

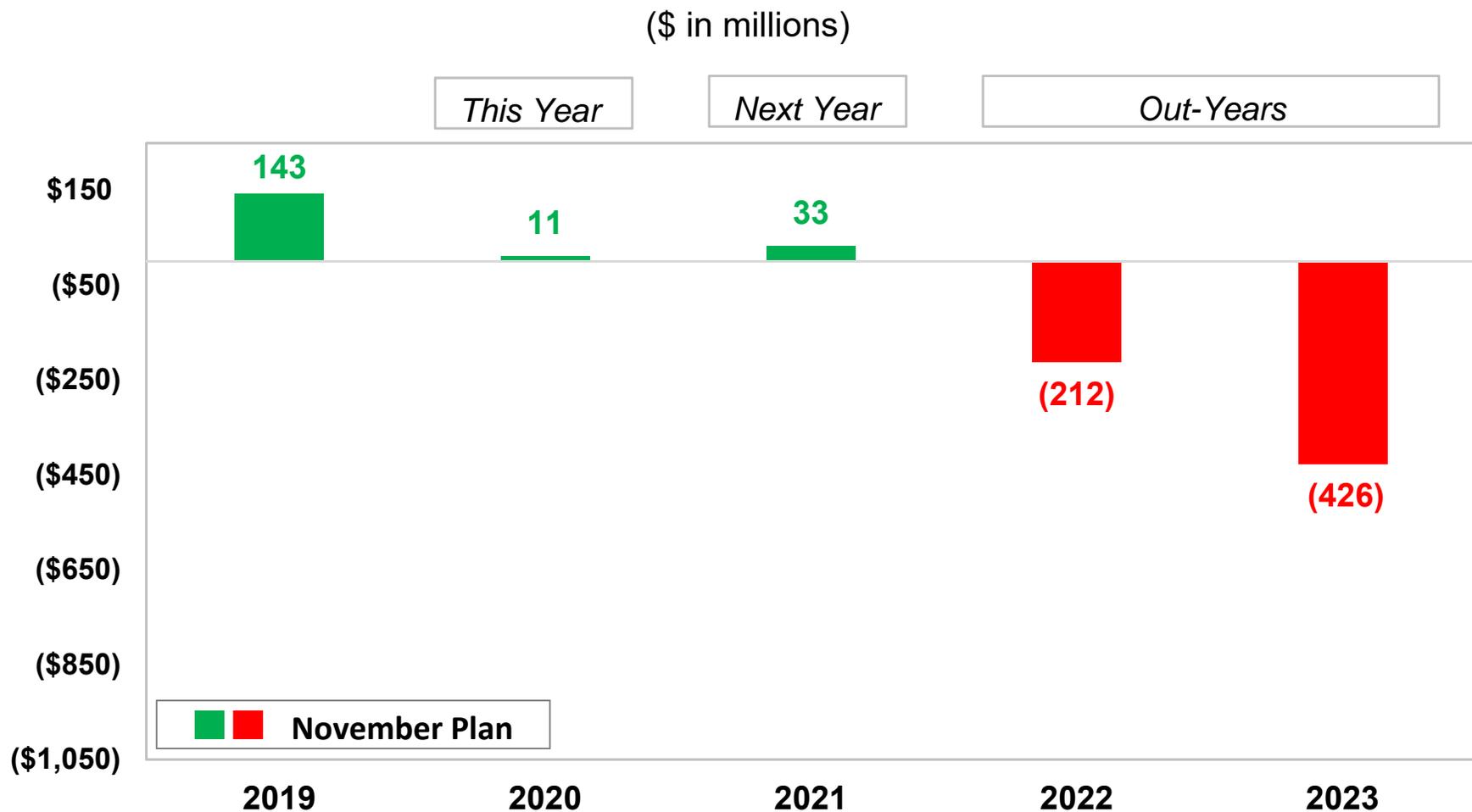


**Proposed Revisions
to the
MTA 2020 Adopted Budget
and
2020-2023 Financial Plan**

**Board Meeting
February 26, 2020**



The Adopted 2020 Budget and 2020-2023 Financial Plan reflect 4% fare/toll increases in 2021 and 2023, \$1.2 billion of budget reductions and \$1.6 billion of Transformation savings





What has changed since the Adopted 2020 Budget and 2020-2023 Financial Plan?

(2020-2023 Plan period cumulative impact)

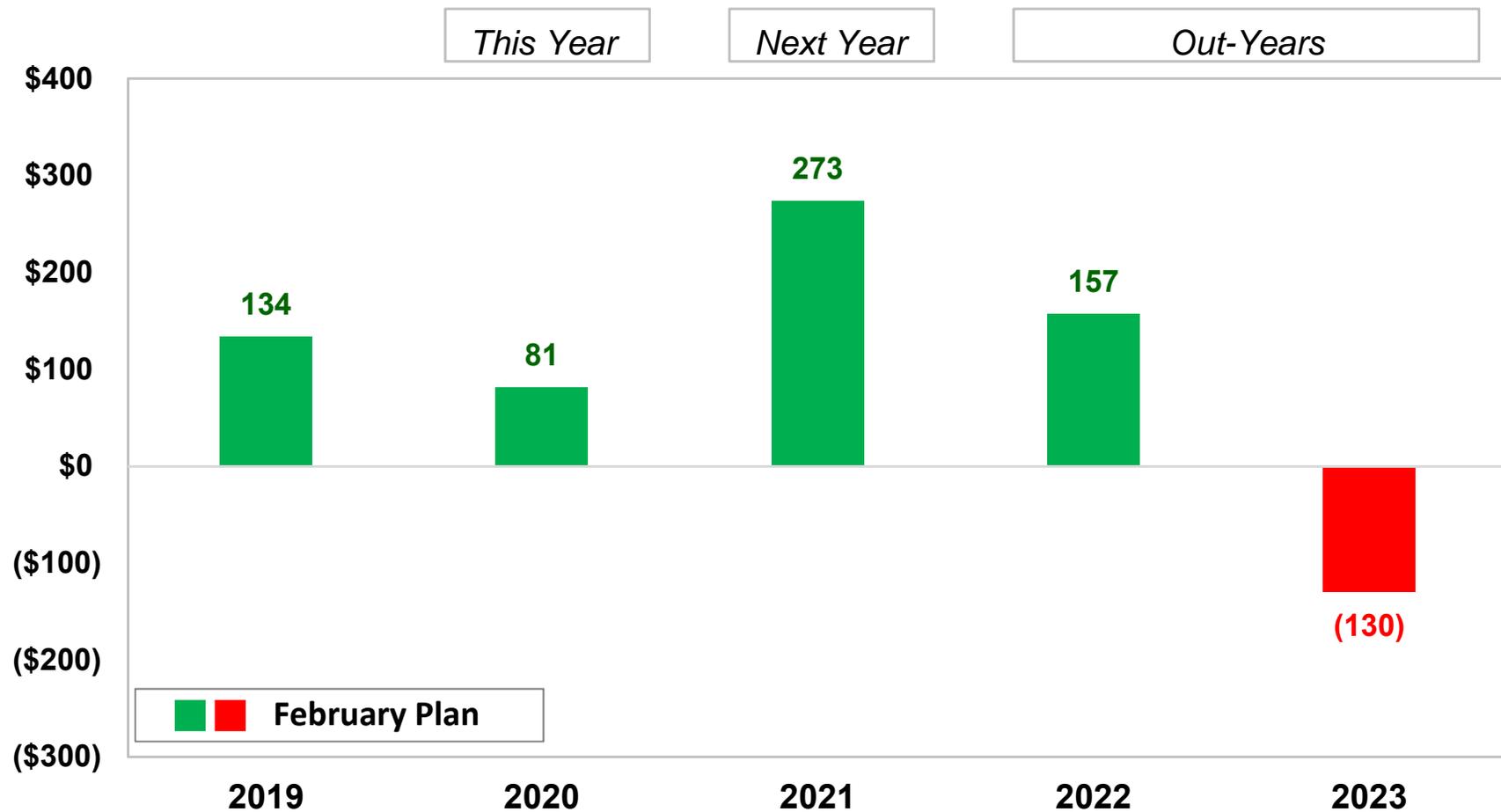
- *Changes and re-estimates improving financial results:*
 - Higher MMTOA projected revenues (\$755 million)
 - Lower TBTA debt service (\$145 million)
- *Changes and re-estimates worsening financial results:*
 - Cost of TWU settlement over the 2% assumed in the November Plan (\$91 million)
 - Assuming TWU-pattern settlement with remaining collective bargaining units (\$65 million)
 - Restore PAYGO budgeted for operating expense (\$68 million)
- *A significant increase in debt issuance and debt service which will not impact our results:*
 - Capital lockbox-funded debt for 2020-24 Capital Program
 - \$7.3 billion of bonds supported by Central Business District Tolling lockbox revenues, including Internet Marketplace Sales Tax and Mansion Tax receipts
 - Debt service is \$742 million over the Plan period, paid directly from capital lockbox revenues
 - Debt service is increasing, though MTA supported debt remains under 20% of operating revenue

In total, these re-estimates, as well as other changes, are favorable by \$508 million.



The February Financial Plan is more favorable than the Plan adopted in December

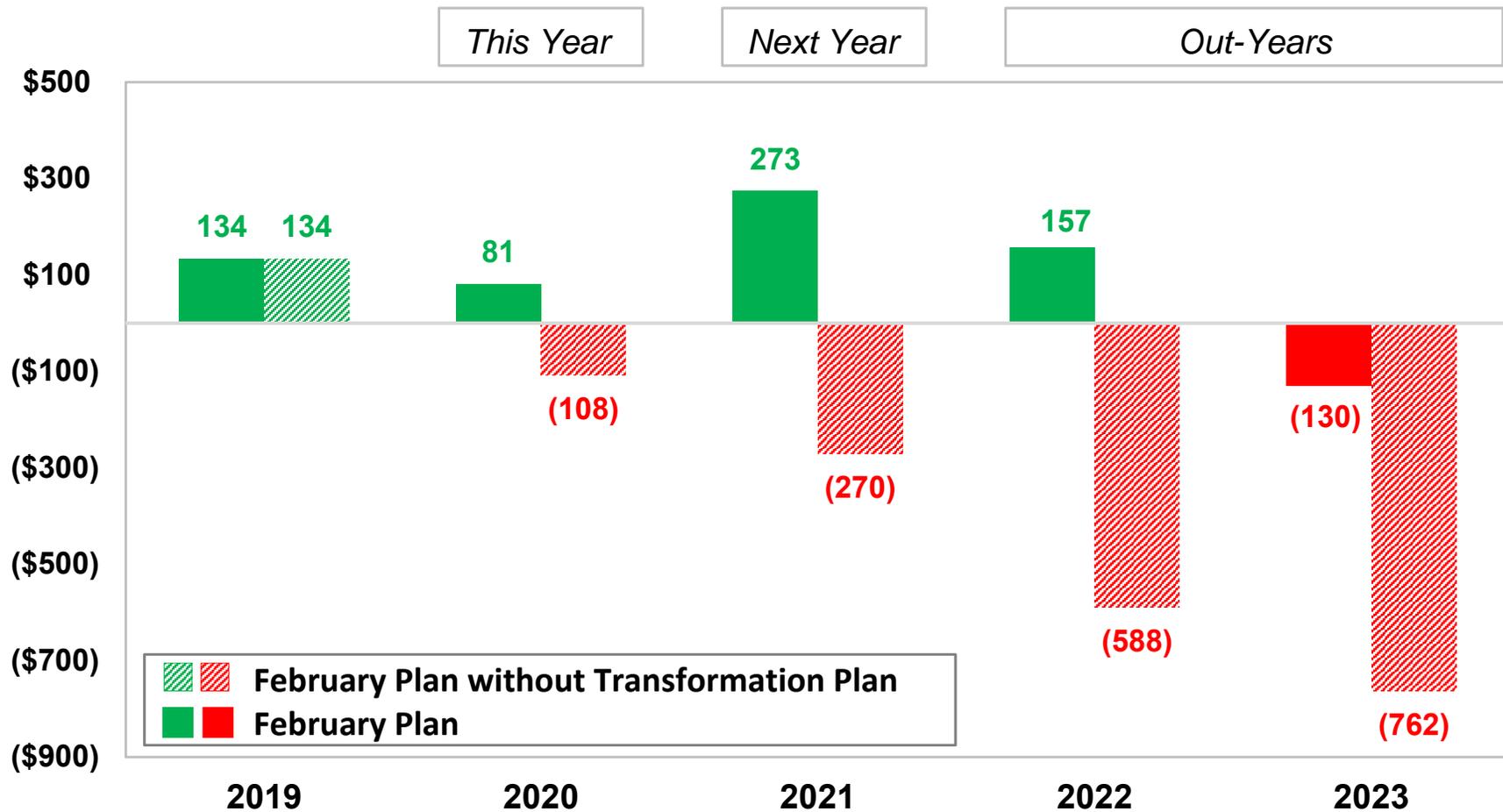
(\$ in millions)





Without the Transformation Plan savings, deficits will become unmanageable

(\$ in millions)





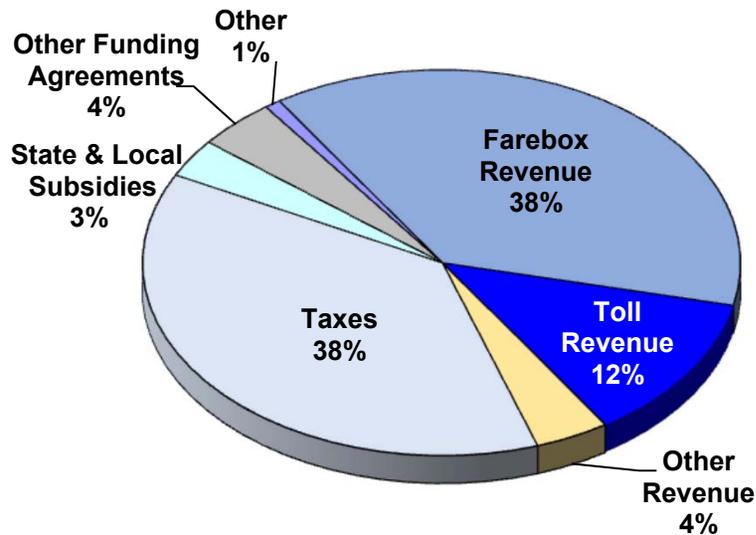
There are risks in the February Financial Plan

- Achieving revised Transformation savings targets assumed in the Plan (*\$1.6 billion over the Plan period*)
- Achieving BRP Savings (*\$1.2 billion over the Plan period*)
- Implementing the 4 percent fare/toll yield increases in 2021 and 2023 (*\$910 million over the Plan period for the 2021 increase, and \$283 million for the 2023 increase*)
- Renegotiating the paratransit contract with the City to achieve equitable cost sharing (*\$360 million over the Plan period*)
- Reducing fare evasion revenue loss (*\$200 million over the Plan period*)
- Maintaining fiscal control over “controllable” overtime (*\$177 million over the Plan period*)
- Achieving TWU pattern-based affordable labor contracts
- Revenue, pension investment, debt service, operating and capital expense implications of local, regional, national, and/or international economic dislocations/downturns



2020 Proposed Revised Adopted Budget

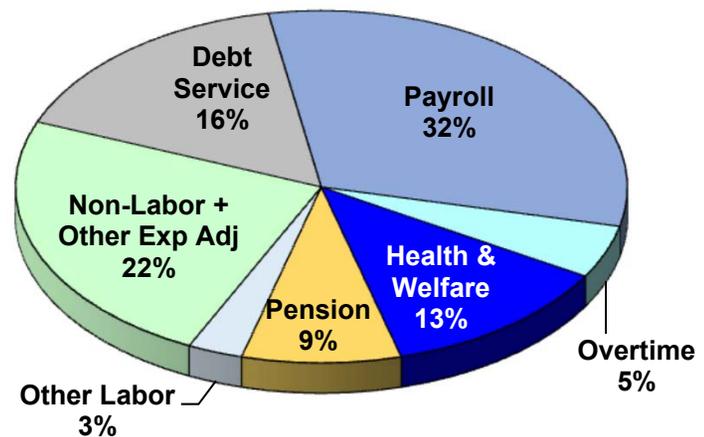
Where the Dollars Come From...



By Revenue Source (includes fare/toll increases) (\$ in millions)	
Farebox Revenue	\$6,486
Toll Revenue	2,118
Other Revenue	692
Taxes	6,478
State and Local & Other	554
Other Funding Agreements	726
Other ¹	150
Total	\$17,204

¹ Includes cash adjustments and prior-year carryover.

Where the Dollars Go...



By Expense Category (includes below-the-line adjustments) (\$ in millions)	
Payroll	\$5,486
Overtime	852
Health & Welfare	2,156
Pension	1,469
Other Labor	509
<i>Total Labor</i>	\$10,472
Non-Labor + Other Exp Adj.	4,183
Debt Service	2,833
BTL Adjustments for Expenses ²	(364)
Total	\$17,123

² The below-the-line adjustments are grouped in the Non-Labor category.



METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2020-2023
MTA Consolidated Statement Of Operations By Category (\$ in millions)
(\$ in millions)

Non-Reimbursable	Actual 2018	Final Estimate 2019	Adopted Budget 2020	2021	2022	2023
<i>Operating Revenues</i>						
Farebox Revenue	\$6,155	\$6,346	\$6,486	\$6,477	\$6,489	\$6,498
Toll Revenue	1,976	2,078	2,118	2,126	2,125	2,127
Other Revenue	643	700	692	717	731	738
Total Operating Revenue	\$8,774	\$9,124	\$9,296	\$9,320	\$9,346	\$9,363
Total Subsidies	\$7,177	\$7,272	\$7,758	\$7,868	\$8,212	\$8,664
Total Revenues + Subsidies	\$15,951	\$16,396	\$17,054	\$17,187	\$17,558	\$18,027
<i>Operating Expenses</i>						
Labor Expenses	\$9,799	\$10,211	\$10,471	\$10,789	\$11,115	\$11,396
Non-Labor Expenses	3,611	3,801	3,927	3,917	3,953	4,052
Other	129	158	86	41	28	29
General Reserve	0	165	170	175	180	185
Total Operating Expenses	\$13,539	\$14,335	\$14,654	\$14,922	\$15,276	\$15,662
Debt Service Expenses	\$2,541	\$2,664	\$2,833	\$3,119	\$3,557	\$4,241
Total Expenses + Debt Service	\$16,079	\$16,999	\$17,487	\$18,042	\$18,833	\$19,903
Conversion to Cash Basis	379	354	16	142	122	177
Baseline Net Cash Balance Before B-T-L Adjustments	\$251	(\$249)	(\$416)	(\$712)	(\$1,153)	(\$1,699)
Total Below-the-Line Adjustments	\$0	\$11	\$364	\$904	\$1,036	\$1,412
Prior Year Carryover	121	372	134	81	273	157
NET CASH BALANCE	\$372	\$134	\$81	\$273	\$157	(\$130)