

Board Report

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Selected Financial and Operating  
Performance Results  
August 2018

**Southeastern Pennsylvania Transportation Authority**





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**General Manager**  
Jeffrey D. Knueppel, P.E.

Date: September 28, 2018

To: SEPTA Board Members

From: Jeffrey D. Knueppel

Re: Financial & Operating Highlights – August 2018

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

***OPERATING REVENUE***

Passenger revenue for August 2018 is 0.3% below August 2017. Year-to-date passenger revenue is 0.8% lower than budget. Other operating revenue is 0.3% lower than budget for the month, and 0.9% below budget year-to-date.

***OPERATING EXPENSES***

Total operating expenses are 0.9% lower than budget for August 2018, and 0.7% lower than budget year-to-date. Labor and Fringe expenses are 2.8% and 2.2% lower than budget for the month and year-to-date respectively. There is a \$1.0 million surplus after subsidies for the month, and a year-to-date surplus of \$1.1 million.

***SEPTA AWARDED FTA GRANT TO HELP PURCHASE 10 NEW ELECTRIC BUSES***

SEPTA has been awarded a Federal Transit Administration (FTA) Low or No Emission Program (Low-No) grant for the purchase of 10 new electric buses. SEPTA and bus manufacturer New Flyer of America partnered on the application. The \$1.5 million grant represents the differential in price between diesel-electric hybrid buses and the battery-electric buses. The grant award was announced in August. The new buses will be part of a pilot program evaluating the viability of battery-electric buses in SEPTA's diverse service territory. The buses will operate out of SEPTA's Midvale Bus Depot, and personnel will evaluate the performance and life-cycle costs of operating battery-electric buses on City Transit Division routes. Authorized in the Fixing America's Surface Transportation (FAST) Act of 2015, the multi-year federal surface transportation authorization bill, funding for the Low-No Program was increased in the Fiscal Year 2018 Consolidated Appropriations Act, which was approved by Congress in March. SEPTA was previously awarded FTA Low-No funding for the purchase of 25 battery-electric buses manufactured by Protera which are currently in production and testing. Deploying the 10 New Flyer Buses will allow SEPTA to operate and compare different battery-electric bus technologies, providing a cost-effective way to evaluate the implementation of battery-electric vehicles in the SEPTA service area.

***NRG STATION DEBUTS AT SPORTS COMPLEX***

In August, the Broad Street Line stop formerly known as Pattison Station at the Sports and Entertainment Complex in South Philadelphia was transformed into NRG Station. NRG Energy will pay \$5 million over five years for the naming rights to the station. The agreement is consistent with SEPTA's mandate to seek alternative sources of revenue. Act 44, a measure passed by state lawmakers in 2007 to provide funding for transportation in Pennsylvania, called on SEPTA and other transit agencies to bolster efforts to generate non-fare box revenues. This is SEPTA's third station naming rights agreement, and it provides other customer amenities including new signage, maps and interactive screens. Also newly available at this and other SEPTA stations will be NRG Go portable power packs that people can rent to charge phones and other electronic devices while they travel or attend events at the Sports Complex.

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**SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY**

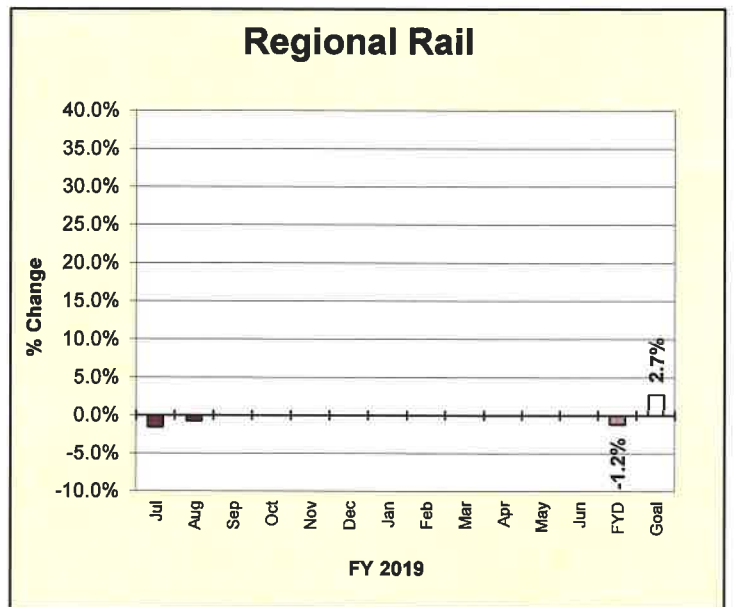
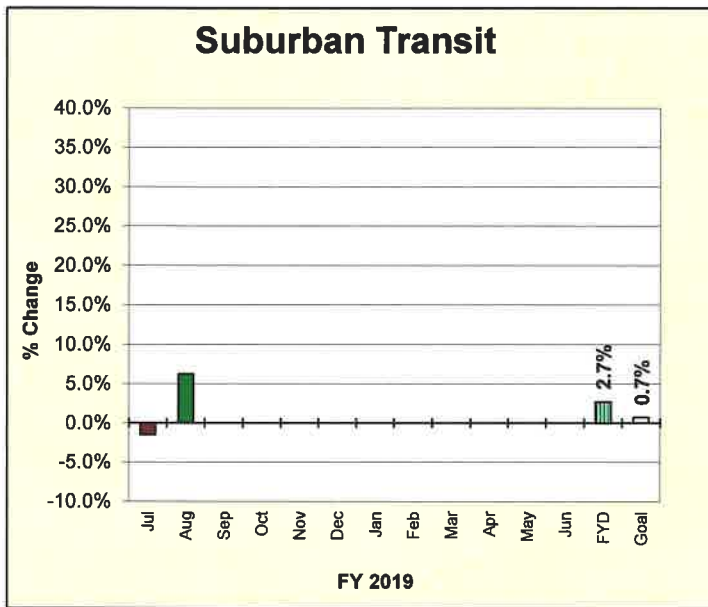
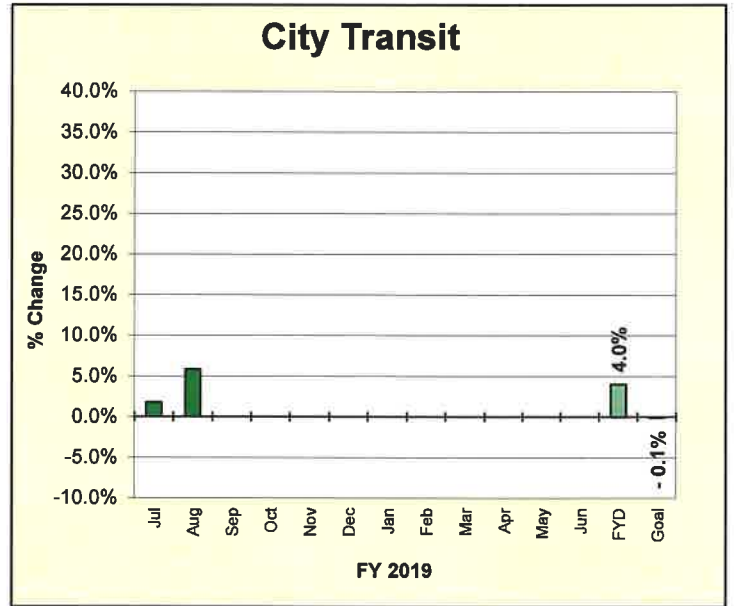
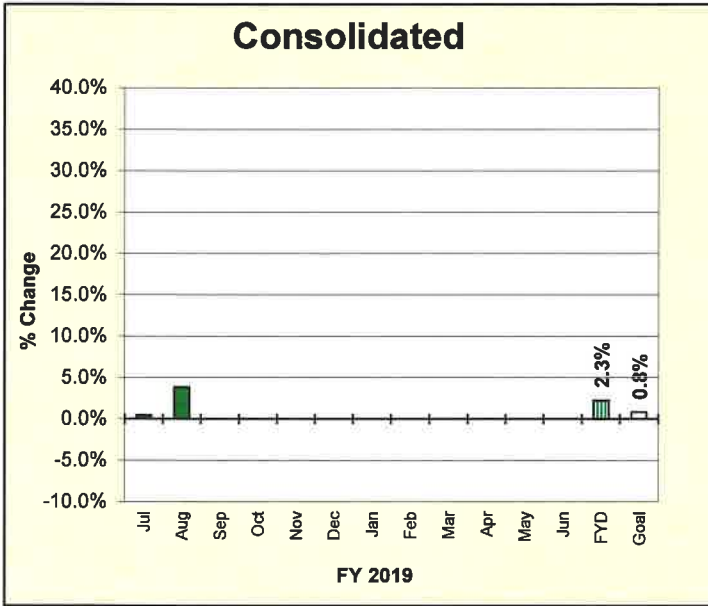
**FINANCIAL STATEMENT SUMMARY**

**PERIOD ENDED SEPTEMBER 1, 2018**

(Thousands)

<b>Month of August</b>				<b>Two Months through August</b>			
2018		VARIANCE	2017	2018		VARIANCE	2017
BUDGET	ACTUAL		ACTUAL	BUDGET	ACTUAL		ACTUAL
\$ 39,878	39,780	\$ (98)	\$ 38,320	\$ 72,878	\$ 72,323	\$ (555)	\$ 70,724
1,604	1,540	(64)	1,736	2,887	2,715	(172)	3,073
267	328	61	285	479	596	117	490
3,239	3,227	(12)	3,005	6,306	6,274	(32)	5,849
<b>\$ 44,988</b>	<b>\$ 44,875</b>	<b>\$ (113)</b>	<b>\$ 43,346</b>	<b>\$ 82,550</b>	<b>\$ 81,908</b>	<b>\$ (642)</b>	<b>\$ 80,136</b>
				<b>OPERATING REVENUES</b>			
				Passenger Revenue			
				Shared Ride Program			
				Investment Income			
				Other Income			
				<b>TOTAL OPERATING REVENUE</b>			
				<b>OPERATING EXPENSES</b>			
				Labor, including Paid Absences			
				Fringe Benefits			
				Material & Services			
				Injuries & Damages			
				Propulsion Power			
				Fixed Rent			
				Fuel			
				Depreciation			
				<b>TOTAL OPERATING EXPENSES</b>			
				<b>DEFICIT BEFORE SUBSIDIES</b>			
				<b>OPERATING SUBSIDIES</b>			
				Federal			
				State			
				Local			
				Lease Cost/Debt Service			
				Other-Route Guarantees			
				<b>TOTAL OPERATING SUBSIDIES</b>			
				<b>SURPLUS/(DEFICIT) AFTER SUBSIDIES</b>			
				Unrealized Investment Gain/(Loss)			
				<b>SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS)</b>			
\$ 59,952	\$ 59,393	\$ 559	\$ 58,596	\$ 109,411	\$ 107,302	\$ 2,109	\$ 106,874
33,394	31,372	2,022	33,244	64,786	63,150	1,636	66,119
23,893	25,218	(1,325)	24,031	44,212	46,146	(1,934)	44,529
2,700	2,700	-	2,823	4,915	4,915	-	5,281
2,568	2,529	39	2,494	5,105	4,948	157	4,961
380	388	(8)	422	873	864	9	820
2,689	2,825	(136)	2,334	4,821	5,026	(205)	4,189
1,653	1,681	(28)	1,764	3,305	3,380	(75)	3,508
<b>\$ 127,229</b>	<b>\$ 126,106</b>	<b>\$ 1,123</b>	<b>\$ 125,708</b>	<b>\$ 237,428</b>	<b>\$ 235,731</b>	<b>\$ 1,697</b>	<b>\$ 236,281</b>
<b>\$ (82,241)</b>	<b>\$ (81,231)</b>	<b>\$ 1,010</b>	<b>\$ (82,362)</b>	<b>\$ (154,878)</b>	<b>\$ (153,823)</b>	<b>\$ 1,055</b>	<b>\$ (156,145)</b>
\$ 3,274	\$ 3,274	\$ -	\$ 3,321	\$ 6,165	\$ 6,165	\$ -	\$ 7,751
61,513	61,513	-	61,438	115,813	115,813	-	115,271
9,226	9,226	-	9,216	17,371	17,371	-	17,291
7,931	7,931	-	8,290	14,935	14,935	-	15,558
297	298	1	284	594	595	1	570
<b>\$ 82,241</b>	<b>\$ 82,242</b>	<b>\$ 1</b>	<b>\$ 82,549</b>	<b>\$ 154,878</b>	<b>\$ 154,879</b>	<b>\$ 1</b>	<b>\$ 156,441</b>
<b>\$ -</b>	<b>\$ 1,011</b>	<b>\$ 1,011</b>	<b>\$ 187</b>	<b>\$ -</b>	<b>\$ 1,056</b>	<b>\$ 1,056</b>	<b>\$ 296</b>
-	126	126	446	-	(26)	(26)	515
<b>\$ -</b>	<b>\$ 1,137</b>	<b>\$ 1,137</b>	<b>\$ 633</b>	<b>\$ -</b>	<b>\$ 1,030</b>	<b>\$ 1,030</b>	<b>\$ 811</b>

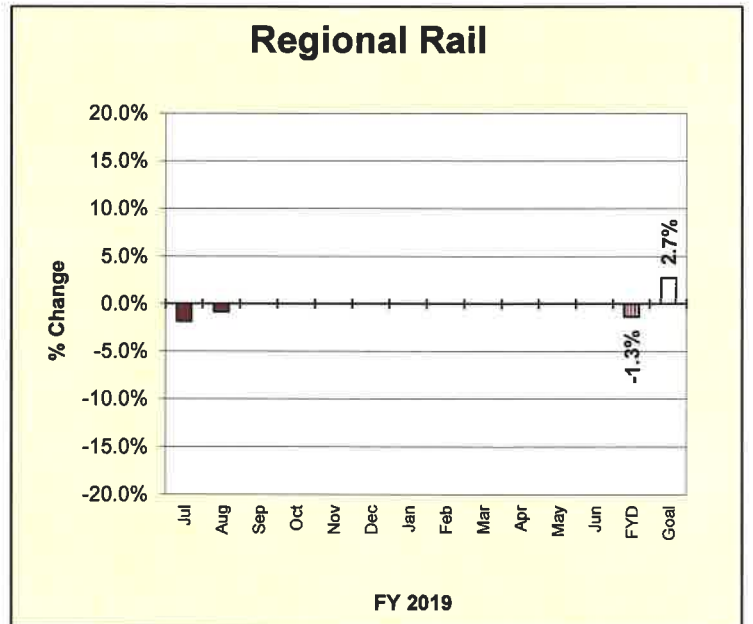
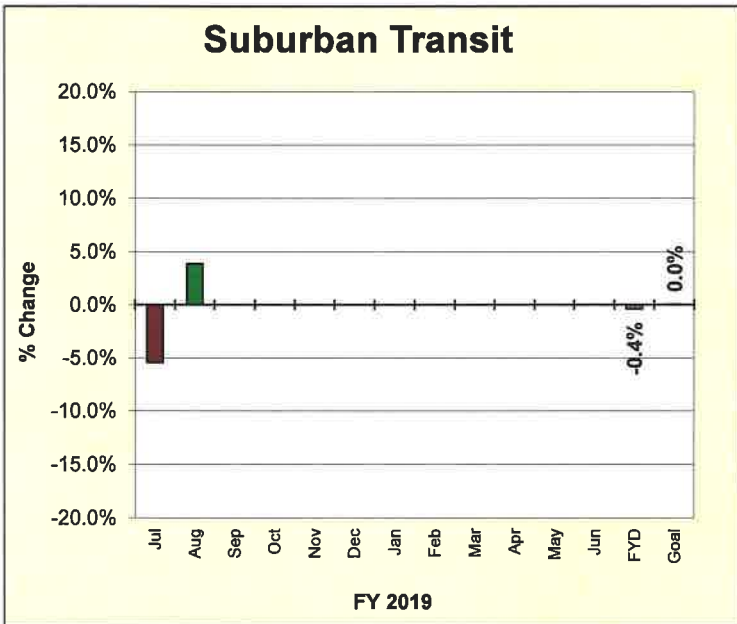
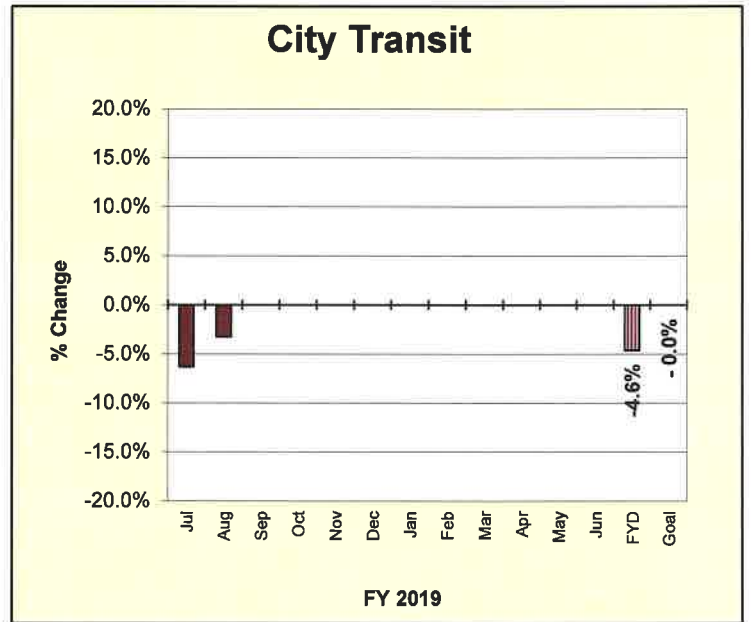
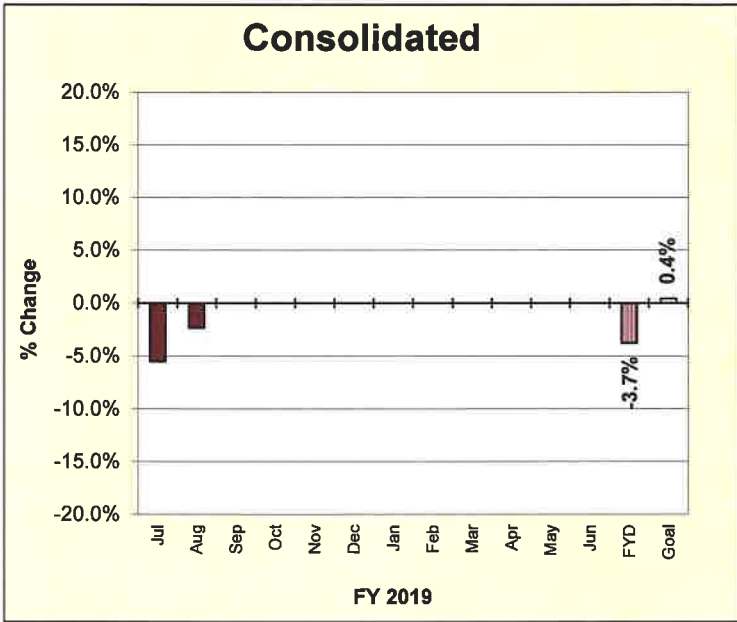
**SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY**  
**REVENUE PERFORMANCE**  
FY 2019 Actual vs. FY 2018 Actual



Note: Above comparisons for July were impacted slightly by one less day in the July 2018 fiscal month versus July 2017.

**SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY**

**RIDERSHIP PERFORMANCE**  
FY 2019 Actual vs. FY 2018 Actual



Note: Above comparisons for July were impacted slightly by one less day in the July 2018 fiscal month versus July 2017.