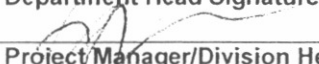
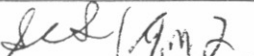


VII. Appendix

Staff Summary

Subject MTA Consolidated 2008 Operating Budget
Department Chief Financial Officer
Department Head Name Gary J. Dellaverson
Department Head Signature 
Project Manager/Division Head Sharon C. Lubitz/ Gary M. Lanigan 

Date December 7, 2007
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	12/17	X		
2	Board	12/19	X		

Internal Approvals			
Order	Approval	Order	Approval
4	Executive Director	1	Chief Financial Officer
	Chief of Staff	2	Legal
3	Chief Operating Officer		Administration
	Procurement		Other

Purpose:

To secure MTA Board adoption of MTA's Consolidated and Agencies' 2007 November Forecast and 2008 Final Proposed Budget (November Plan), pursuant to the Board approved budget process. This includes approval of various Policy and Gap Closing Actions, including raising fares and tolls to generate an estimated 3.85% increase in revenues and Agencies' 2007 Program to Eliminate the Gap (PEGs) reflected in the November Plan. The MTA Consolidated Financial Plan is contained in Attachment A.

Discussion:

In accordance with Board policy, the Executive Director submitted a final proposed budget for 2008 to the Board in November. This plan reflected \$204 million of net improvements to the 2007 estimates and \$50 million of net improvements to the 2008 estimates that had been released last summer. Most of the improvements in 2007, which total \$222 million, were due to increased real-estate-related tax receipts (\$55 million); higher ridership and vehicle crossings revenue (\$60 million); lower than expected debt service costs in 2007 due mainly to delays in bond issuance related to capital cash flow (\$39 million); and \$68 million from improvements in agency expenses due largely to vacancies, lower fuel costs through the third quarter and lower pension and health and welfare expenses. These improvements, which are largely non-recurring, enabled the return of the entire \$222 million to riders over the next two years by reducing the proposed 6.5% fare and toll yield increase to 3.85% and holding the base fare for subway and bus riders at \$2.00. The fare and toll proposals are discussed below.

In summary, the MTA Consolidated Plan reflects a closing cash balance in 2007 of \$521 million, which will be carried over to support 2008. The 2008 Budget ends with a closing cash balance of \$377 million, which will be carried over to support 2009. The out-years of the Plan reflect gaps: \$201 million in 2009, \$333 million in 2010 and \$411 million in 2011. Note that the 2008-2009 closing balances are slightly different from the Plan presented to the Board in November; the \$3 million difference is attributable to adjustments to the service enhancement fund to reflect the specific initiatives now being recommended to the Board by the Executive Director. The recommended initiatives, now valued at \$27 million in 2008 (the November Plan assumed \$30 million would be needed in the first year of implementation) and \$60 million in 2009, are contained in Attachment B to this staff summary. The 2009 gap will need to be addressed next spring so that a balanced Preliminary 2009 Budget can be presented to the Board in July 2008. The financial plan's headcount positions, reflecting Baseline as well as Policy and Gap Closing Actions, are contained in Attachment C.

Fare and Toll Changes

New York City Transit (including MaBSTOA), Staten Island Railway, Long Island Bus and MTA Bus - These changes are contemplated to take effect on March 2, 2008.

- Retain existing cash, single ride ticket and regular Pay-Per Ride fares for subway, local bus, express bus and paratransit.

- Increase the price of unlimited ride cards: 1-Day Fun Pass increases from \$7 to \$7.50; 7-Day Unlimited Ride MetroCard increases from \$24 to \$25, 30-Day and Calendar Monthly Unlimited Ride MetroCard increases from \$76 to \$81. Retain existing \$41 price of 7-Day Express Bus Plus Unlimited MetroCard.
- Introduce a 14-Day Unlimited Ride MetroCard that would cost \$47 to provide an additional option for customers.
- Modify the existing bonus structure from 20% with a purchase of \$10 or more on Pay-Per-Ride MetroCard to 15% with a purchase of \$7 or more. (The reduction of the minimum purchase to \$7 was not described in the public hearing notice, the notice having referenced in more general terms the possibility of changes to the bonus calculation. Therefore, so that public input on the reduction of the minimum purchase can be invited by separate resolution, the Board is being requested to authorize public notice and comment with respect to the proposed change in the minimum transaction necessary to receive the bonus.)

Commuter Railroads - These changes are contemplated to take effect on March 1, 2008.

- Increase commuter railroad farebox revenue by increases to one-way, ten-trip, weekly and monthly tickets to yield an average change in ticket prices of 3.85%. CityTicket fares will increase from \$3.00 to \$3.25.
- Retain 5% Mail & Ride fare discount on railroad portion of the joint Monthly Commutation/Monthly Unlimited Ride MetroCard.

Tolls on Bridges and Tunnels - These changes are contemplated to take effect on March 16, 2008.

- Increase cash tolls for cars on major facilities and the Henry Hudson Bridge by \$.50 (\$1.00 cash one-way on the Verrazano-Narrows Bridge) and on minor facilities by \$.25. E-ZPass tolls for cars will increase up to 3.8%. Cash tolls for trucks will increase between 10.3-14.7% depending on the number of axles. Trucks using E-ZPass will receive a 25% discount from the cash toll, an increase from the current discount of 20%.

Policy and Gap-Closing Actions

As set forth in the November Financial Plan, the 2007 estimate and the 2008 proposed budget includes a number of policy and gap-closing items, for which approval is requested in this staff summary.

- Staten Island Service – The 2008 Budget includes additional service resulting from the Staten Island Bus Network Study, which includes the outgrowth of the Staten Island Transportation Task Force, express and local network studies and the takeover of X23/X24 express service from NYCDOT. Costs are projected to be \$5 million in 2008 and \$14 million annually, thereafter. Positions increase by 112 in 2008, and 167 in the out-years.
- Fulton Street – The current estimate for the Fulton Street project exceeds available FTA funds. As part of the MTA's commitment to meet the project's funding needs beyond available federal funds, \$56 million of 2007 operating funds will be made available to the Fulton project in addition to the existing federal commitment of \$847 million.
- Bus Rapid Transit – NYCT has identified five corridors (1st & 2nd Avenues and 5th & Madison Avenues in Manhattan, Fordham Road/Pelham Parkway in the Bronx, Nostrand Avenue in Brooklyn and Hyland Boulevard in Staten Island) to be used for BRT and will begin implementing service in 2008. The costs are estimated to be \$6 million in 2008 and \$12 million annually thereafter and include a positions increase of 42 in 2008, 104 in 2009, and 132 in the out-years.
- Service Enhancement Fund – As part of the Executive Director's goal to create opportunities to meet the rising demand for additional MTA service, \$27 million has been set aside in 2008, with ongoing annual funds of \$60 million in subsequent years. Actual implementation of the program will await review of revenues at the end of March, 2008. Attachment B includes the Executive Director's proposals for additional service to be funded by the Service Enhancement Fund, including 480 additional positions. Most of the initiatives focus on increasing train and bus service in both the peak and off-peak. Also included is a pilot program for Long Island Rail Road to introduce an "Island Ticket" to enable affordable intra-island travel on the weekends. In addition, funding is provided to advance a new "MTA-wide Regional Ticket" to develop a web-based means of selling joint tickets between MTA agencies, New Jersey Transit and the Port Authority of NY and NJ.

- Integrated Electronic Security Systems (IESS) - A large part of MTA's security expansions includes the development of an Integrated Electronic Security System (IESS) with its Command, Control and Communications "C3" Centers. The IESS program involves a number of MTA agencies including; New York City Transit, Long Island Railroad, Metro-North Railroad, MTA Bridges and Tunnels and the MTA Police Department. In addition there are other security system initiatives that are projected to come on line over 2008-11. Both the IESS and pending security projects will require operations and maintenance support. In order to be prepared for the IESS/C3 as it comes on line in 2008 and 2009, this financial plan provides funding for the estimated operation, technical and maintenance needs associated with the program. These costs are projected to total \$15 million in 2008, \$25 million in 2009, \$30 million in 2010 and \$31 million in 2011.
- Forward Energy Contracts – In the staff summary accompanying the July Financial Plan for 2008-2011, the Board authorized MTA staff to enter into pre-purchase agreements for fuel. Given the MTA's high dependence on this commodity and the high risk in the area of price volatility, it was proposed that the MTA lock in more than 30% of fuel purchases for 2008 and 2009. Due to complications in resolving the issues preliminary to executing such pre-purchase agreements, no fuel pre-purchase agreements were executed before fuel prices abruptly and dramatically rose to historically high levels. The budget continues to assume that \$150 million will be pre-paid in 2007 for NYCT, LIRR and Metro-North to implement a forward energy contract or similar mechanism to lock-in fuel prices.
- Elimination of Downsizing Account – The Downsizing Account was established in the 2007 Adopted Budget in anticipation of major cost reductions that would need to be implemented in order to achieve budget balance after 2007. The plan now anticipates that these funds would not be needed until 2009. Thus, it is proposed that the Board authorize that the Downsizing Account be closed no later than December 31, 2007 and that the \$81 million used to set up this account, plus all interest earnings, be deposited back into the Mortgage Recording Tax-2 Corporate Account (MRT-2) for general corporate purposes.
- Service Marketing Account - The 2007 Adopted Budget set aside \$5 million for a Service Marketing effort that was funded by MRT-2. It is now proposed that these funds be used to support the Executive Director's plan to develop an interagency educational and marketing campaign focused on providing customers and the general public with factual information about how the MTA operates and is financed. Funding of \$5 million for these activities is now included in the MTAHQ 2008 budget. Thus, it is proposed that the Service Marketing Account be closed in 2008 and the \$5 million set aside in 2007, plus interest earnings, be deposited back into the MRT-2 account for general corporate purposes.

The Consolidated Plan provides for a \$75 million General Reserve annually beginning in 2008, consistent with recent Financial Plans. The 2007 November Plan assumes that \$37.5 million remains in the 2007 general reserve to cover potential risks such as tax results and weather-related cost overruns at year's end. Any funds remaining at the close of 2007 will be transferred back to the Mortgage Recording Tax-2 Corporate Account, the original source of these funds, for general corporate purposes.

Recommendation:

It is recommended that the Board:

- Adopt the 2008 Budget as summarized in the attached MTA Consolidated Statement of Operations by Category, including approving the 2007 November Plan projections, and 2007 and 2008 policy and gap closing actions.
- Adopt Agency 2008 Budgets, including approving the 2007 November Plan projections, and 2007 and 2008 gap closing actions.
- Authorize adjustment of Agency 2008 Budgets, including the 2007 November Plan projections, in the February 2008 Plan to reflect: allocation of the pension reserve in the MTAHQ Budget as necessary to cover 2007 pension valuations; allocation of insurance savings associated with lower rates included in the MTA Consolidated Plan; and allocation of MTA Consolidated's 2008 energy reserve of \$22 million to cover anticipated 2008 fuel cost increases.
- Authorize use of 2007's \$37.5 million general reserve to cover potential risks at year's end, such as tax results or weather-related cost overruns. Any unused funds from the 2007 general reserve are to be transferred back to the Mortgage Recording Tax-2 Corporate Account, the original source of these funds, for general corporate purposes.

- Authorize the Executive Director to allocate funds for the operation of the Integrated Electronic Security Systems (IESS). The 2008 Budget includes projected operating costs of \$15 million in 2008, which the Executive Director or his designee will allocate to agencies in order to advance implementation (beneficial use) of the Systems.
- Authorize the MTA Treasurer to close the "Downsizing" (\$81 million plus accumulated earnings) and "Service Marketing" (\$5 million plus accumulated earnings) Accounts established in 2007. These funds will be transferred back to the Mortgage Recording Tax-2 Corporate Account, the original source of these funds, for general corporate purposes. The Downsizing Account will be closed no later than December 31, 2007 and the Service Marketing Account will be closed in 2008.
- Authorize technical adjustments to Agency Budgets of a non-material nature in the February Financial Plan.
- Authorize adjustment of Agency 2008 budgets to reflect labor settlements approved from time to time by the Board.
- Authorize NYCT to transfer \$56 million of its operating budget funds to the capital program for the Fulton Street Project.
- Authorize NYCT to expend \$5 million in 2008 to implement various service improvements to benefit Staten Island; these service increases are estimated to cost \$14 million annually thereafter.
- Authorize NYCT to expend \$6 million in 2008, annualizing to \$12 million in 2009, to implement a pilot program for Bus Rapid Transit. The proposal reflects implementation of five corridors.
- Approve the proposed Service Enhancement Fund initiatives as detailed on Attachment B.
- Approve the fare and toll changes recommended for implementation in 2008, as detailed in the resolutions and Agency tariffs accompanying this staff summary, and authorize the agencies to adjust their budgets accordingly in the February Financial Plan.
- Approve authorization, as detailed in the separate staff summary accompanying this document, for the Chairman, the Executive Director and their designees to issue public notices and hold a public hearing to elicit public comment with respect to a proposed change in fare policy to reduce the minimum purchase amount needed to render a purchaser eligible to receive the MetroCard bonus.
- Approve budget and cash management actions below:

Use of All-Agency Security Pool

The 2007 MTA Headquarters (MTAHQ) Operating Budget authorizes the use of \$17 million and the 2008 MTAHQ Budget authorizes the use of \$17 million for certain MTA-wide security-related projects. Actual payments for these projects may occur in the fiscal year subsequent to the year of authorization. In order to implement this program, and to provide for these cross-fiscal-year expenses, the Board hereby authorizes the deposit in the Mortgage Recording Tax #2 (MRT-2) Corporate Purposes Account of such amounts from MRT-2 receipts (moneys that by statute are allocable at the Board's discretion); and the payment, subject to the approval of the Executive Director or his designee, from such MRT-2 Corporate Account, of reimbursements of Agency expenses (including MTAHQ expenses) for the security-related projects contemplated in the 2007 and 2008 budget lines for such purposes.

Advance of Bridges and Tunnels Operating Surplus

As has been done on previous occasions, the Board should authorize Bridges and Tunnels to advance to MTA and NYC Transit, to the extent funds are available therefor, all or a part of the estimated operating surplus for the year 2008, when and as directed by the Executive Director or his designee.

General Reserve

The 2008 budget's expenditures include an MTA-wide \$75 million General Reserve, which is not allocated among the MTA Agencies. The Executive Director should be authorized to allocate the General Reserve in order to cover contingencies as may become necessary. This will assure the continued operations of MTA Headquarters and the operating agencies. Such expenditures shall be funded from MTA Corporate Account (MRT-2) monies.

Inter-Agency Loans

The Board should authorize the Executive Director or his designee, acting under Section 1266 (6-a) of the Public Authorities Law, to enter into inter-agency loan agreements among the Metropolitan Transportation Authority and its affiliates and subsidiaries. This authorization would allow the temporary movement of funds among agencies to meet cash flow requirements for operating or capital purposes resulting from a mismatch between the receipt of subsidies and other monies and cash flow needs. The statute requires that any such inter-agency loans be repaid no later than the end of the next succeeding calendar year.

Advance of MTA (Mortgage Recording Tax #2) Corporate Account Monies

Unlike all other forms of intergovernmental aid, these subsidy moneys, by statute, can be allocated at the Board's discretion. It is recommended that the Board authorize that these funds be used to support the MTA Police, the All-Agency Security Pool (see above), other MTA Headquarters operations and MTA Bus capital projects as described below, and to temporarily help stabilize cash-flow requirements. As in the past, except as described below in the case of MTA Bus capital projects, the advance of such funds to the MTA and its affiliates and subsidiaries to stabilize cash-flow requirements may be made, provided that such advances are repaid prior to the end of the fiscal year in which made.

Use of Stabilization Reserve: Provision for Prompt Payment of Contractual Obligations

In 1996, the Board approved the establishment of a Stabilization Reserve, to be held by the MTA Treasurer (the "Treasurer"), to stabilize MTA Agencies' cash flow requirements. The fund consists of two accounts, the MTA New York City Transit Account (the "Transit Account") and the MTA Commuter Railroad Account (the "Commuter Railroad Account"). The Board should authorize the use of any balances in such accounts, plus any amounts authorized below to be transferred to such accounts, to meet the cash flow requirements of MTA New York City Transit and the MTA Commuter Railroads. MTA New York City Transit is hereby authorized to pay to the Treasurer for deposit in the Transit Account such amounts as it deems necessary to accomplish the purpose thereof, consistent with the 2007 November Plan and the 2008 budget; and the Treasurer, subject to the approval of the Executive Director or his designee, is hereby authorized to pay into the Commuter Railroad Account, such amounts as are deemed necessary to accomplish the purpose thereof, consistent with the 2007 November Plan and the 2008 budget. The Treasurer, upon request of MTA New York City Transit, shall pay to NYCT such amounts as are necessary to meet cash flow requirements of NYCT and as authorized by the MTA Executive Director or his designee, shall transfer from the Commuter Railroad Account such amounts as are necessary to meet the cash flow requirements of MTA Commuter Railroads. The Treasurer shall also use such funds as from time to time may be necessary or convenient to timely make debt service payments on MTA bonds.

MRT-2 Corporate Payments to MTA Bus Company

The MTA has agreed to pay the capital costs of the MTABC 2005-2009 capital program to the extent not otherwise paid from Federal grants assigned by the City to the MTA, together with the City's matching funds relating thereto, and other funding sources specifically dedicated to MTABC capital projects. This will require the MTA to (1) reimburse those funds expended prior to November 2006 on MTABC capital projects from other available sources, and (2) pay debt service for bonds and commercial paper expended after November 2006 on MTABC capital projects. The MTA is required to make such reimbursement and debt service payments until such amounts are paid in full. The amounts budgeted for such purposes to be transferred during the 2008 through 2010 period from MRT-2 to the MTA Bus Company are \$26.7 million for 2007, \$24.7 million for 2008, \$23.2 million for 2009, and \$24.9 million for 2010. These funds are to be administered by the MTA Treasurer and used only for the purpose of funding the 2005-2009 capital program debt service requirements and repayment of the non-MTABC capital funds expended for the MTABC. In addition to the MRT-2 funds, the MTA Treasurer is authorized to expend the approximate \$4.568 million of the remaining excess proceeds from the sale of Prudential stock on MTABC capital projects. The proceeds were received by MTA following the demutualization of Prudential and resulted from MTA's status as a major holder of various Prudential insurance policies.

In addition to the foregoing, the NYCT will reimburse the MTABC approximately \$11.5 million per year for debt service, which reflects the fact that the Federal grants and matching City moneys originally intended for use by the City franchise buses taken over by MTABC could not be used by MTABC, so they were assigned to NYCTA for use in its capital projects. MTA bond proceeds (which otherwise would have been used to finance the NYCTA projects) were used to finance certain MTABC projects, with the Federal grants and City matching moneys transferred from New York City to the NYCT. Consequently, to hold MTABC and NYCTA harmless for this transfer, NYCT will pay the debt service on an equal amount of bonds and commercial paper. The MTA Treasurer is hereby authorized and directed to use NYCTA funds to pay debt service on bonds and commercial paper issued for the MTABC projects. Both the MRT-2 funds and the NYCT reimbursement funds, plus any earnings on the funds, will be held by the MTA Treasurer in an account called MTABC Stabilization Fund and used only for paying for the MTABC 2005-2009 capital program costs.

Government Accounting Standards Board (GASB) Contributions

In 2006 and 2007, funds were set aside from three sources -- agency contributions based on health and welfare costs, net savings from NYCERS pension costs in City FY2007 and \$80 million of 2006 surplus funds -- to help fund Other than Pension Employment (OPEB) liabilities as well as fund anticipated NYCERS and MaBSTOA pension refunds per current

labor agreements. While it was intended that a trust or other appropriate vehicle would be established by December 31, 2007, certain tax qualification and other issues concerning IRS rulings and regulations are still under review and the trust is now expected to be established in early 2008. Moreover, payments to cover the pension refunds by NYCERS and MaBSTOA have yet to be fully calculated. Pending the establishment of a trust, and until the payments to cover the pension refunds are completed, the Treasurer will continue to hold the 2006 and 2007 funds set aside in discrete sub-accounts that comprise the GASB Account. Moreover, agencies will continue making contributions as set forth in the 2008 budget to the GASB Account in 2008. Upon establishment of the trust, the funds in the GASB sub-accounts that are not needed to cover the pension refunds described above will be transferred to the trust.

METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2008 - 2011
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line No.	Non-Reimbursable						
		2006	2007	2008			
		Actual	Final Estimate	Final Proposed Budget	2009	2010	2011
10	Operating Revenue						
11	Farebox Revenue	\$3,840	\$3,974	\$4,042	\$4,085	\$4,129	\$4,175
12	Toll Revenue	1,242	1,249	1,251	1,246	1,248	1,251
13	Other Revenue	467	475	479	500	521	548
14	Capital and Other Reimbursements	0	0	0	0	0	0
15	Total Operating Revenue	\$5,548	\$5,698	\$5,772	\$5,831	\$5,897	\$5,974
17	Operating Expense						
18	Labor Expenses:						
19	Payroll	\$3,676	\$3,856	\$4,099	\$4,194	\$4,300	\$4,384
20	Overtime	437	466	440	446	455	463
21	Health & Welfare	839	901	1,035	1,134	1,247	1,364
22	Pensions	600	779	871	870	844	827
23	Other-Fringe Benefits	398	415	431	444	459	470
24	Reimbursable Overhead	(260)	(283)	(299)	(302)	(298)	(300)
25	Sub-total Labor Expenses	\$5,690	\$6,135	\$6,576	\$6,785	\$7,006	\$7,207
27	Non-Labor Expenses:						
28	Traction and Propulsion Power	278	315	318	344	400	423
29	Fuel for Buses and Trains	178	182	222	203	203	203
30	Insurance	45	54	52	59	68	76
31	Claims	80	154	149	155	161	162
32	Paratransit Service Contracts	184	225	271	308	357	432
33	Maintenance and Other Operating Contracts	534	558	639	637	663	667
34	Professional Service Contracts	179	222	239	239	240	239
35	Materials & Supplies	453	549	568	609	634	635
36	Other Business Expenses	157	157	162	166	168	171
37	Sub-total Non-Labor Expenses	\$2,087	\$2,415	\$2,619	\$2,719	\$2,894	\$3,009
39	Other Expense Adjustments:						
40	Other	(\$16)	(\$20)	(\$15)	(\$17)	(\$10)	(\$11)
41	General Reserve	0	38	75	75	75	75
42	Sub-total Other Expense Adjustments	(\$16)	\$17	\$60	\$58	\$65	\$64
44	Total Operating Expense before Depreciation and OPEB	\$7,761	\$8,567	\$9,255	\$9,562	\$9,965	\$10,280
46	Depreciation	\$1,605	\$1,681	\$1,777	\$1,876	\$1,976	\$2,060
47	Other Post Employment Benefits	0	1,259	1,318	1,377	1,435	1,494
49	Total Operating Expense	\$9,366	\$11,507	\$12,350	\$12,815	\$13,376	\$13,834
51	Net Operating Deficit Before Subsidies and Debt Service	(\$3,818)	(\$5,809)	(\$6,578)	(\$6,984)	(\$7,478)	(\$7,860)
53	Dedicated Taxes and State/Local Subsidies	4,174	\$4,414	\$4,128	\$4,210	\$4,193	\$4,336
54	Debt Service (excludes Service Contract Bonds)	(1,310)	(1,714)	(1,529)	(1,432)	(1,869)	(2,006)
56	Net Deficit After Subsidies and Debt Service	(\$954)	(\$3,109)	(\$3,979)	(\$4,206)	(\$5,154)	(\$5,530)
58	Conversion to Cash Basis: Depreciation	\$1,605	\$1,681	\$1,777	\$1,876	\$1,976	\$2,060
59	Conversion to Cash Basis: OPEB	0	1,259	1,318	1,377	1,435	1,494
60	Conversion to Cash Basis: GASB Account	(234)	(79)	(59)	(63)	(65)	(68)
61	Conversion to Cash Basis: All Other	(62)	(61)	172	(110)	(18)	(25)
63	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	\$355	(\$309)	(\$770)	(\$1,126)	(\$1,827)	(\$2,070)
64	MTA POLICY, GAP CLOSING & CASH MANAGEMENT ACTION	0	(108)	626	549	1,493	1,659
65	PRIOR-YEAR CARRY-OVER	582	937	521	377	0	0
66	NET CASH BALANCE	\$937	\$521	\$377	(\$201)	(\$333)	(\$411)

METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2008 - 2011
Gap Closing and Policy Actions
(\$ in millions)

Line No.		2006 Actual	2007 Final Estimate	2008 Final Proposed Budget	2009	2010	2011
11	November Cash Balance Before Prior-Year Carry-Over	\$355	(\$309)	(\$770)	(\$1,126)	(\$1,827)	(\$2,070)
12							
13	<u>MTA POLICY ACTIONS:</u>						
14	Staten Island Service	0	(0)	(5)	(14)	(14)	(14)
15	Fulton Street	0	(56)	0	0	0	0
16	Bus Rapid Transit	0	(0)	(6)	(12)	(12)	(12)
17	Service Enhancement Fund	0	0	(27)	(60)	(60)	(60)
18	IESS Operations/Maintenance	0	0	(15)	(25)	(30)	(31)
20	Sub-Total	0	(57)	(53)	(112)	(117)	(117)
21							
22	<u>ADDITIONAL STATE TAX COLLECTIONS</u>	0	10	338	169	236	251
23							
24	<u>GAP CLOSING 2007 - 2009:</u>						
25	2008 Agency Program to Eliminate the Gap	0	8	50	61	57	54
26	Post-2008 Agency Program to Eliminate the Gap	0	0	0	87	173	260
27	2008 Increased Fare and Toll Yields - 3.85% in March, 2008	0	0	163	197	200	203
28	Legislative Actions	0	0	50	50	50	50
29	Downsizing	0	81	0	(41)	(41)	0
30	Sub-Total	0	89	262	355	439	567
31	<u>GAP CLOSING Post 2009:</u>						
32	2010 Increased Fare and Toll Yields - Alternate Year COLA	0	0	0	0	254	262
33	New Governmental Aid	0	0	0	0	600	612
34	New Contracts Labor Contribution	0	0	0	53	82	85
35	Sub-Total	0	0	0	53	935	959
36							
37	TOTAL GAP CLOSING and POLICY ACTIONS	0	42	547	466	1,493	1,659
38							
39	REMAINING CASH MANAGEMENT ACTION						
40	Forward Energy Contracts	0	(150)	79	83	0	0
41							
42	TOTAL GAP CLOSING, POLICY & CASH MANAGEMENT ACTIONS	0	(108)	626	549	1,493	1,659
43							
44	Prior-Year Carry-Over	582	937	521	377	0	0
45							
46	Net Cash Surplus/(Deficit)	\$937	\$521	\$377	(\$201)	(\$333)	(\$411)

ATTACHMENT B

METROPOLITAN TRANSPORTATION AUTHORITY
RECOMMENDED SERVICE ENHANCEMENT FUND
November Financial Plan 2008 - 2011
(\$ in thousands)

SUMMARY

	2008 Net Cost	2009 Net Cost	Imp. Date	Vehicles	Positions
New York City Transit	\$16,051	\$45,971	N/A	74	427
The Long Island Rail Road	4,900	5,646	N/A	2	35
Metro-North Railroad	4,599	5,188	N/A	2	12
MTA-Wide	1,450	3,433	N/A	0	6
TOTAL RECOMMENDED SERVICE ENHANCEMENTS	\$27,001	\$60,237		78	480

No.	Proposal	2008 Net Cost	2009 Net Cost	Imp. Date	Vehicles ¹	Positions
NYC Transit's Recommended Service Enhancements Program						
1	Increase Evening Service on the 6	\$467	\$800	May-08	0	5
2	Increase Evening Service on the 4	656	1,125	May-08	0	7
3	Increase Evening Service on the 1	496	850	May-08	0	7
4	Increase Weekend Service on the 7	292	500	May-08	0	4
5	Increase Hours of W Service	491	842	May-08	0	8
6	Increase Hours of B Service	483	827	May-08	0	9
7	Extend Morning Peak Period Service on the 3	123	210	May-08	0	3
8	Increase Late Afternoon Service on the 4	289	495	May-08	2	3
9	Increase Morning Peak Hour Service on the W	88	150	May-08	0	2
10	Operate 3 Service to Harlem at All Times	207	2,481	Dec-08	0	15
11	Increase G Service	160	1,925	Dec-08	0	23
12	New Bx50 to LaGuardia	1,082	3,246	Sep-08	6	23
13	New M13 and M9/M21 Restructure	2,596	7,789	Sep-08	20	54
14	B71/B77 Extension	1,381	4,142	Sep-08	12	32
15	Q27 Extension	786	1,573	Jul-08	6	11
16	B67 Extension	188	376	Jul-08	1	4
17	Q59 Extension	114	228	Jul-08	1	2
18	Q75 Extension	62	185	Sep-08	0	2
19	Bx36 Extension	194	387	Jul-08	1	4
20	Q76 Sunday Service	108	216	Jul-08	0	2
21	Q42 Weekend Service	144	289	Jul-08	0	2
22	Q77 Sunday Service	77	155	Jul-08	0	1
23	Increase Staffing Levels at Four Stations	16	191	May-08	0	3
24	Increased Hours of Operation on Eleven Routes	564	1,127	Jul-08	0	13
25	Bx7 Extension	362	1,085	Sep-08	2	11
26	Q12 Extension	232	695	Sep-08	1	8
27	Q79 Extension	62	186	Sep-08	1	1
28	M Extension to Manhattan Weekday Evenings	361	619	May-08	0	5
29	M Extension to Manhattan Weekends	1,061	1,818	Dec-08	0	21
30	Operate R to Forest Hills All Times	302	3,627	Dec-08	0	34
31	Q94 Super Limited/Replace X32	939	2,818	Sep-08	9	18
32	Bx20 Extension	316	949	Sep-08	2	5
33	New B62 Williamsburg-Manhattan	1,355	4,064	Sep-08	10	29
34	Maintenance Spinoffs - Subway					9
35	Maintenance Spinoffs - Bus					46
NYC Transit's Combined Subways and Bus Total		\$16,051	\$45,971		74	427
Long Island Rail Road's Recommended Service Enhancements Program						
1	Add Additional Train Cars	\$106	\$135	Mar-08	0	0
2	AM Peak Farmingdale Train	450	819	Fall-08	0	5
3	PM Peak Farmingdale Train	286	595	Fall-08	0	3
4	Late PM Peak Hicksville Train	0	803	Spring 2009	0	5
5	Late PM Peak Far Rockaway Train	66	207	Fall-08	0	0
6	Island Ticket Pilot	364	214	39,508	0	0
7	East End Shuttle: Extension of service between Speonk and Montauk on a modified basis. Shuttle would be integrated with summer seasonal service.	531	956	39,569	0	5
8	Additional Expansion of AM and PM Peak Service (Options to be considered include Port Washington, Hicksville and Long Beach)	584	700	Fall-08	0	5
9	Increase Off-Peak Weekend Service	100	300	Fall-08	0	3
10	Lost and Found Web Application	504	514	2nd Qtr '08	0	6
11	Expanded TVMS	1,910	404	3rd Qtr '08	2	3
12	Add Kew Garden, Forest Hills, and Jamaica Stops on West Bound Trains to relieve crowding on Hempstead Train east of Jamaica	0	0	Fall-08	0	0
13	Add stops to existing reverse peak Hempstead train to support LI Colleges	0	0	Fall-08	0	0
LIRR Total		\$4,900	\$5,646		2	35
Metro-North Railroad's Recommended Service Enhancements Program						
1	Improving Customer Communications via new Visual Information System (VIS) (large flat screen monitors and platform signs in stations)	\$3,000	\$3,000	2008-2009		
New Service Enhancements		1,599				
2	<u>Harlem Line Improvement</u> - Add six round trips to the lower Harlem Line to increase service frequency		889	2008-2009		
3	<u>Hudson Line Improvements:</u> Increase weekend frequency at key travel times by adding two round-trip Upper Hudson Line trains		719	2008-2009	2	
4	Convert four weekday Upper Hudson Line trains to expresses		1,120	2008-2009		
5	Add a round-trip weekdays to the lower Hudson Line trains in the peak period in the Croton-Harmon/Tarrytown zone.		653	2008-2009		
<u>Port Jervis Line Improvements:</u>						
6	To fill a service gap, add one weekday off-peak round trip Hoboken to Port Jervis		311	2008-2009		
7	Add three weekend round-trips to fill an existing service gap.		497	2008-2009		
Total Positions for all proposals						12
Revenue Offset (total for all proposals)				(2,000)		
MNR Total		\$4,599	\$5,188		2	12
MTA-Wide Recommended Service Enhancements Program						
1	MTA-Wide Regional Ticket - Development Costs (Non-recurring)	\$425	\$675	2008		0
2	MTA-Wide Regional Ticket - On-going Costs	725	1,906	2008		6
3	Regional Ticket - Football	300	852	TBD		0
Regional Ticket Total		\$1,450	\$3,433			6

METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2008 - 2011
Total Non-Reimbursable & Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Agency
(Favorable/(Unfavorable))

Category	2007 Final Estimate	2008 Final Proposed Budget	2009	2010	2011
Baseline Non-Reimbursable	63,116	63,397	63,442	63,817	63,771
NYC Transit	43,666	43,765	43,691	43,880	43,877
Long Island Rail Road	5,933	6,057	6,121	6,142	6,082
Metro-North Railroad	5,450	5,474	5,527	5,692	5,709
Bridges & Tunnels	1,776	1,766	1,766	1,766	1,766
Headquarters	1,414	1,418	1,420	1,420	1,420
Long Island Bus	1,139	1,139	1,139	1,139	1,139
Staten Island Railway	283	283	283	283	283
Capital Construction Company	0	0	0	0	0
Bus Company	3,455	3,495	3,495	3,495	3,495
<i>Service-Related & Other Policy Actions</i>	0	(634)	(751)	(779)	(779)
<i>Service Enhancement Fund</i>	0	(480)	(480)	(480)	(480)
NYC Transit	0	(427)	(427)	(427)	(427)
Long Island Rail Road	0	(35)	(35)	(35)	(35)
Metro-North Railroad	0	(12)	(12)	(12)	(12)
Regional Ticket (Multiple Agencies)	0	(6)	(6)	(6)	(6)
Bus Rapid Transit	0	(42)	(104)	(132)	(132)
Staten Island Service	0	(112)	(167)	(167)	(167)
Integrated Electronic Security Systems	0	TBD	TBD	TBD	TBD
Bridges & Tunnels	0	0	0	0	0
Headquarters	0	0	0	0	0
Long Island Bus	0	0	0	0	0
Staten Island Railway	0	0	0	0	0
Capital Construction Company	0	0	0	0	0
Bus Company	0	0	0	0	0
<i>2008 Agency Program to Eliminate the Gap</i>	62	380	408	408	408
NYC Transit	62	340	367	367	367
Long Island Rail Road	0	27	27	27	27
Metro-North Railroad	0	0	0	0	0
Bridges & Tunnels	0	3	3	3	3
Headquarters	0	0	0	0	0
Long Island Bus	0	0	0	0	0
Staten Island Railway	0	10	11	11	11
Capital Construction Company	0	0	0	0	0
Bus Company	0	0	0	0	0
<i>Post-2008 Agency Program to Eliminate the Gap</i>	0	0	22	34	34
NYC Transit	0	0	43	43	43
Long Island Rail Road	0	0	0	12	12
Metro-North Railroad	0	0	(28)	(28)	(28)
Bridges & Tunnels	0	0	1	1	1
Headquarters	0	0	0	0	0
Long Island Bus	0	0	0	0	0
Staten Island Railway	0	0	6	6	6
Capital Construction Company	0	0	0	0	0
Bus Company	0	0	0	0	0
Total Non-Reimbursable	63,054	63,651	63,763	64,154	64,108
NYC Transit	43,604	44,006	43,979	44,196	44,193
Long Island Rail Road	5,933	6,065	6,129	6,138	6,078
Metro-North Railroad	5,450	5,486	5,567	5,732	5,749
Bridges & Tunnels	1,776	1,763	1,762	1,762	1,762
Headquarters	1,414	1,418	1,420	1,420	1,420
Long Island Bus	1,139	1,139	1,139	1,139	1,139
Staten Island Railway	283	273	266	266	266
Capital Construction Company	0	0	0	0	0
Bus Company	3,455	3,495	3,495	3,495	3,495
Regional Ticket (Multiple Agencies)	0	6	6	6	6
Integrated Electronic Security Systems	0	TBD	TBD	TBD	TBD

METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2008 - 2011
Total Non-Reimbursable & Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Agency

Category	2007 Final Estimate	2008 Final Proposed Budget	2009	2010	2011
Total Non-Reimbursable	63,054	63,651	63,763	64,154	64,108
NYC Transit	43,604	44,006	43,979	44,196	44,193
Long Island Rail Road	5,933	6,065	6,129	6,138	6,078
Metro-North Railroad	5,450	5,486	5,567	5,732	5,749
Bridges & Tunnels	1,776	1,763	1,762	1,762	1,762
Headquarters	1,414	1,418	1,420	1,420	1,420
Long Island Bus	1,139	1,139	1,139	1,139	1,139
Staten Island Railway	283	273	266	266	266
Capital Construction Company	0	0	0	0	0
Bus Company	3,455	3,495	3,495	3,495	3,495
Regional Ticket (Multiple Agencies)	0	6	6	6	6
Integrated Electronic Security Systems	0	TBD	TBD	TBD	TBD
Total Reimbursable	6,919	7,298	6,985	6,803	6,703
NYC Transit	5,403	5,529	5,222	5,028	4,928
Long Island Rail Road	654	850	844	856	856
Metro-North Railroad	611	647	647	647	647
Bridges & Tunnels	52	53	53	53	53
Headquarters	36	36	36	36	36
Long Island Bus	14	14	14	14	14
Staten Island Railway	3	3	3	3	3
Capital Construction Company	142	150	150	150	150
Bus Company	4	16	16	16	16
Total Positions	69,973	70,949	70,748	70,957	70,811
NYC Transit	49,007	49,535	49,201	49,224	49,121
Long Island Rail Road	6,587	6,915	6,973	6,994	6,934
Metro-North Railroad	6,061	6,133	6,214	6,379	6,396
Bridges & Tunnels	1,828	1,816	1,815	1,815	1,815
Headquarters	1,450	1,454	1,456	1,456	1,456
Long Island Bus	1,153	1,153	1,153	1,153	1,153
Staten Island Railway	286	276	269	269	269
Capital Construction Company	142	150	150	150	150
Bus Company	3,459	3,511	3,511	3,511	3,511
Regional Ticket (Multiple Agencies)	0	6	6	6	6
Integrated Electronic Security Systems	0	TBD	TBD	TBD	TBD
Total Full-Time	69,640	70,623	70,437	70,646	70,500
NYC Transit	48,788	49,323	49,004	49,027	48,924
Long Island Rail Road	6,587	6,915	6,973	6,994	6,934
Metro-North Railroad	6,056	6,128	6,209	6,374	6,391
Bridges & Tunnels	1,828	1,816	1,815	1,815	1,815
Headquarters	1,450	1,454	1,456	1,456	1,456
Long Island Bus	1,044	1,044	1,044	1,044	1,044
Staten Island Railway	286	276	269	269	269
Capital Construction Company	142	150	150	150	150
Bus Company	3,459	3,511	3,511	3,511	3,511
Regional Ticket (Multiple Agencies)	0	6	6	6	6
Integrated Electronic Security Systems	0	TBD	TBD	TBD	TBD
Total Full-Time-Equivalents	333	326	311	311	311
NYC Transit	219	212	197	197	197
Long Island Rail Road	0	0	0	0	0
Metro-North Railroad	5	5	5	5	5
Bridges & Tunnels	0	0	0	0	0
Headquarters	0	0	0	0	0
Long Island Bus	109	109	109	109	109
Staten Island Railway	0	0	0	0	0
Capital Construction Company	0	0	0	0	0
Bus Company	0	0	0	0	0

**Certification of the Executive Director
of the
Metropolitan Transportation Authority
in accordance with Section 202.3(l)
of the
State Comptroller's Regulations**

I, Elliot G. Sander, Executive Director of the Metropolitan Transportation Authority ("MTA"), hereby certify, to the best of my knowledge and belief after reasonable inquiry, including certifications from senior management at the MTA agencies, that the attached budget and financial plan is based on reasonable assumptions and methods of estimation and that the requirements of Section 202.3 and 202.4 of the Regulations referenced above have been satisfied.

Metropolitan Transportation Authority

By: 

Elliot G. Sander
Executive Director

Dated: February 15, 2008

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