



FY2024

Business Plan and Budget

SAFE. CLEAN. RELIABLE.



Mission Statement

"Provide safe, clean, reliable, accessible and friendly public transportation services to our region."

Board of Directors

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(Ram), P.E.
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President & Chief Executive Officer

Thomas C. Lambert



September 7, 2023

Sanjay Ramabhadran, P.E.
Chair of the Board
Metropolitan Transit Authority

Dear Mr. Ramabhadran:

Please find the attached proposed FY2024 Business Plan & Budget for METRO, which includes the Operating, Capital, and Debt Service Budgets, as well as the transfer to the General Mobility Program.

Section 451.102 of the Texas Transportation Code requires the Board of Directors of the Metropolitan Transit Authority of Harris County to adopt an annual budget which specifies major expenditures by type and amount prior to commencement of a fiscal year. In accordance with the code, we have prepared the proposed FY2024 Business Plan & Budget for the Board's consideration at its September meeting. The annual budgets represent the maximum annual expenditure authorized by the Board to fund METRO's FY2024 Business Plan. In accordance with Board-approved procedures, it is recommended that the Board adopt the following three budgets and the estimated transfer of Sales Tax receipts to the General Mobility Program (the GMP Escrow) for the Metropolitan Transit Authority of Harris County for Fiscal Year 2024 (October 1, 2023 – September 30, 2024).

Operating Budget	\$ 915,000,000
Capital Budget	\$ 420,864,354
Debt Service Budget	\$ 101,914,240
Transfer to the General Mobility Program	\$ 198,948,933

A public hearing on the proposed FY2024 Business Plan & Budget is scheduled to be held at 11:30 a.m. on Thursday, September 21, 2023. The proposed FY2024 Business Plan & Budget is scheduled for approval by the Board at the regular September meeting on Thursday, September 28, 2023.

Sincerely,

Thomas C. Lambert
President & Chief Executive Officer

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Metropolitan Transit Authority of Harris County, Texas, for its Annual Budget for the fiscal year beginning October 01, 2022. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Metropolitan Transit Authority of Harris County
Texas**

For the Fiscal Year Beginning

October 01, 2022



Executive Director

A RESOLUTION

ADOPTING THE FISCAL YEAR 2024 BUSINESS PLAN AND BUDGETS, AND MAKING FINDINGS AND PROVISIONS RELATED TO THE FOREGOING SUBJECT

WHEREAS, Section 451.102(a) of the Texas Transportation Code requires that the Metropolitan Transit Authority of Harris County, Texas (“METRO”) Board of Directors adopt an annual operating budget of all major expenditures by type and amount before the beginning of the fiscal year to which the budget applies and before the authority may conduct business in the fiscal year; and

WHEREAS, Section 451.102(b) of the Texas Transportation Code also requires that METRO hold a public hearing prior to adoption of the proposed budget and make such budget available for public review at least fourteen (14) days before the hearing date; and

WHEREAS, in compliance with the statutory requirements noted above, METRO has made its proposed Fiscal Year 2024 Business Plan and Budgets, including an annual operating budget of all major expenditures by type and amount, available to the public within the requisite timeframe and has held a public hearing regarding such budgets; and

WHEREAS, the METRO Board of Directors (“Board of Directors”) has reviewed such proposed budgets for fiscal year 2024 and has considered the public comments thereon.

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. The Board of Directors hereby finds and declares that the proposed METRO Fiscal Year 2024 Business Plan and Budgets, including the annual operating budget of all major expenditures by type and amount, attached hereto as Exhibit A, FY2024 Business Plan and Budgets includes the appropriate strategic priorities, operating principles and organizational structure necessary to implement the Board of Directors’ policies for METRO and that the prerequisites required by law for the consideration and adoption of the Fiscal Year 2024 Business Plan and Budgets have been satisfied.


Section 2. The Board of Directors hereby approves and adopts the Fiscal Year 2024 Business Plan and Budgets submitted by the President & CEO, including an Operating Budget for fiscal year 2024 totaling \$915,000,000, a Capital Budget for fiscal year 2024 totaling \$420,864,354, a General Mobility Transfer

Budget for fiscal year 2024 totaling \$198,948,933, and a Debt Service Budget for fiscal year 2024 totaling \$101,914,240.

Section 3. The Board of Directors will receive reports at least quarterly on budgetary expenditures and fund availability as may occur subsequent to the beginning of fiscal year 2024.

Section 4. This Resolution is effective immediately upon passage.

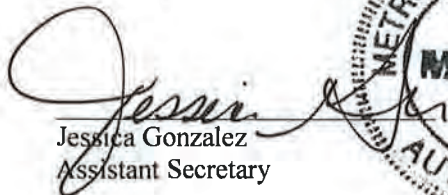
I hereby certify that the above resolution is accurate in describing the action herein of the Board of Directors on the date below.



Cydonii V. Fairfax
Executive Vice President & General Counsel


PASSED this 28th day of September, 2023
APPROVED this 28th day of September, 2023

ATTEST:



Jessica Gonzalez
Assistant Secretary





Sanjay Ramabhadran
Chair

Summary of Contents

EXECUTIVE SUMMARY

An outline of the Authority's fiscal priorities and financial highlights

PREFACE

A summary of METRO's Board of Directors, Executive Leadership Team, the Authority's history, and a description of the region with economic highlights

OVERVIEW

METRO's service and ridership, workforce by department, budget summary, and year-to-year budget comparisons

FINANCIALS

Explains the Authority's basis of budgeting, its Operating and Capital budgets, plus its plans for the General Mobility Program and Debt Service

ORGANIZATION CHART

Shows METRO's departmental structure

DEPARTMENT SUMMARIES

Descriptions of departments, including their organizational charts, budgets, goals, strategies, and key performance indicators

APPENDICES

Includes relevant organizational policies and procedures, comparative statistics, supplemental demographic and economic data, a glossary of terms, and a list of acronyms

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Executive Summary

tran•sit (*noun*)

According to Merriam-Webster, “[transit](#)” has multiple meanings, including “conveying people or things from one place to another” and “change” or “transition.” Both of those meanings will describe METRO in the upcoming Fiscal Year 2024 (FY2024), which begins on October 1, 2023.

During the course of FY2024, METRO will experience several significant transitions:



President and Chief Executive Officer Tom Lambert will retire effective December 31, 2023. With a career at METRO spanning 44 years, he has helped shape METRO into the agency it is today. Beginning as a security investigator, he became METRO’s first Chief of Police and later held additional leadership roles, culminating in that of President & CEO in 2014.

A new Mayor of Houston will take office in January 2024, replacing term-limited Mayor Sylvester Turner. This new administration could change the makeup of the METRO Board of Directors, as the majority of Board members are appointed by Houston’s mayor and City Council.



Lastly, in the summer of 2024, METRO’s new automated fare collection system will be activated, replacing the existing Q Card system. The new system will replace aging fare equipment and offer additional ways for customers to pay fare conveniently.









What will not change is METRO’s commitment to its riders and stakeholders to provide safe, clean, reliable, accessible, and friendly public transportation services. While we build infrastructure for our region’s future transportation needs, we will continue to focus on shaping our service to better meet today’s needs as well. Just a few examples include:

- testing 24-hour bus and rail service on selected routes,
- installing Traffic Signal Prioritization to speed transit vehicles through intersections and increase reliability, and
- increased cleaning of passenger facilities.

Many large urban transit agencies that rely on fare revenue are struggling with fiscal challenges related to the COVID-19 pandemic. Because METRO’s main source of funding is the dedicated 1% sales tax, METRO is not at risk of experiencing a [fiscal cliff](#). However, the FY2024 budget does anticipate a [reduction in sales tax revenue](#) due to a forecasted economic downturn. As a result, METRO’s level of spending has been adjusted accordingly.

During this time of transition, METRO will also continue to remain focused on a set of principal goals similar to those of its previous three fiscal years. However, in FY2024, METRO will also incorporate an additional goal of attracting, developing, and retaining its workforce in the face of increased competition for employees and demographic shifts in public sector employees.

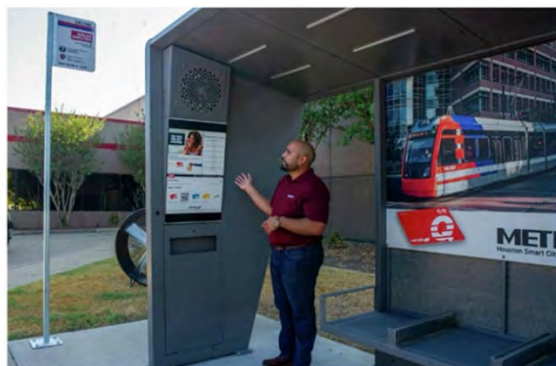
Below are the goals METRO’s Board of Directors have adopted for FY2024, derived from management recommendations and Board discussions:

FY2024 Business Plan Goals	
	Connect people to more places, more often, with high-quality multimodal mobility options throughout the service area.
	Provide safe and secure transportation and facilities.
	Attract, develop, and retain the workforce needed to support METRO’s mission.
	Maintain assets in a State of Good Repair.
	Continue implementing METRONext to expand and improve transportation system infrastructure.
	Increase public awareness, support, and collaboration/partnership opportunities for regional transportation.
	Provide responsive, accountable, and trustworthy governance.
	Continue implementing METRO’s Climate Action Plan and prioritizing resiliency and sustainability.

With these goals in mind, each department of the Authority has examined its individual projected expenditures for FY2024. This budgeting approach helps METRO remain a good steward of public funds. The following pages highlight investments that METRO will make relating to each of the eight goals, while the [Department Summaries](#) section includes each department’s specific goals and strategies linked to the eight Authority goals.



*Connect people to more places, more often,
with high-quality multimodal mobility options throughout the service area.*

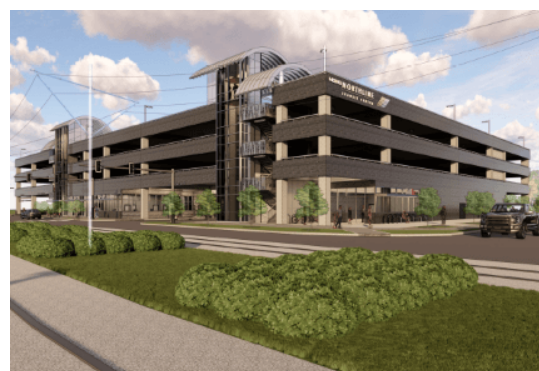


High-quality transit service begins with the place where bus riders wait to board: a bus shelter, transit center, or Park & Ride lot. METRO is investing in improvements in each of these categories in FY2024. New passenger bus shelters will protect riders from sun and rain, and our new prototype solar shelter will provide air circulation and light as well.

Riders who use the
Burnett and Texas

Medical Center (TMC) Transit Centers will soon move more quickly through both multi-level facilities. Upgrades to all four TMC Transit Center elevators and escalators will begin in FY2024. A third elevator will be also installed at the Burnett Transit Center.

The new Northline Transit Center, located next to the northernmost Red Line rail station, will bring easier and faster trips to the riders who use it. The facility will have covered bus bays to protect riders from the elements and a design that makes it easier for buses to move in and out of the transit center. Click [here](#) to learn more.



Need help using our service? Our Customer Service staff can help you find your way; just call or text 713-635-4000. You can also find the latest route and service information at RideMETRO.org or our [RideMETRO app](#).

Investments in High Quality Mobility Options

Capital Budget

Revenue Vehicles Replacement	\$	29.4
Northline Transit Center & Parking		19.8
Park & Ride/ Transit Center Upgrades		11.9
METRORail FFGA Commitment		10.4
New Passenger Bus Shelters		9.3
IT Digital Technology Systems		6.0
HOV/HOT Lanes Upgrades		2.3
	\$	89.0

Operating Budget

METRONext Pre-Planning	\$	34.6
Customer & Client Service		17.8
System & Capital Planning		8.9
Strategy		1.4
Urban Design		1.0
President & CEO-Controlled Allowance & Contingency		7.5
	\$	71.2

TOTAL INVESTMENT: \$160.2



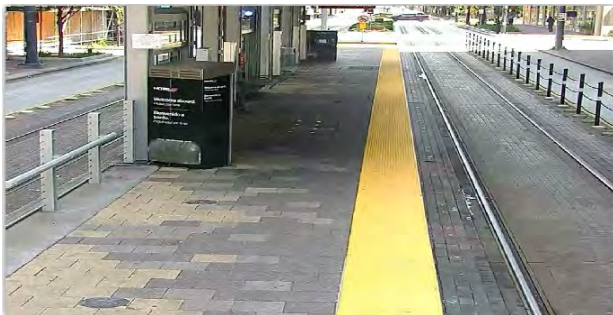
Provide safe and secure transportation and facilities.



METRO's purpose is providing public transportation services, and doing so safely is our number one priority. This means ensuring that all transit operators receive training in safe driving techniques along with learning how to handle the various hazards and situations that may occur.

Since 1982, METRO has had its own [police department](#) of fully-accredited sworn officers and civilian staff members. You might see them on patrol within the METRO service area, at special events, or monitoring the HOV lanes. Civilian fare inspectors not only assist with security but also help

customers learn how to pay fares and navigate the METRO system. Click [here](#) for a video about METRO Police.



METRO facilities are designed with features to promote safety. For example, tactile pavers on the Red Line alert visually impaired riders that they are approaching the platform edge. In FY2024, those pavers will be replaced. Additionally, security cameras at METRO facilities will be upgraded, and shields will be installed on METRO buses to protect bus operators.

Investments in Safe and Secure Transportation and Facilities

Capital Budget

IT Systems Upgrades	\$ 9.8
Safety/Security Systems Upgrades	3.6
Bus Operator Shields	3.2
Red Line Tactile Pavers	1.8
MPD Taser/Camera Project	1.0
Emergency & Community Service Center (E&CSC)	0.5
	<u>\$ 20.0</u>

Operating Budget

Bus and Rail Transportation	\$ 275.1
METROLift and curbside Service	106.9
METRO Police & Safety	69.3
Information Technology	31.1
HOT Lanes	9.4
	<u>\$ 491.8</u>

TOTAL INVESTMENT: \$511.8



Attract, develop, and retain the workforce needed to support METRO's mission.

Providing safe, clean, reliable, accessible, and friendly transportation services wouldn't be possible without dedicated employees who are prepared and equipped to do their jobs. METRO's [Human Resources](#) department plays a vital role in attracting, developing, and retaining employees in an increasingly competitive labor market. METRO is not alone in facing this challenge; a [recent report](#) by the American Public Transportation Association noted that 96% of transit agencies surveyed were experiencing a workforce shortage.

Just some of the ways that METRO is building and sustaining our workforce include:



Bringing jobs and information to prospective employees; 124 staffing outreach events were held in FY2023 through July



Revamping the [careers website](#), including a [video](#) of employees sharing their experiences



Offering child care assistance to all employees



Providing a wide variety of training opportunities along with leadership and management development programs

Investments in Workforce Development

Operating Budget

Benefits & Wellness	\$ 21.9
Staffing	3.3
Organizational Development	1.2
Other Human Resources Functions	4.3
President & CEO-Controlled Allowance & Contingency	<u>15.6</u>

TOTAL INVESTMENT \$ 46.3



Maintain assets in a State of Good Repair.

METRO is a steward of public funds, and part of being responsible with those funds is maintaining our assets in a State of Good Repair (SOGR). This means keeping our transit facilities, vehicles, and systems safe, clean, and in good condition while monitoring all our assets to see what needs repair, rehabilitation, or replacement.



METRO’s [curb2curb](#) service makes it easy for riders to get to places in their neighborhood. As the service continues to increase in popularity, some vehicles have reached the end of their useful life. In FY2024, METRO will receive 15 new curb2curb vehicles. METRO is also replacing some METROLift vans and small buses, along with other types of vehicles that are not used in revenue service, such as motorcycles and utility vehicles.

Like any vehicle, light rail trains and buses require periodic overhauls. In FY2024, buses due for these services will receive new engines, air conditioning compressors, axles, and transmissions. METRO’s first two fleets of trains, the H1 and H2 series, will be given new seats, doors, closed-circuit cameras, couplers, and other items to keep them on the job transporting riders.



Investments in Maintaining Assets in a State of Good Repair

Capital Budget		Operating Budget	
Facility SOGR Upgrades	\$ 34.6	Bus & Rail Maintenance	\$ 173.4
Non-Revenue Vehicle SOGR		Facilities Maintenance	54.5
Replacements	13.4	Procurement & Materials	13.8
Rolling Stock Rehabilitation	21.7	Transit Asset Management	1.1
	\$ 69.6		\$ 242.8
TOTAL INVESTMENT: \$312.4			



Continue implementing METRONext to expand and improve transportation system infrastructure.



METRO's research has shown that adding bus shelters to often-used bus stops can increase ridership at those locations. The [BOOST \(Bus Operations Optimized System Treatments\) Network](#), part of the METRONext plan, is upgrading sidewalks, crosswalks, accessibility, and shelters on the highly traveled 54 Scott, 56 Airline/Montrose, and 82 Westheimer routes. These improvements will make it easier for riders to walk or roll to bus stops, and digital real-time information will inform them of when their bus will arrive.

With [Traffic Signal Prioritization](#), buses on the BOOST corridors will be able to move through intersections with traffic lights more quickly, reducing riders' waiting time. Click the picture of the bus above to learn more about the BOOST Network.

METRO is also continuing to develop our Bus Rapid Transit network. The [University Corridor Bus Rapid Transit](#) project will link four colleges and universities with the Red and Purple light rail lines, the Silver Line, six transit centers, and two Park & Ride lots. That's a lot of connections within the University Line's 25.3 miles. Want to learn more? Click the picture of the aerial view for a video about the project.



Investments in METRONext Implementation

Capital Budget

University Bus Rapid Transit Project	\$ 116.8
BOOST Program	23.0
Bus Stop Accessibility/Site Improvement	9.0
Traffic Signal Priority	3.1
	<u>\$ 151.9</u>

Operating Budget

Engineering & Capital Projects	\$ 6.3
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TOTAL INVESTMENT: \$158.2



Increase public awareness, support, and collaboration/partnership opportunities for regional transportation.



METRO’s Communications, Public Engagement, and Government Affairs groups want to make sure that everyone knows about METRO, its services, and how to ride. This means talking with people at fairs, festivals, parades, and public meetings. It also means spreading the word using multiple marketing and media channels. When you’re riding, you’ll see our bus cards and posters on vehicles and at rail stations. When you’re on your phone or computer, check out our podcast [The Next Stop](#), our [YouTube channel](#), our [website](#), or find us on [Facebook](#), [Twitter](#), [Instagram](#), or [LinkedIn](#).



Communication is a two-way street; we want to hear from you as well. METRO’s online survey panel, The Feedback Loop, offers periodic surveys on various topics. When you complete surveys, you can enter drawings for prizes. Click [here](#) for more information and [here](#) to sign up.



Paying your fare on METRO will be even easier in FY2024. We’re adding more ways to pay with our next generation account-based fare system. Riders will soon be able to tap their chip credit card or use popular payment apps, in addition to cash, mobile tickets, paper tickets, and smart cards. In the future, riders will be able to use the same fare system to connect seamlessly to other transit systems in our region as well.

Investments in Regional Public Awareness and Support

Capital Budget

Automated Fare Collection System	\$ 20.2
Buffalo Bayou - MPD Upgrade Project	\$ 0.8
Cypress T-Ramp	0.5
	<u>\$ 21.5</u>

Operating Budget

Communications	\$ 17.9
Public Engagement	\$ 2.3
Government Affairs	1.3
	<u>\$ 21.5</u>

TOTAL INVESTMENT: \$43.0



Provide responsive, accountable, and trustworthy governance.



Texas Comptroller of Public Accounts

METRO is committed to transparency, accountability, and good governance. All [Board and committee meetings](#) can be viewed at www.ridemetro.org. Our [finances](#), including our [check register](#), [monthly financial information](#), and [Annual Comprehensive Financial Reports](#) are also available online. These are among the reasons why METRO has received one or more Transparency Stars for the past ten years from the [Texas Comptroller of Public Accounts](#) along with multiple Certificates of Achievement for Excellence in Financial Reporting and Distinguished Budget Presentation Awards from the [Government Finance Officers Association](#).

METRO has also earned high marks for its creditworthiness. Standard & Poor's Global Ratings has affirmed its "AAA" rating on the Authority's parity sales tax debt outstanding. S&P Global stated that despite the onset and continuation of the COVID-19 pandemic, METRO's sales tax collections are relatively stable and continue to provide extraordinary debt service coverage exceeding five times maximum annual debt service. METRO also maintains an "AAA" bond rating from the Kroll Bond Rating Agency, LLC.

To maintain these high standards, METRO's Operating Budget includes funding for departments that handle matters of compliance with laws and regulations, management, and administration.

Investments in Trustworthy Governance

Capital Budget

IT Systems Upgrades	\$ 8.5
IT Legal/Procurement Systems Upgrades	1.8
	<u>\$ 10.3</u>

Operating Budget

Finance	\$ 14.5
Executive Office & Board	3.0
Legal	5.0
Audit	1.8
Office of Economic Business Opportunity	1.5
President & CEO-Controlled Allowance & Contingency	4.6
	<u>\$ 30.4</u>

TOTAL INVESTMENT: \$40.7



Continue implementing METRO's Climate Action Plan and prioritizing resiliency and sustainability.



The bus shown on the left represents the first step in transforming METRO's bus fleet. In the [Climate Action Plan](#), METRO commits to buying only zero-emission buses by Fiscal Year 2030 and in FY2024, the first battery-electric vehicles (BEV) will arrive. We're exploring other zero-emission technology as well by investing in fuel-cell electric buses that are anticipated to arrive in FY2026. While these new technologies are being tested, energy-efficient Compressed Natural Gas (CNG) buses can also help replace the diesel buses that are ready for retirement.

If there's anything we have in abundance in Houston, it's sun. METRO will tap into this source of clean energy by installing solar panels at the Townsen Park & Ride lot, as seen in the rendering to the right, and at the West Bus Operating Facility. The panels at Townsen are expected to supply nearly all of the power needed to operate the facility.



We know that locating bus routes and rail lines near residences provides convenient access to public transit and encourages people to use it, reducing air pollution and saving energy. The reverse is also true; helping to develop places to live near existing or future public transit facilities also builds ridership. METRO is exploring several opportunities using METRO property, including [transit-oriented development \(TOD\)](#) at [Tidwell Transit Center](#) and [joint development \(JD\)](#) at the Addicks Park & Ride, as well as along future Bus Rapid Transit corridors.

Investments in METRO's Climate Action Plan

Capital Budget

Fleet Replacements Energy Efficient BEV, CNG	\$ 37.3
Underground Storage Tank Upgrades	11.7
Energy Saving Program	7.3
Solar Energy Pilot Program	2.3
	<u>\$ 58.5</u>

Operating Budget

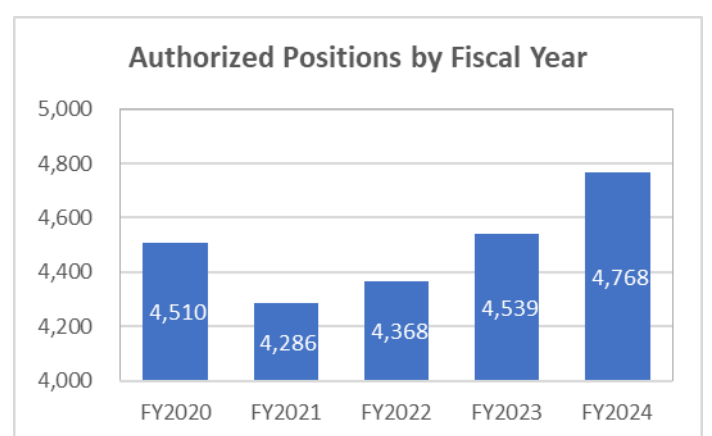
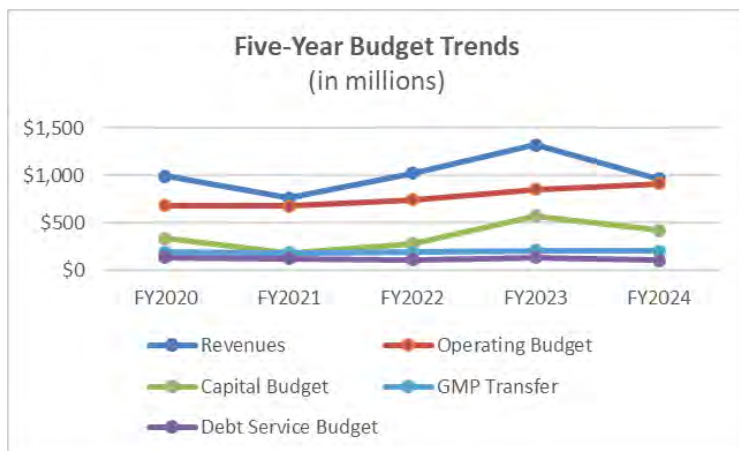
Joint Development/Transit Oriented Development	\$ 2.1
Office of Innovation	\$ 2.0
President & CEO-Controlled Allowance	0.6
	<u>\$ 4.7</u>

TOTAL INVESTMENT: \$63.2

Budget Highlights

The highlights of METRO's FY2024 Business Plan and Budget are shown in the table below. Graphs underneath depict five-year budget trends for each major budget category.

	FY2024 Proposed Budget Amount	Change from FY23 Budget	Major Change Drivers	Locations of Additional Information
Revenues	\$981,149,769	-26%	Phase-out of COVID-19 recovery grants, anticipated decrease in sales tax receipts.	Revenues, Appendix H
Operating Budget	\$915,000,000	+7.0%	Full cost of service added during FY2023, increased wage rates for METRO-operated and contracted service	Major Increases & Decreases; Authority Budget Summary
Capital Budget	\$420,864,354	-26.3%	Reduced spending on expansion activities	Capital Budget
Debt Service Budget	\$101,914,240	-23.2%	Not issuing debt in FY2024 while continuing to pay down existing debt	Debt Service Budget
General Mobility Program Transfer	\$198,948,933	-2.6%	Anticipated decrease in sales tax receipts	General Mobility Program, Appendix H
Authorized Positions	4,768	+229 positions	Service improvements, additional cleanings, staff supporting new fare system implementation	Workforce by Department

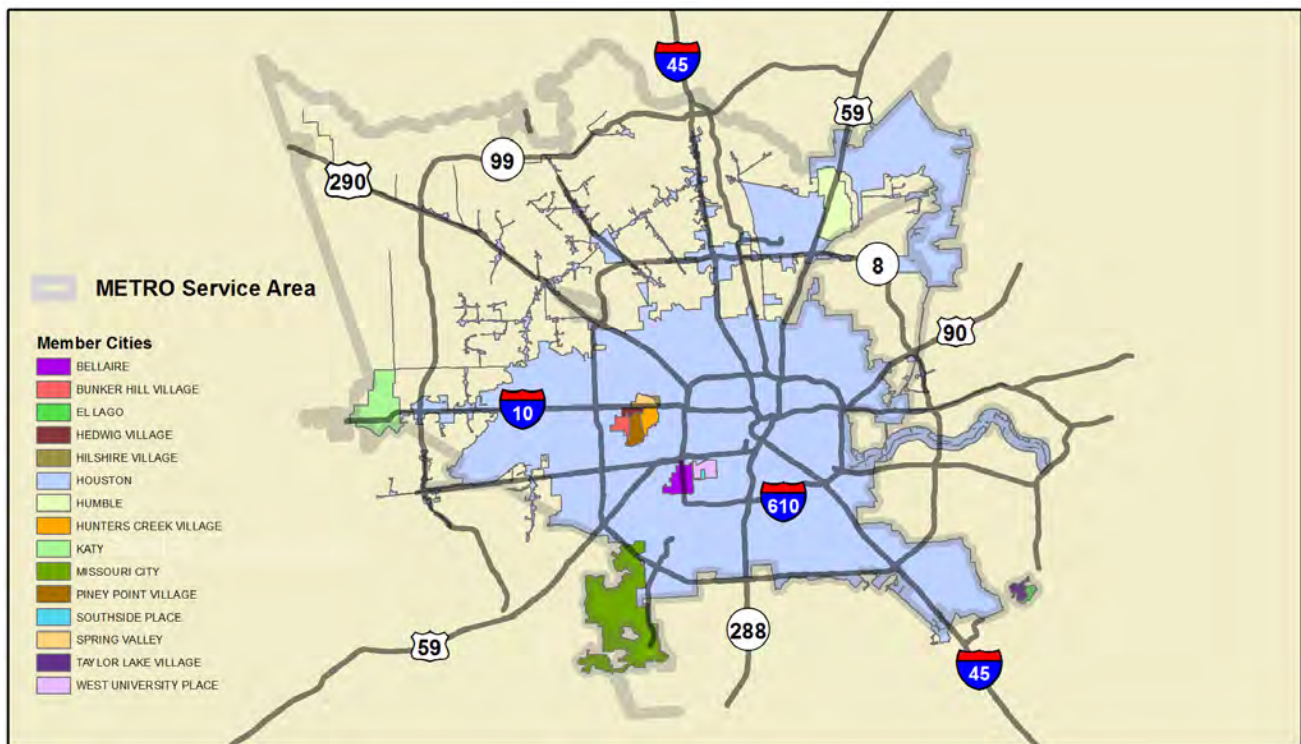


We look forward to working with the Board and our regional partners to continue providing safe, clean, and reliable service in FY2024.

Preface

The Metropolitan Transit Authority of Harris County, Texas (the “Authority” or “METRO”) is a metropolitan mass transit authority created pursuant to legislation now codified as Chapter 451, Texas Transportation Code, as amended, and was confirmed at a confirmation and tax election held on August 12, 1978. METRO serves 4.1 million people in an area spanning 1,303 square miles. This area includes the cities of Houston, Bellaire, Bunker Hill Village, El Lago, Hedwig Village, Hilshire Village, Humble, Hunters Creek Village, Katy, Missouri City, Piney Point Village, Southside Place, Spring Valley Village, Taylor Lake Village, and West University Place, in addition to significant portions of unincorporated Harris County. METRO is funded primarily from a one-cent sales tax collected on taxable transactions within the service area. Retaining at least 75% of the tax, METRO transfers the remainder to the General Mobility Program (GMP), which funds eligible street construction and mobility projects in METRO’s constituent entities. More information on [METRO’s revenues](#) and the [GMP](#) can be found in their respective sections in this document.

On November 5, 2019, voters approved bond funding for the METRONext Moving Forward Plan, which calls for 75 miles of new [METRORapid](#) service that operates like light rail, along with expansions to two-way HOV lanes, Park & Rides, transit centers, light rail, and [curb2curb](#) service. The plan also proposes enhancements to local bus stops, including improved accessibility, and upgraded safety and security measures. Work is underway to improve speed, reliability, and access on the 54 Scott, 56 Airline/Montrose, and 82 Westheimer bus routes. METRORapid lines are being designed for the [University Corridor](#) and the [Inner Katy Corridor](#).



METRO's Governing Principles

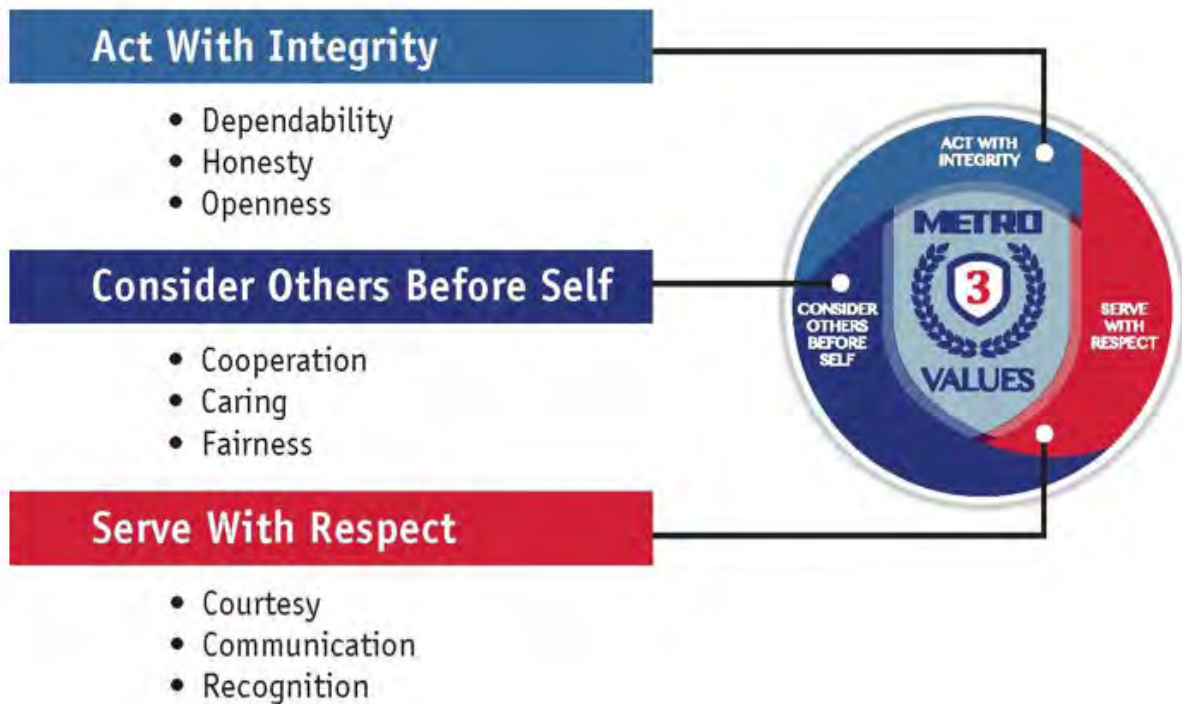
Mission

To provide safe, clean, reliable, accessible, and friendly public transportation services to our region.

Vision

Through collaborative relations and innovative approaches, METRO will be an industry leader in delivering timely and efficient service that is transformative by providing multi-modal interactions for communities to connect to everyday work and life opportunities.

Values



Sustainability Vision Statement

METRO's Sustainability Vision Statement



METRO will shift to procuring only zero-emission buses by FY2030.



METRO will manage its operations to avoid or minimize environmental impacts on the health and safety of our customers and employees.



METRO will apply green principles to the design and management of its facilities. METRO will foster sustainable use of natural resources by promoting energy management, energy creation / generation, recycling, re-use, and re-purposing of materials and waste reduction management opportunities.

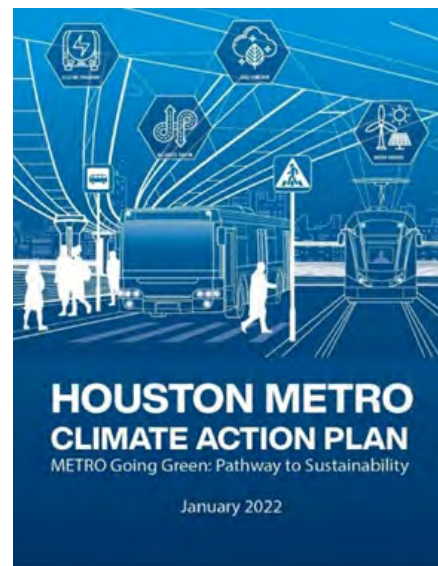


METRO will collaborate with educational institutions and community organizations to achieve shared environmental goals.



METRO will develop an agency wide Climate Action Plan to achieve the objectives of this Sustainability Vision Statement.

The Climate Action Plan referenced in the Sustainability Vision Statement was adopted in January 2022.



Board of Directors

The Board of Directors has nine members. Five are nominated by the mayor of Houston and confirmed by Houston City Council (C). Two are appointed by the mayors of METRO's 14 other member cities (M). Two are appointed by the Harris County Commissioners Court (H). Clicking on members' names will link you to the web page with their pictures and biographies.



[Sanjay Ramabhadran, P.E.,
Chair \(C\)](#)



[Don Elder Jr.,
First Vice-Chair \(M\)](#)



[Roberto Treviño, P.E.
Second Vice-Chair \(H\)](#)



[Troi Taylor,
Secretary \(C\)](#)



[Lex Frieden \(C\)](#)



[Robert A. Fry, Jr. \(M\)](#)



[Christopher G. Hollins \(H\)](#)



[Diann L. Lewter \(C\)](#)



[Terry Morales \(C\)](#)

Executive Leadership Team



[Thomas C. Lambert,](#)
[President & Chief Executive Officer](#)



[Thomas Jasien,](#)
[Deputy Chief Executive Officer](#)



[Rosa Diaz-Hernandez,](#)
[Director of Board Support](#)



[Chuck Berkshire,](#)
[Executive Vice President & Chief](#)
[Operating Officer](#)



[Vera Bumpers,](#)
[Chief of Police](#)



[Alan C. Clark,](#)
[Chief Strategy Officer](#)



[Cydonii V. Fairfax,](#)
[Executive Vice President](#)
 [& General Counsel](#)



[George Fotinos, CPA,](#)
[Chief Financial Officer](#)



[Jerome Gray,](#)
[Executive Vice President](#)
 [& Chief Communications Officer](#)



Karen Kauffman,
Executive Vice President &
Chief Human Resources Officer



Santiago Osorio,
Chief Safety Officer



Shrikanth (Shri) J. Reddy,
Executive Vice President,
Planning, Engineering, &
Construction



Debbie Sechler,
Executive Vice President,
Administration



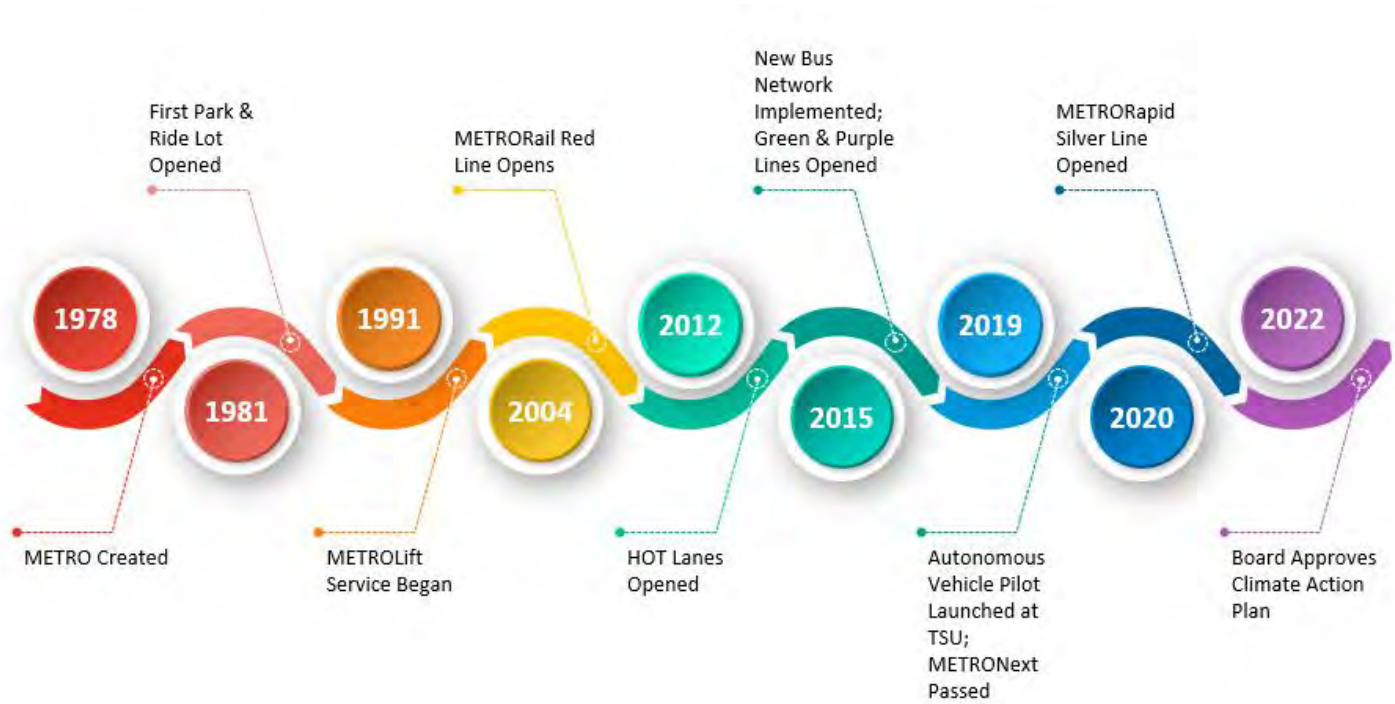
Alva I. Treviño,
Executive Vice President,
Special Projects



Kimberly J. Williams,
Chief Innovation Officer



Broad METRO History



The Texas State Legislature authorized the creation of metropolitan rapid transit authorities in 1973. In 1978, Houston-area voters created METRO and approved a one-cent sales tax to support its operations. METRO opened for business in January 1979. Since then, the Authority has become a regional multimodal transportation system.

At present, METRO has 1,659 buses and transit vans in active service on 81 local bus routes, 4 curbside routes, one BRT route, and 24 Park & Ride routes. This level of service has been adjusted to meet customer demand following COVID-19. The system also includes 90 light rail vehicles on three lines and a regional system of 192.5 miles of HOV/HOT lanes. METRO operates 105.3 of the 192.5 miles.

Overview of the Region and Service Area



METRO's service area population is over 4.5 million. The surrounding metropolitan statistical area (MSA) of Houston – The Woodlands – Sugar Land encompasses nine counties in Texas and has a population of 7.34 million, making it the fifth largest MSA in the nation. METRO serves 15 cities in the area as well as major portions of unincorporated Harris County. Between 2010 and 2019 (the period for which the Bureau of the Census released its most recent population estimates), metro Houston added 1,245,654 residents, the second largest gain of any U.S. metro over that period. Since 2010, more than 699,000 people have moved to the Houston region.

Population

7,340,118

Nine-County Houston MSA, as of July 1, 2022

If metro Houston were a state, it would have the 15th largest population in the U.S., behind Arizona (7,359,197) and ahead of Massachusetts (7,051,339) and Tennessee (6,991,974).



4,780,913

Harris County Population, as of July 1, 2022

If Harris County were a state, it would have the 25th largest population in the U.S., behind Kansas (4,732,150) but ahead of Louisiana (4,590,241) and Kentucky (4,512,310).



2,302,878

City of Houston Population, as of July 1, 2022

If the city were a state, it would rank 36th in population in the U.S., behind Kansas (4,732,150) but ahead of New Mexico (2,113,344) and Nebraska (1,967,923).



Houston set a record for employment growth in '21, with the region adding 172,100 jobs. '22 was the second-best year on record, with the metro area adding another 145,700 jobs. By April '22, Houston had fully recovered from its pandemic job losses.

COST OF LIVING COMPARISONS

2022 Annual Average

20 Most Populous U.S. Metros* (Average for 265 Urban Areas = 100)

URBAN AREA	COMPOSITE	GROCERIES	HOUSING	UTILITIES	TRANSPORTATION	HEALTH CARE	MISC. GOODS & SERVICES
New York (Manhattan), NY	227.7	134.9	483.1	102.7	116.0	108.7	137.1
San Francisco, CA	178.6	131.4	306.6	131.8	138.4	131.5	123.6
Washington, DC	152.2	109.3	251.5	112.6	108.5	99.1	118.8
Los Angeles, CA	150.6	111.3	239.8	110.4	128.5	112.1	116.6
Seattle, WA	149.9	125.3	210.8	105.4	123.6	130.4	132.0
Boston, MA	149.7	114.0	223.8	124.8	128.1	119.8	121.1
San Diego, CA	143.7	112.0	222.3	112.5	131.7	104.8	110.1
Miami, FL	120.6	120.2	147.0	106.0	108.0	94.8	109.6
Chicago, IL	120.3	105.5	151.4	96.7	124.9	113.9	107.4
Denver, CO	110.5	94.4	135.6	86.5	100.3	99.6	107.8
Philadelphia, PA	104.5	117.5	99.8	111.4	109.3	97.5	100.4
Phoenix, AZ	104.3	99.7	123.8	102.2	106.7	93.7	91.8
Detroit, MI	104.3	101.3	107.7	97.9	101.1	99.3	106.2
Dallas, TX	102.5	95.4	96.3	113.8	85.7	113.1	110.8
Atlanta, GA	101.6	92.6	107.3	85.5	102.8	107.4	104.3
Tampa, FL	99.8	108.2	96.5	97.0	100.4	92.6	100.4
Minneapolis, MN	99.0	95.2	91.4	99.2	104.5	102.8	105.0
Houston, TX	92.1	94.1	82.1	98.1	94.3	95.8	96.9
St. Louis, MO	86.3	97.4	74.1	93.0	90.3	88.9	88.2

The US Economy Remains Strong

Since emerging from the pandemic shutdown, the nation has created 25.7 million jobs, nearly four million more than it lost. Consumer spending surged 31.4 percent between April '20, the lowest point of the COVID recession, and April '23, the most recent data available. It's 8.2 percent above pre-pandemic levels. Real personal income hit an all-time high in April '23. And in Q1/23, U.S. gross domestic product hit a record \$26.5 billion.

Houston's economy at a glance:

The region continues to perform well despite concerns over a possible national recession. As of May '22, employment topped 3,354,300, an all-time high. The local unemployment rate was 4.4 percent, well below the pre-pandemic average of 5.6 percent. Initial claims for unemployment benefits began to tick up in the spring of '23, but this only brought them back to pre-pandemic levels.

Houston's living costs are 7.9 percent below the U.S. average and 34.1 percent below the average of the nation's 20 most populous metropolitan areas. Housing costs in Houston are 17.9 percent below the U.S. average and 89.0 percent below the average for the nation's 20 most populous metro areas. Excluding the two most expensive housing markets, New York and San Francisco, which tend to skew the average, Houston's housing costs are 62.7 percent below the major metro average.

As of July 2023 Market Update, single-family home sales fell 8.5 percent year-over-year with 7,557 units sold compared to 8,256 in July 2022. That is the lowest decline since sales dropped 7.6 percent in June 2022. Months' supply of homes climbed to 3.2, the highest level since May 2020 when it was 3.3. When compared to pre-pandemic July 2019, however, home sales were down 15.3 percent.

Sources:

- Greater Houston Partnership, *Houston Facts 2023*
- Houston Association of Realtors, *July, 2023 MLS Report*

Overview

Service Summary



Transit System

The Authority's purpose is to develop, operate, and maintain a mass transit system to serve the residents within and visitors to its service area. Based on its [Business Plan goals](#), METRO will deploy its resources effectively to meet its customers' needs.

The Authority's transit system has these components:



Bus System – METRO maintains an active revenue fleet of 1,659 buses and vans, including 680 diesel buses, 87 CNG buses, 378 40/45-foot hybrid buses, 14 Bus Rapid Transit buses, 40 alternative service vehicles, 290 METROLift microtransit vehicles, and 170 METROLift paratransit service vans. Prior to the pandemic, METRO had 1,412 vehicles in active revenue service and did not have any microtransit vehicles. Its passenger facilities include over 9,000 active bus stops and 38,485 parking spaces. As of August 20, 2023, METRO operates 81 Local bus routes and 24 Park & Ride routes.

METRO began its first Bus Rapid Transit service, the [METRORapid Silver Line](#), on August 23, 2020. This route, which runs along Post Oak Boulevard in its own lane, connects Uptown Houston with two major transit centers and 23 bus routes.

METRO's curb2curb service provides demand-response, curb-to-destination service within a specified zone. Passengers may contact METRO to schedule a ride originating within the service zone to other destinations within the zone or to connect with local and Park and Ride routes that are within the service zone. Currently, METRO operates curb2curb routes in [Acres Homes](#), [Missouri City](#), [Kashmere](#), and [Hiram Clarke](#).



HOV/HOT Lane System - The [High Occupancy Vehicle/Toll \(HOV/HOT\) Lane](#) program is a cooperative effort between the Texas Department of Transportation (TxDOT) and METRO, which is funded through a combination of federal, state, and local resources. With the addition of 7.4 miles of HOV lanes on US 290 in FY 2020, there are 192.5 miles of HOV lanes in Houston freeways. METRO operates 105.3 of the 192.5 miles.



Light Rail System - The [Red Line](#), the Authority's first light rail line, began operation on January 1, 2004. Now extended to 12.8 miles, the line begins at the Northline Transit Center, serving HCC Northeast and Northline Commons mall, and then continues south through Houston's Central Business District, Midtown, the Museum District, Rice University, the Texas Medical Center, and the NRG Park Complex to the Fannin South Transit Center.

The Authority opened two additional light rail lines in FY2015, the [Purple \(Southeast\)](#) and [Green \(East End\) Lines](#). Destinations served by these lines include Texas Southern University, the University of Houston, BBVA Compass Stadium, and the Theater District. These lines added another 9.9 miles of light rail. In total, METRO operates 22.7 miles of light rail service.



Paratransit Service - The Authority's [METROLift](#) paratransit service uses both METRO-owned lift-equipped vans and contractor-owned and operated accessible minivans to provide trips to over 18,000 eligible riders. Feeder service, implemented in January 2017, enables METROLift customers to request same-day service from their home to the nearest transit center, Park & Ride lot, or rail station free of charge.



Commuter Vanpool Service - The Authority's [METRO STAR](#) commuter vanpool program serves an eight-county region and is one of the largest vanpool programs in the nation. Vanpools work well for long commutes not served by fixed-route transit. Riders share the cost of the leased vans and fuel and use METRO's HOV/HOT network at no charge.



FY2024 Service Levels Budget

Resources	Fixed Route					Customized Service			
	<u>Contracted</u>		<u>Special</u>	<u>Total Bus</u>		<u>Internal</u>	<u>METRO</u>		
	<u>METRO Bus*</u>	<u>Bus</u>	<u>Events</u>	<u>Total Bus</u>	<u>Rail</u>	<u>and Rail</u>	<u>Service</u>	<u>METROLift</u>	<u>STAR</u>
Revenue Miles	35,663,124	9,760,087	33,951	45,457,162	2,106,194	47,563,356	2,711	18,025,627	
Revenue Hours	2,587,917	685,207	2,965	3,276,089	189,406	3,465,495	266	1,295,140	
Total Miles	41,369,590	11,234,838	33,951	52,638,379	2,117,965	54,756,343	2,711	20,846,942	
Total Hours	2,810,253	738,049	2,965	3,551,267	191,396	3,742,663	266	1,435,090	
Number of Vans									294

FY2023 Service Levels Estimate

Resources	Fixed Route					Customized Service			
	<u>Contracted</u>		<u>Special</u>	<u>Total Bus</u>		<u>Internal</u>	<u>METRO</u>		
	<u>METRO Bus*</u>	<u>Bus</u>	<u>Events</u>	<u>Total Bus</u>	<u>Rail</u>	<u>and Rail</u>	<u>Service**</u>	<u>METROLift</u>	<u>STAR</u>
Revenue Miles	31,564,642	10,110,424	37,720	41,712,786	2,042,211	43,754,997	4,920	15,141,485	
Revenue Hours	2,355,741	683,013	3,674	3,042,428	185,231	3,227,659	395	1,179,345	
Total Miles	36,129,760	11,846,832	37,720	48,014,312	2,053,296	50,067,608	4,920	17,815,018	
Total Hours	2,535,204	745,929	3,674	3,284,807	187,106	3,471,913	395	1,260,488	
Number of Vans									210

FY2023 Service Levels Budget

Resources	Fixed Route					Customized Service			
	<u>Contracted</u>		<u>Special</u>	<u>Total Bus</u>		<u>Internal</u>	<u>METRO</u>		
	<u>METRO Bus*</u>	<u>Bus</u>	<u>Events</u>	<u>Total Bus</u>	<u>Rail</u>	<u>and Rail</u>	<u>Service</u>	<u>METROLift</u>	<u>STAR</u>
Revenue Miles	30,120,777	10,118,027	36,570	40,275,374	2,096,275	42,371,649	1,269	15,741,136	
Revenue Hours	2,233,015	677,092	3,486	2,913,593	197,017	3,110,610	145	1,116,853	
Total Miles	34,203,229	11,823,191	36,570	46,062,990	2,106,953	48,169,943	1,269	19,326,293	
Total Hours	2,393,814	737,417	3,486	3,134,717	198,824	3,333,540	145	1,322,053	
Number of Vans									300

*Includes Bus Rapid Transit (BRT)

**Includes Disaster Events (FY2023 only)

Change to Service Levels: FY2023 Estimate to FY2024 Proposed Budget

<u>Resources</u>	<u>Fixed Route</u>					<u>Customized Service</u>		
	<u>Contracted</u>	<u>Special</u>	<u>Total Bus</u>	<u>Rail</u>	<u>Total Bus and Rail</u>	<u>Internal</u>	<u>METROLift</u>	<u>METRO STAR</u>
	<u>METRO Bus</u>	<u>Bus</u>				<u>Service</u>		
Revenue Miles	4,098,482	-350,338	-3,769	3,744,376	63,983	3,808,359	-2,209	2,884,143
Revenue Hours	232,176	2,194	-709	233,661	4,175	237,836	-129	115,794
Total Miles	5,239,830	-611,994	-3,769	4,624,067	64,669	4,688,736	-2,209	3,031,924
Total Hours	275,049	-7,880	-709	266,460	4,290	270,750	-129	174,601
Number of Vans								84

<u>Resources</u>	<u>Fixed Route</u>					<u>Customized Service</u>		
	<u>Contracted</u>	<u>Special</u>	<u>Total Bus</u>	<u>Rail</u>	<u>Total Bus and Rail</u>	<u>Internal</u>	<u>METROLift</u>	<u>METRO STAR</u>
	<u>METRO Bus</u>	<u>Bus</u>				<u>Service</u>		
Revenue Miles	12.98%	-3.47%	-9.99%	8.98%	3.13%	8.70%	-44.90%	19.05%
Revenue Hours	9.86%	0.32%	-19.30%	7.68%	2.25%	7.37%	-32.59%	9.82%
Total Miles	14.50%	-5.17%	-9.99%	9.63%	3.15%	9.36%	-44.90%	17.02%
Total Hours	10.85%	-1.06%	-19.30%	8.11%	2.29%	7.80%	-32.59%	13.85%
Number of Vans								40.00%

Change to Service Levels: FY2023 Budget to FY2024 Proposed Budget

<u>Resources</u>	<u>Fixed Route</u>					<u>Customized Service</u>			
	<u>Contracted</u>		<u>Special</u>	<u>Total Bus</u>	<u>Rail</u>	<u>Total Bus and Rail</u>	<u>Internal Service</u>	<u>METROLift</u>	<u>METRO STAR</u>
	<u>METRO Bus</u>	<u>Bus</u>	<u>Events</u>						
Revenue Miles	5,542,347	-357,940	-2,619	5,181,787	9,919	5,191,707	1,442	2,284,491	
Revenue Hours	354,903	8,115	-521	362,496	-7,611	354,885	121	178,286	
Total Miles	7,166,361	-588,354	-2,619	6,575,388	11,012	6,586,400	1,442	1,520,649	
Total Hours	416,439	632	-521	416,550	-7,428	409,123	121	113,036	
Number of Vans									6

<u>Resources</u>	<u>Fixed Route</u>					<u>Customized Service</u>			
	<u>Contracted</u>		<u>Special</u>	<u>Total Bus</u>	<u>Rail</u>	<u>Total Bus and Rail</u>	<u>Internal Service</u>	<u>METROLift</u>	<u>METRO STAR</u>
	<u>METRO Bus</u>	<u>Bus</u>	<u>Events</u>						
Revenue Miles	18.40%	-3.54%	-7.16%	12.87%	0.47%	12.25%	113.63%	14.51%	
Revenue Hours	15.89%	1.20%	-14.94%	12.44%	-3.86%	11.41%	83.35%	15.96%	
Total Miles	20.95%	-4.98%	-7.16%	14.27%	0.52%	13.67%	113.63%	7.87%	
Total Hours	17.40%	0.09%	-14.94%	13.29%	-3.74%	12.27%	83.35%	8.55%	
Number of Vans									2.00%

Boardings by Service Category

	FY2022 Actual	FY2023 Budget	FY2023 Estimate	FY2024 Budget	Budget-to-Estimate Variance	
					#	%
Fixed-Route Service						
Local Bus	40,973,380	45,710,961	46,342,878	53,983,146	7,640,268	16.5%
METRORapid	254,999	265,460	268,735	357,381		
Park & Ride	2,606,015	3,491,199	3,409,343	4,239,415	830,072	24.3%
Subtotal Fixed-Route Bus	43,834,394	49,467,620	50,020,956	58,579,943	8,558,987	17.1%
METRORail	11,630,629	13,119,621	13,088,039	15,845,906	2,757,867	21.1%
Subtotal Fixed-Route Service	55,465,023	62,587,241	63,108,995	74,425,849	11,316,854	17.9%
Special Events	25,870	26,392	32,943	25,870	(7,073)	-21.5%
Disaster Events	-	-	145	-		
Total Fixed-Route	55,490,893	62,613,633	63,141,938	74,451,719	11,309,781	17.9%
			63109140			
Customized Services						
METROLift	1,468,865	1,698,832	1,703,820	1,955,482	251,662	14.8%
METRO STAR Vanpool	449,462	553,795	477,460	734,400	256,940	53.8%
Internal Service	3,969	2,038	3,765	3,969	204	
Subtotal Customized Services	1,922,296	2,254,665	2,185,045	2,693,851	508,806	23.3%
Total Fixed-Route and Customized Services	57,413,189	64,868,298	65,326,983	77,145,570	11,818,587	18.1%
HOV/HOT Carpools, Vanpools, and Non-METRO Buses	11,072,328	13,789,313	16,319,275	16,320,210	935	0.0%

Workforce by Department

	FY2022		FY2023		FY2024
	End of Year Authorized Headcount	Actual	End of Year Authorized Headcount	Projected	End of Year Authorized Headcount
Authority					
Operations, Customer Service & Human Resources	3,409	3,164	3,533	3,454	3,712
Deputy CEO	2	2	2	2	2
Operations & Customer Service	3,350	3,109	3,469	3,393	3,648
Union FT	2,548	2,417	2,646	2,685	2,805
Union PT	89	48	89	44	69
Non-Union FT	712	643	733	663	773
Non-Union PT	1	1	1	1	1
Human Resources	57	53	62	59	62
Planning, Engineering, & Construction	79	58	81	58	83
EVP Office	7	13	4	4	5
Project Delivery & Controls	23	9	20	16	24
Planning	19	18	20	18	21
Engineering	30	18	37	20	33
Administration	247	225	250	235	253
EVP Administration	2	2	2	2	2
Information Technology	78	71	81	77	82
Procurement & Materials	132	120	132	126	134
Union FT	61	60	61	60	62
Non-Union FT	71	60	71	66	72
Transit Asset Management	7	7	7	6	7
Client & Vanpool Ridership Services	28	25	28	24	28
Audit	9	8	9	8	11
Legal	19	18	23	19	23
Finance	71	62	71	68	81
Office of Innovation	5	5	5	5	5
Communications	51	46	56	52	59
EVP, Communications	3	3	3	3	3
Press Office	9	8	10	10	11
Public Engagement	11	10	12	11	13
Marketing & Communications Services	26	23	29	26	30
Partnership Promotions	2	2	2	2	2
METRO Police	388	313	389	323	399
Non-Union FT	340	281	347	296	357
Non-Union PT	48	32	42	27	42
Safety	83	77	95	85	110
Union FT	10	9	10	9	20
Non-Union FT	73	68	85	76	90
Non-Departmental	-	-	5	-	10
Union FT	-	-	1	-	-
Non-Union FT	-	-	4	-	10
President & CEO Contingency	6	-	-	-	-
Executive & Board	19	16	22	20	22
Total Union	2,708	2,534	2,807	2,798	2,956
Total Non-Union	1,678	1,458	1,732	1,529	1,812
Total Workforce	4,386	3,992	4,539	4,327	4,768
Headcount = Number of authorized full-time and part-time positions at the end of the year.					
Total Full-Time Workforce (Union and Non-Union)	4,248	3,911	4,407	4,255	4,656
Total Part-Time Workforce (Union and Non-Union)	138	81	132	72	112

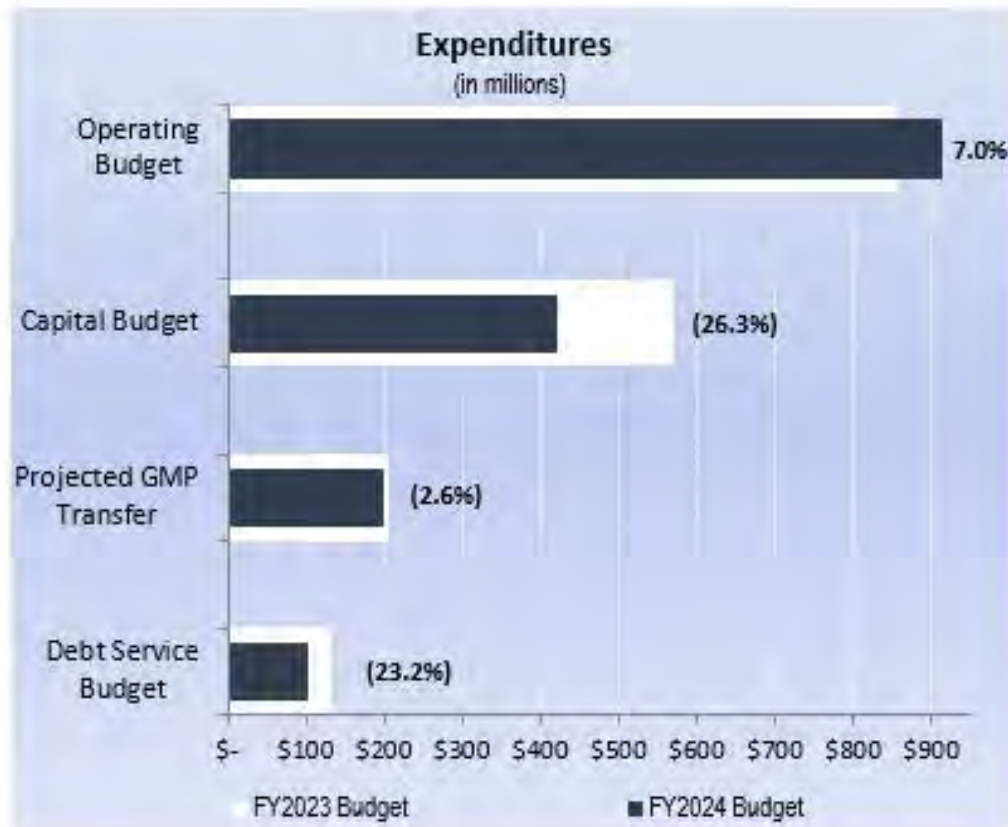
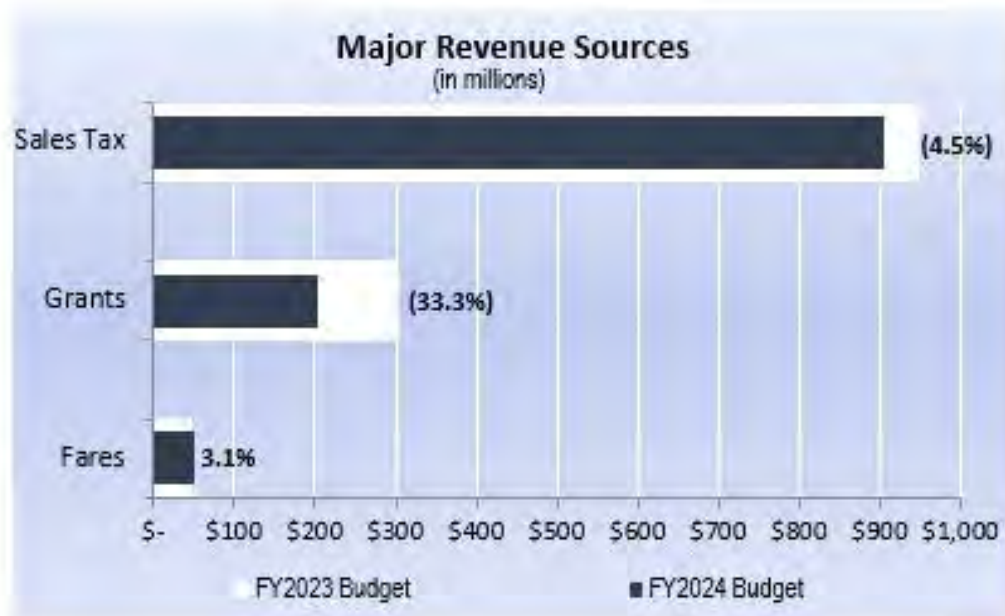
FY2024 Operating Budget Workforce Additions/Deletions

Department	Position	Additions	Deletions
Operations, Customer Service & Human Resources: Bus Transportation	Bus Operator (FT)	60	
Operations, Customer Service & Human Resources: Bus Transportation	Bus Operator (PT)		(20)
Operations, Customer Service & Human Resources: Bus Transportation	Bus Operator Trainee	55	
Operations, Customer Service & Human Resources: Bus Transportation	Service Driver	16	
Operations, Customer Service & Human Resources: Facilities Maintenance Administration	Cleaner Facility Maintenance	16	
Operations, Customer Service & Human Resources: Facilities Maintenance Administration	General Maintenance Mechanic B (SS)	4	
Operations, Customer Service & Human Resources: Facilities Maintenance Administration	Licensed Maintenance Mechanic (Plmb) NSS	1	
Operations, Customer Service & Human Resources: METRORail	LRV Body Mechanic	3	
Operations, Customer Service & Human Resources: METRORail	LRV Technician T3 - Heavy Repair	4	
Administration: Procurement & Materials	Storeroom Attendant	1	
Safety: Operational Training	Transit Bus Repair C	10	
Non-Departmental	Utility Worker		(1)
	Total Union	170	(21)
Operations, Customer Service & Human Resources: Bus Transportation	Bus Controller	2	
Operations, Customer Service & Human Resources: Bus Transportation	Service Supervisor	2	
Operations, Customer Service & Human Resources: Bus Transportation	Transit Planner II Srvc Plng	1	
Operations, Customer Service & Human Resources: Contract & Paratransit Service	Customer Service Rep (ML/Micro Transit)	1	
Operations, Customer Service & Human Resources: Contract & Paratransit Service	METROLift Micro Transit Dispatcher	2	
Operations, Customer Service & Human Resources: Contract & Paratransit Service	Mobility Coordinator	1	
Operations, Customer Service & Human Resources: Customer & Ridership Service	Assistant Manager - Ridestore	1	
Operations, Customer Service & Human Resources: Customer & Ridership Service	Customer Resolution Specialist	2	
Operations, Customer Service & Human Resources: Customer & Ridership Service	Customer Service Associate	9	
Operations, Customer Service & Human Resources: Customer & Ridership Service	Customer Service Representative	9	
Operations, Customer Service & Human Resources: Facilities Maintenance Administration	Facilities Access Specialist		(1)
Operations, Customer Service & Human Resources: Facilities Maintenance Administration	General Foreman Night Shift	1	
Operations, Customer Service & Human Resources: Facilities Maintenance Administration	Project Manager - Support Facilities & HQ	1	
Operations, Customer Service & Human Resources: Facilities Maintenance Administration	Supervisor Night Shift	1	
Operations, Customer Service & Human Resources: Facilities Maintenance Administration	Supv Security & Access Control		(1)
Operations, Customer Service & Human Resources: Fleet Services	Communications Coordinator	1	
Operations, Customer Service & Human Resources: Fleet Services	Intelligent Transportation Systems Tech	2	
Operations, Customer Service & Human Resources: Fleet Services	ITS Systems Manager	1	
Operations, Customer Service & Human Resources: Fleet Services	Office Administrator Maint. Support	1	
Operations, Customer Service & Human Resources: Fleet Services	Quality Assurance Inspector	1	
Operations, Customer Service & Human Resources: METRORail	Chief Rail Controller	1	
Operations, Customer Service & Human Resources: METRORail	Rail Maintenance Trainer	1	
Operations, Customer Service & Human Resources: METRORail	SMS Coordinator, Rail LRVM	1	
Planning, Engineering, & Construction: EVP Office	Quality Assurance/Quality Control Supervisor	1	
Planning, Engineering, & Construction: Project Delivery & Controls	Construction Project Manager	1	
Planning, Engineering, & Construction: Project Delivery & Controls	Project Construction Manager	1	
Planning, Engineering, & Construction: Project Delivery & Controls	Resident Engineer	1	
Planning, Engineering, & Construction: Project Delivery & Controls	Sr. Construction Inspector	1	
Planning, Engineering, & Construction: Planning	Sr. Transit Project Liaison	1	
Planning, Engineering, & Construction: Engineering	Chief Safety Engineer		(1)
Planning, Engineering, & Construction: Engineering	Engineering Project Manager		(1)
Planning, Engineering, & Construction: Engineering	Program Manager I	2	
Planning, Engineering, & Construction: Engineering	Project Engineer	2	
Planning, Engineering, & Construction: Engineering	Safety Engineer		(1)
Planning, Engineering, & Construction: Engineering	Sr. Electronics Engineer		(1)
Planning, Engineering, & Construction: Engineering	Sr. Transportation Systems Engineer		(1)
Planning, Engineering, & Construction: Engineering	Structural Engineer - Buildings		(1)
Planning, Engineering, & Construction: Engineering	Traffic Signal Maintenance Manager		(1)
Planning, Engineering, & Construction: Engineering	Traffic Signal Tech		(1)
Administration: Information Technology	FCS-APPL Systems Analyst V	1	
Administration: Procurement & Materials	Contracts Administrator II	1	
Audit	Deputy Chief Auditor	1	
Audit	IT Auditor	1	
Finance: Office of Management & Budget	Sr Financial Management & Budget Analyst	2	
Finance: Revenue Services	Fare Media Agents (Field)	3	
Finance: Revenue Services	Lead Fare Media Agent (Field)	1	
Finance: Revenue Services	Lead Vault Attendant - Fare collection system	1	
Finance: Revenue Services	Revenue Service Analyst - Fare Collection System	1	
Finance: Revenue Services	Revenue Services Manager	1	
Finance: Revenue Services	Sr Revenue Services Analyst	1	
Communications: Press Office	Social Media Specialist	1	
Communications: Public Engagement	Public Engagement Representative	1	
Communications: Marketing & Communications Services	Manager, Graphic Design	1	
METRO Police: Field Operations	Community Intervention Prog Specialist	3	
METRO Police: Police Support Operations Services	Communication Liaison Operator	2	
METRO Police: Police Support Operations Services	Police Officer	5	
Safety: Safety Security Services	Facilities Access Specialist	1	
Safety: Safety Security Services	Safety Security Manager	1	
Safety: Safety Security Services	Supv Security & Access Control	1	
Safety: Safety Security Services	Video Surveillance Specialist	2	
Non-Departmental	College Grad Program	10	
Non-Departmental	Facilities Supervisor		(1)
Non-Departmental	Position for New Initiative		(3)
	Total Non-Union	94	(14)
	Total	264	(35)
	Total Year-Over-Year Change in Authorized Positions	229	

Authority Budget Summary

	FY2022 Actual	FY2023 Budget	FY2023 Estimate	FY2024 Budget	Budget-to-Budget Variance	
	\$	\$	\$	\$	\$	%
Sales Tax	\$ 969,533,523	\$ 949,247,227	\$ 1,020,153,642	\$ 906,258,770	\$ (42,988,457)	(4.5%)
Transfer to GMP	(206,882,951)	(204,322,490)	(213,185,792)	(198,948,933)	5,373,557	(2.6%)
Net Sales Tax	\$ 762,650,572	\$ 744,924,737	\$ 806,967,850	\$ 707,309,837	\$ (37,614,900)	(5.0%)
Fares	31,109,640	39,560,588	32,300,000	41,946,910	2,386,322	6.0%
Vanpool	1,981,315	1,500,000	1,596,214	1,628,138	128,138	8.5%
HOT Lane Revenue	4,841,341	6,199,424	5,000,000	6,099,221	(100,203)	(1.6%)
Grants	32,536,102	304,477,299	259,800,000	203,010,708	(101,466,591)	(33.3%)
Interest	4,938,734	2,665,201	18,200,000	13,921,865	11,256,664	422.4%
Miscellaneous	2,933,979	2,979,599	8,900,000	2,400,000	(579,599)	(19.5%)
Bond Proceeds	-	222,645,207	-	4,865,015	(217,780,192)	(97.8%)
Total Revenues	\$ 840,991,683	\$ 1,324,952,055	\$ 1,132,764,064	\$ 981,181,694	\$ (343,770,361)	(25.9%)
Payroll & Benefits						
Wages	\$ 155,381,246	\$ 179,057,835	\$ 178,694,556	\$ 184,824,128	\$ 5,766,293	3.2%
Union Fringe Benefits	84,149,500	94,433,359	92,296,606	101,228,949	6,795,590	7.2%
Subtotal Union Labor	239,530,746	273,491,194	270,991,162	286,053,077	12,561,883	4.6%
Salaries and Non-Union Wages	\$ 120,525,767	\$ 148,698,800	\$ 147,520,762	\$ 160,293,375	\$ 11,594,575	7.8%
Non-Union Fringe Benefits	51,265,983	57,128,166	58,972,046	65,472,280	8,344,114	14.6%
Subtotal Non-Union Labor	171,791,750	205,826,966	206,492,808	225,765,655	19,938,689	9.7%
Allocation to Capital & GMP*	(8,947,957)	(14,894,121)	(12,005,130)	(13,089,373)	1,804,748	(12.1%)
Subtotal Labor and Fringe Benefits	402,374,540	464,424,039	465,478,840	498,729,359	34,305,320	7.4%
Materials & Supplies						
Services	\$ 94,585,620	\$ 139,464,440	\$ 105,771,930	\$ 126,678,352	\$ (12,786,088)	(9.2%)
Materials and Supplies	33,349,452	37,567,285	37,010,600	43,891,274	6,323,989	16.8%
Fuel and Utilities	38,317,562	56,979,113	57,834,070	55,936,062	(1,043,051)	(1.8%)
Administration						
Casualty and Liability	\$ 8,357,342	\$ 8,672,790	\$ 7,885,078	\$ 10,367,914	\$ 1,695,124	19.5%
Purchased Transportation	102,027,045	125,824,916	128,146,331	145,157,400	19,332,484	15.4%
Leases, Rentals and Misc.	13,797,148	20,224,307	15,462,519	26,149,863	5,925,556	29.3%
Allocation to Capital & GMP - Non-Labor	(321,911)	(926,231)	(1,059,907)	(910,223)	16,008	(1.7%)
Subtotal Non-Labor	290,112,258	387,806,620	351,050,621	407,270,641	19,464,022	5.0%
Subtotal Labor and Non-Labor	692,486,800	852,230,659	816,529,458	906,000,000	53,769,342	6.3%
Contingency	-	2,952,342	-	9,000,000	6,047,658	204.8%
Total Operating Budget	\$ 692,486,800	\$ 855,183,000	\$ 816,529,458	\$ 915,000,000	\$ 59,817,000	7.0%
Capital Expenses						
Core Business Items	\$ 50,832,527	\$ 241,883,262	\$ 59,408,400	\$ 155,805,135	(86,078,127)	(35.6%)
Expansion/Enhancements	58,518,269	328,849,879	91,725,500	265,059,219	(63,790,660)	(19.4%)
Total Capital Budget*	\$ 109,350,796	\$ 570,733,141	\$ 151,133,900	\$ 420,864,354	\$ (149,868,787)	(26.3%)
Debt Service	\$ 123,462,634	\$ 132,734,879	\$ 182,472,332	\$ 101,914,240	\$ (30,820,639)	(23.2%)

FY2023 to FY2024 Budget-to-Budget Comparisons



Financials

Development Guidelines

METRO is committed to being a responsible steward of public funds and to financial sustainability. Accordingly, METRO's FY2024 Business Plan was developed using these Board-approved guidelines:

- Estimates of sales tax growth will be consistent with the growth estimates provided by Dr. Robert W. (Bill) Gilmer, Director of the Institute for Regional Forecasting at the University of Houston. Dr. Gilmer's estimated rate of change for FY2024 has been reduced by 1.00% in the budget calculations.
- No fixed-route fare increases will be proposed for FY2024.
- METRO will present the Five-Year Cash Flow model on a yearly basis, clearly specifying all sources and uses of revenue. (The model will be updated periodically as required.)
- METRO will position itself for optimum receipt and use of grants.
- METRO will allocate sufficient resources to operate core services.
- METRO will support financial sustainability by carefully managing the growth of "baseline" operating expenses to an increase of no more than 5.5%, after adjusting for non-recurring expenses.
- METRO will meet the funding objective for defined benefit pension plans by continuing to make 100% of the actuarially determined annual contributions.
- METRO will ensure that capital expenditures are supported upon project completion by a sustainable revenue source (e.g. sales tax) and that future operating costs have been included in the Business Plan.
- Requests to improve service or service quality will require a cost/benefit analysis, which will include changes to future operating cost. Part of the analysis will also include metrics based around ridership patterns and customer demand for service. If included, additional service will be added above the baseline level of expenses.
- METRO will retain fund balances in accordance with Debt Policy requirements (15% of operating expenses), an additional Operating Reserve as required by the Board (5% of operating expenses), and an Emergency Reserve of \$10,000,000. The total of these reserves in FY2024 is projected to be \$193.0 million.
- When reallocating or modifying budgets within the Board-adopted levels, staff will adhere to the approval levels detailed in the Financial Parameters (found in Appendix A).
 - All budget changes will be reported to the Finance & Audit Committee on a quarterly basis.
 - Any modifications increasing budgets (Budget Amendments) would require Board approval and will adhere to Texas Transportation Code [451.102](#) and [451.103](#).

Debt service expenses, transfer of General Mobility funds, and operating expenditures received priority in allocating available funds, followed by capital expenses.

Basis of Budgeting

METRO maintains its budget using the current financial resources measurement focus and the modified accrual basis of accounting as defined by Generally Accepted Accounting Principles ([GAAP](#)) and interpreted by the Governmental Accounting Standards Board ([GASB](#)), with certain exceptions. Under the current financial resources measurement focus, revenues are recorded when they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized when the liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and vested compensated absences.

Exceptions between the budget and modified accrual bases of accounting are as follows:

- Unrealized changes in the fair market value of investments are not recognized on a budget basis.
- Investment earnings are not accrued on a budget basis.
- Prepaid expenditures for equipment and software maintenance are reported on a budget basis.

For budget purposes, the financial activities of the Authority are reported in four separate funds: Operating, Debt Service, General Mobility Transfer, and Capital Projects. This division by fund is required by provisions of state law, voter referendum on General Mobility, and bond indentures. Such funds are combined for financial reporting purposes in order to present the financial position and results of operations of the Authority as a whole.

The Authority's financial statements are prepared according to GAAP for proprietary funds on the full accrual basis of accounting using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Therefore, additional adjustments are required to convert proprietary fund types from the budget basis/modified accrual basis of accounting to the full accrual basis of accounting. For example, disbursements for the acquisition of capital assets would be considered expenditures in METRO's local budget and the modified accrual basis of accounting, but are capitalized as capital assets under full accrual reporting. Conversely, receipts of proceeds from debt financing are a budgetary resource under METRO's local budget and the modified accrual basis of accounting, but are reported as liabilities under full accrual reporting. In the Annual Comprehensive Financial Report, or "Annual Report," a budget-to-actual reconciliation is not required for an enterprise reporting system. METRO's Annual Report is available at [Annual Reports METRO \(ridemetro.org\)](#).

Fiscal Policies and Principles

The Metropolitan Transit Authority is accountable to its citizens for the use of public dollars. The following policies and principles adopted by management establish the framework for METRO's overall fiscal planning and management to ensure that it fulfills this fiduciary responsibility. They set forth guidelines against which current budgetary performance can be measured and proposals for future programs can be evaluated. METRO's adopted financial and budget policies show the credit rating industry and prospective investors (bond buyers) the Authority's commitment to sound financial management and fiscal integrity. The financial and budget policies also improve the Authority's fiscal stability by helping METRO's management plan fiscal strategy with a consistent approach. Complete fiscal policies can be found in Appendices A through E.

Operating Management Principles

- Recurring operating expenses/expenditures will be funded using recurring operating revenues rather than one-time revenues such as bonds and other debt.
- The budget process is intended to weigh all competing requests for the Authority's resources, within expected fiscal constraints.
- Requests for new, ongoing programs should be made in conjunction with the annual budget process or a budget adjustment process.
- An annual budget approach will be used to provide stability to the day to day operations while allowing budget corrections as unforeseen circumstances arise.
- A five-year forecast of the Authority's revenue and expense forecasts will be prepared at the beginning of each budget process to determine whether the current mix and level of resources are likely to continue to be sufficient to cover current service levels and to provide for long-term strategic planning.
- All departments will participate in the responsibility of meeting policy goals and ensuring long-term financial health.
- Provide sufficient resources to the Contingency Reserve so that they can be used to reasonably respond to critical unforeseen needs of the Authority without requiring the Authority to divert resources from other important services.
- Expenditures from the Contingency Reserve require the approval of the President & Chief Executive Officer.

Explanation of Annual Consolidated Financial Report Discrepancies

METRO's budget document is a blueprint for a specific grouping of the Authority's spending over the course of an annual financial period. General purpose budgets contain both the spending categories of specified units, such as Public Safety, Operations and Customer Service; Planning, Engineering, and Construction; Administration, and Finance, along with estimates of revenues expected to occur during the year, such as investment return, fare revenue, and sales tax. Budgets are usually more limited to the expected costs of running the aforementioned transit operations through available resources, as opposed to describing the status of any fixed assets and short term liabilities.

In contrast, the Annual Report is a report of the complete overall financial results of both those "specific groupings" of the Authority's departments that appear in the current fiscal year general purpose budget and all other departments. It can be used along with a budget document to compare the organizations total financial standing to the annual general-purpose budget. The Annual Report is the complete showing of the financial investment and income records from all sources that reflects what has developed over decades, whereas a budget report is primarily focused on what revenue is expected to be brought in and spent for just the year.

The primary difference between a budget and an Annual Report is that while the budget is a plan for the fiscal period primarily showing where income is to be allocated, the Annual Report contains the results of the period with previous years' accumulations. An Annual Report shows the total of all financial accounting that general-purpose budget reports do not. Additionally, the Annual Report gives a detailed showing of assets, liabilities, and investment accounts by category reflecting balances over previous years.

Summary of Significant Accounting Principles and Policies

METRO prepares its financial statements in accordance with generally accepted accounting principles established or approved by the Governmental Accounting Standards Board (GASB), the more significant of which are described below.

Reporting Entity

The Authority is a stand-alone governmental entity as defined by [GASB Statement No. 14, The Financial Reporting Entity](#), amended by [GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units](#).

Investment Policy

The Authority's investment policy is to minimize interest rate and credit risk by investing a majority of the portfolio in short-term investments such as commercial paper, money market mutual funds and obligations of the United States of America with maturities generally less than two years. Investments not insured or guaranteed by a governmental entity must be rated by a nationally recognized organization with rating not less than AAAm, A-1, P-1, F-1 or equivalent ratings.

METRO has historically maintained a working capital reserve to cover operating and capital expenses. The absolute minimum cash balance is defined by METRO's Board-approved debt policy. The ending balance required by the debt policy is 15% of annualized operating expenditures for the following fiscal year. The complete Investment Policy can be found in [Appendix C](#).

Financing Approach

The current method of financing that will be used by METRO is traditional financing. This method of financing pays costs as they are incurred by using traditional bonds, as well as revenue sources comprised of fare revenues, sales tax revenues, federal grants and other sources. The complete Debt Policy can be found in [Appendix B](#).

Underlying Assumptions

The financial analysis in this document was structured around assumptions described in terms of the following major considerations:

- Federal funding and local funding including sales taxes (see the [Revenues](#) section and [Appendix H](#) for more information)
- Inflation and interest rates
- Bond financing (see the [Debt Service](#) section for more information)

Net Summary

Section 451.102 of the Texas Transportation Code requires the Board of Directors of the Metropolitan Transit Authority to adopt an annual budget which specifies major expenditures by type and amount prior to the commencement of a fiscal year.

The table below shows the four major expenditures by type – Operating, Capital, General Mobility and Debt Service.

Net Summary Proposed FY2024 Annual Budget (in millions)

Description	Approved FY2023 Budget	Proposed FY2024 Budget	Change
Operating Budget	\$ 855.2	\$ 915.0	\$ 59.8 7.0%
Capital Budget	570.7	420.9	(149.9) (26.3%)
Projected Transfer to GMP	204.3	198.9	(5.4) (2.6%)
Debt Service Budget	132.7	101.9	(30.8) (23.2%)
Total	\$ 1,763.0	\$ 1,636.7	\$ (126.3) (7.2%)

Operating Budget

The proposed Operating budget is \$915.0 million, an increase of \$59.8 million or 7.0% from the FY2023 approved budget level. The increase reflects management of “baseline” operating expenses to a growth rate of not more than 5.5% as well as adjustments to add service to match customer demand, additional strategic investments, and an increase of METRONext implementation pre-planning activities.

Capital Budget

The proposed Capital budget of \$420.9 million reflects a decrease of \$149.9 million or 26.3% from the FY2023 approved budget level. This decrease is due to an \$86.1 million or 36% decrease in Core Business Items Necessary to Maintain Service and a \$63.8 million or 19% decrease in Expansion/Enhancement Capital Costs.

General Mobility Program Transfer

The FY2024 projected General Mobility Program (GMP) transfer is \$198.9 million, a decrease of \$5.4 million or 2.6% from the prior year. Funds for this budget are deposited monthly into a METRO escrow account as sales tax revenue is collected; GMP partners are then paid from this account as invoices are received.

Capital Program
Proposed FY2024 Annual Budget
(in millions)

Description	Approved FY2023 Budget	Proposed FY2024 Budget	Change
Core Projects			
Vehicle Maintenance Costs	\$ 24.972	\$ 24.827	\$ (0.145) (1%)
Maintaining Operational Facilities (Building and Rail)	\$ 77.717	\$ 60.923	(16.794) (22%)
IT Projects	\$ 6.351	\$ 8.546	2.195 35%
Vehicle Acquisition Costs	132.843	61.508	(71.335) -54%
Subtotal	\$ 241.883	\$ 155.805	(86.078) (36%)
Expansion & Enhancements			
Vehicle Acquisition Costs	\$ -	\$ -	\$ - -%
Safety Projects	\$ 7.336	\$ 5.733	(1.602) (22%)
IT Projects	\$ 47.875	\$ 35.776	(12.099) (25%)
FFGA Commitments	\$ 16.786	\$ 10.391	(6.395) (38%)
METRONext	\$ 125.515	\$ 151.904	26.389 21%
Legacy Projects	\$ 127.338	\$ 56.255	(71.083) (56%)
Allowances	\$ 4.000	\$ 5.000	1.000 25%
Subtotal	328.850	265.059	(63.791) (19%)
TOTAL Capital Program	\$ 570.733	\$ 420.864	\$ (149.869) (26%)

The proposed Capital budget of \$420.9 million is allocated in two program categories – Core Business Items Necessary to Maintain Service and Expansion/Enhancement Capital Costs.

The FY2024 budget allots \$155.8 million for Core Business Items Necessary to Maintain Service and \$265.1 million for Expansion/Enhancement Capital Costs:

The sub-categories of the Core Business Items Necessary to Maintain Service include Vehicle Maintenance Costs, Maintaining Operational Facilities (Buildings and Rail), IT Projects, and Vehicle Acquisition Costs.

The sub-categories of the Expansion/Enhancement Capital Costs include Vehicle Acquisition Costs, Safety Projects, IT Projects, FFGA Commitments, METRONext, Legacy Projects - New and/or Enhanced, and Allowances.

Debt Service Budget

METRO's annual debt service budget includes the principal and interest payments as well as all administrative costs associated with the Authority's debt program, including line of credit fees and dealer fees associated with its Commercial Paper program.

The proposed budget for debt service is \$101.9 million, a decrease of \$30.8 million or 23.2% from the FY2023 approved budget level. This decrease reflects the following:

- Lower overall levels of outstanding debt
- No new debt issuance in FY2024

METRO's current five-year plan calls for financing future annual bus purchases as well as a portion of Capital Improvement Plan projects through additional senior-lien and junior-lien contractual obligations (KO's). The plan also identifies potential senior-lien and junior-lien sales and use tax bonds to fund its METRONext program.

Any prospects to decrease METRO's interest expenses through refunding or refinancing are considered on a case-by-case basis as market opportunities present themselves.

The outstanding debt par value net of funds in any associated debt service funds (i.e., interest and sinking funds) as of the end of FY2023 is estimated to be approximately \$787.4 million. This total includes zero dollars (\$0) in outstanding commercial paper. Tables summarizing METRO's debt position are provided in the Debt Service section of this book.

Sources & Uses of Funds

The FY2024 budget requires \$1.637 billion to fund Operating Expenditures, Debt Service, General Mobility Program (GMP), Core Business Capital Expenditures, and Expansion/Enhancement Capital Expenditures. The table below summarizes the Sources and Uses of Funds for the FY2024 budget. Fund balances carrying over from the previous year are considered sources of funds.

Sources & Uses of Funds (in millions)

	2024
SOURCES OF FUNDS	
Beginning Fund Balance	\$ 694.615
<u>Revenues:</u>	
Sales Tax	\$ 906.259
Transportation Fares*	41.947
HOT Lanes	6.099
Vanpool	1.596
Grants	203.011
Other Income	16.467
Total FY2024 Revenues	\$ 1,175.379
<u>Debt Funding</u>	
Proceeds from Borrowing	4.865
Total Sources of Funds	\$ 1,874.859
USES OF FUNDS	
<u>Expenditures</u>	
Operating Budget Expenses	\$ 915.000
General Mobility Program Transfer	198.949
Core Business Capital Expenditures	155.805
Expansion / Enhancements Capital Expenditures	265.059
Debt Service	101.914
Total FY2024 Expenditures	\$ 1,636.728
Ending Fund Balance	\$ 238.131
Total Uses of Funds	\$ 1,874.859
<i>* Includes Fixed Route and METROLift Revenues</i>	

Funding of METRO Activities

The Operating Budget of \$915.0 million, GMP transfer of \$198.9 million, Capital Projects including Core Business Capital Expenditures and Expansion/Enhancements Capital Expenditures of \$420.9 million, and Debt Service expenses of \$101.9 million will be largely funded from several revenue sources (including sales tax receipts, transportation fares, vanpool revenues, operating and capital grants, bond proceeds, and other income) totaling \$1.637 billion.

The METRO Board-approved Debt Policy, adopted in February 2021 sets the minimum target fiscal year ending fund balance (cash and investment portfolio) at 15% of the forward 12-month operating expenditures. Thus, the projected FY2024 year-end fund balance of \$238.1 million includes a total of \$137.3 million, a reserve available to assist in the funding of METRO's debt obligations.

In addition, the METRO Board directed an additional 5% of the forward 12-month operating expenditures to be reserved (\$45.8 million) and another \$10 million reserve as directed by the Board. Thus, the FY2024 year-end general fund balance also includes an additional \$55.8 million similarly available to assist with the funding of METRO's operating and capital activities.

In total, METRO has earmarked \$193.0 million to be available in the event of an emergency.

The Funding Matrix below is a high-level summary of METRO's sources and uses of funds. It is rounded to the nearest million and as a result, will not tie to the detailed numbers in other areas of the FY2024 Business Plan & Budgets.

Fiscal Year 2024						
Sources of METRO Funds (in millions)	Operations	General Mobility	Debt Service	Capital: Core Business	Capital: Expansion & Enhancements	TOTAL
Sales Tax	247	199	102	128	230	906
Farebox	42	-	-	-	-	42
HOT Lanes	6	-	-	-	-	6
Vanpool	2	-	-	-	-	2
Grants	145	-	-	23	35	203
Borrowing	-	-	-	5	-	5
Other	16	-	-	-	-	16
Fund Balance	457	-	-	-	-	457
TOTAL	915	199	102	156	265	1,637



Five Year Sources and Uses Summary

The table below shows an overall financial projection for the next five years to FY2028 on a cash basis.

	2022 Actuals	Budgeted 2023	Estimated 2023	2024	2025	2026	2027	2028
Gross Sales Tax	\$ 969,534	\$ 949,247	\$ 1,020,154	\$ 906,259	\$ 960,497	\$ 1,049,436	\$ 1,119,295	\$ 1,188,497
GMP	\$ (206,883)	\$ (204,322)	\$ (213,186)	\$ (198,949)	\$ (205,729)	\$ (216,846)	\$ (225,578)	\$ (234,229)
Net Sales Tax	\$ 762,651	\$ 744,925	\$ 806,968	\$ 707,310	\$ 754,768	\$ 832,590	\$ 893,716	\$ 954,268
Cash Reserve Carryover from Prior Year	\$ 804,284	\$ 685,404	\$ 712,083	\$ 694,615	\$ 238,131	\$ 198,712	\$ 198,796	\$ 207,994
Fares & Misc.	\$ 37,912	53,808	65,900	66,109	62,418	58,521	65,697	67,043
Operating Grants	\$ 3,953	67,000	95,300	144,923	73,165	74,833	74,833	74,833
Capital Grants	\$ 7,103	100,477	27,200	58,088	347,910	371,687	373,059	417,182
Other Grants (COVID related, etc.)	\$ 21,480	137,000	137,300	-	-	-	-	-
Bus Financing	\$ -	111,256	-	-	172,397	253,364	122,209	123,298
CIP Financing	\$ -	-	-	-	-	146,000	390,000	410,000
Rail Financing	\$ -	-	-	-	-	-	-	-
Grant Anticipation Financing	\$ -	36,306	-	-	-	160,454	314,446	46,355
CP Financing	\$ -	-	-	-	197,000	220,000	22,000	27,000
Texas LoanSTAR Financing	\$ -	7,497	-	4,865	3,041	-	-	-
Farebox Financing	\$ -	-	-	-	-	-	-	-
METRONext Financing	\$ -	67,586	-	-	115,776	328,695	429,005	273,971
Subtotal	\$ 1,637,383	\$ 2,011,259	\$ 1,844,750	\$ 1,675,910	\$ 1,964,607	\$ 2,644,857	\$ 2,883,763	\$ 2,601,944
Debt Service	\$ (123,463)	\$ (132,735)	\$ (182,472)	\$ (101,914)	\$ (108,965)	\$ (191,081)	\$ (313,274)	\$ (419,013)
Capital Budget	\$ (109,351)	(570,733)	(151,134)	(420,864)	(718,176)	(1,314,495)	(1,377,486)	(941,419)
Subtotal	\$ 1,404,569	\$ 1,307,791	\$ 1,511,144	\$ 1,153,131	\$ 1,137,467	\$ 1,139,281	\$ 1,193,002	\$ 1,241,512
Operating Budget	\$ (692,487)	\$ (855,183)	\$ (816,529)	\$ (915,000)	\$ (938,754)	\$ (940,485)	\$ (985,009)	\$ (1,026,186)
Cash Reserve at Year End	\$ 712,083	\$ 452,608	\$ 694,615	\$ 238,131	\$ 198,712	\$ 198,796	\$ 207,994	\$ 215,327
15% Operating Reserve (Debt Policy)	\$ (111,082)	\$ (128,277)	\$ (128,277)	\$ (137,250)	\$ (140,813)	\$ (141,073)	\$ (147,751)	\$ (153,928)
5% Operating Reserve (Board Policy)	\$ (74,055)	\$ (85,518)	\$ (42,759)	\$ (45,750)	\$ (46,938)	\$ (47,024)	\$ (49,250)	\$ (51,309)
Additional Operating Reserve (Board Policy)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)
Ending Balance	\$ 516,946	\$ 228,812	\$ 513,578	\$ 45,131	\$ 962	\$ 699	\$ 992	\$ 90
MADS Coverage - Sales Tax Senior Lien								
			7.25	7.80	6.18	5.14	5.38	5.51
MADS Coverage - Sales Tax Junior Lien								
			NA	NA	NA	15.25	5.71	3.84
MADS Coverage - Farebox Lien								
			NA	NA	NA	NA	NA	NA
Outstanding Par Value Debt								
Commercial Paper	\$ 83,550	\$ 67,450	\$ -	\$ -	\$ 197,000	\$ 399,900	\$ 399,200	\$ 399,100
Sales Tax Bonds & KO's (non-METRONext)	\$ 904,555	748,805	787,430	715,457	821,645	1,147,026	1,555,565	1,941,925
METRONext Sales Tax Bonds	\$ -	66,577	-	-	114,179	438,002	857,743	1,119,146
Farebox Revenue Bonds	\$ -	-	-	-	-	-	-	-
Grant Anticipation Notes	\$ -	36,306	-	-	-	160,454	474,900	521,255
Texas LoanSTAR	\$ -	-	-	4,865	7,906	7,333	6,755	6,171
Total Debt Outstanding	\$ 988,105	\$ 919,138	\$ 787,430	\$ 720,322	\$ 1,140,730	\$ 2,152,715	\$ 3,294,163	\$ 3,987,596

Statement of Revenues, Expenses, and Changes in Net Position

The table below – Statement of Revenues, Expenses and Changes in Net Position – uses the Annual Comprehensive Financial Report format and is prepared using the economic resources focus and the accrual basis of accounting – revenues are recognized when earned and expenses are recognized when incurred. All the current year's revenues and expenses are included regardless of when the cash is received or paid.

Statement of Revenues, Expenses and Changes in Net Position

(in millions)

	FY2022 Actual	FY2023 Budget	FY2023 Estimate	FY2024 Projection
Operating Revenues:				
<u>Revenues:</u>				
Transportation Fares	31.110	39.561	32.300	41.947
HOT Lane & Special Events Revenues	1.961	11.844	5.000	6.099
Vanpool Revenues	4.841	2.403	1.500	1.596
Total Operating Revenues	37.912	53.808	38.800	49.642
Operating Expenses:				
Transit Operating	713.068	855.183	816.529	915.000
Depreciation and Amortization	189.697	195.680	177.377	186.246
Total Operating Expenses	902.765	1,050.863	993.906	1,101.246
Operating Loss	\$ (864.853)	\$ (997.056)	\$ (955.106)	\$ (1,051.603)
Non-Operating Revenues (Expenses):				
Sales Tax	\$ 969.534	\$ 949.247	\$ 1,020.154	\$ 906.259
Investment Income	4.939	2.665	18.200	14.067
Non-capitalized Interest Expense	(30.731)	(42.303)	(33.574)	(30.053)
Other Income	2.934	2.980	8.900	2.400
Grant Proceeds - Operating	25.433	67.000	232.600	144.923
Local Infrastructure Assistance/GMP	(194.541)	(204.322)	(213.186)	(198.949)
Funds passed to subrecipients	(0.313)	-	1.052	-
Recovery /(Loss) for Asset Impairments	(8.666)	-	969.463	-
Gain (Loss) on Sale for Disposal of Assets	(0.077)	-	(3.905)	-
Total Non-Operating Revenues	\$ 768.512	\$ 775.267	\$ 1,999.703	\$ 838.647
Gain/(Loss) before Capital Grants	\$ (96.341)	\$ (221.789)	\$ 1,044.597	\$ (212.957)
Capital Grant Proceeds	7.103	\$ 100.477	\$ 27.200	\$ 58.088
Changes in net assets	(89.238)	(121.312)	1,071.797	(154.869)
Net Assets - beginning of the year	1,708.324	1,260.034	1,619.085	2,690.883
Net Assets - end of the year	1,619.085	1,138.721	2,690.883	2,536.013

Statement of Net Position

The table below shows the Authority's Statement of Net Position as of fiscal years ending September 30, 2022, estimated for 2023, and projected for 2024.

Statement of Net Position

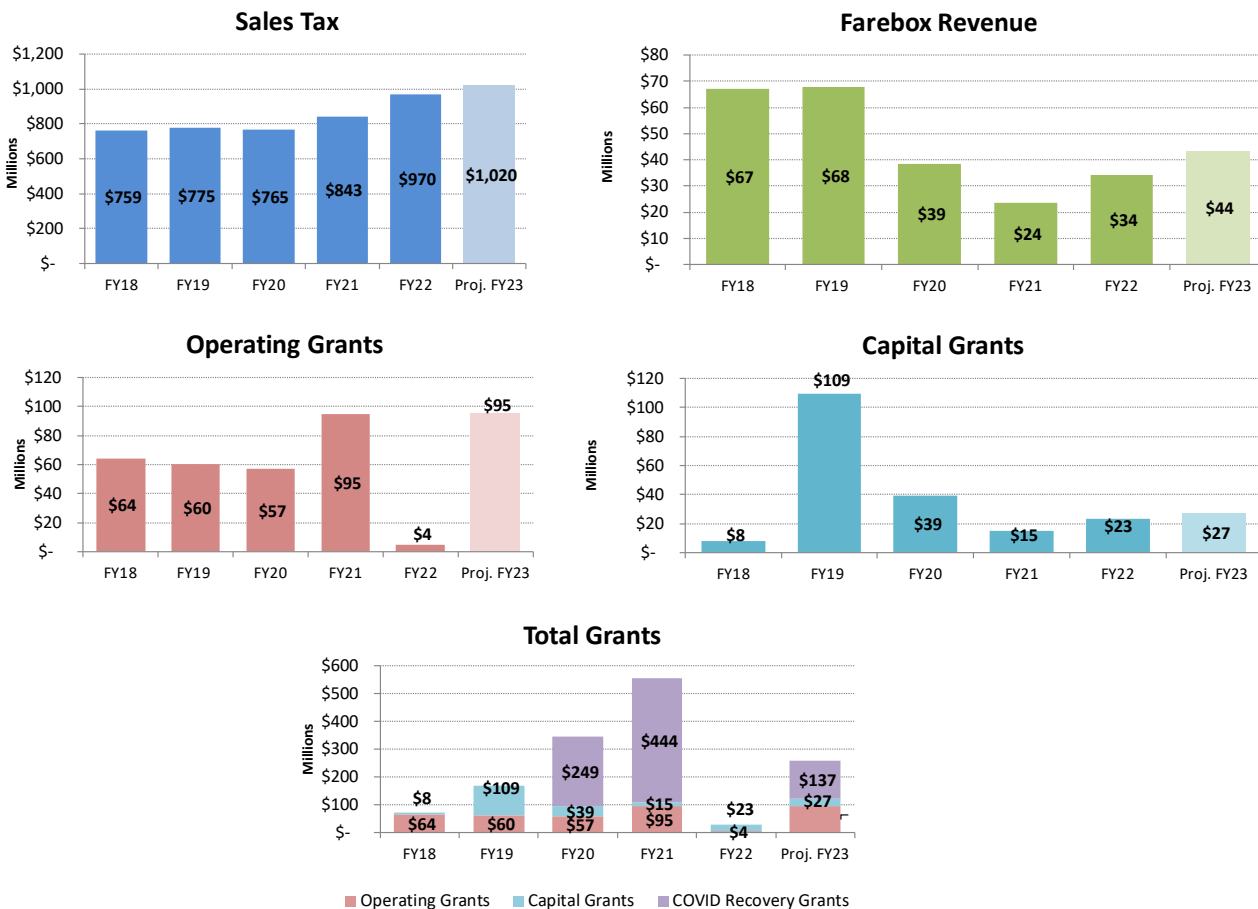
(in millions)

	FY2022 Actual	FY2023 Budget	FY2023 Estimate	FY2024 Projection
	9/30/2022	9/30/2023	9/30/2023	9/30/2024
Assets				
Cash	\$ 7.987	\$ 10.000	\$ 10.000	\$ 10.000
Receivables	189.900	249.000	163.342	164.000
Inventory	46.107	54.000	49.332	50.000
Investments	909.255	780.989	850.114	784.322
Other Assets	3.359	6.000	5.054	6.000
Property Net of Depreciation	2,148.073	2,572.280	2,915.624	2,676.234
Land & Improvements	488.357	594.653	733.464	818.058
Total Assets	\$3,793.037	\$ 4,266.922	\$ 4,726.931	\$ 4,508.613
Deferred Outflow of Resources*	168.210	183.000	168.210	169.000
Liabilities				
Trade Payables	\$ 66.148	74.000	\$ 113.684	114.000
Accrued Payroll	32.892	37.000	46.368	47.000
Short-Term Debt	83.550	67.450	-	-
Long-Term Liabilities	2,003.511	2,990.751	1,888.389	1,823.600
Other Liabilities	29.898	36.000	29.656	30.000
Total Liabilities	\$2,216.000	\$ 3,205.201	\$ 2,078.096	\$ 2,014.600
Deferred Inflow of Resources*	126.162	106.000	126.16	127.000
Net Assets - Retained	\$1,619.085	\$ 1,138.721	\$ 2,690.883	\$ 2,536.013
Total Liabilities and Net Assets	\$3,835.085	\$ 4,343.922	\$ 4,768.979	\$ 4,550.613

Revenues

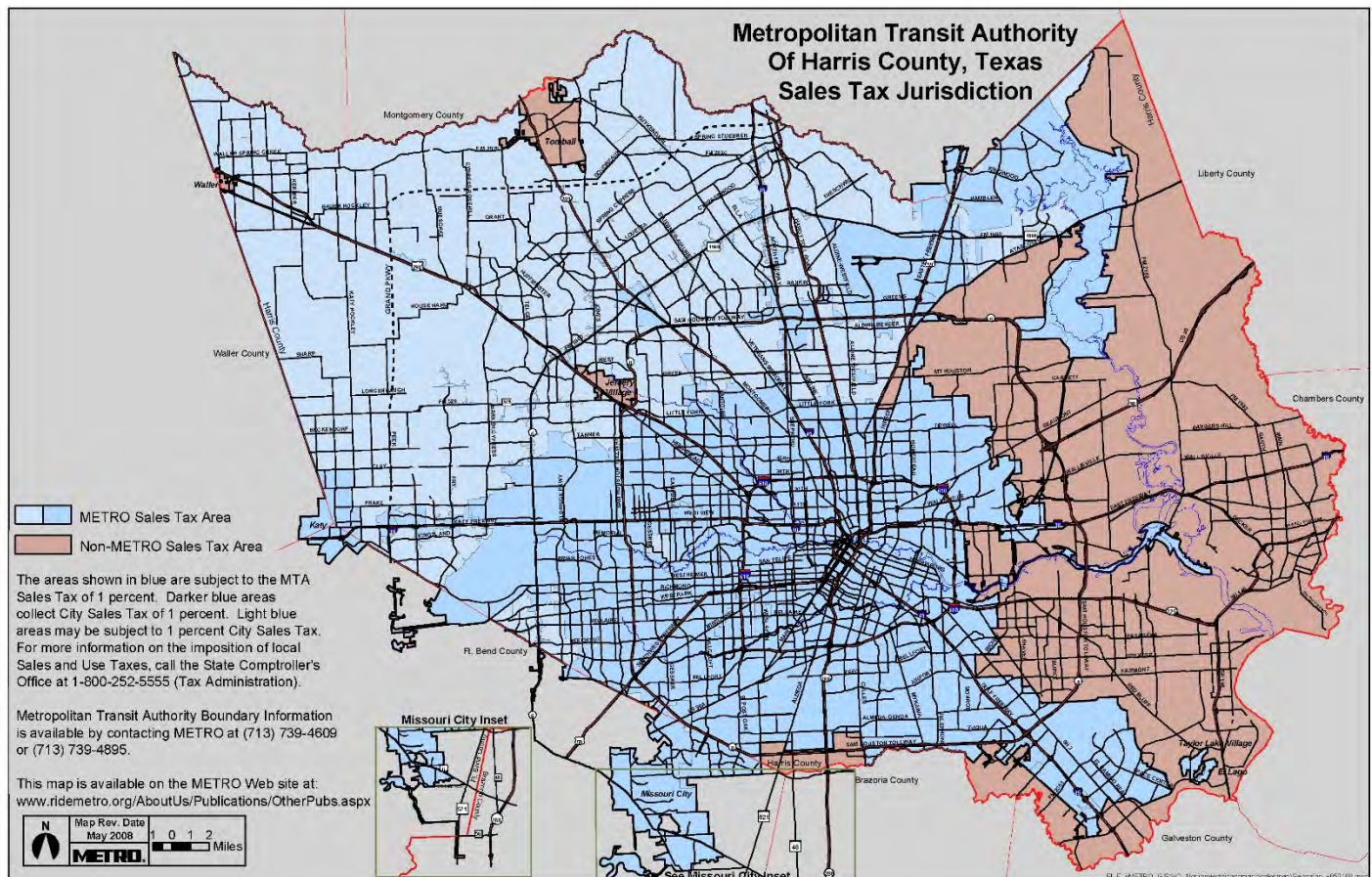
[Chapter 451 of the Texas Transportation Code](#) authorizes METRO to impose fares, tolls, charges, rents, and other compensation in amounts sufficient to produce revenue, together with sales tax revenue received by the Authority, in an amount adequate to: (1) pay all expenses necessary to operate and maintain its transit system; (2) pay debt service, sinking fund and reserve fund payments (agreed to be made with respect to all Authority obligations payable in whole or part from such revenue) when due; and (3) fulfill the terms of any other agreement with the holders of any such obligations. The total of compensation and sales taxes imposed may not exceed the amounts necessary to produce revenue sufficient to meet the obligations of the Authority.

Available funding sources include sales tax, fares paid (“farebox revenue”), federal grants, investment income, and other miscellaneous sources. The graphs below show the actual and estimated revenues by the largest funding sources for the current and previous five fiscal years. Although METRO’s farebox revenue decreased significantly due to COVID-19, it is beginning to recover.



Sales Tax

METRO's primary source of revenue is a dedicated one-percent tax on all taxable sales within the METRO service area, which includes the cities of Houston, Bellaire, Bunker Hill Village, El Lago, Hedwig Village, Hilshire Village, Humble, Hunters Creek Village, Katy, Missouri City, Piney Point Village, Southside Place, Spring Valley Village, Taylor Lake Village, and West University Place, plus major portions of unincorporated Harris County.



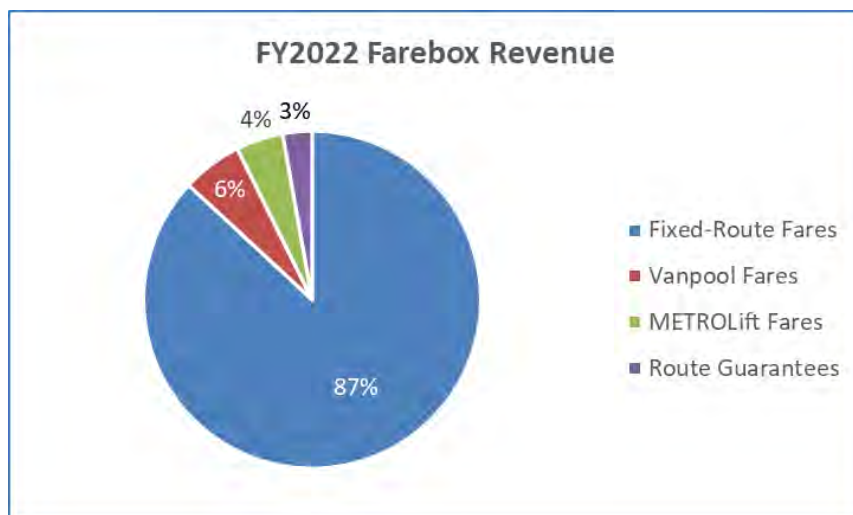
When METRO was created, service area voters approved the tax via referendum. METRO has collected the tax since 1978. This tax currently provides METRO well over \$600 million per year. Sales tax projections are developed by Dr. William (Bill) Gilmer of the [Institute for Regional Forecasting](#) at the Bauer College of Business at the University of Houston.

A portion of METRO's sales and use tax revenues are dedicated to the member entities through a contract with the voters for street improvements, mobility projects, and other facilities. These dedicated funds and their associated projects are locally known as the General Mobility Program (GMP). The Comptroller for the State of Texas collects and distributes these amounts to the appropriate governmental organizations with funding normally occurring within approximately 60 days from date of the sale. The amount of sales tax transferred to the GMP is just under 25%. The largest risk to METRO's ability to receive projected sales tax would be reduced economic activity, especially relating to oil and gas activity. More information on the GMP can be found in [the GMP section](#); actual and projected total sales tax revenues through 2027 can be found in [Appendix H](#).

Farebox Revenue

METRO's second source of revenues is farebox revenues, which include these categories:

- Bus and train fares, called “fixed-route fares”, which are paid by METRO Q® fare card, cash, mobile tickets, or paper tickets
- METROLift paratransit fares, which are paid using METROLift paper tickets, the EZ Wallet app, monthly passes, or annual passes
- METRO Star vanpool fares, which are paid by participants; costs vary depending on the number of riders in the van
- Route guarantees, which are payments made by organizations or governmental entities to offset the costs of providing a specified service.



Most of METRO's farebox revenue, as seen in the chart at the left, comes from fixed-route fares.

METRO recognizes farebox revenue in two ways, depending on the mode: at point of purchase or at point of usage. Revenue from METRO Star vanpool and route guarantees is recognized immediately when the payments are made. In contrast, revenue from fixed-route and METROLift fares is recognized at the time that the fares are used. For example, when a rider loads \$5.00 to their METRO Q® fare card and then pays a fare of \$1.25, METRO would recognize \$1.25 as fare revenue and place the remaining \$3.75 in a category called

“deferred revenue” until used.



In 1985, METRO's fare was \$0.55. Over the years, the fare has been increased by \$0.10, \$0.20, and in 1994 by \$0.15, which resulted in a fare of \$1.00. In conjunction with the implementation of new fare collection technology in 2008, METRO made changes to simplify its fare structure and levels. On November 2, 2008, METRO's local base fare (bus and rail) increased \$0.25 to \$1.25 and Park & Ride fares increased from between \$2.00 and \$3.50 per trip to \$2.50 – \$4.50 per trip as well.

The METROLift base fare also increased on February 1, 2016, from \$1.15 to \$1.25 for paratransit trips within the service area that is mandated by the Americans with Disabilities Act (ADA). The ADA service area is within $\frac{3}{4}$ mile of METRO's Local bus and light rail service. The cost for trips outside the ADA service area, but still within the METRO service area, increased from \$1.15 to \$2.50 each way, offset by making all fixed-route service free for METROLift riders.

METRO has one of the lowest base fares for local service in the country, as shown on the [Comparative Base Fares map](#) in Appendix F. METRO has no plans to increase either fixed-route or paratransit fares in FY2024.

Current Fares: Fiscal Year 2023

	Full Fare	Discounted Fare
Local/METROrail/METROrapid	\$1.25	\$0.60
Park & Ride Zone 1	\$2.00	\$1.00
Park & Ride Zone 2	\$3.25	\$1.60
Park & Ride Zone 3	\$3.75	\$1.85
Park & Ride Zone 4	\$4.50	\$2.25
Park & Ride Zone 7	\$8.00	\$4.00
METROLift (paratransit)		
Feeder Service	\$0.00	
Inside ADA Service Area	\$1.25	
Outside ADA Service Area	\$2.50	

Riders Eligible for Discounted for Free Fixed-Route Fares

Discounted Fare	Free Fare
Senior citizens (aged 65-69)*	Senior citizens aged 70+*
Students aged six - college*	Children aged five and under
Medicare cardholders*	METROLift riders*
Riders with disabilities who do not qualify for paratransit*	Qualified decorated and/or disabled military veterans*
	Jurors with their summons or jury pass (if selected)

**With applicable METRO Q® Fare Card*

Federal Grants

Typically, METRO receives federal grant funds from several categories, including Section 5307 – Urbanized Area Formula Grants; Section 5309 – Capital Investment Grants; Section 5310 – Enhanced Mobility of Seniors and Individuals with Disabilities; Section 5337 – State of Good Repair, Section 5339 – Bus and Bus Facilities; Congestion Mitigation/Air Quality Improvement Program (CMAQ); and Surface Transportation Block Grant Program (STBG). Federal Highway Administration (FHWA) CMAQ and STBG funds are highway funds that can be transferred from highways to transit to fund projects that will improve air quality, reduce congestion, or improve regional mobility. The table below includes links to websites that describe each grant program.

From FY2020 through FY2022, METRO received additional grant funding from the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#), the [Coronavirus Response and Relief Supplemental Appropriations Act of 2021 \(CRRSAA\)](#), and the [American Rescue Plan Act of 2021 \(ARP\)](#) to help compensate for reduced revenues from sales tax and fares and cover additional coronavirus-related costs. These funds are shown in the Total Grants graph as “COVID Recovery Grants.”

When programmed by the [Transportation Policy Council \(TPC\)](#) of the [Houston-Galveston Area Council \(H-GAC\)](#), the CMAQ grant program may be applied to capital projects and to support operations of some transit services, including programmed receipts for the Clean Vehicle Program, bike racks, and Signature Bus Service; the STBG funds may be applied to transit capital projects.

Federal Transit Administration Grants

The FTA plays an essential role in funding capital projects and certain operating expenses through two types of grant programs: formula grants and discretionary grants. Formula grants are awarded based on demographics, service levels, and ridership. Discretionary grants are awarded based on meeting application requirements and selected using criteria specific to each program. The following FTA grant programs are included in the development of the financial plan; links to the FTA website provide program descriptions.

Grant Program	Examples of METRO Grant-Funded Projects
Section 5307 – Urbanized Area Formula Grants	Capitalized preventive maintenance of buses
Section 5309 – Capital Investment Grants	METRORail Purple (Southeast) and Red Line extension (North). Also referred to as Full Funding Grant Agreement (FFGA).
Section 5324 – Public Transportation Emergency Relief Program	Reimbursement for losses from Hurricane Harvey
Section 5337 – State of Good Repair	Repair of METRORail, HOV/HOT lanes
Section 5339 – Bus and Bus Facilities	Northwest Transit Center reconstruction and parking upgrade; Installation of charging stations at Bus Operating Facilities.
Congestion Mitigation and Air Quality Program	METRO STAR vanpool program; Burnett Transit Center
Surface Transportation Block Grant Program	METRO STAR vanpool program

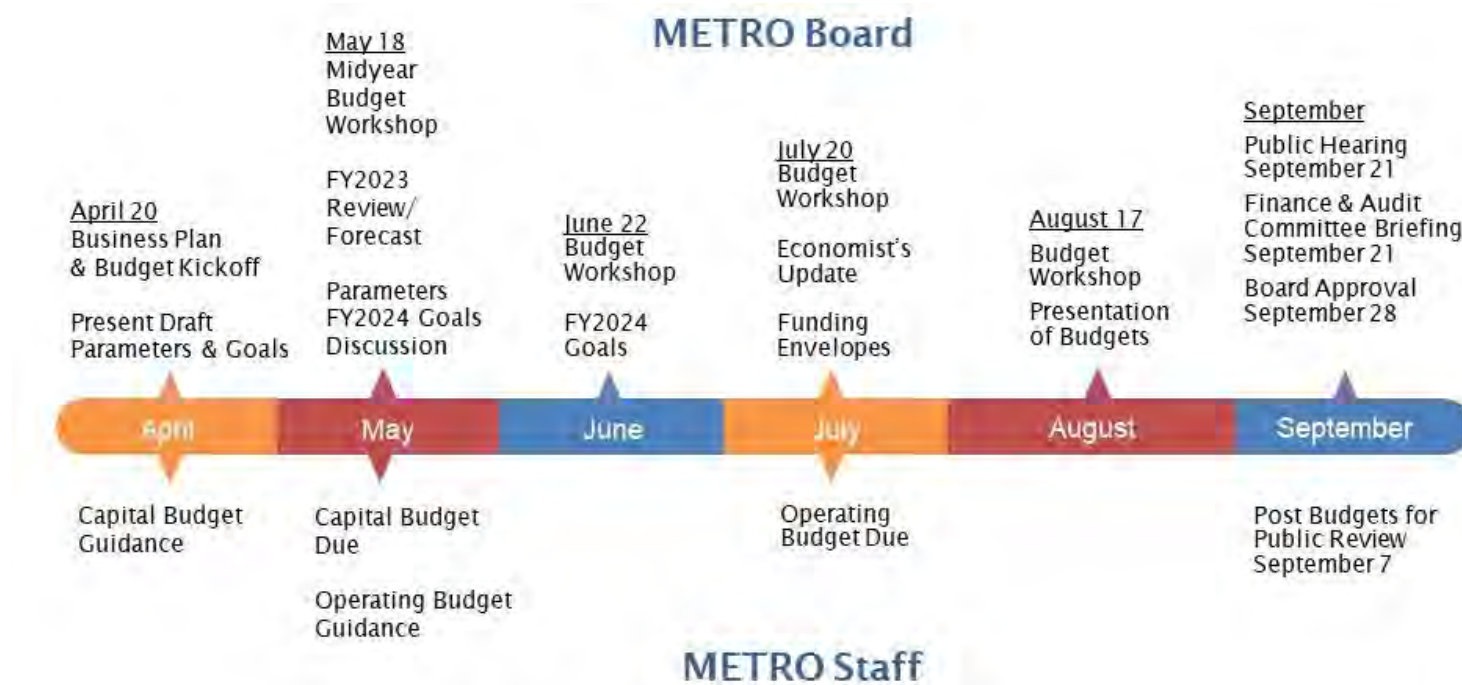
Miscellaneous Revenue and Investment Income

METRO’s other sources of revenues outside of grants are Miscellaneous Revenue and Investment Income. Miscellaneous Revenue includes income from such sources as [High Occupancy/Toll \(HOT\) Lanes](#), [auctions of surplus equipment](#), [parking](#), right-of-way easement leases, and recycling of used equipment and chemicals. METRO receives Investment Income from its portfolio. A complete Investment Policy can be found [here](#).



FY2024 Budget Planning

Timeline



Public Participation

[Chapter 451 of the Texas Transportation Code](#) requires the Board of Directors to adopt an annual operating budget of all major expenditures by type and amount for each fiscal year before conducting any business in the fiscal year. The Authority must hold a public hearing on each proposed annual operating budget, or any amendment to the budget, before adopting the budget or amendment. In addition, it has been the Board's standard practice to hold several budget workshops prior to the public hearing, as shown in the timeline. The public is always welcome to make comments at the budget workshops in accordance with METRO's public comment instructions. Speakers must sign up 48 hours before the workshop and are allotted three minutes to address the Board. Those wishing to speak should send an email to boardoffice@ridemetro.org or call 713-739-4834 to sign up.

The proposed budgets are always made available to the public to review 14 days prior to the public hearing, via electronic copy on www.RideMETRO.org or hard copy at METRO's headquarters. The public can make comments by calling METRO's Customer Service line at 713-635-4000, emailing Budget.Book@ridemetro.org, or speaking at the public hearing. The public hearing for the FY2024 budget is scheduled for Thursday, September 21, 2023 at 11:30 a.m. More information about public hearings can be found at <https://www.ridemetro.org/Pages/NewsPublicHearing.aspx>.

People can participate in the hearing in three ways:

- Attend the hearing in person in the Board Room at METRO's Lee P. Brown Administration Building, located at 1900 Main Street in downtown Houston.
- View the hearing on Zoom at <https://us02web.zoom.us/j/86265060377> or by dialing: 346-248-7799, Meeting ID: 862 6506 0377
- View a livestream of the hearing online at <https://www.ridemetro.org/Pages/BoardStreamingVideo.aspx>. A video recording of the hearing will also be archived on <https://www.ridemetro.org/Pages/BoardStreamingVideo.aspx>. This option is for those who do not want to provide comments at the time of the hearing.

METRO recommends that anyone wanting to make public comments during the hearing register as a public speaker with METRO's Board Office at least 48 hours in advance of the hearing by calling 713-739-4834 or sending an email to boardoffice@ridemetro.org, and providing their name, address and telephone number. Comments from speakers who pre-register will be heard first at the public hearing. Their names will be called at the appropriate time to make comments. Alternatively, audience members may provide comments after the pre-registered speakers by raising their hand when called upon if present in the Board Room, by selecting the "Raise Hand" feature on the Zoom platform online, or by pressing *9 if joining by telephone. Those calling in will automatically be placed on mute. After an unregistered speaker's name or number is recognized, their microphone will be unmuted and they will be able to provide their comments.

The Authority constantly manages performance against its budget. The Office of Management and Budget produces detailed financial reports every month for the Board of Directors to review. These reports can be found at <https://www.ridemetro.org/Pages/FAMonthlyReports.aspx>

Each department also produces quarterly reports and meets with the President & Chief Executive Officer to review the departmental budget performance.

Operating Budget

METRO budgets its Total Operating Expense for each fiscal year, which runs October 1 through September 30. “Total Operating Expense” is the sum of all employee labor, the cost of supporting that labor (e.g., insurance, space, utilities), and the direct costs of operating and maintaining its transportation network. These direct costs not only include parts, fuel, tires, batteries, etc., but also purchased transportation (contracting with outside vendors to provide bus or METROLift service) and support vehicles (such as police cars and street supervisor vehicles.) Last, Total Operating Expense includes labor expenses of METRO employees performing work on capital improvement projects.

Operating and Maintenance (O&M) Costs

METRO uses a cost allocation methodology, the Cost Allocation Model (CAM), to estimate its systemwide operating and maintenance costs that are used as inputs to the cost-effectiveness and operating efficiencies criteria. Transit authorities need a well-documented and defensible cost allocation methodology that accurately accounts for the true costs of providing transit services. This methodology uses actual METRO operating data as the foundation for the estimates and is described in more detail below. The CAM is also used to determine the cost by service mode for METRO’s annual report to the National Transit Database.

Selection of Key Driving Supply Variables

METRO’s CAM was developed by a statistician and is designed to allocate METRO’s operating expenses across all operating modes, also known as service categories. The model takes audited net operating expenses from METRO’s financials and calculates the cost to run each service category per revenue hour. The service categories are listed below:

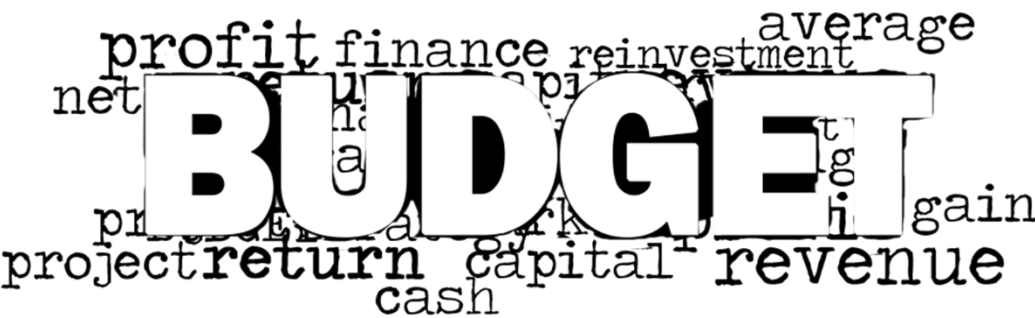
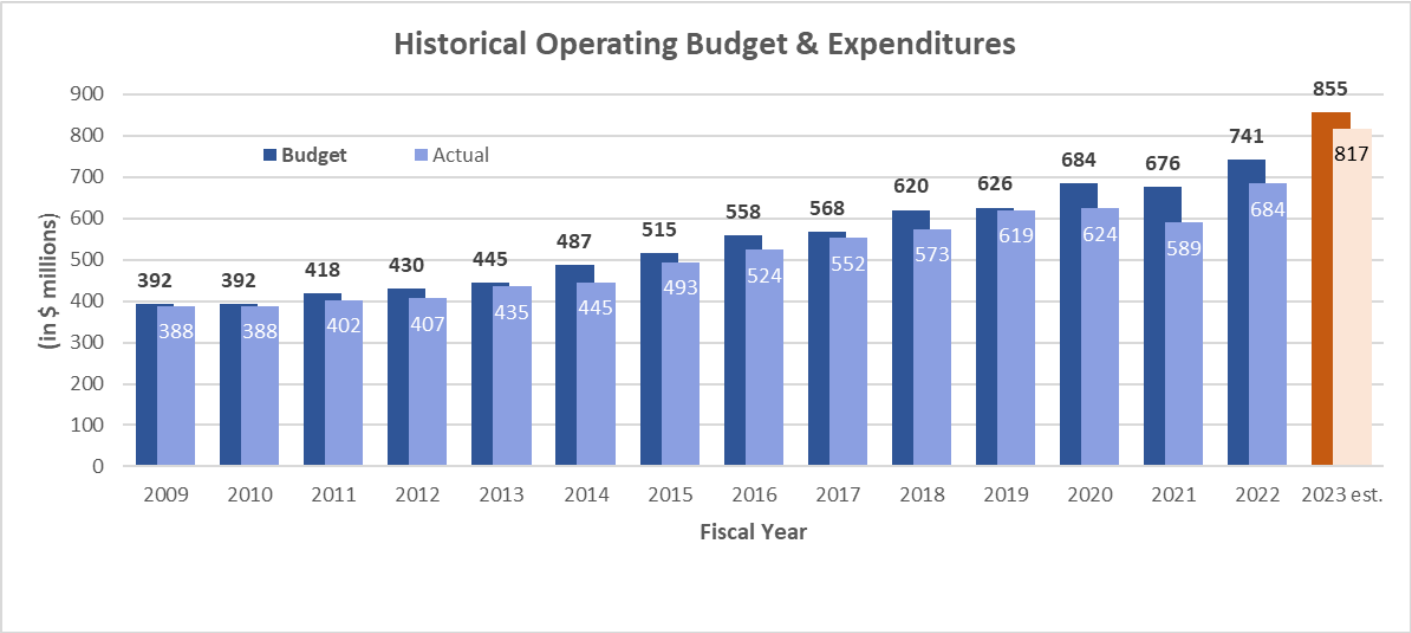
- METRO-operated Local Bus
- Contractor-operated (Transdev) Local Bus
- METRO-operated Bus Rapid Transit
- METRO-operated Park & Ride
- Contractor-operated (Transdev) Park & Ride
- METRO-operated Alternative Service (curb2curb)
- METROLift (standard service)
- METRORail
- METRO Star vanpool
- HOV/HOT Lanes
- Special Events
- Internal Charter

METRO’s Cost Allocation Model allocates current costs on many driving variables, called allocation bases. These allocations are based on revenue and vehicle miles, scheduled and vehicle hours, passenger boardings, number of peak buses, employees by service category, or are directly allocated to specific services as applicable (Rail, METROLift, etc.).

By using these allocation bases, the CAM properly allocates all of METRO’s net operating expenses to the proper type of service category, expense (fixed or variable), and expense type (direct or allocated).

Substantial risks that could cause a variance between actual and budgeted expenses include possible increases in pension and other employee benefit funding requirements; possible increases in non-hedged energy costs or failures of hedges; increased costs from possible future storm damage; and other risks that cannot be predicted or avoided.

METRO has a history of conservative budgeting leading to solid financial performance, ending each fiscal year with an operating budget surplus. The chart below demonstrates METRO’s history of budgetary compliance over the past 15 years.



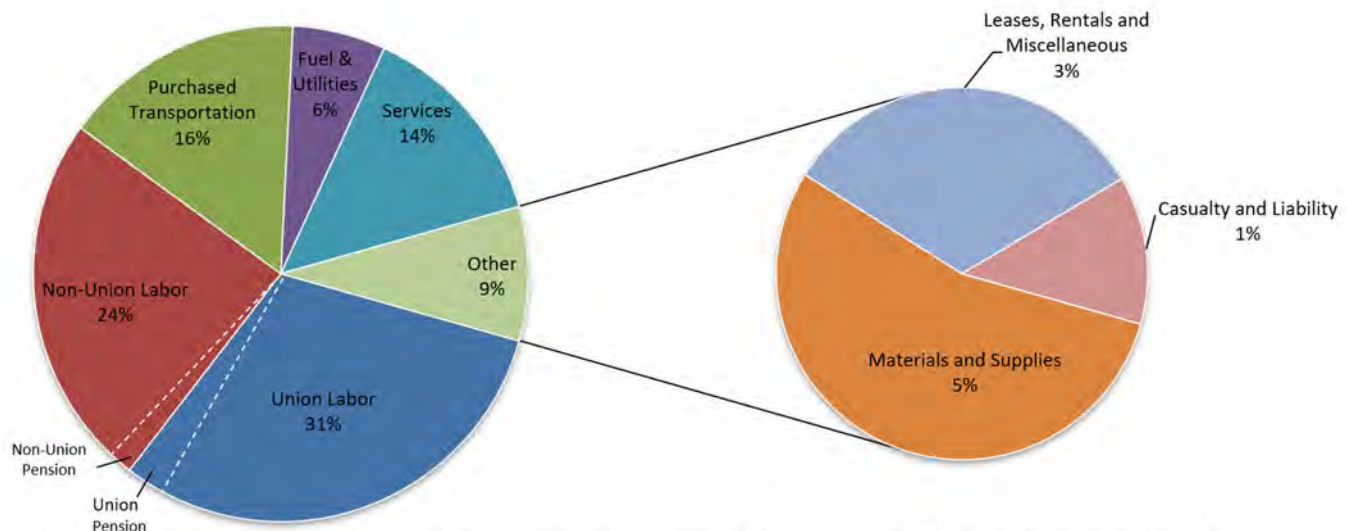
Summary		
FY2023 Operating Budget	\$	855,183,000
Net Increase		81,944,431
Net Decrease		(22,127,431)
FY2024 Operating Budget	\$	915,000,000
FY 2024 Net Increase		59,817,000
Major Increases & Decreases		
<u>Increases</u>		
Annualization of January, June, and August Service Changes (\$24.9M between Labor, Materials & Supplies, Fuel, and Purchased Transp)		
Increase in Total Payroll and Benefits driven by:		36,617,425
Additional Bus Operators (per June workforce reprot, carrying 70 bus operators over budget)		
Adding another 56 bus operators for the August Service Change		
Allowance for COLA and Merit for FY2024		
Union contract wage increase of 3%		
Increased Healthcare rate		
Less capitalized hours		
Purchased Transportation increase mainly driven by increased rates		17,351,686
Increase in Materials & Supplies for METRORail, Fleet Services, and Facilities Maintenance		6,264,004
Allowance for 24 hour service and Bike Share Program		5,500,000
Increase in Contract and Support Services		4,933,125
Increase in Other Allowances		2,632,658
Increase in Multiple Other Services		2,031,088
Allowance for new curb2curb service		1,980,798
Increase in Casualty and Liability Expense		1,695,124
Increase in Rent Software		1,628,445
Increase in Landscaping Services		1,310,078
Total Increases	\$	81,944,431
<u>Decreases</u>		
Reduction in Pre-capital contract support services for METRONext		(19,189,377)
Reduction in Diesel Fuel mainly due to hedge rates/offset by Increase in Gasoline		(1,043,052)
Reduction in Legislative Coordination		(945,000)
Reduction in Janitorial Services/Offset with COVID reduction		(506,020)
Reduction in Advertising Fees for Authority		(443,982)
Total Decreases	\$	(22,127,431)

Operating Budget by Cost Category

	FY2022 <u>Actual</u>	FY2023 <u>Budget</u>	FY2023 <u>Estimate</u>	FY2024 <u>Budget</u>	Budget-to-Budget Variance	
					\$	%
Wages	\$ 155,381,246	\$ 179,057,835	\$ 178,694,556	\$ 184,824,128	\$ 5,766,293	3.2%
Union Fringe Benefits	84,149,500	94,433,359	92,296,606	101,228,949	6,795,589	7.2%
Subtotal Union Labor	\$ 239,530,745	\$ 273,491,194	\$ 270,991,162	\$ 286,053,077	\$ 12,561,882	4.6%
Salaries and Non-Union Wages	120,525,767	148,698,800	147,520,762	160,293,375	11,594,575	7.8%
Non-Union Fringe Benefits	51,265,983	57,128,166	58,972,046	65,472,280	8,344,113	14.6%
Subtotal Non-Union Labor	\$ 171,791,751	\$ 205,826,966	\$ 206,492,808	\$ 225,765,655	\$ 19,938,688	9.7%
Allocation to Capital and GMP	\$ (8,947,957)	(14,894,121)	(12,005,130)	(13,089,373)	1,804,748	(12.1%)
Subtotal Labor and Fringe Benefits	\$ 402,374,540	\$ 464,424,039	\$ 465,478,840	\$ 498,729,359	\$ 34,305,319	7.4%
Services	94,585,620	139,464,440	105,771,930	126,678,352	(12,786,087)	(9.2%)
Materials and Supplies	33,349,452	37,567,285	37,010,600	43,891,274	6,323,989	16.8%
Fuel and Utilities	38,317,562	56,979,113	57,834,070	55,936,062	(1,043,052)	(1.8%)
Casualty and Liability	8,357,342	8,672,790	7,885,076	10,367,914	1,695,124	19.5%
Purchased Transportation	102,027,045	125,824,916	128,146,331	145,157,400	19,332,484	15.4%
Leases, Rentals and Miscellaneous	13,797,149	20,224,307	15,462,519	26,149,863	5,925,556	29.3%
Subtotal Non-Labor	\$ 290,434,171	\$ 388,732,850	\$ 352,110,525	\$ 408,180,864	\$ 19,448,014	5.0%
Subtotal Labor and Non-Labor	\$ 692,808,711	\$ 853,156,889	\$ 817,589,365	\$ 906,910,223	\$ 53,753,334	6.3%
Contingency		2,952,342	-	9,000,000	6,047,658	204.8%
Allocation to Capital and GMP	(321,911)	(926,231)	(1,059,907)	(910,223)	16,008	(1.7%)
Total Operating Expenses	\$ 692,486,800	\$ 855,183,000	\$ 816,529,458	\$ 915,000,000	\$ 59,817,000	7.0%

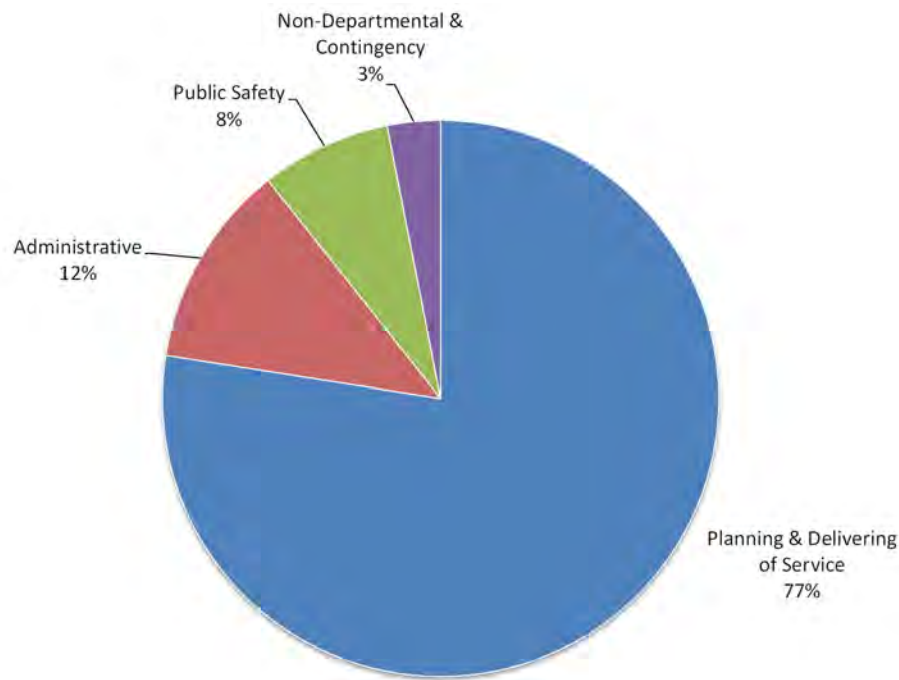
FY 2024 Operating Budget Breakdown

By Cost Category



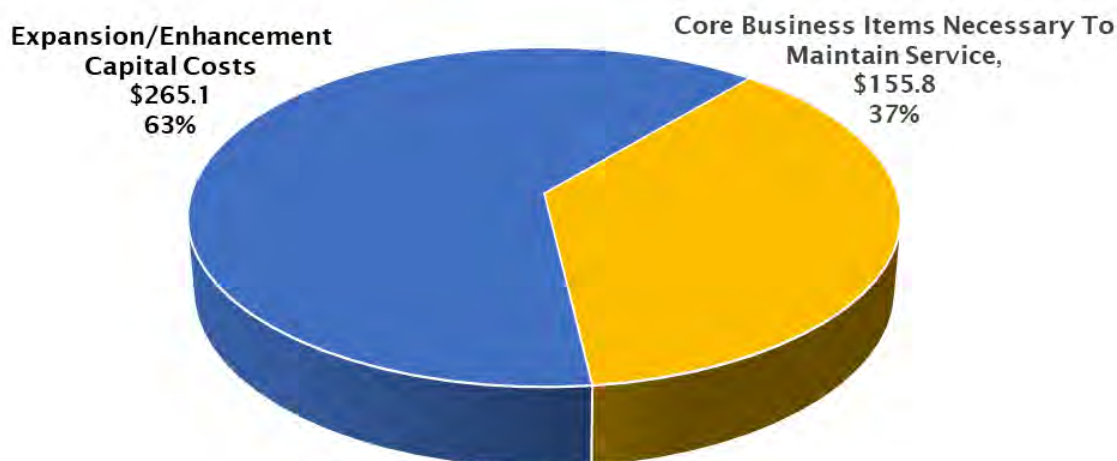
NOTE: Non-Union Pension represents 2.33% of total operating budget. Union Pension represents 2.36% of total operating budget.

By Function



Capital Budget

METRO's FY2024 Capital Programs: \$420,864,354



Capitalization Policy

The Authority's overall capitalization policy requires expenditures to be capitalized when they exceed \$5,000 and (a) the useful life of the asset acquired exceeds one year and/or (b) the useful life of an existing asset is increased beyond its original useful life. Please see the appendix for complete capitalization guidelines.

FY2023 Capital Budget and Five-Year Capital Program Plan

METRO's Capital Programs consist of two primary categories including Core Business Items Necessary to Maintain Service and Expansion/Enhancement Capital Costs. Both categories of spending include a wide array of energy efficient Climate Action Plan initiatives, some of which are considered as Core Business Items and a number of METRONext expansion initiatives are aligned with the transition to environmentally friendly initiatives identified in METRO's Climate Action Plan.

The sub-categories of the Core Business Items Necessary to Maintain Service include Vehicle Maintenance Costs, Maintaining Operational Facilities (Buildings, Rail and Bus Rapid Transit lines), Information Technology Projects, and Vehicle Acquisition Costs. The Core Business component includes \$155.8 million in funding of Contracted/Obligated or Committed projects in FY2024.

The sub-categories of the Expansion/Enhancement Capital Costs include Vehicle Acquisition Costs, Safety Projects, Information Technology-expansion Projects, FFGA Commitments, METRONext, Legacy Projects - New and/or Enhanced, and Allowances. This Expansion/Enhancement component includes \$260.1 million in funding of Contracted/Obligated or Committed projects in FY2024 with an additional \$5.0 million in allowances, totaling \$265.1 million.

A Capital project is considered Contracted/Obligated or Committed, if the project meets any of the following criteria:

- Involves a predominantly procured item and is under active contract.
- Has progressed beyond the Planning and Engineering/Design phase and is under contract for construction.
- Has a commitment or agreement with another external entity to advance the project, but not under contract.

If a project is Non-Obligated, it may be funded from the \$5.0 million Unallocated Capital Project Allowance included in the FY2024 Budget. After internal review and recommendation, a project may be presented to the METRO Board for approval to move forward from the development phase into active status.

In order to do so, METRO executives convene a Capital Budget Review Committee meeting, or a series of meetings, to thoroughly review the project budget request, to ensure the request is in alignment with the established METRO goals:

- Create outstanding trip experiences for all users by connecting residents to more places, more often, in a clean, comfortable, safe and efficient environment.
- Enhance communities and lives by providing high quality mobility options for all service areas and users, which includes innovation and planning for the future.
- Maintain and improve an accessible transportation system infrastructure.
- Increase public awareness and support for the regional transportation system, which includes collaboration with regional and national leadership.
- Provide responsive, accountable and trustworthy governance within the METRO organization.

If during a Capital Budget Review Committee meeting a capital project budget request meets the intent of METRO's goals and is approved to continue forward in the budget process, the Capital Budget Review Committee can approve the activation of projects under \$1 million and for projects \$1 million or more, and recommend that the project be presented to the METRO Board for approval to move forward as an active project.

A Capital Improvement Project is considered as an Unallocated Capital Project, if the project is:

- Predominantly a procured item and is not yet under contract.
- Currently in the early Planning and Engineering/Design phase and requires additional scoping before being assigned as a capital project.
- Included in the out-years of the current Five-Year CIP, and not currently under contract. In some cases, a multi-year project may be obligated in the first year only.

In alignment with METRO's Business Plan Goal of bringing innovation along with planning for the future, Houston METRO has adopted a Sustainability Vision Statement. The Sustainability Vision Statement applies agency-wide principles that will guide and be incorporated into METRO's business practices. The adopted Sustainability Vision Statement is as follows:

- METRO will shift to 100% zero-emission bus purchases on or before FY2030, with a complete transition to zero-emission buses by FY2040.
- METRO will manage its operations to avoid or minimize environmental impacts on the health and safety of our employees.
- METRO will apply green principles to the design and management of its facilities. METRO will foster sustainable use of natural resources by promoting energy management, recycling, reuse, and repurposing of materials, and waste reduction management opportunities.
- METRO will collaborate with other organizations to achieve shared environmental goals.
- METRO will develop an agency-wide Climate Action Plan to achieve the objectives of this Sustainability Vision Statement.

Most significantly is the adoption of a shift to 100% zero-emission bus purchases on or before FY2030. This transformative initiative will include purchase of a second order of 40 Battery Electric Buses (BEB)s for operation along two key METRO corridors that include service to three underserved communities. Further efforts will include incorporation of electric vehicles into the Community Connector Service and agency service vehicle program. To ensure resiliency, METRO will also investigate the use of Hydrogen Fuel Cell buses toward developing a diversity of zero-emission buses into its fleet. In addition, it will enhance the customer experience, employee environment and making Houston METRO a great community partner in efforts to reduce carbon emissions in the region.

These projects will continue innovation efforts around emerging vehicle technology. METRO is a leader in the development of autonomous vehicles for public transit use and will continue its work with the support of a Federal Transit Administration Accelerating Innovative Mobility (AIM) grant for development of the Houston METRO Shuttle of the Future, a fully accessible and federally compliant mid-size shuttle. This is in addition to its membership in the Automated Bus Consortium (ABC) for the development of an autonomous full-size transit bus.

Other agency projects include use of Artificial and Virtual Reality (AR/VR) for employee training, digital signage, passenger Wi-Fi, a mobile based on-demand service and, in the near future, an updated fare collection system.

All of these efforts support METRO's goal toward innovation and providing customers state-of-the-art services and vehicles to ensure the agency's sustainability and resiliency.



Five-Year Capital Program Plan

The following reflects METRO's Five-Year Capital Program plan:

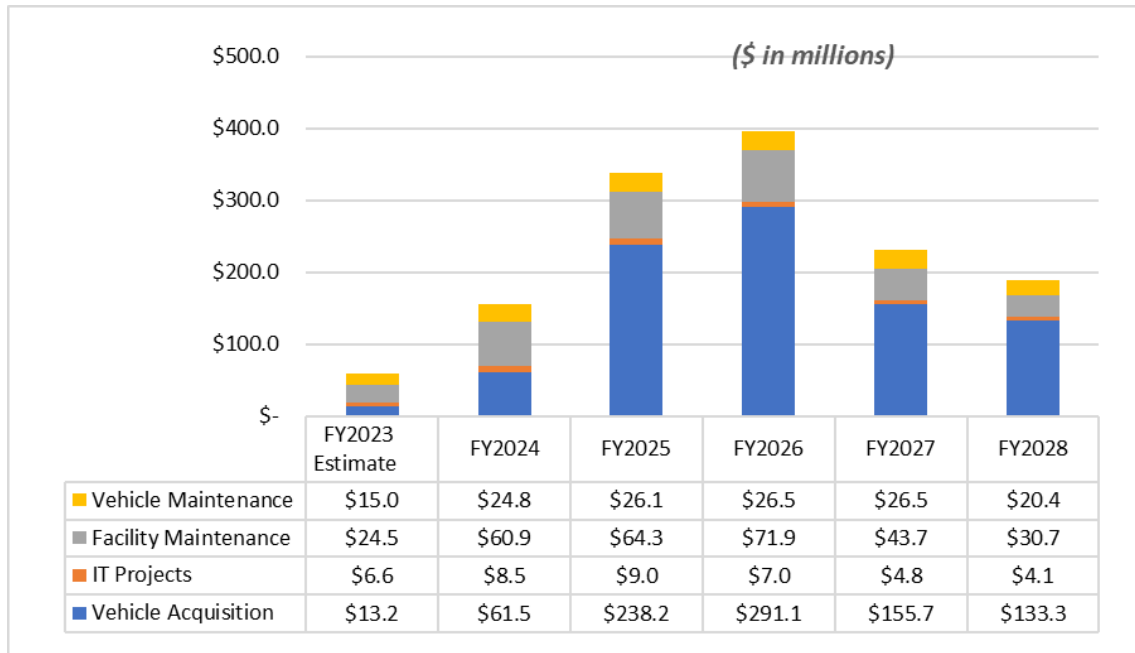
Core Business Items Necessary to Maintain Service		Grant Funded	FY2024	FY2025	FY2026	FY2027	FY2028
Vehicle Acquisition Costs	Yes		\$ 61,508,423	\$ 238,180,465	\$ 291,144,543	\$ 155,660,869	\$ 133,336,448
Maintaining Operational Facilities (Buildings and Rail)	Yes		60,923,132	64,337,530	71,878,214	43,651,203	30,659,164
Vehicle Maintenance Costs	No		24,827,272	26,077,272	26,548,182	26,509,091	20,436,363
IT Projects	No		8,546,307	9,028,116	7,012,034	4,755,389	4,119,025
Core Business Items Necessary to Maintain Service			\$ 155,805,134	\$ 337,623,384	\$ 396,582,972	\$ 230,576,551	\$ 188,551,001
Expansion/Enhancement Capital Costs		Grant Funded	FY2024	FY2025	FY2026	FY2027	FY2028
METRONext	Targeted		\$ 151,904,147	\$ 251,897,013	\$ 788,057,852	\$1,047,097,600	\$ 679,325,835
Legacy Projects - New and/or Enhanced	Yes		56,254,867	70,356,251	104,459,278	76,047,508	37,000,000
IT Projects	Yes		35,775,747	26,769,934	14,828,000	10,801,040	0
FFGA Commitments	Yes		10,391,070	21,764,985	0	0	0
Safety Projects	No		5,733,388	4,763,995	5,557,122	2,576,863	1,040,000
Vehicle Acquisition Costs	No		0	0	0	0	0
Allowances	No		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Subtotal - Expansion/Enhancement Capital Costs			\$ 265,059,219	\$ 380,552,178	\$ 917,902,252	\$ 1,141,523,011	\$ 722,365,835
Capital Program - Total			\$ 420,864,354	\$ 718,175,562	\$ 1,314,485,224	\$ 1,372,099,562	\$ 910,916,836
Capital Grant Program			FY2024	FY2025	FY2026	FY2027	FY2028
Grants - Core Business Items Necessary to Maintain Service Subtotal			\$ 22,741,673	\$ 72,919,704	\$ 47,843,741	\$ 36,311,598	\$ 26,432,856
Grants - Expansion/Enhancement Capital Costs Subtotal			105,428,955	159,744,239	484,293,587	523,464,777	528,364,376
Total - Capital Program Grants			\$ 128,170,627	\$ 232,663,943	\$ 532,137,328	\$ 559,776,375	\$ 554,797,232

The following reflects additional capital investments that are projected to keep Capital Program projects in the above listed plan in a state of good repair.

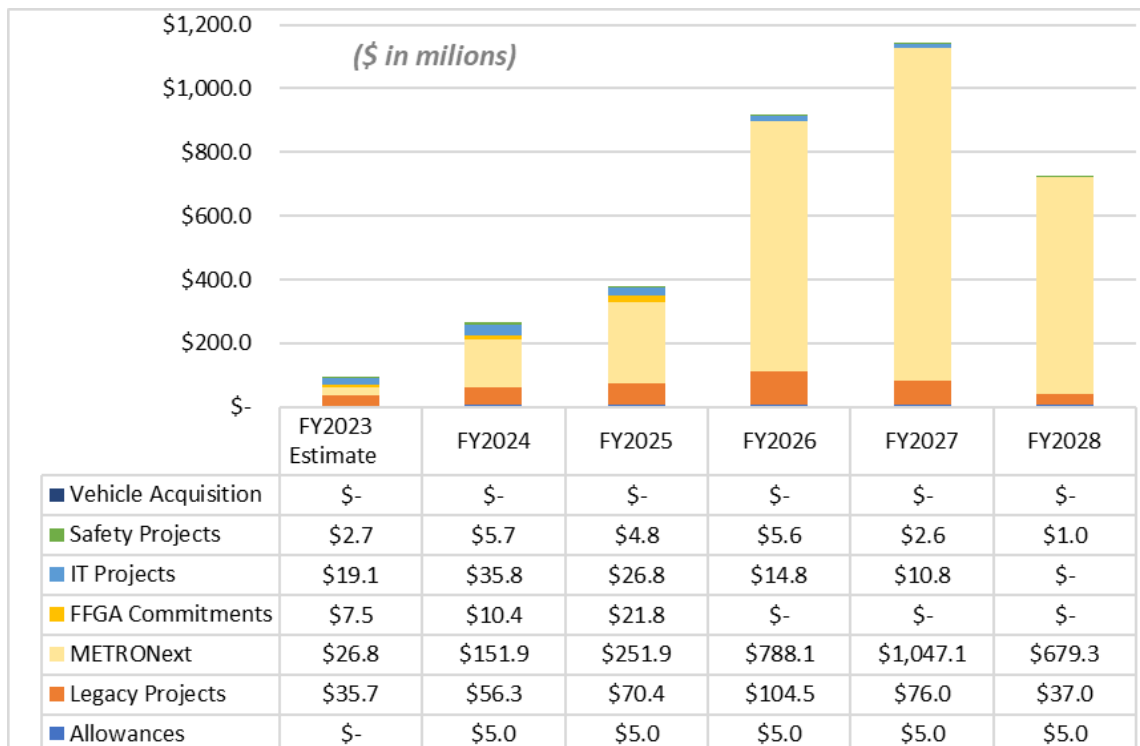
Capital Lifecycle SOGR	FY2024	FY2025	FY2026	FY2027	FY2028
SOGR - Lifecycle Rehabilitation of Core Business Costs Subtotal	\$ -	\$ -	\$ -	\$ 5,441,000	\$ 30,761,000
Total - Capital SOGR Lifecycle Program	\$ -	\$ -	\$ -	\$ 5,441,000	\$ 30,761,000

Five-Year Capital Program Plan

The following reflects METRO's Five-Year Capital Program Core Business Necessary to Maintain Service plan by category:



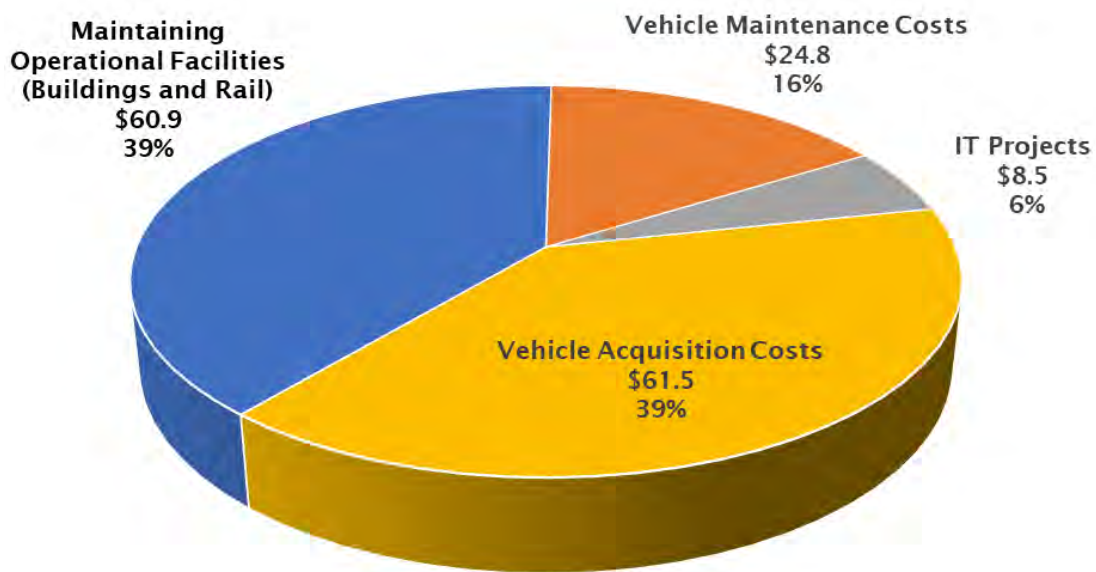
The following reflects METRO's Five-Year Capital Program Expansion/Enhancement Capital Costs by category:



Core Business Items Necessary to Maintain Service

FY2024 Core Business Items Necessary
to Maintain Service
\$ 155,805,134

A state of good repair standard is where all capital assets are functioning at their ideal capacity within their design life. -- Federal Transit Administration (FTA)



Core Business Items Necessary to Maintain Service

The infrastructure supported by the FY2024 Core Business budget includes facilities maintenance and administrative support, revenue rolling stock maintenance, and maintaining operating facility infrastructure including Bus Operating facility and Light Rail facility improvements. Maintenance of these assets is critical to ensure a high level of service, reliability and optimized operating costs.

Core Business Items Necessary to Maintain Service	Grant Funded	FY2024	FY2025	FY2026	FY2027	FY2028
Vehicle Acquisition Costs	Yes	\$ 61,508,423	\$ 238,180,465	\$ 291,144,543	\$ 155,660,869	\$ 133,336,448
Maintaining Operational Facilities (Buildings and Rail)	Yes	60,923,132	64,337,530	71,878,214	43,651,203	30,659,164
Vehicle Maintenance Costs	No	24,827,272	26,077,272	26,548,182	26,509,091	20,436,363
IT Projects	No	8,546,307	9,028,116	7,012,034	4,755,389	4,119,025
Core Business Items Necessary to Maintain Service		\$ 155,805,134	\$ 337,623,384	\$ 396,582,972	\$ 230,576,551	\$ 188,551,001

Vehicle Acquisition Costs

The Capital Improvement Program (CIP) provides for Core Business funding for New Vehicle Procurement, which involves a wide range of bus fleet and light rail vehicle project funding over the full five-year capital plan, designed keep the METRO vehicle fleet in an overall state of good repair.



Core Business Items Necessary to Maintain Service

Vehicle Acquisition Costs

	<u>Grants</u>	<u>Local</u>	<u>FY2024</u>
METROLift Para-Transit Van (Order Quantity of 135)	\$0	\$19,706,391	\$19,706,391
40' Battery Electric Buses (Qty 20 Buses & Stations Chargers)	15,022,352	3,755,588	18,777,940
40' Transit Diesel Bus (Order Quantity of 160)	4,977,648	2,897,342	7,874,990
40' Transit CNG Bus (Order Quantity of 40, Delivery, Budget & Grant in FY2025)	0	0	0
45' Commuter Diesel Bus (Order Quantity of 65, Delivery & Budget in FY2025)	0	0	0
Non-Revenue Vehicle (NRV): Pickup Trucks	0	4,304,545	4,304,545
Alternative Service Vehicles (Order Quantity of 21)	0	3,467,273	3,467,273
Specialty Heavy Duty Vehicles	0	3,200,012	3,200,012
Sport Utility Vehicle	0	1,590,909	1,590,909
Rail Rescue Truck	0	1,281,818	1,281,818
ALL BIG Bus Make Ready (40'/45'/60'/Electric Bus)	0	500,000	500,000
Non-Revenue Vehicle (NRV): Leased Buy Out	0	363,636	363,636
Non-Revenue Vehicle (NRV): Vans	0	186,364	186,364
Non-Revenue Vehicle (NRV): Motorcycles	0	154,545	154,545
ALL SMALL Bus Make Ready (METROLift Vans, Taxis & Electric Vehicles)	0	100,000	100,000
Vehicle Acquisition Costs	\$20,000,000	\$41,508,423	\$61,508,423



Maintaining Operational Facilities (Buildings and Rail)

The Capital Improvement Program (CIP) provides for Core Business funding for Facility Maintenance, which involves a wide range of projects designed keep the METRO facilities in a state of good repair.

Core Business Items Necessary to Maintain Service

Maintaining Operational Facilities (Buildings and Rail)

Administrative Facilities:

	Grants	Local	FY2024
Energy Saving Program - All Facilities	\$0	\$7,272,727	\$7,272,727
Unspecified Major Facility Rehabilitation Initiative (MFRI) - Allowance	0	3,250,000	3,250,000
Copier Fleet Replacement	0	1,727,273	1,727,273
1900 Main Facility Roof Upgrade	0	1,036,364	1,036,364
1900 Main Street 2nd Floor Buildout	0	737,930	737,930
1900 Main - Carpet and Cubicle Replacement	0	572,727	572,727
1900 Main - Murphy Deli Ventilation Improvements	0	544,307	544,307
1900 Main - Upgrade Executive Garage Door and Flood Gate	0	268,182	268,182
1900 Main - IT Computer Room HVAC (CRAC) Unit Replacement	0	109,091	109,091
1900 Main - Replace HVAC Rooftop Units (RTU, HVAC & 3 CRAC Units)	0	90,909	90,909
1900 Main - Security Cameras & Installation	0	68,182	68,182
1900 Main - Elevator Rehabilitation	0	59,091	59,091
1900 Main Kitchen Renovation (14th floor)	0	10,833	10,833

Operating Facilities:

Petro Storage Tank System Replacement - Hiram Clark BOF	\$0	\$4,390,055	\$4,390,055
Petro Storage Tank System Replacement - Field Service Center (FSC)	0	3,003,504	3,003,504
Underground Storage Tank Upgrade Project	0	2,663,489	2,663,489
Central Store Roof Replacement	0	1,962,197	1,962,197
Bus Operating Facility (BOF) Shop Tool Equipment - multiple sites	0	1,754,546	1,754,546
Central Stores - Fire Suppression System	0	1,090,909	1,090,909
Petro Storage Tank Sys Rep. - Polk BOF	0	909,091	909,091
West BOF Electrical Generator Repl. and Automatic Transfer Switch	0	700,000	700,000
Polk BOF - Renovate Administration Building Interior	0	590,909	590,909
Polk BOF - Retaining Wall Erosion	0	477,716	477,716
Petro Storage Tank System Replacement - Northwest BOF	0	448,298	448,298
Fallbrook BOF - Air Compressor Replacements	0	431,818	431,818
Polk BOF - Administration Building Rehabilitation	0	363,636	363,636
Tire Bay LIFT Replacement at Polk-BOF	0	322,727	322,727
Kashmere BOF - Replace & Rehabilitate Product Hose System	0	250,000	250,000
Kashmere BOF - Replace Heaters and Boilers	0	250,000	250,000
Axle Counter Head Replace	0	218,182	218,182
ROC - Nuero Lifts Upgrades	0	200,000	200,000
ROC - Install 2 Motorized Vehicle Gates with Access Control	0	181,818	181,818
Tools & Equipment (Public Facilities)	0	168,182	168,182
Polk BOF - Air Compressor Replacements	0	159,091	159,091
FM Tool & Equipment Replacements	0	136,364	136,364
Petro Storage Tank System Replacement - Fallbrook BOF	0	127,287	127,287
Petro Storage Tank System Replacement - West BOF	0	127,287	127,287
IT Access Controls & Security Fence Installation - Field Service Center	0	109,091	109,091
IT Access Controls & Security Fence Installation - Kashmere BOF	0	109,091	109,091
Security Cameras & Installation - Field Service Center	0	104,545	104,545



Maintaining Operational Facilities (Buildings and Rail) – continued

The Capital Improvement Program (CIP) provides for Core Business funding for Facility Maintenance, which involves a wide range of projects designed keep the METRO facilities in a state of good repair.

Core Business Items Necessary to Maintain Service			
Maintaining Operational Facilities (Buildings and Rail)	Grants	Local	FY2024
Operating Facilities:			
Kashmere BOF Passenger Elevator Rehabilitation/Upgrade Program	\$0	\$90,909	\$90,909
Replace Production Hoses & Reels (All BOFs & Support Facilities)	0	90,909	90,909
MFRI - Rehabilitate Shop Flooring (All BOFs & Support Facilities)	0	90,909	90,909
MFRI - Rehabilitate Parking Lots (All BOFs & Support Facilities)	0	90,909	90,909
Polk BOF - Renovate Guard Shack	0	68,182	68,182
Renovation Kashmere BOF Administration 2nd Floor Bus Maintenance	0	59,091	59,091
Fallbrook BOF - Heaters & Boilers Replacements	0	50,000	50,000
Public Facilities:			
TMC TC Elevator & Escalator Upgrade/Rehabilitation	\$2,741,673	\$1,066,206	\$3,807,879
MFRI - Pilot Solar Program (West BOF & Townsend Park & Ride (P&R))	0	2,313,636	2,313,636
Bus Shelter Program	0	2,272,727	2,272,727
West BOF Passenger Elevator (ADA Compliance)	0	1,727,273	1,727,273
Improve signal timing - Uptown Bus Rapid Transit (BRT) Silverline	0	909,091	909,091
El Dorado P&R Retention Pond Rehabilitation	0	700,000	700,000
Bus Stop Amenities Replacement	0	590,909	590,909
Fannin South Ride Store Trailer Replacement	0	400,000	400,000
Multiple - Transit Center Bus Drive Parking Lot Rehabilitation	0	318,182	318,182
Ticket Booths for Mini Ride Store	0	250,000	250,000
North Shepherd P&R Canopy & Electric Rehabilitation	0	250,000	250,000
Security Ticket Booth (Quantity 10)	0	150,909	150,909
Multiple Restrooms P&R Rehabilitation	0	56,500	56,500
Rail Operations Facilities:			
Light Rail Transitway (LRT) - Red Line Tactile Paver Rehabilitation	\$0	\$1,818,182	\$1,818,182
LRT - Red Line Track Switch Upgrades	0	1,221,818	1,221,818
LRT - Traction Power Sub-Station (TPSS) Hardware Upgrades	0	1,106,818	1,106,818
LRT - Red Line OCS Wire "Doghouses" & Disconnect Switches	0	1,090,909	1,090,909
LRT/LRV - Pantograph Overhaul (H1/H2/H3 LRVs)	0	895,455	895,455
LRT - Switch Electric Power System Upgrade	0	636,364	636,364
Supervisory Control & Data Acquisition (SCADA) System Upgrade	0	495,455	495,455
Rail Operations Center (ROC) - Replace Shop Heater	0	327,273	327,273
LRT - Red Line Windscreen Support Rehabilitation	0	318,182	318,182
LRT - Fannin South Switch Point Replacement	0	309,091	309,091
LRT/LRV - Tool & Equip	0	286,364	286,364
LRT - Installation of Bridge Fence at University of Houston Station	0	272,667	272,667
ROC - Utility Work for 2 Breakrooms	0	218,182	218,182
LRT - Signal House Generator	0	140,909	140,909
LRT - Canopy Glass Rehabilitation Multiple Locations	0	113,636	113,636
ROC - Trash Compactor Rehabilitation	0	90,909	90,909
ROC - Fire Suppression Compliance Upgrade	0	90,909	90,909
ROC - Additional Valves for Water Pipelines	0	68,182	68,182
ROC - Install Glass Doors on 2nd Floor	0	59,091	59,091
LRT- Traction Power Substation HVAC Replacement	0	40,909	40,909
LRT- Traction Power Substation Battery Replacement	0	36,364	36,364
Maintaining Operational Facilities (Buildings and Rail)	\$2,741,673	\$58,181,459	\$60,923,132

Vehicle Maintenance Costs

The Capital Improvement Program (CIP) provides for Core Business funding for Vehicle Maintenance, which involves a wide range of bus fleet and light rail vehicle project funding designed keep the METRO vehicles in a state of good repair.



Core Business Items Necessary to Maintain Service

Vehicle Maintenance Costs

Bus Operations:

	Grants	Local	FY2024
All Fleet - Engine Replacement	\$0	\$5,454,545	\$5,454,545
Bus Operator Shields	0	3,161,818	3,161,818
All Fleet - Transmission Replacement	0	1,372,727	1,372,727
All Fleet - HEV Hybrid Bus Batteries	0	1,272,727	1,272,727
All Fleet - Axles Replacement	0	968,182	968,182
All Fleet - Bus A/C Compressor Replacement	0	609,091	609,091
Bus GPS Router Replacement	0	301,818	301,818

Rail Operations:

LRV - Power Truck Overhaul - Light Rail Vehicle (LRV) Program	\$0	\$3,636,364	\$3,636,364
LRV - Coupler Overhaul (H1/H2/H3 LRVs)	0	2,227,273	2,227,273
LRV - Brake Overhaul	0	1,022,727	1,022,727
LRV - Car Body (H1/H2 LRVs)	0	909,091	909,091
LRV - HVAC Overhaul	0	872,727	872,727
LRV - Propulsion Power Overhaul	0	863,636	863,636
LRV - APC Sensors Replacement	0	513,636	513,636
LRV - CCTV Replacement (H3 LRVs)	0	509,091	509,091
LRV - Repaint	0	468,182	468,182
LRV - Wi-Tronix (H4 LRVs)	0	236,364	236,364
LRV - Event Recorder Overhaul (H1/H2 LRVs)	0	231,818	231,818
LRV - Door Overhaul (H1/H2 LRVs)	0	195,455	195,455

Vehicle Maintenance Costs **\$0** **\$24,827,272** **\$24,827,272**

IT Projects

The Capital Improvement Program (CIP) provides for Core Business funding of IT Department Projects, which are projects designed keep the METRO IT systems in a state of good repair.

Core Business Items Necessary to Maintain Service

Information Technology Core Projects

	<u>Grants</u>	<u>Local</u>	<u>FY2024</u>
Data Center Management	\$0	\$3,377,700	\$3,377,700
SAP Hana S4 Upgrade	0	2,727,273	2,727,273
Network Upgrades & Management	0	1,923,153	1,923,153
Interactive Parts Catalog	0	518,182	518,182
Information Technology Core Projects	\$0	\$8,546,307	\$8,546,307

Completed Projects

Following a decade of rail expansion projects that went live in the FY2015 timeframe, METRO Houston continued with a robust expansion program over the last few years with a number of multi-year Major Projects and an equally robust Core Business program keeping METRO assets in a state of good repair, with a few examples listed below:

- Replacement of Bus Engines
- Data Center Management Upgrades
- Underground Fuel Tanks Replacement Program
- Roof replacement
- Major Facilities Rehabilitation Initiatives (MFRI) at various Bus Operating Facilities

Overall Capital Spending for FY2023 incurred \$151.1 million dollars, with spending on “Core Business Items Necessary to Maintain Service” subtotaling \$59.4 million dollars and “Expansion/Enhancement Capital Costs” of \$91.7 million.

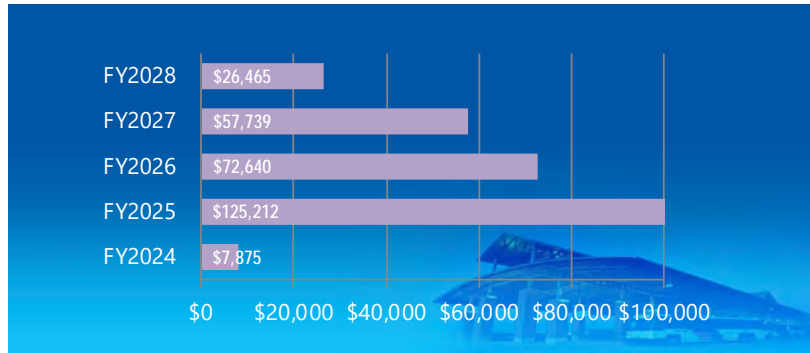
All underground fuel tanks replacement program are in the process of design / engineering phase, having spent in FY2023 over \$1.3M.

Roof replacement for the Central Store and the Administrative Office Building have been designed in FY2023 and are moving into the Construction phase in FY2024.

Major Facilities Rehabilitation Initiatives (MFRI) involved the upgrade of heating and cooling systems, including boilers, HVAC chillers and roof top HVAC units at West and Polk Bus Operating Facilities for over \$500K in FY2023.

40' Transit Buses - Clean Diesel

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

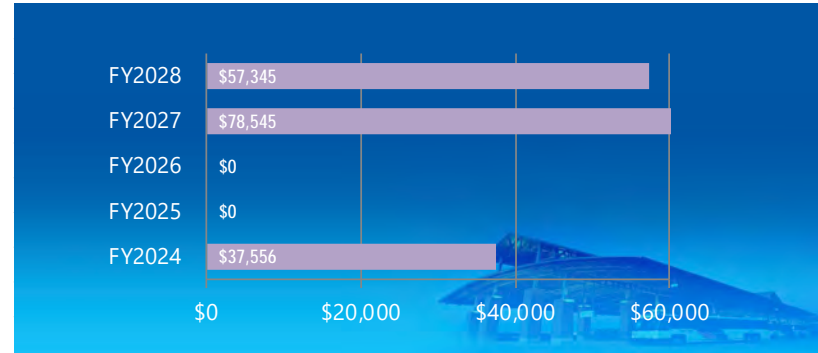
FY2024 thru FY2028 includes a quantity of 306 of the 40' Transit buses in the five year plan. New operating data with the clean diesel buses has shown that the transit buses are more cost-effective for the daily transit routes. This project titled **40' Transit Buses - Clean Diesel** involves the procurement of new transit buses that include new camera systems that will enhance security and safety for both customers and operators.

Operating Impact

Procurement of revenue vehicles is part of the life-cycle replacement program that maintains operational reliability and cost-effectiveness. Regularly replacing transit buses that have met their useful life with new buses, not only improves customer experience, but provides stability and predictability by leveling the fleet asset management costs over time. This procurement is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO vehicles and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

40' Battery Electric Buses

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

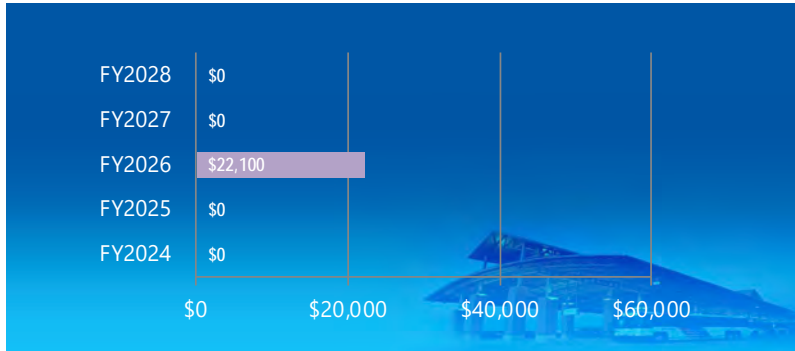
FY2024-FY2028 includes a quantity of 90 of the 40' Battery Electric Transit buses in the five year plan, which 20 are a roll over from FY2023. Funding levels beyond FY2024 are committed as the Fleet Replacement of Low or No Emissions vehicle selections are finalized. This **40' Battery Electric Buses** procurement effort is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

Procurement of buses is part of the life-cycle replacement program that maintains operational reliability and cost-effectiveness. Regularly replacing transit buses that have met their useful life with new buses, not only improves customer experience, but provides stability and predictability by leveling the fleet asset management costs over time. This procurement is categorized as a **Core Business Item Necessary to Maintain Service** that incurs annual costs of operating and maintaining the asset that will eventually become part of the routine operating base budget.

40' Fuel Cell Buses

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

FY2024-FY2028 includes a quantity of 14 of the 40' Transit buses in the five year plan. New operating data with the clean diesel buses has shown that the transit buses are more cost-effective for the daily transit routes. New transit buses include new camera systems that will enhance security and safety for both customers and operators. Funding levels beyond FY2024 are committed as the Fleet Replacement of Low or No Emissions vehicle selections are finalized. This **40' Fuel Cell Buses** procurement effort is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

Procurement of buses is part of the life-cycle replacement program that maintains operational reliability and cost-effectiveness. Regularly replacing transit buses that have met their useful life with new buses, not only improves customer experience, but provides stability and predictability by leveling the fleet asset management costs over time. This procurement is categorized as a **Core Business Item Necessary to Maintain Service** that incurs annual costs of operating and maintaining the asset that will eventually become part of the routine operating base budget.

40' Transit CNG Buses

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

FY2024-FY2028 includes a quantity of 180 of the 40' Transit buses in the five year plan. Funding levels beyond FY2024 are committed as the Fleet Replacement of Low or No Emissions vehicle selections are finalized. This **40' Compressed Natural Gas (CNG) Buses** procurement effort is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

Procurement of buses is part of the life-cycle replacement program that maintains operational reliability and cost-effectiveness. Regularly replacing transit buses that have met their useful life with new buses, not only improves customer experience, but provides stability and predictability by leveling the fleet asset management costs over time. This procurement is categorized as a **Core Business Item Necessary to Maintain Service** that incurs annual costs of operating and maintaining the asset that will eventually become part of the routine operating base budget.

45' Battery Electric Buses

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

FY2024-FY2028 includes a quantity of 30 of the 45' Battery Electric Transit buses in the five year plan. Funding levels beyond FY2024 are committed as the Fleet Replacement of Low or No Emmissions vehicle selections are finalized. This **45' Battery Electric Buses** procurement effort is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

Procurement of buses is part of the life-cycle replacement program that maintains operational reliability and cost-effectiveness. Regularly replacing transit buses that have met their useful life with new buses, not only improves customer experience, but provides stability and predictability by leveling the fleet asset management costs over time. This procurement is categorized as a **Core Business Item Necessary to Maintain Service** that incurs annual costs of operating and maintaining the asset that will eventually become part of the routine operating base budget.

45' Commuter Buses - Clean Diesel

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

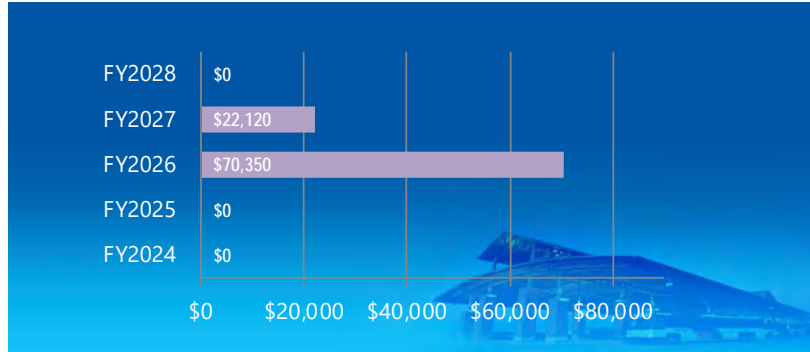
FY2024 thru FY2028 includes a quantity of 200 of the 45' Transit buses in the five year plan. New operating data with the clean diesel buses has shown that the transit buses are more cost-effective for the daily transit routes. This project titled **45' Transit Buses - Clean Diesel** involves the procurement of new transit buses that include new camera systems that will enhance security and safety for both customers and operators.

Operating Impact

Procurement of revenue vehicles is part of the life-cycle replacement program that maintains operational reliability and cost-effectiveness. Regularly replacing transit buses that have met their useful life with new buses, not only improves customer experience, but provides stability and predictability by leveling the fleet asset management costs over time. This procurement is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO vehicles and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

60' Articulated Buses - Diesel

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

FY2024 thru FY2028 includes a quantity of 90 of the 60' Articulated Diesel buses in the five year plan. New operating data with the clean diesel buses has shown that the transit buses are more cost-effective for the daily transit routes. This project titled **60' Articulated Buses - Diesel** involves the procurement of new transit buses that include new camera systems that will enhance security and safety for both customers and operators.

Operating Impact

Procurement of revenue vehicles is part of the life-cycle replacement program that maintains operational reliability and cost-effectiveness. Regularly replacing transit buses that have met their useful life with new buses, not only improves customer experience, but provides stability and predictability by leveling the fleet asset management costs over time. This procurement is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO vehicles and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

All New Bus Make Ready

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This is part of METRO's annual bus replacement program and new taxis van program to make the revenue vehicles ready for revenue service. Once the buses are delivered to METRO property, QA staff will inspect and either accept or reject the new buses. If accepted, installation of electronic equipment is required to prepare buses for revenue service.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO revenue vehicles and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

METROLift Para-Transit Van

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

Purchase of 45 paratransit vans per year is a part of METRO's annual METROLift paratransit van replacement program after taking delivery of the FY2023/FY2024 quantity of 135 vans. Replacing paratransit vans that have met their useful life with new paratransit vans improves the customer's experience. New paratransit vans with camera systems and improved lift devices also enhance security and safety for both customers and operators.

Operating Impact

Procurement of revenue vehicles is part of the life-cycle replacement program that maintains operational reliability and cost-effectiveness. Regularly replacing revenue vehicles that have met their useful life with new vehicles, not only improves customer experience, but provides stability and predictability by leveling the fleet asset management costs over time. This procurement is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO vehicles and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

METROLift Vans Make Ready

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This is part of METRO's annual revenue vehicle replacement program to make vehicles ready for revenue service. Once the METROLift vans and Taxi Vans are delivered to METRO property, QA staff will inspect and either accept or reject the vehicles. If accepted, installation of electronic equipment is required to prepare vans for revenue service.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO revenue vehicles and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Pickup Trucks Non-Revenue Vehicles

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

Replacing Non-Revenue Pickup Truck Vehicles that have met or exceeded their useful life will enhance METRO ability to provide a higher level of service to our customers. Managing and replacing 170 of METRO's NRVs Vehicle fleet over the FY2024 thru FY2028 timeframe provides a lower operating cost by reducing "out-of-service" times, thus allowing METRO Departments to provide a higher level of service to its customers.

Operating Impact

Procurement of revenue vehicles is part of the life-cycle replacement program that maintains operational reliability and cost-effectiveness. Regularly replacing revenue vehicles that have met their useful life with new vehicles, not only improves customer experience, but provides stability and predictability by leveling the fleet asset management costs over time. This procurement is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO vehicles and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Sport Utility Vehicle - Non-Revenue Vehicles

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

Replacing Non-Revenue Sport Utility Vehicle that have met or exceeded their useful life will enhance METRO ability to provide a higher level of service to our customers. Managing and replacing 157 of METRO's NRVs Vehicle fleet over the FY2022 thru FY2027 timeframe provides a lower operating cost by reducing "out-of-service" times, thus allowing METRO Departments to provide a higher level of service to its customers.

Operating Impact

Procurement of non-revenue vehicles is part of the life-cycle replacement program that maintains operational reliability and cost-effectiveness. Regularly replacing non-revenue vehicles that have met their useful life with new vehicles provides stability and predictability by leveling the fleet asset management costs over time. This procurement is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO vehicles and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Rail Rescue Truck

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

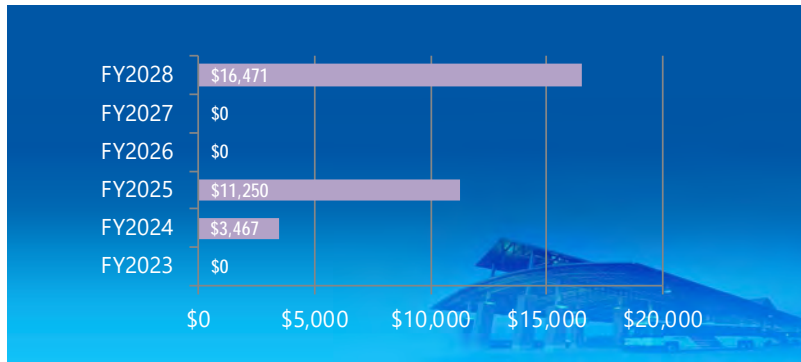
Replacing Non-Revenue Specialized Heavy Duty Rail Rescue Vehicle that has reached it's useful life will enhance METRO ability to provide a higher level of service to our customers. Managing and replacing the Rail Rescue Vehicle in the FY2022/FY2024 timeframe provides a lower operating cost by reducing "out-of-service" times, thus allowing METRO Departments to provide for more reliable and safer rescue operations.

Operating Impact

Procurement of non-revenue vehicles is part of the life-cycle replacement program that maintains operational reliability and cost-effectiveness. Regularly replacing non-revenue vehicles that have met their useful life with new vehicles provides stability and predictability by leveling the fleet asset management costs over time. This procurement is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO vehicles and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Alternative Service Vehicles

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project titled **Alternative Service Vehicles** involves the purchase and replacement of 111 alternative service vehicles that have met their useful life in the FY2024-FY2028 timeframe. New vehicles will improve the customer experience, which would lead to more use of METRO's transit system.

Operating Impact

Procurement of revenue vehicles is part of the life-cycle replacement program that maintains operational reliability and cost-effectiveness. Regularly replacing revenue vehicles that have met their useful life with new vehicles, not only improves customer experience, but provides stability and predictability by leveling the fleet asset management costs over time. This procurement is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO vehicles and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Specialty Heavy Duty Vehicles- Non-Revenue

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

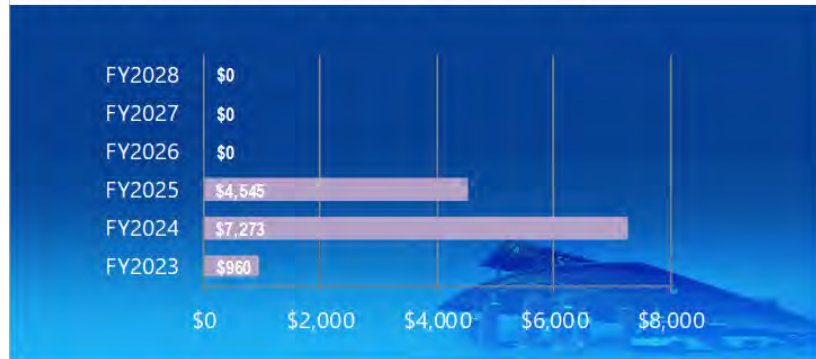
Replacing Non-Revenue Specialized Heavy Duty Vehicles that have met or exceeded their useful life will enhance METRO ability to provide a higher level of service to our customers. Managing and replacing 56 Vehicles in the FY2022/FY2027 timeframe provides a lower operating cost by reducing "out-of-service" times, thus allowing METRO Departments to provide a higher level of service to its customers.

Operating Impact

Procurement of non-revenue vehicles is part of the life-cycle replacement program that maintains operational reliability and cost-effectiveness. Regularly replacing non-revenue vehicles that have met their useful life with new vehicles provides stability and predictability by leveling the fleet asset management costs over time. This procurement is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO vehicles and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Energy Saving Program - Lighting-as-a-Service

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This **Energy Saving Program - Lighting-as-a-Service** project involves the reduction of METRO's consumption of energy by completing a wide range of lighting replacement projects at our facilities such as: retrofit LED lights, upgrade of automation controls of HVAC equipment, replacement of the central plant at the Administration Office Building, and installation of variable frequency drives among others.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Unspecified Major Facility Rehabilitation Initiatives (MFRI)

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

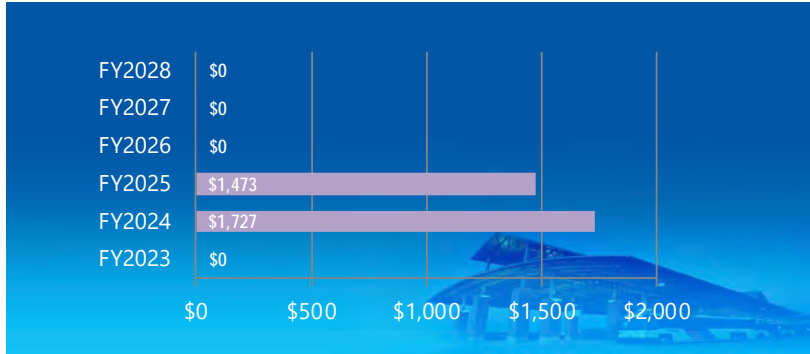
Unspecified Major Facility Rehabilitation Initiatives (MFRI) capital improvement projects, which may be funded from the \$3.25 million Unspecified Major Facility Rehabilitation Initiatives (MFRI) Project Fund, will be selected by the METRO Capital Budget Review (CBR) committee, prioritized and recommended to move forward for METRO Board approval to advance the projects from their conceptual/developmental design phase into active capital project status.

Operating Impact

This capital allowance fund is categorized as a **Core Business Item Necessary to Maintain Service** fund that does not directly incur any operating impacts, however any funded project budgets developed from this allowance fund will include a fully allocated annual operating cost for inclusion in the 5 year Capital Improvement Plan.

Copier Fleet Replacement

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

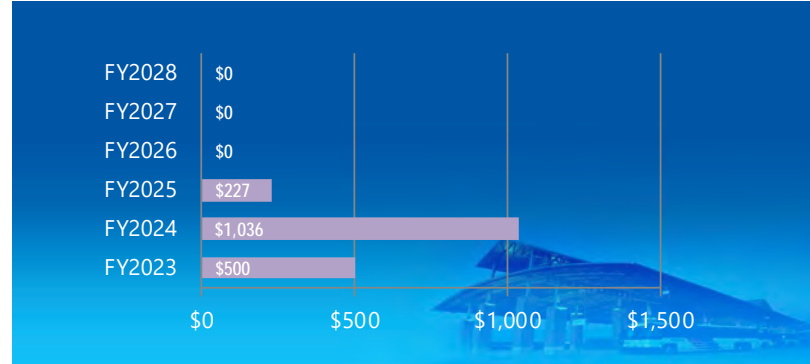
The goal of this METRO Print Shop Equipment Replacement project involves equipment that is vitally important as a public source of information provided to METRO Patrons. Keeping METRO's Print shop equipment in a state of good repair will help METRO provide superior service to patrons, provide alerts on a wide range of safety related topics and assist METRO in the public outreach of its services, programs and projects.

Operating Impact

This capital allowance fund is categorized as a **Core Business Item Necessary to Maintain Service** fund that does not directly incur any operating impacts, however any funded project budgets developed from this allowance fund will include a fully allocated annual operating cost for inclusion in the 5 year Capital Improvement Plan.

Rehabilitate 1900 Main Administration Roofing

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

The goal of the project is to replace/upgrade or rehabilitate the existing 40,000 SF (approximately) roofing of the METRO 1900 Main Street Administration Building.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

1900 Main Flooring & Cubicle Replacement

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

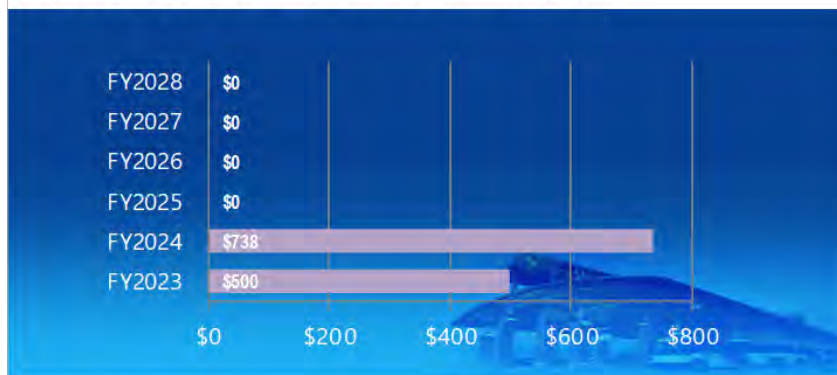
This project replaces aged carpet flooring throughout the Administrative Office Building and reconfigures cubicles in the Customer Service and the Contracted & Paratransit Services Divisions. Cubicles located on the 3rd and 4th floor will be reconfigured to match existing needs for both divisions with cubicle installations per CDC guidelines as related to creating appropriate social distance between people. Replacing aged flooring will maintain the facility in a state of good repair.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

1900 Main 2nd Floor Buildout

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

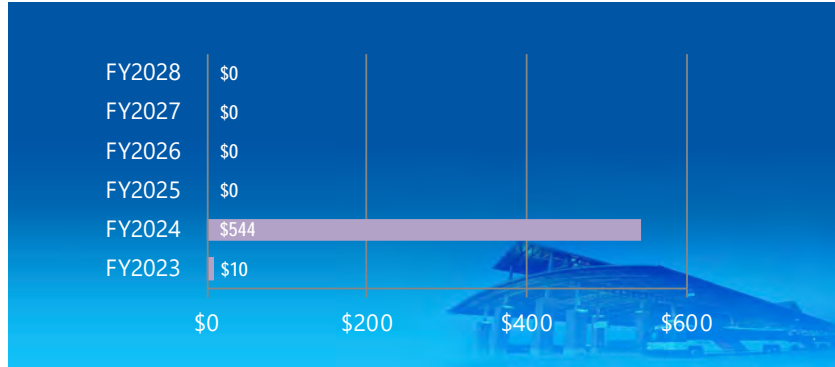
This project rehabilitates the second floor of the 1900 Main Administrative Office Building and reconfigures the office meeting room areas adjacent to the METRO Board room per CDC guidelines as related to creating appropriate social distancing between people. Replacing aged flooring will keep this portion of the facility in a state of good repair.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

1900 Main - Murphy Deli Ventilation Improvements

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

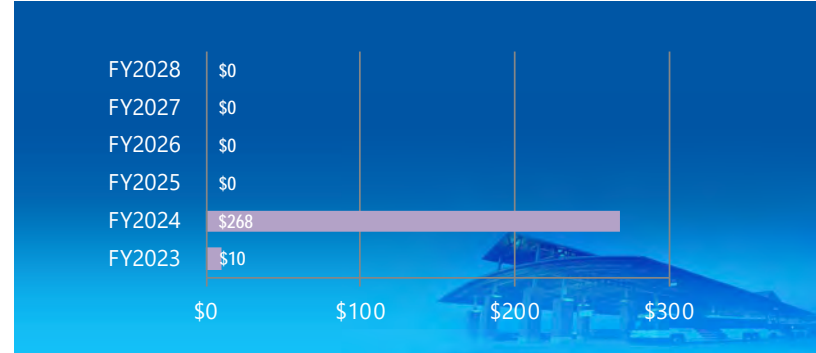
Redesign and modify the ventilation system for the Deli located on the 1st floor of the Administrative Office Building to improve heat recovery due to airborne contaminants whilst controlling the temperature inside the kitchen area.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

1900 Main - Upgrade Executive garage Door and flood Gate

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

Redesign entry of the Executive Garage, replace existing door that has reached its useful life and the flood gates. This project improves pedestrian safety, SOGR and garage flood mitigation and control by replacing valves and flood gates.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

1900 Main - IT Computer Room HVAC (CRAC) Unit replacement

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

Replacement of a Computer Room Air Conditioning Unit that has reached its useful life. This unit is key in keeping the room at lower temperatures by removing the heat produced by the servers and computers.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

1900 Main - Replacement of HVAC rooftop units

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

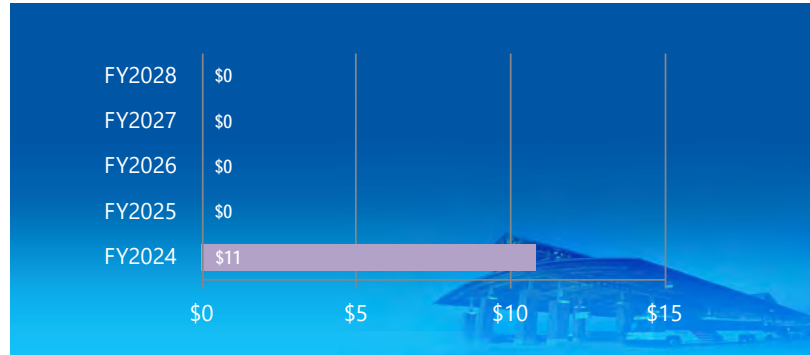
This project is to replace aged HVAC equipment located on the roof area of the Administrative Office Building that control temperature in several elevators, mechanical and communication rooms.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

1900 Main - Kitchen Renovation

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project is to finalize the renovation of a kitchen / breakroom area of the Administrative Office Building. This impacts positively in keeping these rooms in a state of good repair.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

1900 Main - Security Cameras & Installation

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

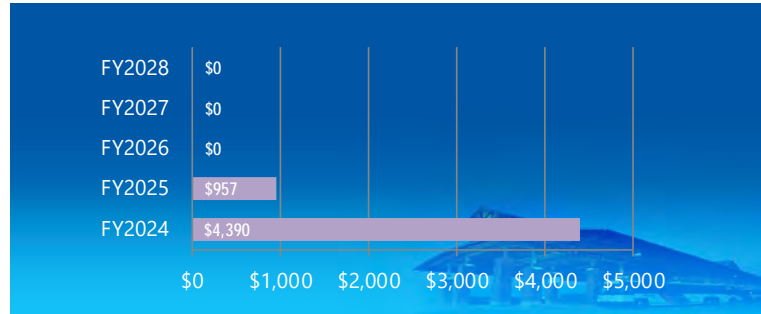
This project consists of replacing existing cameras throughout the building and adding new ones in the Parking Lots area. This will provide an extra layer of security mitigation by the addition of new cameras.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Petroleum Storage Tank System Replacement HC-BOF

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

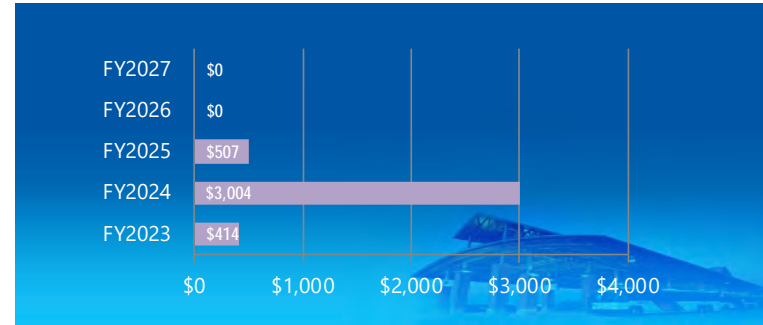
Hiram Clarke Bus Operating Facility (HC-BOF), has underground storage tanks that are past their useful life. Insurance companies require METRO to have a plan to move forward with replacement and have raised METRO's insurance premiums. Without replacement METRO is facing an inability to have liability insurance that is required under 30 Tex. Admin. Code 334.15. This project reduces environmental risk and involves the replacement of underground storage tanks, pipes, leak detection systems, tank gauging systems, and NRV pump dispenser at this Bus Operating Facility. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a lifecycle replacement state-of-good-repair program that lowers the costs to maintain and repair METRO assets. This capital investment is considered as a major life cycle replacement to support all bus types operated by METRO that will eventually become part of the routine operating base budget, but for now are identified as Operating Impact costs of \$49.2K per year.

Petroleum Storage Tank System Replacement FSC

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

METRO's Field Service Center Facility (FSC), has underground storage tanks that are past their useful life. Insurance companies require METRO to have a plan to move forward with replacement and have raised METRO's insurance premiums. Without replacement METRO is facing an inability to have liability insurance that is required under 30 Tex. Admin. Code 334.15. This project reduces environmental risk and involves the replacement of underground storage tanks, pipes, leak detection systems, tank gauging systems, and NRV pump dispenser at this facility. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a lifecycle replacement state-of-good-repair program that lowers the costs to maintain and repair METRO assets. This capital investment is considered as a major life cycle replacement to support all bus types operated by METRO that will eventually become part of the routine operating base budget, but for now are identified as Operating Impact costs of \$21.4K per year.

Petroleum Storage Tank System Replacement KA-BOF

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

Kashmere Bus Operating Facility (KA-BOF), has underground storage tanks that are past their useful life. Insurance companies require METRO to have a plan to move forward with replacement and have raised METRO's insurance premiums. Without replacement METRO is facing an inability to have liability insurance that is required under 30 Tex. Admin. Code 334.15. This project reduces environmental risk and involves the replacement of underground storage tanks, pipes, leak detection systems, tank gauging systems, and NRV pump dispenser at this Bus Operating Facility. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a lifecycle replacement state-of-good-repair program that lowers the costs to maintain and repair METRO assets. This capital investment is considered as a major life cycle replacement to support all bus types operated by METRO that will eventually become part of the routine operating base budget, but for now are identified as Operating Impact costs of \$116.9K per year.

BOF Shop Tools & Equipment

Projected Expenditures FY23-FY27 (In Thousands)



Project Scope

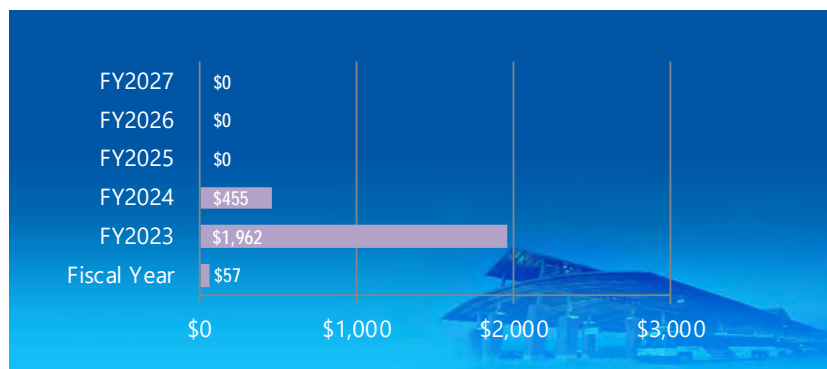
The projects of this request support METRO's asset management plan with the objective of keeping METRO's tools and equipment assets at a state of good repair rating at a level 3 or above. The selection and timing of assets to be replaced are based on both documented useful life benchmarks (ULBs) and condition assessments for the respective assets.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Central Stores Roof Replacement

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This initiative will provide a new roof to an essential 53,800 sq. ft. warehouse facility of METRO. Placement of the roof will make the infrastructure safe; periodic leaking and destruction of property can be prevented. The warehouse maintains about 4 million dollars of inventory and has about 20 million dollars of parts passing thru there a year. The new roof will keep METRO infrastructure in a state of good repair.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

West BOF Electrical Generator Replacement

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This **West BOF Electrical Generator Replacement** project involves rehabilitating the West Bus Operating Facility electrical generator and automatic transfer switch that have reached the end of their useful life. The electrical generator and automatic transfer switch have had difficulty supplying the electrical power necessary for mission critical equipment and has incurred increased operating and maintenance costs over the past few years. Replacing the electrical generator will keep the facility HVAC systems in a State of Good Repair.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Petroleum Storage Tank System Replacement Polk-BOF

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

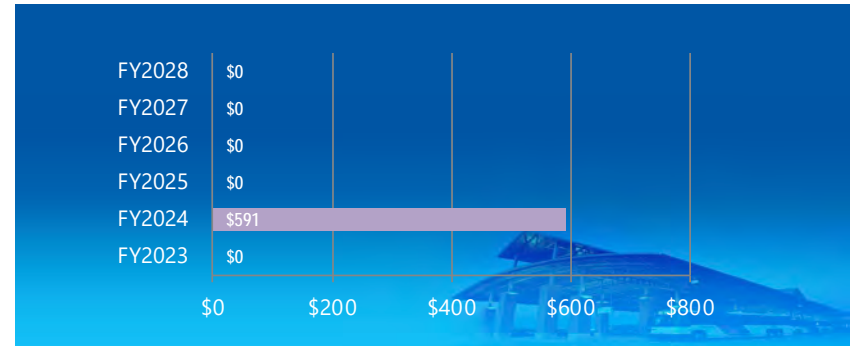
Polk Bus Operating Facility (P-BOF), has underground storage tanks that are past their useful life. Insurance companies require METRO to have a plan to move forward with replacement and have raised METRO's insurance premiums. Without replacement METRO is facing an inability to have liability insurance that is required under 30 Tex. Admin. Code 334.15. This project reduces environmental risk and involves the replacement of underground storage tanks, pipes, leak detection systems, tank gauging systems, and NR pump dispenser at this Bus Operating Facility. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a lifecycle replacement state-of-good-repair program that lowers the costs to maintain and repair METRO assets. This capital investment is considered as a major life cycle replacement to support all bus types operated by METRO that will eventually become part of the routine operating base budget but for now are identified as Operating Impact costs of \$43.4K per year.

Polk BOF Renovate Administration Building Interior (2nd phase)

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

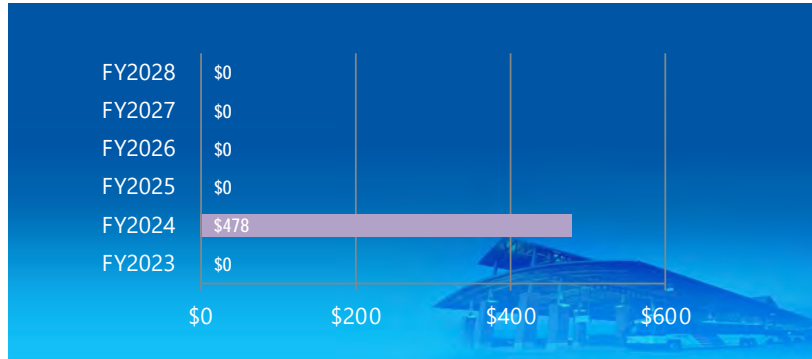
This project consists of rehabilitating the Polk Bus Operating Facility Administration building after having been damaged by a water leak. This is a second project scheduled for FY24 to rehab the entire facility.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Polk BOF Retaining Wall Erosion

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project consists of rehabilitating the back retaining wall that has an eroded subgrade and other soil settlement underneath. This wall is critical since it has eorded to the Harris County Flood Control District (HCFCD) channel D103-02-00 (Yates Gully) which could cause the wall to fail and collapse. This proeject is aligned with our State of Good Repair Program and flood control preventive and mititgation measures.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Petroleum Storage Tank System Replacement NW-BOF

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

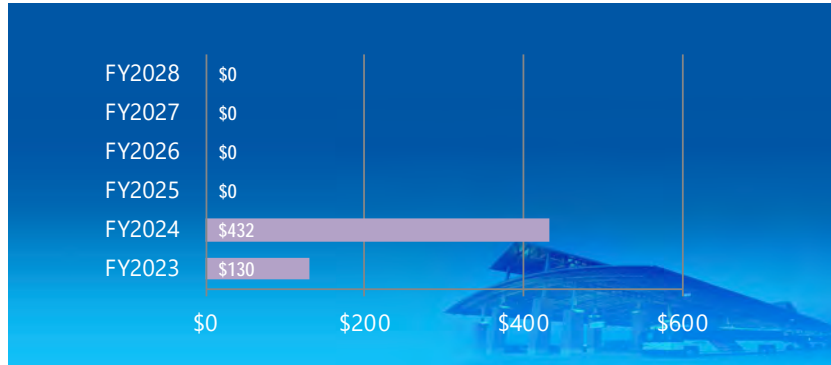
Northwest Bus Operating Facility (NW-BOF), has underground storage tanks that are past their useful life. Insurance companies require METRO to have a plan to move forward with replacement and have raised METRO's insurance premiums. Without replacement METRO is facing an inability to have liability insurance that is required under 30 Tex. Admin. Code 334.15. This project reduces environmental risk and involves the replacement of underground storage tanks, pipes, leak detection systems, tank gauaging systems, and NRV pump dispenser at this Bus Operating Facility. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a lifecycle replacement state-of-good-repair program that lowers the costs to maintain and repair METRO assets. This capital investment is considered as a major life cycle replacement to support all bus types operated by METRO that will eventually become part of the routine operating base budget, but for now are identified as Operating Impact costs of \$52.9K per year.

Fallbrook BOF Air Compressors Replacement (Qty 2)

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project involves rehabilitating the Fallbrook Bus Operating Facility by replacing two Air Compressors supplying air to all buildings, work shops and service lanes of the facility have had difficulty supplying the air pressure necessary for mission critical equipment and has incurred increased operating and maintenance costs over the past few years.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Polk BOF Administration Building Rehabilitation (1st phase)

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

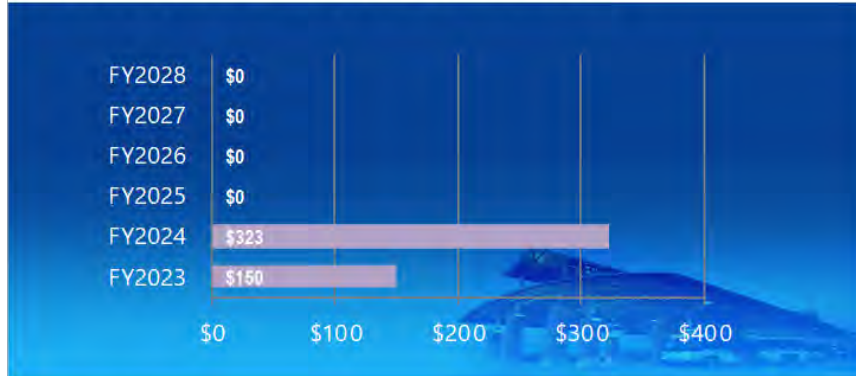
This project consists of rehabilitating the Polk Bus Operating Facility Administration building after having damaged by water leak. This is the first project scheduled for FY24 to rehab the entire facility.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Polk BOF Tire Bay Lift Replacement

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

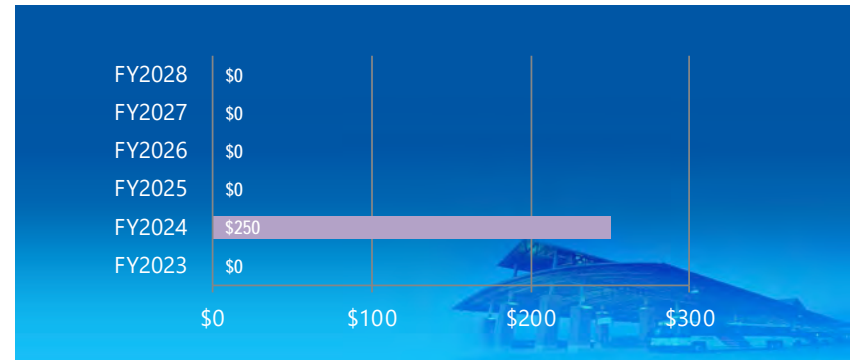
This **Polk BOF Tire Bay Lift Replacement** project involves rehabilitating the Polk Bus Operating Facility by replacing the Tire Bay Lift Equipment, now effectively at the end of its lifecycle and is considered as mission critical equipment. Replacing the lift equipment will keep the facility operations in a State of Good Repair.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Kashmere BOF - Replace & Rehabilitate Product Hose system

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

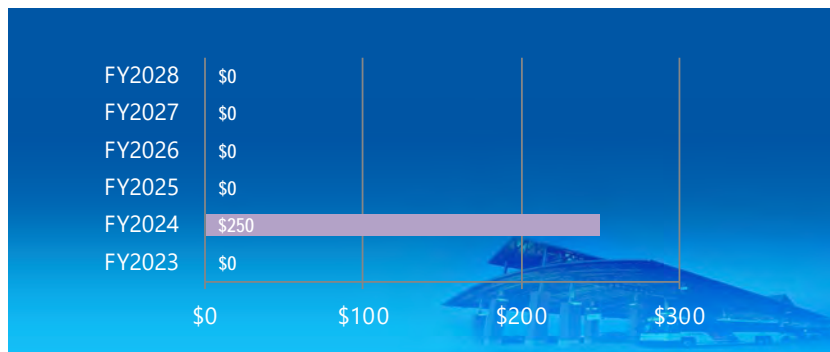
This project consists of replacing the reels, product guns, meters, valves, hose whips, fittings and labels of the product hose system. This system supplies oil, coolant, automatic transmission fluid and air when the buses are in the shop area or service lane. This project is aligned with our State of good Repair Program and considered mission critical.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Kashmere BOF - Replace Heaters & Boilers

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

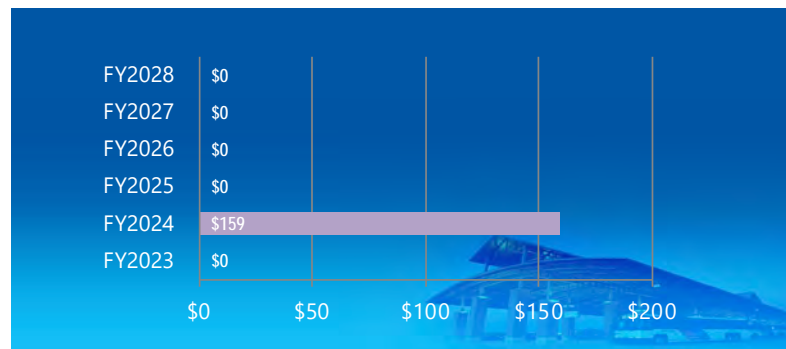
This project involves replacing the heating boiler units and associated heating equipment that have reached the end of their useful life. The boiler and associated building automation system have incurred increased operating and maintenance costs over the past few years with some heating components that are non-operational and are now affecting the unit's ability to provide adequate heating.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Polk BOF Air Compressors Replacement (Qty 2)

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

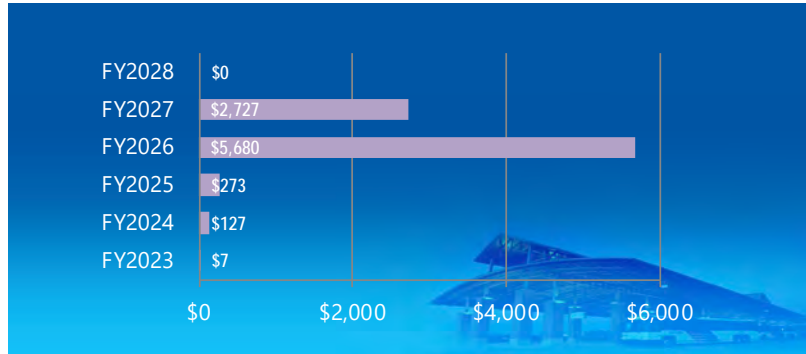
This **Polk BOF Air Compressors Replacement** project involves rehabilitating the Polk Bus Operating Facility by replacing two Air Compressors supplying air to all buildings, work shops and service lanes of the facility have had difficulty supplying the air pressure necessary for mission critical equipment and has incurred increased operating and maintenance costs over the past few years. Replacing the Air Compressors will keep the facility operations systems in a State of Good Repair.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** with previously intermittent annual costs of operating and maintaining the asset that will eventually become part of the routine operating base budget, but for now are identified as Operating Impact costs of \$2.03K per year.

Petroleum Storage Tank System Replacement FB-BOF

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

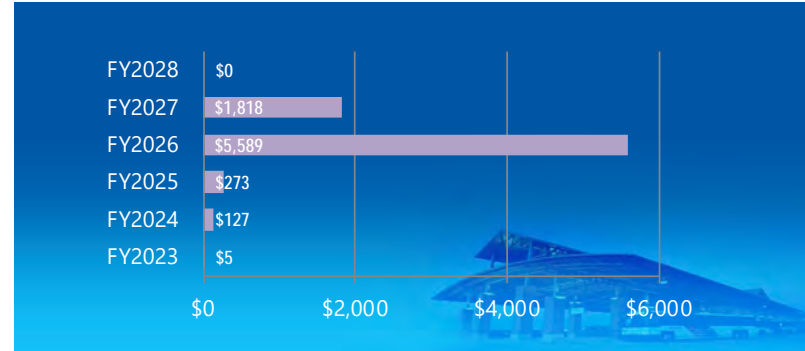
Fallbrook Bus Operating Facility (FB-BOF), has underground storage tanks that are past their useful life. Insurance companies require METRO to have a plan to move forward with replacement and have raised METRO's insurance premiums. Without replacement METRO is facing an inability to have liability insurance that is required under 30 Tex. Admin. Code 334.15. This project reduces environmental risk and involves the replacement of underground storage tanks, pipes, leak detection systems, tank gauging systems, and NRV pump dispenser at this Bus Operating Facility. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a lifecycle replacement state-of-good-repair program that lowers the costs to maintain and repair METRO assets. This capital investment is considered as a major life cycle replacement to support all bus types operated by METRO that will eventually become part of the routine operating base budget, but for now are identified as Operating Impact costs of \$32.8K per year.

Petroleum Storage Tank System Replacement W-BOF

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

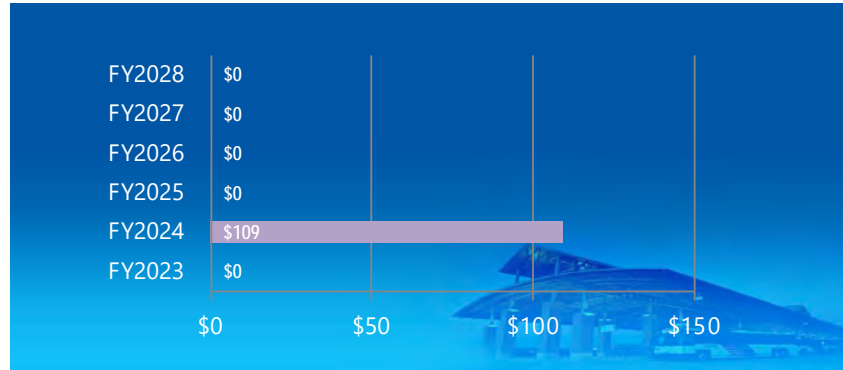
West Bus Operating Facility (W-BOF), has underground storage tanks that are past their useful life. Insurance companies require METRO to have a plan to move forward with replacement and have raised METRO's insurance premiums. Without replacement METRO is facing an inability to have liability insurance that is required under 30 Tex. Admin. Code 334.15. This project reduces environmental risk and involves the replacement of underground storage tanks, pipes, leak detection systems, tank gauging systems, and NRV pump dispenser at this Bus Operating Facility. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a lifecycle replacement state-of-good-repair program that lowers the costs to maintain and repair METRO assets. This capital investment is considered as a major life cycle replacement to support all bus types operated by METRO that will eventually become part of the routine operating base budget, but for now are identified as Operating Impact costs of \$56.0K per year.

FSC - Access Control and Security Fence Installation

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project consists of adding an extra layer of security to the Field Service Center location by installing new access control points to the security fencing.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Kashmere BOF - Access Control and Security Fence Installation

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project consists of adding an extra layer of security to the Kashmere BOF location by installing new access control points to the security fencing.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Field Service Center - Security Cameras & Installation

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project consists of replacing existing cameras throughout the building and adding new ones in the Parking Lots area. This will provide an extra layer of security mitigation by the addition of new cameras.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Kashmere BOF - Passenger Elevator Rehab / Upgrade

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project consists of rehabilitating the five elevators at the Kashmere BOF location in a period of three years. These units have reached their useful life and need to undergo a major rehabilitation and upgrade program.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Replace & Rehabilitate Product Hose & Reel Systems (All Facilities)

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This program consists of replacing the reels and hoses systems and components. These system supply oil, coolant, automatic transmission fluid and air in the shop area or service lane accross all BOF, Support and Rail Facilities. This project is aligned with our State of good Repair Program and considered mission critical.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

MFRI Shop Flooring Rehab

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

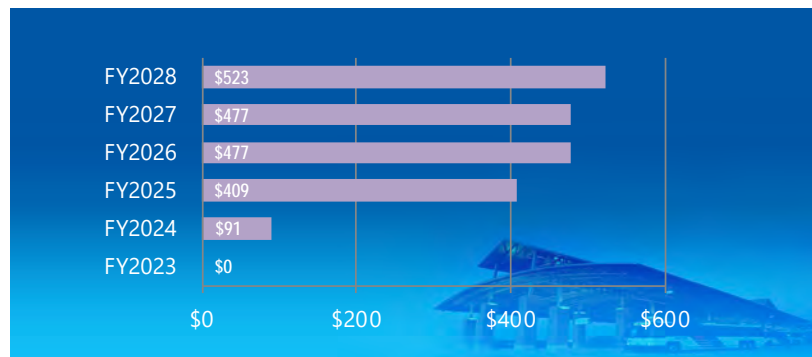
This program consists of rehabilitating all flooring in the shop and mechanical area of all BOF, Support and Rail Facilities. This project is aligned with our State of good Repair Program and considered safety critical.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

MFRI Parking Lots Rehab

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

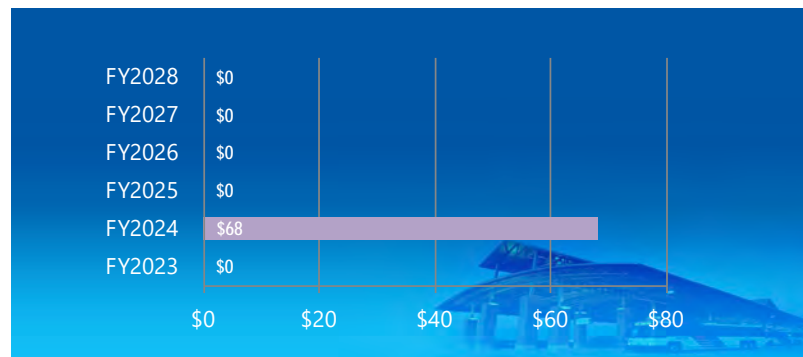
This program consists of rehabilitating all parking lots surfaces of all Park & Ride lots, BOF, Support and Rail Facilities. This project is aligned with our State of good Repair Program and considered safety and customer service critical.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Polk BOF - Renovate Guard Shack

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

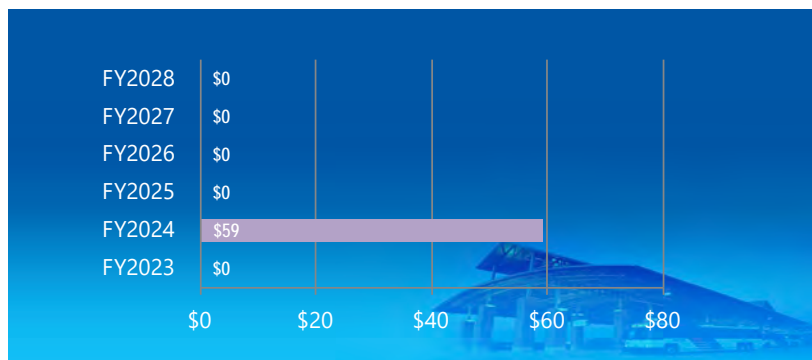
This project consists of rehabilitating the Security Guard Shack located at the entrance of the facility. This project is aligned with our State of Good Repair program.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Kashmere BOF - Renovate Adminstration 2nd Floor

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

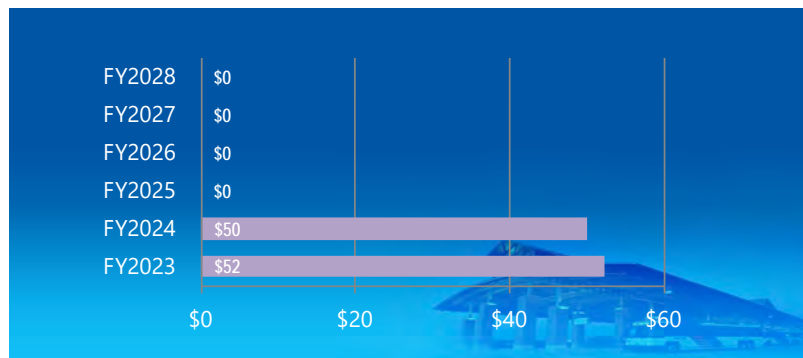
This project consists of the cosmetic repair on the 2nd floor of the Adminstrative Office Building at Kashmere BOF.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Fallbrook BOF - Replace Heaters & Boilers

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

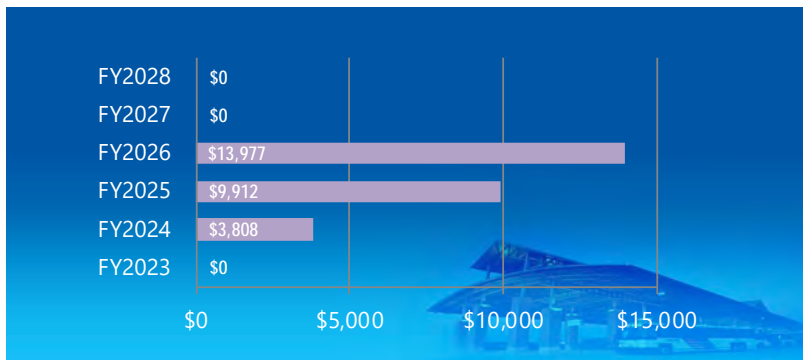
This project involves replacing the heating boiler units and associated heating equipment that have reached the end of their useful life. The boiler and associated building automation system have incurred increased operating and maintenance costs over the past few years with some heating components that are non-operational and are now affecting the unit's ability to provide adequate heating.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

TMC Transit Center - Elevator & Escalator Upgrade

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project consists of a major upgrade and rehabilitation of all four elevators and four escalators at the Texas Medical Center Transit Center. These units have passed their useful life after being installed in 2004. This project is in alignment with our State of Good Repair Program.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While . Since this is an established METRO capital investment program with routine yearly O&M efforts already funded in the base operating budget, this capital investment is considered a major component life cycle replacement to support all bus types operated by METRO, with this capital investment incurring \$692.5K in additional operating costs per year and ramping up to \$1.551M per year, starting in year FY2024.

Pilot Solar Program at West BOF & Townsend P&R

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

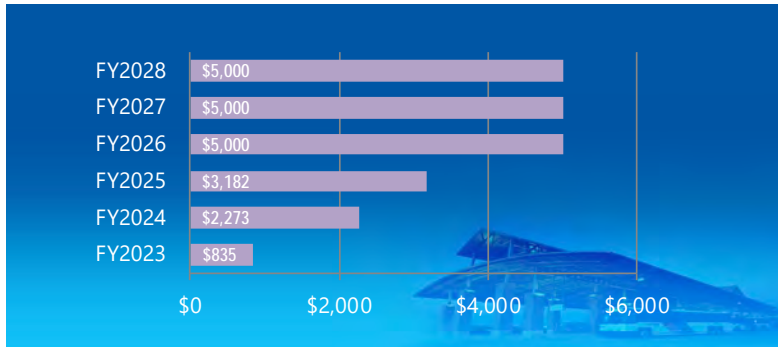
This project consists of the installation of solar panels at the Bus Operating Facilities West and the Townsend Park & Ride location. This is a pilot program in alignment with METRO's Climate Action Plan.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While . Since this is an established METRO capital investment program with routine yearly O&M efforts already funded in the base operating budget, this capital investment is considered a major component life cycle replacement to support all bus types operated by METRO, with this capital investment incurring \$692.5K in additional operating costs per year and ramping up to \$1.551M per year, starting in year FY2024.

METRO Bus Shelter Rehab/Replace Program

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

The existing **METRO Bus Shelter Rehab/Replace Program** is an ongoing rehabilitation or replacement effort as a State of Good Repair initiative so that existing bus network sustains an alignment with the needs of METRO's growing service area. In addition to the new bus shelters planned for installation in FY2023, this program reinforces METRO's commitment to reinvest in the Authority's bus system backbone and continues to be a proven way to enhance ridership by improving the customer experience by rehabilitating or replacing existing bus stop shelters that have reached the end of their useful life.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While . Since this is an established METRO capital investment program with routine yearly O&M efforts already funded in the base operating budget, this capital investment is considered a major component life cycle replacement to support all bus types operated by METRO, with this capital investment incurring \$692.5K in additional operating costs per year and ramping up to \$1.551M per year, starting in year FY2024.

Improve Signal Timing on the Uptown BRT Corridor

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

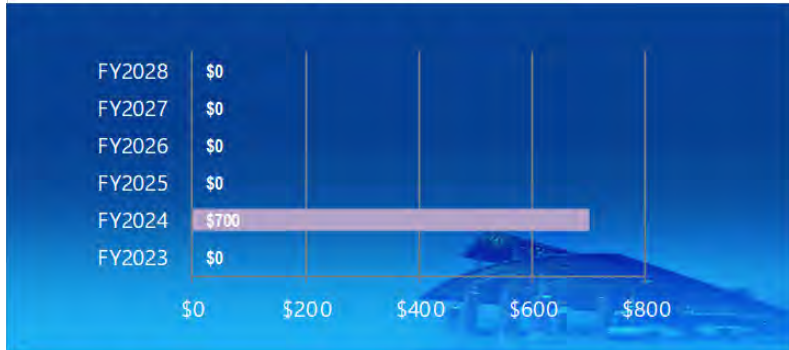
This project consists of modeling signal timing and the enhancement of hardware at over 40 intersections to improve bus movement on the Uptown Bus Rapid Transit Corridor.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While . Since this is an established METRO capital investment program with routine yearly O&M efforts already funded in the base operating budget, this capital investment is considered a major component life cycle replacement to support all bus types operated by METRO, with this capital investment incurring \$692.5K in additional operating costs per year and ramping up to \$1.551M per year, starting in year FY2024.

El Dorado P&R - Retention Pond Upgrade

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

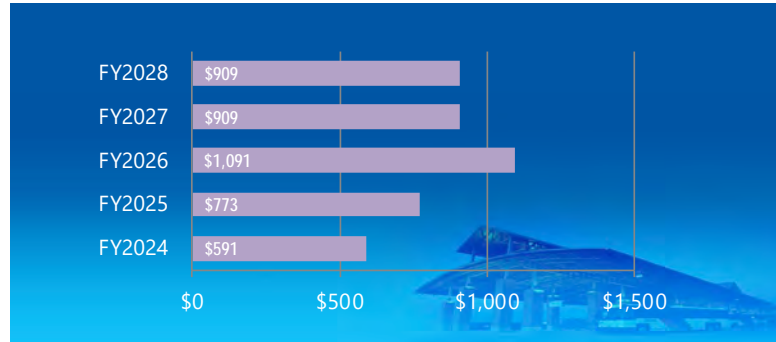
This project consists of regrading the retention pond to allow for a better performance by slowing down runoff water, containment of silt, collection of rubbish and the removal of contaminants. Over time, water movement takes its toll on the land, when erosion happens, soil and debris can flow into the basin of the pond, jeopardizing the embankment's structure and affecting water quality and movement.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets and to be compliant with environmental regulations. This is an established METRO capital investment program with routine yearly O&M efforts already funded in the base operating budget.

METRO Bus Stop Amenities (Multi-Year Program)

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

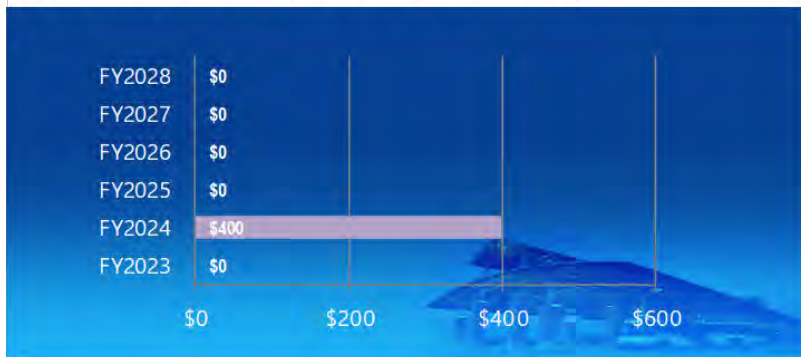
The METRO New Bus Network program restructured the existing bus network to be more aligned with the needs of METRO's growing service area. In addition to the new bus shelters installed in FY2023, this **METRO Bus Stop Amenities Multi-Year Program** reinforces METRO's commitment to reinvest in the Authority's bus system backbone and continues to be a proven way to enhance ridership by improving the customer experience by installing new bus stops amenities, including concrete trash dispensers and trash can liners, benches, and bus stop poles.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget with this capital investment incurring \$78.8K in additional operating costs per year and ramping up to \$477.9K per year, starting in year FY2024.

Fannin South P&R - Ride Store Trailer Replacement

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project consists of replacing the Ride Store Trailer located at the Fannin South P&R. Current trailer has reached its useful life and must be replaced. This location serves METRO's patrons by providing customer services and parking spaces.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis.

Multiple - Transit Centers Bus Drive and Parking Lot Rehab

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project consists of performing pavement repairs in several bus drive lanes and parking lots to keep them in a state of good repair.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis.

Ticket Booths for Mini Ride Stores

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

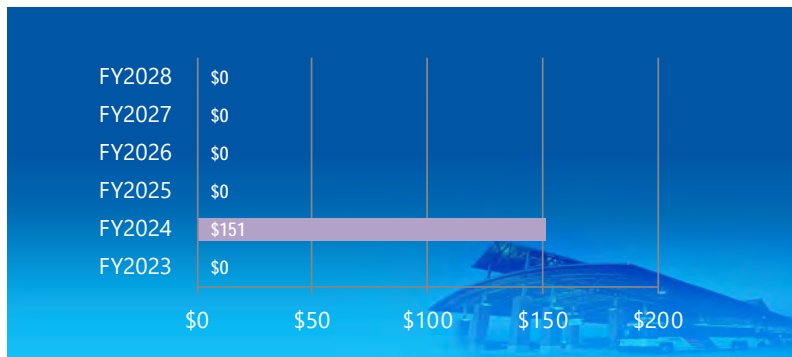
This project consists of setting up eight Ticket Booths in selected P&R and TC to support customers in the transition and implementation of the new fare collection system.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis.

Security Booths

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project consists of replacing the outdated standard security booths by new designed booths that also incorporates a transaction windows with a built-in teller box and cash tray. These portable and ready-to-deploy units are used as needed in public events where METRO provides customer service .

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis.

Multiple Restrooms Rehab at Park & Ride lots

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project consists of the gradual rehabilitation of existing restrooms used by Bus and Rail Operators and Customers. This project is aligned with our State of Good Repair Program.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis.

North Shepherd P&R - Canopy & Electric Rehab

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

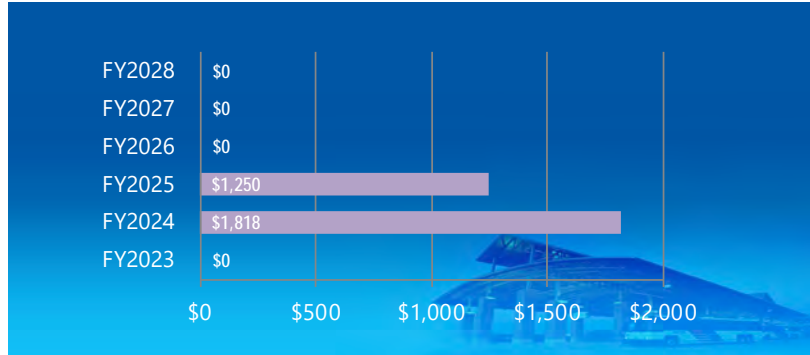
This project consists of the rehabilitation of the canopy and electrical system at the North Shepherd Park & Ride location. This is in alignment with our State of Good Repair and it also enhances the Customer Experience.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis.

Red Line Tactile Pavers

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

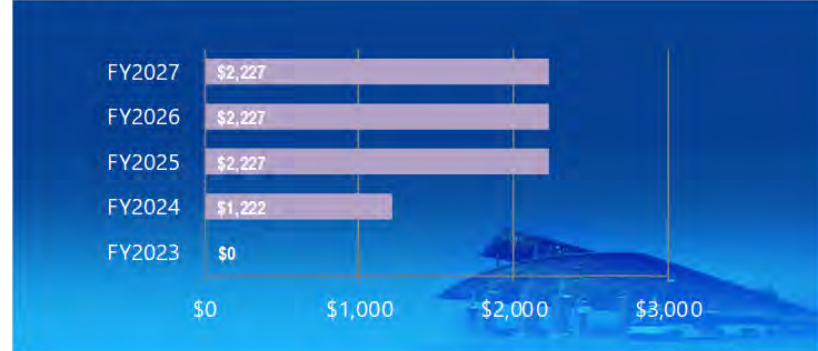
The **Red Line Tactile Pavers** project involves keeping the existing rail line in a state of good repair, specifically by replacing the tactile paving (also called detectable warning surface) which is a system of textured ground surface found on footpaths, stairs and station platforms to warn pedestrians who are visually impaired. Tactile warnings provide a distinctive surface pattern of truncated domes, brightly colored yellow to provide a detectable surface by a long cane or underfoot, used to alert the vision-impaired of approaching streets and hazardous surface or grade changes.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Redline Track Switch Upgrade

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

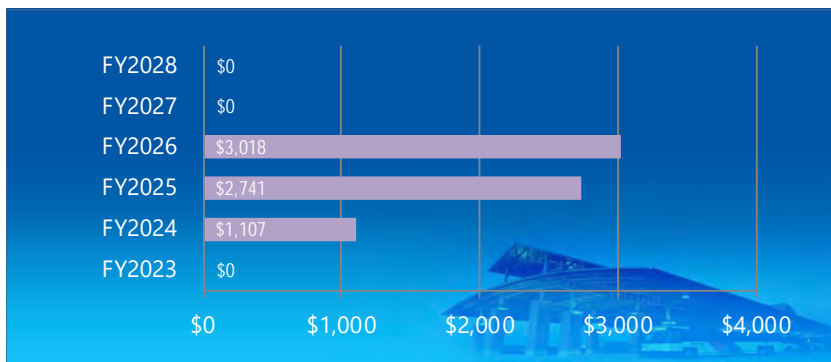
The existing power switches require overhauling and replacement of various parts to maintain safe operations on the Red Line. Failure to replace power switches could result in damage to various parts on the Red Line and would also cause a loss of service and fare revenue.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a major component life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

Traction Power Substation Hardware Upgrade

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

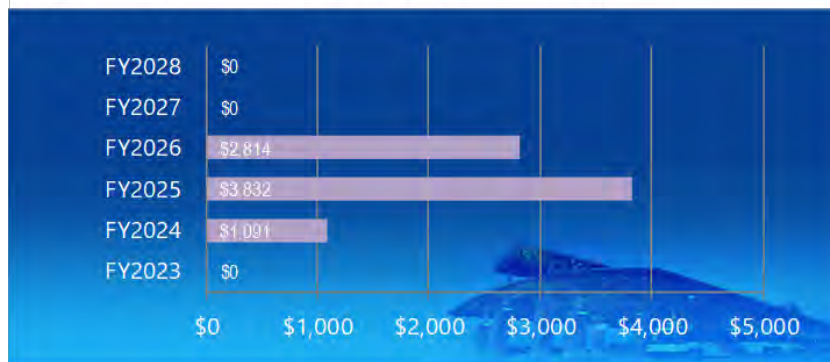
The project will upgrade Traction Power facilities in the Red Line. These substations are out of specs and spare parts are not available. Substations will be redesigned to accept current standard hardware.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a major component life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

Red Line OCS Wire "Doghouses" and Disconnect Switches

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

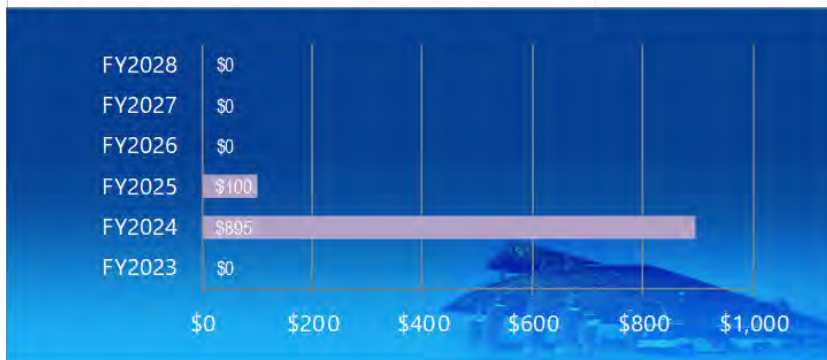
The project consists of upgrade the existing worn-out cabling and relocate the wire splice above ground into small enclosures (doghouses). This planned work is to be performed on the Red Line between the UH Downtown to the Houston Zoo area. This project is in alignment with METRO's State of Good Repair Program.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a major component life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

LRT Pantograph Overhaul H1, H2 & H3

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

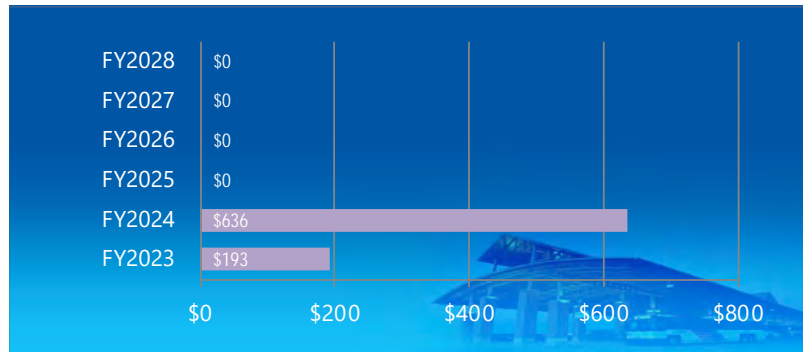
The project consists of the overhaul of pantographs on LRV H1, H2 and H3. Due to a higher than expected rate of motor failures, these units will be overhauled earlier than their original schedule. This project is in alignment with METRO's State of Good Repair Program.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a major component life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

LRT Switch Electric Power System Upgrade

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

The project consists of the overhaul and replacement of various parts of the switch electric power system to maintain safe operations on the Red, Green and Purple lines. This project is in alignment with METRO's State of Good Repair Program.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a major component life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

Supervisory Control & Data Acquisition (SCADA) System Upgrade

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

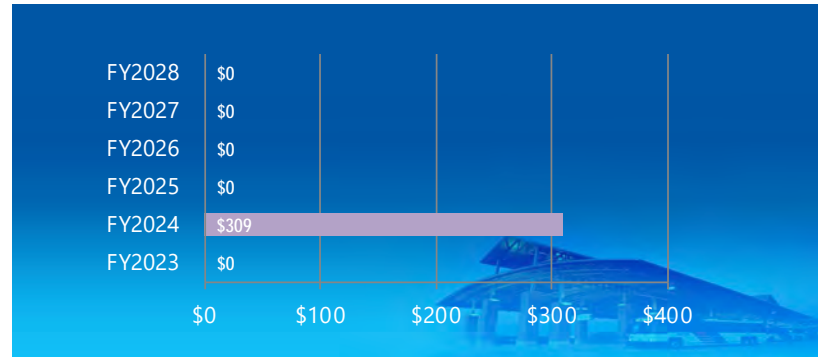
The project consists of the upgrade of the outdated SCADA system utilized by Rail Control for the daily operation of rail services. The hardware and operating system has reached its useful life and is no longer supported by the manufacturer. This project is in alignment with METRO's State of Good Repair Program.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repair on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a major component life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

Rail Operations Center (ROC) - Replace Shop Heater

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

The projects of this request support METRO's asset management plan with the objective of keeping METRO's Rail Operations Facilities in a state of good repair rating at a level 3 or above. The selection and timing of assets to be replaced are based on both documented useful life benchmarks (ULBs) and condition assessments for the respective assets.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Red Line Windscreen Support Rehabilitation

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This **Red Line Windscreen Support Rehabilitation** project will replace the metal support holding the windscreen on the Legacy Line Platforms. The bottom support beam on the Red Line does not drain properly, causing bottom support beam to rust and potentially have the windscreen fall through. All windscreen supports are rusting and need to be replaced. The rehab would be similar to what is currently on the Purple Line and Green Line and will then drain properly.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

LRT - Fannin South Switch Point Replacement

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

The projects of this request support METRO's asset management plan with the objective of keeping METRO's Rail Operations Facilities in a state of good repair rating at a level 3 or above. The selection and timing of assets to be replaced are based on both documented useful life benchmarks (ULBs) and condition assessments for the respective assets.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Light Rail Vehicle (LRV) Shop Tools & Equipment

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

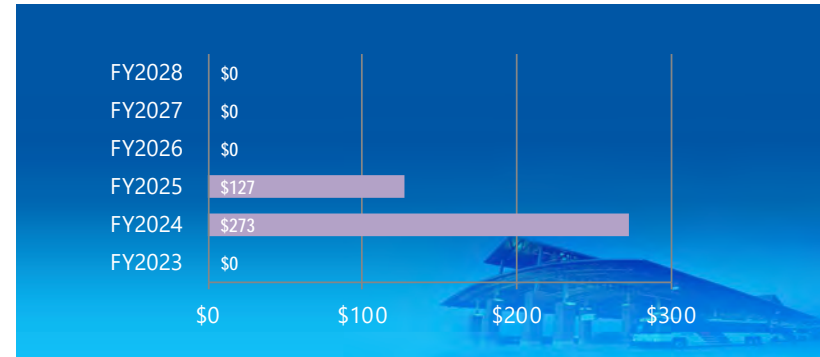
The projects of this request comprise an asset replacement program development in support of METRO's asset management plan with objective of keeping METRO's Light Rail Vehicle shop tools and equipment assets in a state of good repair rating at a level 3 or above. The selection and timing of assets to be replaced are both based on documented useful life benchmarks (ULBs) and condition assessments for the respective assets.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

LRT - Installation of Bridge Fence at UH D Station

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

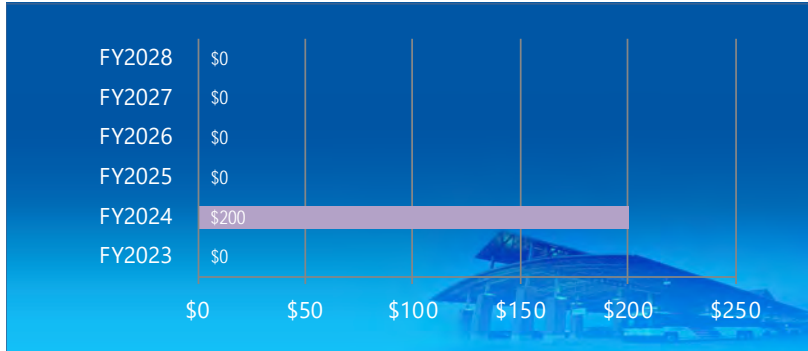
The projects consists of the design and installation of a fence on the Red Line bridge by the University of Houston Downtown Station.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

ROC - Neuro Lifts Upgrade

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project consists of the rehabilitation of mechanical and electrical components of the lift system to extend the useful life until new units arrive. These units have reached their expected service life due to 20 years of continued service.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a major component life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

ROC - Utility Work for 2 Breakrooms

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

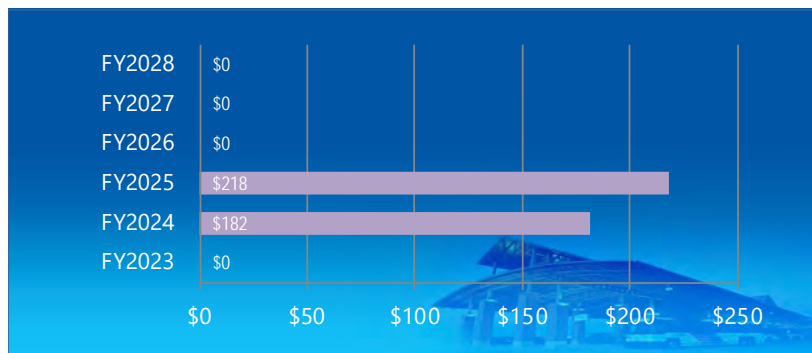
The projects of this request support METRO's asset management plan with the objective of keeping METRO's Rail Operations Facilities in a state of good repair rating at a level 3 or above. The selection and timing of assets to be replaced are based on both documented useful life benchmarks (ULBs) and condition assessments for the respective assets.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

ROC - Install (2) Motorized Vehicle Gates

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

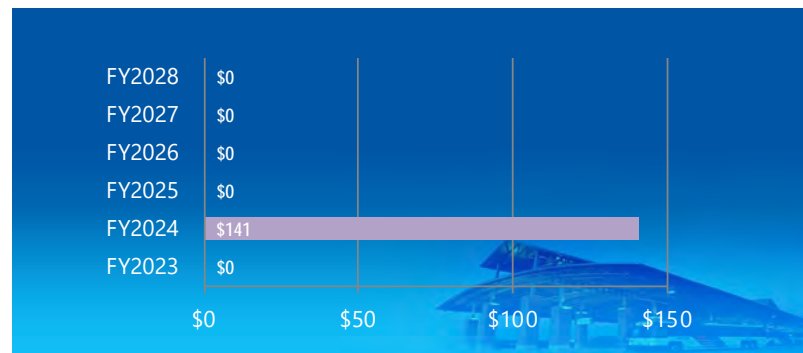
This project consists of the installation of two motorized vehicle gates at the ROC to provide additional egress during peak traffic times and events.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a major component life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

LRT - Signal House Generator

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

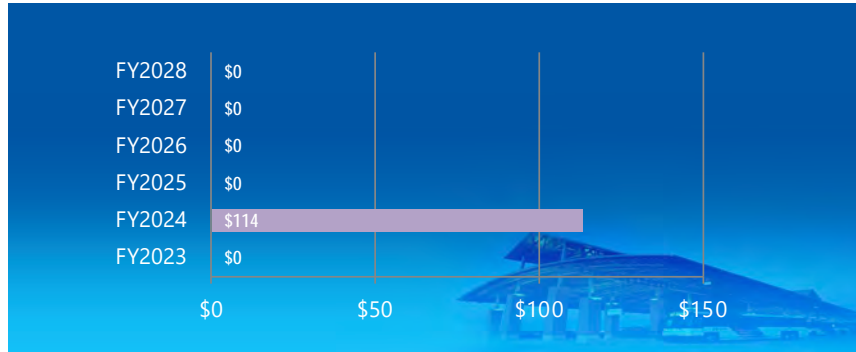
The projects of this request support METRO's asset management plan with the objective of keeping METRO's Rail Operations Facilities in a state of good repair rating at a level 3 or above. The selection and timing of assets to be replaced are based on both documented useful life benchmarks (ULBs) and condition assessments for the respective assets.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

LRT - Canopy Glass Rehabilitation Multiple Locations

Projected Expenditures FY23-FY28 (In Thousands)



Project Scope

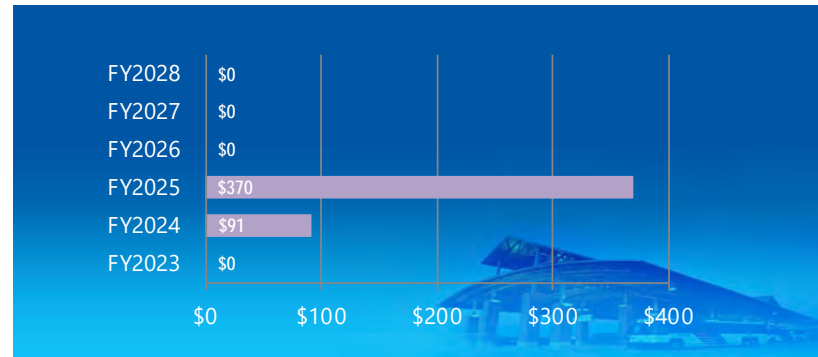
The projects of this request support METRO's asset management plan with the objective of keeping METRO's Rail Operations Facilities in a state of good repair rating at a level 3 or above. The selection and timing of assets to be replaced are based on both documented useful life benchmarks (ULBs) and condition assessments for the respective assets.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

ROC Trash Compactor Rehabilitation

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

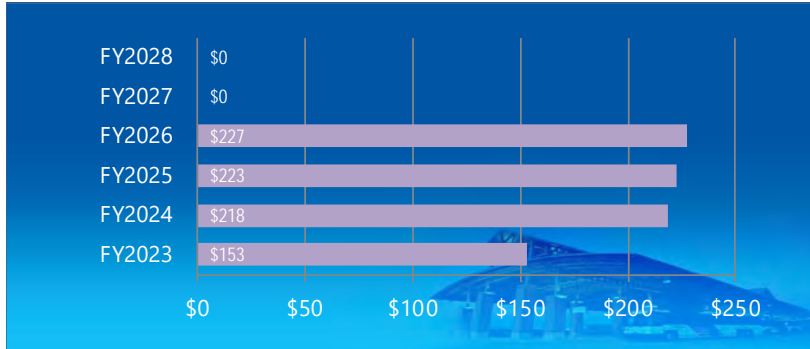
The projects of this request support METRO's asset management plan with the objective of keeping METRO's Rail Operations Facilities in a state of good repair rating at a level 3 or above. The selection and timing of assets to be replaced are based on both documented useful life benchmarks (ULBs) and condition assessments for the respective assets.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

LRT- Axle Counter Head Sensor Replacement

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

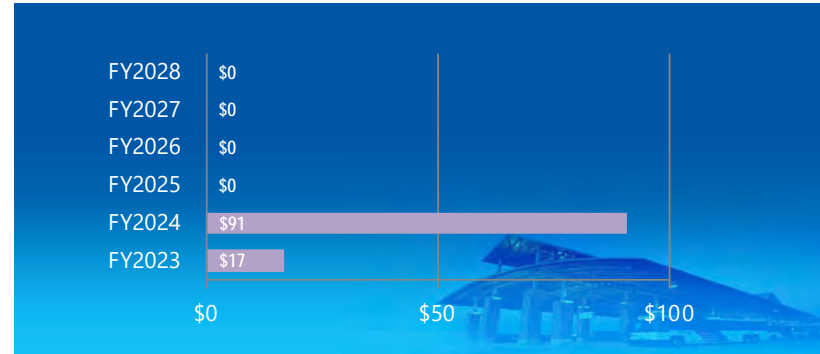
Axle Counter Heads will need to be replaced in critical areas due to the units reaching the end of their useful life, when replaced will ensure safe train operating conditions along the Rail Lines and prevent any loss of service.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a major component life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

ROC Fire Code Compliance Upgrade

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

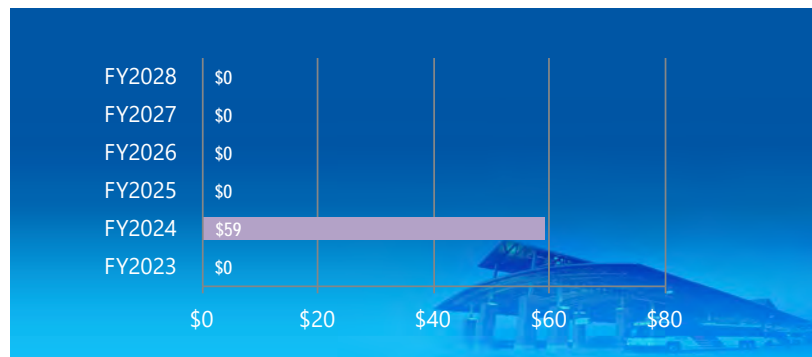
Rehabilitate the Rail Operating Center Fire Life Safety System to comply with the latest fire codes for compliant Fire Marshal inspections.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

ROC - Additional Valves for Water Pipelines

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

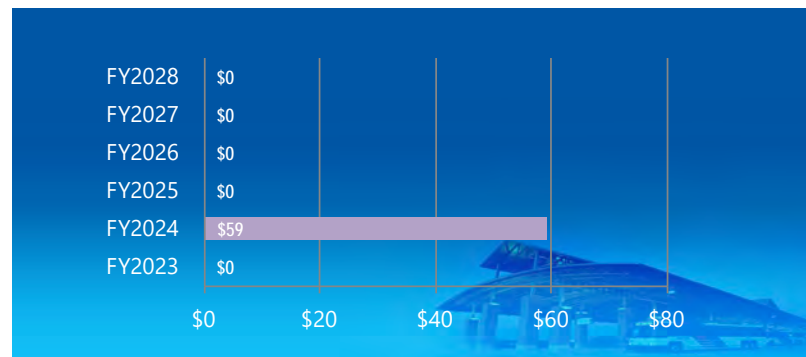
The projects of this request support METRO's asset management plan with the objective of keeping METRO's Rail Operations Facilities in a state of good repair rating at a level 3 or above. The selection and timing of assets to be replaced are based on both documented useful life benchmarks (ULBs) and condition assessments for the respective assets.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

ROC - Install Glass Doors on 2nd Floor

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

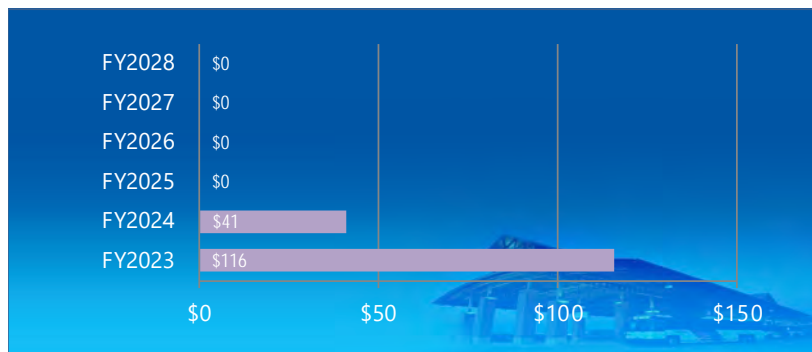
The projects of this request support METRO's asset management plan with the objective of keeping METRO's Rail Operations Facilities in a state of good repair rating at a level 3 or above. The selection and timing of assets to be replaced are based on both documented useful life benchmarks (ULBs) and condition assessments for the respective assets.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Rail Traction Power Substation HVAC Replacement

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

The project will rehabilitate Traction Power facilities by removing and replacing HVAC systems inside Light Rail Transitway (LRT) substations. Keeping the HVAC systems in a state of good repair will mitigate the risk of failure of the existing HVAC units and further mitigate the failure of the LRT substations.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine facility state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Traction Power Substation Battery Replace

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

The project will rehabilitate Traction Power facilities by removing and replacing substation battery systems currently used for battery back-up for the control components within the substations on the Light Rail Transitway (LRT). Keeping the battery systems in a state of good repair will mitigate the risk of failure of the existing batteries and further mitigate the failure of the LRT substations.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a major component life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

LRV: Brakes Overhaul No. 2

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project would install brakes in accordance with OEM overhaul recommendations, in an effort to provide safe and reliable vehicles. Brakes on the Siemens H1 and H2 LRVs were replaced in the FY2018 timeframe and brakes on the CAF H3 LRVs were overhauled in the FY2020/2021 timeframe. This is now considered a yearly recurring capital cost until the next phase of the OEM recommended brake overhaul occurs in the timeframe beyond this 5 year Capital Improvement Plan.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a lifecycle replacement state-of-good-repair program that lowers the costs to maintain and repair METRO assets. This capital investment is considered as a major life cycle replacement to support all light rail vehicle types operated by METRO that will eventually become part of the routine operating base budget, but for now are identified as Operating Impact costs of \$27.6K per year.

Bus Engine Assemblies

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

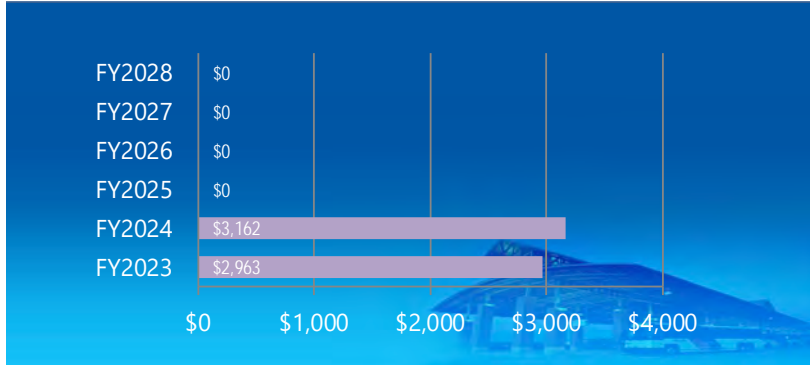
This project would involve engine replacements for 40' transit buses; 45' commuter buses, and 60' articulated buses to assure fleet dependability and provide safe and reliable transportation to METRO customers.

Operating Impact

Replacing engine assemblies is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state of good repair program lowers the costs to maintain and repair buses, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a major component life cycle replacement to support all bus types operated by METRO without incurring any additional operating impacts.

Bus Operator Shields

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project is for the purchase and installation of a rigid operator barrier on METRO's bus fleets currently in use at METRO facilities. The barrier will provide an enhanced level of safety between the passenger and the Bus Operator, while still allowing for required Bus Operator communication and field of view. Future bus procurements will include Bus Operator Barriers provided by Bus manufacturer's and will not involve METRO retrofitting.

Operating Impact

Renovating the METRO bus fleet with Bus Operator Shields is categorized as a **Core Business Item Necessary to Maintain Service** that will enhance the level of safety of our Bus Operators and increase the quality of service. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is in support of all bus types currently operated by METRO, previously delivered without Operator shields and without incurring any additional Operating Impacts.

LRV: Propulsion Power Overhaul

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

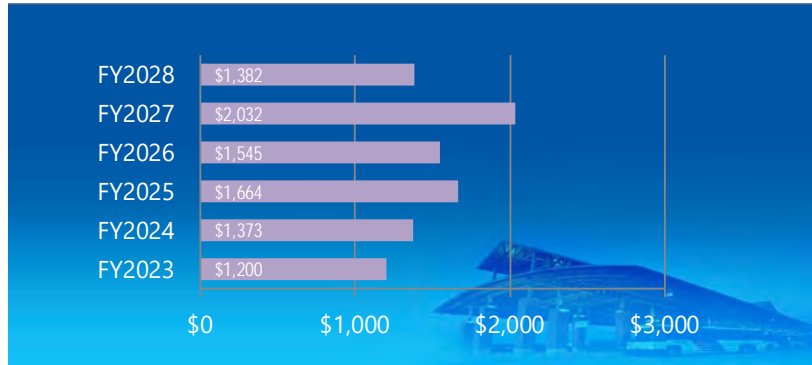
The OEM-recommended state of good repair overhauls for FY2022/FY2023 includes the Light Rail Vehicle (LRV) Propulsion Power OEM recommended overhaul in two phases, the first occurred in FY2021 with the replacement of fans, followed by a major overhaul in FY2023. This recurring overhaul needs to be accomplished roughly every eight years with the next phase of overhauls occurring in FY2026.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a lifecycle replacement state-of-good-repair program that lowers the costs to maintain and repair METRO assets. This capital investment is considered as a major life cycle replacement to support all light rail vehicle types operated by METRO that will eventually become part of the routine operating base budget, but for now are identified as Operating Impact costs of \$19.1K per year.

Bus Transmission Assemblies

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

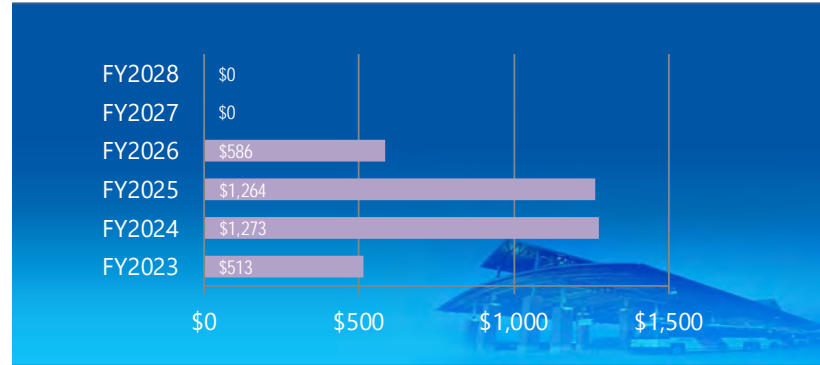
This project involves a bus fleet transmission replacement effort for the 40' transit buses and 45' commuter buses to assure fleet dependability and provide safe and reliable transportation to METRO customers.

Operating Impact

Replacing bus fleet transmissions is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state of good repair program that lowers the costs to maintain and repair them, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a major component life cycle replacement to support all bus types operated by METRO without incurring any additional operating impacts.

Hybrid Bus Batteries

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project would involve replacing hybrid batteries for the 40' Orion Transit and 45' MCI Park & Ride buses to assure fleet dependability and provide safe, reliable transportation to METRO customers.

Operating Impact

Replacing hybrid batteries is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state of good repair program that lowers the costs to maintain and repair them, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a major component life cycle replacement to support all hybrid bus types operated by METRO without incurring any additional operating impacts.

Bus Axles

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project involves a bus fleet axles replacement effort for the 40' transit buses, 45' commuter buses, and 60' articulated buses to ensure fleet dependability and provide safe and reliable transportation to METRO customers.

Operating Impact

Replacing bus fleet axles is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state of good repair program that lowers the costs to maintain and repair them, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a major component life cycle replacement to support all bus types operated by METRO without incurring any additional operating impacts.

LRV: Power Truck Overhaul

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

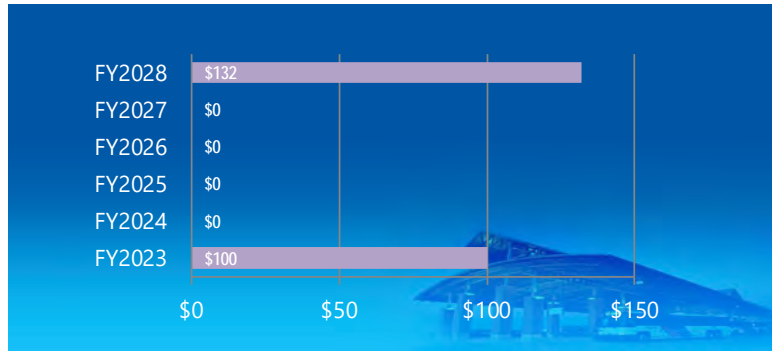
The OEM-recommended Power Truck Overhaul of Light Rail Vehicles (LRV) over the FY2023 thru FY2026 timeframe. This recurring overhaul needs to be accomplished roughly every eight years. With the number of Light Rail Vehicles in the fleet, this effort is now considered a yearly recurring capital cost until the next phase of the OEM recommended truck overhauls re-occur in the timeframe beyond this 5 year Capital Improvement Plan.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a lifecycle replacement state-of-good-repair program that lowers the costs to maintain and repair METRO assets. This capital investment is considered as a major life cycle replacement to support all light rail vehicle types operated by METRO that will eventually become part of the routine operating base budget, but for now are identified as Operating Impact costs of \$301.3K per year.

LRV- Seat Replacement - H3

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

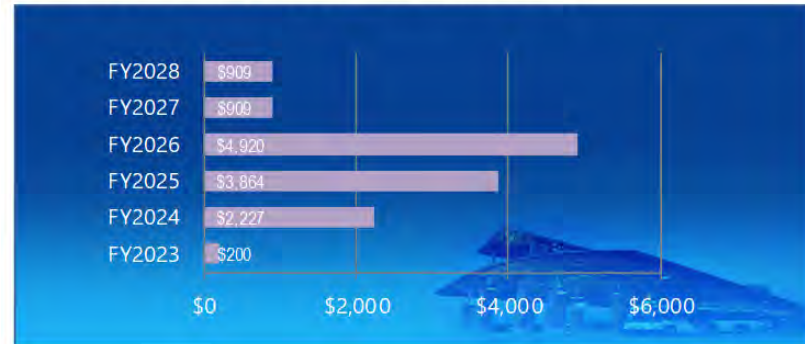
The OEM-recommended LRV Seating overhaul for FY2021 includes replacement of cloth inserts with plastic inserts, which lowers maintenance costs and provides a better customer experience. This recurring overhaul needs to be accomplished roughly every eight years.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

LRV: Coupler Replacement

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project would install brakes in accordance with OEM overhaul recommendations, in an effort to provide safe and reliable vehicles. LRV Coupler Replacement on the Siemens H1, H2 and H3 LRVs are planned to be replaced /overhauled every 8 years with this effort potentially planned in the upcoming five year timeframe. This is anticipated to be considered as a recurring capital cost that repeats every 8 years as part of the SOGR Capital Improvement Plan.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a major component life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

Bus GPS Router

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This is a SOGR and Safety project to replace the bus modems that have exceeded their expected life. This project will also provide robust "first responder" cellular connections through the nationwide First Net contract for all METRO buses, provide improved bandwidth to support the future new fare collection system, allow "video look in" capability for MPD, and provide the capability for customer Wi-Fi on bus service.

Operating Impact

No additional operating cost will be required.

Bus A/C Compressor Replacement

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

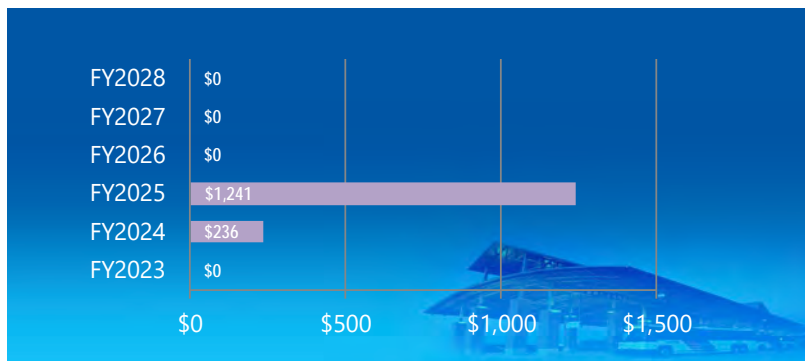
This project would replace air conditioning compressors in accordance with OEM overhaul recommendations, in an effort to provide comfortable, safe and reliable vehicles to METRO customers.

Operating Impact

Replacing bus fleet axles is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state of good repair program that lowers the costs to maintain and repair them, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a major component life cycle replacement to support all bus types operated by METRO without incurring any additional operating impacts.

LRV- Wi-Tronix

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

Installation of equipment that allows for real-time monitoring and troubleshooting of the Siemens H4 LRV fleet.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

LRV- Repaint

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

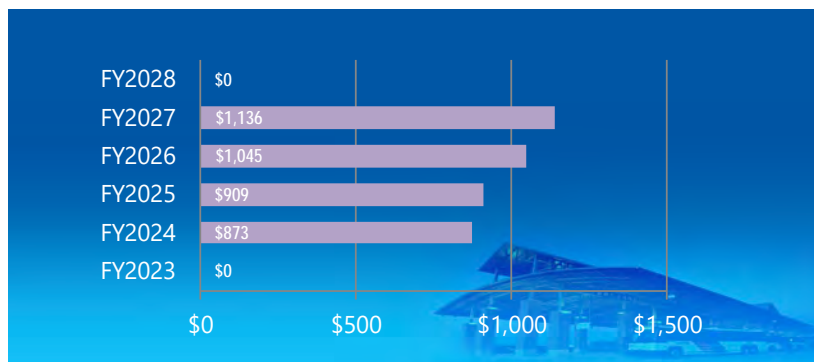
The exterior coating on the LRVs have been deteriorated with aging. All LRV need to be recoated to protect the exterior body and to improve vehicles' aesthetics.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

LRV- HVAC Overhaul

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

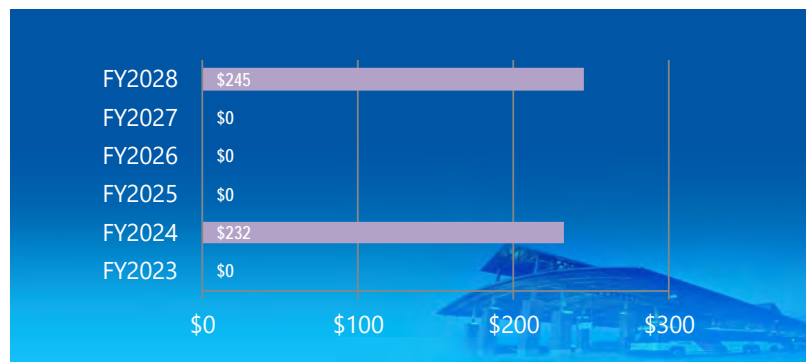
OEM recommended an overhaul of the HVAC system on the H2 vehicles in FY24, H3 in FY25 and H1 in FY26.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

LRV- Event Recorder

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

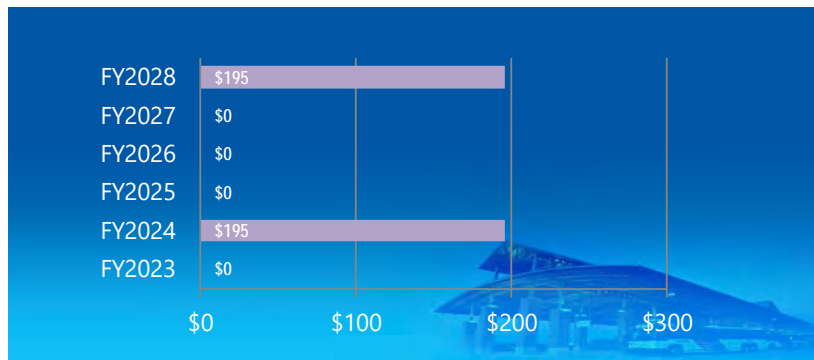
OEM recommended an overhaul of the event records of the communication systems of the H2 LRV in FY24 and H1 in FY26.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

LRV- Door Overhaul

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

OEM recommended a major overhaul on door components in FY24 on the H1 LRV and on door passengers in FY28 on the H2 LRV.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

LRV: Car Body Replacement

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

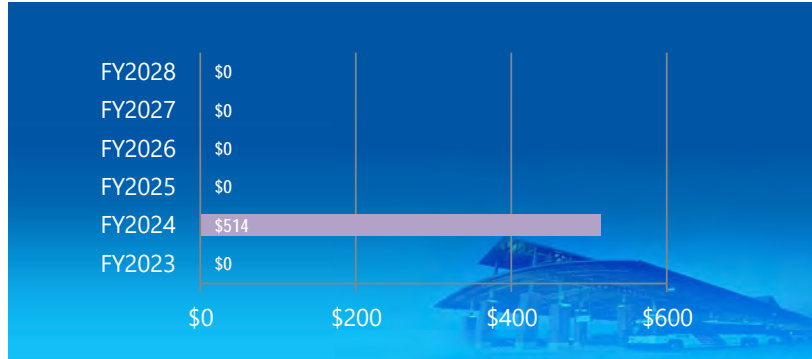
Repair and seal roofs on the H1/H2 fleets. The roofs are rusted and allowing water intrusion into the vehicles. Additionally the flooring needs to be replaced in the H1/H2 fleets.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a lifecycle replacement state-of-good-repair program that lowers the costs to maintain and repair METRO assets. This capital investment is considered as a major life cycle replacement to support all light rail vehicle types operated by METRO that will eventually become part of the routine operating base budget.

LRV: Automatic Passenger Count (APC)

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

The APC of Light Rail Vehicles (LRV) H1 have become obsolete and need to be replaced. APC equipment on LRV's provides detailed information on the passenger boarding and alighting counts at each station on each trip. Sensors at each door detect people as they walk in and out of the train and then transfer the data to a central system for tabulation and reporting.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a lifecycle replacement state-of-good-repair program that lowers the costs to maintain and repair METRO assets.

LRV: CCTV Replacement H3

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project is categorized as a Core Business Item Necessary to Maintain Service that is part of a lifecycle replacement state-of-good-repair program that lowers the costs to maintain and repair METRO assets. This will replace the obsolete CCTV event recorder of the H3 LRV vehicles.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a lifecycle replacement state-of-good-repair program that lowers the costs to maintain and repair METRO assets.

LRV- Battery Replacement

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

The LRV Batteries for the H2 and H3 vehicles will reach the end of their useful life and will need to be replaced in FY26 and FY27.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets, compared to repairs on an as-needed basis. While routine yearly O&M efforts are covered in the base operating budget, this capital investment is considered a life cycle replacement to support all Light Rail Vehicle types operated by METRO without incurring any additional operating impacts.

IT- Data Center Management

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

The **Data Center Management** Project for FY2022 will replace servers supporting mission-critical functions that have reached the end of their useful life and need to be upgraded or consolidated. This will also replace active storage that supports all functions (Rail, Bus Operations, Payroll, Finance, etc.) which has exceeded its service life and needs to be replaced to ensure that the data is maintained in good operational state.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a lifecycle replacement state-of-good-repair program that lowers the costs to maintain and repair METRO assets. This capital investment is considered as a major life cycle replacement to support IT systems operated by METRO that will eventually become part of the routine operating base budget, but for now are identified as Operating Impact costs of \$708.9K per year.

Network Upgrades and Management

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

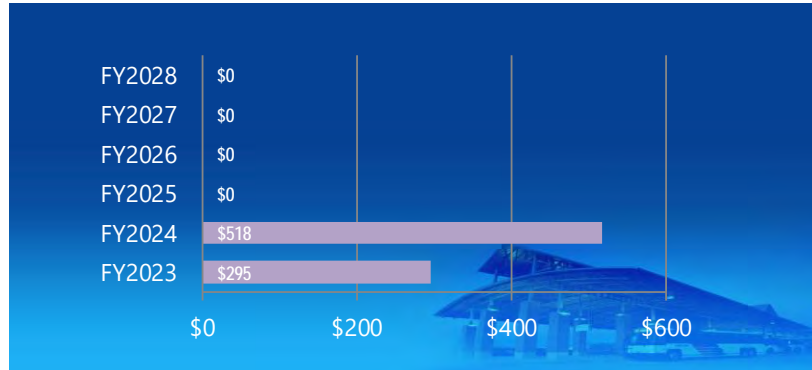
The **Network Upgrades and Management** project for FY2022 will replace all Local Area Network switches in the 1900 Main Administrative Office building that have reached end-of-life and end-of-support. These support all METRO computer functions, including Bus and Rail Operations, Finance, Human Resources and other business functions.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Interactive Parts Catalog

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

The METRO bus and rail maintenance Operations department is seeking to implement an online, **Interactive Parts Catalog** solution for sourcing, maintenance and repair of METRO bus and rail vehicles and equipment.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

SAP HANA S4 Upgrade

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

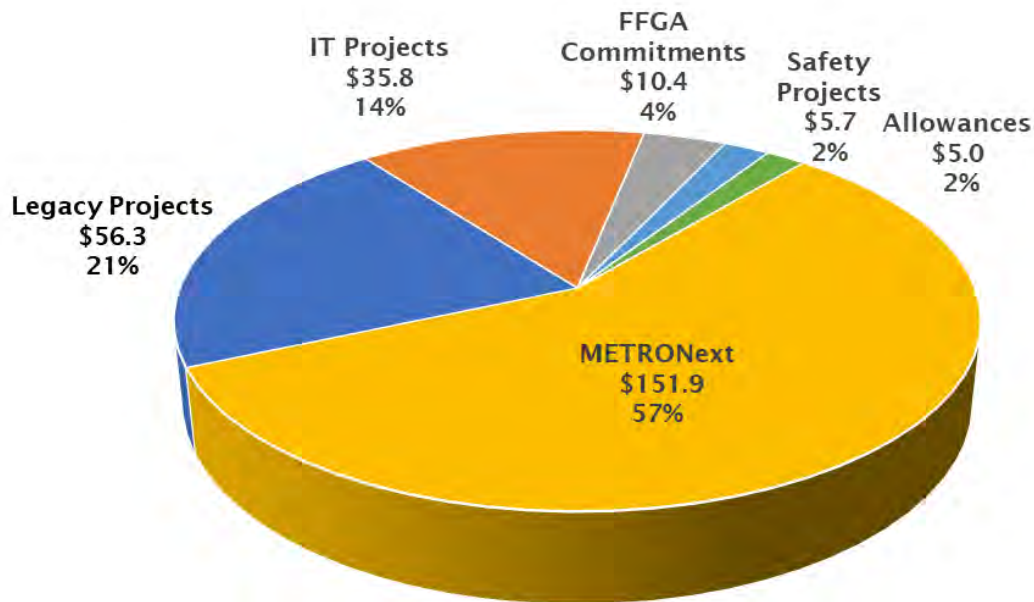
With application solutions and hardware servers reaching end-of-life, this project migrates business functionality with a modernized **SAP S/4 HANA** "Simple Finance". Current timesheet and payroll systems migrate to Success Factors Employee Central, by upgrading Performance Evaluations, Recruiting and Learning Management Systems hosted on cloud based servers, reducing critical business functions for both production and disaster recovery, providing 24 by 7 service to include operations & disaster support, utilizing mobile devices. METRO employees will be able to utilize mobile devices for timesheets, shopping carts, and their associated approvals.

Operating Impact

This project is categorized as a **Core Business Item Necessary to Maintain Service** that is part of a routine state-of-good-repair program that lowers the costs to maintain and repair METRO assets and is covered in the routine yearly O&M base operating budget, without any additional operating impact.

Expansion/Enhancement Capital Costs

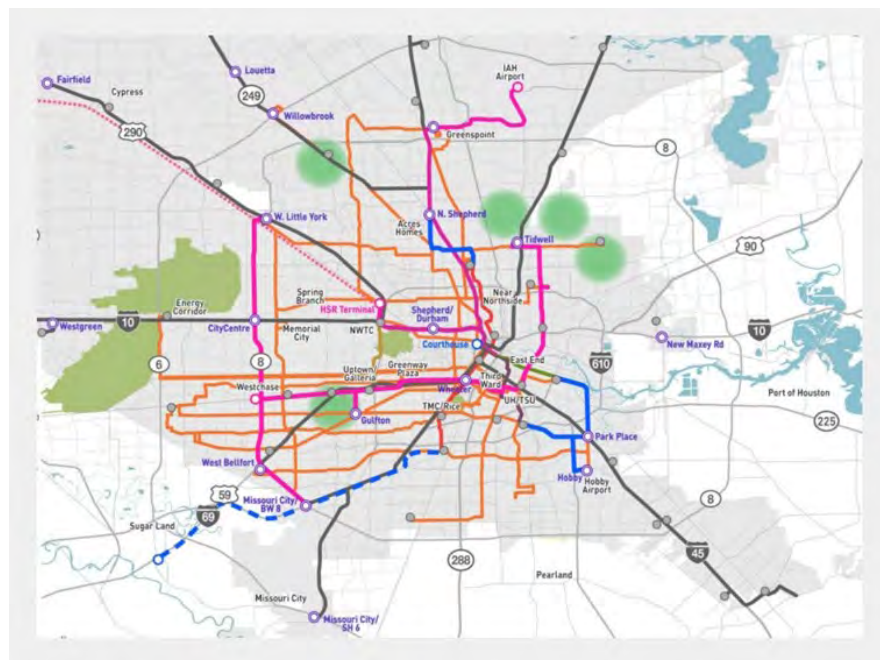
FY2024 Expansion/Enhancement Capital Costs \$265,059,219



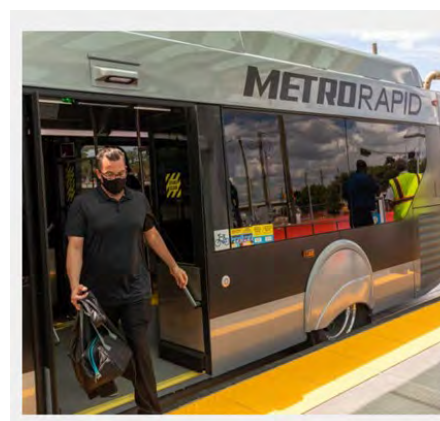
Expansion/Enhancement Capital Costs

Expansion/Enhancement Capital Costs	Grant Funded	FY2024	FY2025	FY2026	FY2027	FY2028
METRONext	Targeted	\$ 151,904,147	\$ 251,897,013	\$ 788,057,852	\$1,047,097,600	\$ 679,325,835
Legacy Projects - New and/or Enhanced	Yes	56,254,867	70,356,251	104,459,278	76,047,508	37,000,000
IT Projects	Yes	35,775,747	26,769,934	14,828,000	10,801,040	0
FFGA Commitments	Yes	10,391,070	21,764,985	0	0	0
Safety Projects	No	5,733,388	4,763,995	5,557,122	2,576,863	1,040,000
Vehicle Acquisition Costs	No	0	0	0	0	0
Allowances	No	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Subtotal - Expansion/Enhancement Capital Costs		\$ 265,059,219	\$ 380,552,178	\$ 917,902,252	\$ 1,141,523,011	\$ 722,365,835
Capital Program - Total		\$ 420,864,354	\$ 718,175,562	\$ 1,314,485,224	\$ 1,372,099,562	\$ 910,916,836

METRONext

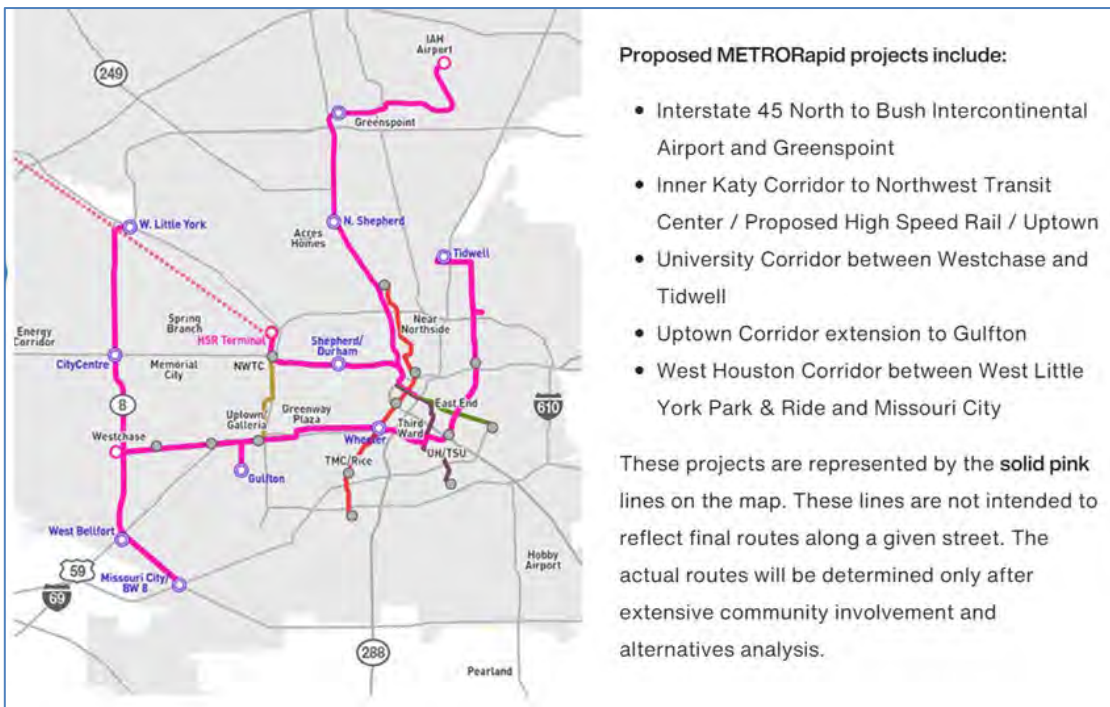


With the region's population expected to grow to more than 10 million people by 2040, the **METRONext Moving Forward Plan** is designed to help ease traffic congestion by taking more cars off the road and give provide more ways to move around our region with 500 miles of travel Improvements planned. The plan creates new service and travel options by expanding several types of transportation and making investments in service and accessibility around our region - with no tax increase.



The **METRORapid Bus Rapid Transit (BRT)** network is designed to provide station-to-station service similar to METRORail, but has the flexibility to accommodate multiple routes. A METRORapid line will provide a direct connection between Downtown and Bush Intercontinental Airport. Another METRORapid line will provide direct, rapid service between Downtown, Uptown, Northwest Transit Center and the proposed High-Speed Rail terminal. Exclusive lanes could be used for autonomous vehicle transit in the future.

METRONext



A key effort in the METRONext program in FY2024 is the capital upgrade program titled “Bus Stop Accessibility/Site Improvement” program, which is designed to ensure that METRO’s facilities and services are usable for all riders.

Although METRO’s entire fleet of buses and trains is already accessible, improvements to bus stops, bus shelters, and public facilities will make it easier for riders to use the system. These improvements include installing new bus shelters, sidewalks, ADA ramps, bus stop pads, and crosswalks considered as Tier 1 Bus Stop ADA Compliance upgrades. The Bus Stop Accessibility/Site Improvement program will also provide enhancements at a number of METRO public facilities (such as Park & Ride lots and transit centers), providing First & Last Mile Universal Accessibility and bus stop signage upgrades at over 7,000 locations over a five-year timeframe.



METRONext



Expansion/Enhancement Capital Costs

METRONext

	Grants	Local	FY2024
University Corridor Bus Rapid Transit (BRT)	\$70,082,488	\$46,721,659	\$116,804,147
56 Airline/Montrose BOOST (Bus Operation Optimized System Treatments)	0	9,000,000	9,000,000
82 Westheimer BOOST	0	9,000,000	9,000,000
Bus Stop Accessibility/Site Improvement	7,200,000	1,800,000	9,000,000
54 Scott BOOST	0	5,000,000	5,000,000
Transit Signal Priority (TSP) for 54/56/82 BOOST Corridors	0	1,600,000	1,600,000
University of Houston Pedestrian Improvements	0	1,500,000	1,500,000
METRONext	\$77,282,488	\$74,621,659	\$151,904,147



Legacy Projects – New and/or Enhanced

The **New Passenger Bus Shelter Program** is an initiative to install bus shelters throughout the METRO service area. The program consists of the design and construction of new shelter foundations, as well as the fabrication and installation of standard passenger bus shelters. In support of the METRO Climate Action Plan, the network of Passenger Bus Shelters will incorporate solar powered, battery electric lighting as one of the many steps that METRO is taking to become environmentally sustainable and energy efficient. The solar powered lighting provides for a safe, secure environment for METRO patrons waiting at bus shelters along bus routes where conventional electric power may not be readily available. This program reinforces METRO's commitment to reinvesting in the agency's backbone – the bus system.

Legacy Projects – New and/or Enhanced

Public response has been very positive, bus shelters providing patrons both safety and protection from the elements, and with the addition of solar powered lighting, further increased safety and security.



The **Park & Ride and Transit Center Upgrade Program** will introduce a variety of enhancements in several lots, such as the Northline Transit Center and the West Belfort Park & Ride locations.

The **Northline Transit Center** will have a new central parking structure that would encourage additional riders among students and staff and will enhance safety and security.





Legacy Projects – New and/or Enhanced

West Belfort Park & Ride Enhancements include increased parking capacity to approximately 3,000 spaces through a garage and/or surface parking, improved passenger amenities including lighting and security enhancements and Universal Accessibility elements to improve access throughout the facility.

Expansion/Enhancement Capital Costs

Legacy Projects - New and/or Enhanced

	<u>Grants</u>	<u>Local</u>	<u>FY2024</u>
Northline Transit Center and Parking	\$0	\$19,816,926	\$19,816,926
CNG Fuel Station and Facility Upgrade at Hiram Clarke-BOF	12,999,972	0	12,999,972
Electrical Bus Accommodation - Multi-Facilities (Polk/West/Kashmere/TMC)	0	5,483,847	5,483,847
West Belfort Park & Ride Lot	3,298,795	1,701,205	5,000,000
New Passenger Bus Shelters	0	5,000,000	5,000,000
HOV/HOT Lanes ARGO Operation & Equipment Upgrade	0	1,980,000	1,980,000
BikeShare Infrastructure	0	1,400,000	1,400,000
Wheel Truing Building at the Service & Inspection (S&I) Facility	0	1,000,000	1,000,000
Burnett Transit Center Elevator Project	0	827,769	827,769
Megabus Bus Operating Facility (BOF) Site – Phase II	0	591,540	591,540
Emergency & Community Service Center	0	537,813	537,813
Cypress T-Ramp	0	500,000	500,000
Buffalo Bayou - MPD Upgrade Project	0	750,000	750,000
Northwest Transit Center Reconfiguration, Parking Upgrade & Signs	0	317,000	317,000
METROLift Auto Speech Recognition System Upgrade	0	50,000	50,000
Legacy Projects - New and/or Enhanced	\$16,298,767	\$39,956,100	\$56,254,867

IT Projects

The Capital Improvement Program (CIP) provides for a capital expansion of IT Department Projects, which are projects designed keep the METRO systems sustainable.

Expansion/Enhancement Capital Costs

Information Technology Expansion Projects

	<u>Grants</u>	<u>Local</u>	<u>FY2024</u>
Automated Fare Collection System	\$7,686,160	\$12,184,232	\$19,870,392
Digital Technology Project	0	5,943,527	5,943,527
Integrated Vehicle Operations Management System (IVOMS) Turn-By-Turn	0	3,752,753	3,752,753
Computer Aided Dispatch/Reports Mgt System (CAD/RMS) Replacement	0	2,419,229	2,419,229
Ariba Hosted Procurement Solution	0	1,466,524	1,466,524
Enterprise Physical Security Systems	0	1,430,000	1,430,000
Bus / Rail Warranty Management System	0	335,280	335,280
Automated Fare Collection System Replacement	0	300,000	300,000
Transit Asset Management (TAM) System Barcoding	0	214,042	214,042
Mobile Ticketing	0	44,000	44,000
Information Technology Expansion Projects	\$7,686,160	\$28,089,587	\$35,775,747

METRORail Expansion FFGA Commitments

The Full Funding Grant Agreement (FFGA) Commitments of the Capital Improvement Program include the METRORail Completion program. Phase 1 of this program expanded the existing LRT system by adding three lines (North, Southeast, and East End) with 15 miles of LRT, 24 stations, a storage facility on the Southeast line, a service and an inspection facility on the East End line. The FFGA Commitment effort included the procurement of 39 light rail vehicles (LRV) for the opening-day fleets.

With Phase 1 of the MRC program substantially completed with the closeout of construction on the original three corridors, the remaining Phase 2 effort involves the delivery of 14 light rail vehicles in FY2023 and the addition of bike lanes to the light rail stations. Phase 2 also involves the development and construction of a new Northline Maintenance of Way facility, with the centralized facility shown in the artist's rendering below planned to support the maintenance of METRORail vehicles and improve operations on all three light rail lines.



Expansion/Enhancement Capital Costs

METRORail Expansion FFGA Commitments

	<u>Grants</u>	<u>Local</u>	<u>FY2024</u>
North Line - Maintenance of Way Facility (MOW)	\$4,105,203	\$2,791,979	\$6,897,182
Southeast Line - Phase 2 Light Rail Vehicle (LRV) Expansion	0	1,824,400	1,824,400
North Line - Phase 1B Design/Build (H3 LRV Closeout)	0	787,000	787,000
Maintenance of Way (MOW) - Additional Laydown Area	0	588,120	588,120
East End Line Phase 2 Light Rail Vehicle (LRV) Expansion	0	105,338	105,338
Southeast Line Bike Amenities	56,337	46,693	103,030
North Line - Remaining Project Management / Project Closeout	0	45,000	45,000
Southeast Line Remaining Project Management / Project Closeout	0	41,000	41,000
METRORail Expansion FFGA Commitments	\$4,161,540	\$6,229,530	\$10,391,070



Safety Projects

The Capital Improvement Program (CIP) provides for a capital upgrade program titled “Safety Projects”, which are projects designed to reduce accidents and incidents on the METRO system.

Expansion/Enhancement Capital Costs

Safety Projects

	<u>Grants</u>	<u>Local</u>	<u>FY2024</u>
Video Based Safety	\$0	\$1,364,000	\$1,364,000
MPD Taser/Camera System Enhancement	0	1,040,000	1,040,000
I-610 @ Fannin Grade Crossing Remediation	0	798,488	798,488
LRT - Rail Interlocking Plants	0	727,718	727,718
Texas Medical Center (TMC) Dedicated Train/EMS Lanes	0	642,103	642,103
Riskconnect Safety Modules	0	440,000	440,000
Electric Bus Propulsion Simulator	0	308,000	308,000
24Hr Bus Route Security System Pilot	0	200,000	200,000
Public Wireless Fidelity (Wi-Fi)/MG90 Integration with LRV Data	0	96,920	96,920
Wayside Horns Pilot Project	0	58,080	58,080
LRT - High Load Detection	0	58,080	58,080
Safety Projects	\$0	\$5,733,388	\$5,733,388

Fleet Expansion - Vehicle Acquisition Costs

The Capital Improvement Program (CIP) provides for an expansion of the fleet of METROLift Taxi Vans, to sustain an expected level of para-transit service by supporting the METROLift Van program.

Expansion/Enhancement Capital Costs

Vehicle Acquisition Costs

	<u>Grants</u>	<u>Local</u>	<u>FY2024</u>
No vehicle expansion planned in FY2024	\$0	\$0	\$0
Vehicle Acquisition Costs	\$0	\$0	\$0

Allowances

The Capital Improvement Program (CIP) provides for capital project allowances that may be funded from the \$5.0 million Unallocated Capital Fund included in the FY2024 Budget. After internal review and recommendation, a project may be presented to the METRO Board for approval to move forward from the development phase into active status.

Expansion/Enhancement Capital Costs

Allowances

	<u>Grants</u>	<u>Local</u>	<u>FY2024</u>
Non-Obligated Capital Project Fund	\$0	\$5,000,000	\$5,000,000
Allowances	\$0	\$5,000,000	\$5,000,000

Completed Projects

Following a decade of rail expansion projects that went live in the FY2015 timeframe, METRO Houston continued with a robust expansion program over the last few years with number of multi-year Major Projects completing in the FY2023/FY2028 timeframe, including:

- New Passenger Bus Shelters
- Uptown Corridor Bus Rapid Transit
- Regional Auto Fare Collection System Enhancement
- Bus Stops Accessibility
- BOOST Bus Routes
- North Post Oak Pedestrian Bridge

Overall Capital Spending for FY2023 incurred \$151.1 million dollars, with spending on “Core Business Items Necessary to Maintain Service” subtotaling \$59.4 million dollars and “Expansion/Enhancement Capital Costs” of \$91.7 million.

METRORapid University Corridor BRT Line

Projected Expenditures FY24-FY28 (In Millions)



Project Scope

The **METRONext plan** calls for 75 miles of new METRORapid bus service that operates like light rail. The METRONext METRORapid Bus Rapid Transit (BRT) network is designed to provide station to station service like METRORail but has the flexibility to accommodate multiple routes. METRORapid lines will provide a direct connection between Downtown and George Bush Intercontinental Airport as well as additional rapid service between Downtown, Uptown, Northwest Transit Center and the proposed High-Speed Rail terminal. Exclusive lanes could be used for autonomous vehicle transit in the future. The **METRORapid University Corridor BRT Project** is part of the **METRONext Moving Forward Plan**, and aims to develop a new METRORapid line running for 25.3 miles. The line would operate in a dedicated, transit-only lane to move through traffic. The University Corridor begins at the Westchase Park & Ride near the intersection of the Westpark Tollway and the Sam Houston Tollway. It ends at Tidwell Transit Center, near the intersection of Tidwell Road and U.S. Highway 59. The proposed route alignment passes through multiple residential, business and education centers, thru five segments as follows: Segment 1 (from Westchase to Lower Uptown), Segment 2 (Greenway / Upper Kirby and Montrose), Segment 3 (from Wheeler Station to Eastwood Transit Center), Segment 4 (from Eastwood Transit Center to Greater Fifth Ward), and Segment 5 (from Greater Fifth Ward to Tidwell Transit Center). This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset is a new METRO asset that does not exist yet in the base operating budget. The fully allocated annual operating cost for this project will be addressed during the preliminary design and is estimated to begin in FY2030 at approximately \$29.0M annually.

METRORapid Inner Katy BRT Project

Projected Expenditures FY24-FY28 (In Millions)



Project Scope

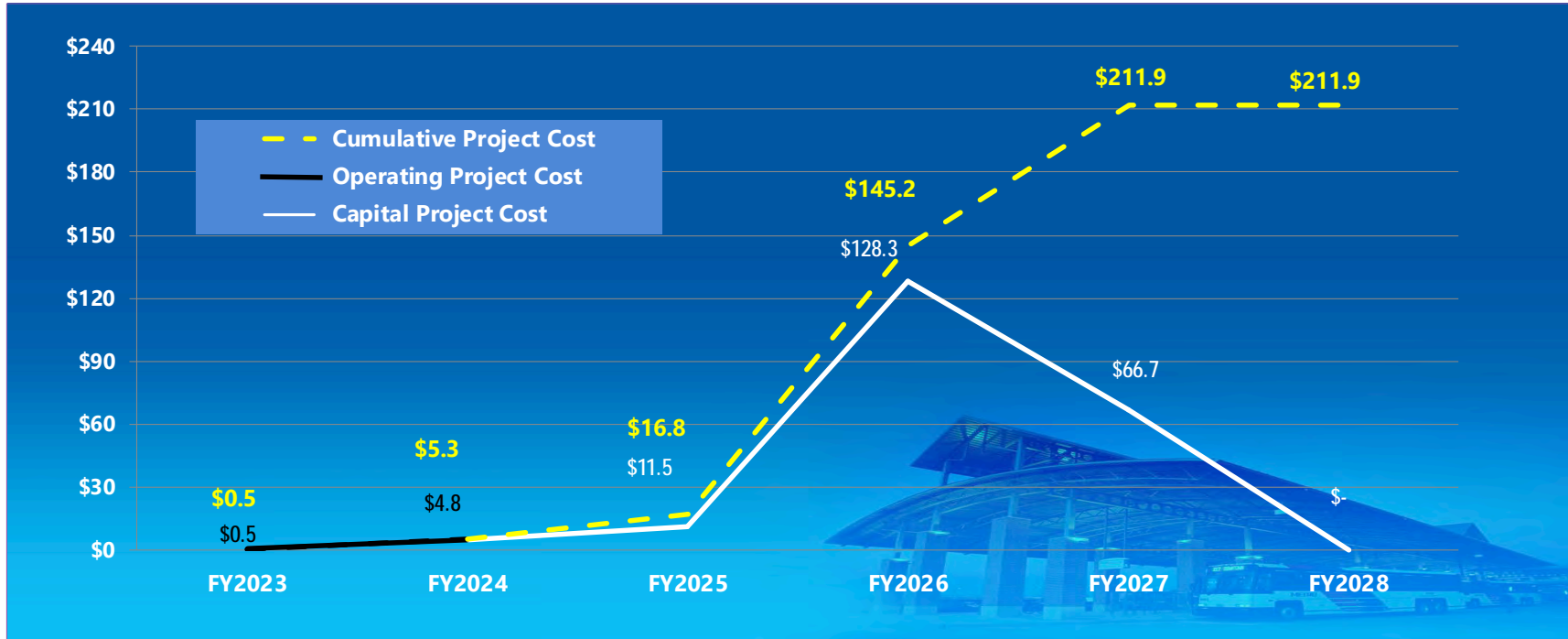
The **METRONext plan** calls for 75 miles of new METRORapid bus service that operates like light rail. The METRONext METRORapid Bus Rapid Transit (BRT) network is designed to provide station to station service like METRORail but has the flexibility to accommodate multiple routes. METRORapid lines will provide a direct connection between Downtown and George Bush Intercontinental Airport as well as additional rapid service between Downtown, Uptown, Northwest Transit Center and the proposed High-Speed Rail terminal. Exclusive lanes could be used for autonomous vehicle transit in the future. The **METRORapid Inner Katy Bus Rapid Transit (BRT)** is part of the **METRONext Moving Forward Plan** and involves the Inner Katy Corridor to the Northwest Transit Center / Proposed High Speed Rail / Uptown section of the city. The 7.6 mile long Inner Katy METRORapid/BRT route runs along I 10 (Katy Freeway), between the Northwest Transit Center (at the junction of I 10 West and I 610) and the Convention District area in Downtown Houston with a possible connection to the proposed high-speed rail and will provide exclusive lanes for Regional Express buses using I-10 West and US 290, allowing them to bypass the congestion on I-10 where there's currently no HOV lane. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget without this capital investment incurring any additional operating costs or impacts.

METRORapid Gulfton BRT from Westpark Drive to Bellaire Blvd

Projected Expenditures FY24-FY28 (In Millions)



Project Scope

The **METRONext plan** calls for 75 miles of new METRORapid bus service that operates like light rail. The METRONext METRORapid Bus Rapid Transit (BRT) network is designed to provide station to station service like METRORail but has the flexibility to accommodate multiple routes. METRORapid lines will provide a direct connection between Downtown and George Bush Intercontinental Airport as well as additional rapid service between Downtown, Uptown, Northwest Transit Center and the proposed High-Speed Rail terminal. Exclusive lanes could be used for autonomous vehicle transit in the future. The **Gulfton BRT from Westpark Drive to Bellaire Blvd Project** is part of the **METRONext Moving Forward Plan**, and aims to develop a new METRORapid line system. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset is a new METRO asset that does not exist yet in the base operating budget. The fully allocated annual operating cost for this project will be addressed during the preliminary design and is estimated to begin in FY2028 at approximately \$21.464M annually.

56 Airline /Montrose BOOST

Projected Expenditures FY24-FY28 (In Millions)



Project Scope

The **BOOST Corridor Network** involves Bus Operation Optimized System Treatments (BOOST) to make services faster and more reliable in certain highly traveled corridors through methods such as consolidating stops and signal coordination. The Boost Corridor Network includes the following corridors that will align with METRONext: Tidwell, Long Point, Westheimer, Broadway, Bellfort, MLK-Lockwood, Beechnut, Scott, Airline-Montrose. This **56 Airline-Montrose BOOST** project includes 10 bus routes that have been identified to improve the customer experience by increasing reliability and average speed of service, and improving accessibility of the service. The improvements may consist of sidewalk improvements, bus stop amenities, bus shelters, signage, wayfinding, intersection treatments and enhancements that result in the optimization of the service. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset is a new METRO asset that does not exist yet in the base operating budget, so this capital investment will incur \$604.6K in additional operating costs per year starting in FY2025 and capital State of Good repair costs of \$6k per year starting in FY2025.

82 Westheimer BOOST

Projected Expenditures FY24-FY28 (In Millions)



Project Scope

The **BOOST Corridor Network** involves Bus Operation Optimized System Treatments (BOOST) to make services faster and more reliable in certain highly traveled corridors through methods such as consolidating stops and signal coordination. The Boost Corridor Network includes the following corridors that will align with METRONext: Tidwell, Long Point, Westheimer, Broadway, Belfort, MLK-Lockwood, Beechnut, Scott, Airline-Montrose. This **82 Westheimer BOOST** project includes 10 bus routes that have been identified to improve the customer experience by increasing reliability and average speed of service, and improving accessibility of the service. The improvements may consist of sidewalk improvements, bus stop amenities, bus shelters, signage, wayfinding, intersection treatments and enhancements that result in the optimization of the service. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset is a new METRO asset that does not exist yet in the base operating budget, so this capital investment will incur \$1.141M in additional operating costs per year starting in FY2026 and capital State of Good repair costs of \$10k per year starting in FY2026.

54 Scott BOOST

Projected Expenditures FY24-FY28 (In Millions)



Project Scope

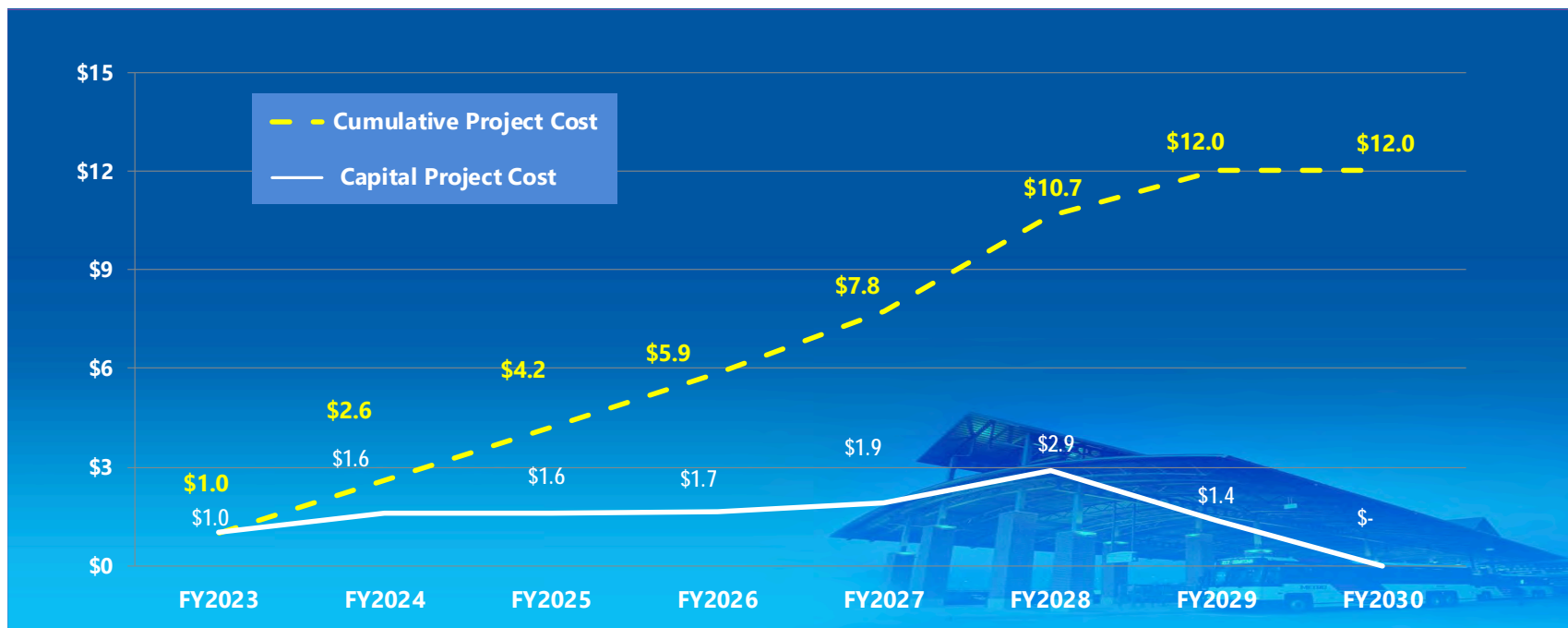
The **BOOST Corridor Network** involves Bus Operation Optimized System Treatments (BOOST) to make services faster and more reliable in certain highly traveled corridors through methods such as consolidating stops and signal coordination. The Boost Corridor Network includes the following corridors that will align with METRONext: Tidwell, Long Point, Westheimer, Broadway, Belfort, MLK-Lockwood, Beechnut, Scott, Airline-Montrose. This **54 Scott BOOST** project includes 10 bus routes that have been identified to improve the customer experience by increasing reliability and average speed of service, and improving accessibility of the service. The improvements may consist of sidewalk improvements, bus stop amenities, bus shelters, signage, wayfinding, intersection treatments and enhancements that result in the optimization of the service. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset is a new METRO asset that does not exist yet in the base operating budget, so this capital investment will incur \$479.5K in additional operating costs per year starting in FY2025 and capital State of Good repair costs of \$6K per year starting in FY2025.

Transit Signal Priority (TSP) for 54/56/82 BOOST Corridors

Projected Expenditures FY24-FY28 (In Millions)



Project Scope

The **BOOST Corridor Network** involves Bus Operation Optimized System Treatments (BOOST) to make services faster and more reliable in certain highly traveled corridors through methods such as consolidating stops and signal coordination. The Boost Corridor Network includes the following corridors that will align with METRONext: Tidwell, Long Point, Westheimer, Broadway, Belfort, MLK-Lockwood, Beechnut, Scott, Airline-Montrose. This **Transit Signal Priority (TSP) for 54/56/82 BOOST Corridors** project includes efforts to improve the customer experience by increasing reliability and average speed of service by providing signalization enhancements to the BOOST projects starting with routes 54/56/82. The improvements to signalization coincide with a number of sidewalk improvements, bus stop amenities, bus shelters, signage, wayfinding, intersection treatments and enhancements that result in the optimization of the service. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget without this capital investment incurring any additional operating costs or impacts.

METRONext Missouri City Park & Ride

Projected Expenditures FY24-FY28 (In Millions)



Project Scope

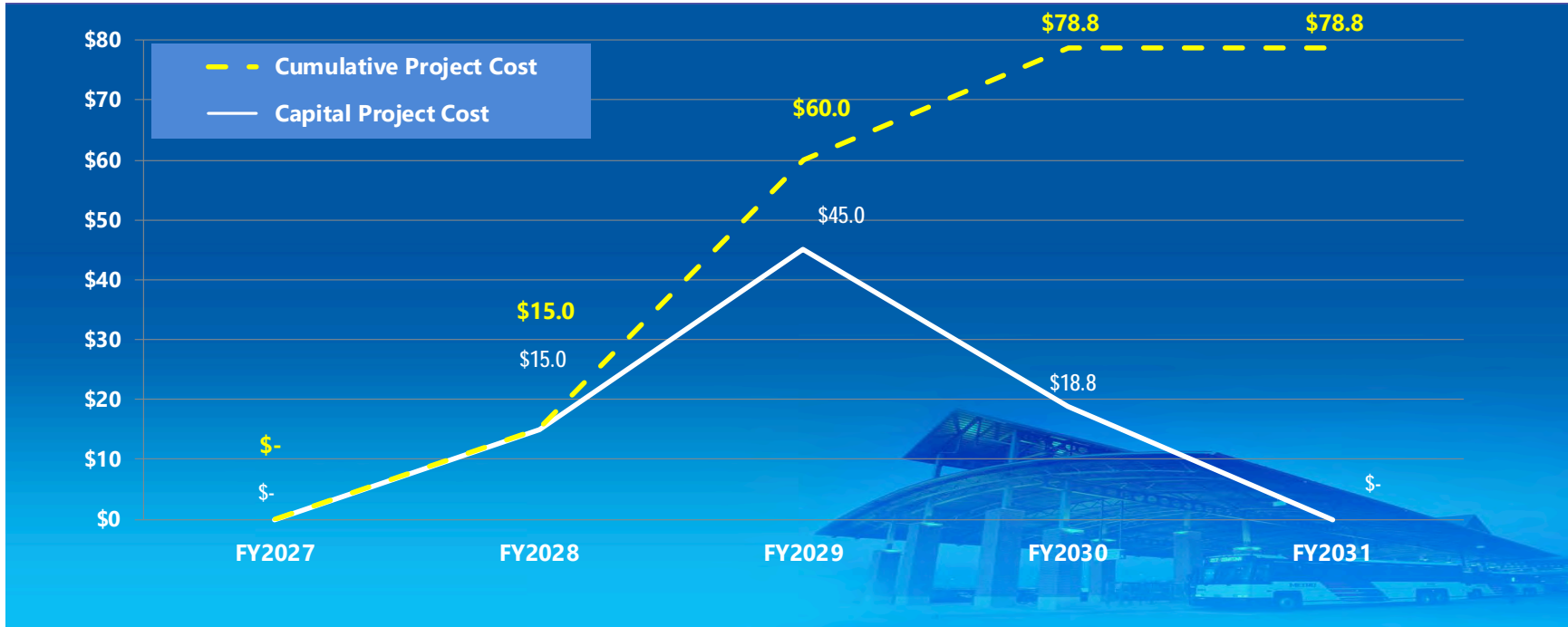
The **METRONext plan** calls for 75 miles of new METRORapid bus service that operates like light rail. The METRONext METRORapid Bus Rapid Transit (BRT) network is designed to provide station to station service like METRORail but has the flexibility to accommodate multiple routes. METRORapid lines will provide a direct connection between Downtown and George Bush Intercontinental Airport as well as additional rapid service between Downtown, Uptown, Northwest Transit Center and the proposed High-Speed Rail terminal. Exclusive lanes could be used for autonomous vehicle transit in the future. The **METRONext Missouri City Park & Ride** is part of the **METRONext Moving Forward Plan**. Missouri City Park & Ride will provide a Park & Ride facility within the vicinity of Highway 6 in Missouri City that currently involves a temporary interim lot at Kroger with 203 spaces that is currently above 100% capacity. The anticipated location of this new facility will be in Fort Bend County, Texas and located to best serve the SH 6 / Southwest US 59 Corridor. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset is a new METRO asset that does not exist yet in the base operating budget. The fully allocated annual operating cost for this project will be addressed during the preliminary design and is estimated to begin in FY2029 at approximately \$342.7K annually.

METRONext IH 69/US59 HOV/Diamond

Projected Expenditures FY24-FY28 (In Millions)



Project Scope

The **METRONext plan** calls for 75 miles of new METRORapid bus service that operates like light rail. The METRONext METRORapid Bus Rapid Transit (BRT) network is designed to provide station to station service like METRORail but has the flexibility to accommodate multiple routes. METRORapid lines will provide a direct connection between Downtown and George Bush Intercontinental Airport as well as additional rapid service between Downtown, Uptown, Northwest Transit Center and the proposed High-Speed Rail terminal. Exclusive lanes could be used for autonomous vehicle transit in the future. The **METRONext IH 69/US59 HOV/Diamond** is part of the **METRONext Moving Forward Plan**. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget without this capital investment incurring any additional operating costs or impacts.

METRORapid Bus Operating Facility

Projected Expenditures FY24-FY28 (In Millions)



Project Scope

The **METRONext plan** calls for 75 miles of new METRORapid bus service that operates like light rail. The METRONext METRORapid Bus Rapid Transit (BRT) network is designed to provide station to station service like METRORail but has the flexibility to accommodate multiple routes. METRORapid lines will provide a direct connection between Downtown and George Bush Intercontinental Airport as well as additional rapid service between Downtown, Uptown, Northwest Transit Center and the proposed High-Speed Rail terminal. Exclusive lanes could be used for autonomous vehicle transit in the future. The **Bus Operating Facility Project** is part of the **METRONext Moving Forward Plan** and aims to support the new METRORapid lines.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset is a new METRO asset that does not exist yet in the base operating budget. The fully allocated annual operating cost for this project will be addressed during the preliminary design and is estimated to begin in FY2028 at approximately \$35M annually.

METRONext LRT Southeast Corridor Extension Palm Center to Wayside Street

Projected Expenditures FY24-FY28 (In Millions)



Project Scope

The **METRONext** plan calls for 75 miles of new METRORapid bus service that operates like light rail. The METRONext METRORapid Bus Rapid Transit (BRT) network is designed to provide station to station service like METRORail but has the flexibility to accommodate multiple routes. METRORapid lines will provide a direct connection between Downtown and George Bush Intercontinental Airport as well as additional rapid service between Downtown, Uptown, Northwest Transit Center and the proposed High-Speed Rail terminal. Exclusive lanes could be used for autonomous vehicle transit in the future. This **METRONext LRT Southeast Corridor Extension Palm Center to Wayside Street Project** is part of the METRONext Moving Forward Plan and extends the existing network of METRORapid lines further east to the Wayside Drive and adding one new rail station. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget without this capital investment incurring any additional operating costs or impacts.

Bus Stop Accessibility and Site Improvements Program

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

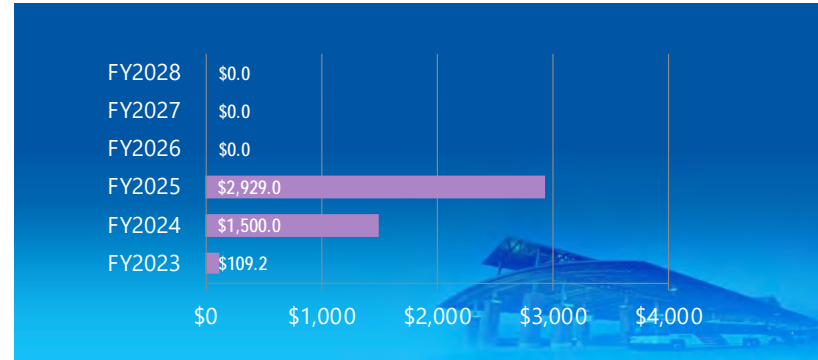
Universal Accessibility is a capital upgrade program which is designed to ensure that METRO's facilities and services are usable for all riders. Although METRO's entire fleet of buses and trains is already accessible, improvements to bus stops, bus shelters, and public facilities will make it easier for riders to use the system. These improvements include installing new bus shelters, sidewalks, ADA ramps, bus stop pads, and crosswalks considered as Tier 1 Bus Stop ADA Compliance upgrades. The **Universal Accessibility program** will also provide enhancements at several METRO public facilities (such as Park & Ride lots and transit centers), "First & Last Mile" Universal Accessibility and bus stop signage upgrades at over 7,000 locations with three years remaining in the program.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget with this capital investment incurring \$1.8M in additional operating costs per year and ramping up to \$6.3M per year, starting in year FY2024.

University of Houston Pedestrian Improvements

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

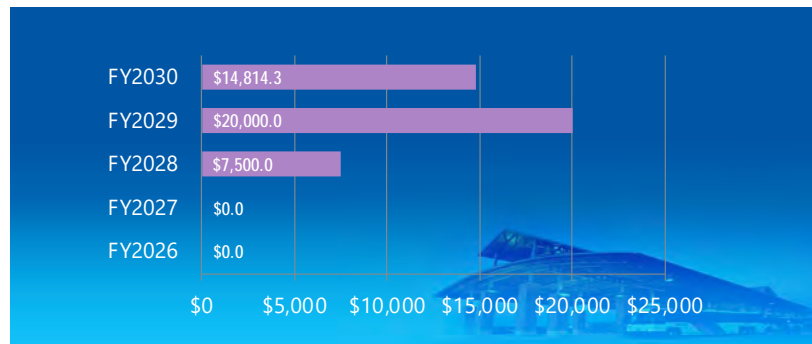
As a part of the METRONext program METRO is participating in Transit Oriented Developments in an effort to design and build this project which involves the construction of a **University of Houston Pedestrian Improvements**. This is an initiative to expand and improve METRO facilities and services by connecting pedestrian and bike paths with the new Shared Use Paths and METRO transit facilities in the vicinity. as the project improves the Universal Accessibility in the area, improving customer service and involves the last year of a multi-year effort.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget with this capital investment incurring \$61.3K in additional operating costs per year, starting in year FY2025 and capital State of Good repair costs of \$1K per year starting in FY2025.

METRORapid Denver Harbor Transit Center Upgrade

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

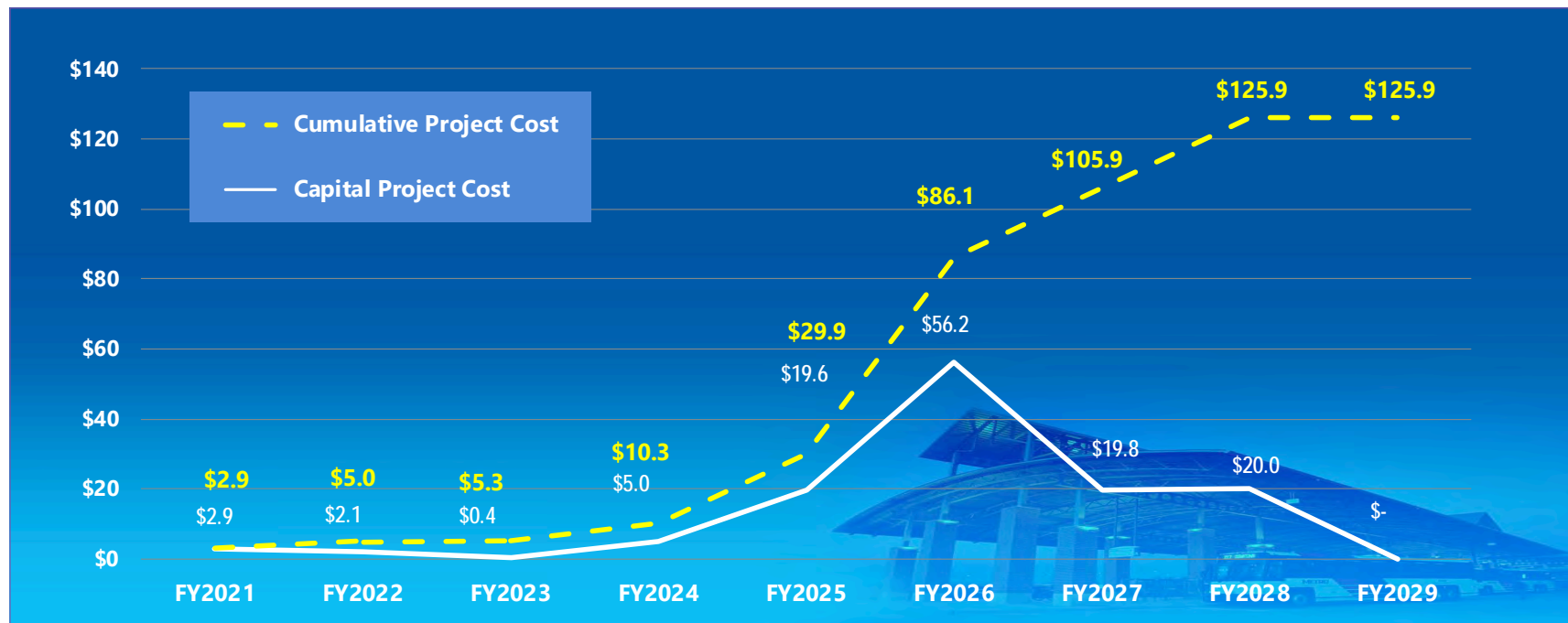
As a part of the METRONext program METRO is participating in Transit Oriented Developments in an effort to redesign and build METRORapid Denver Harbor Transit Center. This is an initiative to expand and improve METRO facilities and services by connecting pedestrian and bike paths with the new Shared Use Paths and METRO transit facilities in the vicinity.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget with this capital investment incurring \$60K in additional operating costs per year, starting in year FY2030 and capital State of Good repair costs of \$30K per year starting in FY2030.

West Belfort Park & Ride

Projected Expenditures FY24-FY28 (In Millions)



Project Scope

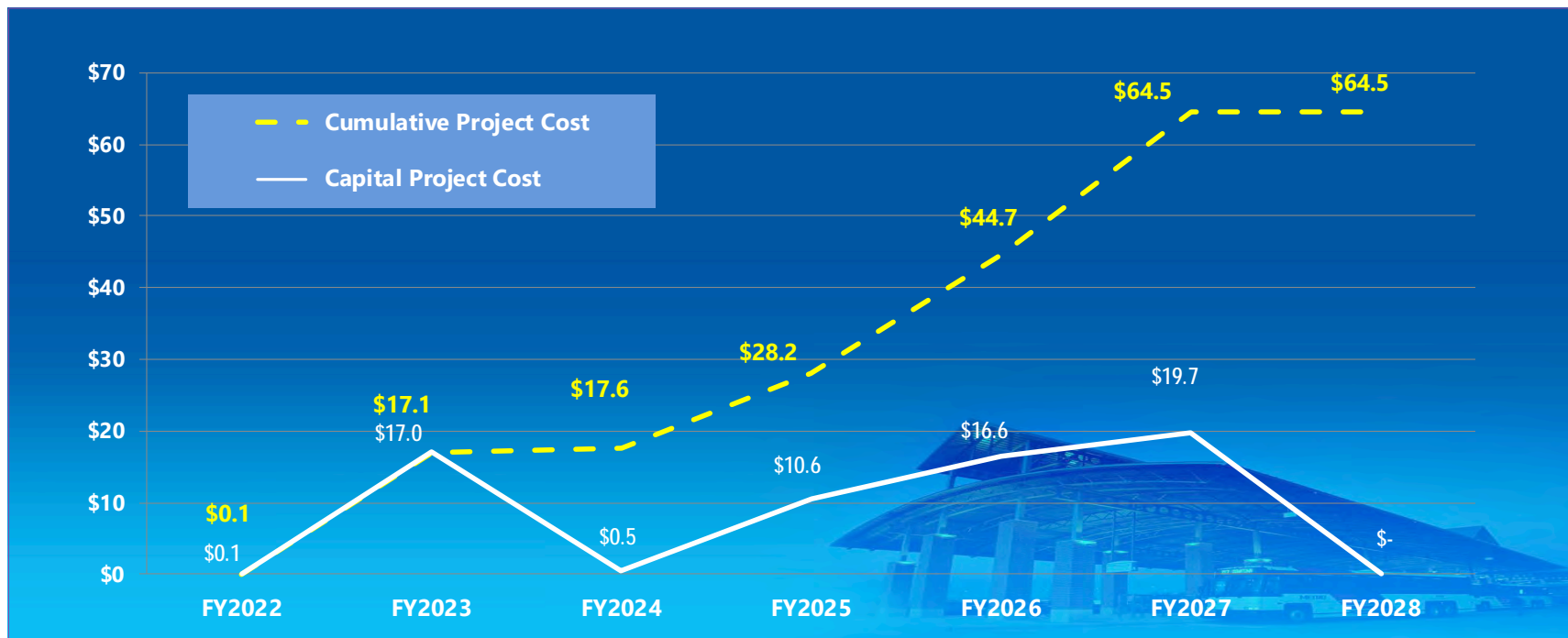
METRO is developing expansion opportunities at the **West Belfort Park & Ride**, specifically environmental clearance, design and construction. Expansion of the Park & Ride would provide for continued growth in ridership and customers will enjoy more parking spaces at the already crowded Park & Ride facility. The southwest region would benefit from additional parking spaces. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget with this capital investment incurring \$371.8K in additional operating costs per year, starting in year FY2024 and capital State of Good repair costs of \$192K (avg) per year starting in FY2025.

Emergency & Community Service Center (ECSC)

Projected Expenditures FY24-FY28 (In Millions)



Project Scope

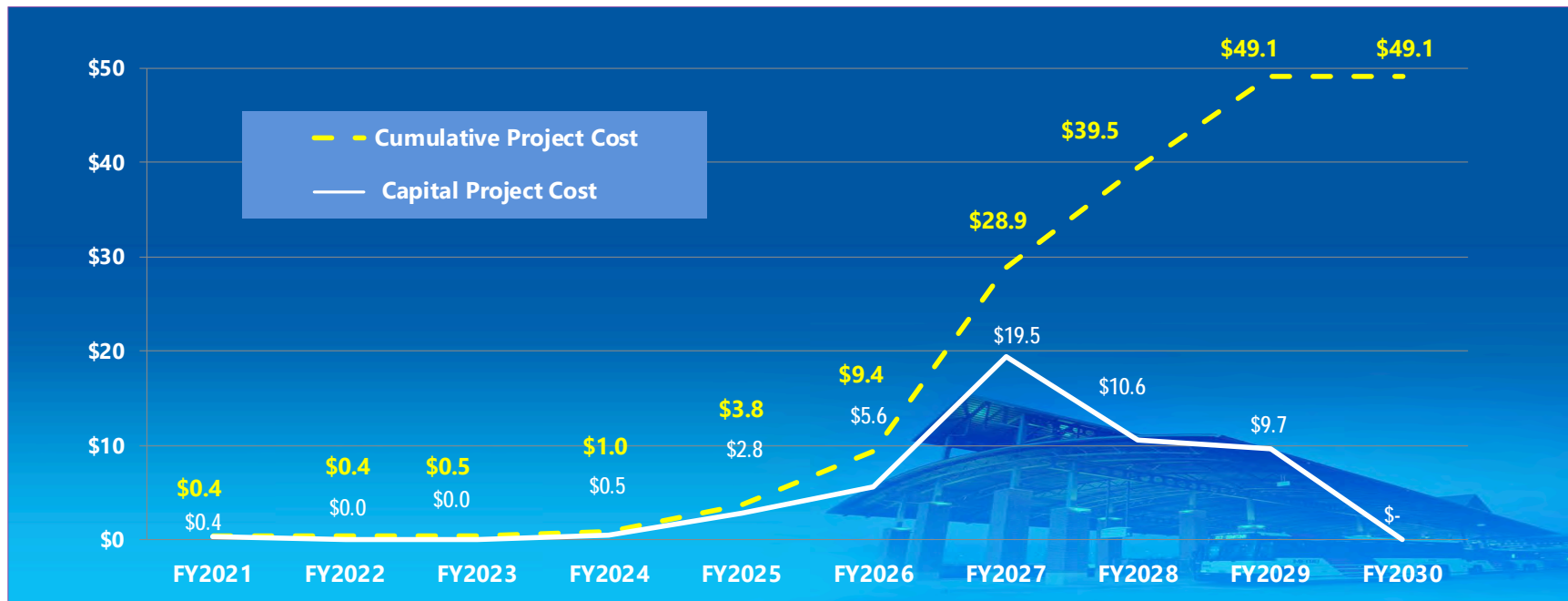
METRO is developing expansion opportunities at the **Emergency & Community Service Center (ECSC)** located in downtown Houston adjacent to the 1900 Main Administration facility. This project efforts involves the acquisition of Real Estate for the Emergency & Community Services Center for use and parking structure as a component of a multi-year \$48.6M facility adjacent to the 1900 Main Administration building. The project currently involves \$5.9M in grant funding for future construction efforts. Expansion of the parking facility would provide for continued growth in ridership and customer service support with more parking spaces in the southwest region of the City of Houston. This project is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset is a new METRO asset that does not exist yet in the base operating budget, so this capital investment will incur \$1.561M in additional operating costs per year starting in FY2026.

US290 Cypress T- Ramp

Projected Expenditures FY24-FY28 (In Millions)



Project Scope

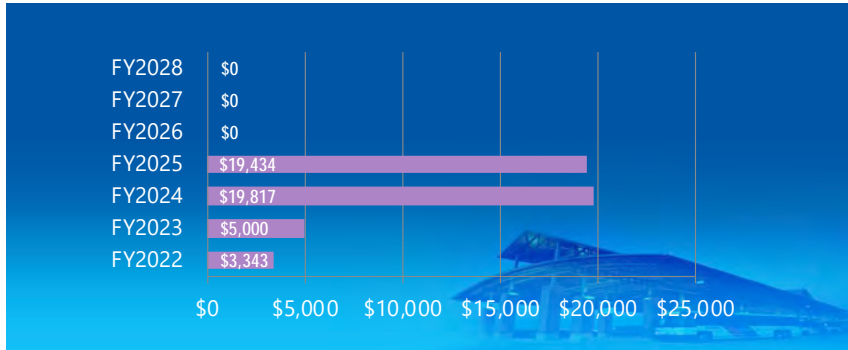
In coordination with TxDOT, this project titled **US290 Cypress T-Ramp** will extend the single-lane, barrier-separated HOV/HOT lane beyond the location of the existing Cypress Park & Ride facility. As part of the project, a new T-Ramp is proposed from the Cypress Park & Ride lot to the managed lanes. METRO buses will be able to directly access the HOV/HOT lanes, rather than exiting the facility into mixed traffic. Currently, buses are required to cross four lanes of traffic in order to enter the managed lanes at the next slip entrance ramp

Operating Impact

This project will provide a direct access from the existing Cypress Park & Ride lot to the US-290 Managed Lanes, and will improve bus and HOV/HOT lane operations from this facility including reduced travel times. This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget without this capital investment incurring any additional operating costs or impacts.

Northline Transit Center and Parking

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

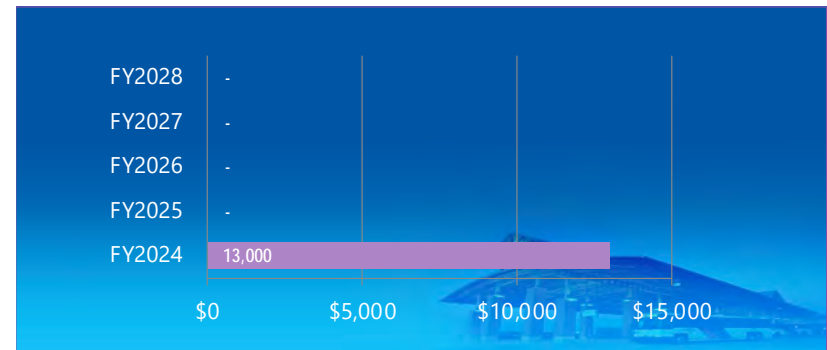
The Northline Transit Center has been in existence since 2001 and to meet the demand of METRO customers and provide adequate parking, this facility improves customer experience and provide improved access to employment and educational facilities. The project consists of construction of a new facility along with parking adjacent to the Houston Community College. A central parking structure at the north end of the Red Line would encourage additional ridership of students and staff, while enhancing safety and security. The new transit center will be in the immediate vicinity of the current Northline Transit Center and will include a multi story parking structure with approximately 500 parking spaces and 7 to 8 Bus bays, all of which would be covered.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. The fully allocated annual operating cost for this project will be addressed during the final design/build phase, with this capital investment incurring an estimated \$314.2K in additional operating costs per year, starting in year FY2025 and capital State of Good repair costs of \$135K (avg) per year starting in FY2026.

CNG Fuel Station & Facility Upgrade at Hiram Clarke-BOF

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

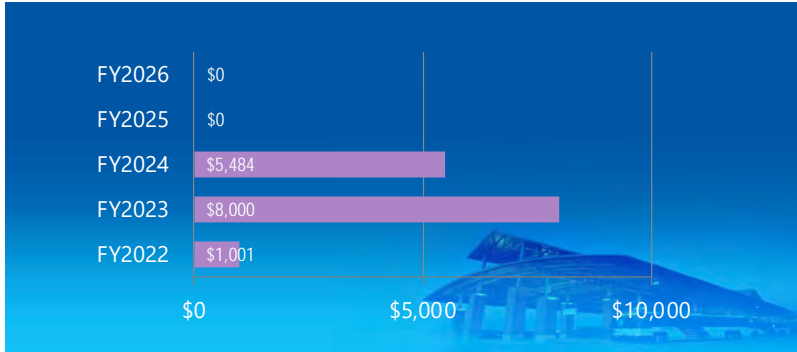
In order to support the continued procurement of Compressed Natural Gas powered transit buses as part of METRO's annual fleet replacement program, it is necessary to retrofit a second METRO Bus Operating Facility at Hiram Clarke BOF to support the required fueling and maintenance of the fleet once received. Funding for this project will result in a complete facility upgrade for the Hiram Clarke maintenance facility and the installation of a CNG fueling station. Having the ability to purchase CNG powered buses will result in cost reductions for fuel and materials. Additionally, overall bus fleet emissions will be reduced with the implementation of new Near Zero CNG bus engine technology.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. The fully allocated annual operating cost for this project will be addressed during the final design/build phase, with this capital investment incurring an estimated \$314.2K in additional operating costs per year, starting in year FY2025 and capital State of Good repair costs of \$135K (avg) per year starting in FY2026.

Electrical Bus Accommodation (Polk/West/Kashmere/TMC)

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

Replacing Revenue Vehicles that have met or exceeded their useful life will enhance METRO ability to provide a higher level of service to our customers. Managing and replacing 40 of METRO's Revenue Vehicle fleet with new Electric Revenue Vehicles will over time provide a lower operating cost by reducing "out-of-service" times, thus allowing METRO Departments to provide a higher level of service to its customers. This **Electrical Bus Accommodation (Polk/West/ Kashmere/TMC)** project involves the electric charging stations for the new electric revenue buses. This product procurement is in alignment with METRO's Climate Action Plan and Sustainability Vision that serves as a pathway to achieving the agency's sustainability goals.

Operating Impact

This project is categorized as a **Expansion/Enhancement Capital Cost** that is new to the routine state-of-good-repair program that lowers costs to maintain and repair METRO assets. Since this is an established METRO capital investment program with routine yearly O&M efforts already funded in the base operating budget, this capital investment is considered a new installment that supports all bus types operated by METRO without incurring any additional operating costs or impacts.

METRO Bus Shelters (Multi-Year Program)

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

The METRO New Bus Network program restructured the existing bus network to be more aligned with the needs of METRO's growing service area. There will be 200 new bus shelters installed in FY2022 with the goal of 300-400 shelters per year starting in FY2023 and ramping up. This **METRO Bus Shelters Multi-Year Program** reinforces METRO's commitment to reinvest in the Authority's bus system backbone and continues to be a proven way to enhance ridership. METRO history has proven that a shelter placed in a location that meets placement criteria will increase ridership by 20 boardings per day on average.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget with this capital investment incurring \$620K in additional operating costs per year and ramping up to \$1.346M per year, starting in year FY2025.

HOV/HOT Lanes ARGO Operation & Equipment Upgrade

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

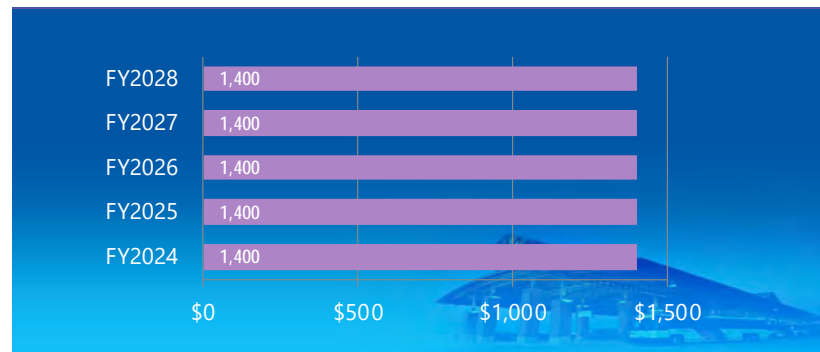
The HOV/HOT Lanes ARGO Operation & Equipment Upgrade project involves the replacement and upgrade of equipment used on the existing Automated Reversible Gate Operation (ARGO) system for METRO's High-Occupancy Toll (HOT) Lanes and High-Occupancy Vehicle (HOV) lane system. Equipment has reached the end of its useful life and central controller customized software is no longer supported by the OEM. This project replaces the legacy ARGO system and back-up server for Disaster Recovery. Additionally, sixty seven (67) hard-wired legacy cameras will be upgraded to work with the new System to provide higher visibility and flexibility. This initiative will provide more accurate monitoring of traffic to improve Safety and Security and is an example of Planning for the Future while improving the State of Good Repair of an existing facility.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget without this capital investment incurring any additional operating costs or impacts. Capital rehabilitation efforts as part of the state of good repair program with costs of \$22K per year (avg) start in FY2026.

BikeShare Infrastructure

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

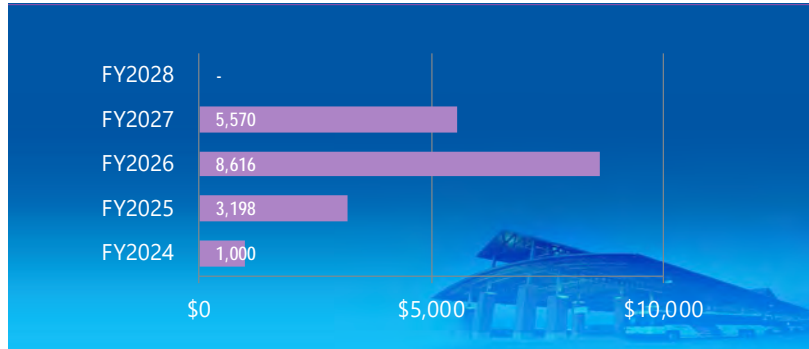
BikeShare Infrastructure Project consists of a system of 20 rechargeable stations, 200 docks, 140 e-assist bicycles for the initial 1st year program launch with target of expanding to 100 rechargeable stations, 1000 docks, and 700 e-assist bicycles. This project provides flexible bicycle docking options, an intuitive customer application, reliable connections to in-field assets, and an administrative software solution that meets the needs of all end-users.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. The fully allocated annual operating cost for this project will be addressed during the final design/build phase, with this capital investment incurring an estimated \$950K in additional operating costs per year, starting in year FY2024 and capital State of Good repair costs of \$235K (avg) per year starting in FY2026.

Wheel Truing Building at the S&I

Projected Expenditures FY24-FY28 (In Millions)



Project Scope

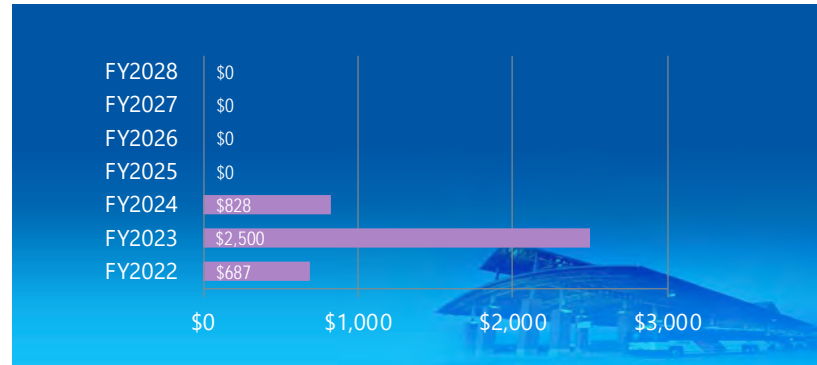
This project **Wheel Truing Building at the S&I** will expand the METRO S&I facility to accommodate the proposed wheel truing machine building and associated rail track expansion. This work consists of performing engineering design services related to the METRO S&I Facility expansion and associated rail track expansion. A new Wheel Truing Building will enhance the customer experience with more efficient and faster maintenance of the rails services and accommodate more numbers of rails in the same time, which will lead to maintaining a State of Good Repair.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. The fully allocated annual operating cost for this project will be addressed during the final design/build phase, with this capital investment incurring an estimated \$314.2K in additional operating costs per year, starting in year FY2025 and capital State of Good repair costs of \$135K (avg) per year starting in FY2026.

Burnett Transit Center Elevator Project

Projected Expenditures FY24-FY28 (In Millions)



Project Scope

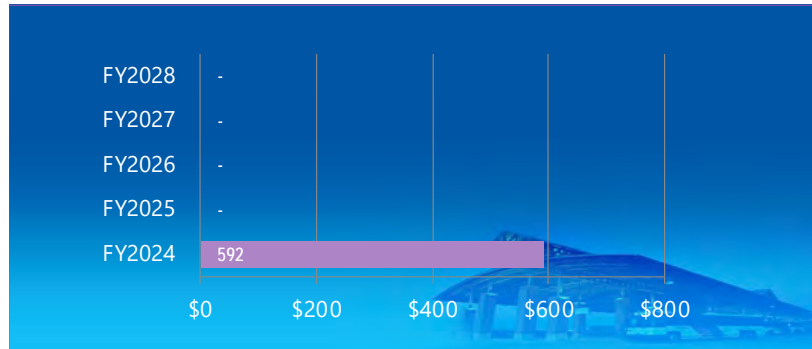
The **Burnett Transit Center Elevator project** involves the Installation of a Code Compliant third elevator at the Burnett TC providing better customer service to the patrons and furthering the universal accessibility program.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset is a new METRO asset that does not exist yet in the base operating budget, so this capital investment will incur \$73.0K in additional operating costs per year.

Megabus Site – Phase II

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

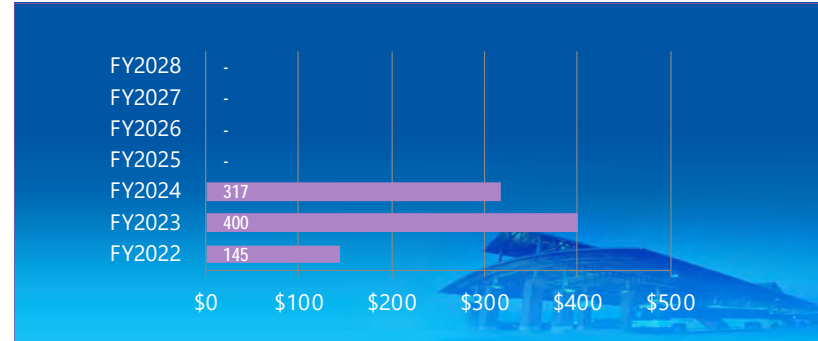
Metro seeks to improve the bus services near 1900 Main. The **Megabus Site – Phase II** improvements are to address movement of buses, bus storage, electric vehicle parking, lighting, and utilities for a restroom. Improvements shall be made at the site located at the intersection of Travis Street and Pierce St. Steet improvements include sidewalk replacements, entrance and exit driveways, and landscaping as required.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. The fully allocated annual operating cost for this project will be addressed during the final design/build phase, with this capital investment incurring an estimated \$314.2K in additional operating costs per year, starting in year FY2025 and capital State of Good repair costs of \$135K (avg) per year starting in FY2026.

Northwest Transit Center Reconfiguration & Parking Upgrade

Projected Expenditures FY24-FY28 (In Millions)



Project Scope

The **Northwest Transit Center Reconfiguration (NWTC) and Parking Upgrade** increased the number of bays to accommodate METRO's Local Network and Uptown BRT service, and enhance bike and pedestrian amenities. In addition, parking capacity was increased by 200 spaces to replace the capacity lost from the closure of the Pinemont Park & Ride, due to TxDOT and HCTRA's joint US 290 Managed Lane Project. The parking that was provided on right-of-way that has been purchased by TxDOT adjacent to the eastbound US-290 Frontage Road at the Old Katy Road intersection. This project involves additional work scope for canopy flashing and signage on this Transit Center.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with the annual cost of operating and maintaining primarily included in the base operating budget, with this effort considered as the final developmental phase of the capital investment currently managed by METRO with a minimal additional operating cost impact of \$2.1K per year and capital State of Good repair costs of \$1K per year starting in FY2024.

METROLift Automated Speech Recognition (ASR)

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

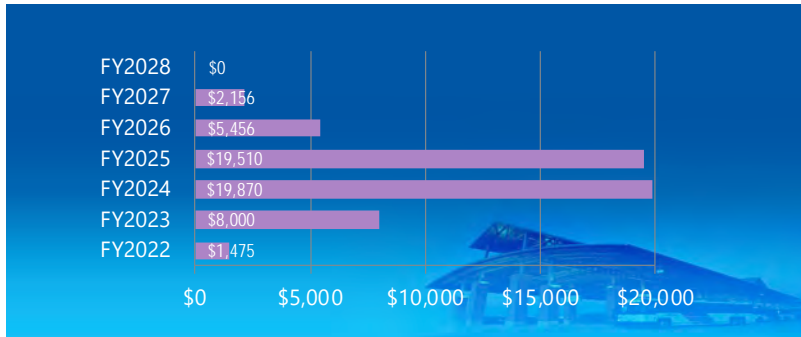
METROLift Automated Speech Recognition (ASR) system is a voice-activated system upgrade to add voice activated menu navigation to the current system, that augments the current touch tone navigation mode. Voice activated navigation will streamline the experience in that the navigation can be customized to get more direct input from users. It will help certain Patron groups with the ability to speak instead of push buttons. This is a step closer to Artificial Intelligence approach.

Operating Impact

The annual cost of operating and maintaining **METROLift Automated Speech Recognition (ASR)** is categorized as a Expansion/Enhancement Capital Cost and is included in the base Information Technology operating budget, with this capital investment incurring no additional yearly operating cost impacts.

Automated Fare Collection Equipment Replacement

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

The **Automated Fare Collection Equipment Replacement** project will replace aging and obsolete equipment and software. The new system will utilize an open architecture platform to help reduce capital equipment costs in the future by allowing a more plug-and-play environment for METRO's fare collection system. The project will also leverage new and evolving technologies to enhance the customer's experience by providing flexible multi-media fare payment methods.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget with this capital investment incurring \$304K in additional operating costs per year, starting in year FY2026 and planned capital rehabilitation efforts as part of the state of good repair program with costs of \$3.08M every other year (avg) start in FY2028.

Digital Technology Project

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

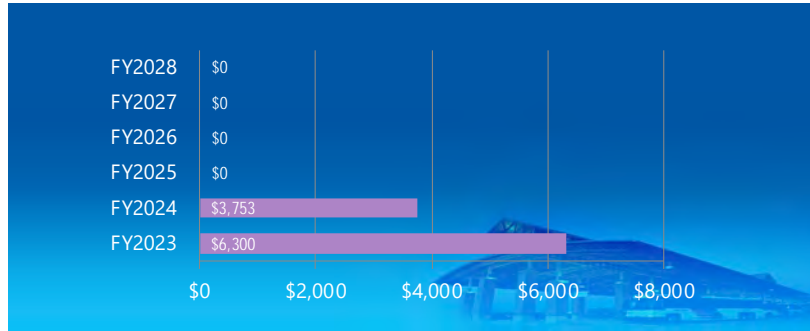
The purpose of the **Digital Bus Stop Technology** is to enhance METRO bus stops with digital signage (together, the "Digital Signage System", or the "System") and other technologies such as smart lighting and two-way communication. In doing so, we expect to provide METRO patrons with an added sense of safety by providing next bus arrival/ departure information, service alerts, public service announcements, etc. This project provides more real time passenger information to our patrons at their immediate stop. It also enhances safety by being able to send timely emergency information to signs throughout the METRO system.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** and is included in the base Information Technology operating budget, with this capital investment incurring no additional yearly operating cost impacts.

IVOMS Turn-By-Turn

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

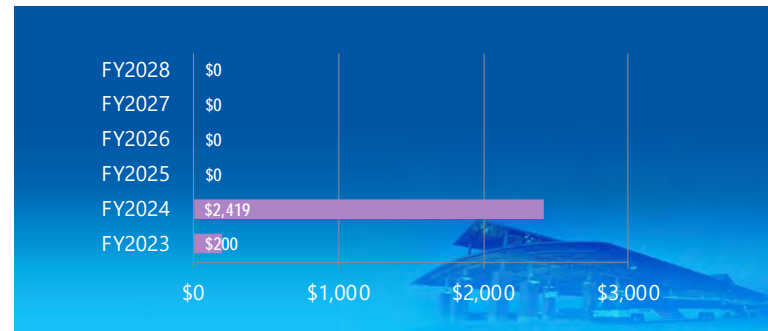
The **Integrated Vehicle Operations Management System (IVOMS) Turn-by-Turn Project** is an upgrade bus IVOMS hardware to avoid obsolescence and improve the system with new turn-by-turn functionality. Provide the bus Operator simple intuitive on-board navigation using visual and audible directions. This reduces Bus Controllers, Transportation Supervisors, Safety Training, and Operators labor and increase bus on time performance. In addition to the benefits listed for this project, the replacement of old co-pilots and PressIt equipment will be essential in the new Fare Collection System. They will also benefit our way-side wi-fi on the vehicles, which are currently using an outdated protocol to transfer data and pose a potential security issue.

Operating Impact

The annual cost of operating and maintaining IVOMS Turn-By-Turn is categorized as a **Expansion/Enhancement Capital Cost** and is included in the base Information Technology operating budget, with this capital investment incurring no additional yearly operating cost impacts.

CAD/RMS System Replacement

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

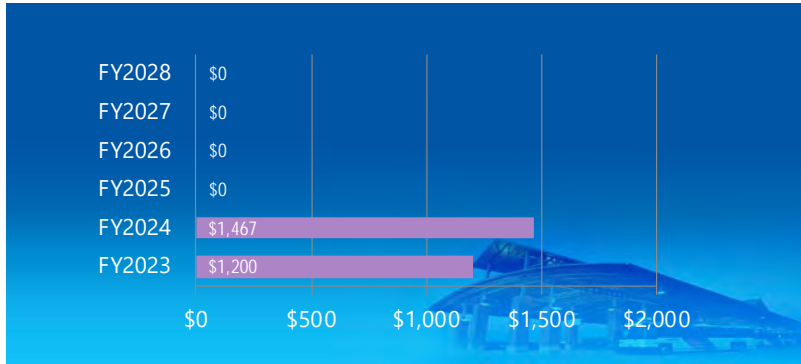
The purpose of the **CAD/RMS System Replacement** program is to provide enhancements and state-of-good refreshes to METRO's outdated Reports Management System / Computer Aided Dispatch CAD/RMS utilized by the Metro Police Department. It includes the cost to procure and install a new CAD/RMS. The equipment is critical for METRO Police to day to day operations, and is crucial for ensuring the safety and security of our patrons and needs to be maintained in a state of good repair.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** and is included in the base Information Technology operating budget, with this capital investment incurring no additional yearly operating cost impacts.

Ariba Hosted Procurement Solution

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

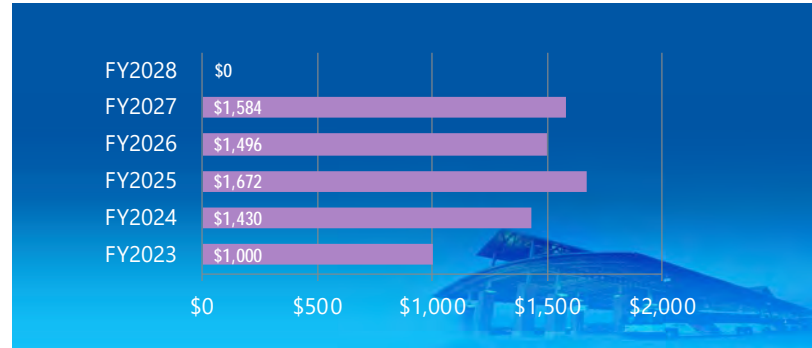
SRM is now being phased out by SAP, and the **Ariba Hosted Procurement Solution** is required by SAP to stay within their mandatory upgrade path. Ariba brings a number of enhanced and modernized features for today's government procurement departments. Ariba embraces the philosophy of paperless transactions that are enabled by mobile devices. Fully integrated contract management, workflow approvals that can be fully managed on iPhone/Android mobile devices, and all within an advanced paperless framework. Ariba would also eliminate the necessity for the current Bonfire solution, BoardVantage, and offer a fully integrated solution for METRO's vendors and RFP/RFTP/RFI/RFQ/IFB respondents.

Operating Impact

The annual cost of operating and maintaining Ariba Hosted Procurement Solution is categorized as a **Expansion/Enhancement Capital Cost** and is included in the base Information Technology operating budget, with this capital investment incurring no additional yearly operating cost impacts.

Enterprise Physical Security Systems

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

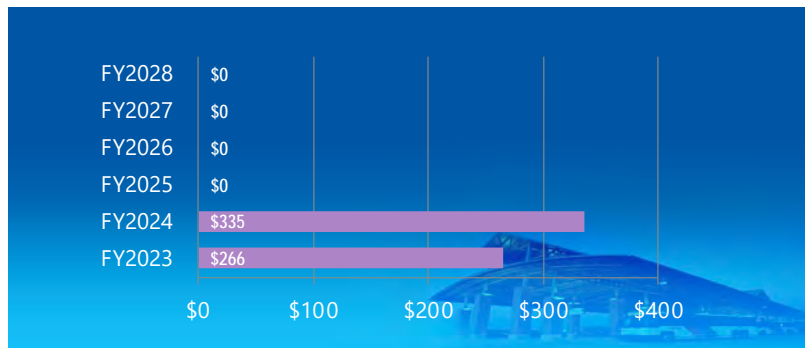
The purpose of the **Enterprise Physical Security Systems** program is to provide enhancements and state-of-good refreshes to METRO's Enterprise Physical Security Systems for surveillance cameras and public assistance telephones. It includes upgrading cameras and PAT phones that are older than their lifecycle. The equipment is used for the safety of our patrons and needs to be maintained in a state of good repair. This also includes funds for cybersecurity enhancements to secure METRO's cyber environment.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** and is included in the base Information Technology operating budget, with this capital investment incurring no additional yearly operating cost impacts.

Bus / Rail Warranty Mgmt System

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

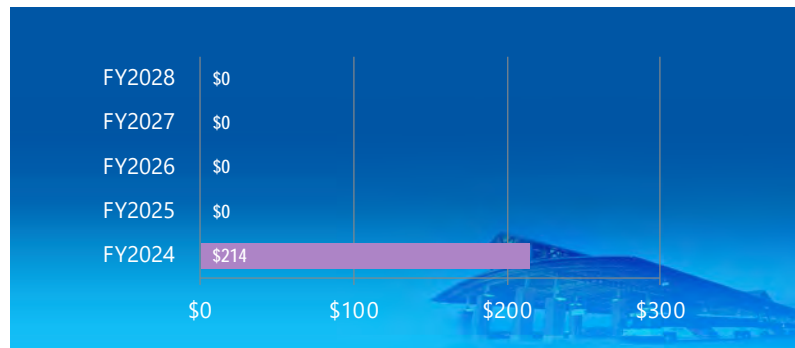
This project **Bus / Rail Warranty Mgmt System** consists of the enhancement of the bus and rail warranty management system for greater accuracy and better electronic tracking of claim.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** and is included in the base Information Technology operating budget, with this capital investment incurring no additional yearly operating cost impacts.

TAM Barcoding

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

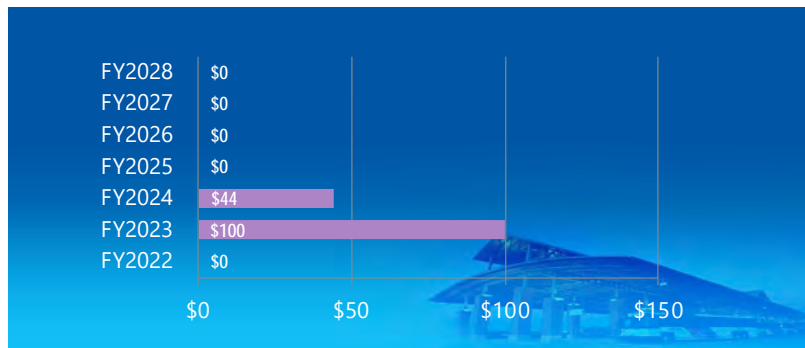
This project **TAM Barcoding** is a system composed of hardware and software, mainly of mobile devices, printers scanners and supporting software for the mobile data collection of assets owned by METRO. This system will help expedite the annual inventories conducted by the TAM group.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** and is included in the base Information Technology operating budget, with this capital investment incurring no additional yearly operating cost impacts.

Mobile Ticketing

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

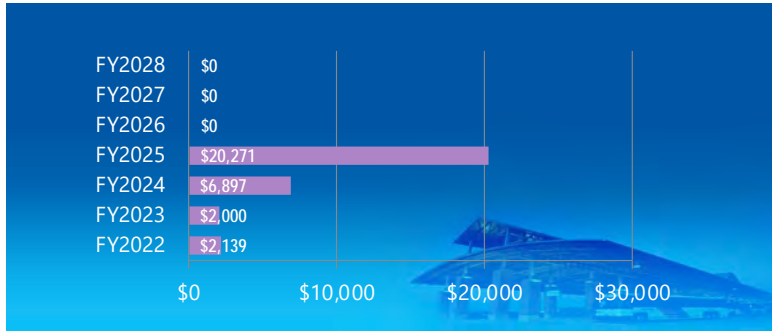
Mobile ticketing is a smart phone application that allows consumers to purchase Mobile tickets through the METRO Q Ticketing application and manage fare media tickets with smart phone point-of-sale applications that have become the worldwide technology standard and has become popular in the Mass Transit industry. This project funding involves the past phase of a multi-year effort that initially went live in FY2020 and has incurred a series of advancements and integrated development, with this phase 3 effort now involving integration with the Automated Fare Collection System (AFCS) and further development and integration utilizing Handheld Inspection Terminal (HIT) devices for revenue collection management.

Operating Impact

This project is categorized as an Expansion/Enhancement Capital Cost with the annual cost of operating and maintaining Mobile Ticketing primarily included in the base Information Technology operating budget, with this effort considered as the final developmental phase of the capital investment currently managed by METRO with a minimal additional operating cost impact of \$5.826K per year.

North Line Maintenance of Way

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

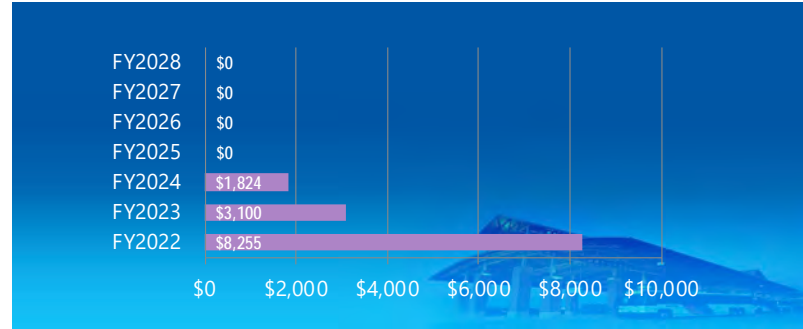
The Maintenance of Way project consists of constructing a new facility for METRO Rail. This facility is part of FFGA Phase 2 scope and includes a new facility on the METRO owned parcel located at 1507 Keene Street, which is located on the northeast area of the IH 45 and IH 10 interchange. This parcel is approximately 2.56 acres and will include a multi-story building, parking (surface and garage), and stormwater retention facilities. The MOW requires additional right-of-way for inventory storage, utility and heavy equipment.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. The fully allocated annual operating cost for this project will be addressed during the final design/build phase, with this capital investment incurring an estimated \$1.423M in additional operating costs per year, starting in year FY2026.

MRC Light Rail Vehicles- H4 (FTA Grant 13/14 LRV)

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

The Southeast Line Project is a 6.56-mile, double track-LRT line, with 10 stations, a storage facility and an opening day fleet of 15 LRT vehicles. The project operates in semi-exclusive right-of-way from downtown Houston, east to the University of Houston main campus and Texas Southern University to a terminus along Griggs Road at Beekman Road. Additional Light Rail Vehicles (LRVs) are being added with Phase 2 procurement, totaling 14 light rail vehicles, with one diverting to the East End Line. The Project intersects with the Red Line in downtown Houston and is intended to provide improved mobility for transit-dependent populations and to connect Southeast Line commuters to the major activity centers of downtown and the Texas Medical Center. This particular project involves the 13 FFGA Grant funded Light Rail Vehicle acquisition.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with the annual cost of operating and maintaining primarily included in the base operating budget. This project involves the final close out of MRC Full Funding Grant items in the Southeast Line, specifically the final acquisition costs of thirteen FFGA grant funded LRVs for the Southeast Line.

MRC FFGA North Line - H3 LRV Closeout

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

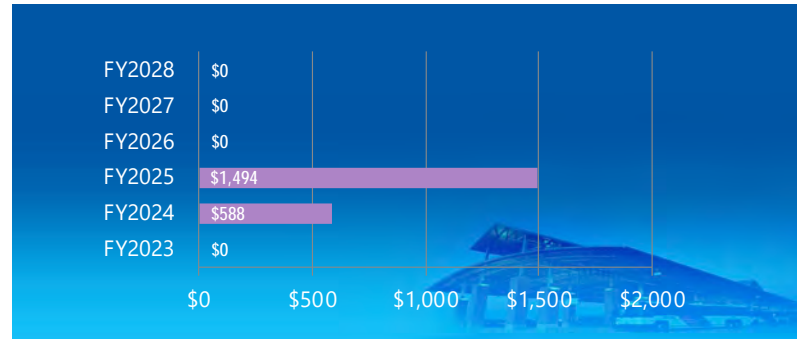
The North Line Project is a 5.31-mile fixed guideway system that includes 8 platforms, an opening day fleet of 14 LRV vehicles, and extends the existing Main St. light rail line from the University of Houston Downtown to the newly expanded Northline Transit Center. The project's goal is to provide a high-capacity transportation system in the corridor that encourages economic development and revitalization, provides more frequent trips and expanded hours from the North Line Project, and improves customer experience as a one-seat ride to employment and recreation centers from Northline to Fannin South, linking the historic Northside area with employment centers downtown and in the Texas Medical Center. The North Line project includes a full buildout of the Rail Operations Center yard track to increase LRV storage capacity from 40 to 60 vehicles. This project is included in North Corridor FFGA Phase 2, and includes design and construction of Northline bike-path, shelters and bike accommodations in the vicinity of the Cavalcade Station. The Project intersects with the Red Line in downtown Houston and is intended to provide improved mobility for transit-dependent populations and to connect Southeast Line commuters to the major activity centers of downtown and the Texas Medical Center.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with the annual cost of operating and maintaining primarily included in the base operating budget. This investment is currently operated by METRO without incurring any additional operating costs or impacts. This project involves the final close out of MRC Full Funding Grant items in the North Line.

North Line Maintenance of Way Addition

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

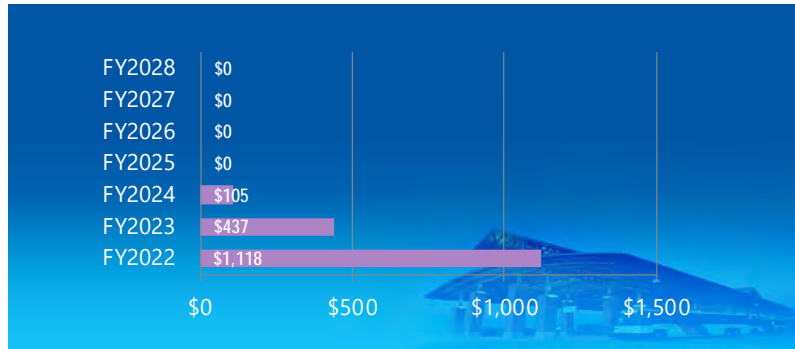
This project consists of constructing a new Maintenance of Way (MOW) facility for METRO Rail. This facility is part of FFGA Phase 2 scope. A new building is proposed to house Maintenance of Way (MOW) on the METRO owned parcel located at 1507 Keene Street. This parcel is approximately 2.56 acres and will include a multi-story building, parking (surface and garage), and stormwater detention facilities. The MOW requires additional right-of-way for inventory storage, utility and heavy equipment. The Emergency Operations Center is planned to be colocated at this building.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. The fully allocated annual operating cost for this project will be addressed during the final design/build phase, with this capital investment incurring an estimated \$1.423M in additional operating costs per year, starting in year FY2026.

MRC Light Rail Vehicles- H4 (locally funded 1/14 LRVs)

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

The East End Line project is a 3.34 mile double track LRT line, with 6 stations, a Service & Inspection Facility and an opening day fleet of 10 LRT vehicles. The project extends from the Southeast Line in the East Downtown area. Additional Light Rail Vehicles (LRVs) are being added with Phase 2 procurement, totaling 14 light rail vehicles, with one diverting to the East End Line. The Project intersects with the Red Line in downtown Houston and is intended to provide improved mobility for transit-dependent populations and to connect East End Line commuters to the major activity centers of downtown and the Texas Medical Center. This particular project involves the one locally funded Light Rail Vehicle as part of the H4 Light Rail Vehicle acquisition of 14 vehicles from Siemens.

Operating Impact

The cost of maintenance and eventual replacement have been developed as part of the long-range operating budget. This project involves the final acquisition costs of the one of fourteen Light Rail Vehicles, specifically the one locally funded LRV for the East End Line.

MRC-SE Line -EaDo /Elgin / MacGregor / Palm

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

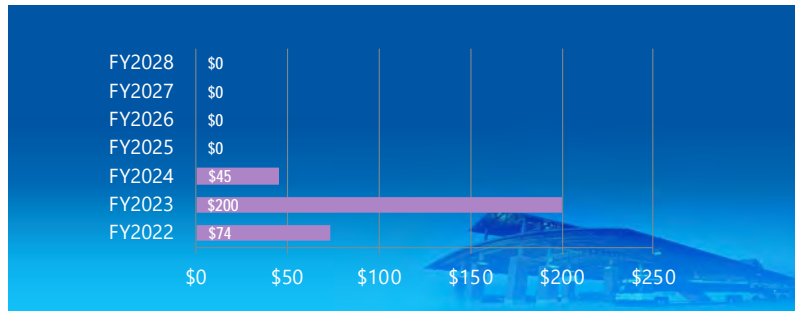
The Southeast Line Project is a 6.56-mile, double track-LRT line, with 10 stations, a storage facility and an opening day fleet of 15 LRT vehicles. The project will operate in semi-exclusive right-of-way from downtown Houston, east to the University of Houston main campus and Texas Southern University to a terminus along Griggs Road at Beekman Road. Additional Light Rail Vehicles (LRVs) are being added with Phase 2 procurement, totaling 14 light rail vehicles, with one diverting to the East End Line. The Project involves the Southeast line bike-paths, shelters and bike accommodations at the following stations: EaDo, Elgin, MacGregor, and Palm.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with the annual cost of operating and maintaining primarily included in the base operating budget. This investment is currently operated by METRO without incurring any additional operating costs or impacts. This project involves the final close out of MRC Full Funding Grant items in the Southeast Line.

MRC FFGA North Line Grant Closeout

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

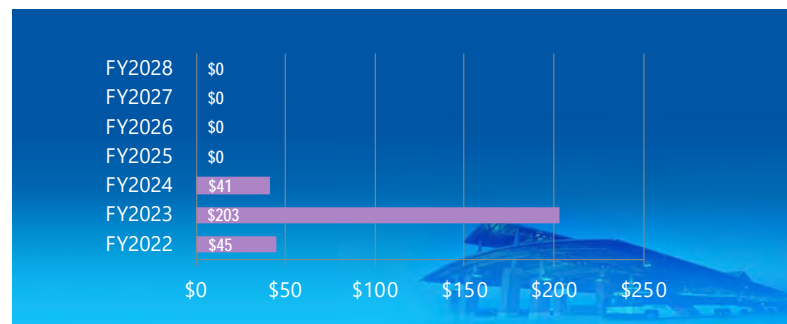
The North Line Project is a 5.31-mile fixed guideway system that includes 8 platforms, an opening day fleet of 14 LRT vehicles, and extends the existing Main St. light rail line from the University of Houston Downtown to the newly expanded Northline Transit Center. The project's goal is to provide a high-capacity transportation system in the corridor that encourages economic development and revitalization, provides more frequent trips and expanded hours from the North Line Project, and improves customer experience as a one-seat ride to employment and recreation centers from Northline to Fannin South, linking the historic Northside area with employment centers downtown and in the Texas Medical Center. The North Line project includes a full buildout of the Rail Operations Center yard track to increase LRV storage capacity from 40 to 60 vehicles. This project is included in North Corridor FFGA Phase 2, and includes design and construction of Northline bike-path, shelters and bike accommodations in the vicinity of the Cavalcade Station. The Project intersects with the Red Line in downtown Houston and is intended to provide improved mobility for transit-dependent populations and to connect Southeast Line commuters to the major activity centers of downtown and the Texas Medical Center.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with the annual cost of operating and maintaining primarily included in the base operating budget. This investment is currently operated by METRO without incurring any additional operating costs or impacts. This project effort involves the final close out of MRC Full Funding Grant items in the two remaining corridors, specifically the Northline and Southeast Line.

MRC FFGA Southeast Line Project Closeout

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

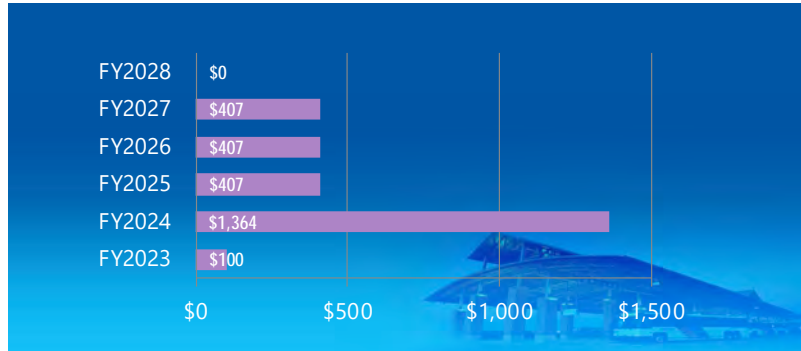
The Southeast Line Project is a 6.56-mile, double track-LRT line, with 10 stations, a storage facility and an opening day fleet of 15 LRT vehicles. The project will operate in semi-exclusive right-of-way from downtown Houston, east to the University of Houston main campus and Texas Southern University to a terminus along Griggs Road at Beekman Road. Additional Light Rail Vehicles (LRVs) are being added with Phase 2 procurement, totaling 14 light rail vehicles, with one diverting to the East End Line. The Project intersects with the Red Line in downtown Houston and is intended to provide improved mobility for transit-dependent populations and to connect Southeast Line commuters to the major activity centers of downtown and the Texas Medical Center.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with the annual cost of operating and maintaining primarily included in the base operating budget. This investment is currently operated by METRO without incurring any additional operating costs or impacts. This project involves the final close out of MRC Full Funding Grant items in the Southeast Line.

Video Based Safety

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

A **Video-Based Safety** program is one of the several technological solutions that public transit agencies have adopted to enhance safety and operations. The implementation of a video-based safety program has yielded several benefits such as increased safe and compliant operator driving behavior, reduction in preventable collisions, reduced auto-liability claims and operator exoneration from false claims. The implementation of this system would aid METRO with the adoption of the FTA mandated Safety Management System (SMS). Video-based safety programs collect and analyze safety data for the proactive identification of risk and ongoing risk monitoring, improve safety reporting, and conduct risk identification and analysis - all of which are essential within an implemented SMS program.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget with this capital investment incurring \$99.9K in additional operating costs per year and ramping up to \$239.8K per year, starting in year FY2024.

Taser & Police Body Camera System Enhancements (Phase 1)

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

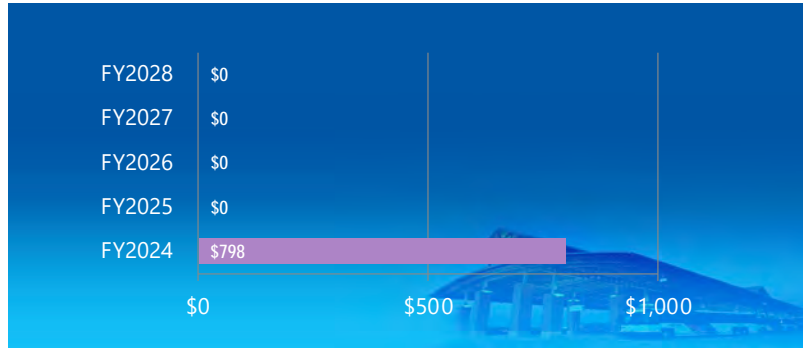
The MPD Taser project combines tasers, body cameras, and telemetrics in a coordinated system that coordinates communication with each component and transfers information uniformly. This **Taser & Police Body Camera System enhancements** project would be considered as the second phase of funding as a law enforcement best practice and would greatly improve the MPD response for public safety.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with the annual cost of operating and maintaining primarily included in the base operating budget, with this effort considered as the final developmental phase of the capital investment currently managed by METRO with a minimal additional operating cost impact of \$2.1K per year starting in FY2024.

I-610 @ Fannin Grade Crossing Remediation

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

The METRORail grade crossing at the eastbound frontage road of I-610 @ Fannin experiences a gate arm getting broken at least three (3) times a week since the return of significant traffic volume following Covid restrictions. This project will take the preliminary design being generated by a preliminary effort for upgrading this crossing (anticipated to be a pre-signal) and complete the work through commissioning.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget with this capital investment incurring \$43.2K in additional operating costs per year, starting in year FY2026.

Rail Interlocking Plants

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

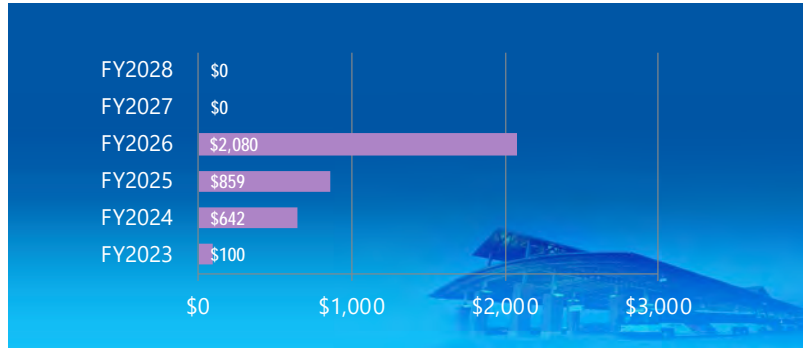
Interlockings nearly eliminate a current risk that operational error, or even an intentional act by a criminal, could induce a picked switch derailment at an emergency crossover or a raking or head-on train-on-train collision. This is a safety Corrective Action Plan to bring all METRORail emergency crossovers up to current signalling and safety standards.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget without this capital investment incurring any additional operating costs or impacts.

Rail Safety Initiative - TMC Dedicated Train/EMS Lanes

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This Rail Safety Initiative titled **TMC Dedicated Train/EMS Lanes** is located in the vicinity of the Texas Medical Center (TMC), may install a series of delineated rail line separators from local traffic lanes in an effort to reduce the amount of incidents and accidents associated with Light Rail Vehicles sharing the same lane with automobile traffic entering the lane to turn left.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget with this capital investment incurring \$43.2K in additional operating costs per year, starting in year FY2026.

Riskonnnect Safety Modules

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

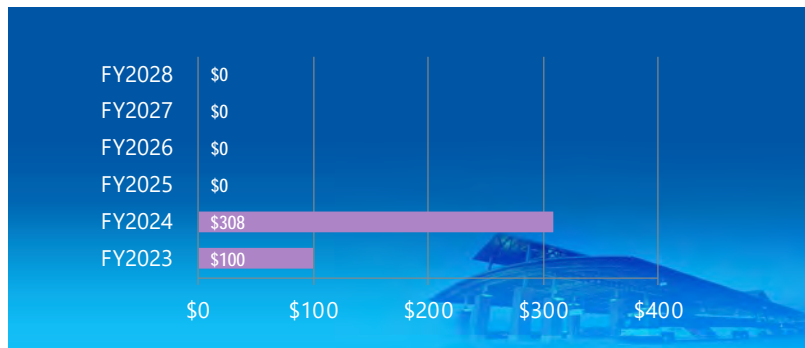
This project **Riskonnnect Safety Modules** is to enhance the existing risk management system to assist with the Safety Management System implementation, which is a safety regulatory framework, with a focus on organization-wide safety policy, formal methods for identifying hazards, continually assessing safety risk, and promoting an effective employee safety reporting system. This enhancement also incorporates a new module for claims management.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget with this capital investment incurring \$99.9K in additional operating costs per year and ramping up to \$239.8K per year, starting in year FY2024.

Electric Bus Propulsion Simulator

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

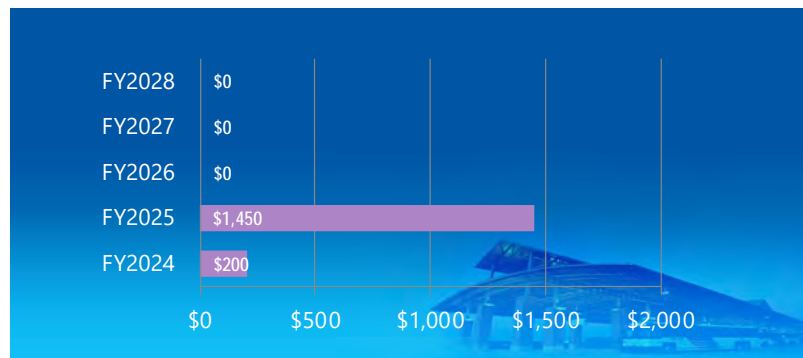
This fully functional **Electric Bus Propulsion Simulator**, representative of the buses currently being built for Houston METRO, will supply students with complete access to all propulsion system components for training purposes. It will expedite the training task by providing on-demand training, eliminating the need of securing a revenue vehicle and prepping it.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget with this capital investment incurring \$43.2K in additional operating costs per year, starting in year FY2026.

24Hr Bus Route Security Pilot

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This project **24Hr Bus Route Security Pilot** consists of the implementation of a security surveillance program to support a pilot program to expand bus services to 24 hours a day on a selected bus route.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget with this capital investment incurring \$99.9K in additional operating costs per year and ramping up to \$239.8K per year, starting in year FY2024.

Public WiFi/MG90 Integration with LRV Data

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

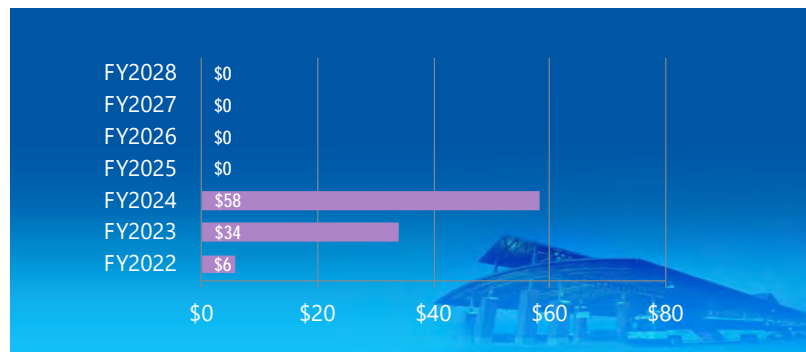
This project **Public WiFi/MG90 Integration with LRV Data** consists of the hazard analysis of the current CCTV for the LRV to certify that the existing system is certified, that is adequate and verified.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget, but for now are identified as Operating Impact costs. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget with this capital investment incurring \$99.9K in additional operating costs per year and ramping up to \$239.8K per year, starting in year FY2024.

Wayside Horns Pilot Program

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

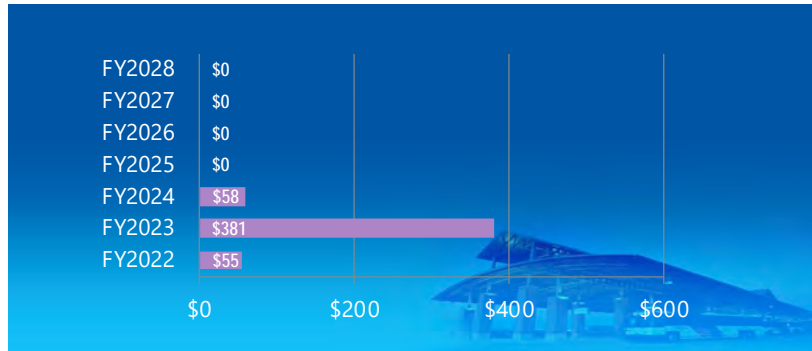
Based on incidents at several locations, METRO is attempting to reduce train and pedestrian interactions by using wayside horns to keep the trackway clear when a train is approaching. A pilot location has been selected at Fannin and I-610 to evaluate the effectiveness of this measure. This project funding for FY2024 involves the last year of a multi-year effort.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget without this capital investment incurring any additional operating costs or impacts.

High Load Detector Tie-In

Projected Expenditures FY24-FY28 (In Thousands)



Project Scope

This **High Load Detector Tie-In project** involves the installation of Pan Tilt Zoom (PTZ) cameras that would show activity of tall vehicles approaching Metro's High-Low Detectors, viewed remotely from the Rail Operations Center or TranStar. The PTZ cameras would alert rail-operations controllers of any issues that might occur with tall vehicles. Installing these PTZ cameras along the alignment would help preclude accidents with tall vehicles that may hit these High-Low Detectors without notice. The project will install cameras on the Northline and Southeast Lines at IH- 610 and Fulton Street on the Northline and at IH-45 and Scott street on the Southeast line. This project funding for FY2024 involves the last year of a multi-year effort.

Operating Impact

This project is categorized as an **Expansion/Enhancement Capital Cost** with new annual costs of operating and maintaining the new asset that will eventually become part of the operating base budget. This new capital asset replaces an equivalent METRO asset that is already included in the base operating budget without this capital investment incurring any additional operating costs or impacts. Planned capital rehabilitation efforts as part of the state of good repair program with costs of \$4.7K every other year (avg) start in FY2026.

Debt Service Budget

Debt Service

(in millions)

Debt Service Category	Projected FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
<u>Sales Tax Bonds & KO's</u>						
Principal	\$ 64.870	\$ 69.654	\$ 67.806	\$ 78.856	\$ 112.934	\$ 159.507
Interest	\$ 33.161	\$ 30.053	\$ 39.104	\$ 79.248	\$ 139.416	\$ 190.183
Trustee Fees	\$ 0.050	\$ 0.053	\$ 0.055	\$ 0.058	\$ 0.061	\$ 0.064
	\$ 98.081	\$ 99.759	\$ 106.965	\$ 158.161	\$ 252.411	\$ 349.754
<u>Grant Anticipation Notes</u>						
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	6.017	18.996	20.850
	\$ -	\$ -	\$ -	\$ 6.017	\$ 18.996	\$ 20.850
<u>Texas LoanSTAR Financing</u>						
Principal	\$ -	\$ -	\$ -	\$ 0.572	\$ 0.578	\$ 0.584
Interest	-	-	-	0.079	0.073	0.068
	\$ -	\$ -	\$ -	\$ 0.652	\$ 0.652	\$ 0.652
<u>Commercial Paper</u>						
Credit Facility Fees	\$ 0.418	\$ 2.000	\$ 2.000	\$ 2.000	\$ 2.000	\$ 2.000
CP Dealer Fees	0.006	-	-	0.690	1.400	1.397
Budgeted CP Interest	0.413	-	-	4.492	11.117	13.094
Add'l Budgeted CP Interest @ 1%	-	-	-	1.970	3.999	3.992
Misc. Fees	0.005	0.155	-	-	-	0.174
	\$ 0.841	\$ 2.155	\$ 2.000	\$ 9.151	\$ 18.516	\$ 20.657
<u>Commercial Paper Pay Down</u>						
Payments from GMP Increment	\$ 18.000	\$ -	\$ -	\$ 17.100	\$ 22.700	\$ 27.100
Payments from Interest Underrun	\$ 2.000	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Paydown	\$ 63.550	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 83.550	\$ -	\$ -	\$ 17.100	\$ 22.700	\$ 27.100
Total Debt Service	\$ 182.472	\$ 101.914	\$ 108.965	\$ 191.081	\$ 313.274	\$ 419.013

Outstanding Debt Balances *

(in millions)

	Projected FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Sales Tax Bonds & KO's (non-METRONext)	787.430	715.457	821.645	1,147.026	1,555.565	1,941.925
METRONext Sales Tax Bonds	-	-	114.179	438.002	857.743	1,119.146
Grant Anticipation Notes	-	-	-	160.454	474.900	521.255
Texas LoanSTAR	-	4.865	7.906	7.333	6.755	6.171
Commercial Paper	-	-	197.000	399.900	399.200	399.100
TOTAL Debt Outstanding	\$ 787.430	\$ 720.322	\$ 1,140.730	\$ 2,152.715	\$ 3,294.163	\$ 3,987.596

* These balances represent the outstanding par values less projected amounts in associated interest and sinking funds.



This year, METRO is budgeting debt service payments for senior lien obligations, including voter authorized sales tax bonds, and contractual obligations. The debt service budget includes the cash transfers to METRO's debt service funds (i.e., interest & sinking funds) required in the current year for interest, principal, and any required debt service reserve contributions.

The following table outlines the proposed FY2024 schedule of debt service payments as well as any other associated fees.

FY2024 PROPOSED DEBT SERVICE PAYMENTS

Series	Source	Principal	Interest	Fees	TOTAL
<u>Contractual Obligations (KOs)</u>					
2014A	Sales Tax	9,362,083	507,271		9,869,354
2015B	Sales Tax	5,786,667	1,277,792		7,064,458
2016B	Sales Tax Refunding	1,677,917	1,032,092		2,710,008
2016D	Sales Tax	4,445,000	1,129,521		5,574,521
2017B	Sales Tax/ Sales Tax Refunding	14,850,000	2,458,125		17,308,125
2017C	Sales Tax Refunding	524,167	515,890		1,040,057
2018A	Sales Tax	11,084,583	5,066,021		16,150,604
2019B	Sales Tax Refunding	-	470,493		470,493
2020A	Sales Tax	1,962,083	7,798,478		9,760,562
2021A	Sales Tax Refunding	899,583	599,640		1,499,224
<u>Voted Sales Tax</u>					
2016A	Sales Tax Refunding	15,097,500	5,619,250		20,716,750
2017A	Sales Tax Refunding	3,964,583	372,000		4,336,583
2019A	Sales Tax Refunding	-	3,206,000		3,206,000
<u>Fees</u>					
Trustee Fees				52,500	52,500
LOC Fees				2,000,000	2,000,000
Miscellaneous Fees				155,000	155,000
Total Debt Service		\$ 69,654,167	\$ 30,052,573	\$ 2,207,500	\$ 101,914,240

On METRO's senior lien debt which includes voter authorized sales tax bonds and contractual obligations, the Authority has pledged 75% of its sales tax receipts excluding the 25% of sales tax designated for General Mobility Program. Each month, the sales tax receipts are sent directly from the State Comptroller to the bond trustee, who first deposits 1/6 of the next interest payment and 1/12 of the next principal payment to the Interest and Sinking Fund, followed by any required contributions to METRO's debt service reserve escrows before sending the remaining receipts on to METRO.

DEBT POLICY

In February 2021, the METRO Board of Directors approved an updated Debt Policy for the Authority (the "Debt Policy"). The Debt Policy sets forth guidance on the type of debt that may be incurred by the Authority, the source of payment for its debt obligations and other factors to be considered when incurring debt.

The Debt Policy allows the Authority to incur debt for only the following purposes: financing capital assets, improving infrastructure, refunding or defeasing existing obligations, funding capitalized interest, paying costs of issuance or making deposits to debt service funds and other funds required by debt covenants. Additionally, debt Instruments may be used to fund non-capital related operating expenses as allowed under state and Federal laws.

A link to the full debt policy can be found [here](#).

Voter Authorized Debt

In the 2003 Election, voters authorized the issuance of \$640,000,000 of bonds payable from a pledge of 75% of the sales and use tax revenue collected by the Authority (the “Voted Sales Tax Bonds”) to fund projects for its transit system. The Authority has issued all the bonds authorized by the 2003 Election.

In November 2019, voters approved a referendum relating to the authorization of its regional transit plan — METRONext. METRONext includes the implementation of a regional transportation plan, including capital improvements and infrastructure, and authorizes approximately \$3.5 billion in debt to fund a portion of phase one of such plan. See www.metronext.org.

The Authority may hold one or more future elections to authorize additional sales tax bonds; however, none are planned at this time.

Terms of Voter Authorized Debt:

- Pledge of 75% of sales tax to a maximum of 2.0x of annual debt service coverage.
- Long-term, fixed rate bonds up to 40 years.
- Purpose: Any capital improvements specifically presented on the voter approved referendum.
- Authorization: \$640 million approved by voters in 2003 – fully exhausted.
- Authorization: \$3.5 billion approved by the voters in 2019 – none utilized before FY2023.

Senior and Junior Lien Debt

Under current State law, in addition to the voted sales tax bonds and other sales tax bonds approved by future elections, the Authority may issue certain other Senior and Junior Lien Obligations without an election, specifically: (i) contractual obligations, (ii) commercial paper notes, and (iii) Sales and Use Tax Notes with a five-year or shorter term.

Contractual Obligations

Contractual obligations may be issued as Senior Lien Obligations on a parity with the Voted Sales Tax Bonds and may be issued to finance vehicles and other personal property.

- Pledge of 75% of sales tax to a maximum of 2.0x of annual debt service coverage.
- Long-term, fixed rate bonds up to useful life of asset being financed with a maximum of 25 years.
- Purpose: Equipment such as rail cars and buses.

***** METRO’s BUS REPLACEMENT PROGRAM *****

The Authority’s fleet replacement plan is designed to ensure service reliability. In accordance with FTA standards, the Authority assumes a life expectancy of 12-16 years for each bus. Therefore, the Authority plans to replace one-twelfth of its vehicle bus fleet, or approximately 100 buses, each year.

Commercial Paper Notes

The Authority has established a \$400 million commercial paper program (“CP Program”) for the issuance of Sales and Use Tax Revenue Commercial Paper Notes (the “CP Notes”) in multiple separate series. The current maximum issuance capacity of the CP Program is \$75 million, which is the amount of authorized CP Notes secured by credit facilities. The CP Notes are Senior Lien Obligations payable on a parity with the Obligations. The Commercial Paper Notes are not subject to Reserve Fund requirements.



-
- Pledged against 75% of sales tax revenue to a maximum of 2.0x of annual debt service coverage as if paid under a 30-year debt structure.
 - Short-term, variable rate notes.
 - Purpose: Interim financing of any capital improvement project.

Grant Anticipation Notes (GANs)

Under current State law, the Authority may issue Grant Anticipation Notes (GANs) without an election. These notes are expected to be double pledged: 1) against an awarded grant, and 2) against 75% of sales tax revenue to a maximum of 2.0x of annual debt service coverage as if paid under a 5-year debt structure.

- Notes are intended to serve as stop-gap funding to bridge the time between when a grant is awarded and when funds are received by METRO.
- Interest on these loans may be included in any grant submission for reimbursement.
- GANs are paid off immediately once grant funding has been made available.

5-Year or shorter Sales and Use Tax Notes (“CIP Financing”)

5-Year or shorter contractual obligations may be issued as Senior and Junior Lien Obligations on a parity with the Voted Sales Tax Bonds and may be issued to fund any activities. These notes are limited to 5 years with extensions of one additional 5-year period with Texas Attorney General approvals.

- No restriction on the use of its proceeds.
- Pledge of 75% of sales tax to a maximum of 2.0x of annual debt service coverage.

Texas LoanSTAR Program

In May 2022, the METRO Board approved a partnership with the Texas A&M Engineering Experimentation Station (TEES) to upgrade METRO’s facilities with energy-related, cost-reduction retrofit projects, including upgrades to the central utility plant, LED lighting, HVAC equipment retrofits, water/wastewater improvements, etc.

A part of the program involves a financing mechanism with the Texas Comptroller of Public Accounts, known as the Texas LoanSTAR Program. The Texas LoanSTAR Program includes a low interest subsidized loan at 1% from the Texas Comptroller of Public Accounts in partnership with the State Energy Conservation Office (SECO).

RATINGS

METRO’s Sales Tax and Use Tax Bonds and Contractual Obligations have received the highest investment grade ratings from both Standard & Poor’s and Kroll Bond Rating agencies as follows:

Issue	Kroll/S&P
Sales and Use Tax Revenue Bonds	AAA/AAA
Sales and Use Tax Contractual Obligations	AAA/AAA

FUTURE DEBT ISSUANCE

The table below presents METRO's plans to continue issuing debt through FY2028.

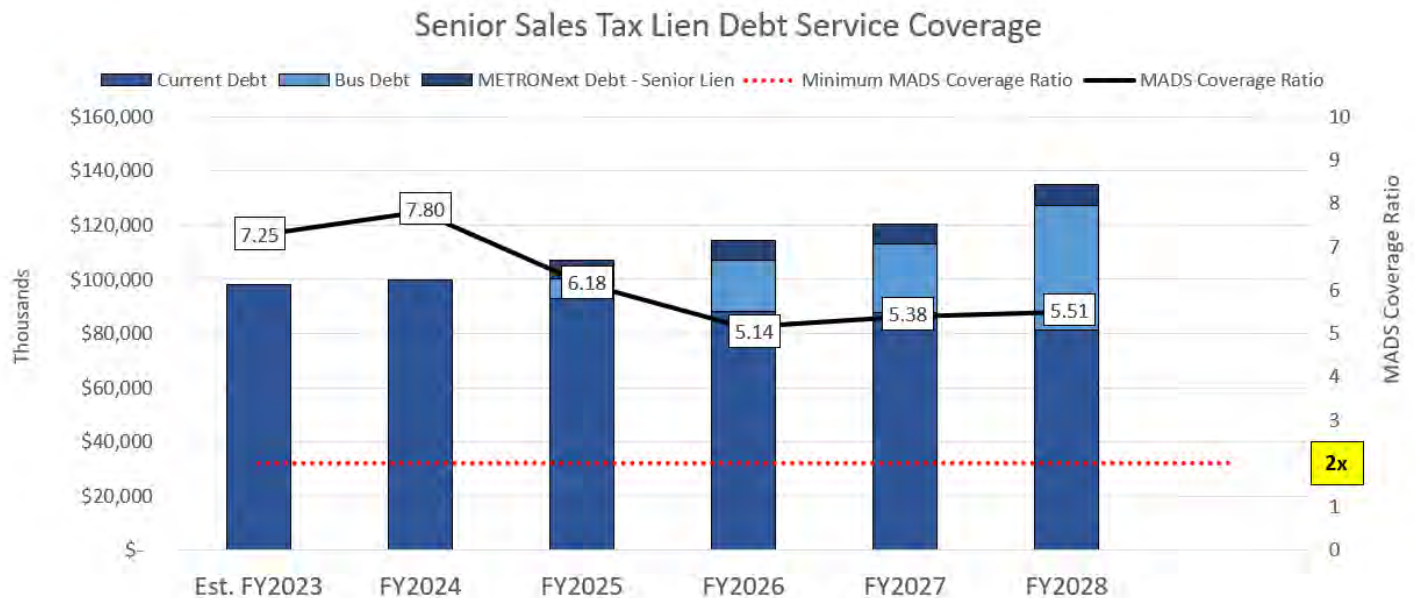
Fiscal Year	Bus Financing	CIP Financing	Grant Anticipation Notes	Texas LoanSTAR Financing	Commercial Paper	METRONext Financing
2024	-	-	-	\$4.9 MM	-	-
2025	\$172.4 MM	-	-	\$3.0 MM	\$197.0 MM	\$115.8 MM
2026	\$253.4 MM	\$146.0 MM	\$160.5 MM	-	\$220.0 MM	\$328.7 MM
2027	\$122.2 MM	\$390.0 MM	\$314.4 MM	-	\$22.0 MM	\$429.0 MM
2028	\$123.3 MM	\$410.0 MM	\$46.4 MM	-	\$27.0 MM	\$274.0 MM

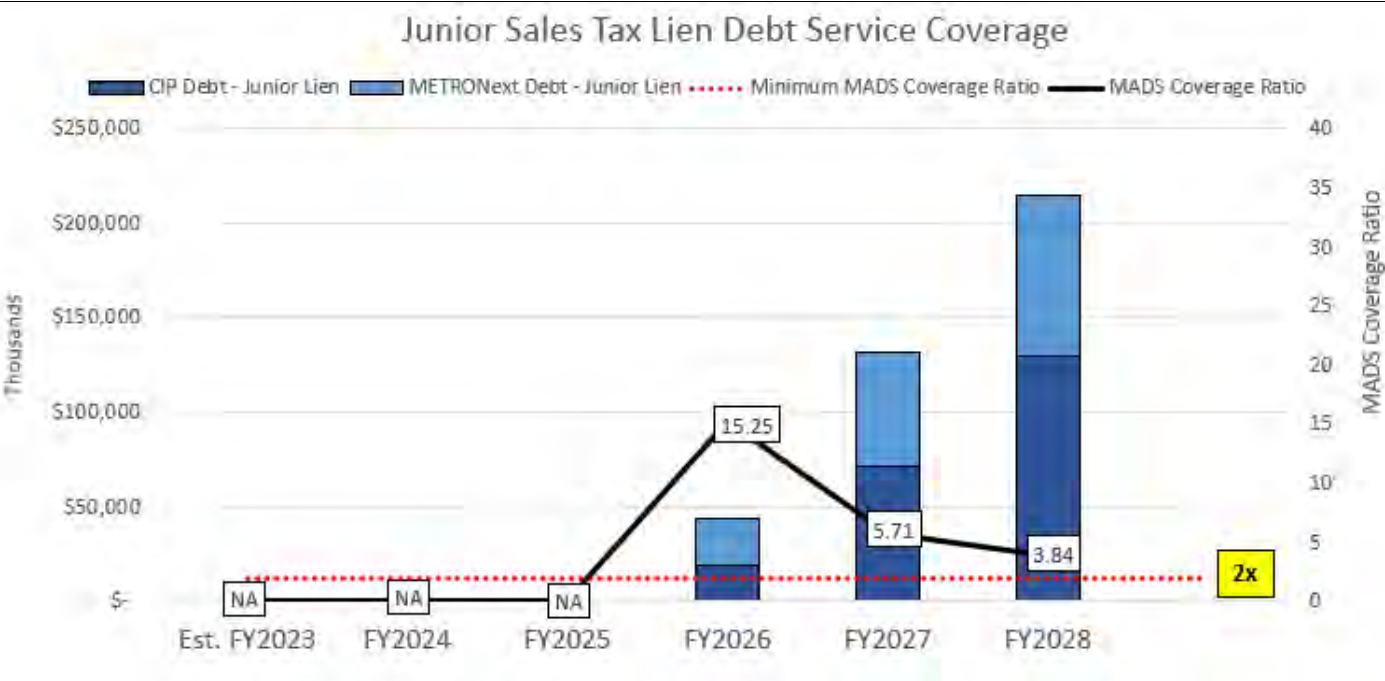
PROJECTED DEBT SERVICE LEVELS vs. LEGAL DEBT SERVICE COVERAGE LIMITS

The charts below show the relationship between METRO's projected debt service levels (bar chart) and its maximum annual debt service coverage ratios (line charts).

For debt issued against METRO's sales & use tax revenues, the maximum annual debt service (MADS) coverage ratio is calculated as 75% of the prior year's sales tax revenue divided by the maximum annual debt service of the outstanding/projected debt. METRO's bond covenants require its MADS ratio to be at least 2.00. In the proposed 5-year plan, MADS is projected to be over 3.5 in all years of the plan.

The chart below demonstrates that METRO's MADS coverage far exceeds its minimum MADS requirement.





METRO relies on sales tax revenue to fund transit services and has no intent to issue additional debt that would compromise its operations or legal requirements.

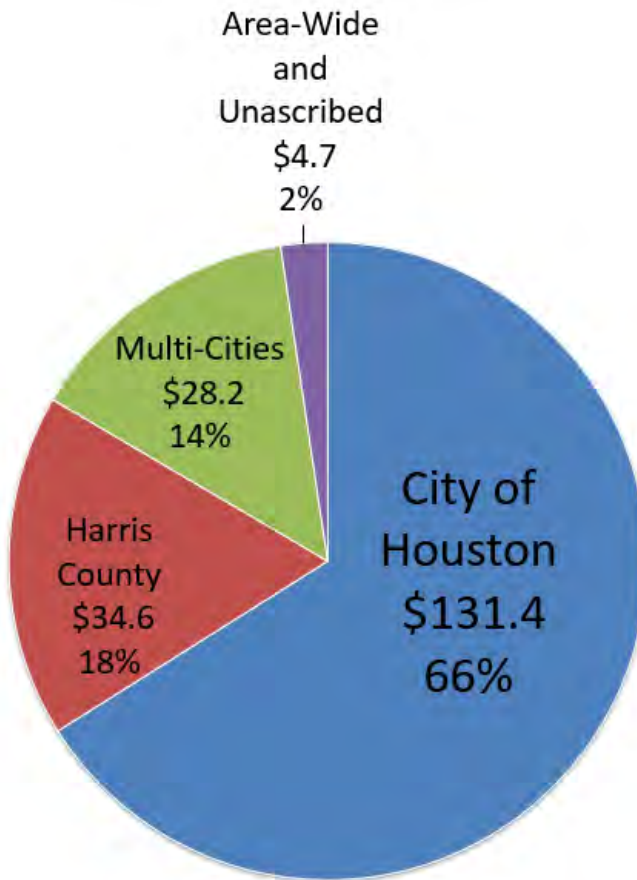
Debt Reporting

On a monthly basis, METRO reports outstanding debt balances to the Board. The July 2023 report can be found at: <https://metro.resourcespace.com/pages/search.php?search=%21collection431903>

General Mobility Program

FY2024 Projected Transfer to the
General Mobility Program

\$198.9 million



METRO’s enabling legislation authorizes the Authority to construct or maintain streets, roads, traffic signals, sidewalks, and hike and bike trails or perform these functions through agreements with other government agencies. As early as 1982, METRO began to participate in and contribute funds for various “joint construction projects” with the City of Houston, Harris County, and the 14 Multi-Cities within its service area. In 1988, this use of METRO’s sales tax revenues was formalized into the General Mobility Program (GMP), dedicating 25% of its sales tax revenues to its constituent entities for General Mobility projects. These dedicated funds and their associated projects are locally known as the General Mobility Program.

In FY2013, METRO entered into new interlocal agreements with its partner entities coinciding with the Authority’s implementation of the voter-mandated referendum on General Mobility held on November 6, 2012. This referendum continues General Mobility funding to member jurisdictions based on sales tax revenues set at the end of September 2014, with any growth in sales tax above that mark split 50/50 with member jurisdictions through December 31, 2025.

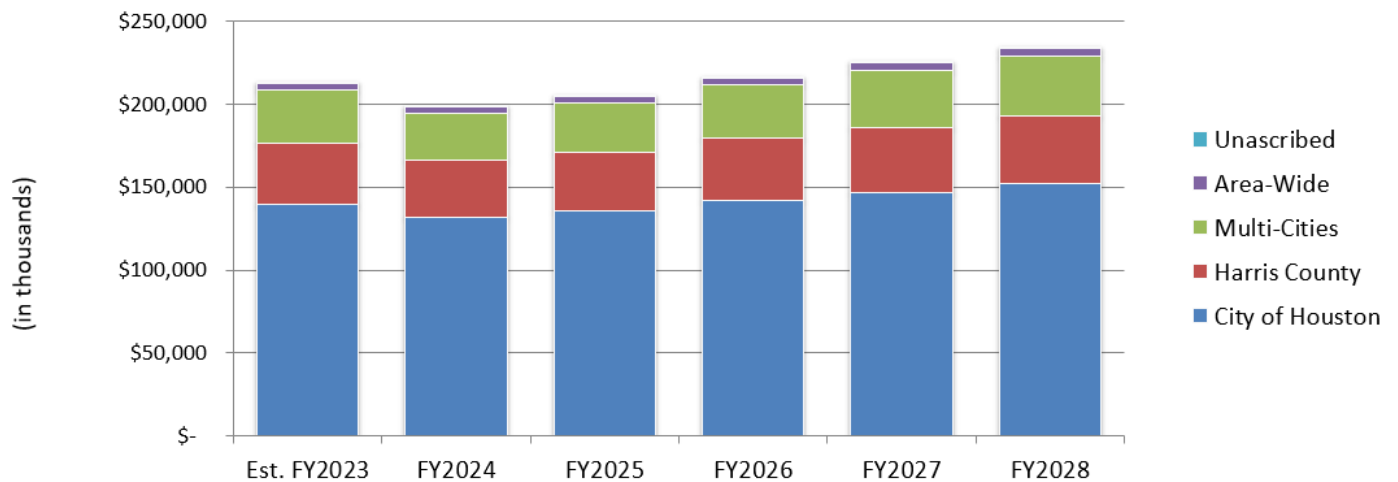
In FY2020, voters approved a referendum relating to the authorization of its regional transit plan — METRONext. This referendum further continues General Mobility funding to member jurisdictions based on sales tax revenues set at the end of September 2014, with any growth in sales tax above that mark split 50/50 with member jurisdictions through September 30, 2040.

Projected Funding

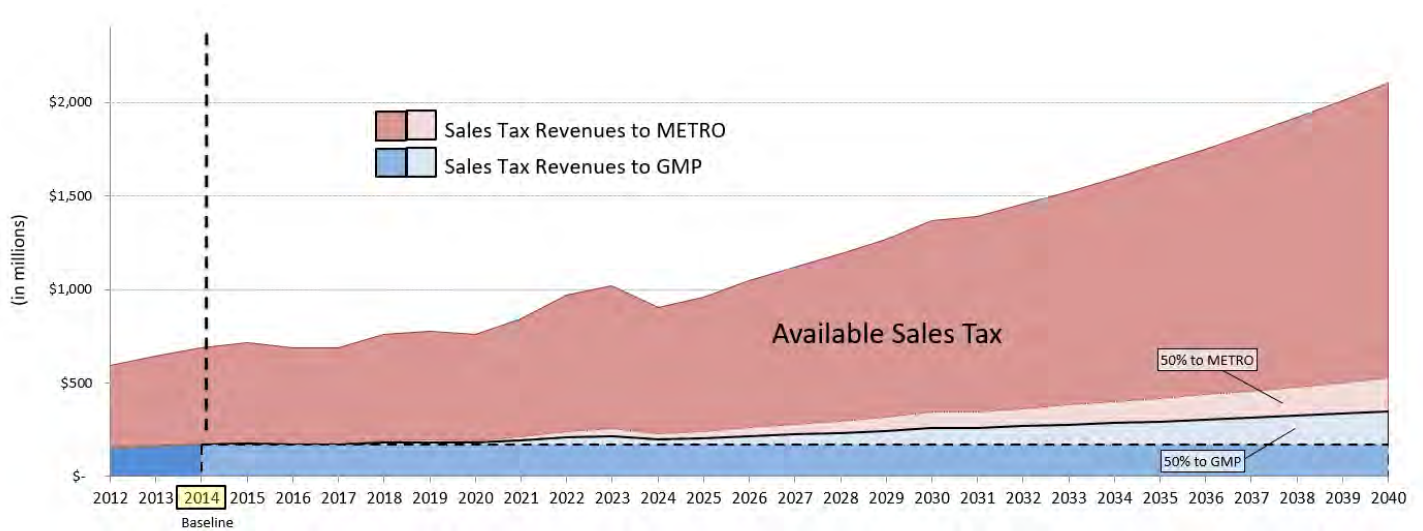
(in thousands)

	Est. FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Street Repair & Congestion Mitigation						
City of Houston	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Multi-Cities	31,676	28,211	29,861	32,567	34,693	36,799
Area-Wide	4,000	4,000	4,000	4,000	4,000	4,000
Subtotal	\$ 45,676	\$ 42,211	\$ 43,861	\$ 46,567	\$ 48,693	\$ 50,799
Future Designated Projects						
City of Houston	\$ 129,770	\$ 121,425	\$ 125,399	\$ 131,915	\$ 137,033	\$ 142,103
Harris County	36,986	34,608	35,740	37,598	39,056	40,501
Unascribed	754	705	728	766	796	825
Subtotal	\$ 167,509	\$ 156,738	\$ 161,868	\$ 170,279	\$ 176,885	\$ 183,430
Total Commitment						
City of Houston	\$ 139,770	\$ 131,425	\$ 135,399	\$ 141,915	\$ 147,033	\$ 152,103
Harris County	36,986	34,608	35,740	37,598	39,056	40,501
Multi-Cities	31,676	28,211	29,861	32,567	34,693	36,799
Area-Wide	4,000	4,000	4,000	4,000	4,000	4,000
Unascribed	754	705	728	766	796	825
Total General Mobility Funding	\$ 213,186	\$ 198,949	\$ 205,729	\$ 216,846	\$ 225,578	\$ 234,229

5-Year General Mobility Projected Funding



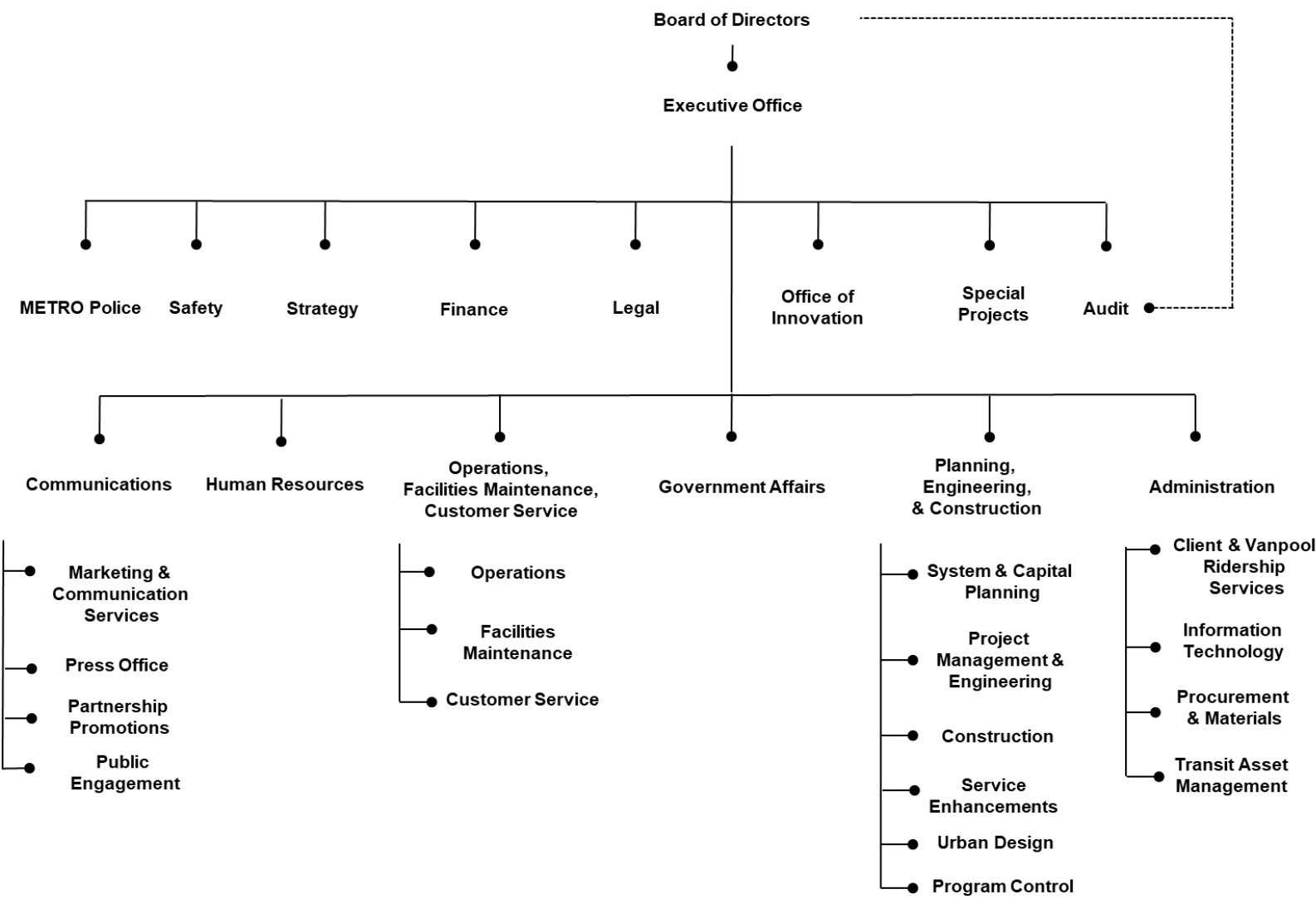
GMP Projections Based on the 2019 Referendum



The above graphic illustrates the projections for the voter-mandated referendum on General Mobility held on November 5, 2019. This referendum continues General Mobility funding to member jurisdictions based on sales tax revenues set at the end of September 2014, with any growth in sales tax above that mark split 50/50 with member jurisdictions through September 30, 2040.



Organization Chart



Department Summaries

This section provides a brief description of each METRO department, along with an organization chart and financial data showing the FY2024 budget along with the current year's budget and year-end estimate.

Departmental goals are linked to one or more of the Authority's goals:

Connect people to more places, more often, with high-quality multi-modal mobility options throughout the service area.

Provide safe and secure transportation and facilities.

Attract, develop, and retain the workforce needed to support METRO's mission.

Maintain assets in a State of Good Repair.

Continue implementing METRONext to expand and improve transportation system infrastructure.

Increase public awareness, support, and collaboration/partnership opportunities for regional transportation.

Provide responsive, accountable, and trustworthy governance.

Continue implementing METRO's Climate Action Plan and prioritizing resiliency and sustainability.

Accomplishing these goals will further METRO's mission and vision:

Mission

To provide safe, clean, reliable, accessible, and friendly public transportation services to our region.

Vision

Through collaborative relations and innovative approaches, METRO will be an industry leader in delivering timely and efficient service that is transformative by providing multimodal interactions for communities to connect to everyday work and life opportunities.

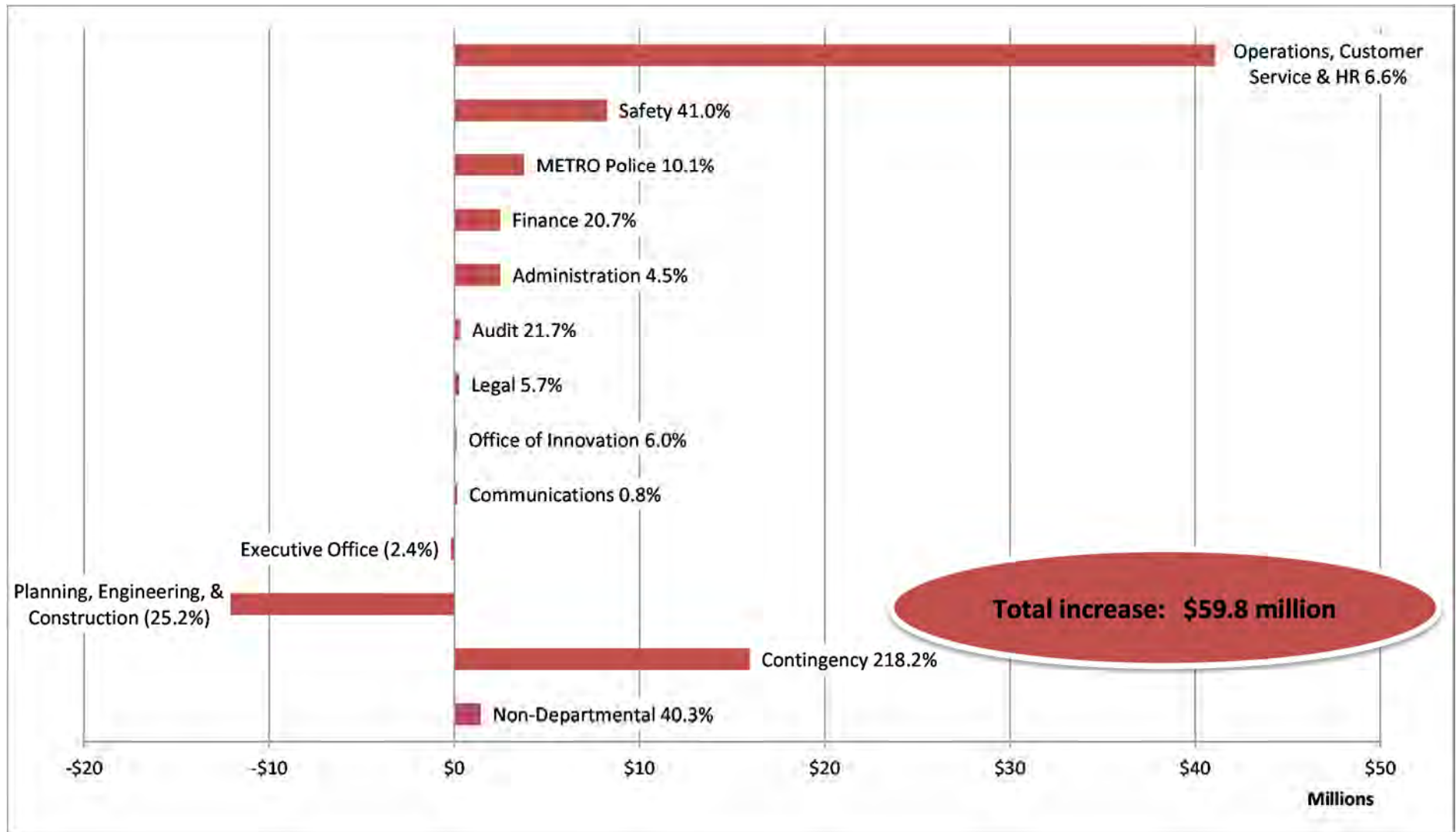


Department Summaries

Budget by Department

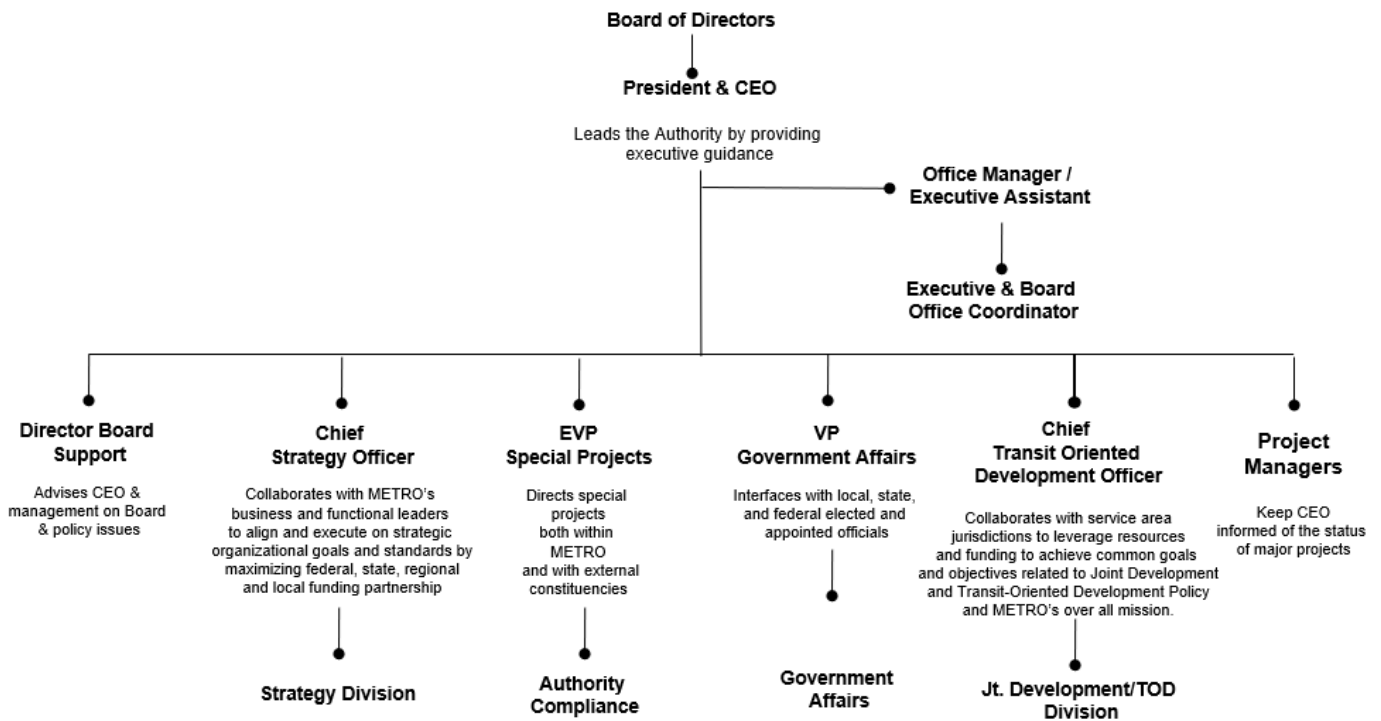
Departments	FY2023	FY2023	FY2024	Budget-to-Budget Variance	
	Budget	Estimate	Budget	\$	%
Operations, Customer Service & HR	\$ 619,300,598	\$ 617,758,004	\$ 660,410,482	\$ 41,109,884	6.6%
Administration	54,855,613	52,542,604	57,339,650	2,484,038	4.5%
Planning, Engineering, & Construction	64,687,509	48,893,989	48,376,757	(16,310,752)	(25.2%)
METRO Police	37,128,061	37,535,753	40,895,551	3,767,490	10.1%
Safety	20,124,927	18,371,604	28,373,537	8,248,610	41.0%
Communications	20,035,926	17,429,356	20,193,656	157,730	0.8%
Finance	11,993,034	11,531,956	14,471,365	2,478,331	20.7%
Executive Office	8,091,291	7,333,453	7,900,085	(191,207)	(2.4%)
Legal	4,706,970	3,723,038	4,973,196	266,226	5.7%
Office of Innovation	1,933,297	1,316,928	2,049,284	115,988	6.0%
Audit	1,467,907	1,497,377	1,786,179	318,271	21.7%
Contingency	7,308,266	-	23,251,904	15,943,638	218.2%
Non-Departmental	3,549,602	(1,404,606)	4,978,354	1,428,752	40.3%
TOTAL NET OPERATING	\$ 855,183,000	\$ 816,529,458	\$ 915,000,000	\$ 59,817,000	7.0%

Budget by Department - Budget-to-Budget Variance



Executive Office

The President and CEO oversees the management and operations of transit services. The Authority Compliance Division ensures METRO’s compliance with legislation and regulations, the Government Affairs division works with elected and appointed officials, the Board staff provide support for METRO’s Board of Directors, the Strategy Division collaborates with METRO's business and functional leaders to align and execute on strategic organizational goals and standards by maximizing federal, state, regional and local funding partnerships and the Joint Development/Transit Oriented Development (TOD) division creates and promotes equitable TOD, including affordable, workforce and market-rate housing around transit, as a strategy for placemaking, equity, sustainability, and smart growth.



Executive Office

	FY2023 Budget	FY2023 Estimate	FY2024 Budget	Budget-to-Budget Variance	
	\$	\$	\$	\$	%
Wages	\$ -	\$ -	\$ -	\$ -	N/A
Union Fringe Benefits	5,096	977	7,985	2,889	56.7%
Subtotal Union Labor	\$ 5,096	\$ 977	\$ 7,985	\$ 2,889	56.7%
Salaries and Non-Union Wages	3,109,943	3,133,944	3,302,286	192,343	6.2%
Non-Union Fringe Benefits	995,794	977,251	1,184,861	189,067	19.0%
Subtotal Non-Union Labor	\$ 4,105,737	\$ 4,111,195	\$ 4,487,147	\$ 381,410	9.3%
Allocation to Capital and GMP	-	-	-	-	N/A
Subtotal Labor and Fringe Benefits	\$ 4,110,833	\$ 4,112,172	\$ 4,495,132	\$ 384,299	9.3%
Services	3,390,746	2,729,399	2,732,969	(657,777)	(19.4%)
Materials and Supplies	10,644	11,640	13,294	2,650	24.9%
Fuel and Utilities	15,460	17,303	22,184	6,724	43.5%
Casualty and Liability	-	2,091	-	-	N/A
Purchased Transportation	-	-	-	-	N/A
Leases, Rentals and Miscellaneous	563,608	460,848	636,506	72,898	12.9%
Subtotal Non-Labor	\$ 3,980,458	\$ 3,221,282	\$ 3,404,953	\$ (575,506)	(14.5%)
Subtotal Labor and Non-Labor	\$ 8,091,291	\$ 7,333,453	\$ 7,900,085	\$ (191,207)	(2.4%)
Allocation to Capital and GMP	-	-	-	-	N/A
Total Operating Expenses	\$ 8,091,291	\$ 7,333,453	\$ 7,900,085	\$ (191,207)	(2.4%)

Executive Office

The Executive Office consists of five divisions: President & CEO/Board Office, Authority Compliance, Government Affairs, Strategy and Joint Development-Transit Oriented Development (TOD).

Number of Employees: 22

President & CEO: leads the Authority by providing executive guidance. Board office advises CEO and management on board & policy issues.

President and CEO FY2024 Goals									
Dept.	Initiative/Objective	METRO Budget Priorities							
		More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
President and CEO	Support the Board of Directors by providing information, data and facts to assist them in making public policy decisions to improve mobility in the region.	✓	✓	✓	✓	✓	✓	✓	✓
	Ensure that policies and directives set by the Board of Directors are executed and implemented in a timely manner and as directed.	✓	✓	✓	✓	✓	✓	✓	✓
	Lead and support executive leadership in their goals and objectives to accomplish FY2024 business plan goals and Board priorities: Create outstanding trip experiences, provide high quality mobility options, maintain assets in a state of good repair, implement METRONext and improve transportation system infrastructure, increase regional public awareness & support, and provide trustworthy governance.	✓	✓	✓	✓	✓	✓	✓	✓
	Lead and support the employees of the authority as they work to accomplish the mission of the agency to provide safe, clean, reliable, accessible and friendly public transportation services to our region.	✓	✓	✓	✓	✓	✓	✓	✓
	Continue to implement policies and procedures to employ sound financial principles and transparency practices.							✓	
	Support the departments in the review of and update of the authority's policies, guidelines, procedures and manuals to meet industry best practices.					✓		✓	

Authority Compliance: Oversees development and implementation of systems and strategies to ensure adherence to legal and regulatory requirements, board resolutions, internal policies, and guidelines. Directs special projects both within METRO and with external constituencies.

Authority Compliance FY2024 Goals									
Dept.	Initiative/Objective	METRO Budget Priorities							
		More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Authority Compliance	Develop a plan to implement recommendations from the Authority-Wide Organization Assessment		✓	✓				✓	
	Initiate a process improvement review of METRO's on-board and orientation process		✓	✓				✓	
	Initiate plan for updating departmental documents		✓	✓				✓	

Government Affairs: Coordinates interaction with local, state, and federal elected officials to advocate and promote METRO's projects, programs, and policies. Government Affairs develops and manages overall strategy for all METRO legislative activities.

Government Affairs FY2024 Goals									
Dept.	Initiative/Objective	METRO Budget Priorities							
		More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Government Affairs	Work to ensure that METRO's interests are properly represented at the federal level by effectively influencing federal legislation.						✓	✓	
	During the state interim legislative year, METRO will work with state legislators and state agencies to best position the organization for the upcoming biennium. Efforts will include protecting METRO's as well as finding opportunities to advance METRO's short and long-term goals.						✓	✓	
	Continue to strengthen METRO's relationships with elected officials through regular meetings to discuss METRO's long-range planning and short-range projects, including the METRONext plan.						✓	✓	

Strategy: Collaborates with METRO’s business and functional leaders to align and execute on strategic organizational goals and standards by maximizing federal, state, regional, and local funding partnerships.

Strategy FY2024 Goals									
Dept.	Initiative/Objective	METRO Budget Priorities							
		More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Strategy	Submit Annual NTD Report		✓	✓		✓	✓	✓	
	Monitor and report on Notices of Funding Opportunity. Identify potential eligible METRO projects and partnerships.		✓	✓		✓	✓	✓	
	Identify and support application for a minimum of five (5) discretionary grant funded partnerships with Public and/or private partners.		✓	✓		✓	✓	✓	
	Complete FY '23 and FY '24 Program of Projects for Houston Urbanized Area transit formula funds.		✓	✓		✓	✓	✓	
	Develop, monitor, revise and track TIP project programming including Development and tracking of Letters of No Prejudice.		✓	✓		✓	✓	✓	
	Assist with transition from grant award to grants management.		✓	✓		✓	✓	✓	
	Submit a minimum of five (5) regional (MPO) discretionary grants through the H-GAC Call for Projects process (continuation of FY 23 activity)		✓	✓		✓	✓	✓	

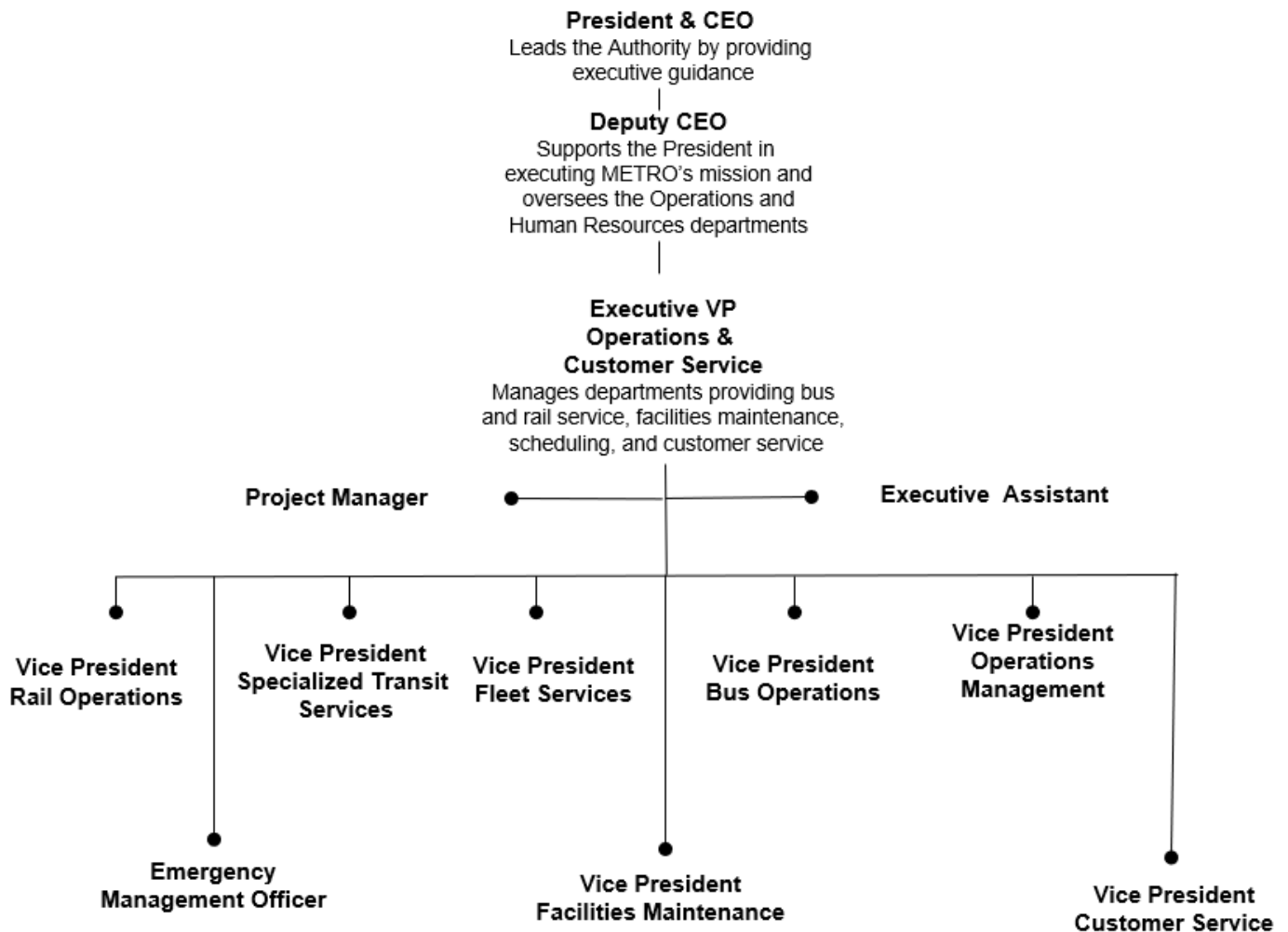
Joint Development and Transit Oriented Development (TOD): creates and promotes equitable TOD, including affordable, workforce and market-rate housing around transit, as a strategy for placemaking, equity, sustainability, and smart growth.

Joint Development and TOD FY2024 Goals									
Dept.	Initiative/Objective	METRO Budget Priorities							
		More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Joint Development and TOD	Negotiate agreement for Addicks P&R Joint Development	✓	✓			✓	✓		✓
	Complete Tidwell TOD Planning effort and begin implementation	✓	✓			✓	✓		✓
	Update JD/TOD public information and policy, as needed	✓	✓	✓		✓	✓	✓	✓
	Advance JD/TOD planning at Wheeler Transit Center	✓	✓			✓	✓		✓
	Complete prioritization of Joint Development opportunities	✓	✓			✓	✓	✓	✓
	Complete TOD corridor planning for METRORapid University and METRORapid Inner Katy corridors	✓	✓			✓	✓		✓
	Advance TOD corridor planning for METRORapid Gulfton corridor	✓	✓			✓	✓		✓
	Negotiate agreement for Southeast Transit Center Joint Development	✓	✓			✓	✓		✓

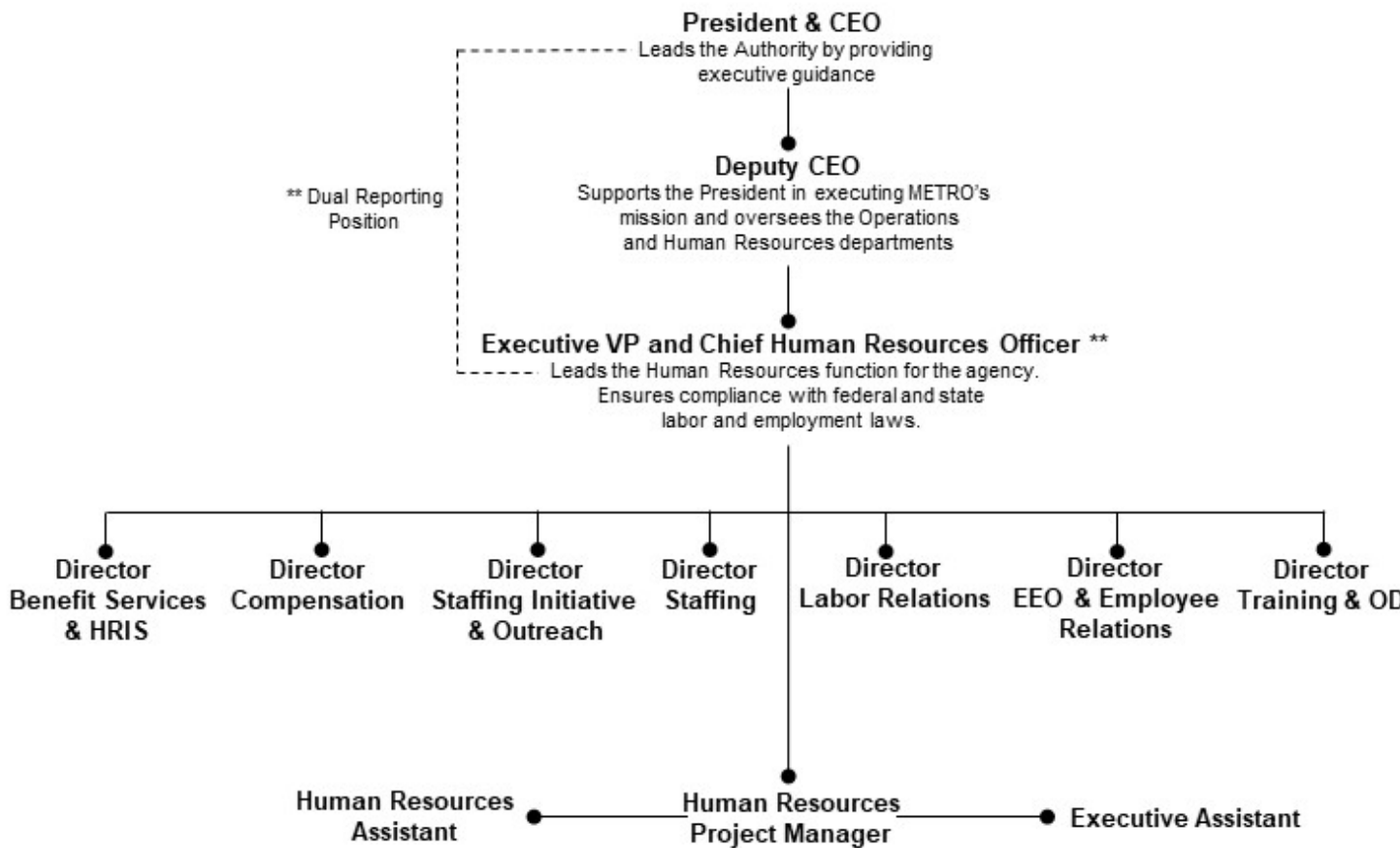
Operations & Customer Service and Human Resources Departments

Operations & Customer Service functions as the core of METRO’s transit services, including local bus, Park & Ride, Bus Rapid Transit, paratransit, and the HOV/HOT lane network. The Facilities Maintenance division handles the cleanliness and upkeep of all METRO facilities, while the Customer Service division provides riders with personalized route and schedule information and handles compliments, complaints, and comments. The Human Resources department is responsible for recruitment, employee training, and employee benefits.

OPERATIONS & CUSTOMER SERVICE



HUMAN RESOURCES



Operations, Customer Service, and Human Resources

	FY2023	FY2023	FY2024	Budget-to-Budget Variance	
	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
Wages	\$ 174,668,731	\$ 174,275,819	\$ 180,060,702	\$ 5,391,971	3.1%
Union Fringe Benefits	90,980,613	89,664,905	97,072,510	6,091,896	6.7%
Subtotal Union Labor	\$ 265,649,344	\$ 263,940,724	\$ 277,133,212	\$ 11,483,868	4.3%
Salaries and Non-Union Wages	64,527,634	67,145,117	67,530,295	3,002,661	4.7%
Non-Union Fringe Benefits	26,734,345	29,511,784	30,372,381	3,638,035	13.6%
Subtotal Non-Union Labor	\$ 91,261,979	\$ 96,656,901	\$ 97,902,676	\$ 6,640,697	7.3%
Allocation to Capital and GMP	(2,080,861)	(2,908,849)	(2,076,957)	3,904	(0.2%)
Subtotal Labor and Fringe Benefits	\$ 354,830,462	\$ 357,688,775	\$ 372,958,930	\$ 18,128,468	5.1%
Services	49,482,879	41,294,092	48,684,142	(798,737)	(1.6%)
Materials and Supplies	34,433,890	35,224,730	40,121,061	5,687,172	16.5%
Fuel and Utilities	54,683,335	55,502,606	53,534,013	(1,149,322)	(2.1%)
Casualty and Liability	2,683,758	1,681,623	3,271,416	587,658	21.9%
Purchased Transportation	120,889,939	124,452,479	138,567,034	17,677,095	14.6%
Leases, Rentals and Miscellaneous	3,109,201	2,934,633	3,273,885	164,684	5.3%
Subtotal Non-Labor	\$ 265,283,002	\$ 261,090,163	\$ 287,451,551	\$ 22,168,549	8.4%
Subtotal Labor and Non-Labor	\$ 620,113,464	\$ 618,778,938	\$ 660,410,482	\$ 40,297,017	6.5%
Allocation to Capital and GMP	(812,866)	(1,020,934)	-	812,866	(100.0%)
Total Operating Expenses	\$ 619,300,598	\$ 617,758,004	\$ 660,410,482	\$ 41,109,884	6.6%

	FY2023	FY2024	Budget-to-Budget Variance	
	<u>Budget</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
Total Operating Expenses				
Bus Transportation	\$ 173,628,770	\$ 185,074,804	\$ 11,446,034	6.6%
Contract & Paratransit SVC	149,613,220	168,704,717	19,091,498	12.8%
Fleet Services	135,362,132	140,808,538	5,446,406	4.0%
METRORail	54,059,330	57,120,635	3,061,305	5.7%
Facilities Maint Admin	51,708,267	54,527,608	2,819,341	5.5%
Human Resources	29,880,795	30,671,990	791,196	2.6%
Oper Mgt Support	12,556,435	13,192,589	636,154	5.1%
Customer Service	6,235,718	8,027,015	1,791,296	28.7%
EVP, Operations & Customer Svc	5,603,535	1,584,156	(4,019,379)	(71.7%)
Deputy CEO	652,397	698,430	46,034	7.1%

Operations & Customer Service and Human Resources Goals and Key Performance Indicators

The primary element in the success METRO has had in building its transit system has been its dedication to service quality. By focusing on specific, measurable goals, METRO can track its progress toward meeting the budget priorities of improving the customer experience, safety, and security. To that end, the department of Operations, Public Safety, and Customer Service tracks key performance indicators and compares performance to annual goals.

These statistics measure service reliability, safety, security, and customer service. Below are descriptions of the eight most important performance indicators, which are reported to the Board of Directors every month and the most recent Monthly Status Report.

Number of Employees: 3,712

On-Time Performance (OTP): A local bus is considered on-time if it does not leave early and is within a five-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-minute window after the scheduled departure time, with measurements during peak hours. OTP is measured by the Integrated Vehicle Operation Management System (IVOMS) which calculates data to the second, and the five-minute window is defined as anything less than six minutes. For METRORail, a train departing from the beginning of the line or arriving at the end of the line less than five minutes after the scheduled time is considered on-time.

Mean Distance Between Mechanical Failures (MDBF): MDBF mechanical road-calls are defined as 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. This indicator is for the bus system but excludes METROLift.

Bus and Rail Accidents: An accident is a transit incident with passenger injuries that requires 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. A rail accident is defined as any physical contact between a rail vehicle and another vehicle (including another rail vehicle, car, truck, or motorcycle), a pedestrian, or bicyclist along the main rail line.

OPERATIONS Goals - FY2024										
Dept.	Initiative/Objective	Measurement	Target and Actuals							
			Q1		Q2		Q3		Q4	
			Target	Actual	Target	Actual	Target	Actual	Target	Actual
Bus Services	Bus Accidents	Absolute Number: <= 550 accidents per year	126		139		144		141	
		BRT Absolute Number: <= 4 accidents per year	1	-	1		1	-	1	
		Preventable Number: <= 188 accidents per year	43		47		48		50	
		Preventable BRT Number: <= 2 accidents per year	1				1			
	On-Time Performance for Local Bus	74% On-Time Performance for Local Bus	74%		74%		74%		75%	
	On-Time Performance for Park and Ride Bus	82% On-Time Performance for Park and Ride	82%		82%		82%		82%	
	On-Time Performance for Weighted Average	75% On-Time Performance for Park and Ride	75%		75%		75%		76%	
	Bus Mean Distance Between Mechanical Failure (MDBF)	MDBF goal for all Buses of 6,500	6,667		7,000		6,333		6,000	
	Bus Mean Distance Between Mechanical Failure (MDBF) BRT	MDBF goal for all Buses of 4,000	4,000		4,000		4,000		4,000	
	Customer Service	FY2020 Complaints per boarding of <22.0 per 100,000 boardings;.	< 22.0		< 22.0		< 22.0		< 22.0	
Contract, praransit, and Vanpool	METROLift On-Time Performance	On-time performance goal of 90%	90%		90%		90%		90%	
	METROLift Mean Distance Between Failure (MDBF)	MDBF goal of 22,000	22,000		22,000		22,000		22,000	
	On-Time Performance	Red Line 93%	93%		93%		93%		93%	
	On-Time Performance	Purple Line 95%	95%		95%		95%		95%	
	On-Time Performance	Green Line 95%	95%		95%		95%		95%	
	On-Time Performance	Weighted Average	93%		93%		93%		93%	
	Rail Mean Distance Between Service Interruptions (MDBSI)	MDBSI 15,000 per month	15,000		15,000		15,000		15,000	
	Rail Accidents	Absolute Number: <= 110 accidents per year	28		28		27		27	
		Preventable Number: <= 12 accidents per year	3		3		3		3	
HOV/HOT Lane	HOT Lanes Speed	Average Peak HOT Lanes Speed (All Lanes) of 45mph	45 mph		45 mph		45 mph		45 mph	
Customer Service	Average Call Center Answer Delay (seconds)	Calls answered in less than 35 seconds.	< 35		< 35		< 35		< 35	

Operations Department Key Performance Statistics FY '24

SAFETY & SECURITY	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	YTD Goal
Bus Accidents													
• Absolute Number	42	42	42	42	49	48	48	48	48	47	47	47	550
• Preventable Number	15	14	14	15	16	16	16	16	16	17	17	16	188
BRT Accidents													
• Absolute Number	0	0	1	0	0	1	0	0	1	0	0	1	4
• Preventable Number	0	0	1	0	0	0	0	0	1	0	0	0	2
Rail Accidents													
• Absolute Number	9	10	9	9	9	10	9	9	9	9	9	9	110
• Preventable Number	1	1	1	1	1	1	1	1	1	1	1	1	12
SERVICE & RELIABILITY	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	YTD Goal
On-Time Performance													
• Local - Bus	74%	74%	74%	74%	74%	74%	74%	74%	74%	75%	75%	75%	73%
• Park & Ride - Bus	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%
• Weighted Average - Bus	74%	74%	74%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
• BRT	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	90%
• Rail - Red Line	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%
• Rail -Green Line	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
• Rail - Purple Line	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
• Rail - Weighted Average	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	92%
• METROLift	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Average Peak Hot Lanes Speed (All Lanes)	>= 45mph	>= 45mph	>= 45mph	>= 45mph	>= 45mph	>= 45mph	>= 45mph	>= 45mph	>= 45mph	>= 45mph	>= 45mph	>= 45mph	>=45mph
Mean Distance Between Mechanical Failures - All Buses	6,000	7,000	7,000	7,000	7,000	7,000	7,000	6,000	6,000	6,000	6,000	6,000	6,500
Mean Distance Between Mechanical Failures - BRT	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Mean Distance Between Service Interruptions - Rail	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Mean Distance Between Mechanical Failures - METROLift	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
CUSTOMER SERVICE	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	YTD Goal
Complaint Contacts													
< 22.00 per 100,000 boardings.	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	<22.0
Commendations: 2,400 per year. 200 per month	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Average Call Center Answer Delay (seconds)	<35	<35	<35	<35	<35	<35	<35	<35	<35	<35	<35	<35	<35

Human Resources provides support and services to METRO in the following areas: Employee Relations/EEO, Staffing, Organization Development, Labor Relations, Benefits, Pension & Wellness, Compensation and Human Resources Information Systems.

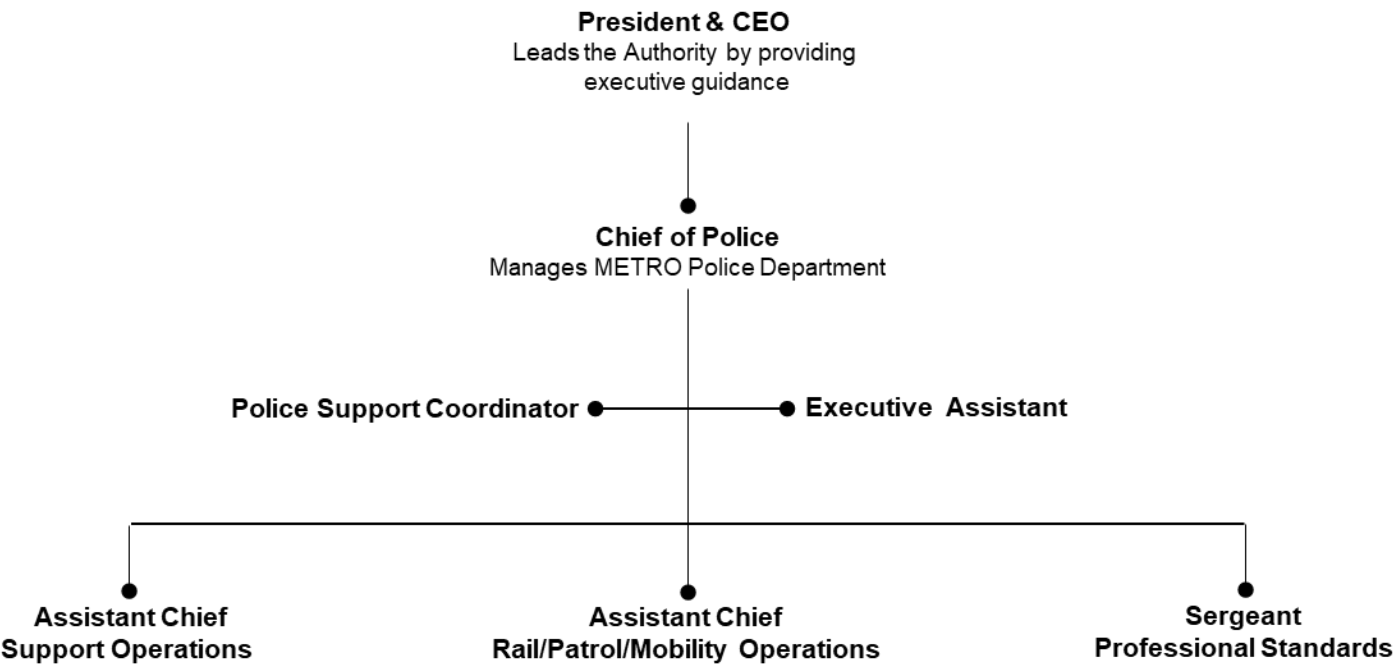
Operations, Customer Service & Human Resources FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Human Resources	Recruit and hire all METRO personnel. Expand outreach and enhance processes such as recruiting events, new hire orientation, interviewing and testing, etc.	<ul style="list-style-type: none"> Fill Non-Union positions within a median 60 business days with active participation of hiring departments Partner with Operations & community organizations on recruiting and retention strategies Implement and provide quarterly Success Factors hiring manager training on creating requisitions 	✓	✓	✓		✓	✓	✓	✓
	Complete contract negotiations with Local 260 and implement new contract in January 2024. Manage distribution and communication of new labor agreement. Ensure adherence to the Labor Agreement, work rules, procedures and guidelines.	<ul style="list-style-type: none"> Update the Employee Performance Code and Rules Provide information for contract negotiation process and participate in negotiations Continue to conduct training sessions with Office Assistants and Managers 		✓	✓		✓	✓	✓	
	Ensure cost effective, comprehensive programs for the following: benefits; disability and leave; retirement; paid time off; and wellness. Continue to expand the use of technology to automate additional processes	<ul style="list-style-type: none"> Partner with vendors to create additional platforms for the Benefits and Pension areas that will include quarterly virtual retirement guidance and expand on the Benefit enrollment process prior to the Annual Benefits Enrollment Partner with Wellness Champions and benefits consultants to promote Wellness and provide well-rounded platforms to employees during FY24 Partner with all departments to expand and streamline resources, tools, communication and guidance for leave options Develop and implement training opportunities for managers and employees regarding benefits/pension updates and compliance with various types of leaves and ADA processes Develop training aids for SAP and Success Factors to streamline on-boarding and automation of employee files 			✓		✓	✓	✓	
	Design and implement training and development programs for METRO, and provide other services such as succession planning, coaching, management development programs, customized programs, etc.	<ul style="list-style-type: none"> Develop and distribute a calendar of class offering Other services provided as requested throughout the year Host interns and Hire Houston Youth program (to be determined due to pandemic) Ongoing training and OD programs 			✓		✓	✓	✓	
	Investigate and resolve internal ER and EEO complaints. Ensure compliance with all employment laws, including development and monitoring of FTA Title VI and EEO programs. Expand METRO's Diversity, Equity & Inclusion programs, customize programs, etc.	<ul style="list-style-type: none"> Investigate and close EEO, ER and Public ADA compliant complaint files within 60 days of receipt Conduct monthly facility visits (ER/EEO/ADA) Conduct virtual EEO training for new supervisors within 90 days of hire/promotion Conduct semi-annual contractors' meetings (Title VI) 		✓	✓			✓	✓	
	Ensure jobs and salaries are compliant, competitive, equitable, and non-discriminatory. Comply with federal, state and local regulations.	<ul style="list-style-type: none"> Review pay programs and performance programs Review Success Factor recruiting and onboarding for job profile and salary offer processes Continue market pricing, salary surveys and reporting: gender/diversity, salary averages, pay equity, etc. Update compensation guidelines as needed 			✓		✓	✓	✓	
	Establish a talent acquisition plan to identify and attract college students/graduates to METRO to broaden the applicant pool. Expand relationships with community organizations to promote METRO's hiring strategy.	<ul style="list-style-type: none"> Develop a communication strategy, identify and target schools and build relationships with college career services officers Attend job fairs on college campuses and utilize digital platforms 			✓		✓	✓	✓	

METRO Police

The METRO Police Department is a full-time, full-service police agency made up of sworn Texas Peace Officers and civilian staff members. Since the establishment of the METRO Police in 1982, the primary focus has been to help keep the transit system moving safely and securely for our customers. More than 40 years later, METRO Police remains dedicated to providing high-quality police services to reduce crime on the transit system and improve mobility throughout the METRO service area.

The METRO Police Department maintains a cooperative working relationship with all law enforcement agencies within the METRO service area. The METRO Police approach to law enforcement is community-oriented, knowing that partnerships and cooperation are needed to ensure the protection of customers, employees, and the public.

METRO Police



METRO Police

	FY2023 Budget	FY2023 Estimate	FY2024 Budget	Budget-to-Budget Variance	
				\$	%
Wages	\$ -	\$ (1,895)	\$ -	\$ -	N/A
Union Fringe Benefits	925,864	568,849	1,185,727	259,864	28.1%
Subtotal Union Labor	\$ 925,864	\$ 566,954	\$ 1,185,727	\$ 259,864	28.1%
Salaries and Non-Union Wages	26,424,290	26,994,648	27,651,043	1,226,753	4.6%
Non-Union Fringe Benefits	11,499,377	12,271,920	12,976,163	1,476,786	12.8%
Subtotal Non-Union Labor	\$ 37,923,666	\$ 39,266,568	\$ 40,627,206	\$ 2,703,539	7.1%
Allocation to Capital and GMP	(2,689,384)	(2,973,338)	(2,695,330)	(5,946)	0.2%
Subtotal Labor and Fringe Benefits	\$ 36,160,146	\$ 36,860,183	\$ 39,117,603	\$ 2,957,457	8.2%
Services	267,445	146,180	1,353,824	1,086,379	406.2%
Materials and Supplies	582,387	264,374	996,824	414,437	71.2%
Fuel and Utilities	174,788	142,965	250,088	75,300	43.1%
Casualty and Liability	-	123,662	-	-	N/A
Purchased Transportation	-	-	-	-	N/A
Leases, Rentals and Miscellaneous	56,660	37,362	87,435	30,775	54.3%
Subtotal Non-Labor	\$ 1,081,280	\$ 714,543	\$ 2,688,171	\$ 1,606,891	148.6%
Subtotal Labor and Non-Labor	\$ 37,241,426	\$ 37,574,727	\$ 41,805,774	\$ 4,564,348	12.3%
Allocation to Capital and GMP	(113,365)	(38,973)	(910,223)	(796,858)	702.9%
Total Operating Expenses	\$ 37,128,061	\$ 37,535,753	\$ 40,895,551	\$ 3,767,490	10.1%

METRO Police

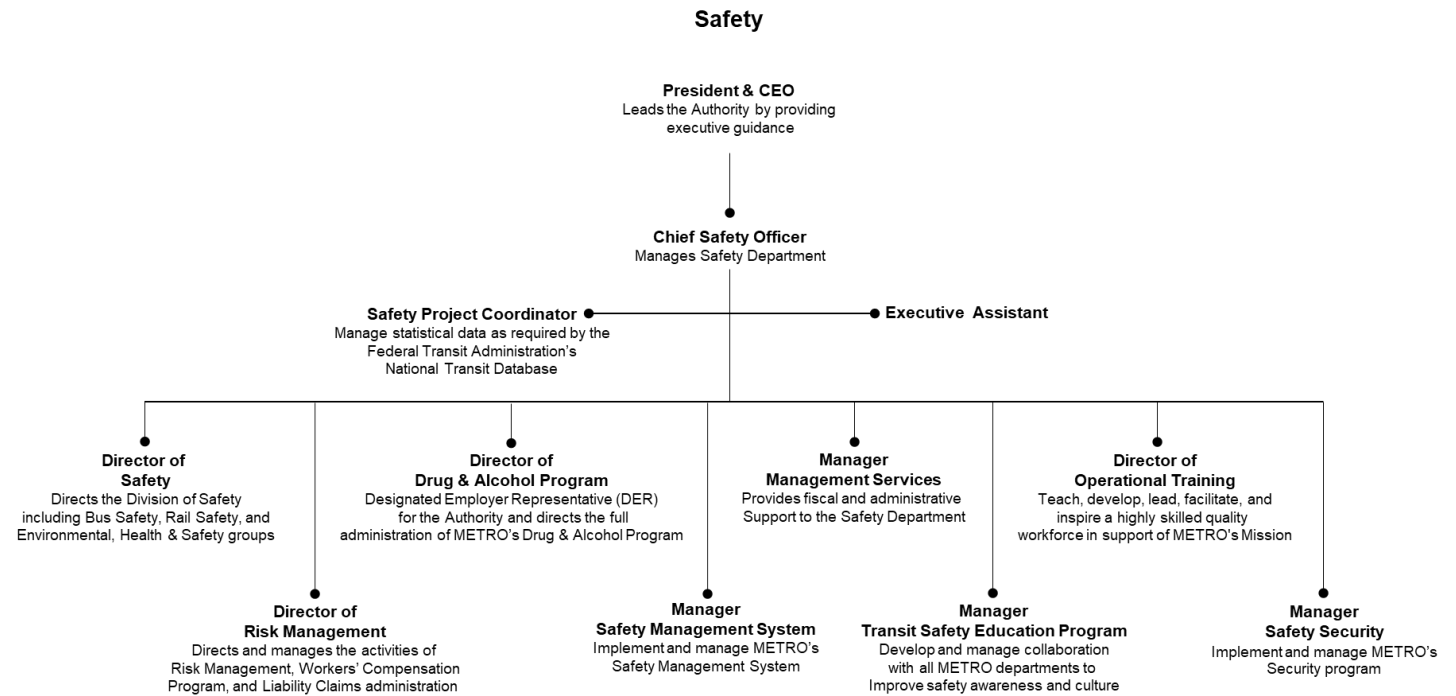
METRO Police Department is responsible for the safety and security of METRO employees, patrons and property. METRO Police Department is proactive in providing safety information, patrol service area and engaging communities surrounding the service area.

Number of Employees: 399

METRO Police FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Field Operations	Provide a safe and secure system for employees and patrons	Number of Group A Crimes on the system - less than or equal to 396 per quarter		✓				✓		
	Increase Police Recruitment efforts	Recruit eligible candidates through print media and local academy visits			✓					
Support Services	Hire 20% of department vacancies	20% of vacancies filled		✓	✓					
	Train all certified police personnel in mandated Texas Commission on Law Enforcement courses	40 hour training in progress		✓	✓			✓		
	Staff Homeless Outreach Unit	Number of contacts with homeless individuals on the Metro System - 30 per quarter		✓	✓		✓	✓		

Safety

The Safety department is responsible for ensuring the highest degree of safety for METRO riders, employees, and the public. Safety reviews and establishes guidelines and assures compliance with METRO safety rules and governmental regulations. The department ensures that safety and environmental hazards are identified, controlled, and eliminated. Reviews, monitors, and assesses the activities of any METRO department that have or may have safety and environmental concerns or impacts. Safety works with both executive and operations personnel to resolve known safety issues and identify potential ones.



Safety

	FY2023 Budget	FY2023 Estimate	FY2024 Budget	Budget-to-Budget Variance	
	\$	\$	\$	\$	%
Wages	\$ 467,793	\$ 407,210	\$ 967,983	\$ 500,190	106.9%
Union Fringe Benefits	367,523	263,822	657,014	289,491	78.8%
Subtotal Union Labor	\$ 835,316	\$ 671,033	\$ 1,624,996	\$ 789,681	94.5%
Salaries and Non-Union Wages	7,051,903	6,897,092	7,722,865	670,962	9.5%
Non-Union Fringe Benefits	2,451,848	2,648,804	3,044,451	592,603	24.2%
Subtotal Non-Union Labor	\$ 9,503,751	\$ 9,545,896	\$ 10,767,316	\$ 1,263,565	13.3%
Allocation to Capital and GMP	-	-	-	-	N/A
Subtotal Labor and Fringe Benefits	\$ 10,339,067	\$ 10,216,929	\$ 12,392,312	\$ 2,053,245	19.9%
Services	3,296,470	1,911,591	8,123,006	4,826,536	146.4%
Materials and Supplies	343,424	130,743	544,584	201,160	58.6%
Fuel and Utilities	32,688	24,910	52,608	19,920	60.9%
Casualty and Liability	5,987,432	6,010,436	7,094,898	1,107,466	18.5%
Purchased Transportation	-	-	-	-	N/A
Leases, Rentals and Miscellaneous	125,846	76,996	166,129	40,283	32.0%
Subtotal Non-Labor	\$ 9,785,860	\$ 8,154,676	\$ 15,981,225	\$ 6,195,365	63.3%
Subtotal Labor and Non-Labor	\$ 20,124,927	\$ 18,371,604	\$ 28,373,537	\$ 8,248,610	41.0%
Allocation to Capital and GMP	-	-	-	-	N/A
Total Operating Expenses	\$ 20,124,927	\$ 18,371,604	\$ 28,373,537	\$ 8,248,610	41.0%

Safety

The Safety Department has the responsibility to assure that safety and environmental hazards are identified, controlled and/or eliminated. Safety is responsible for reviewing, monitoring and assessing the activities of any METRO department that have or may have safety and/or environmental concerns or impacts. These responsibilities are to ensure the highest degree of safety for METRO riders, employees and the public.

Number of Employees: 110

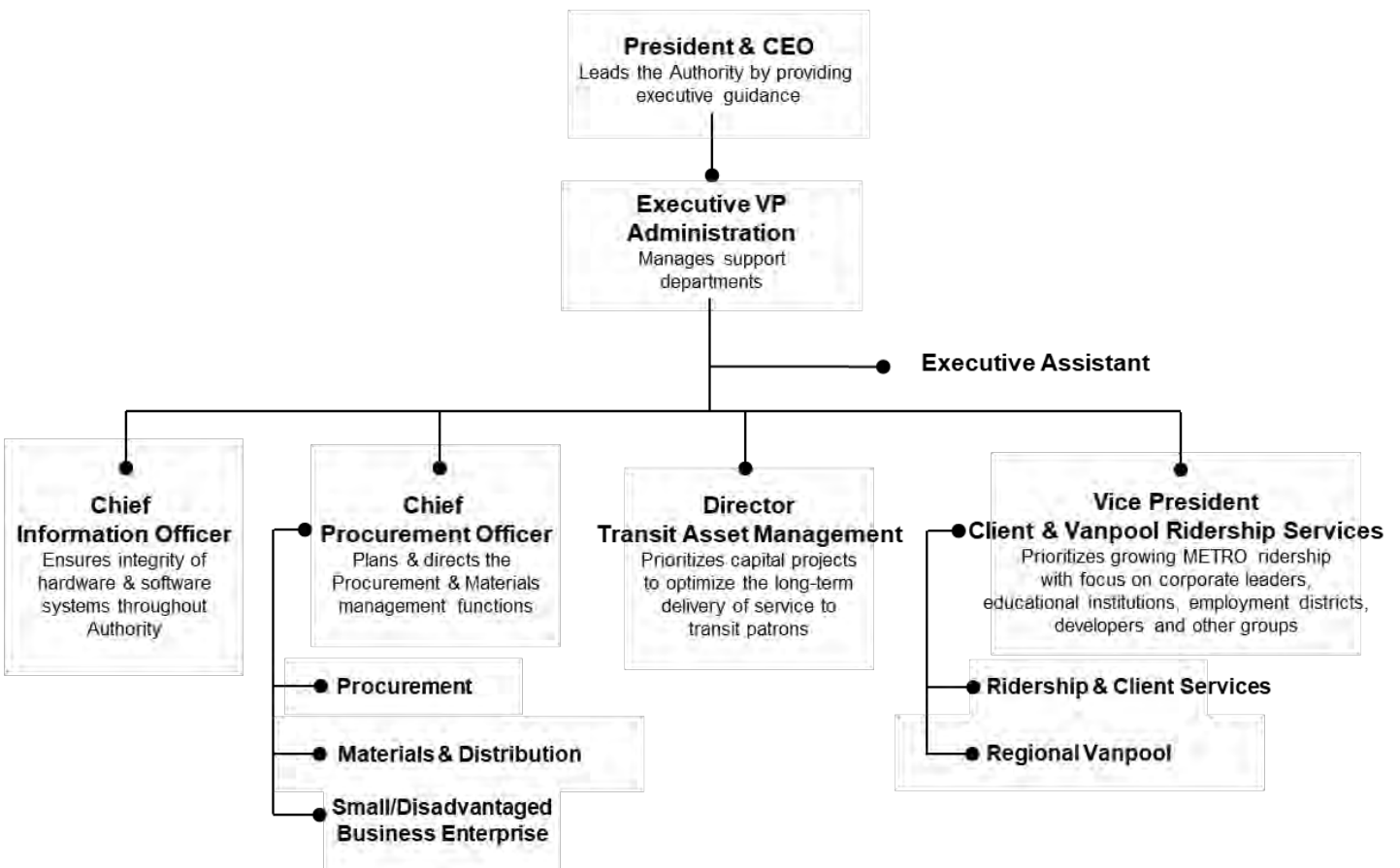
Safety FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Safety Administration	Deliver Transit Safety Education messaging and initiatives via various platforms	Conduct safety awareness focused campaigns		✓				✓		
	Develop Safety Risk Register	Create a Safety Risk Register and begin documenting risk mitigations		✓						
	Research archives for Job Hazard Analysis that were conducted in the past. Create a Job Hazard Analysis that will be conducive to the current METRO work environment.	Conduct research. Document Job Hazard Analysis by position		✓						
Management Services	Collect, analyze and report departmental data with emphasis on the effectiveness and efficiency of Safety Department	Prepare and submit fiscal year operating and capital budget		✓						
		Oversee and monitor Safety's annual operating and capital expenditures		✓						
		Prepare monthly and quarterly reports		✓						
		Prepare all shopping carts; receive goods; process invoices for payment		✓						
		Prepare and maintain headcount and vacancy report		✓						
		Prepare all ECFs including Step ups and incentives		✓						
		Reconcile credit cards; prepare reports		✓						
	Search for internal projects and research grant opportunities with various agencies to offset department budgetary costs	Meet with Chief Safety Officer and Chief of Police to assess up coming Safety and Anti-terrorism projects				✓				
		Seek grant opportunities that will align with projects				✓				
		Notify CEO and Committee of intent to apply for specific grants				✓				
		If awarded prepare drawdown documents and notify finance of wire transfer/ach				✓				
Safety Risk Management	Restore METRO's Owner Control Insurance Program (OCIP)	Q3: Procure Broker of Record to administer OCIP					✓			
		Q3: Work with Broker of Record to design, place, implement, and administer the OCIP					✓			
		Q4: Work with METRO Planning, Engineering, and Construction group to monitor and schedule MERO Next projects to the OCIP					✓			
	Enhance our business processes with digital submissions of Workers' Compensation Authorization to Treat Form and Employer's First Report of Injury (DWC-1) form	Q1: Develop procedures and work with internal staff and vendor to create electronic forms			✓					
		Q2: Draft guidelines and instructions for submitting electronic forms			✓					
		Q3: Conduct training for employees on new procedures for submitting forms			✓					
		Q4: Roll out new procedure for submitting electronic forms			✓					
	Achieve FTA Random Drug Testing Goal of 50%	Percentage of employees tested quarterly		✓						
Drug & Alcohol	Achieve FTA Random Alcohol Testing Goal of 10%	Percentage of employees tested quarterly		✓						
	Update Revise Drug & Alcohol Policies and Procedures	Board Approved Drug & Alcohol Policy ready for publication		✓						
	D&A Policy Revision Training; Reasonable Suspicion refresher training and attend facility safety meetings	Drug and Alcohol Policy Updates training (7) including one weekend date; New Supervisors Reasonable Suspicion Training (3) Refresher Reasonable Suspicion Training (3); Attend eight (8) Facility Safety Meetings.		✓						

Safety FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Customer Safety	Not exceed the Safety Performance Targets established in the PTASP.	Bus Safety - Number of bus accidents not to exceed target		✓						
		Rail Safety - Number of rail collisions not to exceed target		✓						
	Safety Assurance and Safety Promotion related activities.	EHS - Conduct quarterly inspections of shops and other applicable areas at select METRO facilities.		✓		✓				
		EHS - Conduct fire drills.		✓		✓				
		EHS - Attend shop toolbox meetings.		✓		✓				
		Rail Safety - Perform audit of all gated grade crossings.		✓		✓				
		Rail Safety - Perform a System-wide Safety Blitz.		✓						
		Rail Safety - Perform a safety assessment of all rail stations.		✓		✓				
		Bus Safety - Perform a safety assessment of all bus routes.		✓		✓				
		Bus Safety - Perform a System-wide Safety Blitz.		✓						
		Bus Safety - Perform ride checks.		✓						
		Conduct Safety meetings.		✓						
Bus Training	Deliver de-escalation training, developed by a vendor, to bus operators at each BOF. Add the program to Basic training, and RTW training.	Program added to Basic in Q1. Program added to RTW training in Q1.		✓	✓					
		Training delivered in Q1, Q2, Q3. Target - 85% of all active bus operators receive the live session - this accounts for those who are on various leaves so will miss the training. Goal is 33% of all active bus operators in each quarter. The remaining 15% of inactive will be taught via RTW.		✓	✓					
	Deliver the annual ADA refresher - wheel chair securements, ADA information - at each garage	Training delivered in Q2, Q3, Q4. Target is 85% of all active bus operators. 85% active, 15% inactive. The inactive will be trained via RTW training.		✓	✓					
	Revise the Basic Training manual, using feedback from vendor review. Remove outdated material, remove unneeded material, add missing material, streamline the format.	Draft completed in Q1.		✓						
		Revisions and final proof by end of Q2. Ready to print or provide digitally.		✓						
Bus Maintenance Training	BOF Onsite Training in: Brakes/Electrical/Engine Diag./HVAC	Training delivered in Q1, Q2, Q3, Q4. Target - 16% of all active bus repair mechanics. Goal is 4% of all active bus repair mechanics in each quarter.		✓	✓	✓				
	Mechanical Foreman Training for Foreman Trainees	Training delivered in Q1, Q2. Target - new foreman trainees for pilot program for Kashmere 24/7 operation. Anticipate 6 new positions added to the current foreman headcount.		✓	✓	✓				
	Scheduled Vendor - Powertrain/Drive Train/ Electrical	Training delivered in Q1, Q2, Q3, Q4. Target is 16% of all active bus repair mechanics. Goal is 4% of the active each quarter		✓	✓	✓				
Facilities Maintenance	Implement a year-round OSHA Safety Education Program. Each month, specific job titles will receive assigned content to complete.	Goal: 85% completion of assigned items for each monthly program		✓	✓	✓				
	Develop and implement a new employee orientation/onboarding program that new facilities maintenance employees will attend when hired.	Developed and piloted by end of Q1. Implemented fully in Q2.		✓	✓					

Administration

Includes Information Technology, Procurement & Materials, Transit Asset Management and Client & Vanpool Ridership Services, and is responsible for administering guidelines for internal procedures while also dealing with outside customers and vendors.

ADMINISTRATION



Administration

	FY2023 Budget	FY2023 Estimate	FY2024 Budget	Budget-to-Budget Variance	
				\$	%
Wages	\$ 3,921,311	\$ 4,013,422	\$ 3,795,443	\$ (125,868)	(3.2%)
Union Fringe Benefits	2,011,806	1,759,498	2,177,078	165,272	8.2%
Subtotal Union Labor	\$ 5,933,117	\$ 5,772,920	\$ 5,972,521	\$ 39,405	0.7%
Salaries and Non-Union Wages	19,093,997	19,419,828	19,283,871	189,873	1.0%
Non-Union Fringe Benefits	7,099,008	7,111,552	7,723,868	624,861	8.8%
Subtotal Non-Union Labor	\$ 26,193,005	\$ 26,531,380	\$ 27,007,739	\$ 814,734	3.1%
Allocation to Capital and GMP	(2,462,611)	(1,792,152)	(2,736,898)	(274,287)	11.1%
Subtotal Labor and Fringe Benefits	\$ 29,663,511	\$ 30,512,149	\$ 30,243,362	\$ 579,851	2.0%
Services	5,565,120	4,416,010	5,632,128	67,008	1.2%
Materials and Supplies	552,315	356,056	637,159	84,844	15.4%
Fuel and Utilities	1,992,073	2,082,749	1,995,915	3,842	0.2%
Casualty and Liability	1,600	27,071	1,600	-	0.0%
Purchased Transportation	4,934,977	3,693,852	4,609,568	(325,409)	(6.6%)
Leases, Rentals and Miscellaneous	12,146,018	11,454,717	14,219,918	2,073,900	17.1%
Subtotal Non-Labor	\$ 25,192,102	\$ 22,030,455	\$ 27,096,288	\$ 1,904,186	7.6%
Subtotal Labor and Non-Labor	\$ 54,855,613	\$ 52,542,604	\$ 57,339,650	\$ 2,484,038	4.5%
Allocation to Capital and GMP	-	-	-	-	N/A
Total Operating Expenses	\$ 54,855,613	\$ 52,542,604	\$ 57,339,650	\$ 2,484,038	4.5%

	FY2023 Budget	FY2024 Budget	Budget-to-Budget Variance	
			\$	%
Total Operating Expenses				
Information Technology	\$ 28,434,817	\$ 30,521,164	\$ 2,086,347	7.3%
Procurement and Materials	14,939,069	15,288,519	349,450	2.3%
Client & Vanpool Ridership	9,374,523	9,789,504	414,980	4.4%
Executive Vice President	1,058,671	603,506	(455,166)	(43.0%)
Transit Asset Management	1,048,532	1,136,958	88,426	8.4%

Administration

The Administration department consists of four divisions: Information Technology, Procurement & Materials, Transit Asset Management and Client & Vanpool Ridership Services.

Number of Employees: 253

Information Technology provides strategic direction, technical guidance, and direct technology services for METRO. Focuses on building and directing a security program to manage and mitigate risks to the confidentiality and integrity of METRO's systems, data, and information. Directs, develops, administers, and monitors the Authority's technology solutions for technology infrastructure which supports all operating facilities, administrative offices, rail systems, transit centers and Park & Rides.

Administration FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Information Technology	Provide stable and reliable revenue systems	Provide stable and reliable revenue systems for our customers, business partners and internal administration staff with a monthly uptime of 97%				✓				
	Provide a secure, stable and highly-available computing infrastructure	Provide a secure, stable and highly-available computing infrastructure for all Metro systems with a monthly uptime of 98%				✓				
	Maintain high availability for CC and Metrolift call Center	Maintain high availability for CCC and Metrolift call Center applications, with an average monthly uptime of 98%				✓				

Procurement & Materials provides the Authority with timely acquisition of goods and services; provides timely storage and distribution of inventory; and the Office of Economic Business Opportunity community with solicitation opportunities through outreach, certification, and compliance.

Administration FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Procurement	Achieve zero sustainable protests of contract awards	Zero sustainable protests							✓	
Materials and Distribution	Timely acquisition and delivery of parts	Less than 10 vehicles down/month based on the daily Material Availability Report							✓	
Office of Economic Business Opportunity	Increase Office of Economic Business Opportunity	Office of Economic Business Opportunity forums outreach sessions conducted							✓	

Transit Asset Management develops a strategic system to ensure safety, sustainability, accessibility and reliability of METRO’s bus and rail systems. This includes establishing a recapitalization program, innovative finance strategies, and maintenance issue guidelines. Establishes asset management practices, provides project measurement of the condition of transit capital assets. Prioritizes local transit reinvestment decisions and preventive maintenance practices.

Administration FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Transit Asset Management	Capital Asset Needs Inventory and Prioritization	Itemized listing of capital inventory in system of record; detailed condition assessment recording of capital assets; and prioritized capital investment listing with decision support		✓		✓				
	TAM Plan, Policy, Strategy, Activities, & Resources Evaluation / Continuous Improvement	Completed TAM Plan, updated every 4 years, with Asset Management Policy, identified annual operational actions; listing of required resources including personnel; and a continuous improvement plan to monitor, update, and evaluate, as needed, TAM goals & objectives and related business practices		✓	✓	✓			✓	
	Performance Metrics for TAM Goals & Targets; NTD Reporting	Update asset inventory. Report facility, vehicle, and rail condition data to NTD. Report annual performance targets and actual. Submit annual narrative report to NTD.		✓		✓				

Client & Vanpool Ridership serves as a liaison for corporate, educational, and community partners working together to increase METRO’s ridership and revenue by educating and enhancing client/patron knowledge in METRO services and Q Card products through multiple touch points. Ridership & Client Services collaborates effectively to make fare items accessible through effective sales and marketing to corporations, apartments, hotel concierge services, conventions, universities, retailers, and other non-traditional partners in new markets.

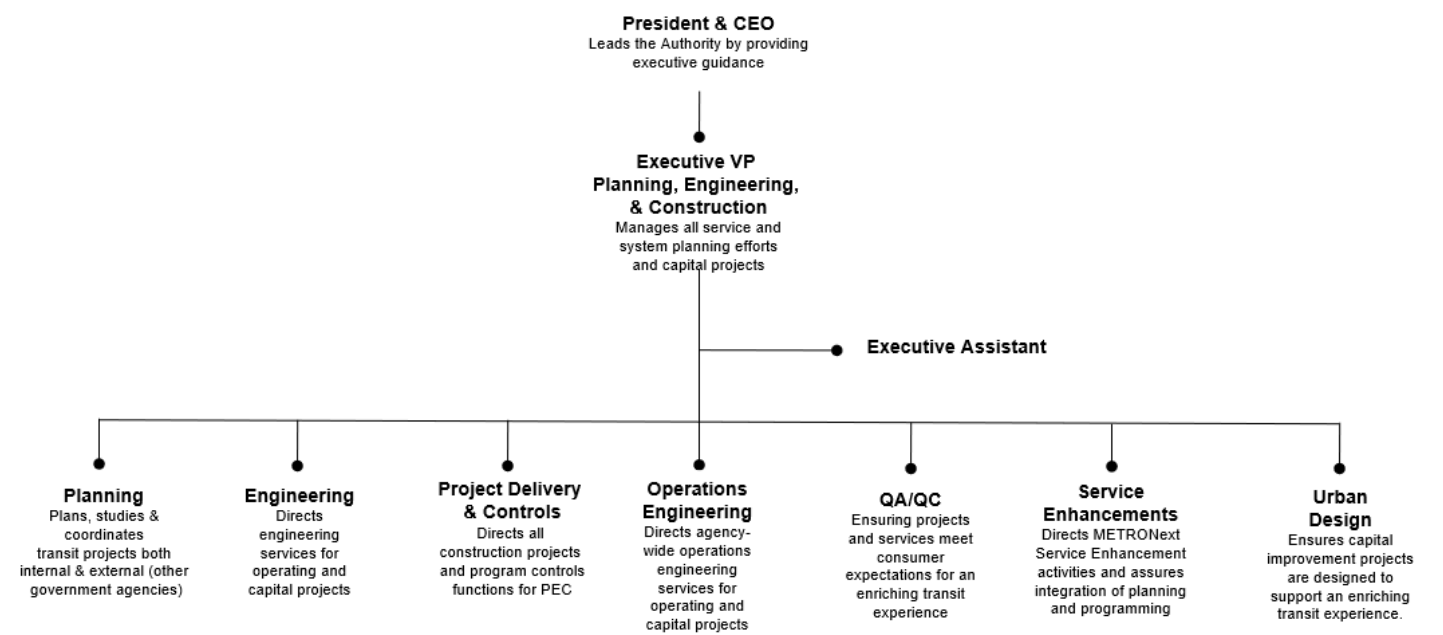
Administration FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Ridership & Client Services	Collaborate with IT and Finance on the progressive new client electronic options for 300+ Clients to the new Fare Structure. Aggressive training campaign is planned for FY2024 to transition and fully support the RideSponsor & Distribution programs. Client automation and precision will allow us to manage relationships as a turnkey operation	Training, management and transition to the new fare systems back-end infrastructure	✓		✓		✓	✓	✓	✓
	Maintain business continuity and communications for potential Park & Ride changes in FY24	15 new corporate accounts by end of FY2024 28 new Rider Rewards accounts by end of FY2024	✓	✓			✓	✓	✓	✓
	Maximize ways to make our channels work for METRO by increasing usage of METRO Q fare cards	<ul style="list-style-type: none"> • Work with existing RideSponsor/Distribution clients on the new Fare System migration and integration while providing excellent customer service • Work with Houston First & GHVCB on FY24 Convention events • Continue "College/School Niche" Strategic alignment as new procedures on on-campus and on-line studies impact ridership • Work with Uptown to develop ridership awareness & promotion for Silver line during peak holiday season 	✓	✓	✓		✓	✓	✓	✓
Regional Vanpool	Maximize ways to make our channels work for METRO by increasing usage of METRO Q fare cards	Work with Marketing to improve website/pages for client interaction for client Services programs and Vanpool programs	✓	✓	✓		✓	✓	✓	✓
	Continue efforts to improve regional Vanpool performance and make process improvements	Collaborate with H-GAC, TxDOT, FTA and IT on multiple initiatives to help improve mobility as a service, to improve internal legacy system performance and ensure grants and billing procedures are continuously improved	✓	✓				✓	✓	✓
	Increase employer partnerships, sustain current relationships and continue collaboration efforts for vanpool alternative transportation options	<ul style="list-style-type: none"> • Increase active Regional Vanpool employer accounts by 50-60 vans during FY 2024 • Collaborate with H-GAC, OMB, Planning, Marketing and others for vanpool alternatives in areas where Park & Rides have been reduced and where METRO commuter services is not provided 	✓	✓				✓	✓	✓



Planning, Engineering, and Construction

Every METRO rider boarding a bus or train has benefited from the work of the Planning, Engineering, and Construction Department – from the design of the routes and schedules to the planning and construction of bus shelters, transit centers and Park & Ride lots. This department is also responsible for the planning of METRONext capital and service improvements.

PLANNING, ENGINEERING, AND CONSTRUCTION



Planning, Engineering, and Construction

	FY2023 Budget	FY2023 Estimate	FY2024 Budget	Budget-to-Budget Variance	
	\$	\$	\$	\$	%
Wages	\$ -	\$ -	\$ -	\$ -	N/A
Union Fringe Benefits	98,297	19,252	73,939	(24,358)	(24.8%)
Subtotal Union Labor	\$ 98,297	\$ 19,252	\$ 73,939	\$ (24,358)	(24.8%)
Salaries and Non-Union Wages	9,788,530	7,925,790	9,448,649	(339,881)	(3.5%)
Non-Union Fringe Benefits	2,553,424	2,364,971	2,893,778	340,353	13.3%
Subtotal Non-Union Labor	\$ 12,341,955	\$ 10,290,761	\$ 12,342,427	\$ 472	0.0%
Allocation to Capital and GMP	(7,639,669)	(4,293,942)	(5,580,188)	2,059,481	(27.0%)
Subtotal Labor and Fringe Benefits	\$ 4,800,584	\$ 6,016,070	\$ 6,836,178	\$ 2,035,594	42.4%
Services	59,401,554	42,603,762	41,146,930	(18,254,624)	(30.7%)
Materials and Supplies	242,250	66,782	104,991	(137,259)	(56.7%)
Fuel and Utilities	21,000	20,881	22,200	1,200	5.7%
Casualty and Liability	-	40,194	-	-	N/A
Purchased Transportation	-	-	-	-	N/A
Leases, Rentals and Miscellaneous	222,121	146,301	266,458	44,337	20.0%
Subtotal Non-Labor	\$ 59,886,925	\$ 42,877,919	\$ 41,540,579	\$ (18,346,346)	(30.6%)
Subtotal Labor and Non-Labor	\$ 64,687,509	\$ 48,893,989	\$ 48,376,757	\$ (16,310,752)	(25.2%)
Allocation to Capital and GMP	-	-	-	-	N/A
Total Operating Expenses	\$ 64,687,509	\$ 48,893,989	\$ 48,376,757	\$ (16,310,752)	(25.2%)

	FY2023 Budget	FY2024 Budget	Budget-to-Budget Variance	
	\$	\$	\$	%
Total Operating Expenses				
Project Delivery & Controls	\$ 55,014,292	\$ 36,297,332	\$ (18,716,960)	(34.0%)
Planning	5,536,965	6,445,647	908,681	16.4%
Engineering	3,206,101	4,402,312	1,196,211	37.3%
Executive Vice President	930,151	1,231,467	301,316	32.4%

PEC FY2024 Goals

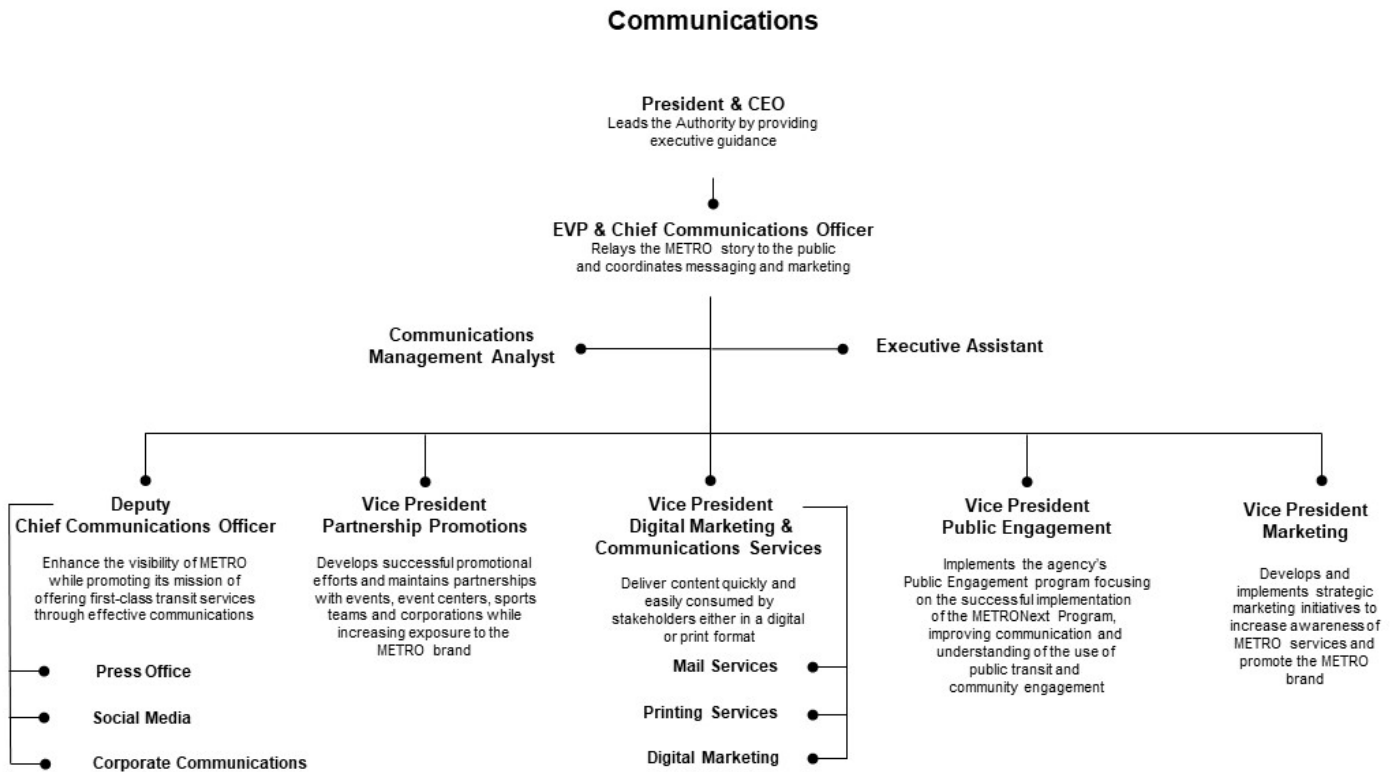
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
	Advance projects within FTA CIG process	Advance projects within FTA CIG process			✓	✓				✓
		University BRT Planning and Engineering Support - complete NEPA, public engagement, and request entry into engineering; start solicitation for final design	✓	✓			✓			
		Inner Katy BRT Planning and Engineering Support - obtain CE and finalize conceptual design & MOU with TxDOT								
		Gulfton BRT Planning - substantially complete project development (including FTA coordination and NEPA class of action)								
		Initiate Preliminary Planning work on Green & Purple Line LRT								
	Ensure transit is considered in third-party projects and METRO input is received and incorporated in all projects	NHHIP Coordination								
		NHHIP (North Houston Highway Improvement Program) 1. Confirm acceptable right of way (enough for Wheeler Station Reconfiguration) and sequence of Redline Reconstruction 2. Continue defining the impacts to METRO Operations as the project moves forward. 3. Coordinate with TxDOT and engage in design review of the Wheeler Transit Center Impacts.						✓		
		Coordinate with Partner Agencies on Regional Projects								
		Technical Advisory Committee (TAC) / Transportation Policy Council (TPC)						✓	✓	
		Complete Third Party Negotiation with COH on Inner Katy, University, and Gulfton BRTs					✓			
		Coordinate and collaborate with HCTRA and Harris County on METRONext projects and Existing Bus Network					✓			
		Coordinate and collaborate with TSU, UH, and Rice on planning and design opportunities through METRONext					✓			
		Regional acceptance of the METRO Transit Design Guidelines and Urban Design Guidelines and coordinate with COH CIP and other entities to ensure designs comply with our guidelines.								
		Work with the City of Houston to better integrate METRO services on their projects & Grant opportunities.								
		Participate and coordinate in the TxDOT corridor PEL studies								
		Cypress T-ramp AFA execution and coordination of design.								
		Safety Projects								
		Complete the high load detection, z-crossing, and wayside horns projects.					✓			
		State of Good Repair (SOGR):								

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	Progress design and construction of FY2023 service expansion, safety and state of good repair projects	Progress UST and PST replacements at BOFs (design, plan for construction procurement)						✓	✓
		Service Expansion / Enhancement							
		Maintenance of Way (FFGA) - Complete Re-Design & Plan for Procurement						✓	
		West Belfort Park & Ride - Issue Construction Contract and start construction (site work)		✓					
		Northline Transit Center & Parking - Complete Design & Acquire Property needed & Initiate Construction Procurement		✓					
		BOOST 54 Scott - Complete Segment 1 Construction	✓	✓			✓		
		BOOST 56 Airline/Montrose - Complete Segment 2 Construction	✓	✓			✓		
		BOOST 82 Westheimer - Start construction	✓	✓			✓		
		Northwest Transit Center (Patron Enhancements): Add monument signage at patron parking lot. Add signage visible from I-10 to canopy face.	✓						
		TSP: Complete pilot, begin TSP installation in final configuration on the BOOST corridors	✓				✓		
		Uptown BRT: Initiate action to improve TSP along this corridor	✓						
	Implement METRO's Universal Accessibility's bus stop site improvement and accessibility	Bus Stop Accessibility Improvements							
		Complete Universal Accessibility designs and construction for 1,000 sites	✓	✓					
		Shelters, receive & install 150 of standard shelters and 40 BOOST shelters including LED lighting							
	Remain responsive to customer concerns regarding METRO bus stop infrastructure	Customer Engagement / External Coordination							
		Respond promptly to all board speaker comments and provide a summary of all interactions with the customer	✓	✓			✓		
		Address customer concerns promptly; develop a plan of action, and interface with all other stakeholders					✓	✓	
		Integrate METRO Urban Design Guidelines into project development process	✓						
	Progress METRO's Land Use Planning Effort	Joint Development and Land Use Planning							
		Complete Revision to METRO Policy on Joint Development and land use planning					✓	✓	
		Issue RFP on Joint Development / land use planning effort					✓	✓	

Communications

Focuses on providing key information about METRO and all its services. The team is responsible for managing and directing internal and external messaging. The Press Office & Corporate Communications, Digital Marketing & Communications Services, Partnership Promotions, Public Engagement, and Marketing divisions accomplish the mission through collaboration, customer service, and creativity.



Communications

	FY2023 Budget	FY2023 Estimate	FY2024 Budget	Budget-to-Budget Variance	
	\$	\$	\$	\$	%
Wages	\$ -	\$ -	\$ -	\$ -	N/A
Union Fringe Benefits	7,952	1,358	13,246	5,294	66.6%
Subtotal Union Labor	\$ 7,952	\$ 1,358	\$ 13,246	\$ 5,294	66.6%
Salaries and Non-Union Wages	5,180,311	5,217,451	5,718,389	538,078	10.4%
Non-Union Fringe Benefits	1,758,165	1,777,121	2,101,750	343,584	19.5%
Subtotal Non-Union Labor	\$ 6,938,476	\$ 6,994,572	\$ 7,820,139	\$ 881,662	12.7%
Allocation to Capital and GMP	-	-	-	-	N/A
Subtotal Labor and Fringe Benefits	\$ 6,946,429	\$ 6,995,930	\$ 7,833,385	\$ 886,956	12.8%
Services	11,788,556	9,477,908	11,045,215	(743,341)	(6.3%)
Materials and Supplies	1,135,600	846,444	1,122,100	(13,500)	(1.2%)
Fuel and Utilities	25,320	20,018	25,480	160	0.6%
Casualty and Liability	-	-	-	-	N/A
Purchased Transportation	-	-	-	-	N/A
Leases, Rentals and Miscellaneous	140,021	89,056	167,476	27,455	19.6%
Subtotal Non-Labor	\$ 13,089,497	\$ 10,433,425	\$ 12,360,271	\$ (729,226)	(5.6%)
Subtotal Labor and Non-Labor	\$ 20,035,926	\$ 17,429,356	\$ 20,193,656	\$ 157,730	0.8%
Allocation to Capital and GMP	-	-	-	-	N/A
Total Operating Expenses	\$ 20,035,926	\$ 17,429,356	\$ 20,193,656	\$ 157,730	0.8%

	FY2023 Budget	FY2024 Budget	Budget-to-Budget Variance	
	\$	\$	\$	%
Total Operating Expenses	\$ 15,268,680	\$ 14,959,639	\$ (309,040)	(2.0%)
Digital Marketing and Comm Svcs	2,026,812	2,269,601	242,789	12.0%
Public Engagement	1,383,819	1,534,859	151,040	10.9%
Press Office & Corporate Comms	787,941	819,050	31,109	3.9%
Partnership Promotions	568,674	610,507	41,833	7.4%
EVP, Communications				

Communications

The Communications department consists of five divisions: Press Office & Corporate Communications, Digital Marketing & Communications Services, Partnership Promotions, Public Engagement, and Marketing.

Number of Employees: 58

Press Office & Corporate Communications

Press Office enhances the visibility of METRO while promoting its mission of offering first-class transit services through effective communications. The office serves as the official point of contact between journalists and media professionals, manages METRO-owned social media platforms, generates original content for those platforms, and facilitates responses to customer inquiries.

Press Office FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Press Office	The METRO Press Office aims to enhance the visibility of METRO on digital, broadcast and print media while promoting the agency's first-class transit services as well as safety and security initiatives through effective communications.	Issue two (2) press releases per month.	✓	✓	✓		✓	✓		
		Have a minimum of 1,000 social media posts on METRO digital channels per quarter.	✓	✓	✓		✓	✓		
		Publish a minimum of four (4) METRO Connections newsletters per year.	✓	✓	✓		✓	✓		
		Post a minimum of four (4) "The Next Stop Podcasts" per year.	✓	✓	✓		✓	✓		

Corporate Communications helps the Authority meet its business plan goals by providing clear and concise communications to internal and external audiences.

Corporate Communications FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Corporate Communications	Inside Track e-newsletter	Production and distribution of 12 e-newsletters annually, with corresponding printed versions	✓	✓	✓	✓	✓	✓	✓	✓
	Digital bulletin boards	Post relevant content to engage and inform employees	✓	✓	✓	✓	✓	✓	✓	✓
	METRO Matters TV show	Produce one new show per quarter, featuring agency leaders, to inform employees and members of the general public about timely and relevant METRO initiatives	✓	✓	✓	✓	✓	✓	✓	✓
	METRO intranet	Post relevant content to engage and inform employees	✓	✓	✓	✓	✓	✓	✓	✓
	Boardroom support	Provide audio/visual support for all committee and board meetings (in-person or virtual), ensuring they're live-streamed and recorded	✓	✓	✓	✓	✓	✓	✓	✓

Digital Marketing & Communications Services is further divided into three groups: Mail & Printing Services and Digital.

Mail & Printing Services handles Authority-wide printing needs/requests. Is a full-service, in-house, digital print shop that produces all advertising, marketing, signage, brochures, guides, and any other printed material METRO needs for both internal and external audiences.

Mail & Printing Service FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Mail Services	Provide exceptional mail services for the entire Authority within the stated deadlines to meet each client's needs	Daily processing and distribution by 4:00 p.m.			✓	✓	✓		✓	
	Execute Direct Mail advertising	Certify mailing list with USPS based on specific areas and zip codes; Coordinate with mail house on timing of mail out			✓	✓	✓		✓	
Printing Services	Support "Drive Less, Do More" initiative	Production of collateral and owned media messaging	✓	✓		✓	✓	✓		✓
	Now Hiring campaign	Production of collateral and owned media messaging	✓	✓	✓			✓		
	Support promotion of METRONext Moving Forward Plan projects	Production of collateral to educate public on progress of METRONext Moving Forward Plan projects (METRO Rapid Inner Katy, METRO Rapid University, BOOST, Universal Accessibility)	✓	✓	✓	✓	✓	✓		✓
	Support promotion of METRO safety	Production of collateral and owned media messaging	✓	✓	✓	✓	✓	✓		✓
	Support Direct Mail advertising	Production of direct mail pieces for various projects as requested by Marketing	✓	✓	✓		✓	✓		✓

Digital Marketing manages the METRO enterprise website redesign with a primary focus on user experience and extensive collaboration with key internal stakeholders on content aggregation and positioning.

Digital Marketing FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Digital Marketing	Promote METRO brand across digital communication channels / platforms	Manage ongoing updates to RideMETRO.org. Identify opportunities for targeted email and text communications. Promote usage of smartphone apps.		✓	✓		✓	✓		✓
	Grow METRO customer databases	Provide electronic subscription opportunities (e.g., METRONext Project Updates, Route service alerts, METRO Connections e-newsletter, METRO Feedback Loop, etc.)					✓	✓		
	Ensure accessibility of RideMETRO.org	Utilize software and online tools to check and monitor accessibility.								
	Drive awareness of METRO initiatives through digital communication channels	Identify opportunities to increase awareness and drive key conversions		✓	✓		✓	✓		✓
Strategic Analysis	Identify customer feedback opportunities	Continue market research efforts, including annual Customer Satisfaction Survey and METRO Feedback Loop online panel		✓			✓	✓	✓	✓

Partnership Promotions works to develop and maintain partnerships with events, event centers, sports teams, and corporations that meet the qualifications listed in the department’s guidelines.

Partnership Promotions FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Partnership Promotions	Coordinate closures for METRORail with operations and other departments.	Work with METRORail operations and other departments inside METRO to guarantee that closures are approved and communicated.		✓		✓		✓	✓	
	Develop guidelines for the coordination of special bus service requests with Operations and other key stakeholders	Implement a unified cooling bus request process		✓	✓			✓		
	Lead the cross-agency collaborative workgroup (Agency Initiative Management) for informative dialogues, and to promote thought leadership while monitoring ongoing issues	Facilitate weekly		✓	✓	✓	✓	✓	✓	
	Develop partnerships with five (5) entities that meet the criteria to promote using METRO among their current customers while increasing visibility and image for both parties	Develop and implement five (5) partnerships by year-end		✓	✓		✓	✓	✓	

Public Engagement develops, manages, and implements the Authority’s comprehensive public engagement program that focuses on community engagement and developing strategic partnerships, transit education and awareness, project communications and stakeholder coordination, and gaining broad public participation in project development activities.

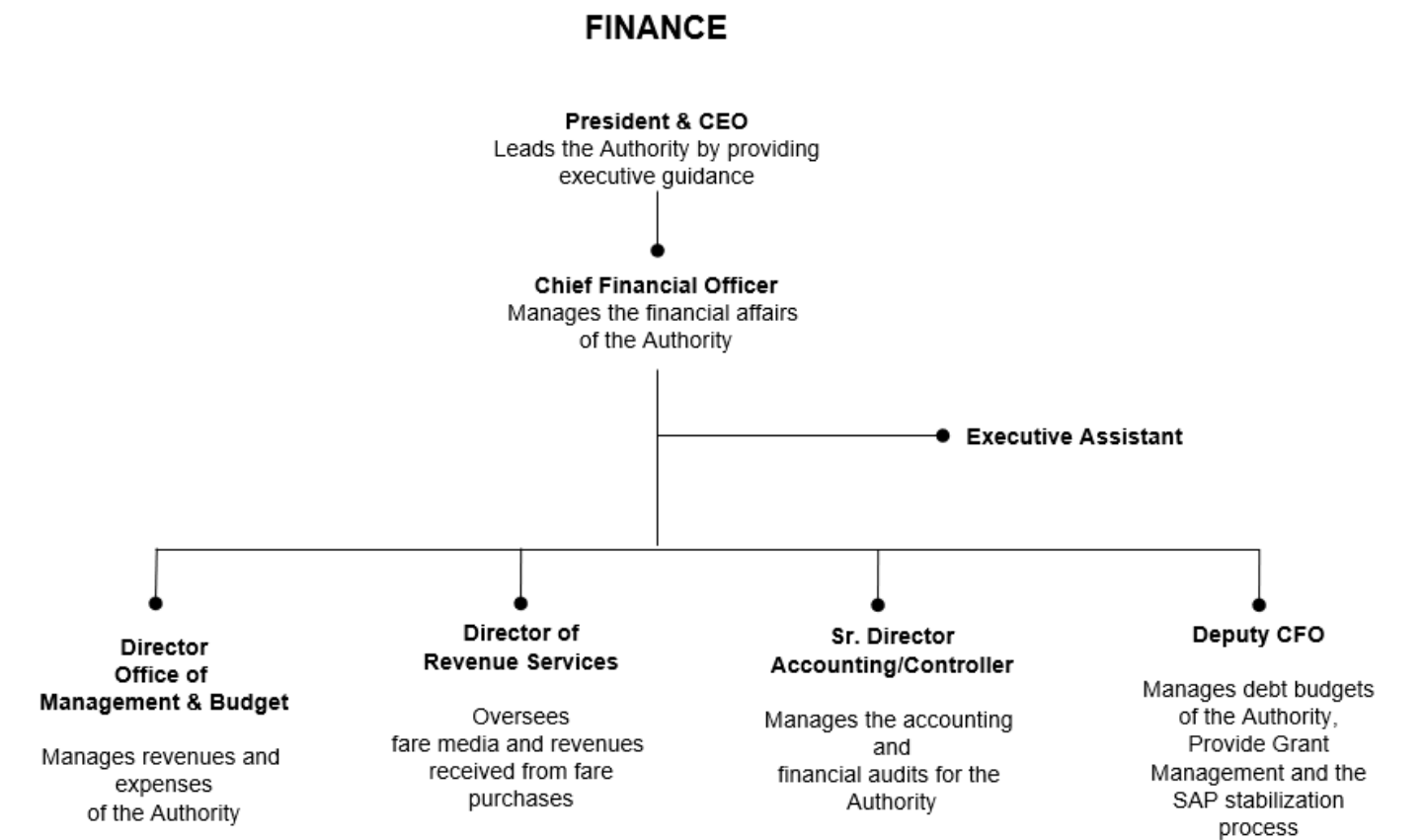
Public Engagement FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Public Engagement	Manage all public engagement and community outreach efforts relative to service and project implementation.	Develop and/or manage the public engagement plans associated with METRORapid project development, BOOST corridor planning, universal accessibility and other METRONext and capital projects. Implement public engagement activities at key phases of service and project development and implementation.	✓	✓			✓	✓	✓	
	Develop and implement a comprehensive and diverse program of activities that raises awareness and educates the public about METRO services, projects, and programs.	Execute a minimum of 110 community engagement activities across multiple touchpoints every month that include virtual and digital engagement.	✓	✓			✓	✓	✓	
	Direct and manage social network analysis to evaluate public reaction to METRO service, project, and service development/public involvement activities.	Each quarter, execute a minimum of five (5) community engagement and/or public involvement activities directly tied to social network analysis data.	✓	✓			✓	✓	✓	

Marketing is a full-service, in-house agency providing advertising and marketing services for internal and external audiences.

Marketing FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Marketing	Promote ridership/Drive Less. Do More.	Position METRO as an alternative to driving, which offers tangible quality of life, environmental and convenience benefits	✓	✓	✓			✓		✓
	Ridership/Now Hiring Campaign	Increase awareness of METRO career opportunities across multiple marketing platforms to boost operational employment		✓	✓		✓	✓		
	Promotion of METRONext Moving Forward Plan	Educate the public by advertising across media channels including owned media for METRO Rapid Inner Katy, METRO Rapid University, BOOST, and Universal Accessibility and other projects	✓	✓			✓	✓	✓	✓
	METRO Safer	Define and promote METRO as a "safe" system across multiple platforms as necessitated by various stakeholders	✓	✓	✓	✓		✓	✓	

Finance

Provides management oversight and control of all financial functions including accounting and cash management, revenue management, grant management, and business and budget planning.



Finance

	FY2023	FY2023	FY2024	Budget-to-Budget Variance	
	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>	\$	%
Wages	\$ -	\$ -	\$ -	\$ -	N/A
Union Fringe Benefits	29,935	16,835	33,798	3,863	12.9%
Subtotal Union Labor	\$ 29,935	\$ 16,835	\$ 33,798	\$ 3,863	12.9%
Salaries and Non-Union Wages	6,763,276	6,846,839	7,671,193	907,916	13.4%
Non-Union Fringe Benefits	2,596,305	2,574,842	3,228,267	631,963	24.3%
Subtotal Non-Union Labor	\$ 9,359,581	\$ 9,421,681	\$ 10,899,460	\$ 1,539,879	16.5%
Allocation to Capital and GMP	(21,596)	(36,848)	-	21,596	(100.0%)
Subtotal Labor and Fringe Benefits	\$ 9,367,919	\$ 9,401,669	\$ 10,933,258	\$ 1,565,338	16.7%
Services	2,241,612	1,904,610	3,055,477	813,865	36.3%
Materials and Supplies	251,495	101,461	338,960	87,465	34.8%
Fuel and Utilities	23,388	13,750	22,012	(1,376)	(5.9%)
Casualty and Liability	-	-	-	-	N/A
Purchased Transportation	-	-	-	-	N/A
Leases, Rentals and Miscellaneous	108,620	110,468	121,658	13,038	12.0%
Subtotal Non-Labor	\$ 2,625,115	\$ 2,130,288	\$ 3,538,107	\$ 912,992	34.8%
Subtotal Labor and Non-Labor	\$ 11,993,034	\$ 11,531,956	\$ 14,471,365	\$ 2,478,331	20.7%
Allocation to Capital and GMP	-	-	-	-	N/A
Total Operating Expenses	\$ 11,993,034	\$ 11,531,956	\$ 14,471,365	\$ 2,478,331	20.7%

	FY2023	FY2024	Budget-to-Budget Variance	
	<u>Budget</u>	<u>Budget</u>	\$	%
Total Operating Expenses				
Office of the Controller	\$ 4,872,612	\$ 5,609,243	\$ 736,631	15.1%
Revenue Services	2,701,461	3,640,495	939,035	34.8%
Office of Management and Budget	2,637,986	3,009,028	371,042	14.1%
Chief Financial Officer	538,751	715,623	176,872	32.8%
Deputy CFO	1,242,225	1,496,976	254,751	20.5%

Finance

Finance Department provides management oversight and control of all financial functions including accounting and cash management, revenue management, grant management, and business and budget planning. The department consists of five divisions: Chief Financial Officer (CFO), Deputy Chief Financial Officer (DCFO), Office of Management and Budget (OMB), Office of the Controller, and Revenue Services.

Number of Employees: 81

Chief Financial Officer (CFO): Primarily responsible for managing the Authority's finances, including financial planning, reporting, data analysis, and management of financial risk, in compliance with local, state, and federal laws. Coordinates with the Union Health & Welfare Trust Fund, financial reporting of HOV/HOT lanes to TxDOT, and coordinates the collection of the Federal Emergency Management Agency (FEMA) data.

Chief Financial Officer (CFO) FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
CFO	Direct the financial affairs of the Authority	Q1-Q4 - Prepare Monthly CFO Performance Report, which documents and explains the Authority financial position							✓	
	Continue to coordinate with the Union Health & Welfare Trust Fund	Q1-Q4 - Work with investment advisor, actuary, investment managers and other consultants,							✓	

Deputy Chief Financial Officer (DCFO): Manages debt budgets of the Authority, provide grant management, oversight of subrecipient pass-through funds and the SAP stabilization process.

DCFO Office FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
DCFO	Prepare bond and other debt issuances to fund the Authority's present and future needs as required	Q1-Q4 - Administer the issuance of new debt and managing the debt service on existing debt efficiently and in accordance with METRO's Debt Policy.							✓	
	Invest METRO's portfolio in adherence to Investment Policy	Q1-Q4 - Maintain a balanced portfolio of reserve funds adhering to METRO's Investment Policy and the Public Funds Investment Act (PFIA).							✓	
	Continue the SAP/FICO stabilization	Q1-Q4 - Continue stabilization of SAP/FICO as updates are performed and new modules are implemented.							✓	
	Complete Grant Billing in a timely manner.	Q1-Q4 - Maximize the efficiency of Federal Grant billing so that receipts do not adversely affect the Authority cash flow.							✓	
	Direct the Annual Single Audit Report	Q1-Q3 - Increase efficiency of audit along with increased effectiveness of subrecipient oversight before audit work commencement during Fall 2024							✓	

Office of Management and Budget (OMB): Supports the Authority in implementing Business Plan priorities and fiscal policies set by the METRO Board, through independent and objective analysis to ensure financial sustainability.

OMB FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
OMB	Ensure the Authority has sufficient funds to implement Business Plan priorities in FY24 and beyond	Q3 - Have TM1 ready							✓	
		Q4 - Produce the Authority's annual Operating and capital Budgets.							✓	
		Q1-Q4 - Complete "budget change requests" as needed when specific needs to implement Business Plan priorities change							✓	
	Conduct periodic financial analyses to ensure financial sustainability	Q1-Q4 - Prepare Monthly Performance Report, which documents and explains major sources of variance to budget.							✓	
		Q3-Q4 - Assist in developing the Authority's financial forecast and update it as additional information is received (example: semiannual sales tax forecasts).							✓	
		Q1-Q4 -Conduct "Quarterly management reviews" with all departments at the CEO's discretion.							✓	
	Monitor Authority revenues and analyze variances to ensure financial sustainability	Q1-Q4- Conduct monthly or quarterly analyses of revenues received from sales tax, fares, grants and other sources. Update variance slide(s) for CFO report and brief CFO on major sources of variance.							✓	

Office of the Controller: Maintains METRO’s financial reporting system, including related internal controls, that supports compliance with related state and federal laws and required accounting standards.

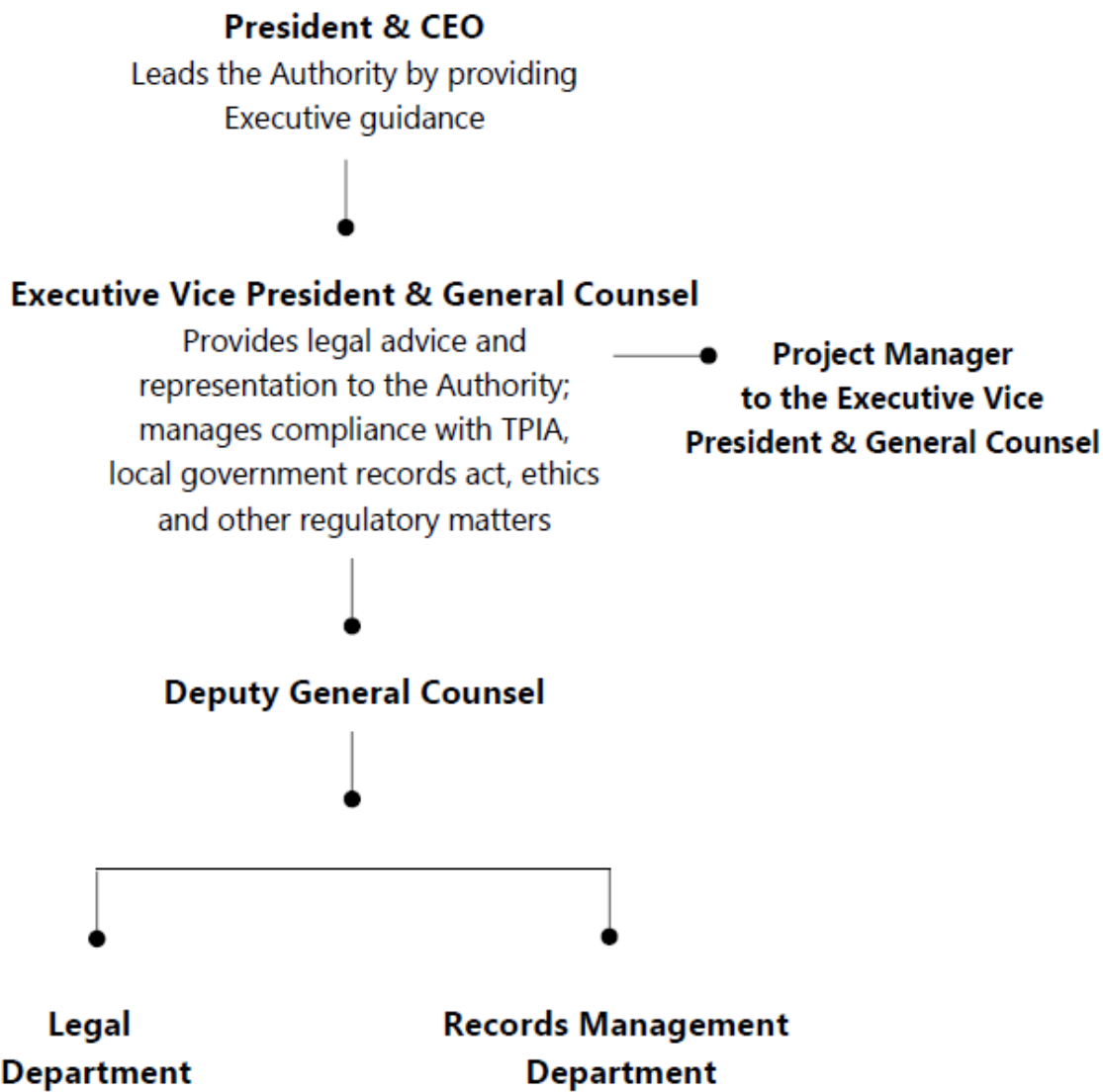
Office of the Controller FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Office of the Controller	Maintain internal accounting controls and financial reporting by handling transactions exceeding \$2 billion annually. The flexible financial reporting structure encompasses various dimensions like revenue, operating, capital, investments, and grants involving 249 cost centers, 119 rollups, 706 general ledger accounts, six funds, 164 WBS elements and multiple grants. Coordinate with other departments for monthly close, ensuring adherence to rules, regulations, and professional standards. Responsible for \$5 billion capital asset listing complying with FTA and professional standards, aiding financial and grant reporting. Analyze, reconcile and adjust 409 balance sheet and non-operating budgeted accounts. Develop, monitor, and adjust the Controller’s Office business plan. Prepare and issue METRO’s audited annual report using the Annual Comprehensive Financial Reporting framework, crucial for earning the Certificate of Achievement in Excellence in financial reporting. Collaborate with internal and external auditors to resolve questions.	Internal controls over financial accounting, reporting is working effectively and financial information/reports are issued timely							✓	
	Maintain internal accounting controls while processing approximately 33,000 invoices totaling \$925 million annually. Understand and manage multiple business processes used by METRO to process, record and pay vendors timely and accurately. Analyze payment activity and identify/facilitate resolution of payment problems between departments within METRO and their vendors. Ensure annual compliance with IRS reporting requirements for 1099. Participate in confirming the accuracy of monthly/year-end accruals to ensure related liabilities and expenses are accurately reported. Maintain vendor payment information in SAP and compliance with all related record retention requirements. Continue to develop staff to improve knowledge of METRO and accounts payable activity. Work directly with the internal/external auditors and assist in implementing SAP upgrades.	Vendor invoices are processed timely and accurately while maintaining effective internal controls and compliance over the payment/recording process.							✓	
	Maintain accounting controls over Treasury operations, handling approximately \$2 billion yearly in banking, cash flow assessment, and cash transactions. Administrator six retirement plans totaling about \$673 million, collaborating with financial experts and ensuring compliance with the investment guidelines, and rules established by the State of Texas Pension Review Board. Provide guidance on related issues to the retirement committees. Prepare and issue five audited annual retirement reports, including two using the Annual Comprehensive Financial Reporting framework which is required to earn the Certificate of Achievement in excellence in financial reporting. Coordinate with internal/external auditors to resolve questions. Update and monitor METRO’s Financial Transparency webpage to ensure compliance with the requirements of Texas Comptroller of Public Accounts’ Transparency Stars program.	Ensure sales tax receipts are received and disbursements for interlocal agreements are completed timely. Develop daily short-term cash flow analysis. Prepare and disburse all checks and record all cash receipts daily. Meet reporting dates and auditing requirements for pension plans’ financial statements.							✓	
	Maintain accounting internal controls while processing approximately 268 thousand transactions totaling \$379 million annually. Understand and manage multiple business processes used by METRO to process, record and pay employees timely and accurately. Review and analyze weekly/biweekly payments for reasonableness, unusual activity, and new events which may require approval/confirmation with managers or other stakeholders. Coordinate weekly with Accounts Payable and Treasury to ensure the timely disbursement of payroll payments to employees, related third parties and payroll tax deposits. Monitor employee payment information in SAP and compliance with all related record retention requirements. Maintain compliance with payroll reporting requirements to the federal government and the issuance of W-2’s at year-end. Continue to develop staff to improve knowledge of METRO and payroll activity. Work directly with the internal/external auditors and assist in implementing SAP upgrades.	Payment to employees are processed timely and accurately while maintaining effective internal controls and compliance over the payment/recording process.							✓	

Revenue Services Division: Responsible for cash collections and mobile ticketing system support, HOT lanes revenue accounting, focus on the backend financial business processes involving cash collection and vault room activities. Including the business practices and procedures required for the successful implementation of the new regional fare collection system.

Revenue Services FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Revenue Services	Revenue Services will support the completion of the design, testing and implementation phase of the New Fare Collection System and the Regional Data Management System.	Q1-Q4 - Completion and sign off on the design configuration of the New Fare Collection System. Conduct testing on all the new equipment, including the Ticket Vending Machines (TVMs), Vault Room Fare Collection Equipment, and the Farebox equipment to ensure all equipment perform as configured. Install all the new equipment mentioned above.							✓	
	Daily Cash collections from METRO RideStores, Fannin South, all Special Events, Ticket Vending Machines (TVMs), and fareboxes are prepared for deposit on time the following morning accurately.	Q1-Q4 - Efficiently collect all cash from various METRO outlets and Bus Operating Facilities (BOF), prepare accurate bank deposits daily throughout FY2024							✓	
	Revenue Services will work with both, internal and external partners to perform in house repairs of certain ticket vending machines; and perform software maintenance upgrades to others. Continue to support all of METRO's Special Events.	Q1-Q4 - Revenue Services will continue to support other departments within METRO and perform in house repairs and work with external partners such as Conduent to perform routine software maintenance updates to extend the life of the existing equipment to enhance the							✓	

Legal

The Legal Department helps advance METRO’s mission by providing legal advice and services to the Board of Directors, management, and staff to foster sound decision-making in all areas of the Agency’s operations, services, and administration. Legal provides representation and advice to all departments in the areas of employment law, litigation law, and transactional law.



Legal

	FY2023 Budget	FY2023 Estimate	FY2024 Budget	Budget-to-Budget Variance \$	%
Wages	\$ -	\$ -	-	\$ -	N/A
Union Fringe Benefits	3,884	700	4,302	418	10.8%
Subtotal Union Labor	\$ 3,884	\$ 700	\$ 4,302	\$ 418	10.8%
Salaries and Non-Union Wages	2,494,272	2,339,496	2,553,209	58,937	2.4%
Non-Union Fringe Benefits	621,106	625,455	724,293	103,187	16.6%
Subtotal Non-Union Labor	\$ 3,115,379	\$ 2,964,951	\$ 3,277,503	\$ 162,124	5.2%
Allocation to Capital and GMP	-	-	-	-	N/A
Subtotal Labor and Fringe Benefits	\$ 3,119,262	\$ 2,965,651	\$ 3,281,804	\$ 162,542	5.2%
Services	1,489,875	684,180	1,589,800	99,925	6.7%
Materials and Supplies	6,500	6,108	6,500	-	0.0%
Fuel and Utilities	8,662	6,304	8,662	-	0.0%
Casualty and Liability	-	-	-	-	N/A
Purchased Transportation	-	-	-	-	N/A
Leases, Rentals and Miscellaneous	82,671	60,795	86,430	3,759	4.5%
Subtotal Non-Labor	\$ 1,587,708	\$ 757,387	\$ 1,691,392	\$ 103,684	6.5%
Subtotal Labor and Non-Labor	\$ 4,706,970	\$ 3,723,038	\$ 4,973,196	\$ 266,226	5.7%
Allocation to Capital and GMP	-	-	-	-	N/A
Total Operating Expenses	\$ 4,706,970	\$ 3,723,038	\$ 4,973,196	\$ 266,226	5.7%

Legal

The Legal Department helps advance METRO’s mission by providing legal advice and services to the Board of Directors, management, and staff to foster sound decision-making in all areas of the Agency’s operations, services, and administration. Legal provides representation and advice to all departments in the areas of employment law, litigation law, and transactional law.

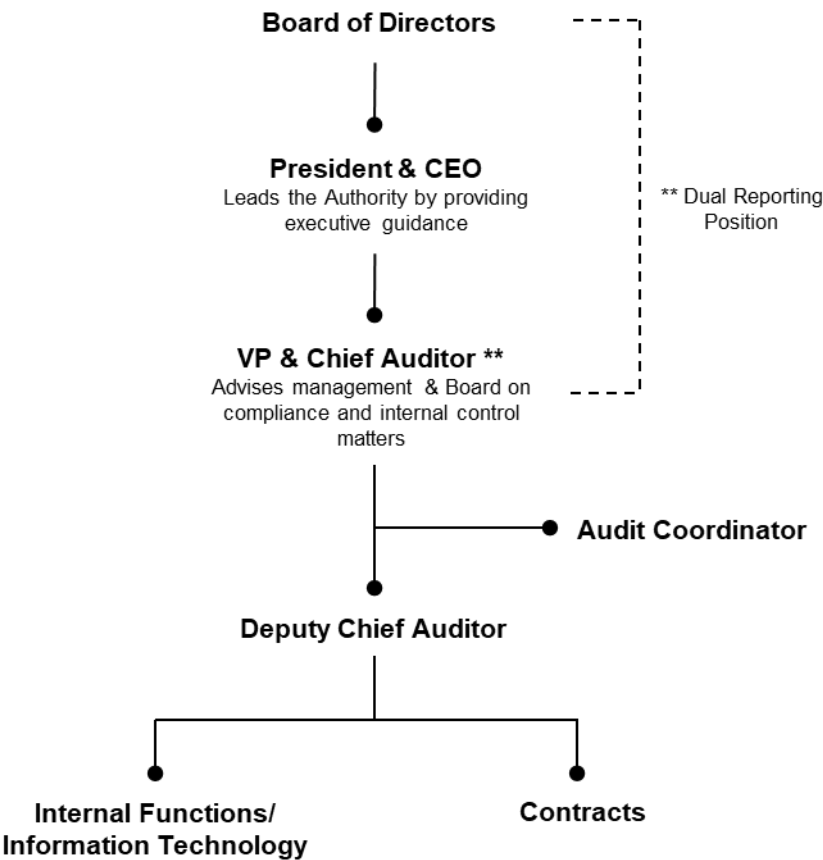
Number of Employees: 23

Legal FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Legal	Vigorous represent METRO in litigation and provide business-driven legal advice and counsel	Daily: Draft and review contracts, oversee governance and compliance matters, manage litigation, and advise on all legal issues, including labor & employment and procurement law							✓	
	Advise on the legal implications of the proposed policy and other decisions and make recommendations to reduce the Agency's liability exposure	Provide ongoing strategic review and advice on proposed policy and other decisions and make recommendations to reduce METRO's liability exposure							✓	
	Administer the Agency's legal affairs cost-efficiently to ensure operations are completed expeditiously and in compliance with existing laws, regulations, and ethical standards	Continuously monitor the Agency's legal affairs, ensuring timeliness and cost-efficiency							✓	
	Maintain a comprehensive records management program per the Local Government Records Act and oversee the Agency's compliance with the Texas Public Information Act	The staff works daily to maintain and update the Agency's robust records management program.							✓	
	Oversee the provision of all outside legal services to METRO to ensure efficiency, containment of costs, and reliability of service	The Legal department reviews invoices monthly for outside counsel services. It also reviews timekeeper rates and obtains estimates for services in advance							✓	
	Provide in-house training to staff about various legal, compliance, and ethics requirements and risks to prevent or reduce liabilities and legal disputes	Ongoing collaborative development of Agency wide policies and training			✓				✓	

Audit

Provides a wide range of quality audit services to customers by performing independent assessments of systems controls and efficiency, guided by professional standards using innovative approaches. Supports customers' efforts to achieve their objectives.

AUDIT



Audit

	FY2023 Budget	FY2023 Estimate	FY2024 Budget	Budget-to-Budget \$	Variance %
Wages	\$ -	\$ -	\$ -	\$ -	N/A
Union Fringe Benefits	1,429	255	1,959	530	37.1%
Subtotal Union Labor	\$ 1,429	\$ 255	\$ 1,959	\$ 530	37.1%
Salaries and Non-Union Wages	933,342	1,028,445	1,161,630	228,288	24.5%
Non-Union Fringe Benefits	340,356	360,333	418,309	77,953	22.9%
Subtotal Non-Union Labor	\$ 1,273,699	\$ 1,388,778	\$ 1,579,940	\$ 306,241	24.0%
Allocation to Capital and GMP	-	-	-	-	N/A
Subtotal Labor and Fringe Benefits	\$ 1,275,127	\$ 1,389,033	\$ 1,581,899	\$ 306,771	24.1%
Services	172,200	101,192	183,600	11,400	6.6%
Materials and Supplies	5,000	1,613	5,000	-	0.0%
Fuel and Utilities	400	67	400	-	0.0%
Casualty and Liability	-	-	-	-	N/A
Purchased Transportation	-	-	-	-	N/A
Leases, Rentals and Miscellaneous	15,180	5,472	15,280	100	0.7%
Subtotal Non-Labor	\$ 192,780	\$ 108,344	\$ 204,280	\$ 11,500	6.0%
Subtotal Labor and Non-Labor	\$ 1,467,907	\$ 1,497,377	\$ 1,786,179	\$ 318,271	21.7%
Allocation to Capital and GMP	-	-	-	-	N/A
Total Operating Expenses	\$ 1,467,907	\$ 1,497,377	\$ 1,786,179	\$ 318,271	21.7%

Audit

Provides objective assurance and consulting activity designed to add value and improve METRO's operations. Audit performs independent assessments of systems controls and efficiency, which are guided by professional standards using innovative approaches such as supporting our customers' efforts to achieve their objectives and by maintaining a dynamic, team-oriented environment.

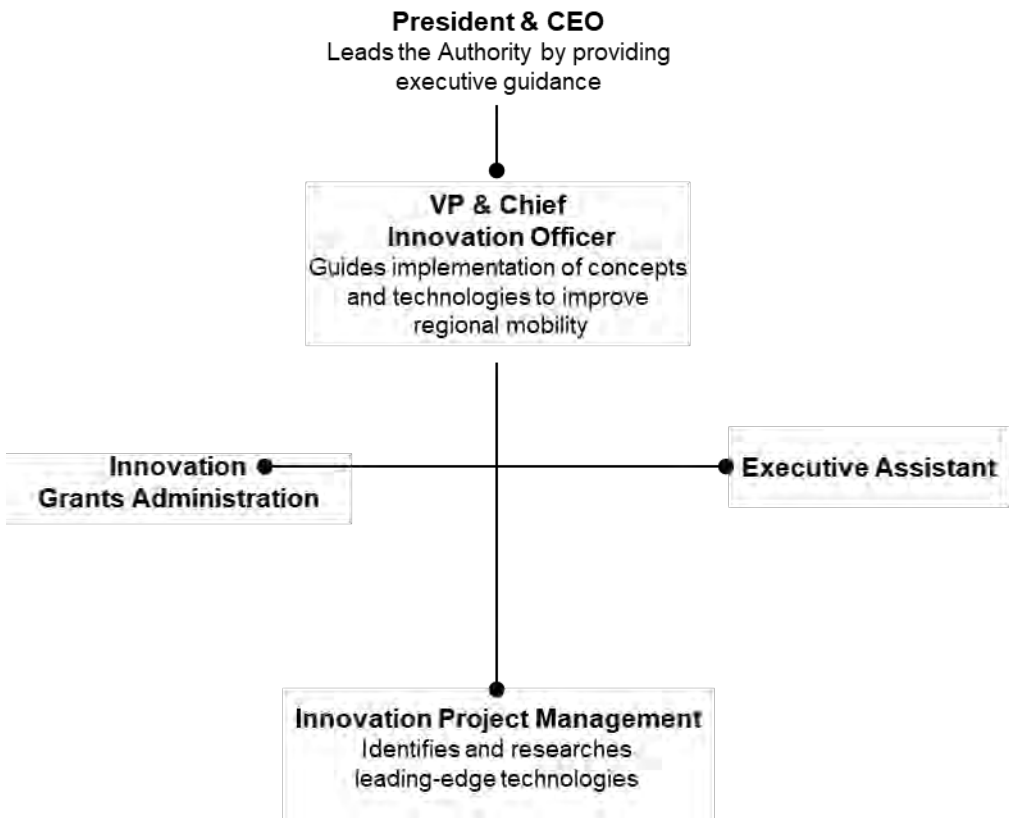
Number of Employees: 11

Audit FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Audit	Perform follow-up of previous recommendations issued in the previous year's Audit Reports (Corrective Action Compliance)	Monthly follow-up on outstanding recommendations		✓		✓			✓	
	Perform Buy America Audits (Pre and Post Delivery) in order to help operations timely implement new buses into business activity and ensure compliance with FTA regulations	Each Quarter: Perform Buy America Pre-Award and Post Delivery Audits as needed	✓			✓	✓		✓	✓
	Perform Cost/Price Analysis at the request of Procurement to ensure compliance with FTA regulations in a timely manner to help support METRO's initiative with planning for the future and improve customer experience (internally)	Each Quarter perform Cost/Price Analysis as requested by Procurement	✓	✓		✓	✓	✓	✓	✓
	Perform special projects as requested by Executive Leadership or Board of Directors	Perform special projects as requested		✓		✓			✓	
	Initiate all Internal Function Audits documented on the Audit Plan presented to the Board for the fiscal year	Initiate and complete as many Audits as possible without sacrificing quality of review and collaboration with Auditee		✓					✓	
	Perform follow-up of recommendations from the external Light Rail Transit System Safety Assessment to help ensure safety enhancements are properly implemented	Provide quarterly follow-up and updates of recommendations from the Light Rail Transit System Safety Assessment		✓		✓			✓	
	Create a career path within Audit, allowing employees to develop leadership skills, setting up the opportunity for upward mobility within the department	Providing employees opportunities to lead in various projects and become subject matter experts on areas that bring value to the department and Agency			✓					
	Cross train department employees that have displayed in interest to grow skill set and career goals across current Audit value added services (internal functions and contracts)	Ongoing cross training of employees			✓					
	Continue to transition to new Audit Software by developing training manuals and training new Department Staff	Ongoing training of employees to transition from Audit Leverage to Ideagen							✓	
	Look into providing additional value to the organization by performing pertinent analysis from the Audit perspective in regards to Cost/Price Analysis	Annual Cost Price Analysis Summary for the Fiscal Year to be done in collaboration with Procurement and PEC Leadership							✓	

Office of Innovation

Keeps up with technological innovations and challenges redefining public transit to enhance safety, efficiency, and the customer experience.

OFFICE OF INNOVATION



Office of Innovation

	FY2023 Budget	FY2023 Estimate	FY2024 Budget	Budget-to-Budget Variance	
	\$	\$	\$	\$	%
Wages	\$ -	\$ -	\$ -	\$ -	N/A
Union Fringe Benefits	919	154	1,004	85	9.2%
Subtotal Union Labor	\$ 919	\$ 154	\$ 1,004	\$ 85	9.2%
Salaries and Non-Union Wages	580,793	572,113	598,512	17,719	3.1%
Non-Union Fringe Benefits	153,505	161,482	171,124	17,619	11.5%
Subtotal Non-Union Labor	\$ 734,298	\$ 733,594	\$ 769,636	\$ 35,338	4.8%
Allocation to Capital and GMP	-	-	-	-	N/A
Subtotal Labor and Fringe Benefits	\$ 735,218	\$ 733,748	\$ 770,640	\$ 35,423	4.8%
Services	1,117,983	495,149	1,063,762	(54,221)	(4.8%)
Materials and Supplies	3,780	649	800	(2,980)	(78.8%)
Fuel and Utilities	2,000	2,518	2,500	500	25.0%
Casualty and Liability	-	-	-	-	N/A
Purchased Transportation	-	-	-	-	N/A
Leases, Rentals and Miscellaneous	74,316	84,864	211,582	137,266	184.7%
Subtotal Non-Labor	\$ 1,198,079	\$ 583,180	\$ 1,278,644	\$ 80,565	6.7%
Subtotal Labor and Non-Labor	\$ 1,933,297	\$ 1,316,928	\$ 2,049,284	\$ 115,988	6.0%
Allocation to Capital and GMP	-	-	-	-	N/A
Total Operating Expenses	\$ 1,933,297	\$ 1,316,928	\$ 2,049,284	\$ 115,988	6.0%

Office of Innovation

Keeps up with mobility innovations and challenges redefining public transit to enhance safety, efficiency, and the customer experience.

Number of Employees: 5

Office of Innovation FY2024 Goals										
Dept.	Initiative/Objective	Measurement	METRO Budget Priorities							
			More Multi-Modal Mobility Options	Safe/Secure Transportation and Facilities	Attract, Develop, and Retain Workforce	Maintain Assets in State of Good Repair	Continue Implementing METRONext	Regional Public Awareness & Support	Trustworthy Governance	Continue Implementing Climate Action Plan
Office of Innovation	Develop in-house think tanks, track, and monitor "Ideas Program" on intranet and host lunch and learns.	Host a minimum of one think tank, or lunch and learn, per quarter	✓	✓	✓		✓		✓	✓
	Partner with other transportation entities and Smart City and Innovation Groups [Intelligent Transportation Systems (ITS), Federal Transit Administration, Transportation Research Board (TRB), UTP, etc.] to provide regional solutions to the increasing demand for transportation alternatives.	Maintain active engagement with Team Houston, Texas Innovation Alliance, and local and national innovation community.	✓				✓	✓		✓
	Incorporate electric, autonomous sustainable and connected transit solutions into METRO's modes of service	(1) Develop autonomous vehicle service plan for one or more METRO services (2) Continue development of a full size Automated Bus (3) Manage and deliver FTA AIM Grant Project (4) Develop platooning pilot/demonstration to improve capacity of METRO's 11 upcoming BRT routes	✓	✓			✓			✓
	Manage METRO's innovative proposals program, University research program and pilot/demonstration initiative to encourage and incubate innovative solutions	Track and monitor innovation proposals and report quarterly. Manage university research contracts. Track, monitor and report agency pilot/demonstration initiatives.	✓						✓	
	Pursue public and private grants for innovation, and implement best practices for smart mobility projects	(1) Stay current with and pursue potential public and private grant opportunities for mobility innovation (2) Research and develop safety technology, i.e., robots, drone, gunshot detection (3) Research and develop emerging mobility options	✓						✓	✓
	Coordinate/monitor/track and report on agency Climate Action Plan	(1) Track and monitor goals and deliverables and report quarterly (2) Assist in development of Hydrogen bus program/research or modes	✓							✓
	Lead agency initiative to identify opportunities for automation support for METRO business functions	(1) Conduct agency survey of departments to determine need for automation solutions (2) Perform on-going industry scan of potential solutions			✓	✓				
	Identify, research, and evaluate opportunities for revenue generation	Perform agency review to determine revenue opportunities	✓						✓	

Non-Departmental and Contingency

Non-Departmental and Contingencies are used to budget for potential expenses that require President & CEO approval. Upon approval, budgets are transferred out to the departments.

	FY2023 Budget	FY2023 Estimate	FY2024 Budget	Budget-to-Budget Variance	
	\$	\$	\$	\$	%
Wages	\$ -	\$ -	\$ -	\$ -	N/A
Union Fringe Benefits	41	-	387	346	835.8%
Subtotal Union Labor	\$ 41	\$ -	\$ 387	\$ 346	835.8%
Salaries and Non-Union Wages	2,750,508	-	7,651,433	4,900,925	178.2%
Non-Union Fringe Benefits	324,932	(1,413,469)	633,034	308,102	94.8%
Subtotal Non-Union Labor	\$ 3,075,440	\$ (1,413,469)	\$ 8,284,467	\$ 5,209,027	169.4%
Allocation to Capital and GMP	-	-	-	-	N/A
Subtotal Labor and Fringe Benefits	\$ 3,075,481	\$ (1,413,469)	\$ 8,284,854	\$ 5,209,373	169.4%
Services	1,250,000	7,857	2,067,500	817,500	65.4%
Materials and Supplies	-	-	-	-	N/A
Fuel and Utilities	-	-	-	-	N/A
Casualty and Liability	-	-	-	-	N/A
Purchased Transportation	-	-	1,980,798	1,980,798	N/A
Leases, Rentals and Miscellaneous	3,580,045	1,006	6,897,106	3,317,061	92.7%
Subtotal Non-Labor	\$ 4,830,045	\$ 8,863	\$ 10,945,404	\$ 6,115,359	126.6%
Subtotal Labor and Non-Labor	\$ 7,905,526	\$ (1,404,606)	\$ 19,230,258	\$ 11,324,732	143.3%
Contingency	2,952,342	-	9,000,000	6,047,658	204.8%
Allocation to Capital and GMP	-	-	-	-	N/A
Total Operating Expenses	\$ 10,857,868	\$ (1,404,606)	\$ 28,230,258	\$ 17,372,390	160.0%

Budget Item	FY2024 Budget
President and CEO's Contingency	\$ 9,812,106
President and CEO Allowance for Salary Actions	7,997,250
Strategic Initiatives and Innovation Pilots/Projects	4,152,500
New Service	5,980,798
College Graduate Program	287,604

Appendices

Appendix A: Financial Parameters

(Presented at the May 18, 2023 meeting of the Finance & Audit Committee)

- Estimates of sales tax growth will be consistent with the growth estimates provided by Dr. Robert W. Gilmer, reduced by 1.00% in the budget calculations for FY2024.
- No fixed-route fare increases will be proposed for FY2024.
- METRO will present the Five-Year Cash Flow model annually, clearly specifying all sources and uses of revenue. (The model will be updated periodically as required.)
- METRO will position itself for optimum receipt and use of grants.
- METRO will allocate sufficient resources to operate core services.
- METRO will support financial sustainability by carefully managing the year-over-year growth of “baseline” operating expenses to no more than 5.5% (after adjusting for non-recurring expenses).
- METRO will meet the funding objective for defined benefit pension plans by continuing to make 100% of the actuarially determined annual contributions.
- Upon completion of Capital projects, future Operating costs will be included in the Business Plan and will be supported by a sustainable revenue source.
- Service improvements or improvements to service quality will require a cost/benefit analysis which will include changes to future operating costs. Part of the analysis will also include metrics based around ridership patterns and customer demand for service. If included, additional service will be added above the baseline level of expenses.
- METRO will retain fund balances of at least Debt Policy requirements (15% of operating expenses), an additional Board-required Operating Reserve (5% of operating expenses), and an Emergency Reserve of \$10,000,000.
- When reallocating or modifying budgets, staff will adhere to the following approval levels:

Up to \$250,000	Director of the Office of Management & Budget (OMB) or Chief Financial Officer (CFO)
\$250,000 - \$1,000,000	President & CEO
Over \$1,000,000	METRO Board of Directors
Administrative or technical changes within the scope of the adopted budget that do not represent a change in METRO’s work plan or priorities	Director of OMB, CFO, or the President & CEO

- All budget changes will be reported quarterly to the Finance & Audit Committee. Any modifications increasing budgets (Budget Amendments) would require Board approval and will adhere to Texas Transportation Code 451.102 and 451.103.

Appendix B: Debt Policy

This document can be found at: [Debt Policy](#)

Appendix C: Investment Policy

This document can be found at:

[Investment Policy](#)

Appendix D: Fuel Price Risk Management Policy

This document can be found at:

[Fuel Price Risk Management Policy](#)

Appendix E: Capitalization Guidelines

This document can be found at:

[Capitalization Guidelines](#)

Appendix F: Comparative Statistics

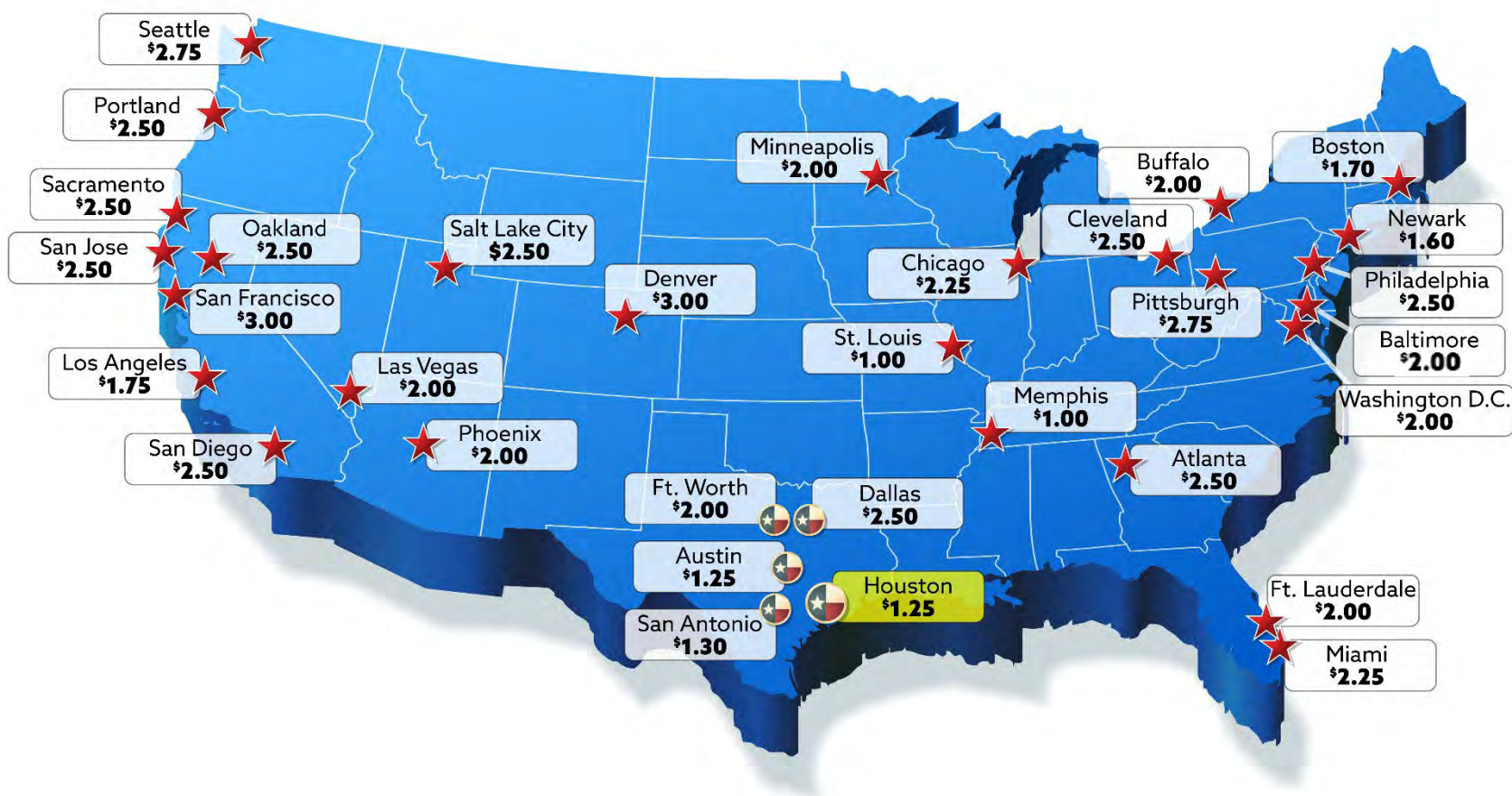
Texas Transit Agency Comparisons

METROPOLITAN TRANSIT AUTHORITIES (MTAs) & URBANIZED TRANSIT AGENCIES - UNLINKED PASSENGER TRIPS				
Fiscal Years 2021 and 2022				
MTAs	Urbanized Area Population	Land Area	Unlinked Passenger Trips	
	Census 2010	Census 2010	2021	2022
Capital Metropolitan Transportation Authority	1,362,416	523	16,501,788	20,079,566
Corpus Christi Regional Transportation Authority (The B)	320,069	120	2,334,395	2,630,460
Dallas Area Rapid Transit (DART)	2,871,343	1,779	35,151,652	41,880,465
Denton County Transportation Authority	366,174	145	871,906	1,563,975
El Paso (Sun Metro)	772,374	251	3,833,777	5,376,485
Fort Worth Transit Authority (Trinity Metro)	1,040,837	1,779	3,410,261	4,277,619
Metropolitan Transit Authority of Harris County (METRO)	4,944,332	1,660	44,352,262	55,959,354
VIA Metropolitan Transit Authority - San Antonio	1,758,210	597	23,314,827	24,090,083
MTAs Total	13,435,755	6,854	129,770,868	155,858,007

METROPOLITAN TRANSIT AUTHORITIES (MTAs) & URBANIZED TRANSIT AGENCIES SERVICE - EFFECTIVENESS BY SYSTEM				
Fiscal Years 2021 and 2022				
MTAs	Unlinked Passenger Trips per Vehicle Revenue Mile		Unlinked Passenger Trips per Vehicle Revenue Hour	
	2021	2022	2021	2022
Capital Metropolitan Transportation Authority	0.71	0.87	8.85	11.04
Corpus Christi Regional Transportation Authority (The B)	0.54	0.57	8.41	9.29
Dallas Area Rapid Transit (DART)	0.84	1.03	12.44	15.46
Denton County Transportation Authority	0.29	0.53	6.19	12.22
El Paso (Sun Metro)	0.53	0.78	8.03	11.66
Fort Worth Transit Authority (Trinity Metro)	0.34	0.41	4.74	5.70
Metropolitan Transit Authority of Harris County (METRO)	0.87	1.02	11.87	14.20
VIA Metropolitan Transit Authority - San Antonio	0.84	0.90	12.40	13.28
Average for MTAs	0.62	0.76	9.12	11.61
Large Urbans	Unlinked Passenger Trips per Vehicle Revenue Mile		Unlinked Passenger Trips per Vehicle Revenue Hour	
	2021	2022	2021	2022
Brownsville - Brownsville Urban System	0.75	1.11	9.22	13.85
Conroe-The Woodlands	0.41	0.49	5.45	8.54
Killeen (Copperas Cove & Harker Heights)	0.29	0.32	4.36	4.73
Laredo - El Metro	0.55	0.84	6.30	9.48
Lubbock - Citibus	0.44	0.81	5.77	10.96
McAllen Express - LRGVDC	0.49	0.42	7.57	7.34
Average for Large Urbans	0.49	0.67	6.45	9.15

Source: [2022 Texas Transit Statistics Report. Texas Department of Transportation](#)

Base Fare Map



The data excludes any temporary fare reductions or eliminations due to COVID-19

Appendix G: Demographic Statistics

Year	Population in Houston-The Woodlands-Sugar Land, TX	Consumer Price Index for All Urban Consumers: All Items in Houston-The Woodlands-Sugar Land, TX	Unemployment Rate in Houston-The Woodlands-Sugar Land, TX	Civilian Labor Force in Houston-The Woodlands-Sugar Land, TX
2004	5,190,444	169.733	6.2	2,554,745
2005	5,299,567	175.950	5.7	2,604,383
2006	5,484,883	180.717	5.1	2,661,423
2007	5,597,674	184.132	4.3	2,705,296
2008	5,726,705	189.957	4.8	2,772,403
2009	5,867,489	190.704	7.6	2,839,444
2010	5,947,185	194.320	8.3	2,974,795
2011	6,056,008	200.746	8.1	3,040,022
2012	6,183,119	204.297	6.6	3,104,630
2013	6,327,622	207.880	6.1	3,176,138
2014	6,499,375	213.464	5.0	3,235,028
2015	6,670,803	213.129	4.6	3,259,346
2016	6,806,315	216.644	5.3	3,300,460
2017	6,898,912	220.959	5.1	3,309,345
2018	6,974,948	226.359	4.4	3,356,537
2019	7,063,400	228.935	3.8	3,399,051
2020	7,140,749	229.114	8.7	3,404,809
2021	7,215,837	239.805	6.3	3,442,136
2022	7,340,118	259.365	4.2	3,509,559

*The bureau of Economic Analysis has yet to release its time series data on Consumer Price index for 2023

"Civilian Population" is defined as "persons 16 years of age and older residing in the 50 states and the District of Columbia, who are not inmates of institutions (e.g., penal and mental facilities, homes for the aged), and who are not active duty in the Armed Forces"

Appendix H. Historical and Projected Sales Tax Rates and Revenues

Sales Tax Revenues (Year of Expenditure \$1,000s)

Fiscal Year	Historical/ Estimated Data	% Change
2019	775,393	2.2%
2020	764,680	-1.4%
2021	843,425	10.3%
2022	969,534	15.0%
2023	1,020,154	5.2%
2024	906,259	-11.2%
2025	960,497	6.0%
2026	1,049,436	9.3%
2027	1,119,295	6.7%
2028	1,188,497	6.2%

Estimates are based on the June 2023 forecast produced by Dr. Robert W. (Bill) Gilmer, head of the Institute for Regional Forecasting at the University of Houston. The forecast change for FY2024 has been reduced by 1% by Board decision.

Dr. Gilmer's forecast incorporates data from multiple sources, including population and employment in the nine-county Houston metro area, Gross Domestic Product, the Consumer Price Index, personal income, Treasury bill prices, the Business Cycle Index produced by the Dallas Federal Reserve, the Purchasing Managers' Index, the price and production of oil, and the Baker Hughes Rig Count.



Appendix I: Glossary of Terms

Accrual Accounting – A method of accounting that records revenues and expenses when they are incurred, regardless of when cash is exchanged. The term “accrual” refers to any individual entry recording revenue or expense in the absence of a cash transaction.

Activity Center – An area with a high concentration of activities that generates many trips, such as shopping centers, business or industrial parks, recreational facilities, etc. The major activity centers in the METRO service area include Downtown, Galleria/Uptown, Texas Medical Center, Greenway Plaza, Greenspoint, the Westchase District, and the Energy Corridor.

Articulated Bus – A 60-foot three-axle bus with an "accordion" section in the middle that allows the bus to bend and flex (articulate). Articulated buses typically have 60 seats.

Advance Funding Agreement – A negotiated agreement between the Texas Department of Transportation and a local government that determines which party is responsible for conducting work, providing funding, or contributing items in-kind.

Base Fare – The price charged to one adult for one transit ride; excludes transfer charges, zone charges, express service charges, peak period surcharges, and reduced fares.

Bond Indenture – A legal and binding contract between bond issuers and bondholders, specifying the important features of a bond, including its maturity date, timing of interest payments, method of interest calculation, etc.

Bus Rapid Transit – A high-quality bus-based transit system that delivers fast and efficient service that may include dedicated lanes, busways, traffic signal priority, off-board fare collection, elevated platforms, and enhanced stations.

Capital Assets – Purchases recorded as assets, such as property, plant, or equipment, which have a useful life of longer than one year.

Contractual Obligation – Obligations of an entity to others that will become liabilities in the future when the terms of those contracts or agreements are met. Commonly abbreviated as “KO.”

Commuter Service – Bus service that travels directly to a central activity center with single or limited passenger pickup locations. Commuter service is offered by METRO’s Park & Ride routes

Current Financial Resources Measurement Focus – METRO’s budget uses this model, in which increases and decreases in spendable resources are measured, and long-term assets and liabilities are not included.

Defeased Bonds – A bond which, after its issuance, has its outstanding debt secured by cash equivalents or risk-free securities. Defeasance is a way to retire bonds.

Demand-Response Service – Non-fixed-route service utilizing vans or buses with passengers boarding and alighting at pre-arranged times at any location within the system's service area. METROLift offers demand-response service to qualified riders who cannot use fixed-route service.

Deadhead – The miles or hours when a bus or train is moving without passengers aboard, often to or from an operating facility.

Economic Resources Measurement Focus – Used when a set of financial statements reports all inflows, outflows, and balances affecting or reflecting an entity’s net position, including long-term assets and liabilities. METRO uses this focus for its financial statements.

45-Foot Bus – A bus used in Park & Ride service, typically with 55 seats.

Frequency – How many buses pass by a point during a specified time.

Full Accrual Basis – Method of accounting in which revenues are recognized when they are earned, and expenditures are recognized in the period that the associated liability is incurred. METRO’s budget uses the modified accrual basis of accounting for its financial statements.

GAAP (Generally Accepted Accounting Principles) – A collection of commonly-followed accounting rules and standards for financial reporting. GAAP specifications include definitions of concepts and principles, as well as industry-specific rules.

GASB (Governmental Accounting Standards Board) – The independent, private-sector organization that establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles (GAAP).

Headways – The time between buses in the schedule: 5 minutes would be a very short headway; 60 minutes would be a long headway.

HOT Lane – A barrier-separated road that provides faster trips than freeway main lanes and that has limited access points, which single-occupant vehicles can access for a toll, while buses and vehicles with more than one occupant use it at no charge.

HOV Lane – A barrier-separated road for buses and for cars with more than one occupant that provides faster trips than freeway main lanes and that has limited access points (not always barrier-separated in other cities).

Local Route – Bus service that picks up and discharges passengers all along the route.

METRO Q® Fare Card – Rechargeable electronic fare card that provides free transfers (for three hours in the same direction) and five free trips for every 50 paid trips.

METRORail – Accessible light rail service that has three lines (Red, Purple, and Green) totaling 22.7 miles. Destinations served include the Central Business District, Midtown, the Museum District, the University of Houston, Texas Southern University, Rice University, the NRG Park Complex, and BBVA Compass Stadium.

METRORapid – See “Bus Rapid Transit”

Modified Accrual Basis – Method of accounting in which revenues are recognized in the period they become available and measurable, and expenditures are recognized in the period that the associated liability is incurred, with some exceptions. METRO’s budget uses the modified accrual basis of accounting.

Park & Ride Route – Commuter service that operates from a minimal number of pickup points and travels directly to the activity center with no interim stops.

Park & Ride Lot – A facility comprising a parking area and a passenger boarding area with a covered shelter and other amenities where commuters can park their cars and ride transit to work.

Passenger Boardings – The number of times all passengers get on any bus or train in the system.

Passenger Trips – The number of "journeys" made by all passengers in a given time period. A passenger transferring to a second bus to complete his trip would count as two boardings but only one trip. Also known as "linked trips".

Peak Period – The time with the highest transit ridership during the service day, often 6:00 – 9:00 a.m. and 3:00 – 6:00 p.m.

Peak Vehicles – The number of vehicles required to operate the highest frequency service on a route, during peak periods (morning and evening rush hours).

Revenue Hours – The total number of hours that a vehicle is operated in revenue service.

Revenue Miles – The total number of miles that a vehicle is operated in revenue service.

Revenue Service – The miles and hours operated by a bus when it is scheduled to be picking up or discharging passengers.

Rolling Stock – Transit vehicles such as buses, vans, cars, railcars, locomotives, trolley cars and buses, and ferry boats, as well as vehicles used for support services.

Senior Lien Obligation – The highest priority of debt obligation, paid before other obligations.

Transit Center – A facility usually comprised of a passenger boarding area with little or no long-term parking, where passengers can transfer from one bus to another in a sheltered environment.

Vehicle Hours – The total hours that a vehicle is operated, which is the sum of revenue hours and deadhead.

Vehicle Miles – The total number of miles that a vehicle is operated, which is the sum of revenue miles and deadhead.

Appendix J: List of METRO Acronyms and Abbreviations

ADA	Americans with Disabilities Act	IT	Information Technology
AFA	Advance Funding Agreement		
BOF	Bus Operating Facility	KOs	Contractual Obligations
BRT	Bus Rapid Transit		
CAM	Cost Allocation Model	LRT	Light Rail Transit
CBR	Capital Budget Review Committee	LRV	Light Rail Vehicle
CFO	Chief Financial Officer		
CIP	Capital Improvement Program	METRO	Metropolitan Transit Authority of Harris County, Texas
CNG	Compressed Natural Gas	MDBF	Mean Distance between (Mechanical) Failures
CP	Commercial Paper	MFRI	Major Facility Rehabilitation Initiative
		MPD	METRO Police Department
		MRC	METRO Rail Completion
EKOS	Manufacturer of slide rollers for light rail		
ERP	Enterprise Resource Planning	NTD	National Transit Database
		NWTC	Northwest Transit Center
FFGA	Full Funding Grant Agreement		
FTA	Federal Transit Administration	OEM	Original Equipment Manufacturer
		OTP	On-Time Performance
GAAP	Generally Accepted Accounting Principles		
GAN	Grant Anticipation Note	P&R	Park & Ride
GASB	Government Accounting Standards Board		
GMP	General Mobility Program	ROC	Rail Operations Center
H1	First LRV order from Siemens; 100 series	S&I	Service & Inspection Facility
H2	Second LRV order from Siemens; 200 series	SAP	Systems, Applications and Products (ERP). Allows METRO to manage different processes with a single unified system.
H3	LRV order from CAF USA; 300 series	SOGR	State of Good Repair
H4	Third LRV order from Siemens; 400 series		
HCTRA	Harris County Toll Road Authority	TAM	Transit Asset Management
H-GAC	Houston-Galveston Area Council	TC	Transit Center
HOT	High-Occupancy Toll (Lanes)	TPIA	Texas Public Information Act
HOV	High-Occupancy Vehicle (Facility)	TxDOT	Texas Department of Transportation
HVAC	Heating, Ventilation & Air Conditioning		
		ULB	Useful Life Benchmark