



FY2025

Business Plan and Budget

Focusing on the Customer Experience

Mission Statement

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

Board of Directors

Elizabeth Gonzalez Brock
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Bob Fry
First Vice-Chair

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Interim President & CEO

Thomas Jasien



September 9, 2024

Elizabeth Gonzalez Brock
Chair of the Board
Metropolitan Transit Authority

Dear Ms. Brock:

Please find the attached proposed FY2025 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 FY2025 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 FY2025 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 2025 (October 1, 2024 – September 30, 2025).

Operating Budget	\$ 980,000,000
Capital Budget	\$ 598,437,877
Debt Service Budget	\$ 96,281,579
Transfer to the General Mobility Program	\$ 217,461,506

A public hearing on the proposed FY2025 Business Plan & Budget is scheduled to be held at noon on Thursday, September 12, 2024. The proposed FY2025 Business Plan & Budget is scheduled for approval by the Board at the regular September meeting on Thursday, September 26, 2024.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas Jasien". The signature is stylized with a large, looping initial "T" and a horizontal line extending to the right.

Thomas Jasien
Interim President & Chief Executive Officer

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Executive Summary

METRO **NOW**

During Fiscal Year 2024, METRO experienced a time of great transition. Now, as we look toward the future with new leadership and renewed vision, Fiscal Year 2025 (FY2025), which begins on October 1, 2024, will be defined by the “now.” Our guidepost, known as “METRONow,” will direct METRO’s mission to include customer-centric initiatives that meet our customers where they are today, in order to create a better tomorrow.

An update first on METRO’s leadership and growth leading up to FY2025:

Interim President and Chief Executive Officer Tom Jasien will continue to lead the Agency under a new governing Board of Directors.

In January 2024, Mayor John Whitmire was sworn in as the City of Houston’s 63rd Mayor. Under his Administration, METRO’s Board of Directors acquired new leadership. In early 2024, METRO welcomed its newest City of Houston members appointed by Mayor John Whitmire. These appointments now mark a historic number of women serving on the Board at one time including the first Hispanic female Chair, Elizabeth Gonzalez Brock, and its first Vietnamese American woman appointee. The new appointees are Chair Elizabeth Gonzalez Brock, Judge Kathy Khanh Han, Reverend T. Leon Preston II, and Chad McMillan. Terry Morales was reappointed to the Board. Representing the Harris County Commissioners Court is newly appointed member, Holly Maria Flynn Vilaseca, who joins returning Board Member, Roberto Trevino. The METRO Multi-Cities are represented by newly appointed Member Alexandra del Moral Mealer, who will serve alongside First Vice-Chair of the Board, Mayor Robert A. Fry.

What will never change is METRO’s investment in our customers. We will continue to strive for excellence in providing services that are safe, clean, reliable, on time, and accessible. Making public transportation easy to use is paramount to ridership growth and to maintaining financial sustainability.

Houston-area growth is palpable. It requires us to be responsive today to the needs of our diverse and vast community. We will continue to look at every aspect of the customer experience to make public transit easier for people to live, work and play in our region.

Focus on Deferred Maintenance and Enhancements

- **Focus on enhancing the current system:** METRO's primary goal is to prioritize maintaining and improving existing transit infrastructure. This involves enhancing the quality of existing buses and trains and upgrading bus stops, rail stations, and Park & Ride facilities.

Focus on the Most Productive Places

- **Identify and invest in high-demand areas:** Investments will be targeted toward areas with the highest demand and potential for ridership growth. METRO will analyze ridership data to identify the areas with the highest demand for transit and focus investments in those areas. This could include increasing service frequency, adding new routes, or improving transit infrastructure.

Empower Local Communities





- **Engage with local communities:** The system will be responsive to the needs and priorities of local communities. METRO will actively engage with local communities to understand their transportation needs and priorities. It will seek feedback on proposed projects and work with communities to identify opportunities for improvement.
- **Provide multilingual information:** METRO aims to provide multilingual information to ensure customers are well-informed about services and future projects in their language.

Maintain Financial Sustainability

- **Seek cost-effective solutions:** METRO will prioritize cost-effective solutions that provide the most value for the money invested. It will carefully evaluate the financial viability of proposed projects and consider their long-term sustainability.
- **Emphasizing the importance of proof-of-concept in our initiatives:** METRO will test a project's feasibility and verify its practical potential.
- **Diversify funding sources:** METRO will explore various funding sources. This might include public-private partnerships, grants, and innovative financing mechanisms.

METRO will continue to remain focused on a set of principal goals like those of its previous years. However, in FY2025, METRO will also incorporate more customer-centric goals as we continue the METRONow mission. These will include service and reliability upgrades, increased safety and security protocols, more stringent cleanliness standards, additional workforce support, and attention to best maintaining facilities.

Below are the goals METRO’s Board of Directors have adopted for FY2025, derived from management recommendations and Board discussions:

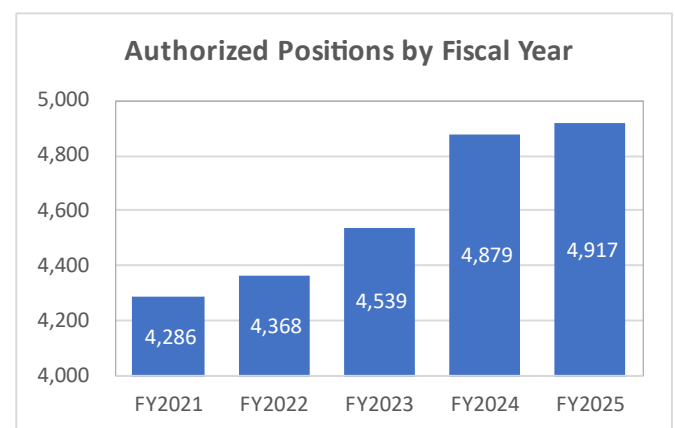
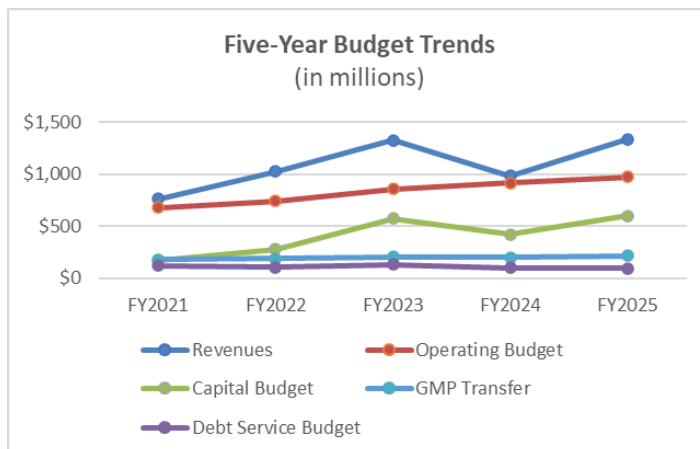
FY2025 Business Plan Goals	
	Enable as many people as possible to choose METRO by providing a mix of attractive <u>transportation services</u> using technology to improve the <u>customer experience</u> and prioritizing equity in service improvements.
	Improve the <u>safety</u> , <u>security</u> , and <u>cleanliness</u> of METRO vehicles and facilities.
	Make service <u>easy to access and use</u> , including increasing the number of <u>bus shelters</u> .
	Enhance the <u>reliability</u> of transit services.
	Strengthen METRO’s <u>resilience</u> and ability to respond quickly to assist customers during times of service disruption.
	Maintain assets in a <u>State of Good Repair</u> , including regional infrastructure shared by transit.
	Attract and retain the <u>workforce</u> needed to support METRO’s business objective of growing ridership in numbers and diversity.

With these goals in mind, each department of the Authority has examined its individual projected expenditures for FY2025. This budgeting approach helps METRO remain a good steward of public funds.

Budget Highlights

The highlights of METRO's FY2025 Business Plan and Budget are shown in the table below. Graphs underneath depict five-year budget trends for each major budget category.

	FY2025 Proposed Budget Amount	Change from FY24 Budget	Major Change Drivers	Locations of Additional Information
Revenues	\$1,332,191,187	+35.7%	Sales tax returning to previous trends; increase in projected grant revenues, issuance of additional debt	Debt Service Budget
Operating Budget	\$980,000,000	+7.1%	Full year's cost of service added during FY2024 as well as METRONow initiatives, additional microtransit and curb2curb service, cost increases in materials and supplies	Major Increases & Decreases; Authority Budget Summary
Capital Budget	\$598,437,877	+42.2%	Increased spending on capital projects supporting core business activities	Capital Budget
Debt Service Budget	\$96,281,579	-5.5%	Continuing to pay down existing debt	Debt Service Budget
General Mobility Program Transfer	\$217,461,506	+9.6%	Anticipated increase in sales tax receipts	General Mobility Program
Authorized Positions	4,917	+38 positions	Service improvements, additional cleanings and maintenance, 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 FY2025.

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 1167 buses and 502 vans, including 684 diesel buses, 83 CNG buses, 341 40/45-foot hybrid buses, 39 alternative service vehicles, 20 electric buses, 432 METROLift paratransit service vans, and 65 other METROLift vehicles. Its passenger facilities include over 9,000 active bus stops and over 38,000 parking spaces. METRO currently operates 86 Local bus routes and 27 Park & Ride 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.



Boardings by Service Category

	FY2023 Actual ¹	FY2024 Budget	FY2024 Estimate	FY2025 Forecast	Forecast-to-Estimate Variance	
					#	%
Fixed-Route Service						
Local Bus	49,199,778	53,983,146	56,061,245	59,817,766	3,756,521	6.7%
METRO Rapid	298,749	357,381	339,106	412,367	73,260	21.6%
Park & Ride	3,264,422	4,239,415	3,768,279	3,908,421	140,142	3.7%
Subtotal Fixed-Route Bus	52,762,949	58,579,943	60,168,630	64,138,554	3,969,923	6.6%
METRO Rail	13,700,870	15,845,906	13,841,961	15,327,430	1,485,469	10.7%
Subtotal Fixed-Route Service	66,463,819	74,425,849	74,010,591	79,465,983	5,455,392	7.4%
Special and Other Events	39,795	25,870	34,680	39,795	5,115	14.7%
Disaster Events	145	-	145	-		
Total Fixed-Route	66,503,759	74,451,719	74,045,416	79,505,778	5,460,362	7.4%
Customized Services						
METRO Lift	1,713,906	1,955,482	1,839,743	1,930,541	90,798	4.9%
METRO STAR Vanpool	487,031	734,400	520,411	628,308	107,897	20.7%
Internal Service	3,835	3,969	3,835	3,969	134	3.5%
Subtotal Customized Services	2,204,772	2,693,851	2,363,989	2,562,818	198,829	8.4%
Total Fixed-Route and Customized Services	68,708,531	77,145,570	76,409,405	82,068,597	5,659,191	7.4%
HOV/HOT Carpools, Vanpools, and Non-METRO Buses	16,210,904	16,320,210	18,675,269	20,113,265	1,437,996	7.7%

¹Source: September 2023 Monthly Performance Report

Workforce by Department

Authority	FY2023		FY2024		FY2025
	End of Year Authorized Headcount	Actual	End of Year Authorized Headcount	Projected	End of Year Authorized Headcount
Customer Experience and Operations	3,192	3,144	3,421	3,290	3,436
Deputy CEO	2	2	2	1	2
Customer Experience & Operations	3,190	3,142	3,419	3,289	3,434
Union FT	2,499	2,539	2,717	2,671	2,723
Union PT	89	45	69	48	69
Non-Union FT	601	557	632	569	641
Non-Union PT	1	1	1	1	1
Infrastructure Improvements	88	71	90	65	85
EVP, Infrastructure Improvements	4	4	5	3	4
Project Delivery & Controls	21	19	24	18	24
Transit Asset Management	7	7	7	7	7
Planning	21	18	21	20	20
Engineering	35	23	33	17	30
Administration	147	139	151	143	152
EVP Administration	2	2	2	2	2
Procurement & Materials	132	126	135	129	136
Union FT	61	60	62	62	63
Non-Union FT	71	66	73	67	73
Mail and Print Services	13	11	14	12	14
Government & Public Affairs	29	27	31	26	31
Government Affairs	3	3	3	3	3
Grant Strategy	6	6	6	5	6
Public Engagement	12	11	14	10	14
Office of Innovation	5	5	5	5	5
Joint Development/ TOD	3	2	3	3	3
Audit	9	7	11	10	11
Legal	23	19	24	20	24
Finance	53	50	55	52	55
Communications	7	7	9	8	10
Marketing	26	25	21	22	21
EVP, Marketing	3	3	2	3	2
Internal Communications	5	5	5	5	5
Marketing & Communications Services	16	15	14	13	14
Partnership Promotions	2	2	-	1	-
Safety & Security	689	614	751	625	757
Chief Safety Officer	3	3	4	3	4
METRO Police	389	326	399	320	399
Non-Union FT	347	298	357	288	357
Non-Union PT	42	28	42	32	42
Safety	90	93	105	97	107
Union FT	10	19	20	19	20
Non-Union FT	80	74	85	78	87
Facilities Maintenance	204	189	231	193	235
Union FT	147	139	170	140	172
Non-Union FT	57	50	61	53	63
Budget & Contracts	3	3	12	12	12
Human Resources	62	60	63	56	63
Business Development	199	182	236	213	255
Customer Service	72	64	93	81	112
Customer Information	-	-	5	5	5
Information Technology	81	73	84	78	84
Ridership Development	28	27	28	27	28
Revenue Services	18	18	26	22	26
Authority Compliance	4	4	4	3	4
Chief of Staff & Board	-	-	4	-	4
Non-Departmental	5	-	7	-	8
Union FT	1	-	-	-	2
Non-Union FT	4	-	7	-	6
President & CEO Contingency	-	-	-	-	-
Executive	6	6	1	6	1
Total Union	2,807	2,802	3,038	2,940	3,049
Total Non-Union	1,732	1,553	1,841	1,599	1,868
Total Workforce	4,539	4,355	4,879	4,539	4,917

Headcount = Number of authorized full-time and part-time positions at the end of the year.

Total Full-Time Workforce (Union and Non-Union)	4,407	4,281	4,767	4,458	4,805
Total Part-Time Workforce (Union and Non-Union)	132	74	112	81	112

FY2025 Operating Budget Workforce Additions/Deletions

Department	Position	Additions	Deletions
Customer Experience & Operations: Bus Transportation	Bus Operator (FT)	29	
Customer Experience & Operations: Bus Transportation	Bus Operator		(28)
Customer Experience & Operations: Bus Transportation	Service Driver		(1)
Customer Experience & Operations: METRORail	LRT Operator	6	
Customer Experience & Operations: METRORail	LRV Technician T1	5	
Customer Experience & Operations: METRORail	LRV Technician T2		(1)
Customer Experience & Operations: METRORail	LRV Technician T3		(4)
Safety & Security: Facilities Maintenance Administration	Cleaner Facility Maintenance		(1)
Safety & Security: Facilities Maintenance Administration	General Maintenance Mechanic A		(1)
Safety & Security: Facilities Maintenance Administration	General Maintenance Mechanic A (NSS)	1	
Safety & Security: Facilities Maintenance Administration	General Maintenance Mechanic A (SS)	5	
Safety & Security: Facilities Maintenance Administration	General Maintenance Mechanic B (NSS)	1	
Safety & Security: Facilities Maintenance Administration	General Maintenance Mechanic B (SS)		(4)
Safety & Security: Facilities Maintenance Administration	Licensed Journey Electrician (SS)		(1)
Safety & Security: Facilities Maintenance Administration	Licensed Maintenance Mechanic		(1)
Safety & Security: Facilities Maintenance Administration	Licensed Maintenance Mechanic Refrig A/C		(1)
Safety & Security: Facilities Maintenance Administration	Licensed Maintenance Mechanic (Elec) NSS	4	
Safety & Security: Facilities Maintenance Administration	Licensed Maintenance Mechanic (Plm) NSS	4	
Safety & Security: Facilities Maintenance Administration	Licensed Journey Electrician (NSS)	1	
Safety & Security: Facilities Maintenance Administration	Crane Operator		(1)
Safety & Security: Facilities Maintenance Administration	Licensed Journey Mechanical (NSS)	1	
Safety & Security: Facilities Maintenance Administration	Utility Worker PubFac NSS	1	
Safety & Security: Facilities Maintenance Administration	Licensed Maintenance Mechanic (Plm) SS		(2)
Safety & Security: Facilities Maintenance Administration	Licensed Maintenance Mechanic (Plmb) NSS		(2)
Safety & Security: Facilities Maintenance Administration	General Maintenance Mechanic(Landscape)	2	
Safety & Security: Facilities Maintenance Administration	Utility Worker Facilities Maint		(1)
Safety & Security: Facilities Maintenance Administration	License Maintenance Mechanic Elec (NSS)		(3)
Administration: Procurement & Materials	Storeroom Attendant	1	
Non-Departmental	Bus Operator	2	
	Total Union	63	(52)
Customer Experience & Operations: Contract & Paratransit SVC	Team Leader METROLift Dispatch Call Ctr	1	
Customer Experience & Operations: METRORail	LRV Supervisor	1	
Customer Experience & Operations: METRORail	Lead Axle Counter Maintainer	1	
Customer Experience & Operations: Bus Transportation	Service Supervisor	3	
Customer Experience & Operations: Fleet Services	Director of Bus Operating Facilities	1	
Customer Experience & Operations: Fleet Services	Intelligent Transportation Systems Tech	2	
Safety & Security: Safety Risk Management	Sr Claims Adjuster	1	
Safety & Security: Safety Risk Management	Claims Assistant	1	
Safety & Security: Facilities Maintenance Administration	Project Managers - Support Facilities & HQ	2	
Business Development: Customer Service	Customer Resolution Specialist	3	
Business Development: Customer Service	Customer Service Representative	14	
Business Development: Customer Service	Call Quality Analyst	1	
Business Development: Customer Service	Senior Customer Service Representative - Lost and Found	1	
Infrastructure Improvements: Project Delivery & Control	Project Director		(1)
Infrastructure Improvements: Project Delivery & Control	VP Construction		(1)
Infrastructure Improvements: Planning	Right of Way Specialist		(1)
Infrastructure Improvements: Engineering	Director Operational Engineering		(1)
Infrastructure Improvements: Engineering	Chief Signal Control		(1)
Communications	EVP for Communications	1	
Non-Departmental	College Grad		(1)
	Total Non-Union	33	(6)
Total		96	(58)
Total Year-Over-Year Change in Authorized Positions		38	

Authority Budget Summary

	FY2023 Actual	FY2024 Budget	FY2024 Estimate	FY2025 Budget	Budget-to- Budget Variance	%
Sales Tax	\$ 1,027,963,765	\$ 906,258,770	\$ 1,023,780,964	\$ 1,054,359,356	\$ 148,100,586	16.3%
Transfer to GMP	(214,126,124)	(198,948,933)	(213,639,208)	(217,461,506)	(18,512,573)	9.3%
Sales Tax (net GMP Transfer)	\$ 813,837,641	\$ 707,309,837	\$ 810,141,757	\$ 836,897,849	\$ 129,588,013	18.3%
Fares	37,449,318	41,946,910	36,686,150	37,419,873	(4,527,037)	(10.8%)
Vanpool	1,634,394	1,863,850	1,901,127	1,939,150	75,300	4.0%
HOT Lane Revenue	6,206,153	6,099,221	6,437,557	6,566,308	467,087	7.7%
Grants	249,262,925	203,010,708	204,720,673	400,099,670	197,088,962	97.1%
Interest	35,225,757	13,921,885	50,500,000	20,925,181	7,003,296	50.3%
Miscellaneous	2,878,866	2,400,000	2,391,150	2,438,973	38,973	1.6%
Bond Proceeds	-	4,865,015	-	25,904,183	21,039,168	432.5%
Total Revenues	\$ 1,146,495,054	\$ 981,417,426	\$ 1,112,778,414	\$ 1,332,191,187	\$ 350,773,761	35.7%
Payroll & Benefits						
Wages	\$ 177,359,813	\$ 187,569,443	\$ 191,363,007	\$ 212,414,319	\$ 24,844,876	13.2%
Union Fringe Benefits	98,502,975	106,439,251	104,593,742	115,642,311	9,203,060	8.6%
Subtotal Union Labor	275,862,788	294,008,694	295,956,749	328,056,630	34,047,936	11.6%
Salaries and Non-Union Wages	\$ 144,553,738	\$ 160,089,363	\$ 155,227,659	\$ 174,580,672	\$ 14,491,309	9.1%
Non-Union Fringe Benefits	57,054,811	65,517,707	62,366,663	71,935,015	6,417,308	9.8%
Subtotal Non-Union Labor	201,608,549	225,607,070	217,594,321	246,515,687	20,908,617	9.3%
Allocation to Capital & GMP	(10,629,973)	(13,089,373)	(10,906,307)	(13,887,446)	(798,073)	6.1%
Subtotal Labor and Fringe	466,841,365	506,526,392	502,644,764	560,684,871	54,158,479	10.7%
Materials & Supplies						
Services	\$ 114,856,330	\$ 127,538,387	\$ 106,437,946	\$ 116,975,073	\$ (10,563,314)	(8.3%)
Materials and Supplies	38,267,729	44,564,857	47,959,315	51,347,795	6,782,938	15.2%
Fuel and Utilities	56,478,324	57,002,444	52,157,935	57,466,875	464,431	0.8%
Administration						
Casualty and Liability	\$ 9,356,075	\$ 9,908,916	\$ 10,071,904	\$ 10,594,169	\$ 685,253	6.9%
Purchased Transportation	127,808,810	145,241,465	138,909,211	150,903,395	5,661,930	3.9%
Leases, Rentals and Misc.	14,944,802	22,760,636	17,705,676	23,754,885	994,249	4.4%
Allocation to Capital & GMP - Non-Lab	(675,651)	(910,223)	(886,751)	(1,227,063)	(316,840)	34.8%
Subtotal Non-Labor	361,036,419	406,106,481	372,355,236	409,815,129	3,708,648	0.9%
Subtotal Labor and Non-Labor	827,877,784	912,632,873	875,000,000	970,500,000	57,867,127	6.3%
Contingency	-	2,367,127	-	9,500,000	7,132,873	301.3%
Total Operating Budget	\$ 827,877,784	\$ 915,000,000	\$ 875,000,000	\$ 980,000,000	\$ 65,000,000	7.1%
Capital Expenses						
Core Business Items	\$ 64,129,407	\$ 162,525,138	\$ 108,145,063	\$ 355,735,914	\$ 193,210,776	118.9%
Expansion/Enhancements	80,303,315	258,339,216	58,692,589	242,701,963	(15,637,253)	(6.1%)
Total Capital Budget	\$ 144,432,722	\$ 420,864,354	\$ 166,837,652	\$ 598,437,877	\$ 177,573,523	42.2%
Debt Service	\$ 182,548,498	\$ 101,914,240	\$ 101,914,240	\$ 96,281,579	\$ (5,632,661)	(5.5%)

Financials

Development Guidelines

METRO is committed to being a responsible steward of public funds and to financial sustainability. Accordingly, METRO's FY2025 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 FY2025 has been reduced by 1.00% in the budget calculations.
- No fixed-route fare increases will be proposed for FY2025.
- METRO will present the Five-Year Cash Flow forecast 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.
- METRO will meet the funding objective for defined benefit pension plans and Union OPEB 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 \$15,000,000. The total of these reserves in FY2025 is projected to be \$211.0 million.
- When reallocating or modifying budgets within the Board-adopted levels, staff will adhere to the approval levels.
 - 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.

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 FY2025 Annual Budget (in millions)

Description	Approved FY2024 Budget	Proposed FY2025 Budget	Change	
Operating Budget	\$ 915.0	\$ 980.0	\$ 65.0	7.1%
Capital Budget	420.9	598.4	177.6	42.2%
Projected Transfer to GMP	198.9	217.5	18.5	9.3%
Debt Service Budget	101.9	96.3	(5.6)	(5.5%)
Total	\$ 1,636.7	\$ 1,892.2	\$ 255.4	15.6%

Operating Budget

The proposed Operating budget is \$980.0 million, an increase of \$65.0 million or 7.1% from the FY2025 approved budget level. The increase reflects management of “baseline” operating expenses as well as adjustments to add service to match customer demand and additional strategic investments.

Capital Budget

The proposed Capital budget of \$598.4 million reflects an increase of \$177.6 million or 42.2% from the FY2025 approved budget level. This increase is due to a \$193.2 million or 119% increase in Core Business Items Necessary to Maintain Service and a \$15.6 million or 6% decrease in Expansion/Enhancement Capital Costs.

Capital Program
Proposed FY2025 Annual Budget
(in millions)

Description	Approved FY2024 Budget	Approved FY2025 Budget	Change	
Core Projects				
Vehicle Maintenance Costs	\$ 24.827	\$ 30.712	\$ 5.885	24%
Maintaining Operational Facilities (Building and Rail)	\$ 67.173	\$ 107.964	40.791	61%
IT Projects	\$ 9.016	\$ 7.991	(1.025)	(11%)
Vehicle Acquisition Costs	61.508	209.069	147.561	240%
Subtotal	\$ 162.525	\$ 355.736	193.211	119%
Expansion & Enhancements				
Vehicle Acquisition Costs	\$ -	\$ -	\$ -	-%
Safety Projects	\$ 5.733	\$ 5.010	(0.724)	(13%)
IT Projects	\$ 35.776	\$ 56.069	20.293	57%
FFGA Commitments	\$ 10.391	\$ 11.688	1.297	12%
METRONext	\$ 145.654	\$ 124.944	(20.710)	(14%)
Legacy Projects	\$ 56.255	\$ 39.991	(16.263)	(29%)
Allowances	\$ 4.530	\$ 5.000	0.470	10%
Subtotal	258.339	242.702	(15.637)	(6%)
TOTAL Capital Program	\$ 420.864	\$ 598.438	\$ 177.574	42%

The proposed Capital budget of \$598.4 million is allocated in two program categories – Core Business Items Necessary to Maintain Service and Expansion/Enhancement Capital Costs.

The FY2025 budget allots \$355.7 million for Core Business Items Necessary to Maintain Service and \$242.7 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.

General Mobility Program Transfer

The FY2025 projected General Mobility Program (GMP) transfer is \$217.5 million, an increase of \$18.5 million or 9.3% 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.

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 \$96.3 million, a decrease of \$5.6 million or 5.5% from the FY2024 approved budget level. This decrease reflects lower overall levels of outstanding debt.

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 FY2024 is estimated to be approximately \$715.5 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 FY2025 budget requires \$1.885 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 FY2025 budget. Fund balances carrying over from the previous year are considered sources of funds.

Sources & Uses of Funds (in millions)

	2025
SOURCES OF FUNDS	
Beginning Fund Balance	\$ 681.072
<u>Revenues:</u>	
Sales Tax	\$ 1,054.359
Transportation Fares*	37.420
HOT Lanes	6.566
Vanpool	1.901
Grants	400.100
Other Income	23.364
Total FY2025 Revenues	\$ 1,523.710
<u>Debt Funding</u>	
Proceeds from Borrowing	25.904
Total Sources of Funds	\$ 2,230.687
USES OF FUNDS	
<u>Expenditures</u>	
Operating Budget Expenses	\$ 980.000
General Mobility Program Transfer	217.462
Core Business Capital Expenditures	355.736
Expansion / Enhancements Capital Expenditures	242.702
Debt Service	96.282
Total FY2025 Expenditures	\$ 1,892.181
Ending Fund Balance	\$ 338.506
Total Uses of Funds	\$ 2,230.687
<i>* Includes Fixed Route and METROLift Revenues</i>	

Funding of METRO Activities

The Operating Budget of \$980.0 million, GMP transfer of \$217.5 million, Capital Projects including Core Business Capital Expenditures and Expansion/Enhancements Capital Expenditures of \$598.4 million, and Debt Service expenses of \$96.3 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 \$1.892 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 FY2025 year-end fund balance of \$338.5 million includes a total of \$147.0 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 (\$49.0 million) and another \$15 million reserve as directed by the Board. Thus, the FY2025 year-end general fund balance also includes an additional \$64.0 million similarly available to assist with the funding of METRO's operating and capital activities.

In total, METRO has earmarked \$211.0 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 FY2025 Business Plan & Budgets.

Sources of METRO Funds (in millions)	Fiscal Year 2025					
	Operating	General Mobility	Debt Service	Capital: Core Business	Capital: Expansion & Enhancements	TOTAL
Sales Tax	741	217	96	-	-	1,054
Farebox	37	-	-	-	-	37
HOT Lanes	7	-	-	-	-	7
Vanpool	2	-	-	-	-	2
Grants	113	-	-	128	159	400
Borrowing	-	-	-	-	26	26
Other	23	-	-	-	-	23
Fund Balance	57	-	-	228	58	343
TOTAL	980	217	96	356	243	1,892



Five Year Sources and Uses Summary

The table below shows an overall financial projection for the next five years to FY2029 on a cash basis.

	2023 Actuals	Budgeted 2024	Estimated 2024	2025	2026	2027	2028	2029
Gross Sales Tax	\$ 1,027,964	\$ 906,259	\$ 1,023,781	\$ 1,054,359	\$ 1,093,777	\$ 1,141,876	\$ 1,189,321	\$ 1,238,658
GMP	\$ (214,126)	\$ (198,949)	\$ (213,639)	\$ (217,462)	\$ (222,389)	\$ (228,401)	\$ (234,332)	\$ (240,499)
Net Sales Tax	\$ 813,838	\$ 707,310	\$ 810,142	\$ 836,898	\$ 871,388	\$ 913,475	\$ 954,990	\$ 998,159
Cash Reserve Carryover from Prior Year	\$ 720,447	\$ 694,615	\$ 712,083	\$ 681,072	\$ 338,506	\$ 212,783	\$ 223,260	\$ 228,915
Fares & Misc.	\$ 83,394	\$ 65,996	\$ 97,879	\$ 69,251	\$ 64,609	\$ 70,893	\$ 70,414	\$ 71,948
Operating Grants	\$ 222,142	\$ 144,923	\$ 138,223	\$ 112,847	\$ 111,500	\$ 113,730	\$ 116,005	\$ 118,325
Capital Grants	\$ 20,672	\$ 58,088	\$ 66,498	\$ 287,253	\$ 379,529	\$ 314,294	\$ 286,775	\$ 167,980
Other Grants	\$ 6,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bus Financing	\$ -	\$ -	\$ -	\$ -	\$ 167,283	\$ 69,635	\$ 182,961	\$ 88,841
CIP Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,000	\$ 157,500
Rail Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grant Anticipation Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CP Financing	\$ -	\$ -	\$ -	\$ -	\$ 116,500	\$ 217,000	\$ 120,500	\$ 31,400
Texas LoanSTAR Financing	\$ -	\$ 4,865	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
METRONext Financing	\$ -	\$ -	\$ -	\$ 25,904	\$ 110,765	\$ 116,654	\$ 151,807	\$ 55,026
Subtotal	\$ 1,866,942	\$ 1,675,797	\$ 1,824,824	\$ 2,013,225	\$ 2,160,079	\$ 2,028,464	\$ 2,167,711	\$ 1,918,094
Debt Service	\$ (182,548)	\$ (101,914)	\$ (101,914)	\$ (96,282)	\$ (103,570)	\$ (144,988)	\$ (177,591)	\$ (225,240)
Capital Budget	\$ (144,433)	\$ (420,864)	\$ (166,838)	\$ (598,438)	\$ (857,368)	\$ (622,046)	\$ (695,791)	\$ (367,916)
Subtotal	\$ 1,539,961	\$ 1,153,018	\$ 1,556,072	\$ 1,318,506	\$ 1,199,141	\$ 1,261,430	\$ 1,294,329	\$ 1,324,938
Operating Budget	\$ (827,878)	\$ (915,000)	\$ (875,000)	\$ (980,000)	\$ (986,359)	\$ (1,038,170)	\$ (1,065,414)	\$ (1,090,999)
Cash Reserve at Year End	\$ 712,083	\$ 238,018	\$ 681,072	\$ 338,506	\$ 212,783	\$ 223,260	\$ 228,915	\$ 233,938
15% Operating Reserve (Debt Policy)	\$ (128,277)	\$ (137,250)	\$ (137,250)	\$ (147,000)	\$ (147,954)	\$ (155,726)	\$ (159,812)	\$ (163,650)
5% Operating Reserve (Board Policy)	\$ (42,759)	\$ (45,750)	\$ (45,750)	\$ (49,000)	\$ (49,318)	\$ (51,909)	\$ (53,271)	\$ (54,550)
Additional Operating Reserve (Board Policy)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)
Ending Balance	\$ 531,047	\$ 45,018	\$ 488,072	\$ 127,506	\$ 511	\$ 626	\$ 832	\$ 739
MADS Coverage - Sales Tax Senior Lien	7.40	7.80	7.86	7.79	7.56	7.16	6.13	5.34
MADS Coverage - Sales Tax Junior Lien	NA	NA	NA	NA	NA	NA	NA	NA
Outstanding Par Value Debt								
Commercial Paper	\$ -	\$ -	\$ -	\$ -	\$ 116,500	\$ 308,000	\$ 400,000	\$ 400,000
Sales Tax Bonds & KO's (non-METRONext)	\$ 845,020,000	\$ 715,457	\$ 715,457	\$ 649,248	\$ 752,348	\$ 755,542	\$ 932,006	\$ 1,086,252
METRONext Sales Tax Bonds	\$ -	\$ -	\$ -	\$ 25,463	\$ 133,919	\$ 246,181	\$ 390,969	\$ 437,681
Grant Anticipation Notes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Texas LoanSTAR	\$ -	\$ 4,865	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Debt Outstanding	\$ 845,020,000	\$ 720,322	\$ 715,457	\$ 674,711	\$ 1,002,768	\$ 1,309,724	\$ 1,722,975	\$ 1,923,933

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)

	FY2023 Actual	FY2024 Budget	FY2024 Estimate	FY2025 Projection
Operating Revenues:				
<u>Revenues:</u>				
Transportation Fares	37.411	41.947	36.686	37.420
Vanpool Revenues	1.634	1.628	1.864	1.901
HOT Lane & Special Events Revenues	6.206	6.099	6.438	6.566
Total Operating Revenues	45.252	49.674	44.988	45.887
Operating Expenses:				
Transit Operating	817.261	915.000	875.000	980.000
Depreciation and Amortization	183.347	186.246	167.208	175.569
Total Operating Expenses	1,000.608	1,101.246	1,042.208	1,155.569
Operating Loss	\$ (955.356)	\$ (1,051.572)	\$ (997.221)	\$ (1,109.681)
Non-Operating Revenues (Expenses):				
Sales Tax	\$ 1,027.964	\$ 906.259	\$ 1,023.781	\$ 1,054.359
Investment Income	43.820	13.922	50.500	20.925
Non-capitalized Interest Expense	(27.339)	(30.053)	(30.053)	(27.576)
Other Income	\$ 2.878	2.400	2.391	2.439
Grant Proceeds	251.619	203.011	204.721	400.100
Local Infrastructure Assistance/GMP	(193.163)	(198.949)	(213.639)	(217.462)
Funds passed to subrecipients	(0.386)	-	(0.877)	-
Gain (Loss) on Sale for Disposal of Assets	0.652	-	(0.532)	-
Recovery /(Loss) for Asset Impairments	(2.160)	-	(0.002)	-
Total Non-Operating Revenues	\$ 1,103.884	\$ 896.589	\$ 1,036.290	\$ 1,232.785
Changes in net assets	148.528	(154.982)	39.069	123.104
Net Assets - beginning of the year	1,620.939	2,690.883	1,769.466	1,808.536
Net Assets - end of the year	1,769.466	2,535.901	1,808.536	1,931.640

Statement of Net Position

The table below shows the Authority's Statement of Net Position as of fiscal years ending September 30, 2023, estimated for 2024, and projected for 2025.

Statement of Net Position

(in millions)

	FY2023 Actual 9/30/2023	FY2024 Budget 9/30/2024	FY2024 Estimate 9/30/2024	FY2025 Projection 9/30/2025
Assets				
Cash	\$ 39.812	\$ 10.000	\$ 10.000	\$ 10.000
Receivables	188.400	164.000	181.751	182.000
Inventory	56.082	50.000	61.414	62.000
Investments	927.699	784.322	801.789	292.185
Other Assets	7.322	6.000	7.428	8.000
Property Net of Depreciation	2,095.459	2,676.234	2,075.246	2,556.494
Land & Improvements	499.577	818.058	505.350	622.541
Total Assets	\$ 3,814.351	\$ 4,508.614	\$ 3,642.979	\$ 3,733.219
Deferred Outflow of Resources*	197.685	169.000	197.685	198.000
Liabilities				
Trade Payables	\$ 70.729	114.000	\$ 75.046	76.000
Accrued Payroll	42.449	47.000	50.985	51.000
Short-Term Debt	-	-	-	-
Long-Term Liabilities	1,647.052	1,823.713	1,423.326	1,382.580
Other Liabilities	37.344	30.000	37.777	38.000
Total Liabilities	\$ 1,797.575	\$ 2,014.713	\$ 1,587.134	\$ 1,547.580
Deferred Inflow of Resources*	444.995	127.000	444.99	445.000
Net Assets - Retained	\$ 1,769.466	\$ 2,535.901	\$ 1,808.536	\$ 1,938.640

Note:

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

Operating Budget

Summary	
FY2024 Operating Budget	\$ 915,000,000
Net Increase	87,354,596
Net Decrease	(22,354,596)
FY2025 Operating Budget	\$ 980,000,000
FY2025 Net Increase	65,000,000
Major Increases & Decreases	
<u>Increases</u>	
Annualization of METRONow Initiatives (\$6.73M) and January, June, and September Service Changes (\$6.67M between Labor, Materials & Supplies, Fuel, and Purchased Transportation) and an increase in Total Payroll and Benefits driven by:	55,351,767
Additional Positions per Service Changes and Kashmere Bus Operating Facility reopening for Service +82 Union + 29 NonUnion	
Additional FY2025 Headcount +11 Union and +27 NonUnion for new Initiatives, such as Service and Reliability	
Union Contract Wage increase of 4%	
Increase in Base Contribution for Pension DC from 2% to 4%	
Allowance for COLA, Merit, and for Salary Actions and Initiatives FY2025	
Allowance for FY2025 Service Increases	
Increase in Customer Service Hours	
Increase in Customer Experience and Operations for Service and Reliability	
Allowance for new Microtransit and curb2curb service	10,283,480
Increase in Security Services	6,234,912
Increase in Materials & Supplies for METRORail and Fleet Services	5,436,715
Increase in Waste Removal, Janitorial Services, and Custodial Services	2,214,972
Increase in Contract Services for Facilities Maintenance and Repairs	1,931,000
Purchased Transportation increase mainly driven by increased service	1,733,408
Increase in Materials & Supplies for Safety and Security and Business Development	1,371,257
Increase in Legislative Coordination	1,000,000
Increase in Casualty and Liability Expense	685,253
Increase in Rent Software and Leases for Parking offset by decrease in Other Leases, Rentals, and Miscellaneous	563,161
Increase in Fuel and Utilities, mainly Diesel Fuel, Electric Vehicle Power, and Power, offset by decrease in Gasoline and Compressed Natural Gas	548,671
Total Increases	\$ 87,354,596
<u>Decreases</u>	
Reduction in Pre-Capital contract support services for METRONext	(16,630,920)
Reduction in Advertising Fees and Promotion for Authority	(3,680,034)
Reduction in Contractual Support Services and Contract Services for Government and Public Affairs	(1,610,740)
Reduction in Other Expenses for Vanpool	(432,902)
Total Decreases	\$ (22,354,596)

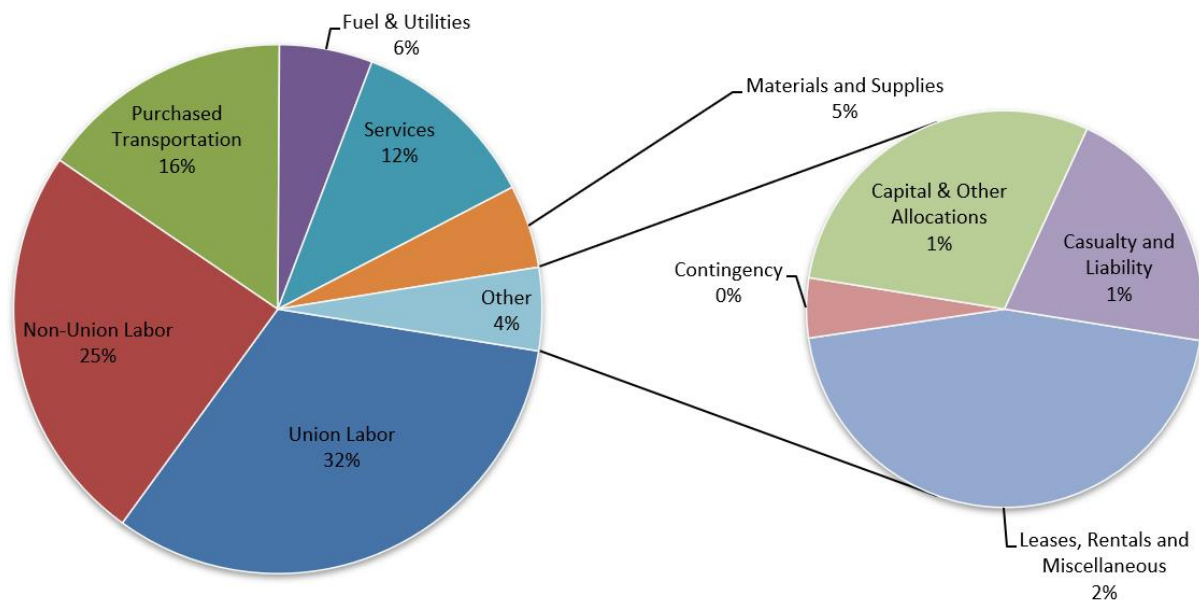


Operating Budget by Cost Category

	FY2023 Actual	FY2024 Budget	FY2024 Estimate	FY2025 Budget
Wages	\$ 177,359,813	\$ 187,569,443	\$ 191,363,007	\$ 212,414,319
Union Fringe Benefits	98,502,975	106,439,251	104,593,741	115,638,837
Subtotal Union Labor	\$ 275,862,788	\$ 294,008,694	\$ 295,956,748	\$ 328,053,156
Salaries and Non-Union Wages	144,553,738	160,089,363	155,227,659	175,520,521
Non-Union Fringe Benefits	57,054,811	65,517,707	62,366,664	72,076,221
Subtotal Non-Union Labor	\$ 201,608,549	\$ 225,607,070	\$ 217,594,322	\$ 247,596,741
Allocation to Capital and GMP	\$ (10,629,973)	(13,089,373)	(10,906,307)	(13,771,739)
Subtotal Labor and Fringe Benefits	\$ 466,841,365	\$ 506,526,392	\$ 502,644,764	\$ 561,878,159
Services	114,856,330	127,538,387	106,437,946	117,005,073
Materials and Supplies	38,267,729	44,564,857	47,959,315	51,347,795
Fuel and Utilities	56,478,324	57,002,444	52,157,935	57,551,115
Casualty and Liability	9,356,075	9,908,916	10,071,904	10,594,169
Purchased Transportation	127,808,810	145,241,465	138,909,211	157,258,353
Leases, Rentals and Miscellaneous	14,944,802	22,760,636	17,705,676	23,114,632
Subtotal Non-Labor	\$ 361,712,070	\$ 407,016,704	\$ 373,241,988	\$ 416,871,136
Subtotal Labor and Non-Labor	\$ 828,553,435	\$ 913,543,096	\$ 875,886,751	\$ 978,749,295
Contingency	-	2,367,127	-	2,500,000
Allocation to Capital and GMP	(675,651)	(910,223)	(886,751)	(1,249,295)
Total Operating Expenses	\$ 827,877,784	\$ 915,000,000	\$ 875,000,000	\$ 980,000,000

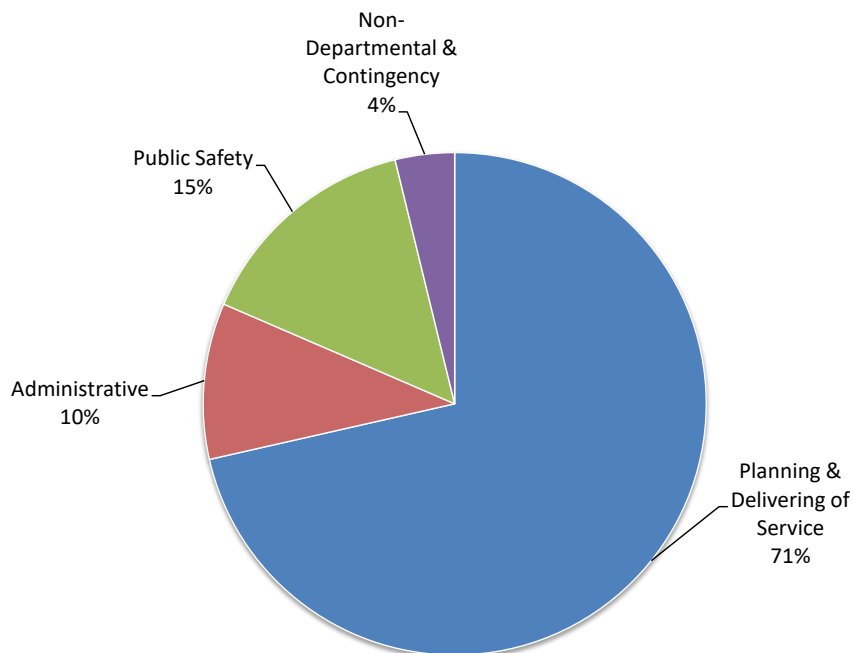
FY 2025 Operating Budget Breakdown

By Cost Category



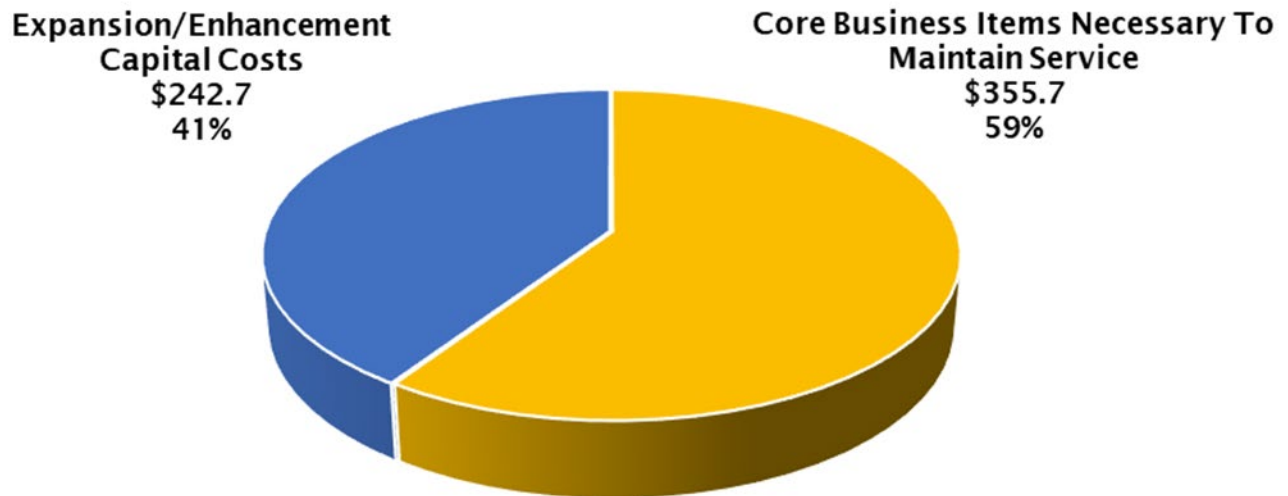
NOTE: Union Pension represents 2.64% of total operating budget. Non-Union Pension represents 2.58% of total operating budget.

By Function



Capital Budget

METRO's FY2025 Capital Programs: \$598.4M



FY2025 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. The Core Business component includes \$355.7 million in funding of Contracted/Obligated or Committed projects in FY2025. The Expansion/Enhancement component includes \$237.7 million in funding of Contracted/Obligated or Committed projects in FY2025 with an additional \$5.0 million in allowances, totaling \$242.7 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 FY2025 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.

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.

Five-Year Capital Program Plan

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

Core Business Items Necessary to Maintain Service	Grant Funded	FY2025	FY2026	FY2027	FY2028	FY2029
Vehicle Acquisition Costs	Yes	\$ 209,068,952	\$ 218,311,899	\$ 161,071,204	\$ 195,171,195	\$ 141,157,137
Maintaining Operational Facilities	No	30,711,945	28,268,200	27,208,000	20,255,900	9,604,500
Vehicle Maintenance Costs	No	107,964,143	120,523,541	54,416,846	29,143,821	28,814,264
IT Projects	No	7,990,875	9,051,698	7,515,598	5,283,869	4,969,332
Core Business Items Necessary to Maintain Service		\$ 355,735,914	\$ 376,155,338	\$ 250,211,649	\$ 249,854,785	\$ 184,545,234
Expansion/Enhancement Capital Costs	Grant Funded	FY2025	FY2026	FY2027	FY2028	FY2029
METRONext	Targeted	\$ 124,944,074	\$ 395,316,080	\$ 296,210,416	\$ 393,524,443	\$ 156,118,230
IT Projects	Yes	56,069,063	16,151,000	11,245,040	-	-
Legacy Projects - New and/or Enhanced	Yes	39,991,447	43,532,390	55,674,300	15,156,584	-
FFGA Commitments	Yes	11,687,597	18,189,507	-	-	-
Safety Projects	No	5,009,781	3,023,780	3,366,153	2,608,600	1,886,000
Vehicle Acquisition Costs	No	-	-	-	-	-
Allowances	No	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Expansion/Enhancement Capital Costs		\$ 242,701,963	\$ 481,212,756	\$ 371,495,909	\$ 416,289,627	\$ 163,004,230
Total Capital Program Requests		\$ 598,437,877	\$ 857,368,094	\$ 621,707,558	\$ 666,144,413	\$ 347,549,464
Capital Grant Program		FY2025	FY2026	FY2027	FY2028	FY2029
Grants - Core Business Items Necessary to Maintain Service		\$ 128,082,406	\$ 51,029,250	\$ 91,436,455	\$ 25,721,250	\$ 59,759,750
Grants - Expansion/Enhancement Capital Costs		159,170,147	328,499,784	212,172,808	234,098,306	81,383,203
Total - Capital Program Grants		\$ 287,252,552	\$ 379,529,034	\$ 303,609,263	\$ 259,819,556	\$ 141,142,953

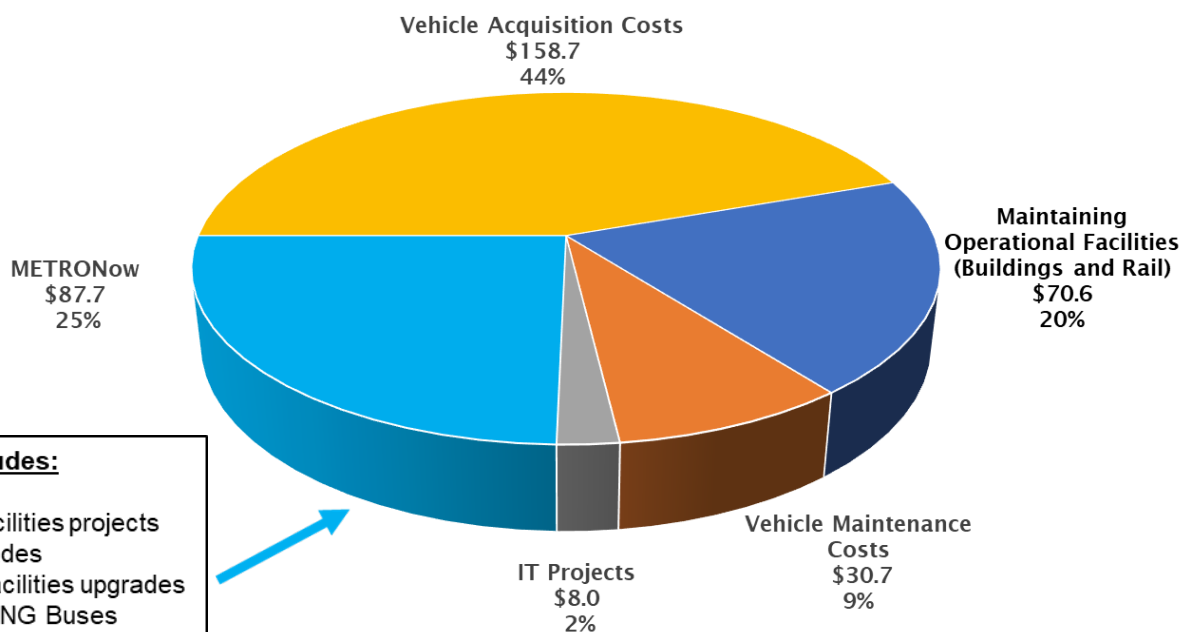
The following reflects additional investments that are projected to keep Capital Program projects in the above listed plan in a state of good repair.

Capital Lifecycle SOGR	FY2025	FY2026	FY2027	FY2028	FY2029
SOGR - Lifecycle Rehabilitation of Core Business	\$ -	\$ -	\$ 337,925	\$ 29,645,837	\$ 20,365,178
Total - Capital Lifecycle SOGR	\$ -	\$ -	\$ 337,925	\$ 29,645,837	\$ 20,365,178

Core Business Items Necessary to Maintain Service

FY2025 Core Business Items Necessary
to Maintain Service
\$ 355,735,914

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 FY2025 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.

METRONow: Initiatives Focusing on The Customer Experience

METRONow focuses on projects that will have an immediate positive effect when implemented per the following categories:

- Increase Service & Reliability
- Improve Safety & Security
- Restore Confidence with Improved Cleanliness
- Increase Workforce Support
- Increase Facilities Support.

Core Business Items Necessary to Maintain Service

<u>Core Business Items Necessary to Maintain Service</u>	<u>Grant Funded</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>
Vehicle Acquisition Costs	Yes	\$ 209,068,952	\$ 218,311,899	\$ 161,071,204	\$ 195,171,195	\$ 141,157,137
Maintaining Operational Facilities	No	30,711,945	28,268,200	27,208,000	20,255,900	9,604,500
Vehicle Maintenance Costs	No	107,964,143	120,523,541	54,416,846	29,143,821	28,814,264
IT Projects	No	7,990,874	9,051,698	7,515,598	5,283,869	4,969,332
Core Business Items Necessary to Maintain Service		\$ 355,735,914	\$ 376,155,338	\$ 250,211,649	\$ 249,854,785	\$ 184,545,234

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.



Projects and initiatives identified as METRONow are highlighted in yellow throughout this section.

Core Business Items Necessary to Maintain Service

Vehicle Acquisition Costs

	<u>Grants</u>	<u>Local</u>	<u>FY2025</u>
40' Transit Bus - Diesel	\$90,630,000	\$10,070,000	\$100,700,000
45' Commuter - Diesel	8,569,000	33,231,000	41,800,000
40' Transit Bus - CNG	28,883,405	3,209,268	32,092,673
METROLift Vans	0	12,250,682	12,250,682
NRV: Specialty Heavy Duty Vehicles	0	4,997,550	4,997,550
Taxi Vans	0	4,560,000	4,560,000
NRV: Pickup Trucks	0	3,284,665	3,284,665
NRV: Utility Vehicles (SUV)	0	2,830,810	2,830,810
New Big Bus Make Ready	0	1,735,909	1,735,909
New Small Bus & METROLift Vans Make-Ready	0	1,433,636	1,433,636
40" Fuel Cell Electric Bus - FCEV	0	1,425,000	1,425,000
Rail Rescue Truck	0	783,750	783,750
NRV: Van Vehicles	0	609,300	609,300
NRV: Motorcycles	0	320,827	320,827
NRV: Leased Buy Out	0	244,150	244,150
Vehicle Acquisition Costs	\$128,082,405	\$80,986,547	\$209,068,952



Maintaining Operational Facilities

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

Core Business Items Necessary to Maintain Service

Maintaining Operational Facilities

	<u>Grants</u>	<u>Local</u>	<u>FY2025</u>
Administrative Facilities:			
1900 Main Facility Roof Upgrade	\$0	\$1,126,700	\$1,126,700
1900 Main - Carpet and Cubicle Replacement	0	829,091	829,091
Board Audio / Video Equipment Upgrade	0	621,818	621,818
Upgrade the 1900 Main Executive Garage Door	0	449,825	449,825
1900 Main Data Center Rehabilitation	0	420,280	420,280
1900 Main - Replace RTU, HVAC	0	259,091	259,091
1900 Main - IT Room Air Conditioning Unit Replacement	0	237,500	237,500
Operating Facilities:			
Petro Storage Tank System Replacement - HCBOF	\$0	\$6,515,130	\$6,515,130
MFRI - HVAC	0	4,066,000	4,066,000
Shop Tools & Equipment	0	3,535,093	3,535,093
MFRI - Bldg & Structures	0	3,420,000	3,420,000
Unspecified MFRI Projects	0	3,325,000	3,325,000
MFRI - Safety Systems	0	3,186,761	3,186,761
MFRI - Pilot Solar Program (West BOF & Townsend P&R)	0	2,939,010	2,939,010
Petro Storage Tank Sys Rep. - NWBOF	0	2,649,126	2,649,126
Petro Storage Tank Sys Rep. - FSC	0	2,567,098	2,567,098
Petro Storage Tank Sys Rep. - West BOF	0	2,565,000	2,565,000
Underground Storage Tank Upgrade Project	0	2,095,194	2,095,194
Petro Storage Tank Sys Rep. - Polk BOF	0	1,913,102	1,913,102
Petro Storage Tank Sys Rep. - Fallbrook	0	1,797,419	1,797,419
West BOF Passenger Elevator (ADA Compliance)	0	1,786,000	1,786,000
MFRI - Roofing	0	1,757,500	1,757,500
Central Store Roof Replacement	0	1,520,000	1,520,000
MFRI - Shop Equipment	0	1,425,000	1,425,000
Central Stores Fire Suppression System	0	1,382,630	1,382,630
Rehabilitation of Waste Water Treatment Plant - West BOF	0	1,349,000	1,349,000
Rehabilitation of Waste Water Treatment Plant - Kashmere BOF	0	1,301,500	1,301,500
Rehabilitation of Chassis Bus Wash - Northwest BOF	0	1,282,500	1,282,500
West BOF Electrical Generator Replacement	0	1,061,965	1,061,965
Northwest BOF 2nd Bus Wash Rehabilitation	0	1,034,745	1,034,745
Kashmere BOF Passenger Elevator Rehabilitation	0	895,014	895,014
Polk - Renovate the Interior of Administration Building	0	751,364	751,364
MFRI - Rehab Parking Lots (All BOFs & Support Facilities)	0	721,136	721,136
Fallbrook BOF - Rehabilitation Paint Booth	0	712,500	712,500
MFRI - Rehabilitation Shop Flooring (All BOF)	0	667,159	667,159
Paint Booth Project - Kashmere BOF	0	665,000	665,000
Tire Bay Lift Replacement - Polk BOF	0	665,000	665,000
Northwest BOF - Rehabilitation lighting, pit	0	570,000	570,000
Rehabilitation of Waste Water Treatment Plant - Northwest BOF	0	522,500	522,500
Polk Retaining Wall Erosion	0	453,831	453,831
Westchase P&R Drainage Modification	0	446,783	446,783
Northwest BOF - Replace Heater & HVAC Upgrades	0	427,500	427,500

<u>Maintaining Operational Facilities</u>	<u>Grants</u>	<u>Local</u>	<u>FY2025</u>
Hiram Clarke BOF - Renovate Bathroom	\$0	\$405,909	\$405,909
MFRI - Replace Production Hoses & Reels (All BOF)	0	405,909	405,909
MFRI Elev. & Esc. Rehabilitation	0	394,250	394,250
Fallbrook BOF - Air Compressor Replacements	0	380,000	380,000
MFRI Safety Systems Replacement	0	380,000	380,000
Kashmere BOF - Replace Heaters and Boilers	0	332,500	332,500
Roof Replacement at Polk BOF	0	302,273	302,273
Central Stores - Replace RTU & HVAC	0	287,591	287,591
Roof Replacement at West BOF	0	285,000	285,000
Hiram Clarke BOF - Renovate Kitchen	0	253,045	253,045
Kashmere BOF - IT Access Controls	0	236,636	236,636
Facilities Maintenance Tool & Equipment Replacements	0	228,864	228,864
West BOF- Rehab Retention Pond	0	228,000	228,000
Fallbrook BOF - Rehab Retention Pond	0	209,000	209,000
Fallbrook BOF - Heaters & Boilers Replacements	0	190,000	190,000
Kashmere BOF - Renovation Kashmere Admin	0	142,500	142,500
Improve signal timing for Uptown BRT Silver Line	0	62,700	62,700
Field Service Center- IT Access Controls	0	47,500	47,500
Rehabilitation Bus Wash - Fallbrook BOF	0	47,500	47,500
Public Facilities:			
TMC TC Elevator & Escalator Upgrade/Rehabilitation	\$0	\$8,868,426	\$8,868,426
Bus Shelter Program (350 units x Year)	0	4,782,680	4,782,680
Bus Stop Amenities	0	2,315,841	2,315,841
MFRI Concrete Paving Replacement	0	855,000	855,000
Public Facilities Tools & Equipment	0	797,050	797,050
MFRI Bldgs & Structures Rehabilitation	0	736,250	736,250
MFRI Roof & Solar Panels Combined	0	570,000	570,000
El Dorado P&R Detention Pond	0	371,925	371,925
Fannin South Ride Store Trailer Replacement	0	332,500	332,500
Ticket Booths for Mini Ride Store	0	302,100	302,100
Security Ticket Booth	0	152,864	152,864
Canopy Glass Rehanilitation - Multiple Locations	0	109,250	109,250
Multi - T/C Bus Drive Parking Lot Rehabilitation	0	99,750	99,750
Rail Operations Facilities:			
S&C: SCADA Control & Data System HW Upgrade	\$0	\$3,315,975	\$3,315,975
Red Line Tactile Paver Rehabilitation	0	2,166,000	2,166,000
MFRI Bldgs & Structures Replacement	0	1,092,500	1,092,500
Rehab. Brushes for Lubricator Machine at Various Locations	0	1,073,500	1,073,500
Track Diamond Replacement @ Capital and Main St.	0	992,750	992,750
Rehab. Substation Housing @ Fannin S. to TMC (Red Lines)	0	836,000	836,000
TPSS Hardware Upgrades	0	753,170	753,170
Red Line Track Switch Upgrades	0	689,544	689,544
LRV Tools & Equipment	0	688,750	688,750
LRT Switch Elec Power Sys Upgrade	0	495,900	495,900
LRV Pantograph Overhaul (H2/H3/H1)	0	446,500	446,500
ROC - Replace Shop Heater	0	434,409	434,409
ROC - Nuero Lifts Upgrades	0	380,000	380,000
S&I - Convert to High-Mast LED Lighting	0	380,000	380,000
ROC - Replace & Install 16 Overhead Doors	0	380,000	380,000



<u>Maintaining Operational Facilities</u>	<u>Grants</u>	<u>Local</u>	<u>FY2025</u>
ROC Trash Compactor Rehabilitation	\$0	\$351,845	\$351,845
MFRI Concrete Paving Replacement	0	332,500	332,500
ROC - Rehab Paint Booth	0	285,000	285,000
ROC - Install 2 Motorized Vehicle Gates	0	261,250	261,250
Red Line Windscreen Support Rehabilitation	0	261,250	261,250
ROC - Carpet Replacement	0	237,500	237,500
Axle Counter Head Replacement	0	211,591	211,591
ROC - Fire Suppression Compliance Upgrade	0	195,614	195,614
ROC - Replace RTUs & HVAC	0	153,727	153,727
Red Line OCS Wire "Doghouses" & Disconnect Switches	0	146,300	146,300
S&C: Signal House Generator	0	128,250	128,250
University of Houston Downtown St. Bridge Fence Install	0	120,966	120,966
ROC - Additional Valves for Water Pipelines	0	95,173	95,173
ROC - City of Water & Sewage for 2 Breakrooms	0	28,500	28,500
Maintaining Operational Facilities	\$0	\$107,964,143	\$107,964,143

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

<u>Vehicle Maintenance Costs</u>	<u>Grants</u>	<u>Local</u>	<u>FY2025</u>
Bus Operations:			
All Fleets-Engines	\$0	\$7,272,250	\$7,272,250
All Fleets-Transmissions	0	1,580,454	1,580,454
All Fleets-HEV Hybrid Bus Batteries	0	1,200,454	1,200,454
All Fleets-Axles	0	1,096,818	1,096,818
All Fleet Bus A/C Compressor Replacement	0	731,932	731,932
Bus GPS Router Replacement	0	142,500	142,500
Rail Operations:			
LRV Truck Overhaul	\$0	\$9,500,000	\$9,500,000
LRV Car Body H1 & H2	0	1,671,136	1,671,136
LRV Wi-Tronix (H4)	0	1,296,750	1,296,750
LRV HVAC Overhaul	0	1,168,500	1,168,500
LRV Brake Overhaul No.2	0	1,068,750	1,068,750
LRV Coupler Overhaul (H1/H2/H3)	0	1,045,000	1,045,000
LRV Propulsion Powers Overhaul	0	950,000	950,000
LRV Door Overhaul (H1/H2)	0	627,000	627,000
LRV Repaint	0	552,900	552,900
LRV APC Sensors Replacement (H1)	0	489,250	489,250
LRV Battery Replacement	0	251,750	251,750
LRV Event Recorder Overhaul (H1/H2)	0	66,500	66,500
Vehicle Maintenance Costs	\$0	\$30,711,945	\$30,711,945

IT Projects

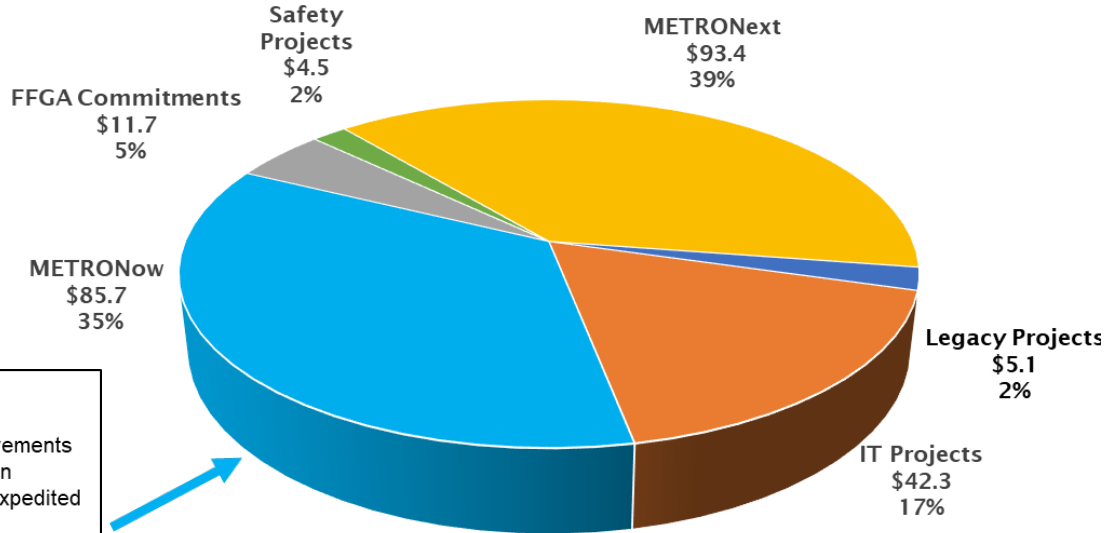
The Capital Improvement Program (CIP) provides for Core Business funding of IT Department Projects, which are projects designed to keep the METRO IT systems in a state of good repair.

Core Business Items Necessary to Maintain Service

Information Technology Core Projects	<u>Grants</u>	<u>Local</u>	<u>FY2025</u>
Network Upgrades & Management	\$0	\$3,028,885	\$3,028,885
SAP Hana S4 Upgrade	0	2,590,907	2,590,907
Data Center Management	0	2,086,082	2,086,082
Interactive Parts Catalog	0	285,000	285,000
Information Technology Core Projects	\$0	\$7,990,875	\$7,990,874

Expansion/Enhancement Capital Costs

FY2025 Expansion/Enhancement Capital Costs \$242,701,963



METRONow Expansion includes:

- BOOST Westheimer Road Improvements
- BOOST Corridor # 4 Added to Plan
- Universal Accessibility Program Expedited
- Traffic Signal Priority (TSP)
- Fueling Resilience CNG
- New Bus Shelter Program Expedited
- IT / Safety Systems Upgrades

The infrastructure projects categorized as new expansion or the major enhancement of existing assets included in the FY2025 Expansion/Enhancement Budget involves a wide range of facilities, technology and safety projects currently under contract or construction. Included in this category are projects from the **METRONext Moving Forward Plan** and **METRO Legacy Projects** designed to help ease traffic congestion by taking more cars off the road and provide more ways to move around our region. Projects and initiatives identified as METRONow are highlighted in yellow throughout this section.

Expansion/Enhancement Capital Costs

METRONow		Grants	Local	FY2025
Missouri City Park & Ride	(targeted grants)	\$54,040,500	\$6,004,500	\$60,045,000
Bus Stop Accessibility/Site Improvement	(targeted grants)	15,870,240	3,967,560	19,837,800
BOOST - Airline /Montrose	(targeted grants)	8,192,503	5,461,668	13,654,171
BOOST - Westheimer	(targeted grants)	10,210,752	1,134,528	11,345,280
BOOST - Scott	(targeted grants)	4,336,820	481,869	4,818,689
METRORapid Inner Katy Project (HOV)	(targeted grants)	2,216,458	1,477,638	3,694,096
University of Houston Pedestrian Improvements		0	2,856,765	2,856,765
AFA UPRR Bridge COH		0	2,673,611	2,673,611
1910 Fannin Parking Lot (EOC Parking Lot)	(targeted grants)	1,437,954	531,846	1,969,800
Wheeler Transit Center – NHHIP	(targeted grants)	1,078,389	269,598	1,347,987
LRT Purple Line Extension	(targeted grants)	853,366	281,553	1,134,919
IH 69/US59 HOV/Diamond	(targeted grants)	680,951	323,009	1,003,960
Transit Signal Priority (TSP) Boost		0	358,733	358,733
Gulfton Project	(targeted grants)	121,958	81,306	203,264
METRONext		\$99,039,892	\$25,904,182	\$124,944,074

Expansion/Enhancement Capital Costs

Legacy Projects - New and/or Enhanced	Grants	Local	FY2025
CNG Fuel Station and Facility Upgdrade at HC-BOF	\$12,640,000	\$3,160,000	\$15,800,000
CNG Fuel Station Upgrades (NW and FB) (targeted grants)	9,900,000	2,100,000	12,000,000
New Passenger Bus Shelters	0	3,378,387	3,378,387
Electric Bus Battery Charger Stations	0	2,950,000	2,950,000
HOV/HOT Lanes ARGO Operation and Equipment Upgrade	0	2,910,000	2,910,000
Buffalo Bayou Facility Upgrade Project (targeted grants)	1,068,761	267,190	1,335,951
Fuel Cell Fueling Trailers	0	780,000	780,000
Cypress L-Ramp (targeted grants)	547,554	163,555	711,109
MRC- Burnett Transit Center Elevator Project	0	66,000	66,000
West Belfort P&R Lot	43,200	16,800	60,000
Legacy Projects - New and/or Enhanced	\$24,199,515	\$15,791,932	\$39,991,447

Expansion/Enhancement Capital Costs

Information Technology Expansion Projects	Grants	Local	FY2025
Auto Fare Collection Equip Replacement	\$29,084,394	\$10,513,698	\$39,598,092
IVOMS Turn-By-Turn	0	4,940,703	4,940,703
Digital Technology Project	0	4,514,562	4,514,562
Computer-Aided Dispatch / Automatic Vehicle Location	0	2,758,500	2,758,500
Computer-Aided Dispatch / Records Management System Replacement	0	1,997,306	1,997,306
Enterprise Physical Security Systems	0	1,504,800	1,504,800
AppComm Bus Starter Check-In Process	0	440,100	440,100
Ariba Hosted Procurement Solution	0	270,000	270,000
Bus / Rail Warranty Management System	0	45,000	45,000
Information Technology Expansion Projects	\$29,084,394	\$26,984,669	\$56,069,063

Expansion/Enhancement Capital Costs

METRORail Expansion FFGA Commitments	Grants	Local	FY2025
North Line - Maintenance of Way Facility (MOW)	\$6,846,346	\$4,656,251	\$11,502,597
East End Line Phase 2 Light Rail Vehicle (LRV)	0	185,000	185,000
METRORail Expansion FFGA Commitments	\$6,846,346	\$4,841,251	\$11,687,597

Expansion/Enhancement Capital Costs

Safety Projects	Grants	Local	FY2025
Electric Bus Propulsion Simulator	\$0	\$1,800,000	\$1,800,000
MPD Taser/Camera Project	0	936,000	936,000
Video Monitoring System	0	900,000	900,000
I-610 @ Fannin Grade Crossing Remediation	0	535,881	535,881
Rail Interlocking Plants	0	522,000	522,000
Video Integration	0	225,000	225,000
High Load Detection	0	90,900	90,900
Safety Projects	\$0	\$5,009,781	\$5,009,782

Expansion/Enhancement Capital Costs

Vehicle Acquisition Costs	<u>Grants</u>	<u>Local</u>	<u>FY2025</u>
No vehicle expansion planned in FY2025	\$0	\$0	\$0
Vehicle Acquisition Costs	\$0	\$0	\$0

Allowances

The Capital Improvement Program (CIP) allocates funds for capital projects from the \$5 million Unallocated Capital Fund included in the FY2025 Budget. After internal review and recommendation, a project may be presented to the METRO Board for approval to move forward from the development phase to active status.

Expansion/Enhancement Capital Costs

Allowances	<u>Grants</u>	<u>Local</u>	<u>FY2025</u>
Non-Obligated Capital Project Fund	\$0	\$5,000,000	\$5,000,000
Allowances	\$0	\$5,000,000	\$5,000,000

Debt Service Budget

Debt Service (in millions)

Debt Service Category	Projected FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
<u>Sales Tax Bonds & KO's</u>						
Principal	\$ 69.654	\$ 66.650	\$ 66.491	\$ 70.833	\$ 74.517	\$ 100.409
Interest	\$ 30.053	\$ 27.576	\$ 35.021	\$ 40.326	\$ 54.227	\$ 65.665
Trustee Fees	\$ 0.053	\$ 0.055	\$ 0.058	\$ 0.061	\$ 0.064	\$ 0.067
	<u>\$ 99.759</u>	<u>\$ 94.282</u>	<u>\$ 101.570</u>	<u>\$ 111.220</u>	<u>\$ 128.807</u>	<u>\$ 166.141</u>
<u>Commercial Paper</u>						
Credit Facility Fees	\$ 2.000	\$ 2.000	\$ 2.000	\$ 2.000	\$ 2.000	\$ 2.000
CP Dealer Fees	-	-	-	0.408	1.078	1.400
Budgeted CP Interest	-	-	-	4.695	13.952	20.120
Add'l Budgeted CP Interest @ 1%	-	-	-	1.165	3.080	4.000
Misc. Fees	0.155	-	-	-	0.174	0.179
	<u>\$ 2.155</u>	<u>\$ 2.000</u>	<u>\$ 2.000</u>	<u>\$ 8.268</u>	<u>\$ 20.284</u>	<u>\$ 27.699</u>
<u>Commercial Paper Pay Down</u>						
Payments from GMP Increment	\$ -	\$ -	\$ -	\$ 25.500	\$ 28.500	\$ 31.400
Payments from Interest Underrun	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Paydown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25.500</u>	<u>\$ 28.500</u>	<u>\$ 31.400</u>
Total Debt Service	\$ 101.914	\$ 96.282	\$ 103.570	\$ 144.988	\$ 177.591	\$ 225.240

Outstanding Debt Balances *

	Projected FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Sales Tax Bonds & KO's (non-METRONext)	715.457	649.248	752.348	755.542	932.006	1,086.252
METRONext Sales Tax Bonds	-	25.463	133.919	246.181	390.969	437.681
Commercial Paper	-	-	116.500	308.000	400.000	400.000
TOTAL Debt Outstanding	\$ 715.457	\$ 674.711	\$ 1,002.768	\$ 1,309.724	\$ 1,722.975	\$ 1,923.933

* 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 FY2025 schedule of debt service payments as well as any other associated fees.

FY2025 PROPOSED DEBT SERVICE PAYMENTS

Series	Source	Principal	Interest	Fees	TOTAL
<u>Contractual Obligations (KOs)</u>					
2014A	Sales Tax	783,333	39,167		822,500
2015B	Sales Tax	6,085,000	988,458		7,073,458
2016B	Sales Tax Refunding	1,762,917	948,196		2,711,113
2016D	Sales Tax	4,445,000	907,271		5,352,271
2017B	Sales Tax/ Sales Tax Refunding	7,267,083	1,715,625		8,982,708
2017C	Sales Tax Refunding	538,750	503,782		1,042,532
2018A	Sales Tax	11,697,500	4,511,792		16,209,292
2019B	Sales Tax Refunding	1,384,167	470,493		1,854,660
2020A	Sales Tax	1,997,083	7,765,402		9,762,486
2021A	Sales Tax Refunding	9,796,250	591,543		10,387,793
<u>Voted Sales Tax</u>					
2016A	Sales Tax Refunding	17,244,583	4,864,375		22,108,958
2017A	Sales Tax Refunding	3,207,083	173,771		3,380,854
2019A	Sales Tax Refunding	-	3,206,000		3,206,000
<u>New Debt</u>					
2025 METRONext Senior Lien Bonds	Sales Tax	441,372	890,456		1,331,829
<u>Fees</u>					
Trustee Fees				55,125	55,125
LOC Fees				2,000,000	2,000,000
Miscellaneous Fees				-	-
Total Debt Service		\$ 66,650,122	\$ 27,576,331	\$ 2,055,125	\$ 96,281,579

DEBT POLICY

In August 2024, 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](#).

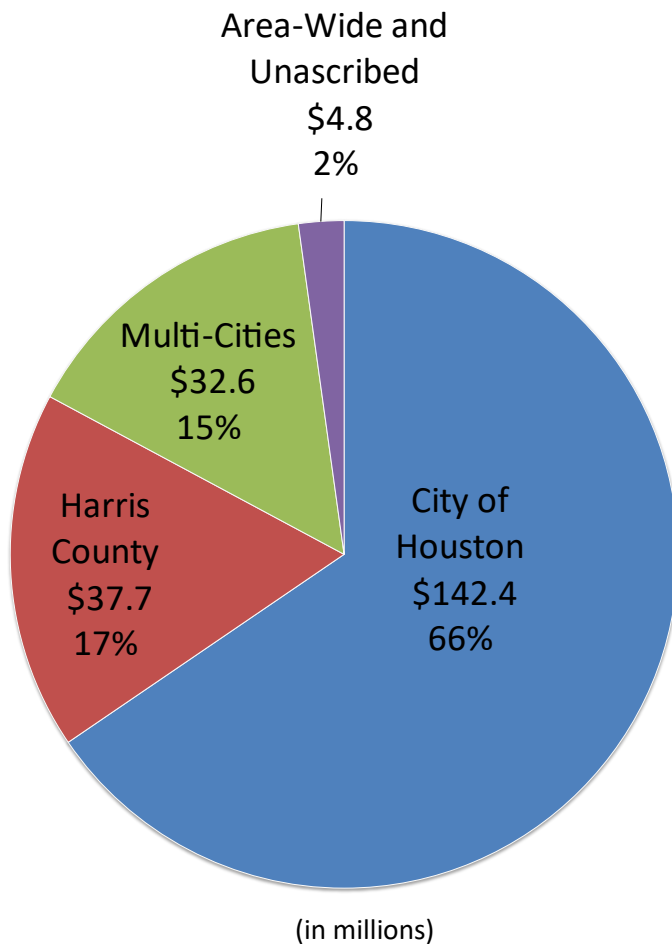
Debt Reporting

On a monthly basis, METRO reports outstanding debt balances to the Board. The July 2024 report can be found at: [METRO Debt Report July 2024](#)

General Mobility Program

FY2025 Projected Transfer to the
General Mobility Program

\$217.5 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.

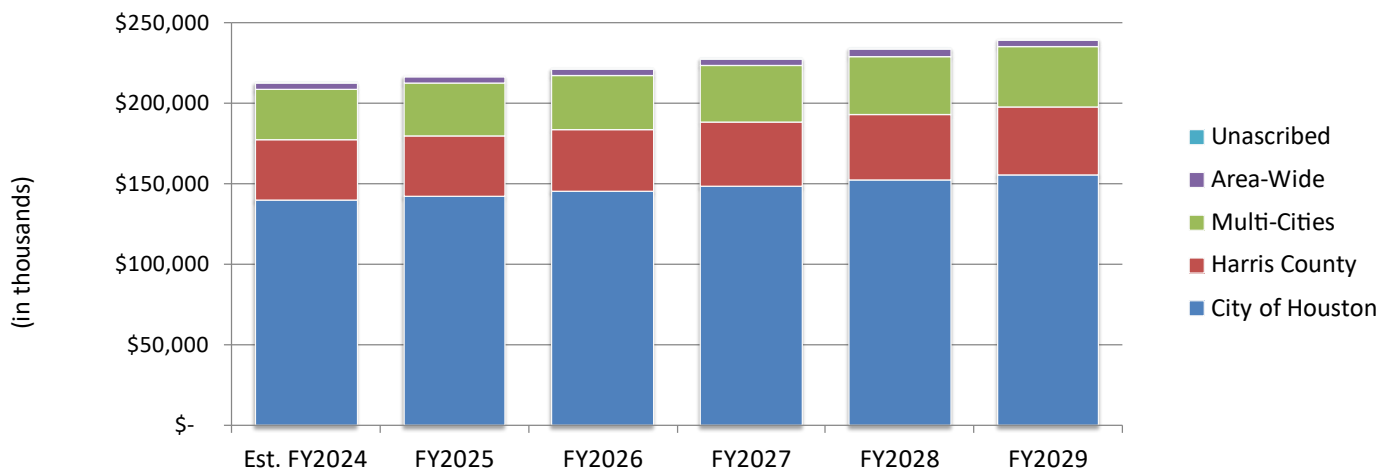
In FY2019, voters approved a referendum relating to the authorization of its regional transit plan — METRONext. This referendum further continues General Mobility funding to member jurisdictions based on sales tax revenues set at the end of September 2014, with any growth in sales tax above that mark split 50/50 with member jurisdictions through September 30, 2040.

Projected Funding

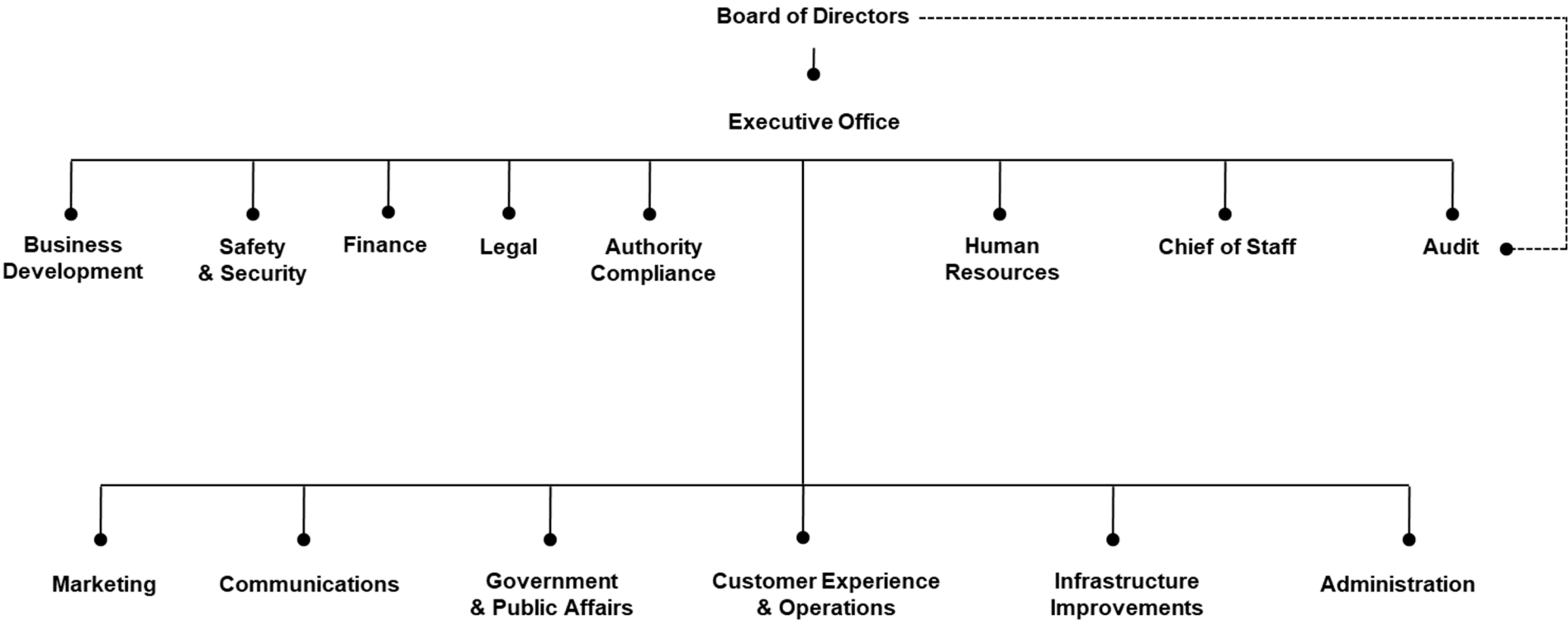
(in thousands)

	Est. FY2024		FY2025		FY2026		FY2027		FY2028		FY2029	
Street Repair & Congestion Mitigation												
City of Houston	\$	10,000	\$	10,000	\$	10,000	\$	10,000	\$	10,000	\$	10,000
Multi-Cities		31,636		32,562		33,756		35,213		36,649		38,143
Area-Wide		4,000		4,000		4,000		4,000		4,000		4,000
Subtotal	\$	45,636	\$	46,562	\$	47,756	\$	49,213	\$	50,649	\$	52,143
Future Designated Projects												
City of Houston	\$	130,152	\$	132,396	\$	135,288	\$	138,817	\$	142,299	\$	145,919
Harris County		37,095		37,735		38,559		39,565		40,557		41,589
Unascribed		756		769		786		806		827		848
Subtotal	\$	168,003	\$	170,899	\$	174,633	\$	179,189	\$	183,683	\$	188,356
Total Commitment												
City of Houston	\$	140,152	\$	142,396	\$	145,288	\$	148,817	\$	152,299	\$	155,919
Harris County		37,095		37,735		38,559		39,565		40,557		41,589
Multi-Cities		31,636		32,562		33,756		35,213		36,649		38,143
Area-Wide		4,000		4,000		4,000		4,000		4,000		4,000
Unascribed		756		769		786		806		827		848
Total General Mobility Funding	\$	213,639	\$	217,462	\$	222,389	\$	228,401	\$	234,332	\$	240,499

5-Year General Mobility Projected Funding



Organization Chart



Department Summaries

This section provides a brief description of each METRO department, along with an organization chart and financial data showing the FY2025 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:

Enable as many people as possible to choose METRO by providing a mix of attractive transportation services using technology to improve the customer experience and prioritizing equity in service improvements.

Improve the safety, security, and cleanliness of METRO vehicles and facilities.

Make service easy to access and use, including increasing the number of bus shelters.

Enhance the reliability of transit services.

Strengthen METRO’s resilience and ability to respond quickly to assist customers during times of service disruption.

Maintain assets in a State of Good Repair, including regional infrastructure shared by transit.

Attract and retain the workforce needed to support METRO's business objective of growing ridership in numbers and diversity.

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

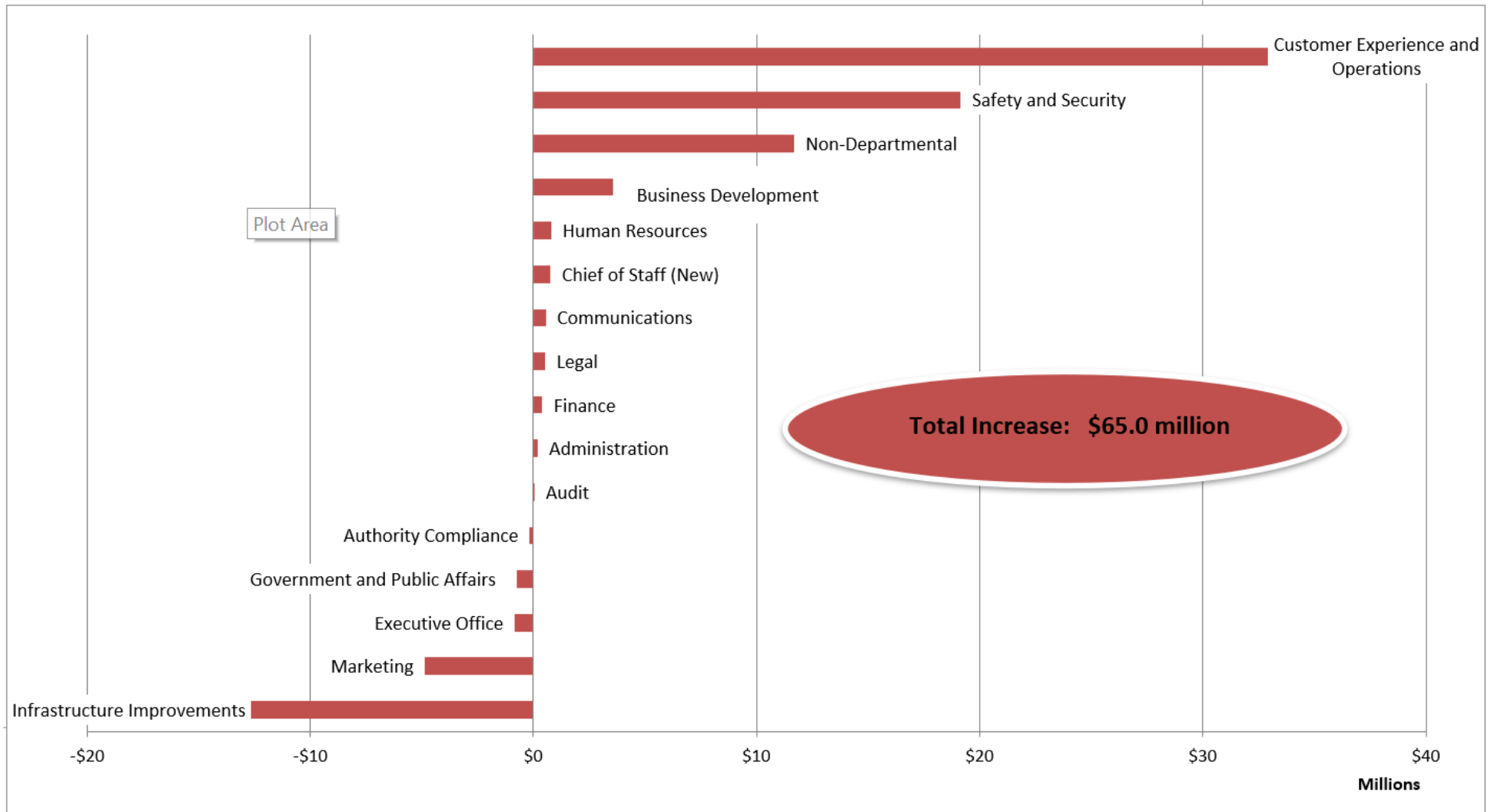
Through collaborative relations and innovative approaches, METRO will be an industry leader in delivering timely and efficient service that is transformative by providing multimodal interactions for communities to connect to everyday work and life opportunities.

Department Summaries

Budget by Department

Departments	FY2024 Budget	FY2024 Estimate	FY2025 Budget
Customer Experience and Operations	\$ 574,462,018	\$ 578,221,223	\$ 610,785,789
Safety and Security	125,167,309	126,170,129	144,316,672
Business Development	52,918,356	52,228,604	56,479,699
Infrastructure Improvements	50,013,044	24,727,972	32,916,050
Human Resources	36,057,560	34,546,280	36,856,260
Administration	19,269,111	18,537,439	19,465,930
Marketing	14,560,035	14,447,333	9,696,706
Finance	11,191,548	10,443,762	11,593,343
Government and Public Affairs	9,497,417	8,378,449	8,742,139
Non-Departmental	6,096,650	(3,298,835)	17,783,480
Legal	5,106,240	4,552,614	5,634,591
Contingency	4,562,989	-	19,252,612
Executive Office	2,023,174	2,152,874	1,189,532
Audit	1,867,982	1,557,625	1,914,793
Communications	1,053,146	1,039,345	1,607,878
Authority Compliance	1,035,096	1,110,222	874,362
Chief of Staff (New)	118,325	184,965	890,161
TOTAL NET OPERATING	\$ 915,000,000	\$ 875,000,000	\$ 980,000,000

Budget by Department - Budget-to-Budget Variance



Executive Office

	FY2024 Budget	FY2024 Estimate	FY2025 Budget
Wages	\$ -	\$ -	\$ -
Union Fringe Benefits	3,911	105	703
Subtotal Union Labor	\$ 3,911	\$ 105	\$ 703
Salaries and Non-Union Wages	997,958	1,199,286	404,248
Non-Union Fringe Benefits	509,129	537,891	250,872
Subtotal Non-Union Labor	\$ 1,507,088	\$ 1,737,177	\$ 655,120
Allocation to Capital and GMP	-	-	-
Subtotal Labor and Fringe Benefits	\$ 1,510,998	\$ 1,737,282	\$ 655,823
Services	130,825	138,779	166,825
Materials and Supplies	3,494	4,791	3,494
Fuel and Utilities	6,684	4,751	6,684
Casualty and Liability	-	-	-
Purchased Transportation	-	-	-
Leases, Rentals and Miscellaneous	371,173	267,271	356,707
Subtotal Non-Labor	\$ 512,176	\$ 415,592	\$ 533,710
Subtotal Labor and Non-Labor	\$ 2,023,174	\$ 2,152,874	\$ 1,189,532
Allocation to Capital and GMP	-	-	-
Total Operating Expenses	\$ 2,023,174	\$ 2,152,874	\$ 1,189,532

Chief of Staff (New)

	FY2024 Budget	FY2024 Estimate	FY2025 Budget
Wages	\$ -	\$ -	\$ -
Union Fringe Benefits	-	-	16,329
Subtotal Union Labor	\$ -	\$ -	\$ 16,329
Salaries and Non-Union Wages	-	-	422,489
Non-Union Fringe Benefits	-	448	228,818
Subtotal Non-Union Labor	\$ -	\$ 448	\$ 651,307
Allocation to Capital and GMP	-	-	-
Subtotal Labor and Fringe Benefits	\$ -	\$ 448	\$ 667,636
Services	76,200	134,868	111,200
Materials and Supplies	3,000	4,795	3,000
Fuel and Utilities	8,000	4,450	10,700
Casualty and Liability	-	-	-
Purchased Transportation	-	-	-
Leases, Rentals and Miscellaneous	31,125	40,405	97,625
Subtotal Non-Labor	\$ 118,325	\$ 184,517	\$ 222,525
Subtotal Labor and Non-Labor	\$ 118,325	\$ 184,965	\$ 890,161
Allocation to Capital and GMP	-	-	-
Total Operating Expenses	\$ 118,325	\$ 184,965	\$ 890,161

Customer Experience and Operations

	FY2024	FY2024	FY2025
	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>
Wages	\$ 173,850,892	\$ 177,743,643	\$ 192,157,269
Union Fringe Benefits	76,436,730	76,214,886	81,188,789
Subtotal Union Labor	\$ 250,287,622	\$ 253,958,529	\$ 273,346,059
Salaries and Non-Union Wages	53,701,006	54,615,971	56,752,995
Non-Union Fringe Benefits	20,480,964	21,198,999	21,224,182
Subtotal Non-Union Labor	\$ 74,181,970	\$ 75,814,969	\$ 77,977,177
Allocation to Capital and GMP	(2,076,957)	(2,479,365)	(2,337,809)
Subtotal Labor and Fringe Benefits	\$ 322,392,635	\$ 327,294,133	\$ 348,985,426
Services	21,732,873	22,871,408	22,219,859
Materials and Supplies	36,126,084	41,305,092	41,572,311
Fuel and Utilities	49,623,106	45,269,056	49,431,564
Casualty and Liability	3,271,416	3,926,465	3,449,705
Purchased Transportation	138,651,100	134,972,452	142,283,471
Leases, Rentals and Miscellaneous	2,664,805	2,629,881	2,843,454
Subtotal Non-Labor	\$ 252,069,384	\$ 250,974,355	\$ 261,800,363
Subtotal Labor and Non-Labor	\$ 574,462,018	\$ 578,268,488	\$ 610,785,789
Allocation to Capital and GMP	-	(47,265)	-
Total Operating Expenses	\$ 574,462,018	\$ 578,221,223	\$ 610,785,789

Safety and Security

	FY2024	FY2024	FY2025
	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>
Wages	\$ 9,905,221	\$ 9,685,250	\$ 11,156,805
Union Fringe Benefits	6,467,050	5,327,850	7,288,363
Subtotal Union Labor	\$ 16,372,271	\$ 15,013,100	\$ 18,445,168
Salaries and Non-Union Wages	41,796,804	40,527,926	44,548,420
Non-Union Fringe Benefits	17,772,405	17,792,385	18,590,945
Subtotal Non-Union Labor	\$ 59,569,209	\$ 58,320,311	\$ 63,139,365
Allocation to Capital and GMP	(2,695,330)	(2,361,543)	(2,349,666)
Subtotal Labor and Fringe Benefits	\$ 73,246,150	\$ 70,971,868	\$ 79,234,867
Services	34,273,761	39,601,644	45,282,206
Materials and Supplies	6,250,299	4,993,545	7,300,143
Fuel and Utilities	5,260,941	4,569,141	6,034,790
Casualty and Liability	6,635,900	6,590,731	7,140,864
Purchased Transportation	-	-	-
Leases, Rentals and Miscellaneous	410,481	282,685	573,097
Subtotal Non-Labor	\$ 52,831,382	\$ 56,037,747	\$ 66,331,100
Subtotal Labor and Non-Labor	\$ 126,077,532	\$ 127,009,615	\$ 145,565,967
Allocation to Capital and GMP	(910,223)	(839,486)	(1,249,295)
Total Operating Expenses	\$ 125,167,309	\$ 126,170,129	\$ 144,316,672

Infrastructure Improvements

	FY2024 Budget	FY2024 Estimate	FY2025 Budget
Wages	\$ -	\$ -	\$ -
Union Fringe Benefits	75,224	(496)	61,315
Subtotal Union Labor	\$ 75,224	\$ (496)	\$ 61,315
Salaries and Non-Union Wages	10,363,778	8,307,852	10,098,174
Non-Union Fringe Benefits	3,174,516	3,069,951	3,174,940
Subtotal Non-Union Labor	\$ 13,538,294	\$ 11,377,803	\$ 13,273,114
Allocation to Capital and GMP	(5,580,188)	(3,995,285)	(6,328,916)
Subtotal Labor and Fringe Benefits	\$ 8,033,330	\$ 7,382,023	\$ 7,005,512
Services	41,572,265	16,993,714	25,545,260
Materials and Supplies	105,791	88,357	113,270
Fuel and Utilities	26,400	25,499	25,400
Casualty and Liability	1,600	25,707	3,600
Purchased Transportation	-	-	-
Leases, Rentals and Miscellaneous	273,658	212,672	223,008
Subtotal Non-Labor	\$ 41,979,714	\$ 17,345,949	\$ 25,910,538
Subtotal Labor and Non-Labor	\$ 50,013,044	\$ 24,727,972	\$ 32,916,050
Allocation to Capital and GMP	-	-	-
Total Operating Expenses	\$ 50,013,044	\$ 24,727,972	\$ 32,916,050

Business Development

	FY2024 Budget	FY2024 Estimate	FY2025 Budget
Wages	\$ -	\$ -	\$ -
Union Fringe Benefits	43,196	7,124	60,936
Subtotal Union Labor	\$ 43,196	\$ 7,124	\$ 60,936
Salaries and Non-Union Wages	20,242,772	19,050,378	22,012,265
Non-Union Fringe Benefits	7,198,056	7,161,165	8,136,065
Subtotal Non-Union Labor	\$ 27,440,828	\$ 26,211,543	\$ 30,148,331
Allocation to Capital and GMP	(2,736,898)	(2,048,307)	(2,755,347)
Subtotal Labor and Fringe Benefits	\$ 24,747,126	\$ 24,170,360	\$ 27,453,919
Services	6,526,963	7,648,529	6,219,872
Materials and Supplies	944,053	895,891	1,265,466
Fuel and Utilities	1,992,939	2,227,971	1,964,063
Casualty and Liability	-	23,919	-
Purchased Transportation	4,609,568	3,936,759	4,691,402
Leases, Rentals and Miscellaneous	14,097,707	13,325,176	14,884,977
Subtotal Non-Labor	\$ 28,171,230	\$ 28,058,244	\$ 29,025,780
Subtotal Labor and Non-Labor	\$ 52,918,356	\$ 52,228,604	\$ 56,479,699
Allocation to Capital and GMP	-	-	-
Total Operating Expenses	\$ 52,918,356	\$ 52,228,604	\$ 56,479,699

Marketing

	FY2024 Budget	FY2024 Estimate	FY2025 Budget
Wages	\$ -	\$ -	\$ -
Union Fringe Benefits	7,460	(3,587)	4,015
Subtotal Union Labor	\$ 7,460	\$ (3,587)	\$ 4,015
Salaries and Non-Union Wages	3,054,160	3,056,019	\$ 2,308,841
Non-Union Fringe Benefits	1,159,871	1,199,741	\$ 897,235
Subtotal Non-Union Labor	\$ 4,214,031	\$ 4,255,760	\$ 3,206,076
Allocation to Capital and GMP	-	-	-
Subtotal Labor and Fringe Benefits	\$ 4,221,491	\$ 4,252,173	\$ 3,210,090
Services	10,266,410	10,145,176	6,417,412
Materials and Supplies	21,000	16,615	21,000
Fuel and Utilities	7,200	5,277	4,380
Casualty and Liability	-	-	-
Purchased Transportation	-	-	-
Leases, Rentals and Miscellaneous	43,934	28,092	43,824
Subtotal Non-Labor	\$ 10,338,544	\$ 10,195,160	\$ 6,486,616
Subtotal Labor and Non-Labor	\$ 14,560,035	\$ 14,447,333	\$ 9,696,706
Allocation to Capital and GMP	-	-	-
Total Operating Expenses	\$ 14,560,035	\$ 14,447,333	\$ 9,696,706

Communications

	FY2024 Budget	FY2024 Estimate	FY2025 Budget
Wages	\$ -	\$ -	\$ -
Union Fringe Benefits	1,329	(1,421)	2,056
Subtotal Union Labor	\$ 1,329	\$ (1,421)	\$ 2,056
Salaries and Non-Union Wages	802,693	807,480	1,182,501
Non-Union Fringe Benefits	180,274	189,168	276,125
Subtotal Non-Union Labor	\$ 982,968	\$ 996,648	\$ 1,458,625
Allocation to Capital and GMP	-	-	-
Subtotal Labor and Fringe Benefits	\$ 984,296	\$ 995,227	\$ 1,460,682
Services	50,015	34,103	54,361
Materials and Supplies	1,200	600	1,000
Fuel and Utilities	8,320	5,312	7,520
Casualty and Liability	-	-	-
Purchased Transportation	-	-	-
Leases, Rentals and Miscellaneous	9,315	4,103	84,315
Subtotal Non-Labor	\$ 68,850	\$ 44,118	\$ 147,196
Subtotal Labor and Non-Labor	\$ 1,053,146	\$ 1,039,345	\$ 1,607,878
Allocation to Capital and GMP	-	-	-
Total Operating Expenses	\$ 1,053,146	\$ 1,039,345	\$ 1,607,878

Audit

	FY2024 Budget	FY2024 Estimate	FY2025 Budget
Wages	\$ -	\$ -	\$ -
Union Fringe Benefits	1,959	(428)	2,272
Subtotal Union Labor	\$ 1,959	\$ (428)	\$ 2,272
Salaries and Non-Union Wages	1,238,025	1,137,515	1,307,952
Non-Union Fringe Benefits	423,718	376,904	477,730
Subtotal Non-Union Labor	\$ 1,661,743	\$ 1,514,419	\$ 1,785,681
Allocation to Capital and GMP	-	-	-
Subtotal Labor and Fringe Benefits	\$ 1,663,702	\$ 1,513,991	\$ 1,787,953
Services	183,600	34,453	107,500
Materials and Supplies	5,000	2,135	4,800
Fuel and Utilities	400	70	600
Casualty and Liability	-	-	-
Purchased Transportation	-	-	-
Leases, Rentals and Miscellaneous	15,280	6,976	13,940
Subtotal Non-Labor	\$ 204,280	\$ 43,634	\$ 126,840
Subtotal Labor and Non-Labor	\$ 1,867,982	\$ 1,557,625	\$ 1,914,793
Allocation to Capital and GMP	-	-	-
Total Operating Expenses	\$ 1,867,982	\$ 1,557,625	\$ 1,914,793

Authority Compliance

	FY2024 Budget	FY2024 Estimate	FY2025 Budget
Wages	\$ -	\$ -	\$ -
Union Fringe Benefits	1,119	(263)	1,141
Subtotal Union Labor	\$ 1,119	\$ (263)	\$ 1,141
Salaries and Non-Union Wages	683,897	704,311	656,456
Non-Union Fringe Benefits	322,884	339,734	189,122
Subtotal Non-Union Labor	\$ 1,006,781	\$ 1,044,045	\$ 845,578
Allocation to Capital and GMP	-	-	-
Subtotal Labor and Fringe Benefits	\$ 1,007,900	\$ 1,043,782	\$ 846,719
Services	15,094	59,482	15,196
Materials and Supplies	1,000	858	1,000
Fuel and Utilities	900	462	780
Casualty and Liability	-	-	-
Purchased Transportation	-	-	-
Leases, Rentals and Miscellaneous	10,203	5,638	10,667
Subtotal Non-Labor	\$ 27,197	\$ 66,440	\$ 27,643
Subtotal Labor and Non-Labor	\$ 1,035,096	\$ 1,110,222	\$ 874,362
Allocation to Capital and GMP	-	-	-
Total Operating Expenses	\$ 1,035,096	\$ 1,110,222	\$ 874,362

Administration

	FY2024 Budget	FY2024 Estimate	FY2025 Budget
Wages	\$ 3,813,331	\$ 3,934,114	\$ 3,986,696
Union Fringe Benefits	2,159,043	2,113,678	2,120,419
Subtotal Union Labor	\$ 5,972,374	\$ 6,047,792	\$ 6,107,115
Salaries and Non-Union Wages	7,654,472	7,538,303	7,702,265
Non-Union Fringe Benefits	3,401,118	3,306,975	3,411,826
Subtotal Non-Union Labor	\$ 11,055,590	\$ 10,845,279	\$ 11,114,091
Allocation to Capital and GMP	-	-	-
Subtotal Labor and Fringe Benefits	\$ 17,027,963	\$ 16,893,071	\$ 17,221,205
Services	988,965	882,762	1,039,436
Materials and Supplies	1,006,766	574,895	962,366
Fuel and Utilities	10,260	11,633	8,340
Casualty and Liability	-	-	-
Purchased Transportation	-	-	-
Leases, Rentals and Miscellaneous	235,157	175,078	234,583
Subtotal Non-Labor	\$ 2,241,148	\$ 1,644,368	\$ 2,244,725
Subtotal Labor and Non-Labor	\$ 19,269,111	\$ 18,537,439	\$ 19,465,930
Allocation to Capital and GMP	-	-	-
Total Operating Expenses	\$ 19,269,111	\$ 18,537,439	\$ 19,465,930

Finance

	FY2024 Budget	FY2024 Estimate	FY2025 Budget
Wages	\$ -	\$ -	\$ -
Union Fringe Benefits	19,583	(3,592)	24,099
Subtotal Union Labor	\$ 19,583	\$ (3,592)	\$ 24,099
Salaries and Non-Union Wages	6,336,724	6,321,299	6,400,407
Non-Union Fringe Benefits	2,659,765	2,656,676	2,889,171
Subtotal Non-Union Labor	\$ 8,996,490	\$ 8,977,975	\$ 9,289,578
Allocation to Capital and GMP	-	(21,807)	-
Subtotal Labor and Fringe Benefits	\$ 9,016,073	\$ 8,952,576	\$ 9,313,676
Services	1,974,264	1,334,709	2,065,819
Materials and Supplies	67,020	49,367	70,195
Fuel and Utilities	22,012	10,715	22,012
Casualty and Liability	-	-	-
Purchased Transportation	-	-	-
Leases, Rentals and Miscellaneous	112,179	96,394	121,641
Subtotal Non-Labor	\$ 2,175,475	\$ 1,491,186	\$ 2,279,667
Subtotal Labor and Non-Labor	\$ 11,191,548	\$ 10,443,762	\$ 11,593,343
Allocation to Capital and GMP	-	-	-
Total Operating Expenses	\$ 11,191,548	\$ 10,443,762	\$ 11,593,343

Government and Public Affairs

	FY2024 Budget	FY2024 Estimate	FY2025 Budget
Wages	\$ -	\$ -	\$ -
Union Fringe Benefits	6,075	(5,422)	6,458
Subtotal Union Labor	\$ 6,075	\$ (5,422)	\$ 6,458
Salaries and Non-Union Wages	4,041,270	3,847,819	4,061,428
Non-Union Fringe Benefits	985,672	967,578	1,035,378
Subtotal Non-Union Labor	\$ 5,026,942	\$ 4,815,398	\$ 5,096,806
Allocation to Capital and GMP	-	-	-
Subtotal Labor and Fringe Benefits	\$ 5,033,018	\$ 4,809,976	\$ 5,103,263
Services	3,893,412	3,120,845	3,173,978
Materials and Supplies	15,600	10,152	15,450
Fuel and Utilities	18,100	13,784	19,620
Casualty and Liability	-	-	-
Purchased Transportation	-	-	-
Leases, Rentals and Miscellaneous	537,287	423,693	429,828
Subtotal Non-Labor	\$ 4,464,399	\$ 3,568,473	\$ 3,638,876
Subtotal Labor and Non-Labor	\$ 9,497,417	\$ 8,378,449	\$ 8,742,139
Allocation to Capital and GMP	-	-	-
Total Operating Expenses	\$ 9,497,417	\$ 8,378,449	\$ 8,742,139

Legal

	FY2024 Budget	FY2024 Estimate	FY2025 Budget
Wages	\$ -	\$ -	-
Union Fringe Benefits	4,302	(3,398)	4,731
Subtotal Union Labor	\$ 4,302	\$ (3,398)	\$ 4,731
Salaries and Non-Union Wages	2,680,907	2,427,809	2,768,628
Non-Union Fringe Benefits	729,639	709,598	954,020
Subtotal Non-Union Labor	\$ 3,410,546	\$ 3,137,407	\$ 3,722,648
Allocation to Capital and GMP	-	-	-
Subtotal Labor and Fringe Benefits	\$ 3,414,848	\$ 3,134,009	\$ 3,727,379
Services	1,589,800	1,294,053	1,789,950
Materials and Supplies	6,500	5,035	6,500
Fuel and Utilities	8,662	5,328	8,662
Casualty and Liability	-	-	-
Purchased Transportation	-	-	-
Leases, Rentals and Miscellaneous	86,430	114,190	102,100
Subtotal Non-Labor	\$ 1,691,392	\$ 1,418,605	\$ 1,907,212
Subtotal Labor and Non-Labor	\$ 5,106,240	\$ 4,552,614	\$ 5,634,591
Allocation to Capital and GMP	-	-	-
Total Operating Expenses	\$ 5,106,240	\$ 4,552,614	\$ 5,634,591

Human Resources

	FY2024 Budget	FY2024 Estimate	FY2025 Budget
Wages	\$ -	\$ -	\$ 6,600
Union Fringe Benefits	21,212,016	20,948,705	21,598,854
Subtotal Union Labor	\$ 21,212,016	\$ 20,948,705	\$ 21,605,454
Salaries and Non-Union Wages	5,916,348	5,685,690	5,850,373
Non-Union Fringe Benefits	6,318,906	5,663,368	6,838,194
Subtotal Non-Union Labor	\$ 12,235,254	\$ 11,349,058	\$ 12,688,567
Allocation to Capital and GMP	-	-	-
Subtotal Labor and Fringe Benefits	\$ 33,447,270	\$ 32,297,763	\$ 34,294,021
Services	2,255,440	2,143,421	2,296,199
Materials and Supplies	8,050	7,187	7,800
Fuel and Utilities	8,520	4,486	6,000
Casualty and Liability	-	-	-
Purchased Transportation	-	-	-
Leases, Rentals and Miscellaneous	338,280	93,422	255,664
Subtotal Non-Labor	\$ 2,610,290	\$ 2,248,517	\$ 2,565,663
Subtotal Labor and Non-Labor	\$ 36,057,560	\$ 34,546,280	\$ 36,859,684
Allocation to Capital and GMP	-	-	-
Total Operating Expenses	\$ 36,057,560	\$ 34,546,280	\$ 36,859,684

Non-Departmental and Contingency

	FY2024 Budget	FY2024 Estimate	FY2025 Budget
Wages	\$ -	\$ -	\$ 5,106,948
Union Fringe Benefits	254	-	3,258,359
Subtotal Union Labor	\$ 254	\$ -	\$ 8,365,307
Salaries and Non-Union Wages	578,549	-	9,043,078
Non-Union Fringe Benefits	200,790	(2,803,917)	3,505,024
Subtotal Non-Union Labor	\$ 779,338	\$ (2,803,917)	\$ 12,548,102
Allocation to Capital and GMP	-	-	-
Subtotal Labor and Fringe Benefits	\$ 779,593	\$ (2,803,917)	\$ 20,913,410
Services	2,008,500	-	500,000
Materials and Supplies	-	-	-
Fuel and Utilities	-	-	-
Casualty and Liability	-	(494,918)	-
Purchased Transportation	1,980,798	-	10,283,480
Leases, Rentals and Miscellaneous	3,523,621	-	3,156,622
Subtotal Non-Labor	\$ 7,512,919	\$ (494,918)	\$ 13,940,102
Subtotal Labor and Non-Labor	\$ 8,292,512	\$ (3,298,835)	\$ 34,853,511
Contingency	2,367,127	-	2,500,000
Allocation to Capital and GMP	-	-	-
Total Operating Expenses	\$ 10,659,639	\$ (3,298,835)	\$ 37,353,511

METRO 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. To that end, METRO tracks key performance indicators and compares performance to annual goals.

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

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.

METRO Key Performance Statistics FY2025

SAFETY & SECURITY	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	FY2025 Goal
Bus Accidents													
• Absolute Number	47	47	46	46	46	46	46	46	46	46	46	46	554
• Preventable Number	15	15	15	15	16	16	16	16	16	17	17	16	190
Rail Accidents													
• Absolute Number	9	10	9	9	9	10	9	9	9	9	9	9	110
• Preventable Number	1	1	2	1	1	2	1	1	2	1	1	1	15
SERVICE & RELIABILITY	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	YTD Goal
On-Time Performance													
• Local - Bus	75%	75%	75%	75%	75%	75%	75%	75%	75%	76%	76%	76%	75%
• Park & Ride - Bus	83%	83%	83%	83%	83%	83%	83%	83%	83%	83%	83%	83%	83%
• Weighted Average - Bus	75%	75%	75%	75%	75%	75%	75%	75%	75%	76%	76%	76%	75%
• BRT	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%
• 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%	93%
• 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	5,000	6,000	6,000	6,000	6,000	6,000	6,000	5,000	5,000	5,000	5,000	5,000	5,500
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	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
CUSTOMER SERVICE	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	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

Glossary of Terms and Acronyms

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.

AFA - Advance Funding Agreement

ADA – Americans with Disabilities Act

ARGO – Automated Reversible Gate Operations

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.

APC – Automatic Passenger Count

A/V (Equipment) – Audio Visual

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.

BOF - Bus Operating Facility

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.

BOOST – Bus Operation Optimization System Treatments

Bus Rapid Transit (BRT) – 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.

CAD/AVL – Computer-Aided Dispatch / Automatic Vehicle Location

CAD/RMS – Computer Aided Dispatch / Reports Management System

CAM - Cost Allocation Model

Capital Assets – Purchases recorded as assets, such as property, plant, or equipment, with a useful life of over one year.

CBR - Capital Budget Review Committee

CCTV – Closed-Circuit Television

CDC – Center for Disease Control

CFO - Chief Financial Officer

CIP - Capital Improvement Program

CNG – Compressed Natural Gas

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.”

CP – Commercial Paper

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

CRAHU – Computer Room Air Conditioning & Heating Unit

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.

EKOS – Manufacturer of slide roller for light rail

EOC – Emergency Operation Center

ERP – Enterprise Resource Planning

45-Foot Bus – A bus used in Park & Ride service, typically with 55 seats.

FB – BOF – Fallbrook Bus Operating Facility

FCEV – Fuel Cell Electric Vehicle

FFGA – Full Funding Grant Agreement

Frequency – How many buses pass by a point during a specified time.

FTA – Federal Transit Administration

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.

GAN – Grant Anticipation Note

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).

GMP – General Mobility Program

H1 – First LRV order from Siemens; 100 series

H2 – Second LRV order from Siemens; 200 series

H3 – LRV order from CAF USA; 300 series

H4 – Third LRV order from Siemens; 400 series

HCFC – Harris County Flood Control District

HCTRA – Harris County Toll Road Authority

HC-BOF – Hiram Clarke Bus Operating Facility

Headways – The time between buses in the schedule: 5 minutes would be a very short headway; 60 minutes would be a long headway.

H-GAC – Houston-Galveston Area Council

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).

HVAC – Heating, Ventilation & Air Conditioning

IT – Information Technology

IVOMS – Integrated Vehicle Operations Management System

KOs – Contractual Obligations

LED - Light-Emitting Diode

Local Route – Bus service that picks up and discharges passengers all along the route.

LRT – Light Rail Transit

LRV – Light Rail Vehicle

MCI – Motor Coach Industries

MDBF – Mean Distance between (Mechanical) Failures

METRO – Metropolitan Transit Authority of Harris County

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”

MFRI – Major Facility Rehabilitation Initiative

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.

MPD – METRO Police Department

MRC – METRORail Completion

NHHIP – North Houston Highway Improvement Project

NRVs – Non-Revenue Vehicles

NTD – National Transit Database

NWTC – Northwest Transit Center

OPEB – Other Post-Employment Benefits. These are benefits employees may receive from their employer upon retirement, other than pension distribution.

OEM – Original Equipment Manufacturer

OTP – On-Time Performance

O&M – Operations and Maintenance

P&R – Park & Ride

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”.

MOW – Maintenance of Way

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).

PTZ – Pan Tilt Zoom (Cameras)

QA – Quality Assurance

ROC – Rail Operations Center

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.

RFI – Request for Information

RFP – Request for Proposal

RFQ – Request for Qualifications

RFTP – Request for Technical Proposal

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.

RTU – Roof Top Unit

Senior Lien Obligation – The highest priority of debt obligation, paid before other obligations.

S&I – Service & Inspection Facility

SAP – Systems, Applications, and Products (ERP). Allows METRO to manage different processes with a single unified system.

SCADA – Supervisory Control and Data Acquisition

SMS – Safety Management System

SOGR – State of Good Repair

TAM - Transit Asset Management

TSP – Traffic Signal Priority

TC - Transit Center

TMC – Texas Medical Center

TPIA – Texas Public Information Act

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.

TxDOT – Texas Department of Transportation

UA – Universal Accessibility

ULB – Useful Life Benchmark

UPRR – Union Pacific Railroad

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.

W-BOF – West Bus Operating Facility

WWTP – Wastewater Treatment Plant

