

Board Report

Selected Financial and Operating
Performance Results
January 2018

Southeastern Pennsylvania Transportation Authority





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General Manager

Jeffrey D. Kneuppel, P.E.

Date: February 20, 2018
To: SEPTA Board Members
From: Jeffrey D. Kneuppel 
Re: Financial & Operating Highlights – January 2018

I am pleased to present the Financial and Operating Highlights for January 2018.

OPERATING REVENUE

Passenger revenue for January 2018 is 4.0% lower than budget and is 3.7% better than January 2017. Year-to-date passenger revenue is 2.7% lower than budget. Other operating revenue is 2.9% higher than budget for the month and 3.6% higher than budget year-to-date.

OPERATING EXPENSES

Total operating expenses are 3.4% lower than budget for January 2018, and 1.8% lower than budget year-to-date. Labor and Fringe expenses are 4.2% lower than budget for the month and 2.3% below budget year-to-date. There is a \$1.6 million surplus after subsidies for the month, and a year-to-date surplus of \$8.8 million.

SEPTA, CITY AND PROJECT HOME OPEN HUB OF HOPE

In January, SEPTA, Project HOME, and the City of Philadelphia opened the new Hub of Hope in the Center City sub-concourse. The 11,000 square foot facility is operated by Project HOME and provides a gateway to vital services and care for Philadelphia's homeless. The Hub of Hope is a first of its kind engagement center for homeless created via a partnership with a social services agency, a transportation authority and a municipality. "SEPTA is proud of our role as a partner in working to find solutions to the Philadelphia region's needs," said SEPTA Chairman Pasquale T. Deon, Sr. "Beyond the human toll of homelessness and poverty, homelessness presents unique challenges for SEPTA and our customers, especially in Center City. That is why SEPTA and our Board are proud to support the Hub of Hope to help those struggling with homelessness." Since 2012, the Hub of Hope, operating in a 150 square-foot storefront in Suburban Station from January thru April, has placed thousands of those experiencing chronic homelessness into shelters, treatment and other housing options. The new permanent facility is open Monday thru Friday from 7 a.m. to 7 p.m., and on weekends, year-round, not just during winter's cold months. The new Hub of Hope is located in an underground concourse space that was last used 25 years ago by the Philadelphia Police Department Transit Division.

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SEPTA HOLDS OPEN HOUSE TO DISCUSS CAPITAL BUDGET

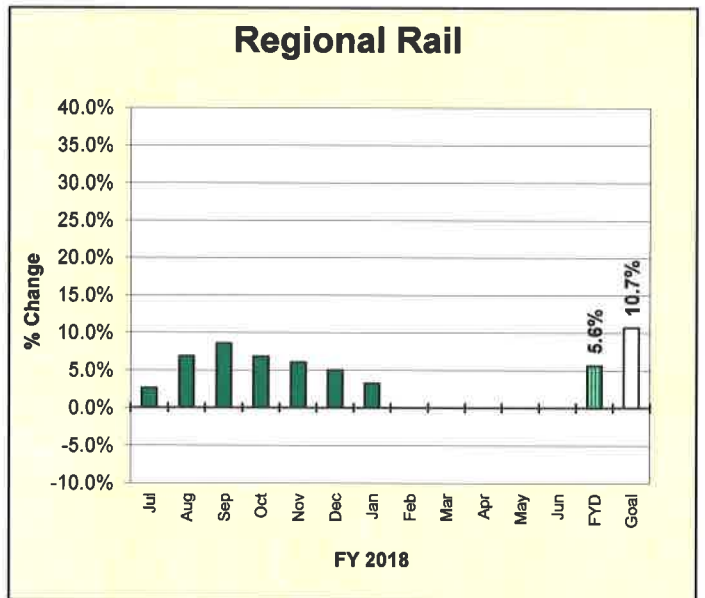
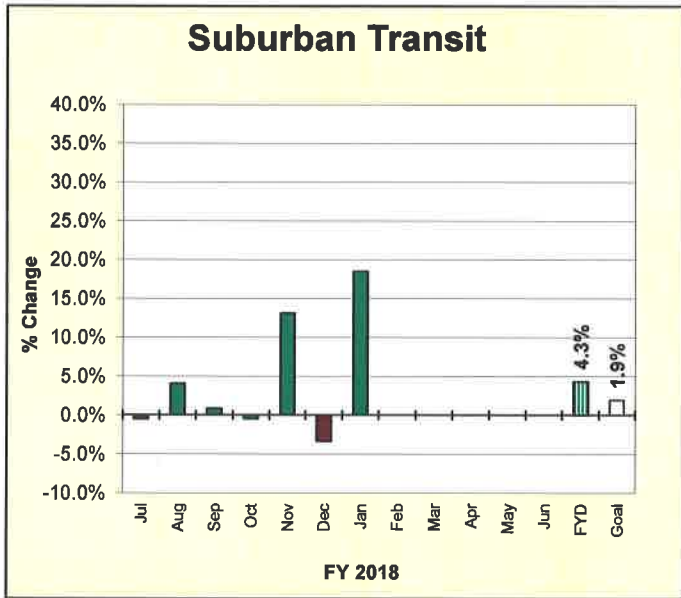
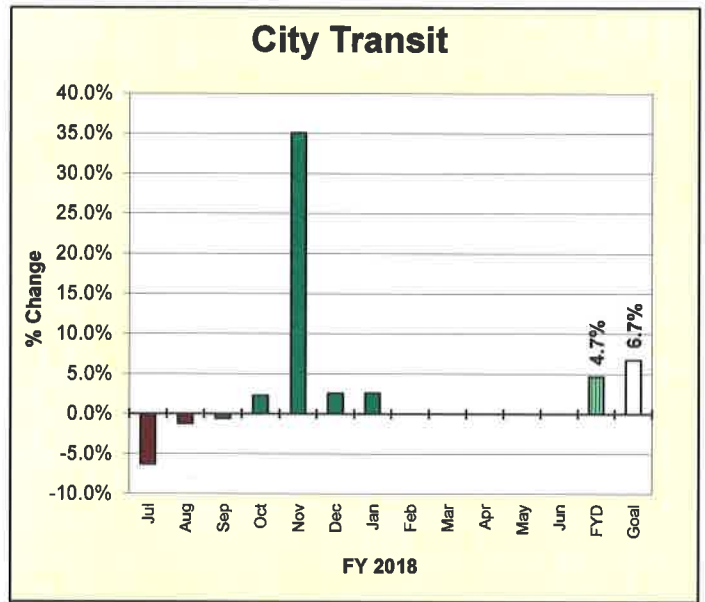
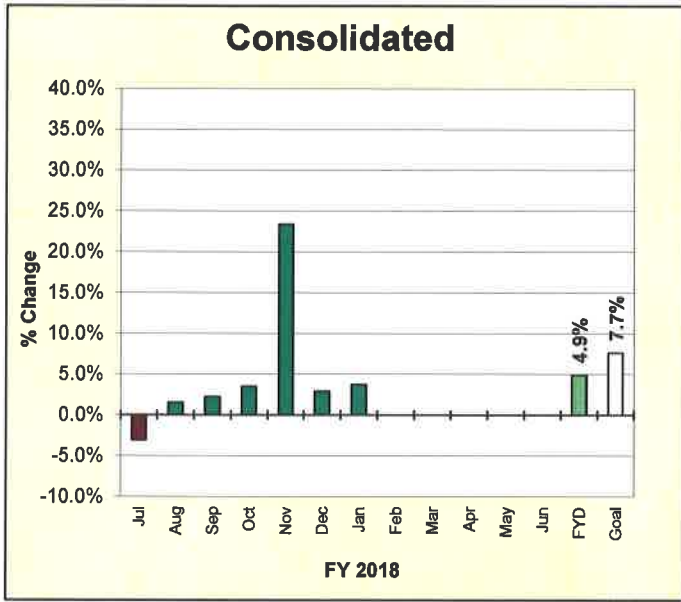
SEPTA hosted riders, residents, stakeholders and other members of the public to learn about the Authority's Capital Program during two open house sessions on January 24, 2018. The open houses marked the beginning of SEPTA's public outreach on the Fiscal Year 2019 Capital Budget and 12-Year Capital Program. SEPTA officials provided a progress update on work for the Rebuilding the System Capital Program. SEPTA embarked on its "Rebuilding the System" plan following the November 2013 passage of Act 89, the state's comprehensive solution for transportation capital funding. SEPTA has launched a number of initiatives to catch up on a backlog of critical capital projects, such as bridge replacements, station improvements, power substation overhauls and new vehicle purchases. Public comments can now be submitted, and SEPTA will hold public hearings in April after the full proposal is drafted.

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SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
FINANCIAL STATEMENT SUMMARY
PERIOD ENDED JANUARY 27, 2018
(Thousands)

| Month of January | | | | Seven Months through January | | | |
|-------------------------|--------------------|-------------------|--------------------|---|---------------------|-------------------|---------------------|
| 2018 | | 2017 | | 2018 | | 2017 | |
| BUDGET | ACTUAL | VARIANCE | ACTUAL | BUDGET | ACTUAL | VARIANCE | ACTUAL |
| | | | | <u>OPERATING REVENUES</u> | | | |
| \$ 36,606 | 35,145 | \$ (1,461) | \$ 33,879 | \$ 268,143 | 260,911 | \$ (7,232) | \$ 248,613 |
| 1,324 | 1,084 | (240) | 1,367 | 10,676 | 9,612 | (1,064) | 10,137 |
| 126 | 241 | 115 | 140 | 940 | 1,695 | 755 | 1,024 |
| 2,871 | 3,122 | 251 | 2,696 | 20,255 | 21,721 | 1,466 | 19,813 |
| \$ 40,927 | \$ 39,592 | \$ (1,335) | \$ 38,082 | \$ 300,014 | \$ 293,939 | \$ (6,075) | \$ 279,587 |
| | | | | TOTAL OPERATING REVENUE | | | |
| | | | | <u>OPERATING EXPENSES</u> | | | |
| \$ 49,303 | \$ 49,916 | \$ (613) | \$ 48,833 | \$ 362,077 | \$ 361,368 | \$ 709 | \$ 355,753 |
| 34,599 | 30,459 | 4,140 | 34,079 | 232,383 | 219,331 | 13,052 | 220,586 |
| 23,568 | 23,564 | 4 | 23,064 | 162,763 | 163,631 | (868) | 155,284 |
| 2,314 | 2,314 | - | 2,210 | 17,359 | 17,359 | - | 16,560 |
| 2,909 | 2,643 | 266 | 3,106 | 18,993 | 17,494 | 1,499 | 19,065 |
| 404 | 481 | (77) | 840 | 2,638 | 2,915 | (277) | 6,619 |
| 1,978 | 1,883 | 95 | 1,699 | 14,486 | 13,865 | 621 | 14,353 |
| 1,721 | 1,609 | 112 | 1,625 | 11,985 | 12,281 | (296) | 11,134 |
| \$ 116,796 | \$ 112,869 | \$ 3,927 | \$ 115,456 | \$ 822,684 | \$ 808,244 | \$ 14,440 | \$ 799,354 |
| | | | | TOTAL OPERATING EXPENSES | | | |
| \$ (75,869) | \$ (73,277) | \$ 2,592 | \$ (77,374) | \$ (522,670) | \$ (514,305) | \$ 8,365 | \$ (519,767) |
| | | | | <u>DEFICIT BEFORE SUBSIDIES</u> | | | |
| | | | | <u>OPERATING SUBSIDIES</u> | | | |
| \$ 3,053 | \$ 3,053 | \$ - | \$ 3,122 | \$ 21,031 | \$ 22,548 | \$ 1,517 | \$ 21,120 |
| 56,448 | 56,448 | - | 54,452 | 388,841 | 388,841 | - | 368,308 |
| 8,468 | 8,468 | - | 8,168 | 58,327 | 58,327 | - | 55,247 |
| 7,618 | 6,654 | (964) | 7,798 | 52,489 | 51,525 | (964) | 52,746 |
| 282 | 284 | 2 | 272 | 1,982 | 1,900 | (82) | 1,903 |
| \$ 75,869 | \$ 74,907 | \$ (962) | \$ 73,812 | \$ 522,670 | \$ 523,141 | \$ 471 | \$ 499,324 |
| | | | | TOTAL OPERATING SUBSIDIES | | | |
| \$ - | \$ 1,630 | \$ 1,630 | \$ (3,562) | \$ - | \$ 8,836 | \$ 8,836 | \$ (20,443) |
| | | | | SURPLUS/(DEFICIT) AFTER SUBSIDIES | | | |
| - | (22) | (22) | (3) | - | (610) | (610) | (1,581) |
| | | | | Unrealized Investment Gain/(Loss) | | | |
| \$ - | \$ 1,608 | \$ 1,608 | \$ (3,565) | \$ - | \$ 8,226 | \$ 8,226 | \$ (22,024) |
| | | | | SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS) | | | |

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
REVENUE PERFORMANCE
 FY 2018 Actual vs. FY 2017 Actual



SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY

RIDERSHIP PERFORMANCE

FY 2018 Actual vs. FY 2017 Actual

