| <b>September</b> | <b>5.4</b>     | <b>5.0</b>     | <b>(0.4)</b>  | <b>(7.4%)</b> |
| <b>FY 2017</b>   | <b>\$ 64.5</b> | <b>\$ 65.7</b> | <b>\$ 1.2</b> | <b>1.9%</b>   |

Fare Revenue for the month of September 2017 of \$5.0 million is \$1.1 million or 18.0% under budget.  
 Fare Revenue of \$65.7 million for Fiscal Year 2017 is \$7.5 million or 10.2% under budget.

Ridership loss because of Hurricane Harvey negatively impacted August and September Fare Revenue.

**MONTHLY PERFORMANCE REPORT  
September 2017**

**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          | 5.8            | 18.5           | 12.7           | 219.0%        |
| February         | 5.8            | 12.8           | 7.0            | 120.7%        |
| March            | 5.8            | 4.4            | (1.4)          | (24.1%)       |
| April            | 5.8            | 3.5            | (2.3)          | (39.7%)       |
| May              | 5.8            | 3.7            | (2.1)          | (36.2%)       |
| June             | 5.8            | 15.4           | 9.6            | 165.5%        |
| July             | 5.8            | 4.6            | (1.2)          | (20.7%)       |
| August           | 5.8            | 4.5            | (1.3)          | (22.4%)       |
| <b>September</b> | <b>5.8</b>     | <b>5.7</b>     | <b>(0.1)</b>   | <b>(1.7%)</b> |
| <b>FY 2017</b>   | <b>\$ 69.5</b> | <b>\$ 79.5</b> | <b>\$ 10.0</b> | <b>14.4%</b>  |

Service Related Grant Revenue for the month of September 2017 of \$5.7 million is \$0.1 million or 1.7% under budget.  
Service Related Grant Revenue for Fiscal Year 2017 of \$79.5 million is \$10.0 million or 14.4% over budget.

**Capital Grant Revenue  
Total FY2017 Capital Grant budget is \$54.2 million**

|                  | (\$ millions)  |                |               |                |
|------------------|----------------|----------------|---------------|----------------|
|                  | Budget         | Actual         | Variance      | %              |
| October          | 3.1            | 0.4            | (2.7)         | (87.1%)        |
| November         | 3.4            | 0.7            | (2.6)         | (79.4%)        |
| December         | 3.4            | 6.3            | 2.9           | 85.3%          |
| January          | 3.4            | 1.3            | (2.1)         | (61.8%)        |
| February         | 3.4            | (0.2)          | (3.5)         | (105.9%)       |
| March            | 3.4            | 5.6            | 2.2           | 64.7%          |
| April            | 3.4            | 1.5            | (1.9)         | (55.9%)        |
| May              | 3.4            | 2.5            | (0.9)         | (26.5%)        |
| June             | 3.4            | 2.3            | (1.1)         | (32.4%)        |
| July             | 3.4            | 1.0            | (2.4)         | (70.6%)        |
| August           | 3.4            | 1.6            | (1.8)         | (52.9%)        |
| <b>September</b> | <b>17.1</b>    | <b>7.3</b>     | <b>(9.8)</b>  | <b>(57.3%)</b> |
| <b>FY 2017</b>   | <b>\$ 54.2</b> | <b>\$ 30.5</b> | <b>(23.7)</b> | <b>(43.7%)</b> |

Capital Grant Revenue for Fiscal Year 2017 of \$30.5 million is \$23.7 million under budget.

The Capital Grant budget is allocated equally by month for the first eleven months of the fiscal year, using only the capital grants that are available at the start of the year to reimburse capital expenses. However, as the fiscal year continues, additional grants will be made available as the funds are allocated. The September 2017 budget includes the value of those additional funds.

**MONTHLY PERFORMANCE REPORT  
September 2017**

**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         | 1.0            | 1.0            | 0.0          | 0.0%           |
| January          | 1.1            | 1.1            | 0.0          | 0.0%           |
| February         | 1.2            | 1.2            | (0.0)        | 0.0%           |
| March            | 1.6            | 1.8            | 0.2          | 12.5%          |
| April            | 2.0            | 1.0            | (1.0)        | (50.0%)        |
| May              | 1.2            | 2.3            | 1.1          | 91.7%          |
| June             | 1.0            | 1.2            | 0.2          | 20.0%          |
| July             | 1.2            | 1.1            | (0.1)        | (8.3%)         |
| August           | 1.1            | 1.1            | 0.0          | 0.0%           |
| <b>September</b> | <b>2.1</b>     | <b>1.7</b>     | <b>(0.4)</b> | <b>(19.0%)</b> |
| <b>FY 2017</b>   | <b>\$ 15.9</b> | <b>\$ 15.7</b> | <b>(0.2)</b> | <b>(1.3%)</b>  |

**Composition of Interest & Miscellaneous Revenue**

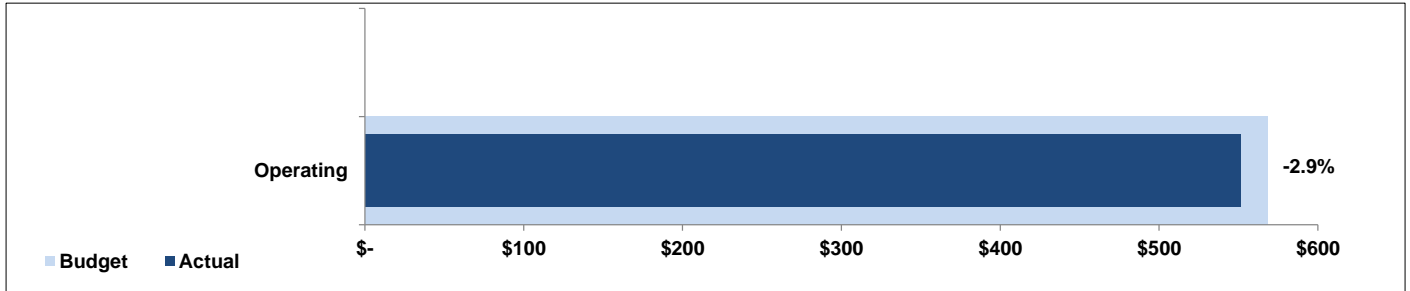
|                          | <u>Fiscal Year 2017 Actual</u> |                   | <u>Current Month Actual</u> |                   |
|--------------------------|--------------------------------|-------------------|-----------------------------|-------------------|
|                          | <u>\$ millions</u>             | <u>% of Total</u> | <u>\$ millions</u>          | <u>% of Total</u> |
| Interest Income          | 3.3                            | 20.9%             | 0.1                         | 5.6%              |
| HOT Lanes Revenue        | 7.2                            | 46.0%             | 0.6                         | 34.9%             |
| Inter Government Revenue | 1.8                            | 11.8%             | 0.9                         | 54.1%             |
| Other                    | 3.3                            | 21.4%             | 0.1                         | 5.3%              |
| <b>Total</b>             | <b>\$ 15.7</b>                 | <b>100.0%</b>     | <b>\$ 1.7</b>               | <b>100.0%</b>     |

Interest & Misc. Revenue for Fiscal Year 2017 \$15.7 million is \$0.2 million or 1.3% under budget.

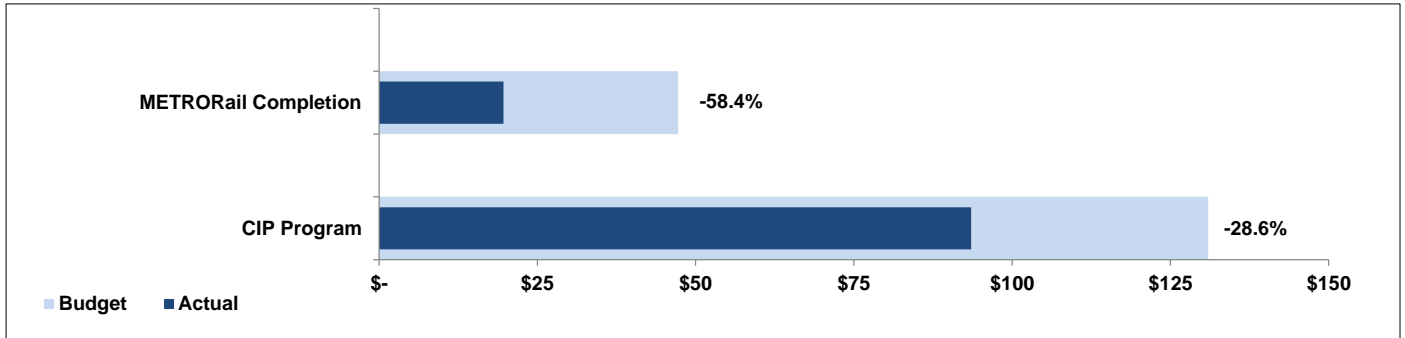
Ridership loss because of Hurricane Harvey negatively impacted August and September HOT Lanes Revenue.

**MONTHLY PERFORMANCE REPORT**  
**September 2017**  
**Budget Summary**  
(in millions)

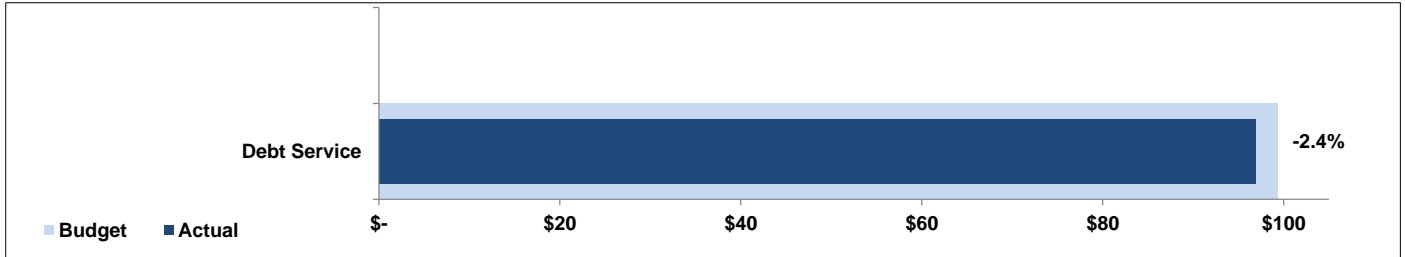
**FY2017 Annual Operating Budget \$ 568.1**



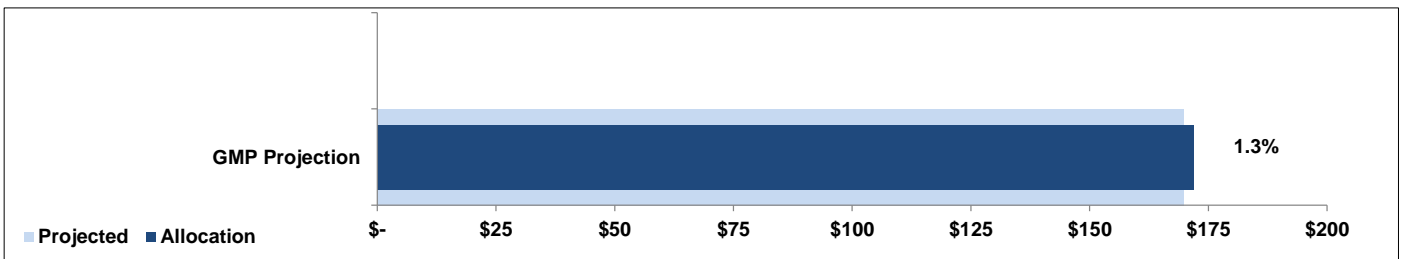
**FY2017 Annual Capital Budget \$ 178.2**



**FY2017 Annual Debt Service Budget \$ 99.3**



**FY2017 Annual GMP Projected Allocation \$ 169.8**



**MONTHLY PERFORMANCE REPORT**

September 2017

Operating Expenses

| <b>Comparison of Budget to Actual for the Month (September 2017)</b> |                               |                             |                             |  |                   |
|--|-------------------------------|-----------------------------|-----------------------------|--|-------------------|
|  | <b>FY17 Annual<br/>Budget</b> | <b>September<br/>Budget</b> | <b>September<br/>Actual</b> | <b>\$ Variance<br/>(favorable)/unfavorable</b> | <b>% Variance</b> |
| Labor & Fringe Benefits  | \$ 336,243,060                | \$ 29,351,223               | \$ 29,882,965               | \$ 531,743                                     | 1.8%              |
| Non-Labor  | 229,327,939                   | \$ 18,520,396               | \$ 22,304,250               | 3,783,853                                      | 20.4%             |
| <b>Subtotal Labor &amp; Non-Labor</b>                                | <b>565,571,000</b>            | <b>47,871,619</b>           | <b>52,187,215</b>           | <b>4,315,596</b>                               | <b>9.0%</b>       |
| Contingency  | 2,500,000                     | \$ 2,500,000                | \$ -                        | (2,500,000)                                    | (100.0%)          |
| <b>Total Operating Budget</b>  | <b>\$ 568,071,000</b>         | <b>\$ 50,371,619</b>        | <b>\$ 52,187,215</b>        | <b>\$ 1,815,596</b>                            | <b>3.6%</b>       |

| <b>Comparison of Budget to Actual Fiscal Year 2017 (12 months)</b> |                               |                               |                               |  |                   |
|--|-------------------------------|-------------------------------|-------------------------------|--|-------------------|
|  | <b>FY17 Annual<br/>Budget</b> | <b>FY17 Annual<br/>Budget</b> | <b>FY17 Annual<br/>Actual</b> | <b>\$ Variance<br/>(favorable)/unfavorable</b> | <b>% Variance</b> |
| <b>Payroll &amp; Benefits</b>                                      |                               |                               |                               |  |                   |
| Wages  | \$ 135,271,695                | \$ 135,271,695                | \$ 134,383,043                | \$ (888,652)                                   | (0.7%)            |
| Union Fringe Benefits  | 75,415,525                    | 75,415,525                    | 75,339,795                    | (75,729)                                       | (0.1%)            |
| <b>Subtotal Union Labor</b>  | <b>210,687,219</b>            | <b>210,687,219</b>            | <b>209,722,838</b>            | <b>(964,381)</b>                               | <b>(0.5%)</b>     |
| Salaries and Non-Union Wages                                       | 95,426,643                    | 95,426,643                    | 92,826,597                    | (2,600,046)                                    | (2.7%)            |
| Non-Union Fringe Benefits  | 41,271,476                    | 41,271,476                    | 42,141,278                    | 869,802  | 2.1%              |
| <b>Subtotal Non-Union Labor</b>                                    | <b>136,698,119</b>            | <b>136,698,119</b>            | <b>134,967,875</b>            | <b>(1,730,244)</b>                             | <b>(1.3%)</b>     |
| Allocation to Capital & GMP  | (11,142,278)                  | (11,142,278)                  | (9,486,024)                   | 1,656,253                                      | 14.9%             |
| <b>Subtotal Labor and Fringe Benefits</b>                          | <b>336,243,060</b>            | <b>336,243,060</b>            | <b>335,204,689</b>            | <b>(1,038,372)</b>                             | <b>(0.3%)</b>     |
| <b>Materials &amp; Supplies</b>                                    |                               |                               |                               |  |                   |
| Services   | 45,181,060                    | 45,181,060                    | 42,085,564                    | (3,095,497)                                    | (6.9%)            |
| Materials and Supplies   | 26,951,256                    | 26,951,256                    | 28,091,803                    | 1,140,548                                      | 4.2%              |
| Fuel and Utilities   | 41,584,346                    | 41,584,346                    | 37,195,672                    | (4,388,673)                                    | (10.6%)           |
|  | <b>113,716,663</b>            | <b>113,716,663</b>            | <b>107,373,039</b>            | <b>(6,343,625)</b>                             | <b>(5.8%)</b>     |
| <b>Administration</b>  |                               |                               |                               |  |                   |
| Casualty and Liability   | 4,260,078                     | 4,260,078                     | 4,576,302                     | 316,224  | 7.4%              |
| Purchased Transportation   | 101,176,604                   | 101,176,604                   | 95,464,332                    | (5,712,272)                                    | (5.6%)            |
| Leases, Rentals and Misc.  | 10,241,379                    | 10,241,379                    | 8,882,715                     | (1,358,665)                                    | (13.3%)           |
| Allocation to Capital & GMP - Non-Labor                            | (66,785)                      | (66,785)                      | -                             | 66,785   | 100.0%            |
|  | <b>115,611,276</b>            | <b>115,611,276</b>            | <b>108,923,349</b>            | <b>(6,687,926)</b>                             | <b>(5.8%)</b>     |
| <b>Subtotal Non-Labor</b>  | <b>229,327,939</b>            | <b>229,327,939</b>            | <b>216,296,389</b>            | <b>(13,031,550)</b>                            | <b>(5.7%)</b>     |
| <b>Subtotal Labor and Non-Labor</b>                                | <b>565,571,000</b>            | <b>565,571,000</b>            | <b>551,501,077</b>            | <b>(14,069,923)</b>                            | <b>(2.5%)</b>     |
| Contingency  | 2,500,000                     | 2,500,000                     | -                             | (2,500,000)                                    | (100.0%)          |
| <b>Subtotal Contingency</b>  | <b>2,500,000</b>              | <b>2,500,000</b>              | <b>-</b>                      | <b>(2,500,000)</b>                             | <b>0.0%</b>       |
| <b>Total Operating Budget</b>                                      | <b>\$ 568,071,000</b>         | <b>\$ 568,071,000</b>         | <b>\$ 551,501,076</b>         | <b>\$ (16,569,925)</b>                         | <b>(2.9%)</b>     |
| <b>Non-Budgeted Expense</b>  |                               |                               |                               |  |                   |
| Gain/ Loss Disposal  | -                             | -                             | (389,143)                     | (389,143)                                      | 0.0%              |
| <b>Hurricane Harvey Related Adjustment</b>                         |                               |                               |                               |  |                   |
| Hurricane Harvey   | -                             | -                             | 6,006,227                     | 6,006,227                                      | 0.0%              |
| Hurricane Harvey Gain/ Loss  | -                             | -                             | 1,311,057                     | 1,311,057                                      | 0.0%              |
| <b>Grand Total</b>   | <b>\$ 568,071,000</b>         | <b>\$ 568,071,000</b>         | <b>\$ 558,429,217</b>         | <b>\$ (9,641,783)</b>                          | <b>(1.7%)</b>     |

Operating Expenses for the month of September 2017 of \$52.2 million are \$1.8 million or 3.6% over budget.

Operating Expenses for Fiscal Year 2017 of \$551.5 million are \$16.6 million or 2.9% under budget.



**MONTHLY PERFORMANCE REPORT**  
**September 2017**

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

| <u>Expense Type</u>   | <u>FY2017 Budget</u> | <u>FY2017 Actual</u> | <u>Fiscal Year 2017<br/>\$ Variance<br/>(under budget) / over budget</u> |
|---|----------------------|----------------------|--|
| <b><u>Payroll &amp; Benefits</u></b>  |                      |                      |  |
| <b>Union Labor</b>  | <b>210,687,219</b>   | <b>209,722,838</b>   | <b>\$ (964,381)</b>  |
| Wages & Fringe Benefits - savings from bus operator vacancies offset by operators overtime  |                      |                      | (3,236,000)  |
| Wages & Fringe Benefits - savings from primarily mechanic, technician, cleaners   |                      |                      | (2,505,000)  |
| Underrun in health benefit due to lower than expected health care expense & longevity pay   |                      |                      | (169,000)  |
| Lower than expected sick leave cash out payment   |                      |                      | (136,000)  |
| <u>Offset by</u>  |                      |                      |  |
| Overtime in facility maintenance  |                      |                      | 128,000  |
| Overrun in Pension Union (Defined Contribution) due to employee contributions being higher than anticipated   |                      |                      | 596,000  |
| Higher than expected worker's comp allocation   |                      |                      | 1,017,000  |
| Overtime mainly related to rail operator vacancies, axle counter implementation activity and rodeo  |                      |                      | 1,121,000  |
| Overtime wages in bus maintenance mainly to support vacancies   |                      |                      | 2,150,000  |
| <b>Non-Union Labor</b>  | <b>136,698,119</b>   | <b>134,967,875</b>   | <b>\$ (1,730,244)</b>  |
| Savings in base salaries including FICA   |                      |                      | (4,722,000)  |
| <u>Offset by</u>  |                      |                      |  |
| Overrun in Pensions due to the FY17 actuarial estimate being lower than expected  |                      |                      | 168,000  |
| Overrun in healthcare mostly due to extra payroll deduction in FY17   |                      |                      | 236,000  |
| Overrun in Non-Union Life Insurance and LTD   |                      |                      | 237,000  |
| Salaried overtime mainly driven by vacancies, axle counter implementation, and additional HOV/HOT Lane enforcement and unbudgeted termination payments  |                      |                      | 2,343,000  |
| <b><u>Materials &amp; Supplies</u></b>  | <b>113,716,663</b>   | <b>107,373,039</b>   | <b>\$ (6,343,625)</b>  |
| <b>Services</b>   |                      |                      |  |
| <u>Facility Maintenance</u> due to underspending in building grounds maintenance expense (-\$523,000), in BOF maintenance costs (-\$405,000), custodial services (-\$167,000), and underrun in maintenance repair (-\$89,000) |                      |                      | (1,184,000)  |
| <u>METRO Police</u> unused budget due to annual transtar charges transferred to GMP   |                      |                      | (631,000)  |
| <u>Information Technology</u> due to underrun in equipment repairs & maintenance (-\$345,000), and less than expected contractual support services (-\$279,000).  |                      |                      | (624,000)  |
| <u>Finance</u> due to less than expected contract services and support services (-\$252,000) and equipment repair & maintenance (-\$226,000)  |                      |                      | (478,000)  |
| <u>Human Resources</u> due to less than expected in contract services mostly in Benefits and Pension and Wellness Programs divisions (-\$143,000) and contracts related to employment services (-\$169,000)                   |                      |                      | (312,000)  |
| <u>Government &amp; Public Affairs</u> mainly due to underrun in contract marketing services (-\$162,000) and lower than expected in support services (-\$90,000)   |                      |                      | (252,000)  |
| <u>Engineering and Capital Projects</u> due to delays in projects and related contract services   |                      |                      | (184,000)  |
| <u>Operations</u> less than anticipated warranty expense (-\$203,000), bus operating training and other operations staff related training (-\$176,000), offset by overrun in HOT Lane contract services (\$260,000)           |                      |                      | (119,000)  |
| <u>Legal</u> due to higher than expected legal fees (\$941,000) offset by less than expected legislation coordination activity year to date (-\$286,000) and underrun in support services (-\$102,000)                        |                      |                      | 553,000  |
| <u>Planning</u> Overrun in both system development and system planning activity   |                      |                      | 1,009,000  |
| <u>General underspending in other areas Authority wide not mentioned above</u>  |                      |                      |  |
| Support services in various other areas   |                      |                      | (417,000)  |
| Other miscellaneous services type expenses mostly contractual and required on an as needed basis  |                      |                      | (232,000)  |
| Underspending in education and training throughout the Authority ( <i>excludes bus operator and other Operations staff related training</i> )   |                      |                      | (225,000)  |

**MONTHLY PERFORMANCE REPORT**  
**September 2017**  
**Major Operating Budget Variance Items - Categories with major variances**

| <u>Expense Type</u>  | <u>FY2017 Budget</u> | <u>FY2017 Actual</u> | <u>Fiscal Year 2017<br/>\$ Variance<br/>(under budget) / over budget</u> |
|--|----------------------|----------------------|--|
| <b>Materials and Supplies</b>  |                      |                      |  |
| <u>Underruns in -</u>  |                      |                      |  |
| Parts - Rail Trucks, Rail Coupler, Seats   |                      |                      | (302,000)  |
| Special office and other office supplies (Includes \$193K print shop supplies related to advertising delays)               |                      |                      | (268,000)  |
| Exhaust system parts   |                      |                      | (150,000)  |
| <u>Offset by miscellaneous overruns in -</u>   |                      |                      |  |
| Engine cooling systems   |                      |                      | 131,000  |
| Cleaning Materials   |                      |                      | 164,000  |
| Signal Parts   |                      |                      | 189,000  |
| Electrical Parts   |                      |                      | 243,000  |
| Parts-electronic, door parts, and auxiliary power supplies   |                      |                      | 234,000  |
| Transmissions  |                      |                      | 282,000  |
| Other parts (including farebox and sign equipment)   |                      |                      | 284,000  |
| Interior Body & Floor & Exterior Body & Windows  |                      |                      | 316,000  |
| Air system parts   |                      |                      | 355,000  |
| Bus brakes   |                      |                      | 376,000  |
| Chassis  |                      |                      | 418,000  |
| A/C and Heat   |                      |                      | 480,000  |
| Several miscellaneous net overruns throughout the Agency   |                      |                      | 499,000  |
| Bus engines - Unit overhaul  |                      |                      | 1,640,000  |
| Bus batteries - mostly in Unit overhaul  |                      |                      | 2,188,000  |
| Material prices variances on Production/refurbished orders and inventory revaluations mostly for unit overhauls            |                      |                      | (5,938,000)  |
| <b>Fuel and Utilities</b>  |                      |                      |  |
| Underrun in Diesel Fuel (including taxes) mainly due to lower prices per gallon on fuel                                    |                      |                      | (2,282,000)  |
| Lower than expected charges for routine telephone services   |                      |                      | (979,000)  |
| Underrun in Gasoline due to lower than expected consumption  |                      |                      | (663,000)  |
| Underrun in several other miscellaneous line items   |                      |                      | (136,000)  |
| Underrun in Power due to lower than expected usage   |                      |                      | (124,000)  |
| Underrun in Fuels & Lubricants   |                      |                      | (116,000)  |
| Lower than expected usage and lower prices for natural gas & propulsion power  |                      |                      | (88,000)   |
| <b>Administration</b>  | <b>115,611,276</b>   | <b>108,923,349</b>   | <b>\$ (6,687,926)</b>  |
| <b>Casualty &amp; Liability</b>  |                      |                      |  |
| Higher than expected subrogation recovery and lower than expected premiums; offset by higher than expected vehicle expense |                      |                      | 316,000  |
| <b>Purchased Transportation</b>  |                      |                      |  |
| METROLIFT - Actual year to date ridership is lower than budget   |                      |                      | (3,051,000)  |
| Delay in the assumption of vanpool leases  |                      |                      | (1,501,000)  |
| Lower number of vanpool leases than projected in the service plan  |                      |                      | (985,000)  |
| Northwest Contract - due to less hours operated in FY than planned   |                      |                      | (176,000)  |
| <b>Leases, Rentals, &amp; Miscellaneous</b>  |                      |                      |  |
| Lower than expected IT Rent Software Payments  |                      |                      | (698,000)  |
| Underspending in discretionary items (Travel, Memberships, Subscriptions, etc.)  |                      |                      | (388,000)  |
| Mainly due to over budget in taxes for the Grand Parkway Park & Ride lease   |                      |                      | (164,000)  |
| <b>Contingency</b>   |                      |                      |  |
| Unused contingency   |                      |                      | (2,500,000)  |

**MONTHLY PERFORMANCE REPORT**  
**September 2017**  
**Total Net Operating Budget / Expenses by Department**

| <u>Authorized</u><br><u>EOY</u><br><u>Headcount</u> | <u>Department</u>                                | <u>Annual Budget</u> | -----Fiscal Year 2017----- |                    |                     | <u>--Current Month--</u> |
|---|--|----------------------|----------------------------|--------------------|---------------------|--------------------------|
|   |  |                      | <u>Budget</u>              | <u>Expense</u>     | <u>Variance</u>     | <u>Variance</u>          |
| <b>3,414</b>  | <b>Oper, Public Safety, &amp; Cust Service</b>   | <b>443,873,903</b>   | <b>443,873,903</b>         | <b>435,954,829</b> | <b>(7,919,074)</b>  | <b>654,745</b>           |
| 3,022   | Operations                                       | 407,121,222          | 407,121,222                | 400,888,445        | (6,232,778)         | 1,485,051                |
| 270   | METRO Police                                     | 22,870,534           | 22,870,534                 | 21,950,338         | (920,196)           | (988,264)                |
| 43  | Safety   | 8,338,200            | 8,338,200                  | 7,887,570          | (450,630)           | 143,605                  |
| 70  | Customer Service                                 | 4,379,601            | 4,379,601                  | 4,046,038          | (333,563)           | 467                      |
| 9   | EVP Oper Pub Safety & Cust Service               | 1,164,345            | 1,164,345                  | 1,182,438          | 18,093              | 13,885                   |
| <b>233</b>  | <b>Administration</b>                            | <b>54,730,715</b>    | <b>54,730,715</b>          | <b>50,687,558</b>  | <b>(4,043,157)</b>  | <b>479,764</b>           |
| 70  | IT   | 21,885,014           | 21,885,014                 | 20,060,729         | (1,824,284)         | 310,731                  |
| 41  | Human Resources                                  | 21,531,535           | 21,531,535                 | 19,855,647         | (1,675,888)         | 112,866                  |
| 119   | Procurement & Materials                          | 10,681,839           | 10,681,839                 | 10,254,556         | (427,283)           | 28,698                   |
| 3   | EVP, Administration                              | 632,328              | 632,328                    | 516,625            | (115,702)           | 27,468                   |
| <b>242</b>  | <b>Planning, Engineering, &amp; Construction</b> | <b>36,135,267</b>    | <b>36,135,267</b>          | <b>36,056,259</b>  | <b>(79,008)</b>     | <b>1,920,372</b>         |
| 178   | Facilities Maint                                 | 28,704,678           | 28,704,678                 | 27,488,857         | (1,215,821)         | 356,849                  |
| 35  | Planning   | 6,892,619            | 6,892,619                  | 7,532,158          | 639,539             | 1,288,886                |
| 26  | Engineering & Cap Project                        | 488,018              | 488,018                    | 974,293            | 486,274             | 272,891                  |
| 3   | EVP PE&C   | 49,951               | 49,951                     | 60,950             | 10,999              | 1,746                    |
| <b>80</b>   | <b>Finance</b>                                   | <b>10,447,229</b>    | <b>10,447,229</b>          | <b>9,485,872</b>   | <b>(961,357)</b>    | <b>122,109</b>           |
| 76  | Finance  | 9,721,051            | 9,721,051                  | 9,047,452          | (673,599)           | 178,811                  |
| 4   | CFO  | 726,177              | 726,177                    | 438,420            | (287,758)           | (56,702)                 |
| <b>41</b>   | <b>Govt &amp; Public Affairs</b>                 | <b>10,372,418</b>    | <b>10,372,418</b>          | <b>9,902,814</b>   | <b>(469,604)</b>    | <b>1,608,089</b>         |
| 24  | Marketing  | 7,961,802            | 7,961,802                  | 7,576,099          | (385,703)           | 1,519,052                |
| 10  | Public Engagement                                | 1,342,815            | 1,342,815                  | 1,297,885          | (44,930)            | 52,794                   |
| 4   | Ridership & Client Services                      | 602,926              | 602,926                    | 635,489            | 32,563              | 36,076                   |
| 3   | Gov't Affairs                                    | 464,876              | 464,876                    | 393,341            | (71,535)            | 167                      |
| <b>17</b>   | <b>Legal</b>                                     | <b>4,224,297</b>     | <b>4,224,297</b>           | <b>4,765,610</b>   | <b>541,313</b>      | <b>195,734</b>           |
| <b>16</b>   | <b>Executive and Board</b>                       | <b>3,040,273</b>     | <b>3,040,273</b>           | <b>2,680,732</b>   | <b>(359,541)</b>    | <b>(120,072)</b>         |
| <b>11</b>   | <b>Audit</b>                                     | <b>1,556,351</b>     | <b>1,556,351</b>           | <b>1,407,470</b>   | <b>(148,881)</b>    | <b>21,070</b>            |
| <b>3</b>  | <b>Office of Innovation</b>                      | <b>642,149</b>       | <b>642,149</b>             | <b>558,471</b>     | <b>(83,678)</b>     | <b>(17,825)</b>          |
| <b>25</b>   | <b>Non Departmental</b>                          | <b>548,398</b>       | <b>548,398</b>             | <b>-</b>           | <b>(548,398)</b>    | <b>(548,389)</b>         |
|   | <b>President &amp; CEO Contingency</b>           | <b>2,500,000</b>     | <b>2,500,000</b>           | <b>-</b>           | <b>(2,500,000)</b>  | <b>(2,500,000)</b>       |
|   | <b>Other (MTA Revenue/Expense)</b>               | <b>-</b>             | <b>-</b>                   | <b>1,462</b>       | <b>1,462</b>        | <b>-</b>                 |
| <b>4,082</b>  | <b>Grand Total</b>                               | <b>568,071,000</b>   | <b>568,071,000</b>         | <b>551,501,076</b> | <b>(16,569,924)</b> | <b>1,815,596</b>         |

**MONTHLY PERFORMANCE REPORT**  
**September 2017**  
**Total Net Operating Budget / Expenses by Department**  
**as of the end of September 2017 vs. September 2016**

|   | -----Fiscal Year 2017----- |                       |                        | -----Fiscal Year 2016----- |                       |                        |
|---|----------------------------|-----------------------|------------------------|----------------------------|-----------------------|------------------------|
| <u>Department</u>                                     | <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>443,873,903</b>         | <b>435,954,829</b>    | <b>(7,919,074)</b>     | <b>434,927,625</b>         | <b>419,945,615</b>    | <b>(14,982,010)</b>    |
| Operations  | 407,121,222                | 400,888,445           | (6,232,778)            | 400,540,762                | 386,881,947           | (13,658,815)           |
| EVP Oper Pub Safety & Cust Serv                       | 1,164,345                  | 1,182,438             | 18,093                 | 1,154,764                  | 1,140,133             | (14,631)               |
| METRO Police  | 22,870,534                 | 21,950,338            | (920,196)              | 20,054,693                 | 19,636,732            | (417,961)              |
| Safety  | 8,338,200                  | 7,887,570             | (450,630)              | 8,383,932                  | 7,772,508             | (611,424)              |
| Customer Service                                      | 4,379,601                  | 4,046,038             | (333,563)              | 4,793,474                  | 4,514,295             | (279,179)              |
| <b>Administration</b>                                 | <b>54,730,715</b>          | <b>50,687,558</b>     | <b>(4,043,157)</b>     | <b>49,383,555</b>          | <b>47,352,776</b>     | <b>(2,030,779)</b>     |
| EVP, Administration                                   | 632,328                    | 516,625               | (115,702)              | 454,522                    | 414,110               | (40,412)               |
| IT  | 21,885,014                 | 20,060,729            | (1,824,284)            | 19,329,040                 | 17,480,390            | (1,848,650)            |
| Human Resources                                       | 21,531,535                 | 19,855,647            | (1,675,888)            | 19,420,342                 | 19,740,256            | 319,914                |
| Procurement & Materials                               | 10,681,839                 | 10,254,556            | (427,283)              | 10,179,651                 | 9,718,021             | (461,630)              |
| <b>Planning, Engineering and Construction</b>         | <b>36,135,267</b>          | <b>36,056,259</b>     | <b>(79,008)</b>        | <b>35,668,191</b>          | <b>32,403,291</b>     | <b>(3,264,900)</b>     |
| EVP PE&C  | 49,951                     | 60,950                | 10,999                 | (15,929)                   | (7,963)               | 7,966                  |
| Engineering & Cap Project                             | 488,018                    | 974,293               | 486,274                | (303,693)                  | 200,648               | 504,341                |
| Planning  | 6,892,619                  | 7,532,158             | 639,539                | 6,570,940                  | 4,526,869             | (2,044,071)            |
| Facilities Maintenance                                | 28,704,678                 | 27,488,857            | (1,215,821)            | 29,416,873                 | 27,683,738            | (1,733,135)            |
| <b>Finance</b>  | <b>10,447,229</b>          | <b>9,485,872</b>      | <b>(961,357)</b>       | <b>9,872,262</b>           | <b>8,190,426</b>      | <b>(1,681,836)</b>     |
| Finance   | 9,721,051                  | 9,047,452             | (673,599)              | 9,126,752                  | 7,919,957             | (1,206,795)            |
| CFO   | 726,177                    | 438,420               | (287,758)              | 745,510                    | 270,469               | (475,041)              |
| <b>Gov't &amp; Public Affairs</b>                     | <b>10,372,418</b>          | <b>9,902,814</b>      | <b>(469,604)</b>       | <b>8,959,889</b>           | <b>8,355,213</b>      | <b>(604,676)</b>       |
| Marketing   | 7,961,802                  | 7,576,099             | (385,703)              | 7,161,248                  | 6,941,621             | (219,627)              |
| Public Engagement                                     | 1,342,815                  | 1,297,885             | (44,930)               | 1,132,136                  | 950,326               | (92,923)               |
| Ridership & Client Services                           | 602,926                    | 635,489               | 32,563                 | N/A                        | N/A                   | N/A                    |
| Gov't Affairs   | 464,876                    | 393,341               | (71,535)               | 666,505                    | 463,265               | (203,240)              |
| <b>Legal</b>  | <b>4,224,297</b>           | <b>4,765,610</b>      | <b>541,313</b>         | <b>3,808,611</b>           | <b>3,446,177</b>      | <b>(362,434)</b>       |
| Legal   | 4,224,297                  | 4,765,610             | 541,313                | 3,504,971                  | 3,218,573             | (286,398)              |
| Records Management                                    | N/A                        | N/A                   | N/A                    | 303,640                    | 227,604               | (76,036)               |
| <b>Executive &amp; Board</b>                          | <b>3,040,273</b>           | <b>2,680,732</b>      | <b>(359,541)</b>       | <b>2,763,722</b>           | <b>2,659,279</b>      | <b>(104,443)</b>       |
| <b>Audit</b>  | <b>1,556,351</b>           | <b>1,407,470</b>      | <b>(148,881)</b>       | <b>1,564,886</b>           | <b>1,262,244</b>      | <b>(302,642)</b>       |
| <b>Office of Innovation</b>                           | <b>642,149</b>             | <b>558,471</b>        | <b>(83,678)</b>        | <b>487,163</b>             | <b>178,390</b>        | <b>(308,773)</b>       |
| <b>Contingency</b>                                    | <b>2,500,000</b>           | <b>-</b>              | <b>(2,500,000)</b>     | <b>10,000,000</b>          | <b>-</b>              | <b>-</b>               |
| <b>Non-Departmental</b>                               | <b>548,398</b>             | <b>-</b>              | <b>(548,398)</b>       | <b>835,096</b>             | <b>-</b>              | <b>-</b>               |
| <b>Other MTA Revenue / Expense</b>                    | <b>-</b>                   | <b>1,462</b>          | <b>1,462</b>           | <b>N/A</b>                 | <b>N/A</b>            | <b>N/A</b>             |
| <b>TOTAL NET OPERATING</b>                            | <b>\$ 568,071,000</b>      | <b>\$ 551,501,076</b> | <b>\$ (16,569,924)</b> | <b>\$ 558,271,000</b>      | <b>\$ 523,793,411</b> | <b>\$ (23,642,493)</b> |

**MONTHLY PERFORMANCE REPORT**  
**September 2017**  
**Capital, and Debt Service Expenses**  
**Budget vs. Actual - Month and Fiscal Year 2017**  
(\$ millions)

**Capital Budget**

|                             | FY2017<br>Annual<br>Budget | Month of September 2017 |                |                 |                |                 | Fiscal Year 2017 |                  |                |  |  |
|-----------------------------|----------------------------|-------------------------|----------------|-----------------|----------------|-----------------|------------------|------------------|----------------|--|--|
|                             |                            | Budget                  | Actual         | Variance        |                | Budget          | Actual           | Variance         |                |  |  |
|                             |                            |                         |                | \$              | %              |                 |                  | \$               | %              |  |  |
| METRORail Completion        | \$ 47.2                    | \$ 3.9                  | \$ 4.6         | \$ 0.7          | 17.9%          | \$ 47.2         | \$ 19.7          | \$ (27.6)        | (58.4%)        |  |  |
| Capital Improvement Program | \$ 131.0                   | \$ 16.7                 | \$ 10.3        | \$ (6.4)        | (38.3%)        | \$ 131.0        | \$ 93.5          | \$ (37.5)        | (28.6%)        |  |  |
| <b>Total Capital</b>        | <b>\$ 178.2</b>            | <b>\$ 20.6</b>          | <b>\$ 14.9</b> | <b>\$ (5.7)</b> | <b>(27.7%)</b> | <b>\$ 178.2</b> | <b>\$ 113.3</b>  | <b>\$ (64.9)</b> | <b>(36.4%)</b> |  |  |

METRORail Completion expenses for Fiscal Year 2017 of \$19.7 million are \$27.6 million or 58.4% under budget.

Other Capital Improvement Program expenses for Fiscal Year 2017 of \$93.5 million are \$37.5 million or 28.6% under budget.

**Debt Service Budget**

|                     | FY2017<br>Annual<br>Budget | Month of September 2017 |               |                 |               | Fiscal Year 2017 |                |                 |               |
|---------------------|----------------------------|-------------------------|---------------|-----------------|---------------|------------------|----------------|-----------------|---------------|
|                     |                            | Budget                  | Actual        | Variance        |               | Budget           | Actual         | Variance        |               |
|                     |                            |                         |               | \$              | %             |                  |                | \$              | %             |
| <b>Debt Service</b> | <b>\$ 99.3</b>             | <b>\$ 9.2</b>           | <b>\$ 9.1</b> | <b>\$ (0.1)</b> | <b>(1.1%)</b> | <b>\$ 99.3</b>   | <b>\$ 96.9</b> | <b>\$ (2.4)</b> | <b>(2.4%)</b> |

Debt Service expenses of \$96.9 million for Fiscal Year 2017 are \$2.4 million under budget.

**General Mobility Transfers**

**General Mobility Program Projections**  
**Projected Funding vs. Actual Allocation - Month and Fiscal Year 2017**  
(\$ millions)

|                         | FY2017<br>Annual<br>Projection | Month of September 2017 |                |                 |                | Fiscal Year 2017 |                 |               |             |
|-------------------------|--------------------------------|-------------------------|----------------|-----------------|----------------|------------------|-----------------|---------------|-------------|
|                         |                                | Projection              | Allocation     | Variance        |                | Projection       | Allocation      | Variance      |             |
|                         |                                |                         |                | \$              | %              |                  |                 | \$            | %           |
| <b>General Mobility</b> | <b>\$ 169.8</b>                | <b>\$ 15.8</b>          | <b>\$ 13.8</b> | <b>\$ (2.0)</b> | <b>(12.7%)</b> | <b>\$ 169.8</b>  | <b>\$ 172.0</b> | <b>\$ 2.2</b> | <b>1.3%</b> |

Funds allocated to the General Mobility Fund totaled \$172.0 million for Fiscal Year 2017 are \$2.2 million or 1.3% more than the amount projected.

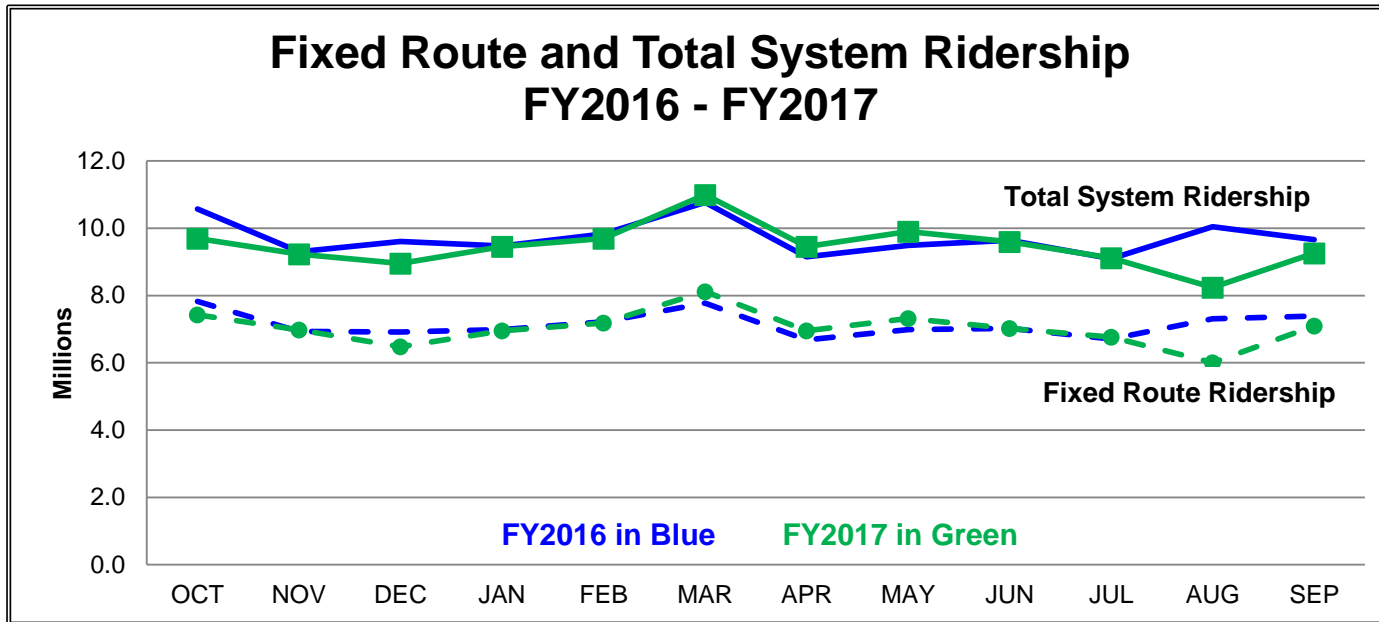
# MONTHLY PERFORMANCE REPORT

September 2017

## Ridership by Service Category

| Service Category                                   |                     |                     |                         |                            | YTD % Change               |                         |
|--|---------------------|---------------------|-------------------------|----------------------------|----------------------------|-------------------------|
|  | Sep-16<br>Boardings | Sep-17<br>Boardings | Sep-17<br>vs.<br>Sep-16 | Sep-16<br>YTD<br>Boardings | Sep-17<br>YTD<br>Boardings | Sep-17<br>vs.<br>Sep-16 |
| <b>Fixed Route Services</b>                        |                     |                     |                         |                            |                            |                         |
| <b><u>Local Network</u></b>                        |                     |                     |                         |                            |                            |                         |
| <b>Local Bus</b>                                   | <b>5,136,304</b>    | <b>4,953,456</b>    | <b>(3.6%)</b>           | <b>58,829,836</b>          | <b>57,919,908</b>          | <b>(1.5%)</b>           |
| <b><u>METRORail</u></b>                            |                     |                     |                         |                            |                            |                         |
| Red (North) Line                                   | 1,331,238           | 1,256,126           | (5.6%)                  | 16,331,495                 | 15,523,620                 | (4.9%)                  |
| Green (East) Line                                  | 82,852              | 112,805             | 36.2%                   | 908,587                    | 1,270,484                  | 39.8%                   |
| Purple (Southeast) Line                            | 137,133             | 159,690             | 16.4%                   | 1,292,042                  | 1,525,338                  | 18.1%                   |
| METRORail (all lines)                              | 1,551,223           | 1,528,621           | (1.5%)                  | 18,532,124                 | 18,319,442                 | (1.1%)                  |
| METRORail-Bus Bridge                               | 30                  | 309                 | 0.0%                    | 18,212                     | 104,783                    | 475.4%                  |
| <b>METRORail total</b>                             | <b>1,551,253</b>    | <b>1,528,930</b>    | <b>(1.4%)</b>           | <b>18,550,336</b>          | <b>18,424,225</b>          | <b>(0.7%)</b>           |
| <b>Subtotal Local Network</b>                      | <b>6,687,557</b>    | <b>6,482,386</b>    | <b>(3.1%)</b>           | <b>77,380,172</b>          | <b>76,344,133</b>          | <b>(1.3%)</b>           |
| <b><u>Commuter</u></b>                             |                     |                     |                         |                            |                            |                         |
| Park & Ride  | 702,254             | 613,627             | (12.6%)                 | 8,265,799                  | 7,698,512                  | (6.9%)                  |
| <b>Subtotal Fixed Route Service</b>                | <b>7,389,811</b>    | <b>7,096,013</b>    | <b>(4.0%)</b>           | <b>85,645,971</b>          | <b>84,042,645</b>          | <b>(1.9%)</b>           |
| Special Events                                     | 0                   | 741                 | 0.0%                    | 200,985                    | 228,886                    | 13.9%                   |
| <b>Total Fixed Route</b>                           | <b>7,389,811</b>    | <b>7,096,754</b>    | <b>(4.0%)</b>           | <b>85,846,956</b>          | <b>84,271,531</b>          | <b>(1.8%)</b>           |
| <b>Customized Bus Services</b>                     |                     |                     |                         |                            |                            |                         |
| METROLift  | 161,057             | 156,635             | (2.7%)                  | 1,921,703                  | 1,911,293                  | (0.5%)                  |
| METRO STAR Vanpool                                 | 181,629             | 150,125             | (17.3%)                 | 2,254,676                  | 2,001,349                  | (11.2%)                 |
| Internal Service                                   | 0                   | 10,000              | 0.0%                    | 132                        | 10,221                     | 0.0%                    |
| <b>Subtotal Customized Bus</b>                     | <b>342,686</b>      | <b>316,760</b>      | <b>(7.6%)</b>           | <b>4,176,511</b>           | <b>3,922,863</b>           | <b>(6.1%)</b>           |
| HOV/HOT Carpools, Vanpools,<br>and Non-METRO Buses | 1,927,107           | 1,842,480           | (4.4%)                  | 26,515,186                 | 25,384,802                 | (4.3%)                  |
| <b>Total System</b>                                | <b>9,659,604</b>    | <b>9,255,994</b>    | <b>(4.2%)</b>           | <b>116,538,653</b>         | <b>113,579,196</b>         | <b>(2.5%)</b>           |

**MONTHLY PERFORMANCE REPORT**  
**September 2017**  
**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 month of September 2017 of 7.1 million is 294,000 or 4.0% less than last year.

Total fixed route ridership, excluding special events, for Fiscal Year 2017 is 84.0 million which is 1.6 million or 1.8% less than last year.

METRORail ridership for the month of September 2017 of 1.5 million is 1.4% less than last year.

METRORail ridership for Fiscal Year 2017 of 18.4 million through September 2017 is 0.7% less than last year.

MONTHLY PERFORMANCE REPORT

September 2017

Performance Statistics

Benchmark Met

Benchmark Missed

| Fiscal Year 2017                                   |       |       |       |       |       |       |       |       |       |       |       |       |   | Current Month Target | FY2017 Actual | FY2017 GOAL |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---|----------------------|---------------|-------------|
| SAFETY & SECURITY                                  | OCT   | NOV   | DEC   | JAN   | FEB   | MAR   | APR   | MAY   | JUN   | JUL   | AUG   | SEP   |   |                      |               |             |
| <b>Bus Accidents</b> (Includes METROLift)          | 53    | 60    | 45    | 53    | 55    | 55    | 51    | 35    | 47    | 42    | 43    | 42    | ≤ | 53                   | 581           | ≤ 644       |
| Bus Accidents per 100,000 vehicle miles            | 0.88  | 1.04  | 0.76  | 0.89  | 0.98  | 0.85  | 0.87  | 0.57  | 0.78  | 0.71  | 0.81  | 0.73  | ≤ | 0.72                 | 0.82          | ≤ 0.89      |
| <b>Rail Accidents</b>                              | 11    | 8     | 7     | 17    | 6     | 7     | 6     | 6     | 10    | 3     | 7     | 7     | ≤ | 9                    | 95            | ≤ 111       |
| Rail Accidents per 100,000 vehicle miles           | 3.64  | 2.88  | 2.41  | 5.86  | 1.90  | 2.19  | 1.99  | 1.96  | 3.31  | 0.98  | 2.69  | 2.48  | ≤ | 6.58                 | 2.67          | ≤ 6.58      |
| <b>Major Security Incidents - total</b>            | 37    | 27    | 50    | 37    | 39    | 40    | 32    | 51    | 52    | 41    | 33    | 34    | ≤ | 70                   | 473           | ≤ 840       |
| Major Security Incidents per 100,000 boardings     | 0.382 | 0.293 | 0.558 | 0.391 | 0.402 | 0.364 | 0.338 | 0.515 | 0.542 | 0.450 | 0.401 | 0.367 | ≤ | 0.920                | 0.416         | ≤ 0.920     |
| <b>Major Security Incidents - METRO properties</b> | 25    | 15    | 29    | 16    | 21    | 19    | 14    | 34    | 33    | 22    | 22    | 26    | ≤ | 30                   | 276           | ≤ 360       |
| Major Security Incidents per 100,000 boardings     | 0.258 | 0.163 | 0.324 | 0.169 | 0.217 | 0.173 | 0.148 | 0.344 | 0.344 | 0.241 | 0.267 | 0.281 | ≤ | 0.400                | 0.243         | ≤ 0.400     |
| CUSTOMER SERVICE                                   | OCT   | NOV   | DEC   | JAN   | FEB   | MAR   | APR   | MAY   | JUN   | JUL   | AUG   | SEP   |   | Current Month Target | FY2017 Actual | FY2017 GOAL |
| <b>Complaint Contacts per 100,000 Boardings</b>    | 16.41 | 15.43 | 14.56 | 12.80 | 15.62 | 15.12 | 15.05 | 16.79 | 17.20 | 16.21 | 16.29 | 17.21 | ≤ | 22.00                | 15.72         | ≤ 22.13     |
| <b>Commendations</b>                               | 347   | 360   | 371   | 317   | 319   | 367   | 313   | 374   | 369   | 397   | 372   | 316   | ≥ | 300                  | 4,222         | ≥ 3600      |
| <b>Average Call Center Answer Delay (Sec.)</b>     | 74    | 69    | 51    | 99    | 118   | 113   | 86    | 103   | 102   | 64    | 110   | 206   | ≤ | 120                  | 100           | ≤ 120       |

**Safety & Security**

- The number of bus accidents met the safety goal for the month and the Fiscal Year.
- The number of rail accidents met the safety goal for the month and the Fiscal Year.
- Total major security incidents met the benchmark for both the month and the Fiscal Year.
- Major security incidents on METRO properties met the benchmark for both the month and the Fiscal Year.

**Customer Service**

- Complaint contacts per 100,000 boardings met the goal for the month and the Fiscal Year.
- The number of commendations exceeded the goal for the month and the Fiscal Year.
- The average call center answer delay did not meet the goals for the month and the Fiscal Year.



**MONTHLY PERFORMANCE REPORT**  
**September 2017**  
**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 Actual | FY2017 GOAL |
| <b>On-Time Performance</b>   |        |        |        |        |        |        |        |        |        |        |        |        |                      |               |             |
| Local Bus  | 74.6%  | 74.6%  | 74.7%  | 74.1%  | 74.1%  | 74.8%  | 74.9%  | 75.3%  | 76.4%  | 76.7%  | 76.3%  | 74.6%  | ≥ 75%                | 75.1%         | ≥ 75%       |
| Park & Ride  | 77.7%  | 84.0%  | 76.8%  | 77.4%  | 83.6%  | 77.3%  | 82.4%  | 83.5%  | 77.8%  | 78.5%  | 76.7%  | 75.5%  | ≥ 75%                | 79.3%         | ≥ 75%       |
| Weighted Average Bus   | 75.8%  | 78.3%  | 75.5%  | 75.4%  | 77.9%  | 75.8%  | 77.9%  | 78.6%  | 77.0%  | 77.4%  | 76.5%  | 75.0%  | ≥ 75%                | 76.8%         | ≥ 75%       |
| METROLift  | 91.3%  | 92.0%  | 93.0%  | 92.6%  | 92.1%  | 91.5%  | 91.6%  | 91.7%  | 92.3%  | 92.6%  | 91.5%  | 87.0%  | ≥ 90%                | 91.6%         | ≥ 90%       |
| <b>Rail - Red Line OTP</b>   | 80.2%  | 85.3%  | 87.8%  | 92.6%  | 93.4%  | 84.8%  | 94.2%  | 94.6%  | 85.7%  | 83.3%  | 83.1%  | 75.7%  | ≥ 90%                | 86.9%         | ≥ 90.0%     |
| <b>Rail - South East Purple Line OTP</b>                               | 90.0%  | 86.9%  | 95.9%  | 96.0%  | 98.1%  | 98.1%  | 98.4%  | 97.3%  | 98.3%  | 99.1%  | 98.8%  | 97.1%  | ≥ 90%                | 96.2%         | ≥ 90.0%     |
| <b>Rail - East End Green Line OTP</b>                                  | 91.7%  | 94.9%  | 97.2%  | 95.1%  | 95.3%  | 97.5%  | 98.4%  | 96.7%  | 97.9%  | 99.1%  | 98.2%  | 97.4%  | ≥ 90%                | 96.6%         | ≥ 90.0%     |
| <b>MDBF (Mean Distance Between Mechanical Failures) - All Buses</b>    | 9,765  | 11,479 | 10,643 | 10,161 | 11,542 | 11,422 | 10,314 | 10,831 | 11,538 | 10,679 | 10,574 | 10,865 | ≥ 7,750              | 10,790        | ≥ 8,625     |
| <b>MDBF (Mean Distance Between Mechanical Failures) - METROLift</b>    | 20,137 | 19,012 | 23,303 | 22,437 | 33,029 | 22,519 | 19,431 | 22,856 | 21,087 | 17,802 | 16,594 | 20,274 | ≥ 19,000             | 21,002        | ≥ 19,000    |
| <b>MDBSI (Mean Distance Between Service Interruptions) - METRORail</b> | 30,228 | 39,664 | 29,070 | 17,068 | 17,509 | 21,287 | 20,106 | 21,874 | 18,863 | 25,446 | 20,018 | 20,201 | ≥ 12,000             | 22,070        | ≥ 12,000    |
| <b>Average Peak HOT Lanes Speed (mile per hour)</b>                    |        |        |        |        |        |        |        |        |        |        |        |        |                      |               |             |
| <b>I-45 North HOV</b>  | 53     | 52     | 55     | 53     | 54     | 55     | 54     | 56     | 58     | 59     | 59     | 57     | ≥ 45                 | 55            | ≥ 45        |
| <b>I-45 South HOV</b>  | 50     | 50     | 53     | 53     | 52     | 53     | 52     | 51     | 56     | 58     | 57     | 53     | ≥ 45                 | 53            | ≥ 45        |
| <b>US-290 HOV</b>  | 56     | 55     | 56     | 56     | 56     | 56     | 55     | 55     | 56     | 57     | 57     | 54     | ≥ 45                 | 56            | ≥ 45        |
| <b>US-59 North HOV</b>   | 61     | 61     | 62     | 61     | 62     | 62     | 61     | 61     | 63     | 64     | 62     | 59     | ≥ 45                 | 62            | ≥ 45        |
| <b>US-59 South HOV</b>   | 48     | 49     | 53     | 51     | 50     | 51     | 50     | 53     | 55     | 55     | 55     | 48     | ≥ 45                 | 52            | ≥ 45        |

**On-Time Performance**

- On-time performance for Local Bus routes did not meet the minimum performance standard for the month but met the the Fiscal Year standard.
- On-time performance for Park & Ride routes met the minimum performance standards for the month and the Fiscal Year.
- METROLift did not meet the on-time performance goal for the month but met the Fiscal Year goal.

**METRORail On-Time Performance**

- Rail (red line) did not meet the on-time performance goals for the month or theFiscal Year.
- Rail (purple line) met the benchmark for both the month and theFiscal Year.
- Rail (green line) met the benchmark for both the month and the Fiscal Year.

**Service Reliability**

- The Mean Distance Between Mechanical Failures (MDBF) for all buses met the performance goals for both the month and the Fiscal Year.
- MDBF for METROLift did not meet the minimum performance standard for both the month and the Fiscal Year.
- Mean Distance Between Service Interruptions for METRORail met minimum standards for both the month and the Fiscal Year.

**HOT Lane Average Speed**

- The average peak speed for all HOT Lanes met the monthly and Fiscal Year goals.

**MONTHLY PERFORMANCE REPORT**  
**September 2017**  
**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**  
**September 2017**  
**Balance Sheet**

|   | September 30, 2016 (\$) | September 30, 2017 (\$) | Change (\$)          |
|---|-------------------------|-------------------------|----------------------|
| <b>Assets</b>                           |                         |                         |                      |
| Cash                                    | 6,290,165               | (6,537,905)             | (12,828,070)         |
| Receivables                             | 136,419,981             | 138,279,397             | 1,859,416            |
| Inventory                               | 32,775,189              | 34,805,173              | 2,029,984            |
| Investments                             | 421,408,154             | 409,563,292             | (11,844,862)         |
| Other Assets                            | 7,876,363               | 5,692,438               | (2,183,925)          |
| Land & Improvements                     | 359,461,744             | 351,657,862             | (7,803,882)          |
| Capital Assets, Net of Depreciation     | 2,679,735,278           | 2,578,444,678           | (101,290,600)        |
| <b>Total Assets</b>                     | <b>3,643,966,874</b>    | <b>3,511,904,933</b>    | <b>(132,061,941)</b> |
| Deferred Outflow of Resources           | 110,710,438             | 88,106,137              | (22,604,301)         |
|   | <b>3,754,677,312</b>    | <b>3,600,011,070</b>    | <b>(154,666,242)</b> |
| <b>Liabilities</b>                      |                         |                         |                      |
| Trade Payables                          | 114,035,868             | 58,520,741              | (55,515,127)         |
| Accrued Payroll                         | 29,491,550              | 30,278,221              | 786,671              |
| Commercial Paper                        | 117,400,000             | 116,400,000             | (1,000,000)          |
| Debt Payable                            | 1,121,810,925           | 1,119,226,499           | (2,584,426)          |
| Debt Interest Payable                   | 19,579,295              | 19,883,931              | 304,636              |
| Pension and OPEB Liabilities            | 512,821,185             | 533,694,050             | 20,872,865           |
| Other Liabilities                       | 31,908,296              | 40,525,243              | 8,616,947            |
| <b>Total Liabilities</b>                | <b>1,947,047,119</b>    | <b>1,918,528,684</b>    | <b>(28,518,435)</b>  |
| Deferred Inflow of Resources            | -                       | -                       | -                    |
| Net Assets - Retained Earnings          | 1,807,630,192           | 1,681,482,386           | (126,147,807)        |
| <b>Total Liabilities and Net Assets</b> | <b>3,754,677,312</b>    | <b>3,600,011,070</b>    | <b>(154,666,242)</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 FY2017 includes [1] Mark-to-Market (MTM) values of outstanding diesel fuel SWAP agreements at the fiscal year end (-\$3,805,801), [2] Non Union Pension Plan (\$37,419,380), [3] Union Pension Plan (\$42,213,515) and [4] Bonds (\$12,279,043). These items will be recognized as expenses in future periods to which they relate.

**Budget Change Request Report  
Operating Budget - \$568.1 million  
Fourth Quarter - Fiscal Year 2017**

| <b>Date</b>                 | <b>Type</b>                   | <b>Description</b>  | <b>Amount</b>       |
|-----------------------------|-------------------------------|---|---------------------|
| July-17                     | Technical /<br>Administrative | Reallocation of funds within service accounts for Outside Maintenance Labor for unexpected repairs at Buffalo Bayou                       | 27,000              |
| July-17                     | Technical /<br>Administrative | Reallocation of funds within materials and supplies accounts for Platform/Station Supplies for Rail Platform ADA tactile pavers           | 16,000              |
| July-17                     | Technical /<br>Administrative | Reallocation of funds within service accounts to support Rail Road Crossing Project   | 40,000              |
| July-17                     | Technical /<br>Administrative | Reallocation of funds within services and materials and supplies accounts for Janitorial Services   | 14,400              |
| July-17                     | Technical /<br>Administrative | Reallocation of funds from contract services to hourly wages non union for METRO Summer Interns   | 27,000              |
| July-17                     | Technical /<br>Administrative | Reallocation of funds to move budget for Community Connector to correct Purchased Transportation account                                  | 241,498             |
| July-17                     | Technical /<br>Administrative | Reallocation of funds to provide partial funding for part of the EVP Special Project personnel  | 151,823             |
| July-17                     | Technical /<br>Administrative | Reallocation of funds to cover unexpected expenses for Elevator Repairs not in the FY2017 Budget  | 11,950              |
| July-17                     | Technical /<br>Administrative | Reallocation of funds to provide Purchase Order availability for Janitorial services for the remainder of the fiscal year                 | 17,500              |
| July-17                     | Technical /<br>Administrative | Reallocation of funds to Outside Maint-Labor to provide funding to POs that may need funding to allow services to continue.               | 25,902              |
| July-17                     | Technical /<br>Administrative | Reallocation of funds to Life Safety System due to unexpected expenses for Fire Alarms/Life Systems not in the FY17 Budget                | 1,816               |
| July-17                     | Technical /<br>Administrative | Reallocation of future period Facilities Maintenance funds for committed projects and services  | 158,654             |
| July-17                     | Technical /<br>Administrative | Reallocation of Facilities Maintenance-Operating Facilities funds for pending invoices for vendor North Star for major electrical repairs | 37,468              |
| July-17                     | Technical /<br>Administrative | Reallocation of Facilities Maintenance funds for pending invoices for external contractor LES   | 27,109              |
| July-17                     | Technical /<br>Administrative | Reallocation of funds for CEO directed and Board authorized additional MPD headcount for FY2017   | 339,800             |
| July-17                     | Technical /<br>Administrative | Reallocation of Information Technology funds for additional SAP licensing   | 348,670             |
| August-17                   | Technical /<br>Administrative | Reallocation of Bus Transportation funds to purchase radios for the Street Supervisors  | 15,600              |
| August-17                   | Technical /<br>Administrative | Reallocation of funds for Hiram Clarke BOF furniture order  | 55,000              |
| August-17                   | Technical /<br>Administrative | Transfer budget from Lease Parking account to Rodeo account to cover related expenses   | 50,000              |
| August-17                   | Technical /<br>Administrative | Reallocation of funds to cover METRONext costs due to holding additional public meetings  | 159,540             |
| August-17                   | Technical /<br>Administrative | Reallocation of funds for Rail Operator Uniform Shirts due to change in uniform   | 16,500              |
| August-17                   | Technical /<br>Administrative | Reallocation of funds for Authority-wide paper requests/requirements for the remainder of FY2017  | 20,000              |
| August-17                   | Technical /<br>Administrative | Reallocation of funds to cover a re-stripping project for Kingwood Park & Ride.   | 7,970               |
| August-17                   | Technical /<br>Administrative | Reallocation of funds to cover the cost of removing train wraps   | 46,000              |
| September-17                | Technical /<br>Administrative | Reallocation of funds to cover expenses for Urban Designer position filled in September 2017  | 8,145               |
| <b>Fourth Quarter Total</b> |                               |   | <b>\$ 1,865,344</b> |

**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  
Fourth Quarter - Fiscal Year 2017**

| <b>Date</b>                 | <b>Type</b>                   | <b>Description</b>  | <b>Amount</b>       |
|-----------------------------|-------------------------------|---|---------------------|
| July-17                     | Technical /<br>Administrative | Reallocation of funds for Facilities Wireless Camera Network Project                                    | 120,000             |
| July-17                     | Technical /<br>Administrative | Reallocation of funds for CAF Axle Modification   | 695,319             |
| July-17                     | Technical /<br>Administrative | Reallocation of funds for Brays Bayou Expansion Joint   | 200,000             |
| July-17                     | Technical /<br>Administrative | Reallocation of funds for Dedicated Left Turn Lanes Safety Initiative                                   | 61,820              |
| August-17                   | Technical /<br>Administrative | Reallocation of funds for Traffic Signal Safety Initiative  | 40,000              |
| August-17                   | Technical /<br>Administrative | Reallocation of funds to upgrade crash cushions at North Line UP and HB&T bridges on the LRT North Line | 61,000              |
| <b>Fourth Quarter Total</b> |                               |   | <b>\$ 1,178,139</b> |

**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.