



Metropolitan Transportation Authority

Meeting of Metro-North and Long Island Committees

April 2014

Members

M. Pally, Co-Chair
J. Sedore, Co-Chair
J. Ballan
R. Bickford
J. Blair
N. Brown
F. Ferrer
I. Greenberg
J. Kay
S. Metzger
J. Molloy
C. Moerdler
D. Paterson
A. Saul
V. Tessitore, Jr.
C. Wortendyke



MEETING AGENDA

METRO-NORTH/LONG ISLAND COMMITTEES

April 28, 2014 – 8:30 a.m.

347 Madison Avenue

Fifth Floor Board Room
New York, NY

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Date of next meeting: **Monday, May 19, 2014**

Metro-North Railroad Committee at 8:30 AM

Long Island Railroad Committee at 9:30 AM

Minutes of the Regular Meeting
Long Island Committee
Monday, March 24, 2014
Meeting held at
347 Madison Avenue
New York, New York 10017
9:45 a.m.

The following members were present:

Hon. Mitchell H. Pally, Chairman of the Committee
Hon. Jonathan A. Ballan
Hon. Fernando Ferrer, Vice Chairman, MTA
Hon. Ira R. Greenberg
Hon. Charles G. Moerdler
Hon. John J. Molloy
Hon. Vincent Tessitore, Jr.
Hon. Carl V. Wortendyke

The following members were not present:

Hon. Jeffrey A. Kay
Hon. David Paterson

Representing Long Island Rail Road: Helena E. Williams, Michael Gelormino, Mark Young

Representing MTA Capital Construction Company: Michael Horodniceanu, David Cannon

Representing MTA Police: Michael Coan

Committee Chairman Pally called the meeting to order.

There were two public speakers. Orrin Getz of Rockland County referred to the meeting between Amtrak's Drew Galloway and the LIRR concerning damage to PATH tunnels caused by Super Storm Sandy. He also recommended that LIRR coordinate with New Jersey Transit and their new Executive Director, Veronique Hakim, regarding Northeast Corridor and Positive Train Control issues. Murray Bodin of Concerned Grandparents remarked upon the correct formatting of the LIRR Committee book.

Upon motion duly made and seconded, the minutes of the February 24, 2014 Committee meeting were approved. There were no changes to the Work Plan.

MTA LONG ISLAND RAIL ROAD

President Williams said she was delighted to start with a report about Locomotive Engineer Joseph Moscato. After working his shift, he was driving to his Centereach home early on the morning of Saturday, March 8th. He saw a car that had struck a tree and was starting to catch fire off Route 347 near Townline Road in Hauppauge. Mr. Moscato, who is 64 years old, retrieved a heavy duty carbon dioxide fire extinguisher from his car and used it to fend off the flames getting close to the young woman driver trapped in the car. He and another Good Samaritan pulled the young woman from the burning car just before flames swept through the passenger

compartment. His heroic actions bought the 30 seconds needed to free the victim, who is expected to recover. Joe Moscato, who has worked for LIRR for 14 years, said he was not thinking about his own safety as he helped rescue the woman. He utilized his training as a volunteer fireman and as an EMT for the Village of Babylon for the last 30 years. His heroic actions exemplify the best traditions of service at the LIRR, both to the railroad and to the communities we serve. President Williams asked Joe Moscato to step forward so that he could be honored for his actions on March 8th.

President Williams said that LIRR has been reviewing the FRA's Deep Dive report on Metro-North issued on March 14th. She assured members of the Committee and our customers that the LIRR will apply any applicable lessons raised in this report to our operation in an ongoing effort to improve our safety culture. President Williams said that while she believes that our safety culture is robust, there is a long journey to ensure the best record of safety that can be achieved. President Williams said that we are on that journey at the LIRR and we are going to continue to pursue it. We will, of course, cooperate with any FRA examination of our safety practices at the LIRR and welcome their insights on how to improve our safety features. President Williams observed that since she became LIRR President in 2007, she has continually reiterated that safety, security and reliability are LIRR's top priorities. Safety is always our number one priority and we will continue to instill that. She referred to an update in the Committee book on specific safety measures that we have advanced since the Metro-North derailment. These include moving forward to procure and install alerters on diesel equipment; conducting speed compliance testing of Engineers; and working with the FRA to coordinate and complete a close call reporting system. We completed the addition of speed controls on critical curves. LIRR's next Safety Stand Down, when managers and staff in every department meet to review the latest safety concerns, is scheduled for March 27th. President Williams was pleased to report that APTA's recently completed safety audit found the LIRR to be in compliance with accepted industry safety practices. The auditors rated our safety program as excellent and commended its implementation by management. President Williams noted the excellent work done in this regard by Lori Ebbighausen, who heads up the safety function at the LIRR.

President Williams then addressed a recent media report on statistics related to LIRR's reporting to the FRA, which indicated a high number of what are known as 'train incidents.' She stated that when she became President in June 2007, LIRR was being audited by the FRA concerning underreporting of incidents. In response, we put a corrective action plan in place and began embracing robust reporting. President Williams informed the Committee that in many cases, even when customers haven't given their names and don't want medical assistance, we nonetheless capture the event in an incident report. Much of this grew out of the gap remediation plan that the LIRR put in place to correct the underreporting of gap incidents.

President Williams then turned to ridership. February 2014 ridership increased across the board among regular commuters and off-peak riders. This is consistent with challenging weather when people left their cars at home and boarded our trains. Total ridership went up 1.4% in February; commutation ridership increased 1.6%; and non-commutation increased 1.3%. The month of February started with ridership gains from Super Bowl activities in New York City. President Williams concluded her report by stating that on February 1st, we had a Saturday with almost double our normal ridership and we hope that this trend continues.

Board Member Charles Moerdler asked if there is anything inherently inconsistent between on-time performance and safety, or can the two be balanced so that people have a ride that is both safe and on

time? President Williams responded that both can be achieved but that it must always be safety first, and that on-time performance is secondary to safety. She stated that we want to have a safe operation and a secure operation; we are also focused on customer security and then reliability. Reliability is on-time performance generated by good track conditions, excellent equipment and the condition of that equipment and making sure that our transportation operation is functioning under the rules that we have.

Board Member Moerdler said that the point of his question was not to denigrate the importance of safety but to underscore two points. First, that people ride the train rather than the car because not only do they want to get there in one piece, but they also want to get there on time. Second, being on-time doesn't have to mean adding additional minutes to the schedule.

President Williams responded that she agreed, but noted that every system is different. The LIRR has ten branches that converge through Jamaica. We do not have the opportunity to add time to schedules. They are very set because we have scheduled connections through Jamaica. Port Washington is also on a very strict clock because it has a single track operation at the end. We want to achieve a safe and secure as well as reliable ride.

Board Member Moerdler then noted that statistics in the LIRR Committee book are inconsistent with some of the data in the Corporate Governance Committee book; while not the fault of LIRR, this needs to be addressed. He requested that the LIRR Committee book be circulated earlier to allow for sufficient time for a thorough reading of it.

President Williams responded that she had been advised of the issue concerning statistics in the various books. She said that she would work with Metro-North on data reconciliation and with the MTA concerning the date of issuance of the Committee book.

Board Member Moerdler then referred to the second footnote on page 41 of the Committee book which reads: "The Port Washington Branch showed the largest percent increase (+3.0%), which is attributed to the restoration of the weekend half-hourly service...." He said he is seeking to make the point that if the riding public is given increased service it will respond favorably by providing increased ridership, increased dollars and an increase in recognition of the attributes of the LIRR.

Chairman Pally responded that there is no question that when service is increased, the riding public responds, noting that this is also reflected in the response to half-hourly service added on weekends to Ronkonkoma. He stated that his goal and that of other Board members is to provide more frequent service, if possible half-hourly on weekends. Chairman Pally added that he hoped that in July, when the service enhancement issue is revisited, we will be able to do more of that, especially at West Hempstead. Chairman Pally said that this is an issue for all of our agencies, not just an LIRR issue for Long Island, observing that the more service you provide, the more ridership you are going to get in return.

Board Member Greenberg commented that the Port Washington branch has a higher cost-recovery ratio than the subway on average and, because of the high ridership, it is a very efficient operation. Chairman Pally agreed and stated that it will even be more efficient when the current Capital Project there is finished.

Board Member Moerdler referred to an apparent disparity between the number of trains, for example, on the Ronkonkoma line which has only six eastbound trains for the largest number of passengers, versus nine eastbound trains for Babylon. President Williams responded that this question implicates the issue of the single track operation, as all traffic is going in one direction on a single track. She stated that we can't get trains threaded back so the trains, of course, are very full in the AM. She noted that this is a problem we are looking to solve with the Double Track strategy. We will be moving forward with the first segment under Phase I from Ronkonkoma to Central Islip and we will look to fund the second Phase, Central Islip to Farmingdale, in the next Capital Program. President Williams observed that this is a long overdue capacity expansion.

Board Member Moerdler asked whether it is feasible to either add more cars to the existing trains or to have an additional train with less of headway? President Williams responded that our scheduling options have been looked at very thoroughly, and that in general, we are at capacity with 12 car consists. Chairman Pally noted that the completion of Double Track would allow additional trains to be scheduled. Board Member Greenberg commented that there were significant gaps in service on the Main Line for the reverse commute, causing people to drive.

President Williams responded that she would be remiss not to say that problem would be solved by a third track, but right now our goal is to get a second track done from Ronkonkoma to Farmingdale. In response to a question from Board Member Moerdler, Chairman Pally responded that this project would be complete in three years. President Williams added that we need the funding for the second segment in the 2015–2019 Program. She observed that we have the opportunity to move this construction as Suffolk County has been very supportive of these efforts in terms of lay down space and permits.

MTA CAPITAL CONSTRUCTION

MTA Capital Construction President Michael Horodniceanu reported progress on the East Side Access Project. Work on the Manhattan South Structures contract (CM005) is progressing on schedule. At the 55th Street Vent Plant Facility (CM013A) all blasting has been completed which will significantly reduce the impact on the community. Work on the GCT Concourse and Facilities Fit-Out contract (CM014A) is proceeding. Substantial completion of that contract has been delayed by a required redesign of the SCADA system.

In Queens, four substations, B10, Roosevelt Island, Vernon Boulevard and 12th Street are ready for the Systems Contract (CS179) work to begin. The 12kV Commissioning Plan was finalized with Amtrak in February and testing of the feeder prior to cutover is currently being performed. Cutover is scheduled for April. The Harold Structure's contractor (CH057A) has been issued a full Notice to Proceed.

MTA Capital Construction anticipates the award of three major contracts before the end of March 2014: Manhattan North Structures (CM006), Systems Facilities Package No. 1 (CS179) and Tunnel Systems Package 3 (VS086). In addition, advertisement of the GCT Concourse & Facilities Fit-Out contract (CM014B) and the Traction Power Systems contract (CS084) are planned for April. MTA Capital Construction has completed its industry outreach for GCT Station Caverns (CM007) and plans to advertise that contract in October 2014.

MTA POLICE DEPARTMENT

Chief Coan stated that the police report begins on page 28 of the Committee book. There were six incidents compared to 15 last year during the month of February. This was a 60% reduction, some of which was weather related. Of the two robberies, one was reclassified as it was a false report. Review of the video showed that no crime had been committed. Chief Coan thanked President Williams for the liquid ban at the Montauk Parade. There were very few incidents and it was a success.

President Williams thanked the MTA Police for an outstanding job on Montauk, saying the event went well.

MTA LONG ISLAND RAIL ROAD

Information Items

There were four LIRR information items:

- 2013 Annual Ridership/marketing Plan Report
- Annual Strategic Investments & Planning Study
- 2014 Spring/Summer Schedule Change
- Diversity/EEO Report – 4th Quarter 2013

With respect to the annual ridership report, President Williams noted that 2013 was a growth year for the LIRR, in both the commutation and non-commutation markets. Several measures helped boost weekend and leisure travel, including an enhanced service plan for Barclay Center and adjustments to the summer Montauk schedule, including the departure point of the Cannonball moving from the Hunterspoint to Penn Station. She referenced again in this regard the half-hourly weekend service on the Port Washington Branch.

With respect to the Annual Strategic Investment & Planning Study report, President Williams indicated that this was an overview of what we have accomplished and what we see coming in terms of strategic investments with highlights on Capital Projects. She noted that the Railroads are attempting to accelerate the completion of Positive Train Control. She stated that the LIRR strategy calls for a unified approach, by installing Positive Train Control and accomplishing the upgrade of current dark territory, Automated Block Signal territory and Controlled Manual Block territory, in each instance moving to bring these areas up to the standard of Automatic Speed Control and CAB signaling. Our first signalization of dark territory project, Speonk to Montauk, is progressing.

President Williams then referenced the Superstorm Sandy recovery and resiliency projects, and noted the LIRR's focus on Long Beach, the East River Tunnels, Long Island City Yards and the West Side Yard with respect to protection against flooding. She also noted the award of the M-9 rail car contract to the Kawasaki Rail Car company, starting with the 92 base order cars.

President Williams highlighted work at Hicksville Station, the LIRR's second busiest branch station. She noted that there are three Capital Projects covering Hicksville, comprising \$106,000,000 in

investments, as we try to modernize the station and the track and signal systems. She noted that the Double Track contract was awarded in December 2013.

President Williams then highlighted the launch of LIRR's Train Time App, which is available for iPhone and Android smart phones. She then spoke about the platform replacements underway at Massapequa and Wantagh stations and the new elevators that were completed at Queens Village. She noted that LIRR is on a normal replacement schedule for signals, track, power and communications.

President Williams then referenced the LIRR's practice of providing the Committee with a Staff Summary describing the schedule adjustments required by our Track Work Program. She noted that there are many more track efforts that are ongoing, but which do result in a schedule change. She noted that we are moving forward with the Concrete Tie Replacement Program on the Hempstead Branch, while at the same time moving forward with switch surfacing work that needs to be done.

With respect to the LIRR's Diversity Report, President Williams noted continued progress in diversifying the workforce. Of the new hires, 16% were female and 41.7% were minority.

Board Member Moerdler asked why the proposed renovation at Hicksville was designed to reduce that platform from 14 cars to 12 cars. President Williams responded that this change is to aid us in using the additional track that is available at Hicksville, and that the existing configuration blocks a very important area known as Divide, where the Main Line separates from the Huntington Branch and the Farmingdale Branch. She noted that LIRR does not operate 14 car trains.

Board Member Moerdler asked if the 14 car capacity should be preserved for the future. President Williams noted in response that none of the LIRR's terminals can accommodate the 14 car consists, and that our goal is to move to a standard of 12 car platforms, so that all cars can platform at the same time. She noted benefits of maximizing use of the island platform at Hicksville, using the track on the north side that does not currently connect to the station, which will aid East Side Access service. Board Member Moerdler asked that the Committee be provided with additional information concerning the benefit of shortening the platform at Hicksville.

Committee Member Moerdler then referenced the Wyandanch TOD project, and asked if there was a timetable for the project at Ronkonkoma. President Williams responded that although we are working closely with the Town of Brookhaven and the Town of Islip, the project and its time frame is in the control of the local community. Chairman Pally noted that the Wyandanch project is currently under construction, and that the assumption is that the plan for Ronkonkoma will be approved by the local municipality in June of this year. Board Member Moerdler commented that some would like to see the TOD concept extended to the borough of the Bronx and to different parts of the East Bronx.

Board Member Moerdler next noted that there was approximately \$5,000,000 worth of Mentoring projects ongoing, and asked if that program could be expanded. President Williams responded that this would be reviewed. She noted that LIRR is working hard to ensure that we are developing Mentoring contracts and trying to ensure that that number grows.

Board Member Moerdler then asked if, with respect to the Diversity Report, there was overlap between the numbers for females and those for minority groups. President Williams responded in the

affirmative. Board Member Moerdler then referenced the report to the Governor which provided that “the percentage of female representation continues to fall below the estimated percentage of women available for work in the recruitment area.” He asked if this fact was impacted by the overlap between female and minority groups. President Williams responded that she would review this data. She noted that Michael Fyffe, LIRR’s Director of Diversity Management, works hard at capturing the numbers correctly and ensuring that we are sharing our goals constantly with the Human Resources Department. Board Member Moerdler then noted that under New Hires, in the area of technicians, officials and administrators, there were no hires among the black community. President Williams responded that there were only three such hires for this reporting period, one who is Hispanic and one who is Asian.

Board Member Greenberg asked, with respect to Ridership data, whether ticket sales data or ticket collections were used. President Williams responded that it is sales. Mike Gelormino noted that the second half of the report captures ticket passenger counts, while the first part is based on ticket sales. There was further discussion concerning the issue of ticket collections, and President Williams noted that there was no report specifically about ticket validation. She stated that we reconcile counts against sales to see if there are places where ticket validations needs to be improved.

With respect to the Long Island City Yard Sandy remediation, Board Member Greenberg noted community concerns about idling diesel trains. He said that while LIRR has come up with a very good plan in this regard, he asked if the issue would be exacerbated or improved by the planned construction of walls at the Yard? President Williams responded that we do not think that the walls are high enough to result in sound being bounced back, and that these walls are to protect against the flooding. She noted that the LIRR tries to be very sensitive to that community, although she frequently mentions that there has been a train yard there for 100 years. Board Member Greenberg indicated that he too reminds the community of this fact, and that there used to be steam locomotives operating at this site.

Board Member Greenberg then noted his own concern about the length of train platforms, and thought there should be a further look at the length of the platforms in connection with the Jamaica renovation. President William said that it will be difficult to uniformly accommodate 12 cars, and that lengthening platforms requires relocating the signal system and that there is insufficient real estate at Jamaica to build 14 car platforms. She noted that work at Jamaica will include an additional platform for the opening of East Side Access and Brooklyn Shuttle operation, which will be available when we reconfigure Jamaica.

Action Item

There was one action item:

- Approval to introduce a new ticketing approach that will enhance service and increase revenue for the Hamptons Reserve Service, by combining standard rail charges with reserve seat charges, and additional changes consistent with overall Board policy concerning the validity date and refund policy applicable to the combined ticket.

President Williams noted the success of the Cannonball service last year, when the departure point was moved from Hunterspoint to Penn Station. She noted, however, that some customers have been reserving seats but not using them, and then seek refunds at the end of the season. The LIRR proposes

combining the seat reserve charge with the ticket charge, while also making some changes to the validity dates of the ticket. President Williams noted that customers will be required to cancel reservations by the Thursday before travel. President Williams noted that revenue was up by 190% for this service last year, and that LIRR seeks to continue this growth.

Upon motion duly made and seconded, the Committee approved this action item.

MTA LONG ISLAND RAIL ROAD

Procurements

There were no LIRR procurements presented. President Williams noted for the Committee the approval of two Metro-North led procurements, permitting the use of the RFP process to procure inward and outward facing cameras on rail cars, and to procure a Train Fault Detection System, to detect wheel irregularities and overheated bearings. She noted that the LIRR system will be installed on the Main Line west of Jamaica. Committee Member Greenburg asked if there were concerns about checking freight traffic before it reaches this check point. President Williams responded that most of this traffic will have also been checked on the Metro-North system, except for a small percentage that arrives via the Cross Harbor railroad.

MTA CAPITAL CONSTRUCTION

Procurements

Three competitive procurement items were presented to the Committee for approval. Details of these items are set forth below and in the Staff Summaries, copies of which are on file with the record of this meeting.

The three competitive procurement items are as follows:

1. Request for approval to employ the Request for Proposal method for Contract No. C-52128.
- 2-3. Modification to Contract No. 98-0040-01R for the design services and repackaging of Contract CH058 and to increase the contract amount allocated to Construction Phase Services in the amount of \$19,988,268.

Board Member Moerdler asked President Horodniceanu whether the consulting contract amounts, as originally awarded, may have been awarded as place holders or even low-balled. Dr. Horodniceanu responded that the original estimates may have been optimistic as to time and cost, but that consultant costs incurred to date are in line with actual construction costs. MTA Vice Chairman Ferrer asked whether the original contract estimates are the sole cause of delay and cost overruns for the project. Dr. Horodniceanu added that issues encountered at the Harold Interlocking and in Manhattan were contributing factors.

Upon motion duly made and seconded, all procurement items were approved for recommendation to the Board.

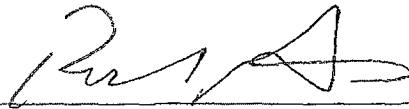
LIRR Reports on Operations (including Enhanced Safety Actions Update). Financial and Ridership and the Capital Program

The details of these items are contained in the reports filed with the records of the meeting.

Adjournment

Upon motion duly made and seconded, the Committee voted to adjourn the meeting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Richard L. Gans', written over a horizontal line.

Richard L. Gans
Secretary

Minutes of the Regular Meeting
Metro-North Committee
Monday, March 24, 2014

Meeting Held at
347 Madison Avenue
New York, New York 10017

8:15 a.m.

The following members were present:

Hon. Fernando Ferrer, Vice Chairman, MTA
Hon. James L. Sedore, Jr., Chairman of the Committee
Hon. Mitchell H. Pally
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. James F. Blair
Hon. Norman Brown
Hon. Susan G. Metzger
Hon. Charles G. Moerdler
Hon. John J. Molloy
Hon. Carl V. Wortendyke

Not Present:

Hon. Jeffrey A. Kay
Hon. Andrew M. Saul

Also Present:

Hon. Ira R. Greenberg
Hon. Mark D. Lebow
Joseph J. Giuliatti – President, Metro-North Railroad
Donna Evans – Chief of Staff
Ralph Agritelley – Vice President, Labor Relations
Katherine Betries-Kendall – Vice President Human Resources
Michael R. Coan – Chief, MTA Police Department
Susan Doering – Vice President-Customer Service & Stations
Randall Fleischer – Senior Director, Business Development, Facilities and Marketing
James B. Henly – Vice President and General Counsel
John Kesich – Senior Vice President Operations
Anne Kirsch – Chief Safety Officer
Timothy McCarthy – Senior Director, Capital Programs
Kim Porcelain – Vice President - Finance and Information Systems
Robert Rodriguez – Director – Diversity and EEO
Michael Shiffer – Vice President – Operations Planning

Chairman Sedore called the meeting to order and asked for a moment of silence in honor of James Romansoff, a Metro-North Third Railman, who was fatally struck by a train on March 10, 2014.

Chairman Sedore stressed the importance of using the limited time the Committee has each month as efficiently and effectively as possible. He noted that President Giulietti and his staff are readily accessible and able to provide detailed information on any agenda item or railroad-related topic before and after the meetings.

Upon motion duly made and seconded, the Committee approved the minutes of the regular meeting of February 24, 2014. Committee Chairman Sedore stated there were no changes to the 2014 work plan.

President's Report:

President Giulietti discussed the recent workplace death of a power department employee, the results of the Federal Railroad Administration's Deep Dive review, the status of Metro-North's 100-Day Action Plan, the fatal explosion and building collapse in Harlem next to Metro-North's tracks and the resumption of right-of-way improvement work in the Bronx.

President Giulietti extended condolences to the family of James Romansoff, an eight-year veteran of Metro-North who was fatally struck by a train while engaged in third rail work. The President noted that the incident is under investigation by the National Transportation Safety Board (NTSB) and as a party to the investigation, Metro-North is subject to regulations that limit the information it may make public concerning the incident. President Giulietti stressed the railroad's commitment to keeping its customers and employees safe, and stated that Metro-North will implement improvements arising out of the investigation to safeguard against future accidents of this nature.

Continuing with his discussion of safety matters, President Giulietti reported on the Federal Railroad Administration (FRA) "Deep Dive" review of Metro-North's protocols and procedures, thanking the FRA for the time and effort devoted to the review. President Giulietti described several initiatives that have been undertaken at Metro-North to improve safety. Stressing that operating trains on time cannot be more important than operating trains safely, the President noted that Metro-North has been working with the FRA and is taking important steps toward reestablishing safety as the unmistakable priority in the running of the railroad. Although the FRA report is critical of several areas at Metro-North, President Giulietti noted the FRA's statement in the report that it is "encouraged by the many good employees who met with our Deep Dive teams [and] ... their dedication and desire to turn Metro-North into a safe, professional railroad serving the citizens of New York, New Jersey and Connecticut." President Giulietti stated that he is encouraged by the quality of Metro-North's workforce and is convinced that the workforce can and will dedicate itself to improvement.

President Giulietti also reported on Metro-North's 100-day action plan of initiatives to be commenced, and in some cases completed, within 100 days, noting that each initiative must support one or more of four key goals: promoting a culture of safety, adopting concrete safety enhancements, restoring reliable service, and improving employee and customer communication. The action plan will be augmented to include the directives and recommendations of the FRA review and the findings of the MTA Blue Ribbon Panel on Safety. President Giulietti noted that the progression and achievement of 100-day action plan milestones will be monitored and will be available to customers and other stakeholders in the form of an Internet scorecard. He stated that Metro-North has a lot of work to do

to create a culture in which safety is the most important priority, to repair what is broken with the railroad's physical plant, procedures and organizational structure so it may win back the confidence and trust of our customers and other stakeholders.

President Giulietti next discussed the explosion and collapse of two buildings situated adjacent to Metro-North's tracks on the Park Avenue Viaduct. Although this tragedy did not cause injury to Metro-North workers or customers, the building collapse disrupted train service throughout the day on Wednesday, March 12. The President also described aggressive system-wide track improvements which will resume on March 31, and which will enhance the overall safety and reliability of the railroad.

In response to a Committee member's inquiry concerning on-time performance, President Giulietti noted that federal authorities conducting recent investigations have noted that Metro-North's culture was overly focused on on-time performance to the detriment of safety. The railroad is developing an improved schedule that will enable Metro-North to provide reliable and safe service to its customers.

Further details concerning the President's report, including discussions between Committee members and President Giulietti are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records.

Two public speakers addressed the Committee. Orrin Getz of Rockland County discussed west-of-Hudson matters and Murray Bodin of Concerned Grandparents discussed the committee agenda, the removal of the Hartsdale ticket booth, the New Haven Line power failure and the blowing of train horns. Further details of the speakers' comments are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records.

Information Items:

Three informational items were reported to the Committee:

- 2013 Annual Ridership Report
- Annual Strategic Investments & Planning Studies Report
- Diversity/EEO Report – 4th Quarter 2013

Further details concerning the information items noted above are contained in reports filed with the records of this meeting and in the video recording of the meeting produced by the MTA and maintained in the MTA records, which recording includes discussions between Committee members and Metro-North staff relating to the above items.

Procurements:

Two non-competitive procurements were presented to the Committee:

- Approval of non-competitive, three-year miscellaneous purchase contracts with Wabtec Passenger Transit, Sepsa North America, Graham White Manufacturing and Vapor Stone Rail Systems for original equipment manufacturer (OEM) replacement parts for various

Metro-North and Long Island Rail Road railcar and locomotive fleets. This is a Metro-North led joint procurement with the Long Island Rail Road.

- Approval of a non-competitive, five-year miscellaneous service contract with Norcon Communications to provide repair and maintenance support services for Grand Central Terminal (GCT) and North End Access public address systems.

Three competitive procurements were presented to the Committee.

- Approval to use the Request for Proposal (RFP) process to solicit and evaluate proposals from prospective vendors for the design, manufacture, assembly and delivery of on-board video camera recording systems for Metro-North and LIRR. This is a Metro-North led joint procurement with the Long Island Rail Road.
- Approval to use the Request for Proposal (RFP) process to solicit and evaluate proposals from prospective vendors for the design, manufacture and delivery of a pre-wired instrument house for a Train Fault Detector System (TFD) which includes a four-track Wheel Impact Load Detector (WILD), a four-track Automatic Tag Reader System and the design and integration for real time reporting to the Metro-North and LIRR Operation Control Centers. This is a Metro-North led joint procurement with the Long Island Rail Road.
- Approval to use the Request for Proposal (RFP) process to solicit and evaluate proposals from joint partnerships of Architect/Engineers/Contractors as a design/build team, to complete a design and perform all work required for the replacement of 11 escalators in Grand Central Terminal (GCT).

There were two ratifications presented:

- Ratification of the emergency repair of the Croton Harmon-Material Distribution Center's (MDC) STAK system used to store and retrieve material in excess of 4,000 pounds.
- Ratification of an emergency one-year service contract with Georgetown Rail Equipment Company to provide automated track inspections and joint bar measurement services.

Upon motion duly made and seconded, all the foregoing procurement items were approved for recommendation to the Board. The details of the above items are contained in staff summaries and reports filed with the records of this meeting and in the video recording of the meeting produced by the MTA and maintained in the MTA records, which recording includes discussions between Committee Members and Metro-North staff relating to the above items.

Safety Report:

Chief Safety Officer Kirsch reported that a safety stand down was held following the March 10 fatality. Safety stand downs will be held on a quarterly basis. She noted that inconsistencies in the last time injury figures contained in the Governance Committee report and the Metro-North Committee report are the result of the timing of publication. The details of Ms. Kirsch's report are contained in the Safety Report filed with the records of this meeting and in the video recording of the meeting produced by the MTA and maintained in the MTA records, which recording includes discussions between Committee Members and Metro-North staff relating to the above items.

Operations Report:

Senior Vice President of Operations Kesich reported on the railroad's February 2014 operating performance. On-time performance on the New Haven Line was approximately 5% lower than on the Hudson and Harlem Lines due to infrastructure constraints. The New Haven Line schedule will be adjusted in May to allot for the additional seven to ten minutes of running time that results from the Signal Department's implementation of cab signal speed enforcement that has been completed in accordance with FRA Emergency Order #29. Right-of-way work in the Bronx between Woodlawn and Melrose is scheduled to be completed by May, permitting Metro-North to raise its speed from 40 to 75 mph. Work will also move forward that will result in removal of 30 slow orders that were developed in the winter months, enabling the railroad to provide more reliable service. Metro-North and CDOT are working to resolve operational issues on the Danbury Branch associated with the new grade crossing technology that was installed last fall. The corrective actions being implemented should permit Metro-North to resume off-peak train service in April. All Fleets experienced a higher number of service failures due to the extended below normal temperatures and high snow amounts this winter.

The details of Mr. Kesich's report are contained in the Operations Report filed with the records of this meeting and in the video recording of the meeting produced by the MTA and maintained in the MTA records, which recording includes discussions between Committee Members and Metro-North staff relating to the above items.

Report from MTA Police Department:

Chief Coan reported that there were two robberies in February 2014, one of which resulted in an arrest. He thanked those who assisted the MTA Police following the March 12 building explosion and collapse and discussed the March 17 ban on alcohol on trains.

The details of Chief Coan's report are contained in the MTA Police Report filed with the records of this meeting and in the video recording of the meeting produced by the MTA and maintained in the MTA records.

Reports on Finance and Ridership and the Capital Program:

The details of these items are contained in the reports filed with the records of the meeting.

Adjournment

Upon motion duly made and seconded, the Committee unanimously voted to adjourn the meeting.

Respectfully submitted,



Linda Montanino
Assistant Secretary

2014 Long Island Rail Road Committee Work Plan

I. RECURRING AGENDA ITEMS

Responsibility

Approval of Minutes	Committee Chair & Members
2014 Committee Work Plan	Committee Chair & Members
Agency President's/Chief's Reports	President/Senior Staff
Information Items (if any)	
Action Items (if any)	
Procurements	Procurement & Logistics
Performance Summaries	President/Senior Staff
Status of Operations/Safety	Sr. VP - Operations
Financial/Ridership Report	VP & CFO
Capital Program Report	Dept. of Program Management

II. SPECIFIC AGENDA ITEMS

Responsibility

April 2014 (Joint Meeting with MNR)

Final Review of 2013 Operating Results	Management & Budget
Annual Inventory Report	Procurement

May 2014

RCM Fleet Maintenance	Operations
Diversity/EEO Report – 1 st Q 2014	Administration/Diversity
Elevator & Escalator Service Report – 1 st Q 2014	Customer Services

June 2014

Positive Train Control	President
Penn Station Retail Development	MTA Real Estate

July 2014

Environmental Audit	Corporate Safety & Training
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September 2014

2015 Preliminary Budget (Public Comment)	Management & Budget
2014 Mid Year Forecast	Administration/Diversity
Diversity/EEO Report – 2 nd Q 2014	Customer Services
Elevator & Escalator Service Report – 2 nd Q 2014	Service Planning
2014 Fall Construction Schedule Change	

October 2014

2015 Preliminary Budget (Public Comment)	President
ESA Readiness Update	

November 2014 (Joint Meeting with MNR)

2015 Preliminary Budget (Public Comment)
Review of Committee Charter
Diversity/EEO Report – 3rd Q 2014
Elevator & Escalator Service Report – 3rd Q 2014
2014 Holiday Schedule

Committee Chair & Members
Administration/Diversity
Customer Services
Service Planning

December 2014

2015 Final Proposed Budget
2015 Proposed Committee Work Plan

Management & Budget
Committee Chair & Members

LONG ISLAND RAIL ROAD COMMITTEE WORK PLAN

DETAILED SUMMARY

I. RECURRING AGENDA ITEMS

Approval of Minutes

The Committee Chair will request a motion to approve the minutes of the prior month's meeting.

2014 Work Plan

The Work Plan will list, by month, the topics scheduled for review. The Committee will be advised if any changes have been made to the plan.

Information Items (if any)

Materials presented to the Committee for review pertaining to certain agency initiatives and functions.

Action Items (if any)

Staff summary documents presented to the Board for approval of items affecting business standards and practices.

Procurements

List of procurement action items requiring Board approval and items for Committee and Board information. The Non-Competitive items will be first, followed by the Competitive items and then the Ratifications. The list will include items that need a 2/3 vote of the Board for approval.

Police Activity Report

MTA Police will highlight the significant police activities incurred during the month reported.

Report on Operations/Safety

A monthly report will be given highlighting key operating performance statistics and indicators. It will also include highlighting key safety performance statistics and indicators.

Monthly Financial & Ridership Report

A monthly report will be provided that compares the Railroad's actual financial performance against its budget and/or forecast both on an accrual and cash basis. It will also include a comparison of actual monthly ticket sales, ridership and revenues with the budget and prior year results.

Capital Program Progress Report

A report will be provided highlighting significant capital program accomplishment in the month reported.

II. SPECIFIC AGENDA ITEMS

APRIL 2014 (Joint Meeting with MNR)

Final Review of 2013 Operating Results

A review of the prior year's budget results and their implications for current and future budget performance will be presented to the Committee.

Annual Inventory Report

The Agency will present its annual report on Inventory.

MAY 2014

2013 Annual Safety Report

An annual report will be provided to the Committee on Agency's customer and employee injuries and initiatives underway and planned to address safety.

RCM Fleet Maintenance

An annual report will be provided to the Committee on the Agency's fleet maintenance plan to address fleet reliability and availability.

Elevator & Escalator Service Report – 1st Quarter 2014

Quarterly report to the Committee on system-wide reliability and availability for elevators and escalators throughout the system.

Diversity & EEO Report– 1st Quarter 2014

Quarterly report to the Committee providing data on key EEO and Human Resources indicators relating to LIRR's Equal Employment Opportunity and Diversity efforts, such as composition of the agency's workforce, new hires, and discrimination complaints. In alternating quarters, the report will include additional information on diversity initiatives.

JUNE 2014

Positive Train Control

A brief presentation on Positive Train Control (PTC) will be provided. The status of PTC, including activities to date and the current strategy to meet critical milestones identified in the Rail Safety Improvement Act of 2008 will be discussed. Highlights to include cost of PTC along with operational and implementation risks.

Penn Station Retail Development

MTA Real Estate will provide an annual report on leasing and construction opportunities and financial and marketing information related to retail development in Penn Station.

JULY 2014

Environmental Audit Report

The Committee will be briefed on the results of the 2013 environmental audit report which is submitted to NYS Department of Environmental Conservation as required by the Environmental Audit Act, as well as the actions implemented to enhance overall compliance, monitoring and reporting.

Elevator & Escalator Service Report – 2nd Quarter 2014

Quarterly report to the Committee on system-wide reliability and availability for elevators and escalators throughout the system.

Diversity & EEO Report– 2nd Quarter 2014

Quarterly report to the Committee providing data on key EEO and Human Resources indicators relating to LIRR's Equal Employment Opportunity and Diversity efforts, such as composition of the agency's workforce, new hires, and discrimination complaints. In alternating quarters, the report will include additional information on diversity initiatives.

SEPTEMBER 2014

2015 Preliminary Budget

Public comment will be accepted on the 2015 Budget.

2014 Mid-Year Forecast

The agency will provide the 2014 Mid-Year Forecast financial information for revenue and expense by month.

2014 Fall Construction Schedule Change

The Committee will be advised of Agency plans to adjust schedules to support construction projects during the fall of 2014.

OCTOBER 2014

2015 Preliminary Budget

Public comment will be accepted on the 2015 Budget.

East Side Access (ESA)

The Committee will be briefed on the status of the East Side Access Project.

NOVEMBER 2014 (Joint Meeting with MNR)

Review Committee Charter

Annual review of LIRR/LI Bus Committee Charter for Committee revision/approval.

Diversity & EEO Report– 3rd Quarter 2014

Quarterly report to the Committee providing data on key EEO and Human Resources indicators relating to LIRR's Equal Employment Opportunity and Diversity efforts, such as

composition of the agency's workforce, new hires, and discrimination complaints. In alternating quarters, the report will include additional information on diversity initiatives.

Elevator & Escalator Service Report – 3rd Quarter 2014

Quarterly report to the Committee on system-wide reliability and availability for elevators and escalators throughout the system.

Holiday Schedule

The Committee will be informed of Agency's service plans for the Thanksgiving and Christmas/New Year's holiday periods.

DECEMBER 2014

2015 Final Proposed Budget

The Committee will recommend action to the Board on the Final Proposed Budget for 2015.

Proposed 2015 Committee Work Plan

The Committee Chair will present a draft Long Island Rail Road Committee Work Plan for 2015 that will address initiatives to be reported throughout the year.



2014 Metro-North Railroad Committee Work Plan

I. RECURRING AGENDA ITEMS

Responsibility

Approval of Minutes	Committee Chairs & Members
2014 Committee Work Plan	Committee Chairs & Members
Information Items (if any)	
Action Items (if any)	
Procurements	
President's Report	President/Senior Staff
Safety	
Operations	
Financial	
Ridership	
Capital Program	
MTA Police Report	

II. SPECIFIC AGENDA ITEMS

Responsibility

April 2014 (Joint meeting with LIRR)

Final Review of 2013 Operating Budget Results	Finance
Annual Inventory Report	Procurement

May 2014

RCM Fleet Maintenance	Operations
Elevator & Escalator Service Report–1 st Quarter 2014	Operations
Diversity/EEO Report – 1 st Quarter 2014	Diversity and EEO

June 2014

Positive Train Control	President
Grand Central Terminal Retail Development	MTA Real Estate

July 2014

Environmental Audit	Environmental Compliance
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September 2014

2014 Final Mid-Year Forecast	Finance
2015 Preliminary Budget (Public Comment)	Finance
2014 Fall Schedule Change	Operations Planning & Analysis
Elevator & Escalator Service Report–2 nd Quarter 2014	Operations
Diversity/EEO Report – 2 nd Quarter 2014	Diversity and EEO

October 2014

2015 Preliminary Budget (Public Comment)	Finance
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November 2014 (Joint meeting with LIRR)

2015 Preliminary Budget (Public Comment)	Finance
Annual Committee Charter Review	Committee Chairs & Members
Holiday Schedule	Operations Planning & Analysis
Elevator & Escalator Service Report–3 rd Quarter 2014	Operations
Diversity/EEO Report – 3 rd Quarter 2014	Diversity and EEO

December 2014

2015 Final Proposed Budget	Finance
2015 Proposed Committee Work Plan	Committee Chairs & Members

January 2015

Approval of 2015 Committee Work Plan	Committee Chairs & Members
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February 2015

Adopted Budget/Financial Plan 2015	Finance
2014 Annual Operating Results	Operations
Elevator & Escalator Service Report–4 th Quarter 2014	Operations

March 2015

2014 Annual Ridership Report	Operations Planning & Analysis
Annual Strategic Investments & Planning Studies Report	Capital Planning
Diversity/EEO Report – 4 th Quarter 2014	Diversity and EEO

METRO-NORTH RAIL ROAD COMMITTEE WORK PLAN

DETAILED SUMMARY

I. RECURRING AGENDA ITEMS

Approval of Minutes

The Committee Chair will request a motion to approve the minutes of the prior month's meeting.

2014 Work Plan

The Work Plan will list, by month, the topics scheduled for review. The Committee will be advised if any changes have been made to the plan.

Information Items (if any)

Materials presented to the Committee for review pertaining to certain agency initiatives and functions.

Action Items (if any)

Staff summary documents presented to the Board for approval of items affecting business standards and practices.

Procurements

List of procurement action items requiring Board approval. The Non-Competitive items will be first, followed by the Competitive items and then the Ratifications. The list will include items that need a 2/3 vote of the Board for approval.

President's Report

A monthly report will be provided highlighting major accomplishments and progress on key initiatives on performance indicators.

Safety

A monthly report will be provided highlighting key safety performance statistics and indicators.

Operations

A monthly report will be provided highlighting key operating and performance statistics and indicators.

Financial

A monthly report will be provided that compares the Railroad's actual financial performance against its budget and/or forecast both on an accrual and cash basis.

Ridership

A monthly report will be provided that includes a comparison of actual monthly ticket sales, ridership and revenues with the budget and prior year results.

Capital Program

A monthly report will be provided highlighting significant capital program accomplishments in the month reported.

Police Activity Report

MTA Police will highlight the significant police activities incurred during the month reported.

II. SPECIFIC AGENDA ITEMS

APRIL 2014 (Joint Meeting with MNR)

Final Review of 2013 Operating Results

A review of the prior year's budget results and their implications for current and future budget performance will be presented to the Committee.

Annual Inventory Report

The Agency will present its annual report on Inventory.

MAY 2014

RCM Fleet Maintenance

An annual report will be provided to the Committee on the Agency's fleet maintenance plan to address fleet reliability and availability.

Elevator & Escalator Service Report – 1st Quarter 2014

Quarterly report to the Committee on system-wide reliability and availability for elevators and escalators.

Diversity & EEO Report– 1st Quarter 2014

Quarterly report to the Committee providing data on key EEO and Human Resources indicators relating to MNR's Equal Employment Opportunity and Diversity efforts, such as composition of the agency's workforce, new hires, and discrimination complaints. In alternating quarters, the report will include additional information on diversity initiatives.

JUNE 2014

Positive Train Control

A brief presentation on Positive Train Control (PTC) will be provided. The status of PTC, including activities to date and the current strategy to meet critical milestones identified in the Rail Safety Improvement Act of 2008 will be discussed. Highlights to include cost of PTC along with operational and implementation risks.

Grand Central Terminal Retail Development

MTA Real Estate will provide an annual report on leasing and construction opportunities and financial and marketing information related to retail development in Grand Central Terminal.

JULY 2014

Environmental Audit Report

The Committee will be briefed on the results of the 2014 environmental audit report which is submitted to NYS Department of Environmental Conservation as required by the Environmental Audit Act, as well as the actions implemented to enhance overall compliance, monitoring and reporting.

SEPTEMBER 2014

2014 Final Mid-Year Forecast

The agency will provide the 2014 Mid-Year Forecast financial information for revenue and expense by month.

2015 Preliminary Budget

Public comment will be accepted on the 2015 Budget.

2014 Fall Schedule Change

The Committee will be informed of the schedule changes taking effect for train service on the Hudson, Harlem, New Haven, Pascack and Port Jervis lines for the Fall of 2014.

Elevator & Escalator Service Report – 2nd Quarter 2014

Quarterly report to the Committee on system-wide reliability and availability for elevators and escalators.

Diversity & EEO Report– 2nd Quarter 2014

Quarterly report to the Committee providing data on key EEO and Human Resources indicators relating to MNR's Equal Employment Opportunity and Diversity efforts, such as composition of the agency's workforce, new hires, and discrimination complaints. In alternating quarters, the report will include additional information on diversity initiatives.

OCTOBER 2014

2015 Preliminary Budget

Public comment will be accepted on the 2015 Budget.

NOVEMBER 2014

2015 Preliminary Budget

Public comment will be accepted on the 2015 Budget.

Review Committee Charter

Annual review and approval of the MNR Committee Charter.

Holiday Schedule

The Committee will be informed of Agency's service plans for the Thanksgiving and Christmas/New Year's holiday periods.

Elevator & Escalator Service Report – 3rd Quarter 2014

Quarterly report to the Committee on system-wide reliability and availability for elevators and escalators.

Diversity & EEO Report– 3rd Quarter 2014

Quarterly report to the Committee providing data on key EEO and Human Resources indicators relating to LIRR's Equal Employment Opportunity and Diversity efforts, such as composition of the agency's workforce, new hires, and discrimination complaints. In alternating quarters, the report will include additional information on diversity initiatives.

DECEMBER 2014

2015 Final Proposed Budget

The Committee will recommend action to the Board on the Final Proposed Budget for 2015.

Proposed 2015 Committee Work Plan

The Committee Chair will present a draft Metro-North Committee Work Plan for 2015 that will address initiatives to be reported throughout the year.

JANUARY 2015

Approval of 2015 Committee Work Plan

The Committee will approve the Proposed Metro-North Railroad Committee Work Plan for 2015 that will address initiatives to be reported on throughout the year.

FEBRUARY 2015

Adopted Budget/Financial Plan 2015

The Agency will present its revised 2015 Financial Plan. These plans will reflect the 2015 Adopted Budget and an updated Financial Plan for 2015 reflecting the out-year impact of any changes incorporated into the 2015 Adopted Budget.

2014 Annual Operating Results

A review of the prior year's performance of railroad service will be provided to the Committee.

Elevator & Escalator Service Report – 4th Quarter 2014

Quarterly report to the Committee on system-wide reliability and availability for elevators and escalators.

MARCH 2015

2014 Annual Ridership Report

A report will be presented to the Committee on Agency ridership trends during 2014 based on monthly ticket sales data and the results of train ridership counts conducted by the Agency.

Annual Strategic Investments & Planning Studies Report

A comprehensive annual report will be provided to the Committee of the Agency's strategic investments & planning studies that will include fleet, facility, infrastructure, station projects, station access improvements, and environmental and feasibility studies.

Diversity & EEO Report– 4th Quarter 2014

Quarterly report to the Committee providing data on key EEO and Human Resources indicators relating to MNR's Equal Employment Opportunity and Diversity efforts, such as composition of the agency's workforce, new hires, and discrimination complaints. In alternating quarters, the report will include additional information on diversity initiatives.

MTA CAPITAL CONSTRUCTION PROJECT UPDATE

East Side Access April 2014

Project Description

The East Side Access project brings Long Island Rail Road (LIRR) train service to a new lower level of Grand Central Terminal. The connection significantly improves travel times for Long Island and Queens commuters to the Midtown business district and alleviates pressure at a crowded Penn Station.

Budget and Schedule Forecast Comparisons*

The following cost and schedule ranges were presented at the January 27, 2014 CPOC Meeting, as compared to the existing budget of \$8.245 B and Revenue Service Date of Aug- 2019.

	<u>MTACC</u>	<u>Supplemental Independent Review Consultant</u>	<u>Independent Engineering Consultant</u>	<u>FTA</u>
Base Cost	\$ 9.298 B	\$ 9.348 B	\$ 9.535 B	\$ 9.657 B
Risk/Contingency	\$ 0.395 B	\$ 0.444 B	\$ 0.446 B	\$ 0.652B
Total Project Cost	\$ 9.693 B	\$ 9.792 B	\$ 9.981 B	\$ 10.309B

* An additional \$463 million budgeted for ESA rolling stock is included in a reserve in the Board-approved 2010-2014 Capital Plan.

	<u>MTACC</u>	<u>Supplemental Independent Review Consultant</u>	<u>Independent Engineering Consultant</u>	<u>FTA</u>
Base Schedule	Sep-2020	Nov-2021	Jun-2022	Apr-2022
Risk/Contingency	12 months	12 months	12 months	17 months
Revenue Service Date	Sep-2021	Nov-2022	Jun-2023	Sep-2023

Current Issues/Highlights

- **Manhattan South Structures (CM005):** Waterproofing, rebar and drainage installations and concrete work continue in areas of the GCT Caverns, Wyes and Tunnels.
- **50th Street Vent Plant Facility (CM013):** Construction was completed in March. Project close-out is proceeding.
- **55th Street Vent Plant Facility (CM013A):** Waterproofing, rebar and drainage installations and concrete work continue in the plenum and cavern areas of the facility
- **GCT Concourse and Facilities Fit-Out Early Work (CM014A):** SCADA equipment is being fabricated and is expected to be delivered on-site by the end of the month.

- **Plaza Substation and Queens Structures (CQ032):** Waterproofing, concrete work and rebar installations continue at the yard lead trench, revenue track, and sump pit. Concrete repairs and conduit installations continue in the existing 63rd Street Tunnel.
- **Manhattan North Structures (CM006):** Contract was awarded to Frontier Kemper Constructors Inc. for \$294,201,750 on March 28, 2014. The scope of work includes the installation of the permanent concrete lining, duct bench and embedded MEP in all running tunnels and structures north of the GCT caverns; construction of the 50th Street air plenum cavern and the remainder of the underground 55th Street ventilation facility; and the continuation of the existing 63rd Street tunnel rehabilitation, including duct bench installation. Construction kickoff meeting was held on April 2, 2014.
- **System Package 1 – Facilities Systems (CS179):** Contract was awarded to Tutor Perini Corporation on March 31, 2014. The total amount of the contract will be \$550,388,000 comprised of a base amount of \$333,588,000 plus 7 options. The scope of work includes the installation of communications, public address variable message signage, emergency services radio systems, control rooms and systems, SCADA systems, security CCTV and access control, fire detection, tunnel ventilation, and tunnel facility power systems. Construction kickoff meeting was held on April 7, 2014.
- **GCT Concourse and Facilities Fit-Out (CM014B):** Contract is expected to be advertised in April 2014. The contract is for the construction of the new LIRR GCT concourse facility which includes foundations, underground utilities, CMU walls, structural steel framing, mechanical, electrical, plumbing, fire protection, and architectural finishes. The contract also includes fit-out of the 44th Street and 50th Street ventilation facilities.

East Side Access Active and Future Construction Contracts

Report to the Railroad Committee - April 2014

Expenditures thru March 2014; \$s in million

Preliminary Forecasted Budget Range**: (\$s in million)	Committed Expenditures	
	Construction	\$ 5,127.7
	Design	\$ 649.1
	Project Management	\$ 652.4
	Real Estate	\$ 111.3
	Rolling Stock†	\$ -
	Total	\$ 6,540.6
\$9,693 to \$10,309		\$ 4,888.4

† An additional \$463 million budgeted for ESA rolling stock is included in a reserve in the Board-approved 2010-2014 Capital Plan and \$50 million is included in the Regional Investment budget.

Project Description	Budget (Bid + Contingency)	Current Contract (Bid + Approved AWOs)	Remaining Budget	Expenditures	2012 Reforecast Award Date	Actual/ Forecast Award Date**	Planned Completion at Award*	Forecast Completion**
Manhattan Construction								
CM014A: GCT Concourse Finishes Early Work <i>Yonkers Contracting</i>	\$56.7	\$49.1	\$7.6	\$28.1	Nov-2011	Nov-2011	Apr-2013	Dec-2014
CM013A: 55th St Vent Facility <i>SCC-JPP, JV</i>	\$60.1	\$56.4	\$3.7	\$16.3	Aug-2012	Aug-2012	Apr-2015	Apr-2015
CM005: Manhattan Southern Structures <i>Michels Corp.</i>	\$219.3	\$200.6	\$18.7	\$26.5	N/A	Jul-2013	Feb-2016	Feb-2016
CM006: Manhattan Northern Structures <i>Frontier Kemper Constructors, Inc.</i>	\$316.3	\$294.2	\$22.1	\$0.0	N/A	Mar-2014	Nov-2016	Nov-2016
CM014B: GCT Concourse & Cavern Fit-Out		In Procurement			Apr-2013	Dec-2014	N/A	Aug-2019
Queens Construction								
CQ032: Plaza Substation & Queens Struct Construction <i>Tutor Perini Corporation</i>	\$234.2	\$207.4	\$26.8	\$91.7	Aug-2011	Aug-2011	Aug-2014	Dec-2015
Harold Construction								
CH053: Harold Structures (Part 1) <i>Perini Corporation</i>	\$336.1	\$236.9	\$99.2	\$192.4	Jan-2008	Jan-2008	Feb-2011	Dec-2014
CH057A: Harold Structures - Part 3: West Bound Bypass <i>Harold Structures JV</i>	\$130.1	\$104.3	\$25.8	\$0.0	N/A	Nov-2013	Feb-2016	Feb-2016
CH057: Harold Structures - Part 3: Track D Approach, 48th St Bridge, Loop Box Structure		In Design (Repackaging)			N/A	Nov-2014	N/A	Aug-2016
CH058: Harold Structures - Part 3: Eastbound Reroute		In Design			Oct-2013	Jul-2015	N/A	Apr-2018
Systems Contracts								
Systems Package 1: Tunnel Ventilation, Facility Power, Communications, Controls, Security, Fire Detection (CS179) <i>Tutor Perini Corporation</i>	\$605.4	\$550.4	\$55.0	\$0.0	Sep-2012	Mar-2014	Dec-2019	Dec-2019
Systems Package 2: Tunnel Systems (CS284)		In Design (Repackaging)			Apr-2013	TBD**	N/A	TBD**
Systems Package 3: Signal Equipment (VS086)		In Procurement			Mar-2013	Apr-2014	N/A	TBD**
Systems Package 4: Traction Power (CS084)		In Procurement			Apr-2013	Sep-2014	N/A	TBD**

*Planned Completion at Award date for contract CH053 is adjusted to the 2009 plan.

**Project is currently managing to the low end of the preliminary budget and schedule presented at the January 2014 CPOC Meeting. Project reforecasting is being finalized.

East Side Access Status

Report to the Railroad Committee - April 2014

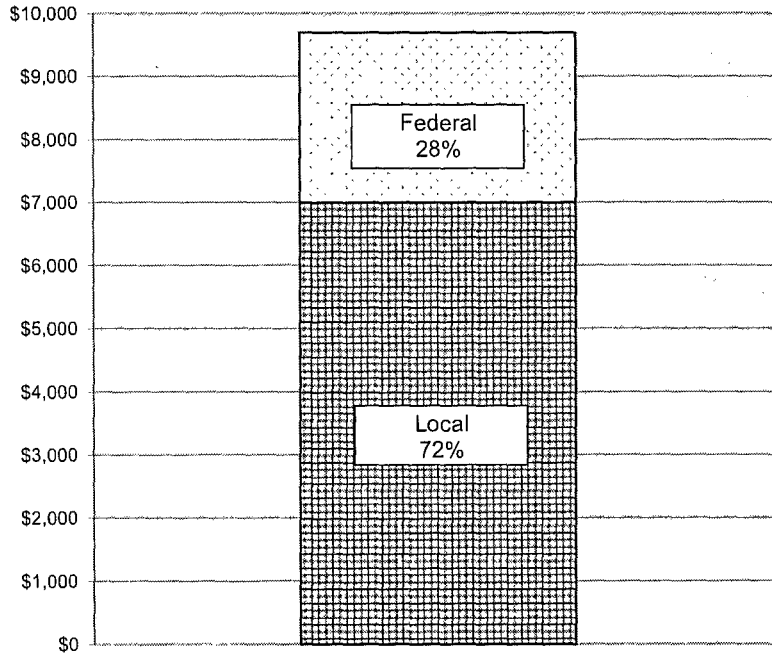
(data thru March 2014)

MTA Capital Program \$ in Millions	Budgeted**	Funding Sources				Status of Commitments		
		Local Funding	Future Local Funding	Federal Funding*	Federal Received	Committed	Uncommitted	Expended
1995-1999	\$ 158	\$ 94	\$ -	\$ 64	\$ 64	\$ 158	\$ -	\$ 157
2000-2004	1,534	748	-	785	785	1,529	4	1,499
2005-2009	2,683	838	-	1,845	1,176	2,677	6	2,470
2010-2014	3,154	3,149	-	5	5	2,177	977	763
2015-2019	2,165		2,165	-	-	-	2,165	-
Total	\$ 9,693 **	\$ 4,829	\$ 2,165	\$ 2,699	\$ 2,030	\$ 6,541	\$ 3,152	\$ 4,888

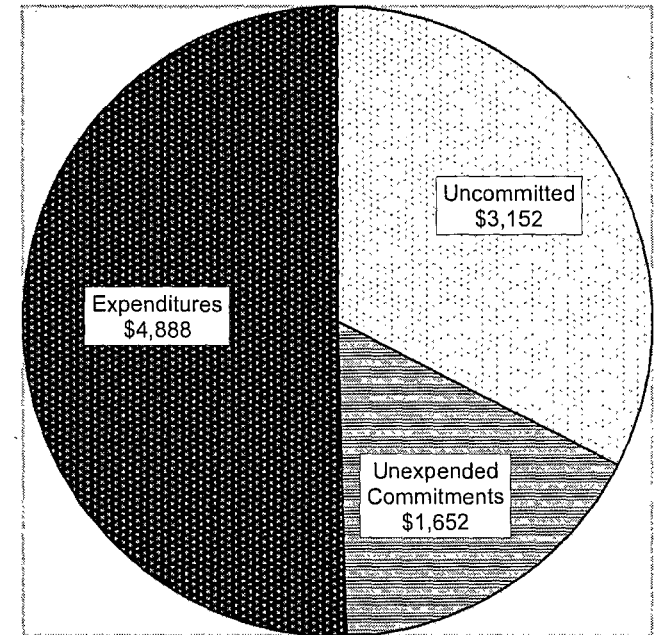
* All Federal funding is approved through a Full Funding Grant Agreement with the FTA.

** Project is currently managing to the low end of the preliminary budget and schedule range presented at the January 2014 CPOC Meeting. Project reforecasting is being finalized.

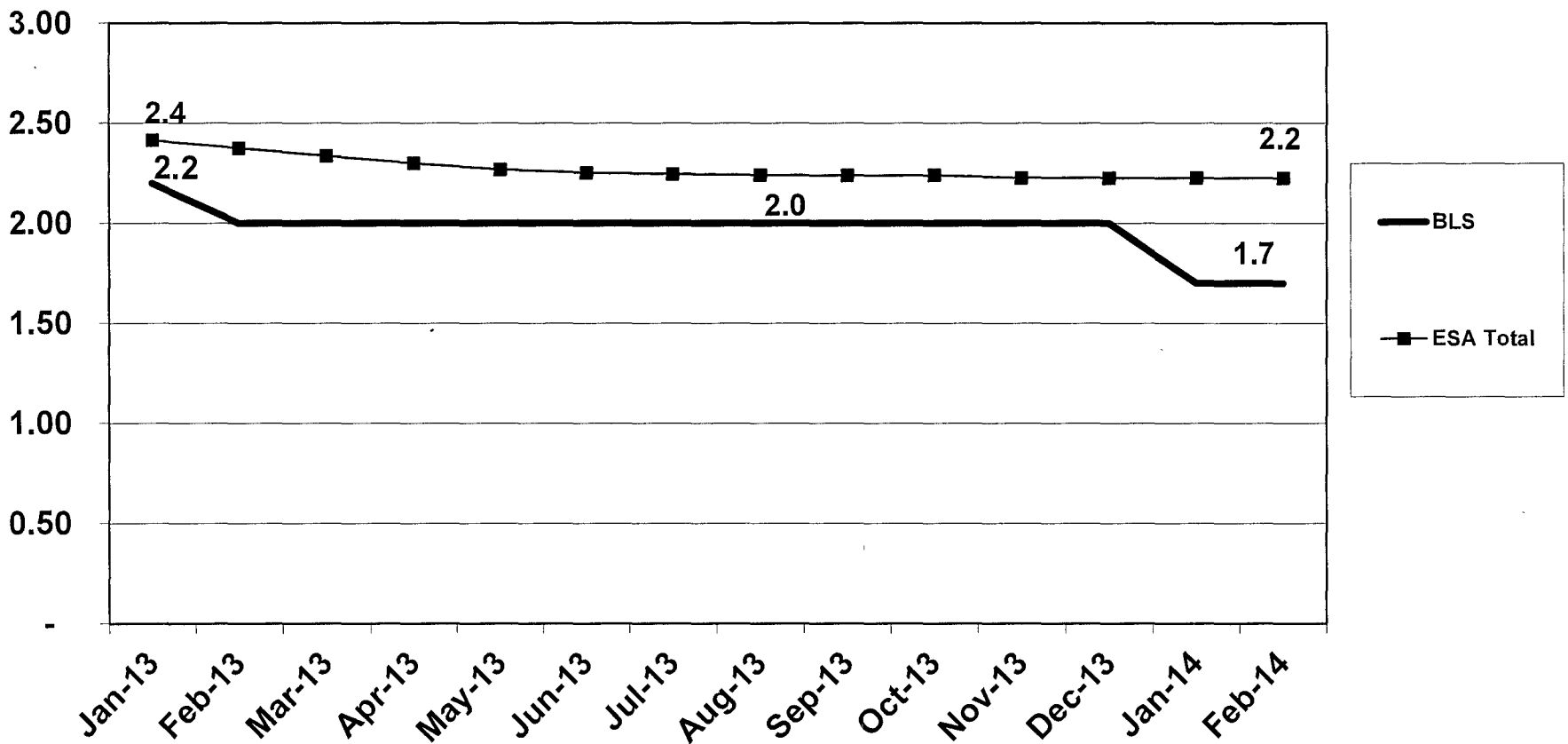
Project Budget: \$9.693 Billion**



Commitments and Expenditures (\$ in Millions)

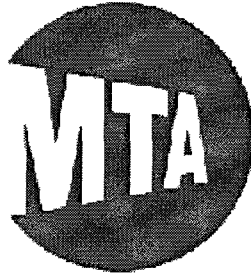


Lost Time Injury Rate
East Side Access Project, 2013-2014
vs. US BLS National Standard for Heavy & Civil Construction



Note:

Lost Time Injury Rate = Number of Lost Time Injuries per 200,000 Workhours (equivalent to 100 full-time workers)



Police Report

April 2014



METROPOLITAN TRANSPORTATION AUTHORITY

Police Department System Wide

March 2014 vs. 2013

	2014	2013	Diff	% Change
Murder	0	0	0	0%
Rape	0	1	-1	-100%
Robbery	2	2	0	0%
Felony Assault	2	3	-1	-33%
Burglary	2	1	1	100%
Grand Larceny	25	13	12	92%
Grand Larceny Auto	0	3	-3	-100%
Total Major Felonies	31	23	8	35%

Year to Date 2014 vs. 2013

	2014	2013	Diff	% Change
Murder	0	0	0	0%
Rape	0	1	-1	-100%
Robbery	12	9	3	33%
Felony Assault	9	8	1	13%
Burglary	5	5	0	0%
Grand Larceny	55	53	2	4%
Grand Larceny Auto	0	3	-3	-100%
Total Major Felonies	81	79	2	3%

FIGURES ARE PRELIMINARY AND SUBJECT TO FURTHER ANALYSIS AND REVISION



METROPOLITAN TRANSPORTATION AUTHORITY

Police Department Long Island Rail Road

March 2014 vs. 2013

	2014	2013	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	0	1	-1	-100%
Felony Assault	1	2	-1	-50%
Burglary	0	1	-1	-100%
Grand Larceny	16	6	10	167%
Grand Larceny Auto	0	0	0	0%
Total Major Felonies	17	10	7	70%

Year to Date 2014 vs. 2013

	2014	2013	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	4	2	2	100%
Felony Assault	6	6	0	0%
Burglary	1	2	-1	-50%
Grand Larceny	29	31	-2	-6%
Grand Larceny Auto	0	0	0	0%
Total Major Felonies	40	41	-1	-2%



METROPOLITAN TRANSPORTATION AUTHORITY

Police Department

Metro North Railroad

March 2014 vs. 2013

	2014	2013	Diff	% Change
Murder	0	0	0	0%
Rape	0	1	-1	-100%
Robbery	2	0	2	100%
Felony Assault	1	1	0	0%
Burglary	2	0	2	100%
Grand Larceny	9	7	2	29%
Grand Larceny Auto	0	3	-3	-100%
Total Major Felonies	14	12	2	17%

Year to Date 2014 vs. 2013

	2014	2013	Diff	% Change
Murder	0	0	0	0%
Rape	0	1	-1	-100%
Robbery	7	4	3	75%
Felony Assault	3	2	1	50%
Burglary	4	3	1	33%
Grand Larceny	25	20	5	25%
Grand Larceny Auto	0	3	-3	-100%
Total Major Felonies	39	33	6	18%



METROPOLITAN TRANSPORTATION AUTHORITY

Police Department

Staten Island Rapid Transit

March 2014 vs. 2013

	2014	2013	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	0	1	-1	-100%
Felony Assault	0	0	0	0%
Burglary	0	0	0	0%
Grand Larceny	0	0	0	0%
Grand Larceny Auto	0	0	0	0%
Total Major Felonies	0	1	-1	-100%

Year to Date 2014 vs. 2013

	2014	2013	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	1	3	-2	-67%
Felony Assault	0	0	0	0%
Burglary	0	0	0	0%
Grand Larceny	1	2	-1	-50%
Grand Larceny Auto	0	0	0	0%
Total Major Felonies	2	5	-3	-60%



MTA Police Department
Arrest Summary: Department Totals

4/4/2014
11:06:34AM

1/1/2014 to 3/31/2014

Arrest Classification	Total Arrests
Robbery	12
Felony Assault	6
Burglary	3
Grand Larceny	15
Aggravated Harassment	1
Aggravated Unlicensed Operator	10
Assault-Misdemeanor	17
Breach of Peace	2
Child Endangerment	1
Criminal Impersonation	1
Criminal Mischief	12
Criminal Possession Stolen Property	2
Criminal Trespass	5
Disorderly Conduct	2
Drug Offenses	13
DUI Offenses	2
Falsely Reporting an Incident	2
Forgery	8
Fraud	2
Graffiti	8
Harassment	4
Menacing	1
Obstruct Government	3
Petit Larceny	22
Public Lewdness	7
Reckless Endangerment	2
Resisting Arrest	21
Sex Offenses	3
Theft of Services	31
VTL Offenses	1
Warrant Arrest	15
Weapons Offenses	3
Arrest Totals	237

INDEX CRIME REPORT
Per Day Average
March 2014

	Systemwide	LIRR	MNRR	SIRT
Murder	0	0	0	0
Rape	0	0	0	0
Robbery	2	0	2	0
Fel. Assault	2	1	1	0
Burglary	2	0	2	0
Grand Larceny	25	16	9	0
GLA	0	0	0	0
Total	31	17	14	0
Crimes Per Day	1.00	0.55	0.45	0.00



Long Island Rail Road

INFORMATION

ITEMS

MTA LONG ISLAND RAIL ROAD 2013 YEAR-END REPORT SUMMARY

The MTA Long Island Rail Road's financial performance in comparison to the 2013 Final Estimate was favorable. The non-reimbursable net deficit of \$(978.1) million was favorable to the 2013 Final Estimate by \$44.4 million. This improvement in the final result was due to the fact that actual 2013 expenses of \$1,670.9 million were \$52.3 million lower than the Final Estimate. However, this was partially offset by total Operating Revenue of \$692.7 million, which was \$7.9 million lower than the Final Estimate. Farebox revenues accounted for \$632.1 million and other sources generated \$60.6 million.

In order to achieve these positive results, the LIRR subjected key cost centers to intensive monitoring and control. Further, the LIRR developed and implemented an action plan to reduce or contain costs while ensuring a high standard for performance.

Total Revenues were \$7.9 million lower than the Final Estimate and attributed to lower Other Operating Revenue of \$8.4 million driven by revised timing assumptions of projected federal reimbursements for Superstorm Sandy and Tropical Storm Irene. Farebox revenue was \$0.6 million higher than the Final Estimate reflecting increased ridership of 0.2 million. Overall, ridership grew from 2012 to 2013 by 1.6 million customers or 2.0%.

Total Non-Reimbursable Expenses were \$52.3 million lower than the Final Estimate as a result of several factors including a continued focus on cost control. Labor expenses of \$964.0 million were \$18.1 million higher than the estimate primarily due to transferring \$25.0 million from the LIRR GASB Health Contribution Account to the Other Post-Employment Benefits (OPEB) Trust. This was partially offset by savings caused by vacant positions that occurred throughout the year, including associated fringe costs, lower sick/retiree payments, lower pension costs based on latest actuarial estimate and lower Federal Employers Liability Act (FELA) Indemnity payments.

Non-labor expenses of \$342.6 million were \$27.8 million favorable to the Final Estimate primarily due to lower fleet modification and running repair costs, lower corporate inventory adjustments for material obsolescence, lower overall maintenance, professional and other operating contracts, lower rates and consumption for fuel and lower liability insurance.

Depreciation of \$333.0 million was \$10.2 million higher than the estimate. When combined, OPEB Obligation and Environmental Remediation totaled \$31.3 million, which was \$52.8 million lower than the Estimate. The reduced Environmental Remediation reserve was \$15.5 million below the forecast, while OPEB Obligation reflected a \$37.2 million reduction in costs based upon the latest actuarial estimate.

From the year-end preliminary actuals to the final close, adjustments for Other Post-Employment Benefits, OPEB Current, Environmental Remediation, Depreciation,

Railroad Unemployment Insurance, Claims, Pensions, Professional Services, Other Business Expenses and Electric were the only significant post close adjustments.

Total Reimbursable revenues and expenses were \$3.6 million lower than the Final Estimate primarily resulting from the revised timing of project activity and vacant positions.

LIRR's Cash Deficit of \$(618.6) million was \$17.7 million lower than the Final Estimate. This variance consisted of a real favorable variance of \$17.1 million and favorable timing variance of \$0.6 million. Cash Receipts of \$917.9 million were lower than the Final Estimate by \$(57.1) million, comprised of \$(25.4) million in real variances and \$(31.7) million in timing variances. The real variance was due to the settlement of 2008 and prior year right-of-way leased line fees which were netted against electric traction power expenses due rather than collected, lower Tropical Storm Irene and Superstorm Sandy reimbursements, and unfavorable capital reimbursements resulting from lower project activity. The timing variance was primarily attributed to revised assumptions in the receipt of capital and other reimbursements, most notably the delay in collection of East Side Access (ESA) and Amtrak Westside Yard closure reimbursements, and Tropical Storm Irene and Super Storm Sandy reimbursements.

Cash expenditures of \$1,536.6 million were \$74.8 million lower than the Final Estimate, comprised of \$42.4 million in real variances and \$32.3 million in timing variances. Favorable real labor variances included Payroll, OPEB Current Payments and Other Fringe Benefits. Favorable real non-labor variances included Traction Power, Maintenance Services, Professional Services and Other Business Expenses. Traction Power included retroactive net payments for a right-of-way leased line fee settlement dating back to 2008. These favorable real results were partially offset by unfavorable real variances in Overtime, Material and settlement payments for traction power after 2008. Favorable timing variances for labor included potential wage liability payments in payroll and related Other Fringe Benefits. Favorable non-labor timing variances include Traction Power, Insurance, Maintenance and Other Operating Contracts, Professional Services and Other Business Expense. These were partially offset by unfavorable timing variances for accelerated Pension and Material Payments.

The overall favorable 2013 financial performance reflects the LIRR's continued focus on maximizing scarce financial resources. Heading into 2014, the LIRR will continue to monitor its operations and cost structure in order to operate as cost efficiently as possible.

**MTA LONG ISLAND RAIL ROAD
2013 YEAR-END REPORT
EXPLANATIONS OF REVENUE AND EXPENSE VARIANCES
ACCRUAL BASIS**

2013 Final Estimate vs. Actual

Non-Reimbursable

Revenue:

- **Farebox Revenue** was \$0.6 million above the estimate. Ridership of 83.4 million was 0.2% above estimate resulting in an revenue increase of \$1.2 million, partially offset by a lower than projected yield per passenger of \$(0.7) million.
- **Other Operating Revenue** was \$(8.4) million or (12.2)% lower than estimate primarily due to timing of federal reimbursements for Tropical Storm Irene and Superstorm Sandy.

Expenses:

- **Payroll** was \$5.4 million or 1.2% below the estimate primarily due to vacant positions, lower retiree payments, rates and higher sick pay law claims, partially offset by Engineering workforce performing greater maintenance activities and less project activity than originally projected as well as higher differential payments.
- **Overtime** was \$(2.2) million or (2.4)% above the estimate primarily due to higher rates, right of way maintenance, absentee coverage and extraordinary weather conditions, partially offset by lower unscheduled service.
- **Health & Welfare** was \$1.4 million or 1.5% below the estimate due to vacant positions.
- **OPEB Current Payment** was \$(19.0) million or (30.2)% above estimate due to the transference of \$25.0 million from the LIRR GASB Health Contribution Account to the OPEB Trust.
- **Pension** was \$4.5 million or 2.5% below estimate based on the latest actuarial estimate. Also, the estimated percentage of pension allocated to reimbursable was under-estimated.
- **Other Fringe Benefits** were \$(3.2) million or (2.9)% above estimate primarily due to a balance sheet write-off of a Railroad Unemployment Insurance receivable, partially offset by lower FELA Indemnity payments and Railroad Retirement taxes.
- **Electric Power** was \$0.4 million or 0.4% below the estimate primarily due to lower rates and consumption, timing of payment pertaining to a 2010 New York Power Authority (NYPA) traction power reconciliation, and prior period accrual reversals.
- **Fuel** was \$2.8 million or 8.8% below the estimate mainly due to lower rates and consumption and prior period natural gas accrual adjustments.

- **Insurance** was \$0.5 million or 2.6% below the estimate primarily due to the timing of payments for catastrophic storm surge coverage.
- **Claims** were \$(1.5) million or (36.3)% above estimate primarily due to reserve adjustments.
- **Maintenance and Other Operating Contracts** were \$7.7 million or 13.2% below estimate. This was primarily due to lower environmental services, parking facility maintenance costs, joint facility, elevator/escalator payments, vegetation management, HVAC maintenance, building facility maintenance and timing of various other maintenance and operating contracts.
- **Professional Service Contracts** were \$3.1 million or 10.0% below estimate. The lower expenses were primarily associated with the timing of payments for IT hardware, software and maintenance services, Super Storm Sandy related contracts and consultants and lower payments for various other professional services.
- **Materials & Supplies** were \$11.8 million or 10.9% below estimate. The savings were primarily due to timing of corporate inventory adjustments, lower usage of running repair material in the Support Shops and lower usage of running repair and lower fleet modification material in MU Car Shop, partially offset by the timing of the charges for various Engineering materials.
- **Other Business Expenses** were \$3.0 million or 18.5% below estimate primarily due to timing of Equal Employment Opportunity and Sexual Harassment Prevention Training (EEO) delayed until 2014, partially offset by vendor reimbursements for concrete tie recorded as reimbursable revenue instead of a contra-expense, the timing of reimbursement for damage caused by a vehicle striking a bridge and higher debit/credit card fees.
- **Depreciation** was \$(10.2) million or (3.2)% above estimate primarily due to the timing of capitalization of the East River Tunnel ventilation projects at Long Island City and First Avenue in Manhattan and the 2013 track program.
- **Other Post Employee Benefits** were \$37.2 million or 45.4% below estimate reflection the latest actuarial estimate and reserve adjustments.
- **Environmental Remediation** was \$15.5 million below estimate due to a lowering of reserves as a result of reduced liabilities on projects.

The impact of 2013 results should not have a substantial impact on the 2014 accrued budget. Many of the variances in 2013 are not expected to recur in 2014.

Reimbursable:

Total Capital and Other Reimbursements were lower than estimate by \$(3.6) million or (1.6)%. This was primarily due to delays in Operating Funded Capital projects and a re-sequencing of Sandy related restoration projects.

2013 Adopted Budget vs. Actual

The MTA Long Island Rail Road's financial performance in comparison to the 2013 Adopted Budget was favorable. The net operating deficit of \$(978.1) million was \$50.1 million or 4.9% less than was anticipated in the budget. The operating cash deficit of \$(618.6) million was \$28.6 million or 4.4% favorable to budget. In other words, the LIRR relied on less MTA subsidy support than originally assumed in the Adopted Budget.

Non-Reimbursable:

Revenue:

- **Farebox Revenue** was \$0.6 million higher than budget, reflecting overall the impact of a higher yield per passenger totaling \$1.3 million, partially offset by the impact of lower ridership \$(0.7) million.
- **Other Operating Revenue** was \$9.6 million or 18.7% higher than budget primarily due to the LIPA reconciliation of prior right-of-way occupancy billings, partially offset by a delay in the federal reimbursement for Tropical Storm Irene, and anticipated sale of air rights.

Expenses:

- **Payroll** was \$5.2 million or 1.2% below budget primarily due to vacant positions and lower retiree payments, partially offset by Engineering workforce performing greater maintenance activities and less project activity than originally projected, higher differential payments and wage claim accruals.
- **Overtime** was \$(15.9) million or (20.7)% above budget primarily due to higher rates, right of way maintenance, greater vacancy/absentee coverage and weather-related overtime.
- **Health & Welfare** was \$10.4 million or 10.1% below budget primarily due to lower headcount and rates.
- **OPEB Current Payment** was \$(15.1) million or (22.6)% above budget due to transferring \$25.0 million from the LIRR GASB Health Contribution Account to the OPEB Trust.
- **Pension** was \$3.5 million or 1.9% below budget primarily due to the latest actuarial estimate. Also, the estimated percentage of pension allocated to reimbursable was under-estimated.
- **Other Fringe Benefits** were \$(3.8) million or (3.4)% above budget due to a one-time Railroad Unemployment Insurance account adjustment, partially offset by lower railroad retirement payments and FELA Indemnity payments.
- **Electric Power** was \$4.3 million or 4.1% below budget mainly caused by lower rates, consumption and prior period accrual adjustments.

- **Fuel** was \$2.6 million or 8.2% below budget due to lower rates, consumption and prior period accrual adjustments.
- **Insurance** was \$(2.4) million or (13.5)% above budget primarily due to higher premiums for property and additional catastrophic storm surge coverage, partially offset by lower station liability.
- **Claims** were \$(2.2) million or (63.8)% above budget primarily due to reserve adjustments.
- **Maintenance and Other Operating Contracts** were \$9.4 million or 15.6% below budget resulting from the timing of expenses for security initiatives, vegetation management, HVAC maintenance, escalator and elevator maintenance, equipment rentals, building maintenance and fewer environmental services, partially offset by higher joint facilities payments and non-revenue vehicle repairs.
- **Professional Service Contracts** were \$4.1 million or 12.7% below budget primarily due to the timing of payments for IT hardware, software and maintenance activities.
- **Materials & Supplies** were \$12.1 million or 11.2% below budget. The savings were primarily due to lower MU running repair, delayed fleet modification work for the MU and diesel fleets, miscellaneous inventory adjustments and delayed startup of propulsion control unit in the Support Shops.
- **Other Business Expense** was \$(2.8) million or (26.4)% above budget mostly caused by a change in the accounting treatment of concrete tie reimbursements and timing of the restitution of property damage, partially offset by lower miscellaneous expenses.
- **Depreciation** was \$(23.3) million or (7.5)% above budget resulting from the capitalization of the East River Tunnel ventilation projects at Long Island City and First Avenue in Manhattan and the 2013 track program.
- **Other Post Employee Benefits** were \$37.2 million or 45.4% below estimate primarily due latest actuarial estimates and reserve adjustments.
- **Environmental Remediation** was \$15.5 million below budget due to a lowering of reserves as a result of reduced liabilities on projects.

Reimbursable:

Total Capital and Other Reimbursements were lower than budget by \$(16.9) million, or (6.9)%. This was primarily due to delays in projects related to East Side Access, Positive Train Control, Operating Funded Capital projects and the early completion of the Queens Blvd. Bridge Rehabilitation.

MTA LONG ISLAND RAIL ROAD
2013 Year-End Report
Accrual Statement of Operations by Category
2013 Adopted Budget and Final Estimate vs. Actual
(\$ in millions)

NON-REIMBURSABLE							
	December 2013 Year-to-Date			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual	2013 Adopted Budget		Final Estimate	
				\$	%	\$	%
Revenue							
Farebox Revenue	\$631.476	\$631.523	\$632.089	\$0.613	0.0	\$0.566	0.0
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	51.069	69.060	60.624	9.555	18.7	(8.436)	(12.2)
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	-	0.000	-
Total Revenue	\$682.545	\$700.583	\$692.713	\$10.168	1.5	(\$7.870)	(1.1)
Expenses							
Labor:							
Payroll	\$434.307	\$434.439	\$429.086	\$5.221	1.2	\$5.353	1.2
Overtime	76.996	90.762	92.924	(15.928)	(20.7)	(2.162)	(2.4)
Health and Welfare	102.959	93.972	92.601	10.358	10.1	1.371	1.5
OPEB Current Payment	66.847	62.966	81.978	(15.131)	(22.6)	(19.012)	(30.2)
Pensions	181.956	183.003	178.457	3.499	1.9	4.546	2.5
Other Fringe Benefits	109.416	109.988	113.174	(3.758)	(3.4)	(3.186)	(2.9)
Reimbursable Overhead	(23.136)	(29.189)	(24.184)	1.048	4.5	(5.005)	(17.1)
Total Labor Expenses	\$949.345	\$945.941	\$964.036	(\$14.691)	(1.5)	(\$18.095)	(1.9)
Non-Labor:							
Electric Power	\$103.895	\$100.005	\$99.630	\$4.265	4.1	\$0.375	0.4
Fuel	31.171	31.381	28.610	2.561	8.2	2.771	8.8
Insurance	17.661	20.570	20.038	(2.377)	(13.5)	0.532	2.6
Claims	3.401	4.085	5.569	(2.168)	(63.8)	(1.484)	(36.3)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	60.316	58.632	50.891	9.425	15.6	7.741	13.2
Professional Service Contracts	32.389	31.412	28.274	4.115	12.7	3.138	10.0
Materials & Supplies	108.472	108.107	96.339	12.133	11.2	11.768	10.9
Other Business Expenses	10.454	16.221	13.214	(2.760)	(26.4)	3.007	18.5
Total Non-Labor Expenses	\$367.759	\$370.413	\$342.566	\$25.193	6.9	\$27.847	7.5
Other Expense Adjustments:							
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Expenses Before Depreciation	\$1,317.104	\$1,316.354	\$1,306.601	\$10.502	0.8	\$9.753	0.7
Depreciation	\$309.649	\$322.744	\$332.978	(23.329)	(7.5)	(10.234)	(3.2)
Other Post Employee Benefits	82.051	82.051	44.804	37.247	45.4	37.247	45.4
Environmental Remediation	2.000	2.000	(13.524)	15.524	*	15.524	*
Total Expenses	\$1,710.804	\$1,723.149	\$1,670.858	\$39.945	2.3	\$52.291	3.0
Net Surplus/(Deficit)							
<i>(Excluding Subsidies and Debt Service)</i>	(\$1,028.259)	(\$1,022.566)	(\$978.146)	\$50.113	4.9	\$44.420	4.3
Cash Depreciation Adjustments							
Depreciation	309.649	322.744	332.978	\$23.329	7.5	\$10.234	3.2
Operating/Capital	(26.405)	(19.972)	(18.363)	8.042	30.5	1.609	8.1
Other Cash Adjustments	97.802	83.475	44.907	(52.895)	(54.1)	(38.568)	(46.2)
Total Cash Conversion Adjustments	\$381.046	\$386.247	\$359.522	(\$21.525)	(5.6)	(\$26.725)	(6.9)
Net Cash Surplus/(Deficit)	(\$647.213)	(\$636.319)	(\$618.624)	\$28.589	4.4	\$17.695	2.8

Totals may not add due to rounding

MTA LONG ISLAND RAIL ROAD
2013 Year-End Report
Accrual Statement of Operations by Category
2013 Adopted Budget and Final Estimate vs. Actual
(\$ in millions)

REIMBURSABLE								
	December 2013 Year-to-Date			Favorable/(Unfavorable) Variance				
	Adopted Budget	Final Estimate	Actual	2013 Adopted Budget		Final Estimate		
				\$	%	\$	%	
Revenue								
Farebox Revenue								
Vehicle Toll Revenue								
Other Operating Revenue								
Capital and Other Reimbursements	243.569	230.331	226.717	(16.852)	(6.9)	(3.614)	(1.6)	
Total Revenue	\$243.569	\$230.331	\$226.717	(\$16.852)	(6.9)	(\$3.614)	(1.6)	
Expenses								
Labor:								
Payroll	\$81.126	\$72.620	\$66.903	\$14.223	17.5	\$5.717	7.9	
Overtime	12.903	14.928	18.339	(5.435)	(42.1)	(3.411)	(22.8)	
Health and Welfare	14.278	14.190	14.429	(0.151)	(1.1)	(0.239)	(1.7)	
OPEB Current Payment	0.000	0.000	0.000	0.000	-	0.000	-	
Pensions	19.044	20.003	21.752	(2.708)	(14.2)	(1.749)	(8.7)	
Other Fringe Benefits	17.196	15.533	14.516	2.680	15.6	1.017	6.5	
Reimbursable Overhead	23.136	29.189	24.184	(1.048)	(4.5)	5.005	17.1	
Total Labor Expenses	\$167.684	\$166.463	\$160.123	\$7.561	4.5	\$6.340	3.8	
Non-Labor:								
Electric Power	\$0.000	\$0.103	\$0.241	(\$0.241)	-	(\$0.138)	-	
Fuel	0.000	0.000	0.000	0.000	-	0.000	-	
Insurance	6.682	4.040	3.511	3.171	47.5	0.529	13.1	
Claims	0.000	0.000	0.000	0.000	-	0.000	-	
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-	
Maintenance and Other Operating Contracts	13.634	12.170	15.507	(1.873)	(13.7)	(3.337)	(27.4)	
Professional Service Contracts	6.509	7.109	6.628	(0.120)	(1.8)	0.481	6.8	
Materials & Supplies	47.701	39.953	40.135	7.566	15.9	(0.182)	(0.5)	
Other Business Expenses	1.361	0.493	0.572	0.789	58.0	(0.079)	(16.1)	
Total Non-Labor Expenses	\$75.885	\$63.868	\$66.594	\$9.292	12.2	(\$2.726)	(4.3)	
Other Expense Adjustments:								
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-	
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-	
Total Expenses Before Depreciation	\$243.569	\$230.331	\$226.717	\$16.852	6.9	\$3.614	1.6	
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-	
Other Post Employee Benefits	0.000	0.000	0.000	0.000	-	0.000	-	
Environmental Remediation	0.000	0.000	0.000	0.000	-	0.000	-	
Total Expenses	\$243.569	\$230.331	\$226.717	\$16.852	6.9	\$3.614	1.6	
Net Surplus/(Deficit)								
<i>(Excluding Subsidies and Debt Service)</i>	(\$0.000)	\$0.000	\$0.000	\$0.000	*	\$0.000	-	
Cash Depreciation Adjustments								
Depreciation	0.000	0.000	0.000	\$0.000	-	\$0.000	-	
Operating/Capital	0.000	0.000	0.000	0.000	-	0.000	-	
Other Cash Adjustments	0.000	0.000	0.000	0.000	-	0.000	-	
Total Cash Conversion Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-	
Net Cash Surplus/(Deficit)	(\$0.000)	\$0.000	\$0.000	\$0.000	*	\$0.000	-	

Totals may not add due to rounding

MTA LONG ISLAND RAIL ROAD
2013 Year-End Report
Accrual Statement of Operations by Category
2013 Adopted Budget and Final Estimate vs. Actual
(\$ in millions)

<div style="border: 1px solid black; padding: 2px; display: inline-block;"> NON-REIMBURSABLE/ REIMBURSABLE </div>	December 2013 Year-to-Date			Favorable/(Unfavorable) Variance			
	<u>Adopted Budget</u>	<u>Final Estimate</u>	<u>Actual</u>	<u>2013 Adopted Budget</u>		<u>Final Estimate</u>	
				\$	%	\$	%
Revenue							
Farebox Revenue	\$631.476	\$631.523	\$632.089	\$0.613	0.0	\$0.566	0.0
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	51.069	69.060	60.624	9.555	18.7	(8.436)	(12.2)
Capital and Other Reimbursements	243.569	230.331	226.717	(16.852)	(6.9)	(3.614)	(1.6)
Total Revenue	\$926.114	\$930.914	\$919.430	(\$6.684)	(0.7)	(\$11.484)	(1.2)
Expenses							
Labor:							
Payroll	\$515.433	\$507.059	\$495.989	\$19.445	3.8	\$11.070	2.2
Overtime	89.899	105.690	111.263	(21.364)	(23.8)	(5.573)	(5.3)
Health and Welfare	117.237	108.162	107.030	10.207	8.7	1.132	1.0
OPEB Current Payment	66.847	62.966	81.978	(15.131)	(22.6)	(19.012)	(30.2)
Pensions	201.000	203.006	200.208	0.792	0.4	2.798	1.4
Other Fringe Benefits	126.612	125.521	127.690	(1.078)	(0.9)	(2.169)	(1.7)
Reimbursable Overhead	0.000	0.000	0.000	0.000	-	0.000	-
Total Labor Expenses	\$1,117.029	\$1,112.404	\$1,124.158	(\$7.130)	(0.6)	(\$11.754)	(1.1)
Non-Labor:							
Electric Power	\$103.895	\$100.108	\$99.871	\$4.024	3.9	\$0.237	0.2
Fuel	31.171	31.381	28.610	2.561	8.2	2.771	8.8
Insurance	24.343	24.610	23.549	0.793	3.3	1.061	4.3
Claims	3.401	4.085	5.569	(2.168)	(63.8)	(1.484)	(36.3)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	73.950	70.802	66.398	7.552	10.2	4.404	6.2
Professional Service Contracts	38.898	38.521	34.903	3.995	10.3	3.618	9.4
Materials & Supplies	156.173	148.060	136.474	19.699	12.6	11.586	7.8
Other Business Expenses	11.815	16.714	13.786	(1.971)	(16.7)	2.928	17.5
Total Non-Labor Expenses	\$443.644	\$434.281	\$409.160	\$34.484	7.8	\$25.121	5.8
Other Expense Adjustments:							
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Expenses Before Depreciation	\$1,560.673	\$1,546.685	\$1,533.318	\$27.355	1.8	\$13.367	0.9
Depreciation	\$309.649	\$322.744	\$332.978	(\$23.329)	(7.5)	(\$10.234)	(3.2)
Other Post Employee Benefits	82.051	82.051	44.804	37.247	45.4	37.247	45.4
Environmental Remediation	2.000	2.000	(13.524)	15.524	*	15.524	*
Total Expenses	\$1,954.373	\$1,953.480	\$1,897.575	\$56.798	2.9	\$55.905	2.9
Net Surplus/(Deficit)							
<i>(Excluding Subsidies and Debt Service)</i>	(\$1,028.259)	(\$1,022.566)	(\$978.146)	\$50.114	4.9	\$44.420	4.3
Cash Depreciation Adjustments							
Depreciation	309.649	322.744	332.978	\$23.329	7.5	\$10.234	3.2
Operating/Capital	(26.405)	(19.972)	(18.363)	8.042	30.5	1.609	8.1
Other Cash Adjustments	97.802	83.475	44.907	(52.895)	(54.1)	(38.568)	(46.2)
Total Cash Conversion Adjustments	\$381.046	\$386.247	\$359.522	(\$21.525)	(5.6)	(\$26.725)	(6.9)
Net Cash Surplus/(Deficit)	(\$647.213)	(\$636.319)	(\$618.624)	\$28.589	4.4	\$17.695	2.8
Totals may not add due to rounding							

**MTA LONG ISLAND RAIL ROAD
2013 YEAR-END REPORT
EXPLANATIONS OF CASH RECEIPTS AND EXPENDITURE VARIANCES**

2013 Final Estimate vs. Actual

Receipts

- **Farebox Revenue** was \$(2.8) million or (0.4)% lower than the estimate as a result of lesser advanced sales \$(2.6) million, lower Metrocard/AirTrain sales \$(0.7) million and an overall lower yield per passenger \$(0.7) million, partially offset by \$1.2 million in greater revenue due to higher ridership.
- **Other Operating Revenue** was \$(30.1) million or (27.1)% lower than the estimate primarily due to the settlement of 2008 and prior year right-of-way leased line fees which were netted against electric traction power expenses due rather than collected, timing of and lower reimbursements for Tropical Storm Irene and Superstorm Sandy and the timing of and lower reimbursements for intercompany receipts.
- **Capital and Other Reimbursements** were \$(24.2) million or (11.7)% lower than estimate due to the timing of activity and reimbursement for capital and other reimbursements, most notably the delayed payment of ESA and Amtrak Westside Yard closure reimbursements.

Expenditures

- **Payroll** was \$20.2 million or 4.0% lower than the estimate primarily due to vacant positions, lower rates including unsettled contracts, lower retiree payments and the timing of payroll weeks.
- **Overtime** was \$(4.0) million or (3.8)% higher than the estimate due to higher project activity, rates, routine maintenance, weather emergencies and vacancy coverage, partially offset by lower unscheduled service.
- **Health and Welfare** was \$1.7 million or 1.6% lower mainly as a result of lower headcount.
- **OPEB Current Payment** was \$6.1 million or 9.7% lower than the estimate primarily due to lower retiree/beneficiaries.
- **Pensions** were \$(11.4) million or (5.6)% higher than the estimate due to timing, partially offset by the latest actuarial estimate.
- **Other Fringe Benefits** were \$9.3 million or 7.3% lower than the estimate primarily due to lower Railroad Retirement Tax and FELA payments, partially offset by higher payments for meals.

- **Electric Power** was \$19.1 million or 14.3% lower than the estimate primarily due to the netting of 2008 and prior year electric traction settlement payments against right-of-way leased line fees rather than paid in full, the timing of 2013 electric traction payments and lower rates, partially offset by higher post 2008 electric traction settlement payments.
- **Fuel** was \$4.1 million or 12.9% lower than the estimate due to lower revenue fuel consumption, lower rates and the timing of payments.
- **Insurance** was \$2.6 million or 11.1% lower than estimate due to the timing of payments.
- **Claims** exceeded the estimate by \$(0.7) million or (24.5)% reflecting higher claim payments.
- **Maintenance and Other Operating Contracts** were \$20.0 million or 25.8% lower than the estimate primarily due to the timing of payments for joint facility services and lower maintenance services payments, partially offset by higher payments for operating services.
- **Professional Service Contracts** were \$7.9 million or 20.0% lower than estimate due to timing and lower payments for consulting and MTA chargeback services.
- **Materials and Supplies** were \$(8.8) million or (6.8)% higher than estimate caused mainly by timing of deliveries and higher material and supply payments.
- **Other Business Expenses** were \$7.8 million or 37.6% lower than estimate primarily due to delayed EEO training and the timing of Amtrak Superstorm Sandy reimbursement.
- **Other Expense Adjustments** were \$0.8 million or 3.4% lower than budget due to lower Metrocard/AirTrain sales pass-through payments.
- **Cash Timing and Availability Adjustment** was \$0.1 million higher than the estimate.

The total cash deficit variance of \$17.7 million, as detailed above, represents a real variance of \$17.1 million and a timing variance of \$0.6 million.

2013 Adopted Budget vs. Actual

Receipts

- **Farebox Revenue** fell short of the budget by \$(7.1) million or (1.1)% due to lower Metrocard/AirTrain sales of \$(5.7) million, advance sales of \$(2.0) million and ridership revenue \$(0.7) million, partially offset by \$1.3 million in higher yields.
- **Other Operating Revenue** was \$29.5 million or 57.2% higher than budget primarily due to the collection of post 2008 right-of-way settlement leased line fees and higher collections for Superstorm Sandy, partially offset by the timing of Tropical Storm

Irene and Bay Ridge air rights collections, and the timing of and lower reimbursements for intercompany receipts.

- **Capital and Other Reimbursements** were \$(27.5) million or (13.0)% lower than budget due to the timing of project activity and reimbursement for capital and other reimbursements, most notably the delayed payment of ESA and Amtrak Westside Yard closure reimbursements.

Expenditures

- **Payroll** was \$25.5 million or 5.0% lower than budget due to higher vacant positions, lower work rule and retiree payments, and the timing of payroll weeks.
- **Overtime** was \$(19.8) million or (22.1)% higher than budget primarily due to higher rates, maintenance, vacancy/absentee coverage and weather-related overtime.
- **Health and Welfare** was \$10.8 million or 9.2% lower than budget mainly as a result of lower headcount and rates.
- **OPEB Current Payment** was \$10.0 million or 15.0% lower than budget reflecting lower rates and fewer retirees.
- **Pensions** were \$(14.1) million or (7.0)% higher than budget due to accelerated payments and the latest actuarial estimate.
- **Other Fringe Benefits** were \$9.0 million or 7.1% lower than budget primarily due to lower FELA claims, Railroad Retirement Tax and Railroad Unemployment payments, partially offset by higher payments for meals.
- **GASB Account** was \$(1.9) million or (17.7)% higher than budget due to a change in methodology for calculating GASB payments.
- **Electric Power** was \$(12.7) million or (12.5)% higher than budget primarily due to prior year electric traction settlement payments, partially offset by the timing of current year payments.
- **Fuel** was \$3.5 million or 11.3% lower than budget primarily due to lower consumption and the timing of payments.
- **Insurance** was \$2.6 million or 11.1% lower than budget, reflecting timing of policy payments and lower force account and station liability premiums, partially offset by higher property premiums and additional catastrophic storm surge coverage.
- **Claims** were \$(2.1) million higher than budget primarily due to higher claim payments.
- **Maintenance and Other Operating Contracts** were \$16.5 million or 22.3% lower than budget primarily due to the timing of payments for joint facility services and lower maintenance services payments, partially offset by higher payments for operating and construction services.

- **Professional Service Contracts** were \$4.1 or 11.3% lower than budget mainly as a result of the timing of and lower payments for consulting and MTA chargeback services.
- **Materials and Supplies** were \$(2.1) million or (1.6)% higher than budget due to the timing of program and production plan and operating funded capital material purchases and payments.
- **Other Business Expenses** were \$(1.6) million or (13.6)% higher than budget as a result of lower restitution on property damage, partially offset by lower miscellaneous expense payments.
- **Other Expense Adjustments** were \$5.8 million or 20.0% lower than budget due to lower Metrocard/AirTrain sales pass-through payments.
- **Cash Timing and Availability Adjustment** was \$0.1 million higher than budget.

MTA LONG ISLAND RAIL ROAD
2013 Year-End Report
Cash Receipts and Final Estimate vs. Actual
2013 Adopted Budget and Final Estimate vs. Actual

	December 2013 Year-to-Date			Favorable/(Unfavorable) Variance			
	Adopted	Final	Actual	2013 Adopted Budget		Final Estimate	
	Budget	Estimate		\$	%	\$	%
Receipts							
Farebox Revenue	\$660.476	\$656.246	\$653.417	(\$7.059)	(1.1)	(\$2.829)	(0.4)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	51.549	111.134	81.051	29.502	57.2	(30.083)	(27.1)
Capital and Other Reimbursements	210.941	207.647	183.429	(27.512)	(13.0)	(24.218)	(11.7)
Total Receipts	\$922.966	\$975.027	\$917.897	(\$5.069)	(0.5)	(\$57.130)	(5.9)
Expenditures							
Labor:							
Payroll	\$513.005	\$507.709	\$487.527	\$25.478	5.0	\$20.182	4.0
Overtime	89.899	105.690	109.737	(19.838)	(22.1)	(4.047)	(3.8)
Health and Welfare	117.237	108.162	106.481	10.756	9.2	1.681	1.6
OPEB Current Payment	66.847	62.966	56.831	10.016	15.0	6.135	9.7
Pensions	201.000	203.701	215.052	(14.052)	(7.0)	(11.351)	(5.6)
Other Fringe Benefits	126.612	126.921	117.619	8.993	7.1	9.302	7.3
GASB Account	10.696	12.593	12.593	(1.897)	(17.7)	0.000	0.0
Reimbursable Overhead	0.000	0.000	0.000	0.000	-	0.000	-
Total Labor Expenditures	\$1,125.296	\$1,127.742	\$1,105.839	\$19.457	1.7	\$21.903	1.9
Non-Labor:							
Electric Power	\$101.678	\$133.479	\$114.363	(\$12.685)	(12.5)	\$19.116	14.3
Fuel	31.171	31.729	27.639	3.532	11.3	4.090	12.9
Insurance	23.589	23.588	20.973	2.616	11.1	2.615	11.1
Claims	1.609	2.953	3.676	(2.067)	*	(0.723)	(24.5)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	74.250	77.745	57.712	16.538	22.3	20.033	25.8
Professional Service Contracts	35.898	39.783	31.842	4.056	11.3	7.941	20.0
Materials & Supplies	136.291	129.576	138.408	(2.117)	(1.6)	(8.832)	(6.8)
Other Business Expenses	11.397	20.751	12.949	(1.552)	(13.6)	7.802	37.6
Total Non-Labor Expenditures	\$415.883	\$459.604	\$407.560	\$8.323	2.0	\$52.044	11.3
Other Expense Adjustments:							
B&T Capital Transfer				\$0.000	-	\$0.000	-
General Reserve				0.000	-	0.000	-
Interagency Subsidy				0.000	-	0.000	-
Other	29.000	24.000	23.190	5.810	20.0	0.810	3.4
Total Other Expenditure Adjustments	\$29.000	\$24.000	\$23.190	\$5.810	20.0	\$0.810	3.4
Total Expenditures	\$1,570.179	\$1,611.346	\$1,536.590	\$33.589	2.1	\$74.756	4.6
Cash Timing and Availability Adjustment	0.000	0.000	0.069	0.069	-	0.069	-
Operating Cash Deficit	(\$647.213)	(\$636.319)	(\$618.624)	\$28.589	4.4	\$17.695	2.8

Totals may not add due to rounding

MTA LONG ISLAND RAIL ROAD
2013 Year-End Report
Cash Conversion (Cash Flow Adjustments)
2013 Adopted Budget and Final Estimate vs. Actual
(\$ in millions)

	December 2013 Year-to-Date			Favorable/(Unfavorable) Variance			
	Adopted	Final	Preliminary	2013 Adopted Budget		Final Estimate	
	<u>Budget</u>	<u>Estimate</u>	<u>Actual</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Receipts							
Farebox Revenue	\$29.000	\$24.723	\$21.328	(\$7.672)	(26.5)	(\$3.395)	(13.7)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	0.480	42.074	20.428	19.947	*	(21.646)	(51.4)
Capital and Other Reimbursements	(32.628)	(22.684)	(43.288)	(10.660)	(32.7)	(20.604)	(90.8)
Total Receipts	(\$3.148)	\$44.113	(\$1.533)	\$1.615	51.3	(\$45.646)	*
Expenditures							
Labor:							
Payroll	\$2.428	(\$0.650)	\$8.462	\$6.034	*	\$9.112	*
Overtime	0.000	0.000	1.526	1.526	*	1.526	-
Health and Welfare	0.000	0.000	0.549	0.549	-	0.549	-
OPEB Current Payment	0.000	0.000	25.147	25.147	-	25.147	-
Pensions	0.000	(0.695)	(14.843)	(14.843)	-	(14.148)	*
Other Fringe Benefits	0.000	(1.400)	10.071	10.071	*	11.471	*
GASB Account	(10.696)	(12.593)	(12.593)	(1.897)	(17.7)	0.000	0.0
Reimbursable Overhead	0.000	0.000	0.000	0.000	-	0.000	-
Total Labor Expenditures	(\$8.267)	(\$15.338)	\$18.319	\$26.586	*	\$33.657	*
Non-Labor:							
Electric Power	\$2.217	(\$33.371)	(\$14.492)	(\$16.709)	*	\$18.879	56.6
Fuel	0.000	(0.348)	0.971	0.971	-	1.319	*
Insurance	0.754	1.022	2.577	1.823	*	1.555	*
Claims	1.792	1.132	1.893	0.101	5.7	0.761	67.3
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	(0.300)	(6.943)	8.686	8.987	*	15.629	*
Professional Service Contracts	3.000	(1.262)	3.061	0.061	2.0	4.323	*
Materials & Supplies	19.882	18.484	(1.934)	(21.815)	*	(20.418)	*
Other Business Expenses	0.418	(4.037)	0.837	0.419	*	4.874	*
Total Non-Labor Expenditures	\$27.761	(\$25.323)	\$1.599	(\$26.162)	(94.2)	\$26.922	*
Other Expense Adjustments:							
B&T Capital Transfer	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
General Reserve	0.000	0.000	0.000	0.000	-	0.000	-
Interagency Subsidy	0.000	0.000	0.000	0.000	-	0.000	-
Other	(29.000)	(24.000)	(23.190)	5.810	20.0	0.810	3.4
Total Other Expenditure Adjustments	(\$29.000)	(\$24.000)	(\$23.190)	\$5.810	20.0	\$0.810	3.4
Total Expenditures Before Depreciation	(\$9.506)	(\$64.661)	(\$3.271)	\$6.235	65.6	\$61.390	94.9
Depreciation	\$309.649	\$322.744	\$332.978	\$23.329	7.5	\$10.234	3.2
Other Post Employee Benefits	82.051	82.051	44.804	(37.247)	(45.4)	(37.247)	(45.4)
Environmental Remediation	2.000	2.000	(13.524)	(15.524)	*	(15.524)	*
Total Expenditures	\$384.194	\$342.134	\$360.985	(\$23.208)	(6.0)	\$18.851	5.5
Cash Timing and Availability Adjustment	0.000	0.000	0.069	0.069	-	0.069	-
Baseline Total Cash Conversion Adjustments	\$381.046	\$386.247	\$359.522	(\$21.525)	(5.6)	(\$26.725)	(6.9)

Totals may not add due to rounding

MTA LONG ISLAND RAIL ROAD
2013 YEAR-END REPORT
2013 CASH RESULTS - ACTUAL vs. FINAL ESTIMATE
(\$ in millions)

			Favorable/(Unfavorable) Variance		
	Final Estimate	Actual	Total	Real	Timing
Receipts					
Farebox Revenue	\$656.2	\$653.4	(\$2.8)	(\$0.1)	(\$2.7)
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	111.1	81.1	(30.1)	(21.4)	(8.7)
Capital and Other Reimbursements	207.6	183.4	(24.2)	(3.9)	(20.3)
Total Receipts	975.0	917.9	(57.1)	(25.4)	(31.7)
Expenditures					
Labor:					
Payroll	507.7	487.5	20.2	8.7	11.5
Overtime	105.7	109.7	(4.0)	(5.2)	1.1
Health and Welfare	108.2	106.5	1.7	1.1	0.5
OPEB Current Payment	63.0	56.8	6.1	6.0	0.1
Pensions	203.7	215.1	(11.4)	2.2	(13.6)
Other Fringe Benefits	126.9	117.6	9.3	5.8	3.5
GASB Account	12.6	12.6	0.0	0.0	0.0
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	1,127.7	1,105.8	21.9	18.7	3.2
Non-Labor:					
Electric Power	133.5	114.4	19.1	13.0	6.1
Fuel	31.7	27.6	4.1	2.9	1.2
Insurance	23.6	21.0	2.6	0.0	2.6
Claims	3.0	3.7	(0.7)	(0.7)	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	77.7	57.7	20.0	5.3	14.7
Professional Service Contracts	39.8	31.8	7.9	3.9	4.1
Materials & Supplies	129.6	138.4	(8.8)	(4.9)	(3.9)
Other Business Expenses	20.8	12.9	7.8	3.4	4.4
Total Non-Labor Expenditures	459.6	407.6	52.0	22.9	29.2
Other Expenditure Adjustments:					
Other	24.0	23.2	0.8	0.8	0.0
Total Other Expenditure Adjustments	24.0	23.2	0.8	0.8	0.0
Total Expenditures	1,611.3	1,536.6	74.8	42.4	32.3
Cash Timing and Availability Adjustment	0.0	0.1	0.1	0.1	0.0
Baseline Net Cash Deficit	(\$636.3)	(\$618.6)	\$17.7	\$17.1	\$0.6

Totals may not agree due to rounding.

MTA LONG ISLAND RAIL ROAD
2013 Overtime Results
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

	2013 Adopted Budget		2013 Final Estimate		Actual		2013 Adopted Budget vs. Actuals		2013 Final Estimate vs. Actuals	
	Var. - Fav/(Unfav)		Var. - Fav/(Unfav)		Var. - Fav/(Unfav)		Var. - Fav/(Unfav)		Var. - Fav/(Unfav)	
	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
NON-REIMBURSABLE OVERTIME										
<u>Scheduled Service</u> ¹	362,915	\$18.397	366,401	\$18.730	369,907	\$19.071	(6,992) -1.9%	(\$0.675) -3.7%	(3,506) -1.0%	(\$0.342) -1.8%
<u>Unscheduled Service</u>	114,607	5.919	127,626	6.627	115,065	6.195	(458) -0.4%	(0.276) -4.7%	12,561 9.8%	0.432 6.5%
<u>Programmatic/Routine Maintenance</u>	475,288	22.308	508,292	23.600	526,505	24.395	(51,217) -10.8%	(2.087) -9.4%	(18,213) -3.6%	(0.794) -3.4%
<u>Unscheduled Maintenance</u>	6,229	0.284	16,476	0.748	16,178	0.736	(9,949) *	(0.451) *	298 1.8%	0.013 1.7%
<u>Vacancy/Absentee Coverage</u>	529,852	26.361	689,544	33.761	700,229	34.145	(170,377) -32.2%	(7.784) -29.5%	(10,685) -1.5%	(0.384) -1.1%
<u>Weather Emergencies</u>	62,316	2.963	101,408	4.762	102,758	5.328	(40,442) -64.9%	(2.366) -79.8%	(1,350) -1.3%	(0.566) -11.9%
<u>Safety/Security/Law Enforcement</u> ²	-	-	-	-	-	-	-	-	-	-
<u>All Other</u> ³	17,583	0.764	19,541	2.534	20,595	3.054	(3,012) -17.1%	(2.290) *	(1,054) -5.4%	(0.519) -20.5%
TOTAL NON-REIMBURSABLE OVERTIME	1,568,791	\$76.996	1,829,287	\$90.762	1,851,237	\$92.924	(282,446)	(\$15.928)	(21,950)	(\$2.162)
REIMBURSABLE OVERTIME	248,142	\$12.903	279,443	\$14.928	337,575	\$18.339	(89,432)	(\$5.436)	(58,132)	(\$3.411)
TOTAL OVERTIME	1,816,934	\$89.899	2,108,731	\$105.690	2,188,812	\$111.263	(371,878)	(\$21.364)	(80,081)	(\$5.573)
							-20.5%	-23.8%	-3.8%	-5.3%

1 Includes Tour Length and Holiday overtime.

2 Not Applicable

3 Reflects overtime for customer service, material management, other administrative functions and technical adjustments.

* Exceeds 100%

**MTA LONG ISLAND RAIL ROAD
2013 YEAR-END REPORT
EXPLANATIONS OF VARIANCES on POSITIONS
By FUNCTION and DEPARTMENT
NON-REIMBURSABLE/ REIMBURSABLE and FULL-TIME/ FULL-TIME
EQUIVALENTS**

2013 Final Estimate vs. Actual

At the end of 2013, the Long Island Rail Road had 6,727 total active paid employees, which consisted of 6,136 non-reimbursable and 591 reimbursable positions. This was 181 positions or 2.6% below the final estimate of 6,908.

The lower number of actual positions as compared to the final estimate was associated with greater than expected headcount attrition, training program limitations and more stringent management oversight of hiring for non-craft positions. There were three departments that drove the headcount variance; Engineering, Transportation Services and Department of Program management.

MTA LONG ISLAND RAIL ROAD
2013 Year-End Report
Non-Reimbursable-Reimbursable Positions by Function and Department
Full-Time Positions and Full-Time Equivalents
December 31, 2013

	2013 Adopted	2013 Final		Favorable/(Unfavorable)			
				Adopted Budget		Final Estimate	
	Budget	Estimate	Actual	Variance	%	Variance	%
Administration							
Executive VP	3	5	6	(3)	-100.0%	(1)	-20.0%
Labor Relations	18	18	17	1	5.6%	1	5.6%
Procurement & Logistics (excl. Stores)	84	88	85	(1)	-1.2%	3	3.4%
Human Resources	32	32	35	(3)	-9.4%	(3)	-9.4%
Sr VP Administration	2	2	2	0	0.0%	0	0.0%
Strategic Investments	35	32	26	9	25.7%	6	18.8%
President	4	4	4	0	0.0%	0	0.0%
VP & CFO	2	2	3	(1)	-50.0%	(1)	-50.0%
Information Technology	160	162	146	14	8.8%	16	9.9%
Controller	42	45	41	1	2.4%	4	8.9%
Management & Budget	18	18	17	1	5.6%	1	5.6%
Process Re-Engineering	7	7	7	0	0.0%	0	0.0%
VP - East Side Access & Special Projects	32	34	29	3	9.4%	5	14.7%
Market Dev. & Public Affairs	59	61	61	(2)	-3.4%	0	0.0%
Gen Counsel & Secretary	30	30	30	0	0.0%	0	0.0%
Diversity Management	1	1	2	(1)	-100.0%	(1)	-100.0%
System Safety/Training	69	75	71	(2)	-2.9%	4	5.3%
Security	6	6	5	1	16.7%	1	16.7%
Sr VP Operations/Serv. Planning	24	24	21	3	12.5%	3	12.5%
Total Administration	628	646	608	20	3.2%	38	5.9%
Operations							
Train Operations	1,951	1,992	1,972	(21)	-1.1%	20	1.0%
Customer Service	293	299	296	(3)	-1.0%	3	1.0%
Total Operations	2,244	2,291	2,268	(24)	-1.1%	23	1.0%
Maintenance							
Engineering	1,589	1,722	1,642	(53)	-3.3%	80	4.6%
Equipment	2,033	2,014	2,008	25	1.2%	6	0.3%
Procurement (Stores)	93	93	91	2	2.2%	2	2.2%
Total Maintenance	3,715	3,829	3,741	(26)	-0.7%	88	2.3%
Engineering/Capital							
Department of Project Management	144	142	110	34	23.6%	32	22.5%
Total Engineering/Capital	144	142	110	34	23.6%	32	22.5%
Baseline Total Positions	6,731	6,908	6,727	4	0.1%	181	2.6%
Non-Reimbursable	6,058	6,141	6,136	(78)	-1.3%	5	0.1%
Reimbursable	673	767	591	82	12.2%	176	22.9%
Total Full-Time	6,731	6,908	6,727	4	0.1%	181	2.6%
Total Full-Time-Equivalents	0	0	0	0		0	

**MTA LONG ISLAND RAIL ROAD
2013 YEAR-END REPORT
EXPLANATIONS of VARIANCES
By FUNCTION AND OCCUPATION GROUP**

2013 Final Estimate vs. Actual

At the end of 2013, the Long Island Rail Road had 6,727 total active paid employees, which consisted of 1,396 Managers/Supervisors, 755 Professional, Technical & Clerical and 4,576 Operational Hourlies. This was 181 positions or 2.6% below the year-end estimate of 6,908. Headcount vacancies at year-end were primarily found in Managers/Supervisors, Professional and Operational Hourlies titles.

MTA LONG ISLAND RAIL ROAD
2013 Year-End Report
Full-Time Positions and Full-Time Equivalents by Function and Occupational Group
December 31, 2013

		Favorable/(Unfavorable)						
		2013 Adopted Budget	2013 Final Estimate	Actual	2013 Adopted Budget Variance %		2013 Final Estimate Variance %	
Administration	Managers/Supervisors	324	333	301	23	7.1%	32	9.6%
	Professional, Technical, Clerical	304	313	307	(3)	-1.0%	6	1.9%
	Operational Hourlies	0	0	0	0		0	
	Total Administration	628	646	608	20	3.2%	38	5.9%
Operations	Managers/Supervisors	322	325	317	5	1.6%	8	2.5%
	Professional, Technical, Clerical	161	167	166	(5)	-3.1%	1	0.6%
	Operational Hourlies	1,761	1,799	1,785	(24)	-1.4%	14	0.8%
	Total Operations	2,244	2,291	2,268	(24)	-1.1%	23	1.0%
Maintenance	Managers/Supervisors	723	744	693	30	4.1%	51	6.9%
	Professional, Technical, Clerical	269	277	257	12	4.5%	20	7.2%
	Operational Hourlies	2,723	2,808	2,791	(68)	-2.5%	17	0.6%
	Total Maintenance	3,715	3,829	3,741	(26)	-0.7%	88	2.3%
Engineering/Capital	Managers/Supervisors	113	106	85	28	24.8%	21	19.8%
	Professional, Technical, Clerical	31	36	25	6	19.4%	11	30.6%
	Operational Hourlies	0	0	0	0		0	
	Total Engineering/Capital	144	142	110	34	23.6%	32	22.5%
Baseline Total Positions								
	Managers/Supervisors	1,482	1,508	1,396	86	5.8%	112	7.4%
	Professional, Technical, Clerical	765	793	755	10	1.3%	38	4.8%
	Operational Hourlies	4,484	4,607	4,576	(92)	-2.1%	31	0.7%
	Total Baseline	6,731	6,908	6,727	4	0.1%	181	2.6%

**MTA LONG ISLAND RAIL ROAD
2013 YEAR-END REPORT
EXPLANATIONS OF VARIANCES ON RIDERSHIP/ (UTILIZATION)**

2013 Final Estimate vs. Actual

Ridership of 83.4 million was 0.2% above the final estimate resulting in an increase of \$1.2 million in farebox revenue versus the Final Estimate, partially offset by a lower yield per passenger of \$(0.7) million resulting in a net increase of \$0.6 million in revenue.

2013 Adopted Budget vs. Actual

In comparison to the Adopted Budget, actual farebox revenue was above budget by \$0.6 million. Higher yield per passenger resulted in a revenue increase of \$1.3 million, partially offset by lower than budgeted ridership of (0.1)% that resulted in a revenue decrease of \$(0.7) million.

Compared to 2012, ridership increased by 2.0% or 1.6 million passengers.

MTA LONG ISLAND RAIL ROAD
2013 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
Ridership (Utilization)
(in millions)

	December 2013 Year-to-Date			Variance Favorable/(Unfavorable)			
	Budget	Final Estimate	Actual	vs. Budget		vs. Final Estimate	
	\$	%	\$	%	%	\$	%
Farebox Revenue							
Monthly	\$312.675	\$310.754	\$310.212	(\$2.463)	(0.8)	(\$0.542)	(0.2)
Weekly	15.538	16.109	17.059	1.521	9.8	0.950	5.9
Total Commutation	\$328.213	\$326.863	\$327.271	(\$0.942)	(0.3)	\$0.408	0.1
One Way Full	\$80.135	\$81.343	\$81.260	\$1.125	1.4	(\$0.083)	(0.1)
One Way Off Peak	157.478	156.983	155.635	(1.843)	(1.2)	(1.348)	(0.9)
All Other	65.651	66.334	67.923	2.272	3.5	1.589	2.4
Total Non Commutation	\$303.263	\$304.660	\$304.818	\$1.555	0.5	\$0.158	0.1
Total Farebox Revenue	\$631.476	\$631.523	\$632.089	0.613	0.1	\$0.566	0.1
Ridership							
Monthly	46.619	46.206	46.197	(0.422)	(0.9)	(0.009)	(0.0)
Weekly	1.725	1.787	1.892	0.167	9.7	0.105	5.9
Total Commutation	48.344	47.993	48.089	(0.255)	(0.5)	0.096	0.2
One Way Full	8.000	8.120	8.027	0.026	0.3	(0.093)	(1.1)
One Way Off Peak	17.609	17.514	17.461	(0.148)	(0.8)	(0.053)	(0.3)
All Other	9.518	9.594	9.807	0.289	3.0	0.213	2.2
Total Non Commutation	35.127	35.228	35.295	0.168	0.5	0.066	0.2
Total Ridership	83.471	83.221	83.384	(0.087)	(0.1)	0.163	0.2

**MTA LONG ISLAND RAIL ROAD
2013 YEAR-END REPORT
RESULTS OF OPERATIONS**

FINANCIAL PERFORMANCE

The LIRR's 2013 financial performance was strong. Total spending was less than budget; total revenue exceeded budget; and the Rail Road was able to accomplish its mission of providing safe, secure, and reliable transportation to its customers. Total spending of \$1,897.6 million was \$56.8 million favorable to the Adopted Budget of \$1,954.4 million. The net deficit was \$(978.1) million, or 4.9% favorable to the Adopted Budget. The operating cash deficit was \$(618.6) million or 4.4% favorable to the Adopted Budget and 2.8% favorable to the Final Estimate. In other words, the LIRR relied on less MTA subsidy support than originally assumed in the Adopted Budget and Final Estimate.

2013 was a year to rebuild and rebound from Super Storm Sandy both in terms of physical restoration as well as in terms of service and customer support. While much of Sandy's fiscal impact was felt in 2012 a substantial amount of recovery and reconstruction work was initiated in 2013. The spirit of renewal was evident across many fronts. The LIRR saw a resumption of ridership growth and a renewed commitment to customer service and safety.

Driven by a steadily improving economy and popular new service to Barclays Center, total ridership in 2013 was up 2.0% compared to the previous year. The Rail Road experienced a surge in train travel over the last three months of 2013, which helped boost ridership to 83.4 million passenger trips. 2013 was the 7th best year for ridership in 60 years.

The LIRR restored prior service cuts and added new service in 2013. This included restoration of Port Washington half-hourly service on weekends, expanded Montauk seasonal service, and moved the starting point for the Cannonball to Penn Station.

The LIRR also introduced several important customer oriented initiatives. The launch of the LIRR's first ever Train Time App for iPhone and Android smart phones was extremely successful, and as of March 2014 it had been downloaded by more than 60,000 customers. The LIRR deployed Customer Ambassadors at Penn Station, Atlantic Terminal, and Jamaica Station to provide additional assistance to customers in those locations. The installation of 26 new digital information screens, featuring hybrid Train Departure Information/Customer Messaging on CBS Advertising Signage at Penn Station provided numerous benefits including better and more current train status information, pedestrian flow improvements and increased advertising revenue.

The successful and safe operation of normal service coupled with the concept of continual improvement requires strong operational and financial management. The strength of the LIRR's financial management will ensure long-term fiscal and operational stability. It will remain steady in its efforts to maximize limited resources and achieve its

operational goals. As in prior years, intense focus has remained on overtime and headcount management, inventory and material management, and revenue protection.

The LIRR's financial management team has placed particular focus on four key areas - staffing, overtime, inventory/material acquisition and farebox revenue protection - that pose unique challenges. The LIRR made progress in each of these areas during 2013.

Staffing: All personnel and hiring actions are closely reviewed and approved by an internal Personnel Action Review Committee (PARC). This entails overseeing development of a hiring plan for operational positions. The hiring plan links workload (current and projected) to attrition projections and training and recruitment capacity in an effort to set hiring goals over a two-year planning horizon. In 2013, due to higher than anticipated attrition in prior years coupled by increased workload, the LIRR experienced higher than normal vacant operational positions. For example, the Maintenance of Equipment department averaged 80 vacant operational positions during 2013. Although these vacancies resulted in straight-time savings, they also generated overtime. PARC and key departments are addressing this issue through the implementation of an aggressive hiring plan.

Overtime: The LIRR's 2013 shortfall in overtime was due to several key factors including open job coverage in the Maintenance of Equipment Department, higher than anticipated Engineering maintenance overtime, absentee coverage in the Customer Service Department, and inclement weather related overtime (including Blizzard Nemo).

Regarding open job related overtime, the vast majority of vacant positions was in the Maintenance of Equipment Department and stemmed from the effect of high attrition in prior years. The time required to backfill a vacant position is contingent on recruitment and training requirements and capacity. The LIRR is steadfastly committed to filling open job vacancies for operational positions thereby reducing overtime. To do so, aggressive but achievable hiring plans have been developed and implemented for operational positions. The LIRR expects to progressively close the headcount gap through 2014. The Overtime Task Force will continue to identify and implement management actions to control overtime in 2014 as well as progress with achieving the hiring plan goals.

Additional overtime initiatives include the development and implementation of a Train and Engine Staffing Model to best optimize headcount levels. The engine portion of the staffing model went live in early 2013 and the train service model was completed at the end of 2013. Also, the LIRR's Availability Task Force is taking several steps to improve availability including strengthening the absence control policy.

Inventory and Material Acquisition: The Inventory Task Force has continued to oversee the management of inventory and material acquisition. For 2013 the goals were clear: maximize financial resources; reduce the amount of surplus and excess material and reduce inventory levels; and ensure that material is available to meet departmental work plans and infrastructure maintenance needs. In 2013, spending on materials and supplies was \$2.1 million greater than budget on a cash basis due to early deliveries of 2014 material. Absent the value of these early deliveries, approximately \$3.0 million, the 2013 actual spending on material was favorable to budget, thereby achieving the cash savings target established at the beginning of the year.

Farebox Operating Ratio and Cost Per Passenger: The LIRR's farebox operating ratio increased from 47.5% in 2012 to 47.9% in 2013. Further, it was better than the budgeted farebox operating ratio by 0.7 percentage points. It is important to note that excluding the LIRR's unfunded pension liability expenses, the LIRR's farebox operating ratio would have been 61.8% in 2013. The LIRR's operating cost per passenger increased from \$15.02 in 2012 to \$15.89 in 2013. The change is partially attributable to higher pension and Health & Welfare costs.

Other cost reduction and revenue protection initiatives included:

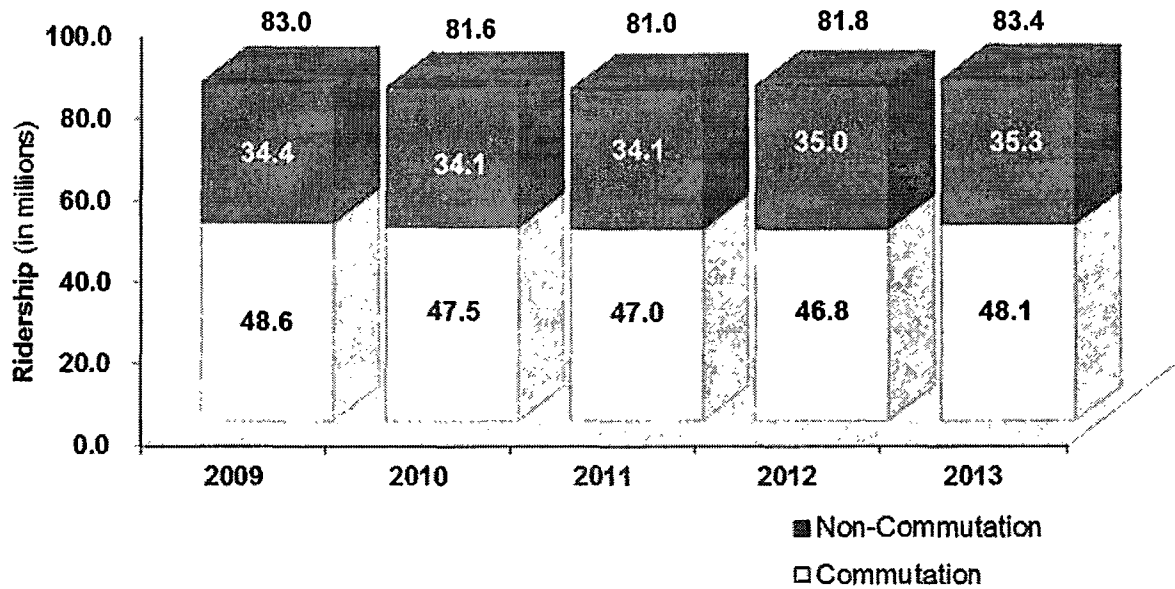
- Analysis of post Sandy operating and capital costs for submission to the Federal Transit Administration (FTA) for reimbursement, which resulted in the LIRR receiving over \$20 million in reimbursement for costs associated with storm preparation and immediate recovery. Costs for the reconstruction of severely damaged assets were incorporated into the Capital Budget. Developed scopes, estimates and justifications for the Resiliency Project strategy.
- Continued success of the Address Verification System (AVS) on LIRR ticket machines to secure against credit card fraud resulting in the protection of \$4.6 million in 2013 revenues.
- Finalized office designs and work plans to consolidate Jamaica office space and enable the LIRR to vacate rented offices on Sutphin Boulevard.

SUPERSTORM SANDY

During 2013, the LIRR progressed with its Superstorm Sandy restoration projects, totaling \$267M, which included restoration of damaged assets in West Side Yard, the East River Tunnels, Long Island City Yard, and the Long Beach Branch. While the LIRR undertook repairs in the days immediately following the Superstorm to bring back operations and restore service, it is critical that these storm damaged assets get replaced. Damaged assets have a shortened life span and are subject to reduced reliability, as the long term impact of salt water infiltration, particularly on power and signal components, renders the infrastructure components vulnerable and subject to failure.

In addition, the LIRR is progressing scope development for Superstorm Sandy resiliency projects which have been identified. These projects are candidates for FTA funding, and include efforts to better protect LIRR infrastructure against future weather events. These effort focus on areas which were impacted by Superstorm Sandy which also play very critical roles in the day-to-day operations of the LIRR, including the East River Tunnels, Long Island City Yard and West Side Yard.

RIDERSHIP AND REVENUE



LIRR Ridership & NYC Employment

	2009	2010	2011	2012	2013	13 vs 12
<i>Commutation</i>	48.6	47.5	47.0	46.8	48.1	2.8%
<i>Non-Commutation</i>	34.4	34.1	34.1	35.0	35.3	0.9%
<i>Total Ridership</i>	83.0	81.6	81.0	81.8	83.4	2.0%
<i>NYC Employment</i>	3,693.4	3,711.3	3,798.0	3,877.5	3,954.5	2.0%

* 2013 NYC Employment preliminary

Note: These figures do not reflect the year end adjusted ridership figures.

LIRR ridership rose in 2013, as a steadily improving economy and popular new service to Barclays Center continued to boost the number of Rail Road customers above the previous year. Total ridership for 2013 was 83.4 million, 2.0% higher than in 2012. While part of the increase reflects the 2012 loss of over two million riders due to Super Storm Sandy, the Rail Road experienced a surge in train travel over the last three months of 2013, which helped boost ridership to 83.4 million passenger trips. 2013 was the 7th best year for ridership in 60 years. The LIRR hopes this growth will continue in 2014 with a focus on customer service and a continued strengthening economy.

Both the Commutation and Non-Commutation markets experienced ridership growth in 2013. Commutation ridership was strong, indicating that the region's economy improved and customers responded favorably to service restorations.

The LIRR took a number of steps that helped boost weekend and leisure travel, including an enhanced service plan to meet new demand created by the opening of the Barclays Center in Brooklyn, located adjacent to the LIRR's Atlantic Terminal. Also, during summer

months, the LIRR made adjustments to the Montauk schedule, including moving the departure point of the Friday afternoon Cannonball express train to Penn Station. In November, the LIRR restored half-hourly weekend service on the Port Washington Branch.

Some of the key highlights in 2013 include:

- Port Washington Branch Service Restoration

In November 2013, half-hourly service was restored on the Port Washington Branch on weekends. This service had been reduced to hourly intervals in September 2010 due to budget cuts. With the restored service, 93.2% of Port Washington customers surveyed said they were satisfied with the change; 76% said they traveled more frequently on the LIRR as a result of the additional service; and 81 % said they would take the LIRR more frequently in the future.

- Montauk Branch – Meeting Customer Demand

Cannonball Service from Penn Station – connecting NYC and the East End in 94 minutes. This popular service now starts from Penn Station and operates express to Westhampton. This is a change from previous years when the Cannonball departed from Hunterspoint Avenue with a stop in Jamaica. As a result, ridership on the Cannonball's Hampton Reserve cars grew by 107% and reserved seats were fully booked for the season by early July. Also, the first-ever westbound Cannonball train from Montauk was introduced on summer Sunday nights, bringing customers back from Montauk to Penn Station, including a nonstop run from Westhampton to Jamaica, and then on to Penn Station. This resulted in more than 8,000 ticket sales.

- Brooklyn Barclays Center

2013 ridership to Brooklyn increased 146% during special events compared to normal levels. Train service from Atlantic Terminal was extended to 2 AM in response to requests for more service after events at the nearby Barclays Center. The addition of eight additional Brooklyn trains resulted in half-hourly service in both directions.

- Train Service Improvements

The LIRR restored six rush hour trains that had been discontinued in 2010 as the result of budget cuts. Branches benefiting from the restored peak service included the Long Beach, Montauk, Port Jefferson, and West Hempstead branches. Also, the LIRR extended weekend train service between Greenport and Ronkonkoma for 10 additional weekends each year in an effort to support the growth of North Fork tourism and leisure markets.

- Sports and Entertainment Market

Extra train service and customer service personnel were provided to support Major League Baseball's All Star Game and related promotional activities, held at Citi Field in July. This three-day event brought more than 15,000 LIRR customers to the Mets Willets Point station. Also, the LIRR cultivated partnerships with the New York Islanders (including the first-ever hockey game at Barclays Center with the Islanders taking the LIRR to Brooklyn) and the New York Cosmos team (LIRR promotion of

games at Hofstra University) to increase ridership to sporting events. Extra train service was also provided to/from the U.S. Open Women's Championship at the Sebonack Golf Club in Southampton.

In August, a concert took place for the first time in recent history at the Forest Hills Tennis Stadium with almost 9,000 customers "Taking The Train To The Concert." Continuing its successful program to provide service to the Meadowland's MetLife Stadium, the LIRR carried 11,628 LIRR customers generating \$105,293 revenue. As in previous years, the New York Racing Association agreed to subsidize the rail service to the Belmont Park. The LIRR carried about 36,000 customers to the spring and fall meets at Belmont.

- **Sustainability Initiatives**

The LIRR participated in the 1st Annual Long Island Car Free Day on September 20th, encouraging all Long Islanders to give up their cars and try mass transit, carpooling, walking, and bicycling. This effort resulted in successful recruitment of more than 2,500 new Mail&Ride subscribers. The event was organized by the Long Island Rail Road's Transit Solutions program and the New York State Department of Transportation 511NYRideshare program, and was supported by businesses and transit providers, including the Nassau Inter-County Express and the North Shore-LIJ Health System.

CUSTOMER SATISFACTION

The Long Island Rail Road achieved a customer satisfaction rating with an overall score of 84%, indicating the majority of customers were satisfied with the LIRR. Train service also received a score of 84%. Boarding stations received an 88% overall satisfaction rating. Overall customer satisfaction declined slightly in 2013 as a result of a fare increase taking place in March 2013 and the lingering operational effects as a result of Superstorm Sandy.

Customer Communication

The LIRR's ongoing commitment to improving the customer experience included the launch of the official LIRR Train Time app for iPhone and Android smart phones. More than 60,000 LIRR customers downloaded the new app within the first three months of its introduction.

This free app is yet another advanced tool in the series of customer information enhancements the LIRR has unveiled in recent years to help make LIRR travel as easy as possible by providing real-time information whenever customers need it.

This app is updated with real-time train status and track information, invaluable emergency service alerts and service advisory notices on planned changes, station information, schedules and fares, elevator/escalator status, parking availability and getaways packages. The app features a cleanly designed navigation screen offering clearly defined categories from which users can, at a glance, begin quickly tapping their

way to what they need to know. The Train Time app is perfect for both daily LIRR commuters looking for real-time information about their regular trip and for the occasional LIRR traveler looking for railroad information. The LIRR Train Time App is simply the most convenient and accurate way to help you plan a seamless travel experience.

The LIRR's customer communication at busy Penn Station was upgraded with the installation of 26 new digital information screens, featuring hybrid Train Departure Information/Customer Messaging on CBS Advertising Signage.

Ongoing customer communication efforts includes the use of social media tools to respond to customer concerns in real time and the LIRR's Public Information Office, which operates 24/7, in order to provide customers with email alerts, station announcements, electronic branch line messages, onboard announcements, and website updates, especially during service disruptions.

Customer Service

During 2013, the LIRR launched several customer oriented initiatives. This included deploying seven additional SmartCard/Swipeless Ticket Machines at high volume stations utilizing the latest banking technology, installing Ticket Machines at Montauk Branch stations which previously had no ticket selling capabilities, and introducing Customer Service Ambassadors at Penn Station, Atlantic Terminal, and Jamaica Station during both AM and PM rush periods. Equipped with iPads and iPhones these ambassadors provide up to the minute information and directions to customers. The Montauk Ticket Office was opened on Sundays during seasonal ridership periods. In prior years, customers from Montauk would need to purchase their tickets onboard trains. Finally, an automated queuing system was introduced at the LIRR's Penn Station ticket windows. The new system directs customers to the window staffed by the next available clerk, reducing customer wait time and speeding up the process of buying LIRR tickets.

The LIRR continues to operate an active Lost and Found program. In 2013 the recovery rate reached an average of 60%.

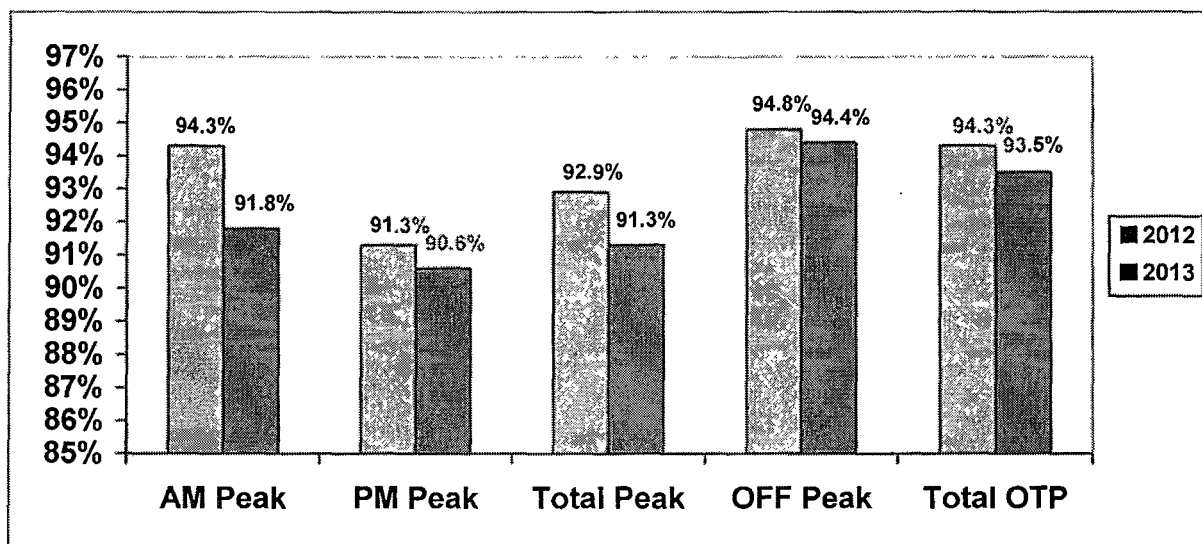
ON-TIME PERFORMANCE

One of the most reliable predictors of customer satisfaction is the ability of the LIRR to deliver passengers to their intended destinations on time.

For 2013, the LIRR's overall On-Time Performance (OTP) was 93.5%. This was below the 2012 performance of 94.3 by 0.8% percentage points, with 2,455 more trains running late. An increase in delays was posted in 11 of 13 categories of delay.

In 2013, OTP was challenged by several events during the year, including Blizzard Nemo and other weather related delays, a derailment west of Forest Hills Station and one within the Penn Station area, as well as infrastructure issues within the Penn Station/East River Tunnel area.

System-wide, in 2013 each period of the day, (AM Peak, PM Peak, Off Peak Weekday and Weekend) was below the same period in 2012. Nevertheless, the LIRR did post record favorable OTP during three months of 2013: July AM Peak 97.65%, October Off Peak 95.68%, and March and October Off-peak Weekends 96.5% and 96.56% respectively.



EQUIPMENT RELIABILITY

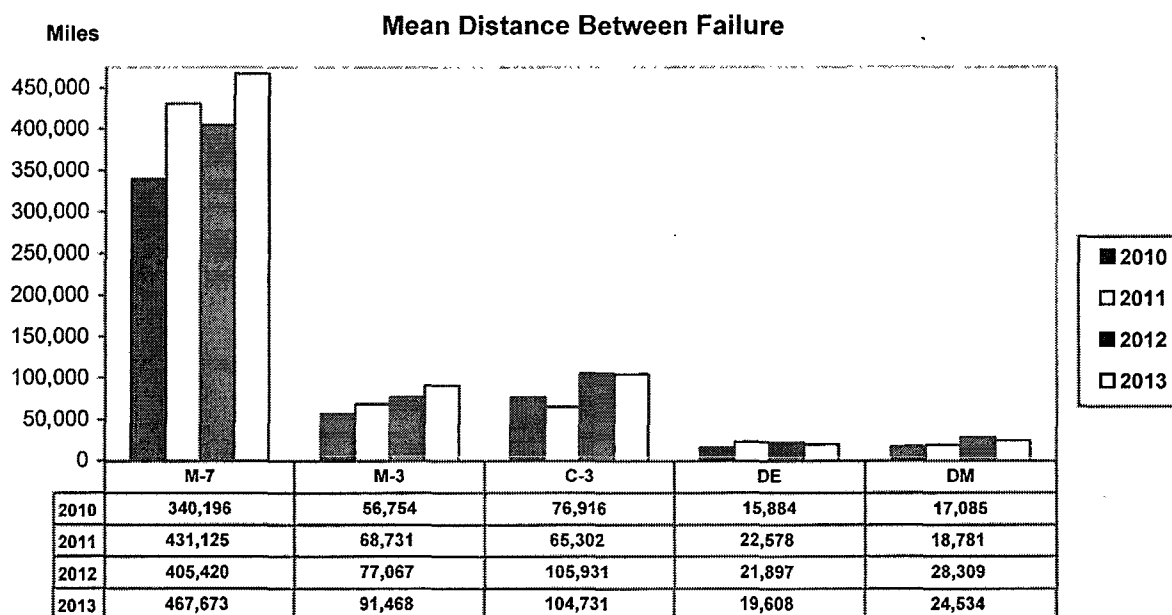
Mean Distance Between Failure (MDBF) is the standard measurement used to gauge reliability performance. The MDBF for the entire fleet in 2013 was 205,890 miles, which exceeded the 2013 goal of 152,000 miles by 35.5% and represents a 5.9% increase from 2012. The 2013 level was the highest annual fleet-wide MDBF since tracking was initiated.

The M-7 fleet MDBF continues to be the driving factor in the LIRR's fleet reliability achievements. With an MDBF of 467,673 miles, the M7 fleet far exceeded the goal of 350,000 miles, and recorded the highest ever MDBF for any year since inception. The Reliability Centered Maintenance program and rigorous maintenance schedules and protocols contributed to these outstanding results.

The Maintenance of Equipment Department's increased maintenance efforts have also lead to improved reliability of the 28 year old M-3 fleet. The M3 MDBF of 91,468 miles exceeded the goal by 66.3% and exceeded the 2012 actuals by 18.7%. It was also the highest MDBF ever recorded for the M-3 fleet. Key factors that yielded benefits in 2013 include the automatic train control modification and propulsion system initiatives implemented in years past. Also, a recent door micro switch modification program continues to yield excellent results.

The diesel fleet achieved an MDBF of 59,945 miles, which far exceeded the goal by 33.2% and produced a second best year for diesel fleet MDBF. The next section in this report provides a review of the Diesel Reliability Plan.

At the end of 2013, the MU electric fleet consisted of 832 M-7 and 150 M-3 cars available for revenue service. The diesel fleet consisted of 134 C-3 coach cars and 45 diesel locomotives. The MU and diesel (C-3 Coach) spare ratio was 12.4% and 15.7% respectively. The AM peak requirement was 858 for the MU fleet and 113 for the C-3 coaches.



Diesel Fleet Reliability Plan

The LIRR has implemented many improvements in diesel passenger locomotive and coach maintenance over the last four years with several large efforts only now coming to fruition after extensive review and testing. The success of these efforts has greatly improved reliability as evident by substantially higher MDBF levels. Some of the modifications and improvements include:

- Continued door program to reduce single largest system failure affecting C3 fleet performance.
- C3 low voltage power supply modification to reduce failures
- Locomotive Radio Replacement
- Locomotive weather-proofing included the installation of side filters to eliminate snow ingestion into the generator room and cover on couplers to prevent freezing in storm conditions.
- Truck and under-car re-cabling.
- Electrical cabinet cooling / DM Cooling Mod Prototype.
- Siemens gate unit replacement and software upgrade for improved reliability of propulsion systems.

CAPITAL IMPROVEMENTS

In 2013 the LIRR advanced construction on important segments within its infrastructure asset categories. The normal replacement schedule was advanced as many projects were completed while system improvement projects are being progressed.

System Improvements:

- Final design of the Jamaica Capacity Improvements Phase 1 is currently in-progress. This project includes construction of new infrastructure to facilitate future Cross-Borough scoot service between Jamaica Station in Queens and Atlantic Terminal in Brooklyn, as well as other system improvements. Vendor proposals for design-build construction of the initial civil and yard reconfiguration work necessary to start construction of the new service platform are under review.
- A Contract for Design-Build Services for Phase 1 of the new Second Main Line Track on the Ronkonkoma Branch was kicked off in December 2013. This Design-Build package provides for site work necessary to build track beds and initial infrastructure to support the second track from Ronkonkoma to west of Central Islip. This is the first of two project phases and when both phases are completed will result in a second track from Ronkonkoma to Farmingdale.

Signal & Communication Systems:

- A contract was awarded in 2013 for the design, integration and furnishing of a Positive Train Control (PTC) system. PTC is a system to provide enforcement of civil speed and temporary speed restrictions, positive stop at interlockings and protection over switches improperly aligned, as well as protection of roadway workers.
- The installation of the Automatic Speed Control Signal System from Speonk to Montauk is progressing. The railroad's strategy calls for a phased approach of installing Positive Train Control along with the upgrade of current Dark, Automatic Block Signal and Controlled Manual Block signal systems to Automatic Speed Control. The LIRR is in the process of working with the PTC vendor to accelerate the project.
- The installation of new fiber optic cable continued at various locations along the LIRR system. This upgrade of the current communication system network from copper to fiber optic cables will enhance system reliability and improve communications to customers.
- As part of the LIRR's efforts to improve existing radio coverage and fully comply with FCC regulations, 13 Radio Receiver Sites were retrofitted and 5 new modern monopole-based radio facilities were constructed at Medford, Northport, Little Neck, Sea Cliff, and Huntington. These improvements will provide a more efficient use of the frequency spectrum and enhance the range and clarity of the railroad's radio system. Additional work on the radio communications system is in-progress.

- The replacement of selected communication line poles, cross-arms, and associated hardware along the Right-of-Way (ROW) is progressing.
- In 2013, the LIRR continued to implement critical state-of-good-repair projects, including the replacement of existing communication cables and life safety equipment in Atlantic Avenue Tunnel and the replacement of selected signal system equipment (i.e., batteries, switches, signal position lights, and signal cable).

Substations & Power Systems:

- Several normal replacement and state-of-good-repair infrastructure projects progressed in 2013. This included starting the construction of a replacement Hillside substation, replacement of signal power motor generators, replacement of traction power elements (third rail cable, contact rail, protection board, negative reactor and power poles), and the completion of a battery replacement program.

Station & Parking Improvements:

- Construction of the second Elevator and associated equipment at the Atlantic Terminal in Brooklyn is nearing substantial completion. The second elevator is needed to address the usage at this very busy station, and to improve the vertical circulation and access to LIRR station platforms and the street level vestibule of the LIRR Entry Pavilion.
- The construction of two new elevators at Queens Village, serving both the eastbound and westbound platforms, along with other improvements at this station, was completed in 2013
- The design for the replacement of 6 Escalators and associated equipment at Rockville Centre, Baldwin, Freeport, Amityville, Copiague, and Lindenhurst on the Babylon Branch was completed in 2013. The new all-weather heavy duty escalators will be equipped with safety enhancements that measure horizontal impact and forces applied to the comb plates at the top and bottom of the equipment, sense handrail speed variations, and provide remote monitoring capability. Construction is planned to commence in 2014.
- The design for the replacement of the elevators at Woodside and Merrick Stations was completed in 2013. The Design-Build plan calls for replacement of the 2 elevators within the existing shaft enclosure walls, and repairs and reconstruction of the exterior facades. The work will include rehabilitation of the elevator shafts and shaft enclosures, new elevator cabs, new elevator machine room equipment, and electrical upgrades. Construction is planned to commence in 2014.
- A construction contract for replacing the center island platform at Massapequa Station was awarded in 2013. The first phase of the project consists of the

replacement of the west end of the station platform is progressing. The project includes demolition and reconstruction of the 12-car platform with a new canopy, waiting room, stairs, elevator and escalator, lighting, and signage. The project work also incorporates the rehabilitation of 2 underpasses and the west pedestrian walkway and the painting of the Broadway Bridge Overpass.

- The Hicksville Station Improvements and North Track Siding project was initiated in 2013 with the awarded of a design contract. The rehabilitation of Hicksville Station includes replacement of two elevated platforms, two elevators, and two escalators. Further the design will include new aluminum stairs and handrails, platform canopies, heated platform waiting rooms, lighting, electrical, communication and a new Security CCTV system. In addition, the design will address repairs to the supporting substructure. The design contract also includes a new electrified North Track Siding west of Hicksville Station. The new track with its associated interlocked signal system and switches is critical to the efforts at increasing capacity along the eastern Main Line segment of the railroad.
- A design-build contract for the Wyandanch Parking Facility was awarded in 2013. The new facility will have five levels of parking and will address current and future demands for parking at this station.

Track:

- The 2010-2014 Track Program continued the LIRR's cyclical replacement of track assets. All the goals through 2013 have been met or exceeded including: replacement of over 125,565 wood; 396 miles of track surfacing; rehabilitation of 71 highway grade crossings, as well as other upgrades.
- The replacement of the Direct Fixation Fastener System on the Massapequa Park Viaduct was completed in 2013. The new direct fixation fasteners were installed on the track slabs supporting the two tracks. This milestone represents the replacement of all 48,572 rail fasteners originally installed on the Babylon Branch viaduct in the mid-1970's, as well as any localized concrete repairs to the track slab structure that were required.
- The Massapequa Pocket Track design, for a new 12-car stub-ended electrified and interlocked pocket track, was completed in 2013. The new structure will have approximately 1700 LF of new track with 3 interlocked turnouts and switches providing for crossovers to each main line track. Initial construction by LIRR Forces commenced in March 2013, and the new 75' bridge span over Unqua Creek that shares the existing Unqua Creek Bridge abutment was set in place in June 2013.

Line Structures:

- The Design for track and bridge improvements at Colonial Road on the Port Washington Branch was completed in 2013. The design includes an extension to the existing Great Neck Pocket Track with the installation of an additional 12-

car double-ended pocket track, replacement of the Colonial Road Bridge, and drainage improvements at track level. Also in 2013, the Federal Transit Administration reviewed the Environmental Assessment and issued a Finding of No Significant Impact for the Colonial Road Improvements project. The procurement for design-build construction commence in 2013.

Bridges:

- The construction activities on the LIRR Bridge Program continue. This program includes: track-bed waterproofing of three bridges (Yellowstone Boulevard, Roslyn Road, Farmers Boulevard); rehabilitation and waterproofing of three bridges (Jamaica/Lefferts Boulevard, 47th Avenue/Adams Street, Union Turnpike); and design of two bridge projects (Springfield Boulevard rehabilitation and Buckram Road replacement).
- The rehabilitation of Woodhaven Boulevard Bridge is progressing. The project includes new bearings and bridge seats, as well as repair of abutments, concrete decks, piers, and structural steel. Other than a few column repairs, the work is near substantial completion.
- The rehabilitation of Shinnecock Canal Bridge, Montauk Bridge, and North Highway Bridge on the Montauk Branch was completed in 2013. The project work included repair of the steel superstructure bridge elements and the concrete at the abutments and cap beams, bridge deck waterproofing, painting and protective coatings, track resurfacing, and site improvements.
- Rehabilitation of the Queens Boulevard Bridge in Woodside on the Main Line was completed in 2013. Queens Boulevard Bridge carries four Main Line tracks and two Port Washington tracks. The below-deck work on the ten span superstructure included bearing replacement, reconstruction of bridge seats, abutment repairs, and miscellaneous steel and concrete repairs.
- The Bridge Painting Program continued through 2013, with ongoing painting work on the remaining six bridges located in Carle Place, Westbury, Bellerose, Belmont, Douglaston, and Babylon.
- In 2013, a contract for a System-wide Comprehensive Bridge Study was awarded. The Bridge Study will include a comprehensive structural inspection of bridges; viaducts crossing roadways, waterways, and other railways identified as bridges; tunnels and culverts; high tension towers; underwater structural and scour inspection; and mechanical and electrical inspection of moveable bridges. The detailed structural inspection will provide the LIRR with an up-to-date structural assessment of bridge-related infrastructure assets.

Shops & Yards:

- In 2013, Phases 3 & 4 of the Maintenance Facilities Upgrade Program reached Project Beneficial Use. Hillside Maintenance Complex, West Side Shop, and Richmond Hill were reconfigured to accommodate the future workload of Reliability Centered Maintenance (RCM) and an expanded fleet. The project

work included shop expansions, reductions, and relocations, as well as removal of obsolete and outdated equipment, relocation of selected shop equipment, and installation of new equipment.

Facilities:

- The exterior rehabilitation of the existing Jamaica Station Building was completed in 2013. This structure, which was constructed in 1913, houses the LIRR ticket office and customer waiting room as well as operational and corporate offices. The project work included replacement and repairs to the canopy roof, terra cotta units, windows, exterior doors and lights, concrete and granite, waterproofing, and painting. The extensive rehabilitation will extend the life of the building and has restored the exterior of this historic LIRR facility to a state of good repair.
- Construction progressed on the interior architectural fit-out of the Centralized Train Control (CTC) facility within the Jamaica Central Control (JCC) Building in Jamaica.

Sandy Related Projects:

In 2013, the following Superstorm Sandy-related reconstruction projects were kicked-off:

- Super Storm Sandy Restoration Projects: East River Tunnel Signal System & Infrastructure Restoration Replaces signal, communication, track and power systems. Project includes track and drainage improvements: fully submersible dewatering pumps, piping, wiring and controls, along with electrically operated fire standpipe system replacement / rehabilitation, design and install dykes and/or levees. This work will be closely coordinated with Amtrak.
- Substation Replacements on the Long Beach Branch: Because of the extensive damage done to the Long Beach substations by Superstorm Sandy, infrastructure replacement is necessary to ensure long-term service reliability. A contract for the replacement of Oceanside and Oil City Substations on the Long Beach Branch was awarded in 2013. Foundation work for Oceanside Substation commence in 2013 with mobilization of LIRR Forces. A preliminary design contract, providing engineering and design services for design-build of a new fully equipped Long Beach Yard Substation was awarded in 2013.
- Systems Restoration on the Long Beach Branch: A design contract for the replacement of various systems (Signal, Communications, and Power) along the Long Beach Branch that were damaged by Super Storm Sandy was awarded in 2013 and is currently progressing. LIRR has commenced third rail component replacement in 2013.
- West Side Storage Yard Restoration: Replacement of the following components in West Side Yard: numerous signal, power, and other assets in the yard,

including switch machines, signal components, third rail components, switch heaters, and the facility's fire alarm systems.

- First Avenue Substation Restoration: Replacement of the AC Switchgear in the First Avenue Station in Manhattan.
- Long Island City Yard Restoration: Project provides for replacement of the following components in Long Island City Yard: conduit, cable and duct banks for power & communications, lighting and power systems, third rail at tracks 9-12, replace damaged switch heaters and wayside signal equipment, replace damaged facilities, and electrify tracks 7 and 8. To guard against future flooding, retention manholes, sump pumps, drainage systems, and a flood wall will be installed.
- Long Island City Yard Substation Restoration: Project replaces damaged substation components at the Long Island City Yard Substation.
- Wreck Lead Bridge Systems Restoration: Project replaces the underwater cable, bridge electrical system, and the emergency generator for the LIRR's Wreck Lead Bridge over Reynolds Channel. The bridge's new emergency generator will be constructed on an elevated platform to better protect it from future flooding / storm surge events. New cabling will utilize a special mounting system and terminations that will be designed to ensure the reliability of the systems and protect the cables from future tidal surges.
- Infrastructure / System Upgrades: This project will undertake infrastructure component repair and restoration at locations throughout the LIRR network. This includes replacement of 3rd rail power cables and switches at Shea Yard in Queens, building envelope repair and restoration at the Hillside Support Facility in Queens, replacement of a platform shelter shed at Westbury Station, replacement of the 34th Street Entrance Roll-Up Gate at Penn Station, replacement of selected 3rd rail power cables and switches, plus signal components on the Far Rockaway Branch, and replacement of platform lighting at Oceanside and Island Park Stations, and various right-of-way clean-up.

Superstorm Sandy Resiliency Projects

In addition, the LIRR has identified a need for resiliency projects to better protect the system against future weather events. The LIRR continues to work closely with the MTA in regards to developing these projects and seeking Federal funds. This includes undertaking Hazard Mitigation Cost Effectiveness Analysis for Superstorm Sandy Resiliency projects which are candidates for the approximately \$3 billion in FTA competitive resiliency funds to be awarded to agencies within the Northeast. This is in addition to the Local Priority Resiliency funds which were made available to FTA grantees.

TRANSIT-ORIENTED DEVELOPMENT

The LIRR is participating in one of the most exciting and transformative Transit Oriented Development initiatives on Long Island – Wyandanch Rising – a development project that will transform the most economically distressed area on Long Island into a vibrant mixed-use development.

In this regard, the LIRR and Town of Babylon have recently entered into a formal agreement that allows for the transfer of property and the eventual construction of a new structured parking facility at the Wyandanch Station. The parking facility will serve as the centerpiece of the Town's efforts to redevelop and revitalize downtown Wyandanch. It will provide additional parking capacity to accommodate ridership growth associated with planned service to Grand Central Terminal.

The Town has received federal and state grants toward this initiative and is one of three communities in New York State to be named a Brownfield Opportunity Area (BOA) Spotlight Community. The Wyandanch Rising initiative was also selected as “transformative” project by the Long Island Regional Economic Development Council and as a result will receive NYS funds for infrastructure improvements. The Town and LIRR are coordinating on design and construction plans for the new parking facility and new station building at the Wyandanch Station.

Additionally, the LIRR partnered with the towns of Brookhaven and Islip on the “Ronkonkoma Hub Project,” a TOD and area revitalization plan centered around the LIRR's Ronkonkoma Station. The project aims to create a community of retail spaces, offices, restaurants, and affordable housing.

SAFETY

A key component of the LIRR's mission is to provide “accessible, clean, cost effective, customer-focused transportation... that runs on time, is comfortable, user-friendly, and provides the region with a valued and indispensable service” while ensuring the safety of customers, employees, and the communities we serve.

“Think Safety / Act Safely: Working towards an accident-free workplace” is LIRR's comprehensive approach to enhance our safety culture and performance. New and revised corporate policies, department goals established by the Safety Goal Implementation Program, new and enhanced training, detailed trend analyses, and field observations, are all directed towards engaging all employees in promoting the value of safety and ensuring accountability.

Compared to 2012, the number of employee FRA reportable accidents increased in 2013 by 15%, from 189 to 217. The case rate (the number of accidents per 200,000 hours worked) for employee accidents resulting in lost time also increased by 18%. The two biggest causes of employee injury continue to be slips, trips, and falls and material handling. Departments are targeting the behaviors that contribute to these types of accidents in their awareness campaigns, field observations, and safety meetings with employees.

The total number of customer “slips/trips/falls” accidents decreased from 2012 to 2013 by 4%, from 524 to 504. A campaign addressing customer safety was launched in 2013 and will continue throughout 2014. The campaign focuses on how a customer’s behavior can contribute to the largest type of customer accidents. Behaviors being addressed include carrying too many packages and luggage and rushing to trains.

Several new safety initiatives were started in 2013. Highlights include:

- Top safety official will report directly to the president, reinforcing that safety is a prime concern for management.
- Conducted the first LIRR corporate-wide Safety Stand-Down over three days, December 5th – 7th, attended by more than 5,000 employees at over 80 locations.
- Progressed designs and began installations to enforce civil speed restrictions through modifications to the signal system at seven locations identified with critical curves. This is addition to 9 curve locations and LIRR’s only moveable bridge that already had civil speed enforcement. The new installations were implemented at one curve in 2013; the remainder will be complete in 2014.
- Issued Special Timetable Instructions to qualified personnel to reduce maximum authorized speeds leading up to curves, posted reduced speed signs at critical curves and increased observations of train movement through those areas. Enhanced speed compliance by increasing radar observations of locomotive engineers and event recorder downloads of equipment.
- Launched “Isn’t Your Life Worth the Wait/Wait For the Gate” safety education campaign aimed at motorists, to reduce train vs. car accidents at grade crossings. Included print ads, billboards, radio spots and a televised PSA video.
- In 2013, LIRR completed railroad safety training for 1,283 emergency responders from local fire departments and ambulance companies, surpassing by 62% the goal of training 800 responders annually.

The LIRR is proud to note that the Maintenance of Equipment Department received national recognition for its stellar safety record, winning the first-ever Gold Award for Commuter Rail Safety from the American Public Transportation Association (APTA). Their comprehensive approach to maintaining a safe work environment has improved employee availability, productivity and equipment reliability.

SECURITY

During 2013, the LIRR Office of Security increased security at railroad facilities through the installation of high security electronic gates, CCTV and access control device installations at several facilities.

Working in cooperation with the MTA Police, the LIRR launched "Safeguard Your PIN" public information campaign, advising customers how to protect against possible identity theft when using Ticket Vending Machines. It installed 131 advanced access control devices in 2013, bringing the total number of access control points protecting the agency's doors, gates, and train yards to more than 600.

The LIRR increased the capacity of Regional Security Command Center cameras from 464 to more than 1,300 and is in the process of enacting measures to integrate all camera views into a single system.

The LIRR continued its alcohol ban on overnight weekend trains and station platforms after midnight to ensure a more orderly travel environment. MTA police stepped up activity in Penn Station and across the system to enforce the ban.

The MTA Chairman's Gold Safety Award was issued to the Transportation Department's Train Service Assault Mitigation Task Force -- a collaborative effort by railroad managers, union officials and MTA Police. This group developed concrete strategies for reducing assaults on conductors.

MTA LONG ISLAND RAIL ROAD
2013 Year-End Reports
2013 Adopted Budget and Final Estimate vs Actual
December 2013

		<u>December 2013 Year-to-Date</u>			<u>Variance</u>	
		<u>Actual</u>	<u>Final</u>	<u>Actual</u>	<u>Vs.</u>	<u>Vs.</u>
		<u>2013</u>	<u>Estimate</u>	<u>2012</u>	<u>Final</u>	<u>2012</u>
Farebox Operating Ratio						
	Standard ⁽¹⁾	47.9%	47.4%	47.5%	0.5%	0.4%
	Adjusted ⁽²⁾	61.8%	61.0%	60.8%	0.8%	1.0%
Cost Per Passenger						
	Standard ⁽¹⁾	\$15.89	\$16.06	\$15.02	\$0.17	(\$0.87)
	Adjusted ⁽²⁾	\$13.45	\$13.80	\$12.97	\$0.35	(\$0.48)
Passenger Revenue/Passenger ⁽³⁾		\$7.61	\$7.62	\$7.14	(\$0.01)	\$0.47

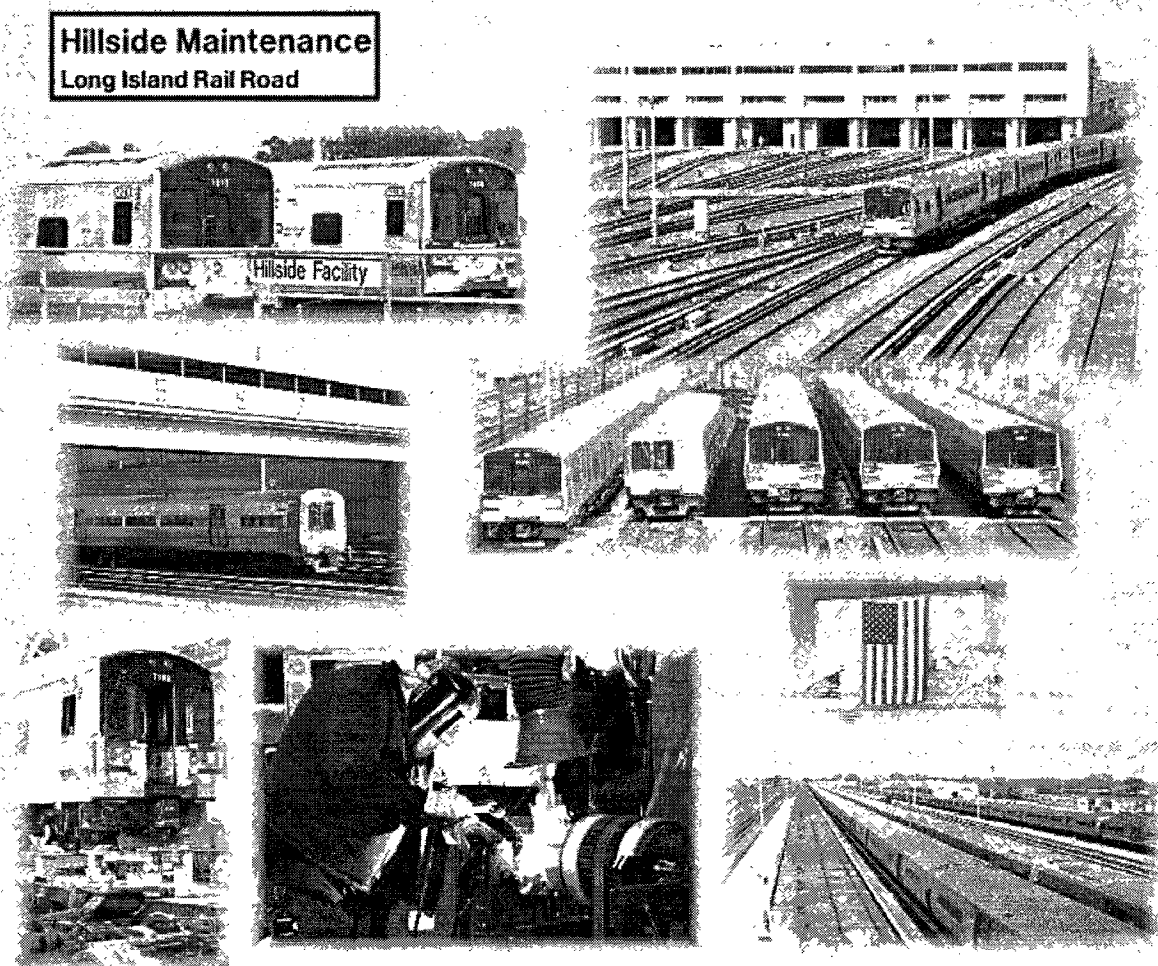
		<u>December 2013 Year-to-Date</u>			<u>Variance</u>	
		<u>Actual</u>	<u>Adopted</u>	<u>Actual</u>	<u>Vs.</u>	<u>Vs.</u>
		<u>2013</u>	<u>Budget</u>	<u>2012</u>	<u>Budget</u>	<u>2012</u>
Farebox Operating Ratio						
	Standard ⁽¹⁾	47.9%	47.2%	47.5%	0.7%	0.4%
	Adjusted ⁽²⁾	61.8%	59.2%	60.8%	2.6%	1.0%
Cost Per Passenger						
	Standard ⁽¹⁾	\$15.89	\$16.10	\$15.02	\$0.21	(\$0.87)
	Adjusted ⁽²⁾	\$13.45	\$13.81	\$12.97	\$0.36	(\$0.48)
Passenger Revenue/Passenger ⁽³⁾		\$7.61	\$7.57	\$7.14	\$0.04	\$0.47

(1) The Standard Farebox Operating Ratio and Cost Per Passenger indicators reflect MTA-wide adopted calculations that exclude non-cash liability adjustments: Depreciation, Other Post Employment Benefits and Environmental Remediation (GASB-49).

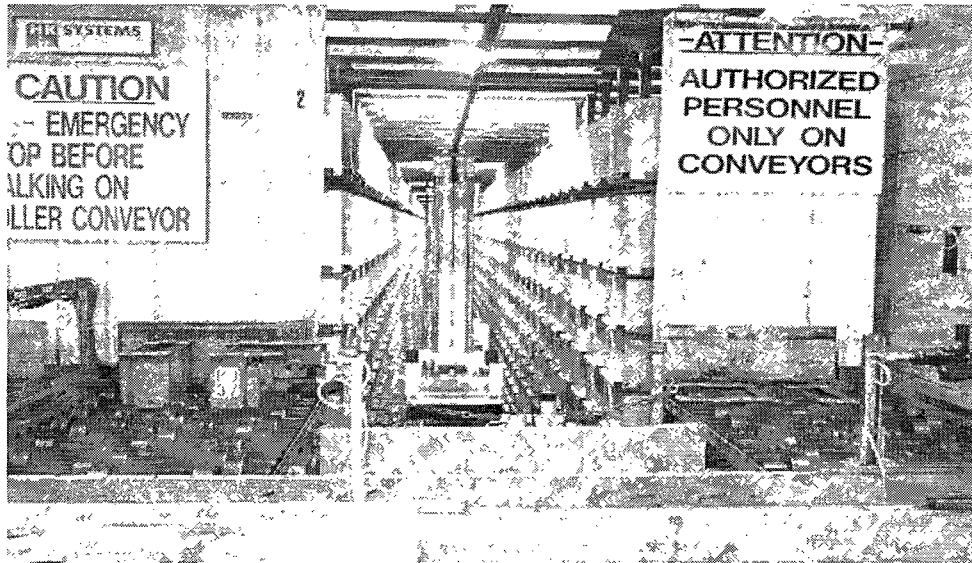
(2) Adjusted Fare Box Operating Ratio and Cost Per Passenger indicators have been adjusted for comparability between the Long Island Rail Road and Metro-North Railroad and are being presented only at the railroad operating committees. These adjustments are not being used MTA-wide. Adjustments have been made to reflect all operating revenue and significant financial impacts that are outside management's control. These adjustments include: Inclusion of Other Operating Revenue, Removal of OPEB Current Payment expenses for retirees, and Removal of the UAAL associated with the LIRR's closed pension plan.

(3) Passenger Revenue/Passenger includes Bar Car Services

MTA Long Island Rail Road Inventory Report April 2014



Mission Statement

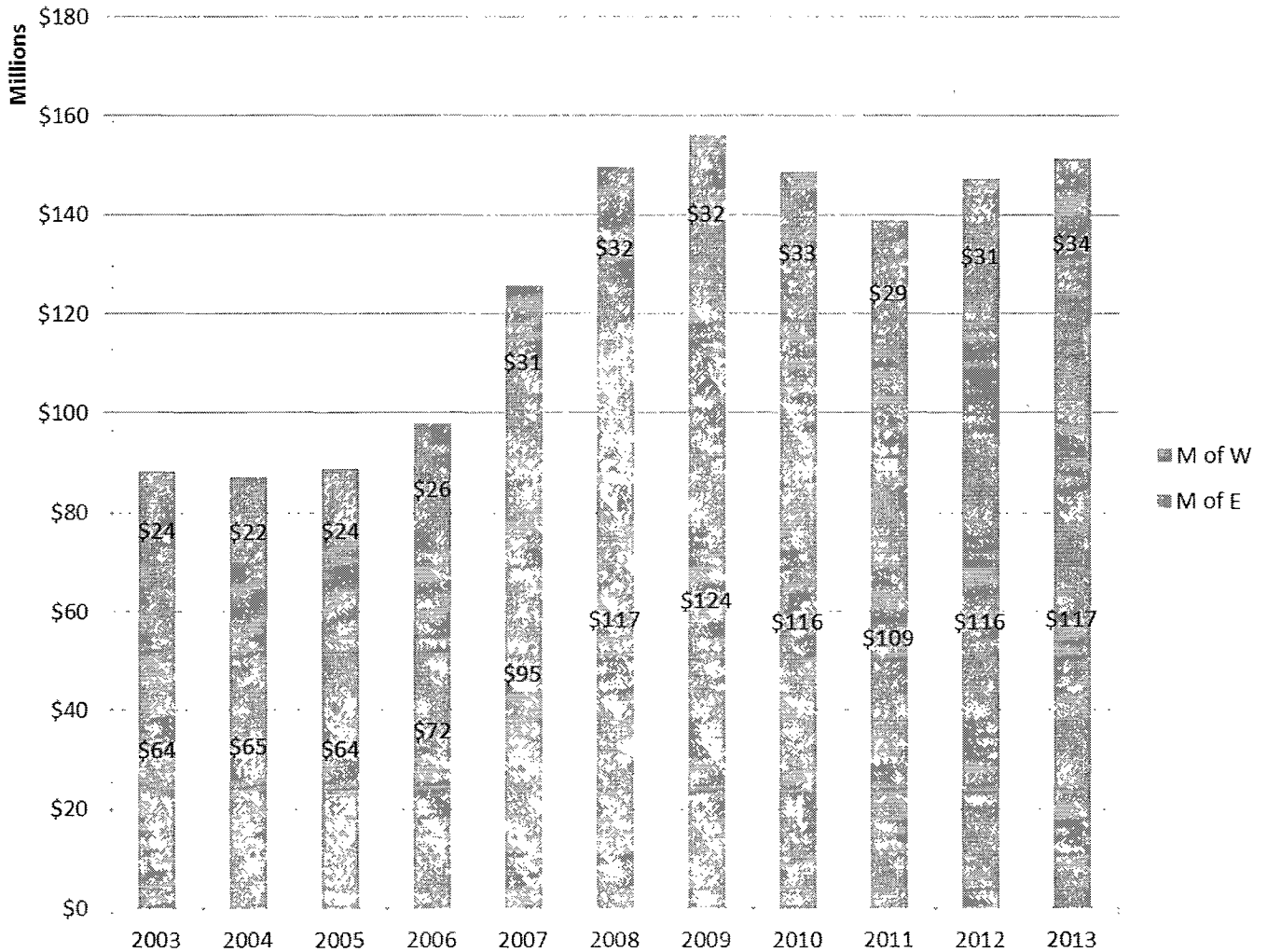


The mission of the Procurement and Logistics Department is to effectively support the LIRR's corporate charter to provide a safe, efficient and on-time rail transportation service. The availability of material and supplies is critical to this endeavor. P&L is committed to maintaining adequate inventory levels, providing an accurate accounting of all material activity, establishing and maintaining optimal replenishment levels, while ensuring inventory management practices are cost efficient and cost effective.

Inventory Task Force

LIRR established an Inventory Task Force in April 2009. The Task Force established an action plan focused on root cause identification of issues and solutions for controlling inventory. Since its inception, actions recommended by the Task Force have resulted in a budget-recognized cash savings of \$43.8M.

Inventory by Category



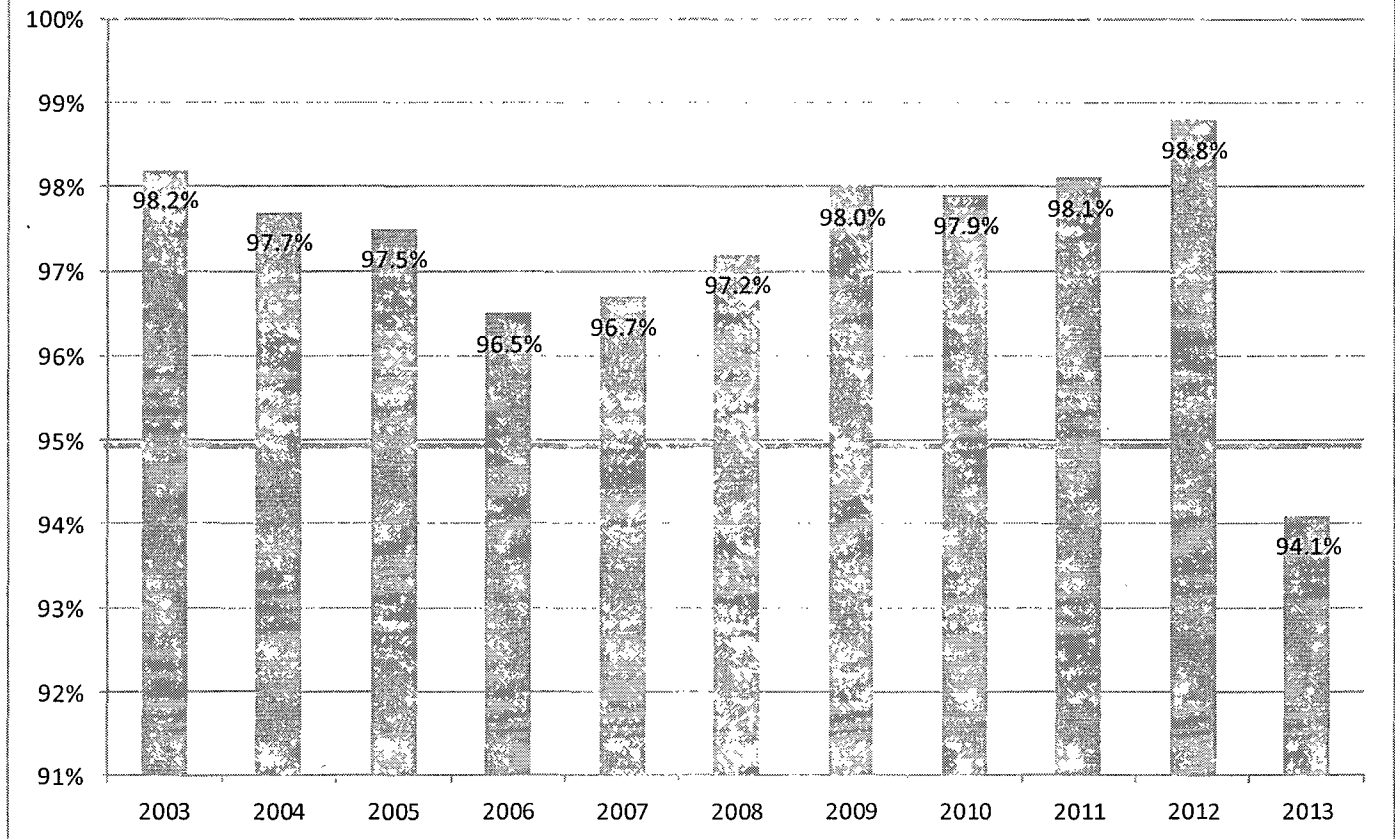
M of E

YTD increase of \$550 Thousand in total inventory value has been a direct result of early shipments of planned material scheduled for 2014 receipted for in 2013 as well as less material used for running repairs and a build up of 10-year RCM material.

M of W

The Increase in total inventory value of \$3.3 million is due to delays in Capital project activity caused primarily by weather related issues.

Material Availability 2003 thru Dec. 2013



- The LIRR service goal is 95%. This is computed as the percentage of times repair parts (“car part availability”) and working inventory is available when needed. Currently we are averaging **97.3%** over the last 11 years; however, in 2013 we did not reach our goal as a result of a mid-year change in our RCM scheduling where the rebuild quantity of the 10-year truck program was increased from 42 to 84 pair. This change caused certain material shortages which will be remedied in the 2014 Production Plan.
- Car Part Availability = Commodities on hand for the MU/Diesel Fleet to be placed in service.
- Working Inventory = Inventoried Commodities with Reorder Level assignments that have material on hand and available for use.


2013 Accomplishments

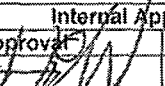



Challenge	Plan	2013 Goal	2013 YE Accomplishments
Maintain adequate inventory levels to support service level goals	<ul style="list-style-type: none"> • Daily review of Reorder Levels • Schedule JIT deliveries • Improve planning/coordination with Using Departments 	<ul style="list-style-type: none"> ➤ Reduce Inventory of current items by \$7.5M by 12/2013 ➤ Ensure Material Availability in support of RCM Program needs ➤ Roll out Task Force initiatives to include M/W assets 	<ul style="list-style-type: none"> ✓ Realized cash savings in excess of \$9.8M ✓ Maintained an average material availability - 97.3%
Reduce Excess / Inactive inventory	<ul style="list-style-type: none"> • Determine disposition of Inactive Material • Coordinate with Using departments tagging of material for sell/scrap or protect status 	<ul style="list-style-type: none"> ➤ Identify appropriate actions for excess / inactive material reduction opportunities ➤ 2013 Goal = \$1.7M Q1 - \$425K Q2 - \$425K Q3 - \$425K Q4 - \$425K 	<ul style="list-style-type: none"> ✓ Task Team continues to review and scrub data to identify areas for excess / inactive materials. YE sale/scrap of \$1.7M achieved.
Non-Inventory Accountability	<ul style="list-style-type: none"> • Deploy Task Team to review 2010 non-stock purchases • Determine candidate Non-Stock Material that should be established into inventory • Review spending patterns for disassociated non-stock purchases 	<ul style="list-style-type: none"> ➤ Enact plan in Q3 and Reduce annual spend on Operating funded non-stock purchases by 5% Q3 - \$150K Q4 - \$150K ➤ Ensure commodities are properly linked to commodity classifications defined in PeopleSoft to ensure all purchases for same commodities are consolidated 	<ul style="list-style-type: none"> ✓ Annual spend on non-stock purchases continues to trend favorably. ✓ Reductions in non-stock spending, over time, will increase overall inventory values as more items become "stock" and managed through the Task Force process ✓ Over 80,000 items linked to a LIRR stock account
Regular Tracking and Reporting	<ul style="list-style-type: none"> • Establish indicators and corresponding reports for regular review and action 	<ul style="list-style-type: none"> ➤ Make proactive corrections prior to procurement process begins to ensure purchases meet actual need 	<ul style="list-style-type: none"> ✓ 100% of replenishment requisitions are analyzed before processing ✓ Key Performance indicators established, reported and tracked monthly

2014 Action Plan

Challenge	Plans	2014 Goal
Maintain adequate inventory levels to support service level goals	<ul style="list-style-type: none"> • Daily review of Reorder Levels • Schedule JIT deliveries • Improve planning/ coordination with Using Departments • Address changes to the Production Plan in a timely manner. • Review and revise historical delivery schedules to better meet production plan/shop capacity objectives. 	<ul style="list-style-type: none"> ➤ Reduce Inventory of current items by \$10M by 12/2014 ➤ Ensure Material Availability in support of RCM Program needs <ul style="list-style-type: none"> • Expedite Report Updates • Timely Placement of Long Lead Requirements • Timely Placement of Mandated FRA Work ➤ Roll out Task Force initiatives to include M/W assets
Reduce Excess / Inactive inventory	<ul style="list-style-type: none"> • Review excess/inactive material and identify commodities for sale/scrap • Coordinate with Using departments tagging of material for sell/scrap or protect status 	<ul style="list-style-type: none"> ➤ Identify appropriate actions for excess / inactive material reduction opportunities ➤ 2014 Goal = \$1.7M <ul style="list-style-type: none"> Q1 - \$425K Q2 - \$425K Q3 - \$425K Q4 - \$425K
Non-Inventory Accountability	<ul style="list-style-type: none"> • Task Team continues review of non-stock purchases • Determine candidate Non-Stock Material that should be established into inventory • Review spending patterns for disassociated non-stock purchases 	<ul style="list-style-type: none"> ➤ Reduce Y/E 2014 annual spend on Operating funded non-stock purchases by 5% <ul style="list-style-type: none"> Q1 - \$150K Q2 - \$150K Q3 - \$150K Q4 - \$150K ➤ Ensure commodities are properly linked to commodity classifications defined in PeopleSoft to ensure all purchases for same commodities are consolidated
Regular Tracking and Reporting	<ul style="list-style-type: none"> • Establish indicators and corresponding reports for regular review and action 	<ul style="list-style-type: none"> ➤ Make proactive corrections prior to beginning the procurement process to ensure purchases meet actual need ➤ Reduce/Re-Plan/Reject Requirements
Proper System Utilization	<ul style="list-style-type: none"> • Sort out and Identify system enhancements to address needs 	<ul style="list-style-type: none"> ➤ Modify Maximo (Inventory System) to prevent miscoding of material issues.

Staff Summary

Subject MAY TIMETABLE CHANGE/TRACK WORK PROGRAMS						Date APRIL 28, 2014			
Department SR. VICE PRESIDENT – OPERATIONS						Vendor Name			
Department Head Name M. GELORMINO						Contract Number			
Department Head Signature 						Contract Manager Signature			
Project Manager Name									
Board Action									
Order	To	Date	Approval	Info	Other				
1	LI COMM	4/28/14							

Internal Approval			
Order	Approval	Order	Approval
4	President 	1	Sr. VP Op. 
3	Executive VP 		
2	VP Mktg & PA 		

PURPOSE:

To inform the Long Island Committee of the MTA Long Island Rail Road's plan to adjust schedules beginning May 19, 2014, through September 1, 2014. Projects supported during this time include: mechanized ties, switch replacement, West Side Yard overbuild construction and Jamaica capacity improvement projects. Continuing projects include: East Side Access work- Harold interlocking, Atlantic Avenue tunnel lighting work and half tie replacement, Massapequa Station rehabilitation, Long Beach branch Sandy restoration and third rail replacement on the Hempstead branch.

MAY 19 TIMETABLE CHANGE

Service Improvement

- Weekend service between Ronkonkoma and Greenport will be restored May 3, 2014 as part of the overall service restorations previously reported in September, 2013. This service improvement will accommodate efforts to grow the North Fork market as the summer season approaches.

Summer Construction Activities

- Main Line Mechanized Tie Replacement – One of two main tracks will be out of service midday weekdays between Hicksville and Farmingdale for Mechanized Tie replacement.
- Central branch Mechanized Tie Replacement– Single main track will be out of service midday weekdays from Bethpage to Babylon for Mechanized Tie replacement and Crossing renewals on the branch.
- Babylon branch Track Surfacing – One of two main tracks will be out of service overnight weekdays from Amityville to Babylon for Track Surfacing.
- Long Beach branch Switch Replacement – One of two main tracks between Valley Stream and Long Beach on the Long Beach branch will be out of service on weekends for switch replacement, Valley interlocking.

- West Side Yard Overbuild – Four of thirty storage tracks will be out of service in order to support overbuild construction activity, West Side Yard.

Summer Construction Activities

- Jamaica Capacity Improvements – Two of four storage tracks will be out of service in Jamaica's Johnson Ave. yard to support construction activities related to the Jamaica Capacity Improvement project.
- Projects completed and schedules restored
 - Main Line Concrete Tie Replacement Jamaica – Queens Village
 - Main Line Mechanized Tie Replacement Riverhead – Greenport.

Track Work Programs

- Oyster Bay branch – Both main tracks will be out of service between Mineola and Locust Valley as well as single main track from Locust Valley to Oyster Bay for four 48 hour weekends, May 3-4, May 17-18, May 31-June 1 and June 14-15, 2014 for concrete tie installation.

DISCUSSION

Summer Construction Activities

- Main Line – One of two main tracks will be out of service midday weekdays between Hicksville and Farmingdale for Mechanized Tie replacement. Two westbound off peak Farmingdale trains have been adjusted 17 minutes later and some midday off peak Main Line trains have one minute added to their schedule to allow for a slower speed through the work zone.
- Central Branch – Single main track will be out of service midday weekdays between Bethpage and Babylon for mechanized tie replacement. Montauk trains will be rerouted over the Babylon branch. Three eastbound and one westbound off peak midday Babylon branch trains will also be adjusted between one minute later and one minute earlier to accommodate this work.
- Babylon branch – One of two main tracks will be out of service overnight weeknights between Amityville and Babylon for track surfacing. As a result, 35 overnight Babylon trains and their connections have been adjusted between 15 minutes earlier and 13 minutes later. Trains operating through this work zone have had 1 minute running time added where necessary.
- Long Beach branch – One of two main tracks will be out of service between Valley Stream and Long Beach on weekends for switch replacement, Valley interlocking. Long Beach trains and their connections are adjusted between seven minutes earlier and 15 minutes later. In addition, eastbound Long Beach trains will no longer connect with eastbound Montauk trains. Dedicated Freeport trains will connect with the eastbound Montauk trains on weekend mornings to further relieve customer congestion on Long Beach trains.
- West Side Yard Overbuild and Jamaica Capacity Improvements – As a result of overbuild construction activity in West Side Yard and construction activity in Jamaica vicinity to support the Jamaica Capacity Improvements project, non-passenger trains will be stored in alternate locations. Four sets of trains will be relocated to Long Beach and two sets of trains will be relocated to Shea Yard at Mets-Willets Point. There is no anticipated impact to customers from these equipment relocations.

Track Work Programs

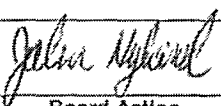
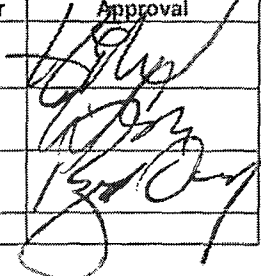
- Oyster Bay branch - Both main tracks will be out of service between Mineola and Locust Valley as well as single main track from Locust Valley to Oyster Bay for four 48 hour weekends, May 3-4, May 17-18, May 31-June 1 and June 14-15, 2014 for concrete tie installation. Eastbound customers will board trains at western terminals for Mineola, where they will transfer to buses for stations East Williston through Oyster Bay. Customers will arrive up to 27 minutes later than normal. Westbound customers will board buses at stations Oyster Bay through East Williston for Mineola, where train service will resume. Customers will depart up to 51 minutes later and may experience up to 40 minutes of additional travel time.

Public Timetables and other informational material will be issued providing details of service.

IMPACT ON FUNDING

Funding for the construction/track work programs is contained in the Long Island Rail Road operating and capital budgets.

Staff Summary

Subject MTA Police Department Radio Project -Strategic Partnerships: Agreement with Amtrak to utilize Amtrak's East River Tunnel Antenna System						Date April 28, 2014	
Department Security						Vendor Name	
Department Head Name Raymond Diaz, MTA Director of Security and Helena Williams, President LIRR						Contract Number	
Department Head Signature						Contract Manager Signature	
Project Manager Name John Hyland, LIRR 							
Board Action							
Order	To	Date	Approval	Info	Other	Internal Approval	
1	LIRR & MNR Committee	4/28/14				1	LIRR President, Helena Williams 
						2	MTAPD Chief, Michael Coan
						3	Raymond Diaz, MTA Director of Security

PURPOSE:

This is to inform the Long Island Rail Road and Metro-North Railroad Operating Committees that pursuant to an earlier Board authorization, the MTA Director of Safety and Security, on behalf of the MTA PD, will execute an agreement with Amtrak to use the Amtrak Antenna System in the East River Tunnels to provide radio coverage for the MTA Police in the tunnels.

DISCUSSION

In July 2011, in connection with the MTA PD Radio Project, the MTA Director of Safety & Security was authorized by the Board to enter into agreements with state and local public safety agencies to leverage and utilize existing radio system infrastructure. MTA PD has now reached agreement with Amtrak on a License Agreement allowing MTA PD to utilize Amtrak's East River Tunnel (ERT) Antenna infrastructure, to provide MTA PD Radio coverage in the ERT's. The installation of these Amtrak facilities was funded by the Federal government under the American Recovery and Reinvestment Act of 2009. This Amtrak License authorizes the MTA PD to connect to and share the use of Amtrak's Radiax Cable System in the ERT's, at no cost to MTA PD. The agreement requires that the MTA PD operate on specific channels so as not to interfere with Amtrak's use. MTA PD will be linking into the cabling via interconnections in the ERT Vent Buildings in Long Island City and on 1st Avenue in Manhattan. The term of the agreement is 3 years and is automatically renewable for an additional 3 years, unless terminated by either party. Leveraging of Amtrak's tunnel antenna infrastructure will result in a cost savings to MTA of approximately \$8M, as compared to the estimated costs for installing an independent system strictly to serve MTA PD. Utilizing the Amtrak system also results in coverage being achieved approximately six years sooner than would have been the case if MTA had to implement its own system in the ERT's.

Radio coverage in the East River Tunnels has been a key goal of the Police Radio Project since it will provide better protection for officers and customers.

Staff Summary

Page 1 of 2

Item Number:						SUMMARY INFORMATION	
Dept & Dept Head Name: Planning/W. Wheeler						Vendor Name: TBD	
Division & Division Head Name: -----						Contract Number:	
						Description: Emergency Bus Services	
						Total Amount: TBD	
						Contract Term (including Options, if any)	
						Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
						Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
						Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
						Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Board Reviews					
Order	To	Date	Approval	Info	Other
1	LI Committee	4/28/14		x	
2	Finance	4/28	x		
3	Board	4/30	x		

Internal Approvals			
Order	Approval	Order	Approval
1	General Counsel		<i>[Signature]</i>
2	Chief Financial Officer		<i>[Signature]</i>
3	Dir Labor Relations		<i>[Signature]</i>
4	Chief of Staff		<i>[Signature]</i>

PURPOSE/RECOMMENDATION:

Approval is requested to use the Request for Proposals (RFP) process to solicit and evaluate proposals from prospective vendors to provide and operate weekday bus services under the direction of the MTA in the event of a strike at Long Island Rail Road later this year.

II. DISCUSSION:

MTA has been negotiating with Long Island Rail Road unions since their contracts expired in June of 2010. A coalition of eight LIRR unions comprised of 5,300 employees proceeded to mediation under the Railway Labor Act and were released from mediation at the end of 2013. Since that time, two separate Presidential Emergency Boards have been convened in an effort to resolve the outstanding issues between the parties. The second Presidential Emergency Board conducted hearings last week and will issue a recommendation to the parties in May. A 60-day cooling off period will follow, and both labor and management will have the right to exercise self-help if they are unable to reach a settlement by mid-July.

Although MTA recognizes that a strike would be tremendously disruptive to LIRR customers and the regional economy and remains committed to reaching a settlement with the LIRR unions, it is nonetheless prudent to make necessary preparations in the event of the cessation of LIRR service later this year. One strategy would be to offer limited bus service on weekdays only between certain sites in the LIRR service territory and locations within the City of New York with connecting NYCT subway and/or bus service. Because of the uncertainty as to the precise timing and duration of any work stoppage, it is important to act now to identify vendors who are sufficiently flexible to be able to offer these services on an as-needed basis.

Upon completion of the RFP process, Board approval will be sought.

III. D/M/WBE INFORMATION:

MTA Planning will work with the MTA Department of Diversity and Civil Rights with respect to the assignment of goals for these contract(s).

IV. IMPACT ON FUNDING: TBD

V. ALTERNATIVES:

1. Not to provide emergency bus service in the event of an LIRR strike. This is not recommended, as emergency bus service, together with encouraging telecommuting and carpooling, will form part of an overall strategy to assist LIRR customers with their travel needs for the duration of any work stoppage.

Staff Summary

Page 2 of 2

2. Use NYCT and/or MTA Bus resources to provide the emergency service. This is not practical. MTA bus transit resources are completely committed to providing daily service to over 2.6m customers.



Metro-North Railroad

Information Items

April 2014

MTA METRO-NORTH RAILROAD 2013 YEAR-END REPORT SUMMARY

Metro-North's overall financial results were within 1% of the 2013 Final Estimate with an Operating Deficit of \$690.6 million that was \$8.8 million higher than projected. On a cash basis, operating subsidy requirements were \$6.0 million lower than the 2013 Final Estimate.

Total Operating Revenue of \$680.9 million was \$12.7 million lower than the 2013 Final Estimate. Farebox Revenue of \$618.8 million was \$2.5 million lower than the 2013 Final Estimate reflecting lower ridership growth, year-end inclement weather, and the impact of the December 1st derailment at Spuyten Duyvil. Other Operating Revenue of \$62.1 million was \$10.2 million lower than the 2013 Final Estimate which reflects a re-timing of Tropical Storm Irene loss recoveries until 2014.

Total Operating Expenses of \$1,371.5 million were \$3.9 million lower than the 2013 Final Estimate. This favorable variance is driven by lower non-labor expenses of \$11.9 million combined with lower non-cash expense accruals for Depreciation, Other Post-Employment Benefits (OPEB) Obligation and Environmental Remediation totaling \$4.8 million, partially offset by \$12.8 million in higher labor costs.

Favorable non-labor costs were primarily the result of: lower materials and supplies usage of \$6.1 million due to both timing of repairs and lower requirements for the New Haven Line (NHL) car fleet (primarily M-8 cars); a reduced level of maintenance contract costs of \$5.1 million mainly due to rescheduling of locomotive overhauls and lower than projected costs for equipment rentals, utilities and other miscellaneous services; lower propulsion costs of \$4.5 million related to lower inflation rates; and lower professional service requirements for engineering and IT services of \$4.6 million. These cost reductions were partially offset by an increase in labor costs of \$12.8 million associated with a higher claims liability reserve and increased overtime to support the Infrastructure Improvement Program.

Reimbursable revenues (and expenditures) totaling \$151.4 million were \$13.4 million lower than the Final Estimate primarily due to the reallocation of resources to non-reimbursable infrastructure improvement priorities.

The net cash deficit for the year of \$399.2 million was \$6.0 million lower than the 2013 Final Estimate. Cash receipts totaling \$865.7 million were \$16.6 million lower than the 2013 Final Estimate. This was primarily due to an \$11.3 million unfavorable "timing" difference in reimbursements from capital projects and a rescheduling of operating loss recoveries for Tropical Storm Irene damages to 2014. In addition, a "real" (permanent) variance of \$5.3 million was due mainly to a lower than anticipated reimbursement for capital asset replacements also related to Tropical Storm Irene damages (\$4.4 million). Cash disbursements of \$1,265.0 million were \$22.7 million lower than the 2013 Final

Estimate, of which \$12.6 million is a “real” (permanent) variance that is not projected to recur in 2014. This favorable permanent variance is combined with a favorable “timing” variance of \$10.1 million comprised of lower contracted services for current year projects (\$12.8 million), accrued wage settlements not paid (\$6.5 million), and payments for insurance premiums and diversity training (totaling \$4.5 million). These favorable items were partially offset by a prepayment of 2014 pension obligations of \$13.7 million.

The net cash deficit of \$399.2 million was \$6.0 million lower than the 2013 Final Estimate. The cash deficit was funded by operating subsidies of \$404.6 million (MTA share \$333.8 million, CDOT share \$70.8 million) that was partially offset by a \$5.5 million increase in available cash balances.

Detailed explanations for differences between actual results and both the 2013 Final Estimate and 2013 Adopted Budget are included in the following pages. As always, Metro-North will continue to closely monitor its financial performance and resource requirements and will make appropriate forecast adjustments going forward.

**MTA METRO-NORTH RAILROAD
2013 YEAR-END REPORT
DETAILED EXPLANATIONS OF REVENUE AND EXPENSES VARIANCES
BY GENERIC CATEGORY – ACCRUAL BASIS**

2013 ACTUALS VS FINAL ESTIMATE

NON-REIMBURSABLE

Total Revenue of \$680.9 million was \$12.7 million lower than the 2013 Final Estimate. **Farebox Revenue** of \$618.8 million was \$2.5 million lower than the 2013 Final Estimate reflecting lower ridership growth, inclement weather, and the impact of the December 1st derailment at Spuyten Duyvil. **Other Operating Revenue** of \$62.1 million was \$10.2 million lower than the 2013 Final Estimate, which reflects a re-timing of Tropical Storm Irene loss recoveries until 2014.

Total Expenses, including non-cash expenses for Depreciation, OPEB Obligation, and Environmental Remediation, were \$1,371.5 million or \$3.9 million lower than the 2013 Final Estimate.

Payroll expenses were \$0.9 million lower than the 2013 Final Estimate due primarily to higher than projected vacancies. **Overtime** costs were \$6.1 million higher than projected due to increased work efforts related to the Infrastructure Improvement and Station Enhancement programs, coverage requirements related to mechanical employee training and the December 1st derailment at Spuyten Duyvil. **Health and Welfare costs** (including OPEB Current Payments) were \$5.2 million favorable due to fewer paid positions and lower premiums. **Pensions** were \$1.2 million higher than the Final Estimate due to revised actuarial estimates. **Other Fringe Benefit** expenses including payroll taxes were \$11.9 million higher than the 2013 Final Estimate primarily due to an increase in the provision for accrued employee claims costs of \$10.2 million. **Reimbursable Overhead** cost recoveries were \$0.4 million higher than the 2013 Final Estimate.

Electric Power expenses were lower than the 2013 Final Estimate by \$4.5 million primarily due to favorable rates and the capitalization of \$1.0 million for energy efficient equipment installations by New York Power Authority (NYPA) previously included with electric power costs. **Fuel** expenses were \$0.6 million higher than the 2013 Final Estimate. **Insurance** expenses were \$0.4 million lower than the 2013 Final Estimate. Accrued **Claims** expenses were \$9.9 million higher than the 2013 Final Estimate due to an increase in the reserve for passenger claims driven by the May and December derailments. **Maintenance and Other Operating Contracts** were \$5.1 million lower than the 2013 Final Estimate primarily due to lower infrastructure improvement program equipment rental costs and a vendor delay in the Genesis Locomotive overhaul program. These favorable variances were partially offset by expenditures for substitute bus services required during extraordinary train service disruptions and derailments that took place during the year. **Professional Services** were \$4.6 million below the 2013 Final Estimate due to lower than expected expenses for IT costs, hardware, legal and medical services. **Material & Supplies** were \$6.1 million lower than the 2013 Final

Estimate primarily due to a delay in the purchase of M-8 truck/suspension repair parts and lower usage of rolling stock parts and supplies. **Other Business Expenses** were \$1.8 million lower than the 2013 Final Estimate primarily due to higher Amtrak recoveries and timing differences for costs related to Equal Employment Opportunity (EEO) and Sexual Harassment Prevention training. **Depreciation** expense was \$3.2 million higher than the 2013 Final Estimate due to timing differences in the completion of a number of capital projects. **OPEB Obligation** was \$7.0 million lower than the Final 2013 Estimate primarily due to updated actuarial estimates. **Environmental Remediation** expense estimate was \$1.0 million lower than anticipated due to fewer capital projects requiring remediation services.

REIMBURSABLE

Capital program expenses (and reimbursements) were \$13.4 million lower than the 2013 Final Estimate. **Labor expenses** (including fringes and overhead) were \$1.8 million lower than the 2013 Final Estimate due to the reallocation of forces to support the expanded non-reimbursable Infrastructure Improvement Program. **Non-Labor** expenditures were \$11.6 million lower than the Final 2013 Estimate reflecting lower activity in **Maintenance Contracts** and **Material & Supplies** due primarily to scheduling changes in the Positive Train Control, Replacement of Fiber/C&S Cables, and the Bronx Station Improvement projects.

2013 ACTUALS vs. ADOPTED BUDGET

NON-REIMBURSABLE

Total Revenue of \$680.9 million was \$33.2 million lower than the 2013 Adopted Budget. **Farebox Revenue** of \$618.8 million was \$27.2 million lower than the 2013 Adopted Budget reflecting lower than expected ridership growth and the impact of several service disruptions and derailments that occurred during the year, which included a customer fare credit associated with the Con Edison (Con Ed) power outage on the New Haven Line. **Other Operating Revenue** of \$62.1 million was \$6.0 million lower than the 2013 Adopted Budget due to delayed recoveries related to Tropical Storm Irene and lower advertising revenue, partially offset by higher than projected recoveries for Superstorm Sandy damages as well as higher net GCT retail revenue.

Total Expenses of \$1,371.5 million is \$13.4 million lower than the 2013 Adopted Budget. An improvement of \$37.3 million related to non-cash accruals for Depreciation, OPEB Obligation and Environmental Remediation as well as lower non-payroll expense of \$0.5 million was partially offset by higher labor expenses of \$24.4 million.

Payroll expenses were \$1.4 million below the 2013 Adopted Budget. **Overtime** costs were \$13.8 million higher than the 2013 Adopted Budget reflecting work efforts associated with the Infrastructure and Station Improvement programs, severe winter weather events, several extraordinary service disruptions (including derailment incidents and the NHL Con Ed power outage), and Superstorm Sandy recovery/repair efforts. **Health and Welfare** (including OPEB current payments) was \$11.0 million below the 2013 Adopted Budget due to lower healthcare premiums and vacancies of \$13.7 million partially offset by higher OPEB expense of \$2.7 million driven by a higher number of retirees. **Pension** expenses were \$3.9 million higher than the 2013 Adopted Budget due

to refined actuarial estimates recorded during the year. **Other Fringe Benefits** were \$15.8 million higher than the 2013 Adopted Budget, reflecting higher claim provisions and labor costs. **Reimbursable Overhead** cost recoveries were \$3.4 million lower than the 2013 Adopted Budget reflecting lower capital project activity.

Electric Power expenses were \$10.8 million lower than the 2013 Adopted Budget due primarily to favorable rates and the capitalization of \$1.0 million for energy efficient equipment installations by NYPA previously included with electric power costs. **Fuel** expenses were \$1.6 million higher than the 2013 Adopted Budget due to higher rates and a longer than usual winter heating season. **Insurance** expenses were \$1.8 million higher than the 2013 Adopted Budget reflecting higher premiums related to the new MTA catastrophic Bond program. Accrued **Claims** expenses were \$9.8 million higher than the 2013 Adopted Budget due to the increase in estimated passenger claims reserves driven by the May and December derailments. **Maintenance and Other Operating Contracts** expenditures was \$2.8 million under the 2013 Adopted Budget reflecting vendor related scheduling changes in locomotive overhauls and lower costs for maintenance services and utilities. These decreases were partially offset by expenditures for substitute bus service support during extraordinary train service disruptions and derailments, and adjustments for prior year MTA Police costs. **Professional Services** were \$5.4 million favorable versus the 2013 Adopted Budget due primarily to lower expenditures for information technology, legal and medical services. **Material & Supplies** were \$1.5 million under the 2013 Adopted Budget reflecting lower expenditures for rolling stock parts & supplies and car seat materials, partially offset by accounting adjustments for obsolete material and increased expenditures for the Infrastructure Improvement Program. **Other Business Expenses** were \$6.8 million higher than the 2013 Adopted Budget primarily due to the write-off of derailment-damaged rolling stock and lower Amtrak cost recoveries, partially offset by lower New Jersey Transit (NJT) subsidy requirements. **Depreciation** expense was \$14.2 million below the 2013 Adopted Budget due to timing differences in the completion of capital projects. **OPEB Obligation** was favorable by \$21.0 million due to updated actuarial estimates. **Environmental Remediation** expenses were favorable by \$2.0 million due to fewer capital projects requiring remediation services.

REIMBURSABLE

Capital program expenditures (and reimbursements) were \$47.5 million lower than the 2013 Adopted Budget. **Labor expenses** (including fringes and overhead) were \$18.4 million lower than the 2013 Adopted Budget primarily due to a shift in maintenance staffing resources to non-reimbursable infrastructure improvement priorities as well as scheduling changes in the Positive Train Control and New Haven (NH) Component Change-Out shop projects. **Non-Payroll** expenditures were \$29.1 million lower than the Adopted Budget primarily due to lower contract service and material requirements as a result of scheduling changes in the Positive Train Control project, Bronx Station Improvements, Overhead Bridge and Signal Programs, and the NH Component Change-out Shop. In addition, the shift in work efforts to non-reimbursable project work also contributed to lower material expenditures.

MTA METRO NORTH RAILROAD
2013 Year-End Report
Accrual Statement of Operations by Category
2013 Adopted Budget and Final Estimate vs. Actual
(\$ in millions)

SCHEDULE I-A

NON-REIMBURSABLE

	December 2013 Year-to-Date			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual ^A	2013 Adopted Budget		Final Estimate	
	\$			\$	%	\$	%
Revenue							
Farebox Revenue	\$645.988	\$621.318	\$618.812	(\$27.176)	(4.2)	(\$2.506)	(0.4)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	68.121	72.322	62.094	(6.026)	(8.8)	(10.227)	(14.1)
MTA	0.000	0.000	0.000	0.000	-	0.000	-
CDOT	0.000	0.000	0.000	0.000	-	0.000	-
Other	0.000	0.000	0.000	0.000	-	0.000	-
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	-	0.000	-
Total Revenue	\$714.108	\$693.640	\$680.906	(\$33.203)	(4.6)	(\$12.734)	(1.8)
Expenses							
Labor:							
Payroll	\$413.523	\$412.986	\$412.077	\$1.445	0.3	\$0.908	0.2
Overtime	54.917	62.620	68.741	(13.824)	(25.2)	(6.121)	(9.8)
Health and Welfare	104.462	96.604	90.742	13.721	13.1	5.862	6.1
OPEB Current Payment	19.000	21.000	21.692	(2.692)	(14.2)	(0.692)	(3.3)
Pensions	73.270	75.972	77.182	(3.912)	(5.3)	(1.210)	(1.6)
Other Fringe Benefits	94.694	98.582	110.474	(15.780)	(16.7)	(11.892)	(12.1)
GASB Account	0.000	0.000	0.000	0.000	-	0.000	-
Reimbursable Overhead	(39.667)	(35.949)	(36.298)	(3.369)	(8.5)	0.350	1.0
Total Labor Expenses	\$720.198	\$731.815	\$744.610	(\$24.412)	(3.4)	(\$12.795)	(1.7)
Non-Labor:							
Electric Power	\$84.823	\$78.535	\$74.025	\$10.798	12.7	\$4.510	5.7
Fuel	28.000	29.073	29.637	(1.637)	(5.8)	(0.564)	(1.9)
Insurance	12.551	14.802	14.386	(1.836)	(14.6)	0.416	2.8
Claims	0.535	0.393	10.331	(9.796)	*	(9.938)	*
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	96.472	98.732	93.655	2.818	2.9	5.077	5.1
Professional Service Contracts	28.812	27.973	23.384	5.428	18.8	4.589	16.4
Materials & Supplies	66.600	71.135	65.081	1.520	2.3	6.054	8.5
Other Business Expenses	24.706	33.229	31.457	(6.751)	(27.3)	1.773	5.3
Total Non-Labor Expenses	\$342.499	\$353.872	\$341.956	\$0.543	0.2	\$11.917	3.4
Other Expense Adjustments:							
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Expenses before Depreciation and GASB Adjs.	\$1,062.696	\$1,085.688	\$1,086.566	(\$23.869)	(2.2)	(\$0.878)	0.0
Depreciation	\$242.189	\$224.771	\$227.980	\$14.209	5.9	(\$3.209)	(1.4)
OPEB Obligation	76.073	62.070	55.035	21.038	27.7	7.035	11.3
Environmental Remediation	3.955	2.885	1.927	2.028	51.3	0.958	33.2
Total Expenses	\$1,384.913	\$1,375.414	\$1,371.508	\$13.405	1.0	\$3.905	0.3
Baseline Surplus/(Deficit)	(\$670.805)	(\$681.774)	(\$690.603)	(\$19.798)	(3.0)	(\$8.829)	(1.3)
Cash Conversion Adjustments:							
Depreciation	\$242.189	\$224.771	\$227.980	(\$14.209)	(5.9)	\$3.209	1.4
Operating/Capital	(36.551)	(31.902)	(24.512)	12.039	32.9	7.390	23.2
Other Cash Adjustments	28.170	83.624	87.892	59.722	*	4.268	5.1
Total Cash Conversion Adjustments	\$233.808	\$276.493	\$291.361	\$57.552	24.6	\$14.867	5.4
Baseline Cash Surplus/(Deficit)	(\$436.997)	(\$405.281)	(\$399.242)	\$37.755	8.6	\$6.039	1.5

^AResults are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%.

MTA METRO NORTH RAILROAD
2013 Year-End Report
Accrual Statement of Operations by Category
2013 Adopted Budget and Final Estimate vs. Actual
(\$ in millions)

SCHEDULE I-B

REIMBURSABLE

	December 2013 Year-to-Date			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual [^]	2013 Adopted Budget		Final Estimate	
				\$	%	\$	%
Revenue							
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	0.000	0.000	0.000	0.000	-	0.000	-
MTA	118.188	86.168	81.571	(36.617)	(31.0)	(4.597)	(5.3)
CDOT	67.746	68.887	58.111	(9.634)	(14.2)	(10.776)	(15.6)
Other	12.916	9.747	11.688	(1.228)	(9.5)	1.942	19.9
Capital and Other Reimbursements	198.850	164.802	151.370	(47.480)	(23.9)	(13.432)	(8.2)
Total Revenue	\$198.850	\$164.802	\$151.370	(\$47.480)	(23.9)	(\$13.432)	(8.2)
Expenses							
<u>Labor:</u>							
Payroll	\$43.780	\$36.548	\$36.561	\$7.219	16.5	(\$0.013)	0.0
Overtime	15.992	16.330	15.822	0.170	1.1	0.509	3.1
Health and Welfare	15.090	12.296	12.040	3.050	20.2	0.255	2.1
OPEB Current Payment	0.000	0.000	0.000	0.000	-	0.000	-
Pensions	8.849	7.364	7.274	1.575	17.8	0.091	1.2
Other Fringe Benefits	9.993	9.312	9.259	0.734	7.3	0.053	0.6
Reimbursable Overhead	39.546	34.892	33.940	5.606	14.2	0.951	2.7
Total Labor Expenses	\$133.250	\$116.742	\$114.896	\$18.355	13.8	\$1.847	1.6
<u>Non-Labor:</u>							
Electric Power	\$0.000	\$0.000	\$0.215	(\$0.215)	-	(\$0.215)	-
Fuel	0.000	0.000	0.001	(0.001)	-	(0.001)	-
Insurance	4.145	2.918	2.891	1.254	30.2	0.026	0.9
Claims	0.000	0.000	0.000	0.000	-	0.000	-
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	23.633	23.832	14.605	9.028	38.2	9.226	38.7
Professional Service Contracts	9.967	5.592	5.412	4.555	45.7	0.180	3.2
Materials & Supplies	26.618	14.846	11.626	14.992	56.3	3.221	21.7
Other Business Expenses	1.236	0.871	1.724	(0.488)	(39.5)	(0.853)	(97.8)
Total Non-Labor Expenses	\$65.600	\$48.060	\$36.475	\$29.125	44.4	\$11.585	24.1
<u>Other Expense Adjustments:</u>							
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Expenses before Depreciation	\$198.850	\$164.802	\$151.370	\$47.480	23.9	\$13.432	8.2
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
OPEB Obligation	0.000	0.000	0.000	0.000	-	0.000	-
Environmental Remediation	0.000	0.000	0.000	0.000	-	0.000	-
Total Expenses	\$198.850	\$164.802	\$151.370	\$47.480	23.9	\$13.432	8.2
Baseline Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	-	(\$0.000)	(100.0)
Cash Conversion Adjustments:							
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Operating/Capital	0.000	0.000	0.000	0.000	-	0.000	-
Other Cash Adjustments	0.000	0.000	0.000	0.000	-	0.000	-
Total Cash Conversion Adjustments	0.000	0.000	0.000	\$0.000	-	\$0.000	-
Baseline Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-

[^]Results are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%

MTA METRO NORTH RAILROAD
2013 Year-End Report
Accrual Statement of Operations by Category
2013 Adopted Budget and Final Estimate vs. Actual
(\$ in millions)

SCHEDULE I-C

NON-REIMBURSABLE/ REIMBURSABLE

	December 2013 Year-to-Date			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual ^A	2013 Adopted Budget		Final Estimate	
				\$	%	\$	%
Revenue							
Farebox Revenue	\$645.988	\$621.318	\$618.812	(\$27.176)	(4.2)	(\$2.506)	(0.4)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	68.121	72.322	62.094	(6.026)	(8.8)	(10.227)	(14.1)
MTA	118.188	86.168	81.571	(36.617)	(31.0)	(4.597)	(5.3)
CDOT	67.746	68.887	58.111	(9.634)	(14.2)	(10.776)	(15.6)
Other	12.916	9.747	11.688	(1.228)	(9.5)	1.942	19.9
Capital and Other Reimbursements	198.850	164.802	151.370	(47.480)	(23.9)	(13.432)	(8.2)
Total Revenue	\$912.959	\$858.442	\$832.276	(\$80.683)	(8.8)	(\$26.166)	(3.0)
Expenses							
<u>Labor:</u>							
Payroll	\$457.303	\$449.533	\$448.638	\$8.665	1.9	\$0.895	0.2
Overtime	70.909	78.951	84.563	(13.654)	(19.3)	(5.612)	(7.1)
Health and Welfare	119.552	108.900	102.782	16.770	14.0	6.118	5.6
OPEB Current Payment	19.000	21.000	21.692	(2.692)	(14.2)	(0.692)	(3.3)
Pensions	82.119	83.336	84.456	(2.337)	(2.8)	(1.119)	(1.3)
Other Fringe Benefits	104.687	107.894	119.733	(15.046)	(14.4)	(11.839)	(11.0)
Reimbursable Overhead	(0.121)	(1.057)	(2.358)	2.237	*	1.301	*
Total Labor Expenses	\$853.448	\$848.557	\$859.506	(\$6.057)	(0.7)	(\$10.948)	(1.3)
<u>Non-Labor:</u>							
Electric Power	\$84.823	\$78.535	\$74.240	\$10.583	12.5	\$4.295	5.5
Fuel	28.000	29.073	29.638	(1.639)	(5.9)	(0.565)	(1.9)
Insurance	16.696	17.720	17.278	(0.582)	(3.5)	0.442	2.5
Claims	0.535	0.393	10.331	(9.796)	*	(9.938)	*
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	120.106	122.564	108.260	11.846	9.9	14.304	11.7
Professional Service Contracts	38.779	33.565	28.796	9.983	25.7	4.769	14.2
Materials & Supplies	93.219	85.982	76.707	16.512	17.7	9.275	10.8
Other Business Expenses	25.942	34.101	33.180	(7.239)	(27.9)	0.920	2.7
Total Non-Labor Expenses	\$408.099	\$401.932	\$378.430	\$38.613	9.5	\$27.232	6.8
<u>Other Expense Adjustments:</u>							
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Expenses before Depreciation and GASB Adj.	\$1,261.547	\$1,250.490	\$1,237.936	\$32.556	2.6	\$16.284	1.3
Depreciation	\$242.189	\$224.771	\$227.980	\$14.209	5.9	(\$3.209)	(1.4)
OPEB Obligation	76.073	62.070	55.035	21.038	27.7	7.035	11.3
Environmental Remediation	3.955	2.885	1.927	2.028	51.3	0.958	33.2
Total Expenses	\$1,583.764	\$1,540.216	\$1,522.879	\$60.885	3.8	\$17.337	1.1
Net Surplus/(Deficit)	(\$670.805)	(\$681.774)	(\$690.603)	(\$19.797)	(3.0)	(\$8.829)	(1.3)
Cash Conversion Adjustments:							
Depreciation	\$242.189	\$224.771	\$227.980	(\$14.209)	(5.9)	\$3.209	1.4
Operating/Capital	(36.551)	(31.902)	(24.512)	12.039	32.9	7.390	23.2
Other Cash Adjustments	28.170	83.624	87.892	59.722	*	4.268	5.1
Total Cash Conversion Adjustments	233.809	276.493	291.361	\$57.552	24.6	\$14.867	5.4
Baseline Cash Surplus/(Deficit)	(\$436.997)	(\$405.280)	(\$399.242)	\$37.755	8.6	\$6.038	1.5

^AResults are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%.

**MTA METRO-NORTH RAILROAD
2013 YEAR-END REPORT
DETAILED EXPLANATIONS OF CASH RECEIPT AND EXPENDITURE
VARIANCES BY GENERIC CATEGORY**

2013 ACTUALS vs. FINAL ESTIMATE

RECEIPTS

Cash receipts of \$865.7 million were \$16.6 million lower than the 2013 Final Estimate. This was primarily due to an \$11.3 million unfavorable “timing” difference in reimbursements from capital projects and a rescheduling of operating loss recoveries for Tropical Storm Irene damages to 2014. In addition, a “real” (permanent) variance of \$5.3 million was due mainly to a lower than anticipated reimbursement for capital asset replacements also related to damages sustained by Tropical Storm Irene (\$4.4 million).

Combined receipts from **Farebox Revenue** and **Other Operating Revenue** were lower than the 2013 Final Estimate (\$7.8 million or 1.1% lower) due to a change in the timing of recoveries for Tropical Storm Irene damages partially offset by favorable GCT net revenues. **Capital and Other Reimbursements** were \$8.9 million lower than the 2013 Final Estimate, primarily due to lower than anticipated Tropical Storm Irene reimbursements and the rescheduling of capital project work.

EXPENDITURES

Total expenditures of \$1,265.0 million were \$22.7 million lower than the 2013 Final Estimate, of which \$12.6 million is a “real” (permanent) subsidy decrease and \$10.1 million is a favorable “timing” variance which will increase 2014 subsidies. The \$10.1 million cash timing difference reflects 2013 costs for maintenance contracts, wage settlements, diversity training and insurance costs totaling \$23.8 million, partially offset by an advanced payment contribution toward the 2014 pension liability of \$13.7 million.

Payroll expenditures were \$13.4 million lower than the 2013 Final Estimate, primarily due to a higher level of vacancies than projected and wage accruals not paid of \$6.5 million. Expenditures for **Overtime** were \$5.4 million higher than the 2013 Final Estimate, primarily due to increased Infrastructure and Station Improvement Program work, employee training, and coverage of the December 1st derailment at Spuyten Duyvil. **Health & Welfare** expenditures (including OPEB Current Payment) were \$9.0 million lower than the 2013 Final Estimate as a result of a higher level of vacancies and lower health insurance rates than projected. **Pension** payments, \$13.0 million higher than the 2013 Final Estimate, reflect an advanced payment of 2014 pension obligations. Expenditures for **Other Fringe Benefits** were \$1.1 million lower than the 2013 Final Estimate, due to a higher level of vacancies than projected.

Electric Power and **Fuel** expenditures were \$4.9 million and \$1.4 million, respectively, lower than the 2013 Final Estimate, primarily due to lower rates. Expenditures for **Insurance** were \$2.9 million lower than the 2013 Final Estimate primarily due to timing of the insurance premiums. **Claims** were \$0.4 million higher than the 2013 Final Estimate. **Maintenance and Other Operating Contracts** expenditures were \$11.4

million lower than the 2013 Final Estimate, reflecting lower than forecasted capital related projects and equipment overhauls, utilities, and other miscellaneous services. **Professional Service Contracts** were \$3.4 million lower than the 2013 Final Estimate, reflecting lower expenditures for IT costs, legal expenses, medical services and training. **Material and Supplies** were \$0.4 million lower than the 2013 Final Estimate, reflecting lower than forecasted purchases of capital program material due to project rescheduling. **Other Business Expenses** were \$1.9 million higher than the 2013 Final Estimate.

The cash receipts and disbursements activity noted above resulted in a net cash deficit of \$399.2 million, which is \$6.0 million lower than the 2013 Final Estimate. This is driven by lower expenditures of \$22.7 million partially offset by lower cash receipts of \$16.6 million and a \$5.5 million increase in available cash balances. Cash subsidy requirements of \$404.6 million were \$0.7 million lower than the 2013 Final Estimate. State of Connecticut (CDOT) subsidies for the New Haven Line were \$25.8 million lower due to the prepayment of January 2013 subsidy in December 2012 (\$9.7 million), credits due to the Con Ed power failure as well as lower revenue due to the 4th quarter service disruptions of \$8.7 million, and lower 2013 cash expenses of \$7.4 million. These favorable and unfavorable timing differences in CDOT subsidy payments were temporarily funded by the increase in MTA subsidies of \$25.2 million in 2013.

2013 ACTUALS vs. ADOPTED BUDGET

RECEIPTS

Cash receipts of \$865.7 million were \$68.7 million lower than the 2013 Adopted Budget. **Farebox Revenue**, which was \$26.3 million lower than budget, reflecting the impact of slower than expected ridership growth and service disruptions experienced during the year, including a customer fare credit related to the Con Ed power failure on the NHL. **Other Operating Revenue** was \$8.7 million lower than the 2013 Adopted Budget due to the delay in anticipated reimbursement for losses sustained by Tropical Storm Irene (\$11.0 million) partially offset by favorable GCT net revenues. **Capital and Other Reimbursements** were \$33.7 million lower than the 2013 Adopted Budget, reflecting scheduling changes in capital projects (primarily Positive Train Control [PTC]) of \$45.8 million and diversion of capital track program forces to the expanded Infrastructure Improvement Program. These decreases were partially offset by prepayments for Con Ed vault repairs, New York Department of Transportation (NYDOT) bridge repairs and Verizon cellular installation at GCT totaling \$12.1 million.

EXPENDITURES

Total expenditures of \$1,265.0 million were \$106.4 million lower than the 2013 Adopted Budget.

Payroll expenditures were \$18.4 million lower than the 2013 Adopted Budget, primarily due to position vacancies totaling \$14.0 million and accrued wage increases not paid of \$6.5 million, partially offset by vacation buyback payouts of \$1.8 million. Expenditures

for **Overtime** were \$13.3 million higher than the 2013 Adopted Budget due to a number of extraordinary emergency events experienced throughout the year which included: the Infrastructure Improvement Program, winter weather emergencies, derailment repairs, Superstorm Sandy recovery efforts, Con Ed power failure coverage and Station Enhancement Program efforts. **Health & Welfare** (including OPEB current payments) expenditures were \$17.6 million lower than the 2013 Adopted Budget due to position vacancies and lower health insurance premiums. **Pension** payments were \$1.3 million lower than the 2013 Adopted Budget. Expenditures for **Other Fringe Benefits** were \$2.5 million lower than the 2013 Adopted Budget, reflecting lower Railroad Retirement Tax payments due to reduced payroll costs and lower employee injury claims.

Electric Power expenditures were \$11.3 million lower than the 2013 Adopted Budget due to lower rate increases versus budgeted assumptions. **Fuel** costs were \$0.3 million lower than the 2013 Adopted Budget as were **Insurance** premiums. **Claims** payment settlements were \$0.7 million higher than the 2013 Adopted Budget. **Maintenance and Other Operating Contracts** were \$24.8 million lower than the 2013 Adopted Budget, reflecting scheduling changes in reimbursable projects (Positive Train Control of \$14.2 million, GP35 locomotive overhaul of \$3.2 million, West of Hudson track program of \$2.2 million and the GCT space renovations of \$2.0 million) as well as vendor delays in Genesis locomotive overhauls and the implementation of a new escalator maintenance contract in GCT. **Professional Services Contracts** were \$11.5 million less than the 2013 Adopted Budget due to timing differences of project activity (Overhead Bridge Program of \$3.2 million, Ticket Issuing Machines of \$2.9 million and the NHL Signal System of \$2.2 million) combined with lower information technology services, legal expenses, medical services and training. **Material and Supplies** were \$12.7 million lower than the 2013 Adopted Budget driven by delayed timing of 2013 capital-related project activity. Highlights of this variance include \$3.5 million for the Mainline High Speed Switches, the Bronx Station improvements of \$3.4 million, the Positive Train Control program of \$1.8 million and the NHL Rail Yard Component Change-Out Shop of \$1.5 million as well as lower rolling stock material usage. **Other Business Expenses** were \$3.1 million lower than the 2013 Adopted Budget, reflecting lower capital related projects such as Ticket Vending Machines of \$2.2 million as well as other miscellaneous operating expenditures.

The net cash deficit was \$37.8 million lower than the 2013 Adopted Budget. The cash subsidy requirements were \$32.4 million lower with the MTA subsidy \$7.0 million lower and the CDOT subsidy \$25.4 million lower.

MTA METRO NORTH RAILROAD
2013 Year-End Report
Cash Receipts and Expenditures
2013 Adopted Budget and Final Estimate vs. Actual
(\$ in millions)

SCHEDULE III

	December 2013 Year-to-Date			Favorable/(Unfavorable) Variance			
	<u>Adopted Budget</u>	<u>Final Estimate</u>	<u>Actual[^]</u>	<u>2013 Adopted Budget</u>		<u>Final Estimate</u>	
				\$	%	\$	%
Receipts							
Farebox Revenue	\$653.938	\$627.245	\$627.680	(\$26.258)	(4.0)	\$0.435	0.0
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	85.581	85.091	76.869	(8.712)	(10.2)	(8.222)	(9.7)
MTA	116.050	80.462	76.808	(39.242)	(33.8)	(3.654)	(4.5)
CDOT	66.325	68.627	59.747	(6.578)	(9.9)	(8.880)	(12.9)
Other	12.502	20.938	24.616	12.114	96.9	3.678	17.6
Capital & Other Reimbursements	194.877	170.027	161.171	(33.706)	(17.3)	(8.856)	(5.2)
Total Receipts	\$934.396	\$882.363	\$865.720	(\$68.676)	(7.3)	(\$16.643)	(1.9)
Expenditures							
<u>Labor:</u>							
Payroll	\$461.544	\$456.525	\$443.133	\$18.411	4.0	\$13.392	2.9
Overtime	71.416	79.302	84.693	(13.277)	(18.6)	(5.391)	(6.8)
Health and Welfare	124.087	113.487	104.543	19.544	15.8	8.944	7.9
OPEB Current Payment	19.000	21.000	20.966	(1.966)	(10.3)	0.034	0.2
Pensions	82.266	67.940	80.958	1.308	1.6	(13.018)	(19.2)
Other Fringe Benefits	105.289	103.903	102.764	2.525	2.4	1.139	1.1
GASB Account	12.992	(4.399)	0.000	12.992	100.0	(4.399)	(100.0)
Reimbursable Overhead	0.000	0.000	0.000	0.000	-	0.000	-
Total Labor	\$876.594	\$837.758	\$837.057	\$39.537	4.5	\$0.701	0.0
<u>Non-Labor:</u>							
Electric Power	\$87.016	\$80.548	\$75.677	\$11.339	13.0	\$4.871	6.0
Fuel	24.400	25.473	24.074	0.326	1.3	1.399	5.5
Insurance	16.199	18.765	15.895	0.304	1.9	2.870	15.3
Claims	0.681	1.039	1.423	(0.742)	*	(0.384)	(37.0)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	148.575	135.137	123.780	24.795	16.7	11.357	8.4
Professional Service Contracts	44.595	36.491	33.120	11.475	25.7	3.371	9.2
Materials & Supplies	113.628	101.368	100.961	12.667	11.1	0.407	0.4
Other Business Expenditures	56.105	51.064	52.975	3.130	5.6	(1.911)	(3.7)
Total Non-Labor	\$491.199	\$449.885	\$427.905	\$63.294	12.9	\$21.980	4.9
<u>Other Expenditure Adjustments:</u>							
Other	\$3.600	\$0.000	\$0.000	\$3.600	100.0	\$0.000	-
Total Other Expenditure Adjustments	\$3.600	\$0.000	\$0.000	\$3.600	100.0	\$0.000	-
Total Expenditures	\$1,371.393	\$1,287.643	\$1,264.962	\$106.431	7.8	\$22.681	1.8
Baseline Cash Deficit	(\$436.997)	(\$405.280)	(\$399.242)	\$37.755	8.6	\$6.038	1.5
<u>Subsidies</u>							
MTA	\$340.782	\$308.594	\$333.789	(6.993)	(2.1)	25.195	8.2
CDOT	96.216	96.686	\$70.838	(25.378)	(26.4)	(25.848)	(26.7)
Total Subsidies	\$436.997	\$405.280	\$404.627	(\$32.370)	(7.4)	(\$0.653)	(0.2)
Opening Cash Balance	0.000	0.000	0.000	0.000		0.000	
Cash Timing and Availability Adjustment	0.000	0.000	(5.468)	(5.468)		(5.468)	
Closing Cash Balance	0.000	0.000	0.000	0.000		0.000	

[^]Results are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%.

MTA METRO NORTH RAILROAD
2013 Year-End Report
Cash Conversion (Cash Flow Adjustments)
2013 Adopted Budget and Final Estimate vs. Actual
DECEMBER YEAR-TO-DATE
(\$ in millions)

	December 2013 Year-to-Date			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual [^]	2013 Adopted Budget		Final Estimate	
				\$	%	\$	%
Receipts							
Farebox Revenue	\$7.950	\$5.927	\$8.868	\$0.918	11.6	\$2.941	49.6
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	17.460	12.770	14.775	(2.686)	(15.4)	2.005	15.7
MTA	(2.138)	(5.706)	(4.763)	(2.625)	*	0.943	16.5
CDOT	(1.421)	(0.260)	1.636	3.056	*	1.896	*
Other	(0.414)	11.191	12.928	13.342	*	1.736	15.5
Capital & Other Reimbursements	(3.973)	5.225	9.801	13.774	*	4.576	87.6
Total Receipts	\$21.437	\$23.921	\$33.444	\$12.007	56.0	\$9.522	39.8
Expenditures							
<u>Labor:</u>							
Payroll	(\$4.241)	(\$6.992)	\$5.505	\$9.746	*	\$12.497	*
Overtime	(0.507)	(0.351)	(0.130)	0.377	74.3	0.221	62.9
Health and Welfare	(4.535)	(4.587)	(1.761)	2.774	61.2	2.826	61.6
OPEB Current Payment	0.000	0.000	0.726	0.726	-	0.726	-
Pensions	(0.147)	15.396	3.498	3.645	*	(11.899)	(77.3)
Other Fringe Benefits	(0.602)	3.991	16.969	17.571	*	12.978	*
GASB Account	(12.992)	4.399	0.000	12.992	100.0	(4.399)	(100.0)
Reimbursable Overhead	(0.121)	(1.057)	(2.358)	(2.237)	*	(1.301)	*
Total Labor	(\$23.146)	\$10.799	\$22.449	\$45.594	*	\$11.649	*
<u>Non-Labor:</u>							
Electric Power	(\$2.193)	(\$2.013)	(\$1.437)	\$0.756	34.5	\$0.576	28.6
Fuel	3.600	3.600	5.564	1.965	54.6	1.964	54.6
Insurance	0.497	(1.045)	1.383	0.886	*	2.428	*
Claims	(0.146)	(0.646)	8.908	9.054	*	9.554	*
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	(28.469)	(12.573)	(15.520)	12.949	45.5	(2.947)	(23.4)
Professional Service Contracts	(5.816)	(2.926)	(4.324)	1.492	25.6	(1.398)	(47.8)
Materials & Supplies	(20.409)	(15.386)	(24.254)	(3.845)	(18.8)	(8.868)	(57.6)
Other Business Expenditures	(30.164)	(16.964)	(19.795)	10.369	34.4	(2.831)	(16.7)
Total Non-Labor	(\$83.101)	(\$47.953)	(\$49.475)	\$33.626	40.5	(\$1.522)	(3.2)
<u>Other Expenditure Adjustments:</u>							
Other	(\$3.600)	\$0.000	\$0.000	\$3.600	100.0	\$0.000	-
Total Other Expenditure Adjustments	(\$3.600)	\$0.000	\$0.000	\$3.600	100.0	\$0.000	-
Total Cash Conversion Adjustments before Non-Cash Liability Adjs.	(\$88.409)	(\$13.232)	\$6.418	\$94.827	*	\$19.650	*
Depreciation	\$242.189	\$224.771	\$227.980	(\$14.209)	(5.9)	\$3.209	1.4
OPEB Obligation	76.073	62.070	55.035	(21.038)	(27.7)	(7.035)	(11.3)
Environmental Remediation	3.955	2.885	1.927	(2.028)	(51.3)	(0.958)	(33.2)
Baseline Total Cash Conversion Adjustments	\$233.808	\$276.493	\$291.361	\$57.552	24.6	\$14.867	5.4

[^]Results are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%

MTA METRO NORTH RAILROAD
2013 YEAR-END REPORT
2013 CASH RESULTS - ACTUAL vs. FINAL ESTIMATE
(\$ in millions)

			Favorable/(Unfavorable) Variance		
	Final Estimate	Actual^	Total	Real	Timing
<u>Receipts</u>					
Farebox Revenue	\$627.2	\$627.7	\$0.4	\$0.0	\$0.4
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	85.1	76.9	(8.2)	(0.9)	(7.3)
Capital and Other Reimbursements	170.0	161.2	(8.9)	(4.4)	(4.5)
Total Receipts	\$882.4	\$865.7	(\$16.6)	(\$5.3)	(\$11.3)
<u>Expenditures</u>					
Labor:					
Payroll	\$456.5	\$443.1	\$13.4	\$6.9	\$6.5
Overtime	79.3	84.7	(5.4)	(5.4)	0.0
Health and Welfare	113.5	104.5	8.9	8.9	0.0
OPEB Current Payment	21.0	21.0	0.0	0.0	0.0
Pensions	67.9	81.0	(13.0)	0.7	(13.7)
Other Fringe Benefits	103.9	102.8	1.1	1.1	0.0
GASB Account	(4.4)	0.0	(4.4)	(4.4)	0.0
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	\$837.8	\$837.1	\$0.7	\$7.9	(\$7.2)
Non-Labor:					
Electric Power	\$80.5	\$75.7	\$4.9	\$4.9	\$0.0
Fuel	25.5	24.1	1.4	1.4	0.0
Insurance	18.8	15.9	2.9	(0.6)	3.5
Claims	1.0	1.4	(0.4)	(0.4)	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	135.1	123.8	11.4	(1.4)	12.8
Professional Service Contracts	36.5	33.1	3.4	3.4	0.0
Materials & Supplies	101.4	101.0	0.4	0.4	0.0
Other Business Expenses	51.1	53.0	(1.9)	(2.9)	1.0
Total Non-Labor Expenditures	\$449.9	\$427.9	\$22.0	\$4.7	\$17.3
Other Expenditure Adjustments:					
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Other Expenditure Adjustments	0.0	0.0	0.0	0.0	0.0
Total Expenditures	\$1,287.6	\$1,265.0	\$22.7	\$12.6	\$10.1
Baseline Net Cash Deficit	(\$405.3)	(\$399.2)	\$6.0	\$7.3	(\$1.2)

[^]Results are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%.

MTA Metro-North Railroad
2013 Adopted Budget and Final Estimate vs. Actual Results
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

	Adopted Budget		Final Estimate		Actuals^		Adopted Budget vs. Actual		Final Estimate vs. Actual	
	Var. - Fav./(Unfav)		Var. - Fav./(Unfav)		Var. - Fav./(Unfav)		Var. - Fav./(Unfav)		Var. - Fav./(Unfav)	
	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
NON-REIMBURSABLE OVERTIME										
<u>Scheduled Service</u> ¹	476,650	\$26.3	552,980	\$29.7	561,001	\$29.4	(84,352) -17.7%	(\$3.1) -11.6%	(8,021) -1.5%	\$0.3 1.0%
<u>Unscheduled Service</u>	0	\$0.0	1,358	\$0.1	1,358	\$0.1	(1,358) -	(\$0.1) -	0 0.0%	(\$0.0) -38.9%
<u>Programmatic/Routine Maintenance</u>	227,138	\$10.6	260,152	\$12.2	364,120	\$17.4	(136,981) -60.3%	(\$6.9) -64.7%	(103,968) -40.0%	(\$5.2) -42.8%
<u>Unscheduled Maintenance</u>	0	\$0.0	13,528	\$0.7	20,718	\$1.1	(20,718) -	(\$1.1) -	(7,189) -53.1%	(\$0.4) -50.9%
<u>Vacancy/Absentee Coverage</u> ²	225,692	\$10.0	209,842	\$9.3	233,870	\$10.6	(8,178) -3.6%	(\$0.6) -6.0%	(24,028) -11.5%	(\$1.3) -13.4%
<u>Weather Emergencies</u>	133,961	\$6.4	148,410	\$7.1	160,143	\$7.8	(26,182) -19.5%	(\$1.4) -21.4%	(11,733) -7.9%	(\$0.7) -10.2%
<u>Safety/Security/Law Enforcement</u> ³	0	\$0.0	0	\$0.0	0	\$0.0	0 -	\$0.0 -	0 -	\$0.0 -
<u>Other</u> ⁴	38,076	\$1.6	73,535	\$3.6	60,262	\$2.4	(22,186) -58.3%	(\$0.8) -49.8%	13,273 18.1%	\$1.2 32.7%
Subtotal	1,101,518	\$54.9	1,259,806	\$62.6	1,401,471	\$68.7	(299,954) -27.2%	(\$13.8) -25.2%	(141,666) -11.2%	(\$6.1) -9.8%
REIMBURSABLE OVERTIME	328,623	\$16.0	333,439	\$16.3	316,089	\$15.8	12,534 3.8%	\$0.2 1.1%	17,349 5.2%	\$0.5 3.1%
TOTAL OVERTIME	1,430,141	\$70.9	1,593,244	\$79.0	1,717,561	\$84.6	(287,420) -20.1%	(\$13.7) -19.3%	(124,317) -7.8%	(\$5.6) -7.1%

Totals may not add due to rounding.

NOTE: Percentages are based on each type of Overtime and not on Total Overtime.

* Exceeds 100%

^Results are preliminary and subject to audit review.

¹ Includes Service Delay and Tour Length related overtime.

² Excludes T&E crew coverage (included in Direct Service category)

³ Not Applicable

⁴ Reflects overtime for Customer Service and Material Management Departments as well as other administrative functions. Also reflects timing differences related to payroll and calendar cutoff dates.

**MTA METRO-NORTH RAILROAD
2013 YEAR-END REPORT
DETAILED EXPLANATION OF VARIANCES ON
NON-REIMBURSABLE AND REIMBURSABLE POSITIONS
By FUNCTION and DEPARTMENT**

2013 ACTUALS vs. FINAL ESTIMATE

During 2013, Metro-North filled approximately 900 positions through external hiring and internal transfers. However, a high level of retirements combined with normal turnover vacancies more than offset the hiring gains, resulting in 379 fewer positions paid at year-end as compared to the 2013 Final Estimate.

The number of **Administration** positions paid was 69 fewer than the 2013 Final Estimate primarily due to vacancies in IT technical positions (related to the accretion of staff into the TCU labor organization) and other support staff functions that are under recruitment. The number of **Operations** positions paid was 64 fewer than the 2013 Final Estimate primarily due to vacancies in Ticket Sellers, Train Operations staff and Coach Cleaners as well as timing differences in the filling of management jobs. **Maintenance** positions paid were 230 fewer than the 2013 Final Estimate primarily due to vacancies in management and agreement positions that support Structures, Communication & Signals, Power, Track, and Equipment Maintenance functions. There were 16 fewer **Engineering/Capital** positions than the 2013 Final Estimate primarily due to management vacancies related to turnover/retirements.

MTA METRO-NORTH RAILROAD
2013 Year-End Report
Non-Reimbursable-Reimbursable Positions by Function and Department
Full-Time Positions and Full-Time Equivalents

<u>Department</u>	<u>Final Estimate</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Administration			
President	3	3	-
Labor Relations	9	7	2
Safety	22	18	4
COS/Corporate & Public Affairs	16	15	1
Legal	18	18	-
Claims Services	14	13	1
Environmental Compliance & Svce	7	7	-
VP Administration	3	3	-
VP Human Resources	7	3	4
Human Resources	28	28	0
Training	50	48	2
Employee Relations & Diversity	5	5	-
VP Planning	2	2	-
Operations Planning & Analysis	18	15	3
Capital Planning & Programming	16	13	3
Business Development, Facilities & Mktg (1)	24	26	(2)
Long Range Planning	8	8	-
VP Finance & Information Systems	1	1	0
Controller	80	78	3
Information Technology & Project Mgmt	124	99	25
Budget	20	17	3
Customer Service (2) (3)	48	44	4
Procurement & Material Mgmt (4)	46	30	17
Total Administration	569	500	69
Operations			
Operations Administration	61	49	12
Operations Services	1,798	1,749	49
Customer Service (2) (3)	239	228	11
Business Development, Facilities & Mktg (1)	38	36	2
Metro-North West (5)	27	37	(10)
Total Operations	2,163	2,100	64
Maintenance			
GCT	389	370	19
Maintenance of Equipment	1,351	1,249	102
Maintenance of Way	1,776	1,667	109
Procurement & Material Mgmt (4)	120	120	0
Total Maintenance	3,636	3,406	230
Engineering/Capital			
Construction Management	42	38	5
Engineering & Design	68	57	12
Total Engineering/Capital	110	94	16
Total Positions	6,478	6,099	379
Non-Reimbursable	5,900	5,842	58
Reimbursable	578	257	321
Total Full-Time	6,477	6,098	379
Total Full-Time-Equivalents (of part-time positions)	1	1	-

(1) Business Development, Facilities and Marketing includes administrative positions and Operations positions for Commissary Services.

(2) Customer Service positions includes administrative positions for Customer Information Center and Operations positions for Ticket Selling & Station Cleaning functions.

(3) Includes 2 part-time positions equal to 1 FTE.

(4) Procurement & Material Management positions includes maintenance positions for material distribution/storeroom functions and administrative positions for Contracts Management, Purchasing, and Procurement Administration functions.

(5) Metro-North West unfavorable variance is due to T&E staff performing flagging work on various projects.

MTA METRO-NORTH RAILROAD
2013 YEAR-END REPORT
DETAILED EXPLANATIONS of VARIANCES on
FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
By OCCUPATIONAL GROUP

2013 ACTUALS vs. FINAL ESTIMATE

During 2013, Metro-North filled approximately 900 positions through external hires and internal transfers. However, a high level of retirements combined with normal turnover vacancies more than offset hiring gains, resulting in 379 fewer positions paid at year-end as compared to the 2013 Final Estimate.

The number of **Administration** positions paid was 69 lower than the 2013 Final Estimate primarily in the Professional, Technical, Clerical category due to vacancies in the IT, Procurement, Customer Service, Safety and VP Human Resources departments that are under recruitment. **Operations** positions paid were 64 fewer than the 2013 Final Estimate primarily due to Ticket Seller, Custodian, Cabinet Maker, Refrigeration Technician and Coach Cleaner vacancies in the Operational Hourlies category as well as Train Operations Staff vacancies in the Professional, Technical, & Clerical category. **Maintenance** positions paid were 230 fewer than the 2013 Final Estimate primarily due to vacant Electrical, Track and Power Foreman staff in the Managers/Supervisors category and Operational Hourlies vacancies in Signalmen, Electrician, Trackmen, Carmen and Machine Operator crafts that support right-of-way and rolling stock maintenance. **Engineering/Capital** positions paid were 16 fewer than the 2013 Final Estimate primarily due to vacancies in Program Management and Engineering.

MTA METRO-NORTH RAILROAD
2013 Year-End Report
Full-Time Positions and Full-Time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATION	Final Estimate	Actual	Favorable (Unfavorable) Variance
Administration (1)			
Managers/Supervisors	192	168	25
Professional, Technical, Clerical	377	332	44
Operational Hourlies	-	-	-
Total Administration	569	500	69
Operations (1)			
Managers/Supervisors	156	143	13
Professional, Technical, Clerical	238	222	16
Operational Hourlies	1,770	1,735	35
Total Operations	2,163	2,100	64
Maintenance (1)			
Managers/Supervisors	541	482	59
Professional, Technical, Clerical	502	488	14
Operational Hourlies	2,594	2,436	158
Total Maintenance	3,636	3,406	230
Engineering/Capital			
Managers/Supervisors	49	39	10
Professional, Technical, Clerical	61	55	6
Operational Hourlies	-	-	-
	110	94	16
Public Safety			
Managers/Supervisors	-	-	-
Professional, Technical, Clerical	-	-	-
Operational Hourlies	-	-	-
Total Public Safety	-	-	-
Total Positions			
Managers/Supervisors	938	831	107
Professional, Technical, Clerical	1,177	1,098	80
Operational Hourlies	4,363	4,171	193
Total Positions	6,478	6,099	379

Notes

(1) Reflects allocation of Customer Service, Business Development and Procurement & Material Management functions between Administration, Operations and Maintenance categories.

**MTA METRO-NORTH RAILROAD
2013 YEAR-END REPORT
DETAILED EXPLANATIONS OF VARIANCES ON
RIDERSHIP (UTILIZATION)**

2013 Metro-North rail ridership for East and West of Hudson service totaled 83.4 million rides, an increase of 0.5 million (0.6%) over 2012.

East of Hudson ridership for 2013 was the highest in the railroad's history at 81.8 million, surpassing the previous record of 81.5 million rides that was set in 2008. This is also an increase of 0.5 (0.7%) million rides over 2012 that spanned all three commuter lines.

The increases by service line vs. 2012 are as follows:

- +1.2% Harlem Line
- +0.5% New Haven Line
- +0.3% Hudson Line

Significant ridership increases occurred in commutation to Manhattan during the past year. However, decreases were experienced in most of the other non-commutation market segments due to slower than projected growth levels and the impact of the extraordinary service disruptions that occurred during 2013 (an estimated loss of 600,000 riders):

- +2.4% Commutation to Manhattan.
- -1.0% Weekday Off-Peak.
- +0.5% Weekend.
- -2.0% Reverse Commutation.
- -1.1% Intermediate.

West-of-Hudson ridership was 1.58 million for the year which was 2.3% lower than the 2013 Final Estimate and 1.9% lower than 2012. These decreases were due to lower than expected ridership on the Port Jervis Line and a stable ridership level on the Pascack Valley Line.

MTA METRO-NORTH RAILROAD

	Adopted Budget	Final Estimate	Actual ^A	vs. Adopted Budget		vs. Final Estimate	
				\$	%	\$	%
Farebox Revenue							
Harlem Line	\$194.166	\$189.307	\$188.616	(\$5.550)	(2.9)	(\$0.691)	(0.4)
Hudson Line	\$141.738	\$137.572	\$136.005	(\$5.733)	(4.0)	(\$1.568)	(1.1)
New Haven Line	\$309.465	\$293.958	\$294.192	(\$15.273)	(4.9)	\$0.234	0.1
Total Farebox Revenue	\$645.369	\$620.837	\$618.812 ⁽¹⁾	(26.557)	(4.1)	(\$2.025)	(0.3)
Ridership							
Harlem Line	27.728	27.065	26.950	(0.778)	(2.8)	(0.115)	(0.4)
Hudson Line	16.459	16.016	15.878	(0.581)	(3.5)	(0.138)	(0.9)
New Haven Line	40.315	39.331	38.975	(1.340)	(3.3)	(0.356)	(0.9)
Total Ridership East of Hudson	84.502	82.412	81.802 ⁽²⁾	(2.700)	(3.2)	(0.610)	(0.7)
West of Hudson	1.773	1.605	1.576	(0.197)	(11.1)	(0.029)	(1.8)
Total Ridership	86.275	84.017	83.378	(2.897)	(3.4)	(0.639)	(0.8)

(1) Excludes West of Hudson Mail & Ride revenue of \$0.458 million year-to-date. Final revenue numbers are unaudited and subject to change pending final audit and accounting reconciliation.

(2) New Haven Line ticket and ridership totals include 19,459 monthly and 1,064 weekly ticket exchanges during October and November for customers impacted by the ConEdison service disruption.

^AResults are preliminary and subject to audit review.

East of Hudson:

East of Hudson ridership for the year was 81.8 million, or 3.2% lower than budget and 0.7% lower than the Year-End Forecast due to the impact of service disruptions during the year. The New Haven Line was unfavorable to the budget by 3.3% due to the May derailment, and the October ConEdison power failure which resulted in a temporary suspension of service. The estimated ridership loss was 537,000 for the period of disruption. The Harlem Line was unfavorable to the budget by 2.8%, and the Hudson Line was unfavorable by 3.5% due to the service disruption in July as a result of the CSX freight train derailment and the December Spuyten Duyvil derailment. The estimated ridership loss due to these incidents were 90,000 and 40,000 respectively. Ridership on the Harlem and Hudson Lines declined by 0.4% and 0.9% respectively, from the Year-End Forecast, and New Haven Line decreased by 0.9%. Overall ridership in 2013 was 0.7% higher than 2012.

Commutation ridership was 0.6% lower from the Year-End Forecast and 1.9% higher compared to 2012. Non-commutation ridership was 0.9% below the Year-End Forecast, and 1.0% lower as compared to 2012.

West of Hudson:

West of Hudson ridership was 11.1% lower than the budget and 1.8% lower versus the 2013 Year-End Forecast reflecting a commutation ridership that was 0.6% higher than Year-End Forecast, and non-commutation ridership that was 4.9% lower. As compared to 2012 year-end, ridership was 2.3% lower reflecting 4.7% lower commutation and 1.2% higher non-commutation ridership as compared to the previous year.

MTA METRO-NORTH RAILROAD 2013 YEAR-END REPORT RESULTS OF OPERATIONS

In 2013, Metro-North experienced several operating incidents, two of which resulted in injury and loss of life. In addition to the extensive reviews, which were ongoing throughout 2013, these incidents also prompted a critical evaluation of the Railroad's safety practices, infrastructure conditions, and maintenance procedures. These initial reviews drove a series of actions beginning in May 2013 to enhance safety and improve the track infrastructure.

Metro-North's 100 Day Action Plan, which is currently being finalized, is the next important step toward re-establishing safe and reliable service. This plan includes adjustments and additions as we receive input from outside sources: the Federal Railroad Administration's recently completed "Deep Dive" review, the MTA's Blue Ribbon Panel on Safety; and the continuing investigations by the National Transportation Safety Board of last year's incidents. It also includes feedback from customers, business partners, elected officials and other stakeholders. Implementing this plan will enable us to return to the basics of good railroading and rebuild a culture of safety that will serve as our unshakeable foundation.

Safety/Security Initiatives

Operating Incidents and FRA Emergency Order 29

- In 2013, several derailments and service disruptions adversely affected Metro-North's performance. These were the May 17 derailment involving the collision of two New Haven Line trains near Bridgeport, CT, and the December 1 Hudson Line derailment near Spuyten Duyvil Station. Immediately after the Bridgeport derailment, Metro-North retained Transportation Technology Center, Inc. (TTCI)—the noted research affiliate of the American Association of Railroads (AAR)—to assess and improve track maintenance and inspection programs. Since the December 1st Spuyten Duyvil derailment, Metro-North has undertaken immediate steps and ongoing safety initiatives, as summarized below, following directives from Governor Cuomo and Emergency Order 29 (EO 29) from the Federal Railroad Administration (FRA). To date, Metro-North has taken steps to improve its prioritization of safety, starting with the reorganization of the agency's Safety Department to focus solely on safety. Safety initiatives begun in 2013 are summarized below, while further improvements to safety programs and protocols will be implemented throughout the course of 2014. In addition to its own investigations, Metro-North continues to be fully engaged in and responsive to external reviews by the FRA, the National Transportation Safety Board (NTSB), and the MTA Blue Ribbon Panel on Safety.

Actions Completed in Response to the Spuyten Duyvil Derailment and EO29

- Developed and installed signal system modifications at the Spuyten Duyvil curve, to enforce the 30-mile-per-hour speed limit. The signal modification was done in

coordination with work to restore track, power, and signal systems at the site of the derailment.

- Completed signal system modifications at four remaining critical curves: the Yonkers curve on the Hudson Line, the White Plains curve on the Harlem Line, Jenkins curve in Bridgeport, CT, and the Port Chester curve on the New Haven Line. Modifications were also made at Peck Bridge in Bridgeport, CT.
- Enhanced onboard communication among train crew members to ensure trains are operated at safe speeds at the four remaining movable bridges in the Metro-North network.
- Surveyed all main line track locations that require a reduction of more than 20 miles-per-hour from the maximum authorized operating speed.
- Reduced speed limits at 33 locations along Metro-North lines both East-of-Hudson and West-of-Hudson to eliminate all locations where the speed limit drops by more than 20 miles-per-hour.
- Posted speed limit signs at each critical curve location to remind engineers that a speed reduction is coming.
- Increased monitoring of speed compliance through a number of steps, including reviewing event-data recorders from randomly selected trains, sending supervisors to ride trains and observe speeds, tracking speeds with radar guns, and improving overall system efficiency.
- Implemented a program that utilizes available onboard technology to provide a more efficient process for auditing compliance.

Ongoing Safety Programs and Steps Initiated in Response to EO29

- Initiated the adoption of the FRA's "Confidential Close Call Reporting System" (C3RS), which allows employees to anonymously report potential safety problems without fear of reprisal. Metro-North is the first commuter railroad in the country to agree to fully implement C3RS throughout its operations. Working with the FRA and Metro-North's labor organizations, the railroad anticipates successfully negotiating the required Implementing Memorandum of Understanding (IMOU) with the FRA and at least one labor organization by June 1, 2014.
- Began development of signal system modifications at the four remaining movable bridges on the New Haven Line, with implementation of signal modifications at all movable bridges to be completed by September 2014.
- Initiated a program to equip or modify "alerter" devices on the rolling stock fleet to ensure that engineers remain responsive. This program will be completed by the end of 2014.
- Accelerated implementation of the Positive Train Control (PTC) system, as directed by Governor Cuomo, a major systemwide project for which Metro-North and LIRR recently committed \$428 million jointly for an installation contract.
- Began planning and development for the installation of signal transponders along the New Haven Main Line for the enforcement of civil speed restrictions.
- Initiated a quarterly "Safety Stand-Down" program, re-emphasizing to employees that safety is the most important factor in railroad operations and that all employees must operate and communicate effectively with safety as the ultimate goal.
- Continued safety reviews, track improvements, and other measures in response to the New Haven Line derailment. These included the substantial completion in 2013 of right-of-way improvements between Woodlawn and Melrose in the Bronx, which entailed: removing 5,381 concrete ties; installing 6,610 wood ties and 2,350 tons of

stone ballast; trenching 6,350 feet along the right-of-way for drainage; installing new rail on curves; welding rail joints and installing insulated joints; and excavating 4,702 cubic yards of mud created by poor drainage. These improvement efforts are part of a multi-year program to address the results of intensive track testing and inspections that have uncovered areas of poor drainage that have caused the premature deterioration of the track infrastructure.

Additional 2013 Safety Measures

- Created an accident investigation unit and began a coordinated investigation process centrally managed within Metro-North's Safety and Security Department.
- Increased departmental capabilities, reach, and staffing within Metro-North's Safety, Security, and Emergency Management divisions, which also assumed management responsibility for the Grand Central Terminal Fire Brigade and Fire Command Center.
- Created an "Incident Reporting and Investigation Guide" relating to employee injuries, incidents, and "close calls" occurring on railroad property and equipment, while bolstering the employee injury database in order to perform more extensive trend analysis.
- Launched a series of "Priority One Safety Minute" videos in conjunction with the Metro-North Corporate and Public Affairs department to be shown on employee information monitors at all work locations. Additionally, the agency launched a new safety campaign under the theme "I Take It Personally," stressing each employee's personal responsibility to work safely.

Additional 2013 Security Initiatives

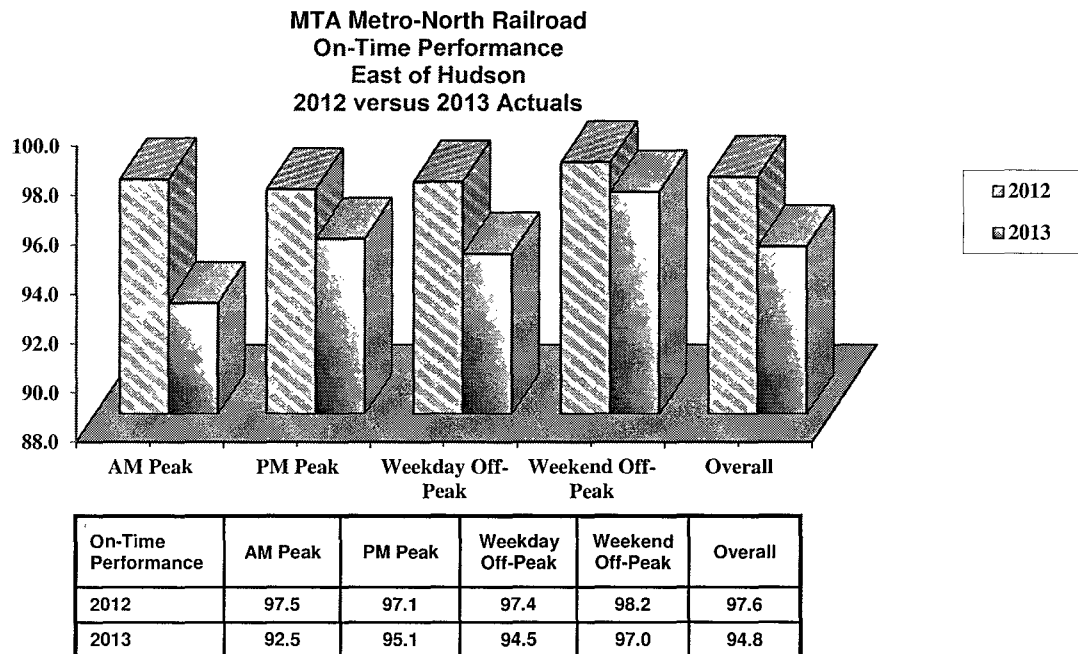
- Completed construction of security guard posts at the Stamford Yard and the East Bridgeport Yard. The manned guard posts will control vehicle access at these locations.
- Hardened the security at Grand Central Terminal with the installation of eleven K-rated bollards along Lexington Avenue between 42nd and 43rd (which completes bollard installations around the terminal perimeter) and the installation of electronic security systems throughout the Terminal as part of the MTA's All Agency Electronic Security Project (AAESP).
- Conducted a structural analysis, fire analysis, egress analysis, and overall risk assessment of the Harlem River Lift Bridge. Design packages were developed for new fencing, security systems, fire protection, and other security improvements.

Metro-North will remain engaged in, and responsive to, recommendations from external reviews by the FRA, the National Transportation Safety Board (NTSB), and the MTA Blue Ribbon Panel on Safety. Many of the FRA's concerns are already being addressed in the 100-Day Action Plan.

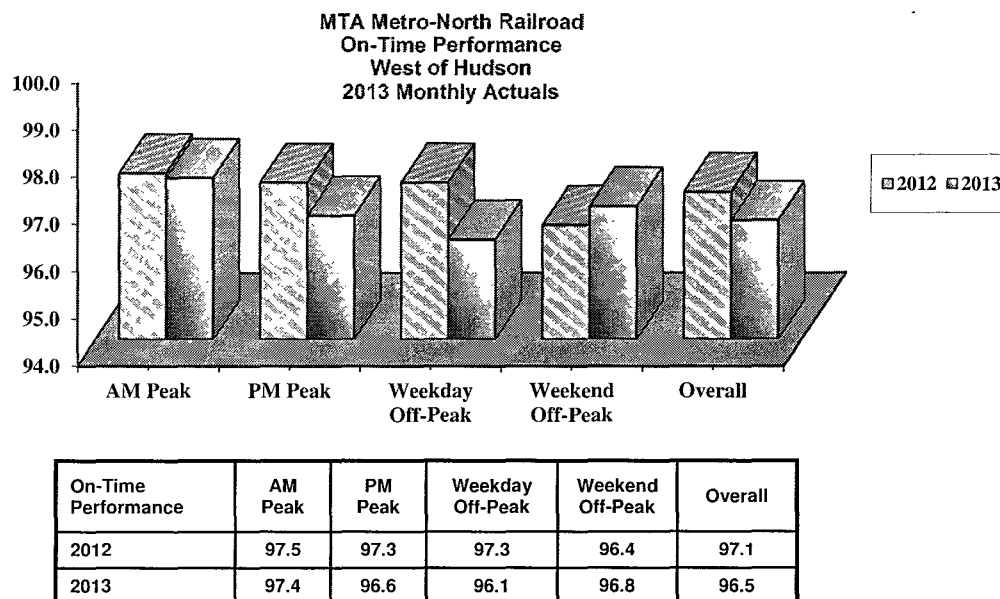
2013 On-Time Performance

Systemwide On-Time Performance (OTP) for 2013 totaled 94.8 percent, a drop from 97.6 percent the previous year. In addition to the May 17 and December 1 derailments previously noted, several other factors contributed to the OTP decline, including a major, six-month right-of-way improvement project along a six-mile stretch in the Bronx;

and the September 25 failure of a 138,000 volt Con Edison feeder cable that knocked out power along an eight-mile section of the New Haven Line. The OTP for specific lines was as follows: 96.7 percent for the Hudson Line, 96.4 percent for the Harlem Line, and 92.4 percent for the New Haven Line. .

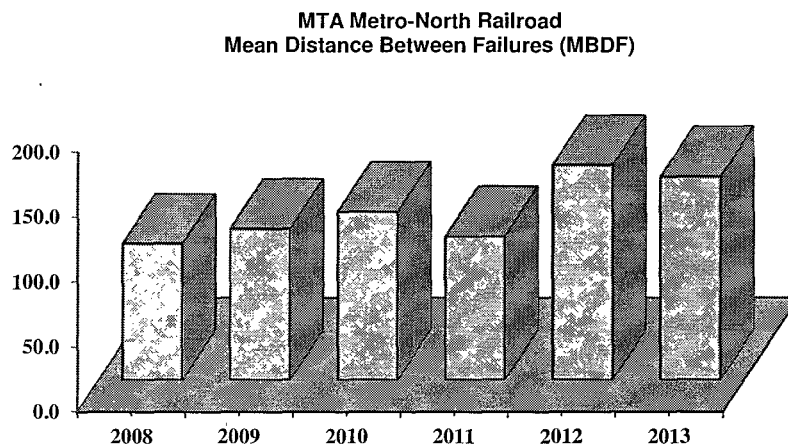


On the West of Hudson, on-time performance of 96.5% was attained in 2013, just slightly below the goal of 97% and the 97.1% achieved in 2012.



Equipment Reliability

In 2013, Metro-North's fleet attained a Mean Distance Between Failure (MDBF) of 156,617 miles for the year. This was slightly below the 2012 level due to a reduced performance of the older New Haven Line car fleet. The railroad commits a significant amount of funding towards the revitalization of the fleet, purchasing new equipment and remanufacturing select cars, coaches and locomotives. These efforts increase fleet reliability and contributed to a consist compliance rate that exceeded 99% in 2013.



2011 Reflects New Haven Line Equipment damage from the effects of Hurricane Sandy

2008	2009	2010	2011	2012	2013
104.9	116.1	129.3	110.5	165.7	156.6

Ridership and Revenue

2013 Metro-North rail ridership for East and West of Hudson service totaled 83.4 million rides, an increase of 0.5 million (0.6%) over 2012.

East of Hudson ridership for 2013 was the highest in the railroad's history at 81.8 million, surpassing the previous record of 81.5 million rides that was set in 2008. This is also an increase of 0.5 (0.7%) million rides over 2012 that spanned all three commuter lines.

The increases by service line vs. 2012 are as follows:

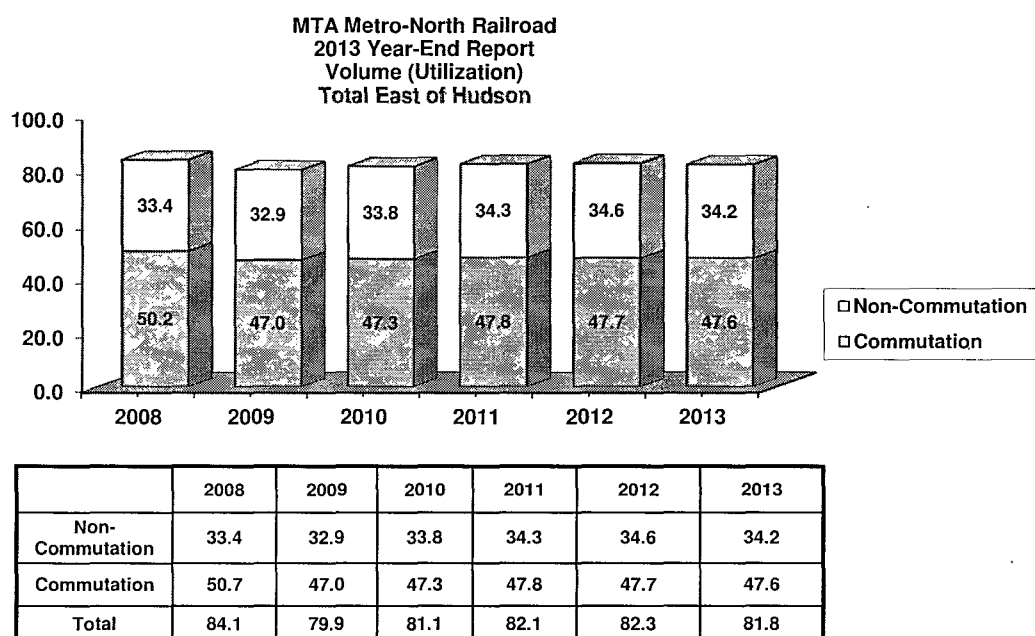
- +1.2% Harlem Line
- +0.5% New Haven Line
- +0.3% Hudson Line

Significant ridership increases occurred in commutation to Manhattan during the past year. However, decreases were experienced in most of the other non-commutation market segments due to slower than projected growth levels and the impact of the

extraordinary service disruptions that occurred during 2013 (an estimated loss of 600,000 riders):

- +2.4% Commutation to Manhattan.
- -1.0% Weekday Off-Peak.
- +0.5% Weekend.
- -2.0% Reverse Commutation.
- -1.1% Intermediate.

West-of-Hudson ridership was 1.58 million for the year which was 2.3% lower than the 2013 Final Estimate and 1.9% lower than 2012. These decreases were due to lower than expected ridership on the Port Jervis Line and a stable ridership level on the Pascack Valley Line.



Customer Service Initiatives

- Expanded the real-time cellular monitor project to include monitors at the Tarrytown, New Rochelle, Rye, Mount Vernon West, Scarsdale, and Crestwood stations.
- Released a "Train Time" mobile app for smartphones, providing real-time train statuses, schedules, fares, and station details. The app has recorded over 50,000 downloads since the beginning of the year.
- Upgraded the current Stamford LED monitors to display real-time train information, including departure times, destinations, track assignments, and status.
- Established the "Station Ownership" program, in which an interdepartmental work group meets twice monthly to ensure that all the elements necessary to improve the overall station environment are included in upcoming capital projects. Additionally, the group has developed a cyclical program that incorporates painting, lighting, signage, seat replacement, and other station enhancements. As part of a 34-day maintenance cycle, district managers participate in station

inspections with Maintenance-of-Way personnel to identify needed repairs and replacements. In 2013, the group completed enhancements at the Crestwood, North White Plains, Valhalla, Hawthorne, Pleasantville, and Sloatsburg stations.

- Installed 20 new Smart Card Ticket Vending Machines (STVMs) in a new TVM center at Grand Central Terminal and at several outlying stations. The STMVs include a card reader that functions with the “tap” of a smart card.

Operations/Technology Initiatives

- To support the Customer Service Initiatives noted above, Metro-North technology staff provided key support and programming expertise in the development of the following systems:
 - Expansion of LCD station information monitors.
 - Installation of Smart Card Ticket vending Machines.
 - New customer apps for iPhone and Android mobile devices, including the Metro-North “Train Time” app and the Grand Central Terminal app.
- Implemented a new application to help track and enforce Metro-North employee attendance policies. The application interfaces with Metro-North’s Kronos “Time and Attendance System” to compile weekly data and alert managers when employee attendance patterns require action.
- Continued expansion of the IT monitoring center, establishing critical real-time monitoring, response, and support procedures for essential IT systems and reducing the risk and/or duration of system downtimes.

Capital

2013 Commitment Highlights

- Rolling Stock
 - Awarded the M-9 railcar contract, a joint procurement led by LIRR, to Kawasaki Rail Car, Inc., in September of 2013. Metro-North is considering a total procurement of 140 M-9 railcars. Funding for this procurement is dependent on future approval in the MTA 2015-2019 Capital Plan.
- Stations
 - Awarded construction contracts for station components (platform guardrail) at the New Rochelle, Pelham, and Larchmont stations under the Small Business Mentoring (SBM) program. Completed design (July 2013) and awarded a 24-month construction contract (December 2013) for Fordham Station improvements. (\$18.9 million).
 - Awarded a design contract (\$2.7 million, design budget) for the Harlem Line Station Renewal Project, which will renew select station components, including portions of platforms, canopies, lighting, stairs, and platform amenities. The project also includes two new elevators and assessments of 13 station platforms. Phase I covers design and construction at the Botanical Gardens, Williams Bridge, and Woodlawn stations; Phase II includes design only for the Wakefield, Mt. Vernon West, Fleetwood, Bronxville, and Tuckahoe stations. (\$25.8 million).
 - Awarded the design-build contract for the North White Plains Commuter Garage. (\$41.8 million).

- Infrastructure

- Awarded the contract for the Metro-North and LIRR Positive Train Control (PTC) Systems Integrator in November of 2013. An interoperable PTC system is required to be fully implemented on all commuter railroad main-line tracks by December 31, 2015, under the Rail Safety Improvement Act of 2008. (\$206.0 million, total project budget, Metro-North share).
- Awarded a construction contract to replace circuit breakers, electrical control systems, and the cable support system that raises and lowers the Harlem River Lift Bridge on the East River. A 179-day navigation outage has been arranged with the U.S. Coast Guard for the third quarter of 2014. (\$42.1 million).
- Commenced replacement of the New Haven Line power supply station near Pelham, part of a joint venture with the NYPA that includes a new breaker house, new 27kv feeders, new switchgear, and a new signal power supply substation. (\$50.9 million).
- Awarded the construction contract for roof replacement on the North White Plains Maintenance-of-Way and Maintenance-of-Equipment facility. (\$4.3 million).

- Superstorm Sandy Restoration and Resiliency

Initiated projects to repair equipment and facilities damaged due to flooding and related damage from Superstorm Sandy, including:

- Restoration of rolling stock (\$3.3 million).
- Restoration of Metro-North right-of-way, including tree removal and shoreline restoration. (\$8.0 million).
- Repair and replacement of power infrastructure, including restoration of Hudson Line substations, replacement of Harlem River Lift Bridge facility houses, and replacement of traction-power components. (\$168.6 million).
- Restoration of communications and signal infrastructure, including replacement of 30 miles of cables and the replacement of communication and signal components. (\$133.0 million).

Initiated mitigation and “resiliency” projects, as part of the July 2013 amendment to the 2010-2014 Capital Plan, to better prepare the system for future weather-related events, including:

- Design and program management for a “Penn Station Access Network Resiliency Improvements” project, which would enable Metro-North New Haven Line service to Penn Station across Amtrak’s Hell Gate Line. (\$40.6 million).
- Procurement of rail vacuum machines to keep track assets clear of silt, obstructions, and other debris so that drainage can function properly. (\$12.0 million).
- A “Power and Signals Mitigation” project to harden power, communications, and signal components system-wide. This includes waterproofing, elevating installed components, and more. (\$50.0 million).

- Installation of water-monitoring alarms and CCTV at critical locations. This will provide information to facilitate power shut-offs, avoid equipment damage, and to help ensure customer and employee safety. (\$25.0 million).

Major 2013 Completions

- Continued work on the M8 project for the design, manufacture, testing, and delivery of the M8 Electric Multiple Unit (EMU) cars for the New Haven Line. In addition to the base contract, various options have been exercised which bring the total M8 order to 405 cars, of which 292 cars had been conditionally accepted and placed into revenue service by the end of 2013.
- Advanced the East-of-Hudson 2005-2009 Undergrade Bridge Replace/Repair Program, completing work on bridges at Saw Mill River and Hamilton Avenue in 2013. Work continues on various stages of the 2010-2014 bridge program. Work on the Oak Street, Kisco River, Westchester Avenue, and Swamp River bridges has been completed.
- Continued progress on the East-of-Hudson Overhead Bridges Program with completion of the substructure for the overhead bridge at Bridge Street in Poughkeepsie on the Hudson Line and priority repairs on the bridge at Montrose Station Road.
- Completed work on a flood-mitigation project at the open channel to Sing Sing Creek in the Village of Ossining, one of several drainage and flood mitigation projects commenced in 2013.
- Completed construction on a new seawall to stabilize the embankment near Peekskill on the Hudson Line. The work consisted of installation of tieback rods and pre-cast panel blocks, and the drilling and excavation of twenty shafts and rock sockets into the bedrock.
- Completed the facility and yard improvements and the roof replacement of the Harmon Material Distribution Center, parts of Phase IV of The Harmon Shop Reconstruction Project. In addition, the preliminary design for the Harmon Phase V Consist Shop was completed in December.

Sustainability/TOD Initiatives

- Completed Phase I and most of Phase II of the New York Power Authority (NYPA) Grand Central Energy Conservation Project, which includes chiller replacements; upgrades of air compressors, water pumps, lighting, and building management systems; variable-speed fan controls; and retro-commissioning of air handlers. The program targets around \$3 million in annual energy savings.
- Worked with NYPA on the installation of solar carports at the Cortland, Beacon, and Southeast stations, which will provide charging units for electric cars used by Metro-North commuters.

MTA Metro North Railroad



Procurement & Matl. Mgmt. Inventory Report 2013

Mission



The Material Management and Storeroom Operations subgroup of the Procurement and Material Management Department, is tasked with the planning, storage, control and distribution of all inventory material at MNR's storeroom locations. The material stored includes various railcar parts, equipment and support materials.

The subgroup supports and promotes the corporate objective of providing an efficient and safe service to Metro-North's customers by ensuring the appropriate levels of inventory to facilitate scheduled and unscheduled maintenance and repairs, and by working closely with both the Procurement groups and the Operations Division on projected needs and overseeing accurate efforts in forecasting Inventory.

Major Efforts and Initiatives (2013)

Strategic Inventory Planning & Procurement

In 2013, Metro-North's Procurement & Material Management Department continued with initiatives begun three years ago to improve service to its customers. These initiatives focused on intensive monitoring of KPI's, and use of our state-of-the-art forecasting software to achieve service at the lowest cost of inventory investment. Through this effort, customer service achieved its current record high level of 98.3%. This was all accomplished simultaneously with a new fleet growth of over 2%, increased Reliability Centered Maintenance, (RCM) efforts, Hurricane Sandy material deliveries and increased material needs for enhanced infrastructure hardening and continuous right-of-way improvements. Our success was measured by maintaining growth below 2012 projections.

The P&MM Department as well as the MoW Material Management Unit continued building on the accomplishment previously achieved through the specific initiatives in the 2013 Action Plan. The following charts and graphs illustrate the continued positive nature of the efforts undertaken.

2013 Action Plan Summary

•Strategic Inventory Forecasting

Coinciding with, and supplementing Strategic Procurement initiatives, the Algorithmic Forecasting System continued the task of "right-sizing" the inventory and managing growth. This system has given MNR the capability to manage highly volatile items ensuring availability of critical parts and appropriate safety stock levels while minimizing overstocking. This application has decreased forecasting errors, increased service levels to internal operations customers and was critical in the identification of a reduction plan for stocking of our retiring fleet. The forecasting system has been instrumental in minimizing MNR's growth of inventory from 2012-2013 while still achieving record service levels. This has all been accomplished during a time which saw Hurricane Sandy impacts to inventory; Introduction and rollout of a new fleet and the associated service parts requirements and during a period when enhanced focus to Infrastructure Hardening are driving material requirements to new levels. Projected growth in 2012 was targeted at 10% but in fact was maintained at only 4%.

•Utilized Forecasting system to identify Multi-Year Service Part Needs for long-term contracts

Material Management successfully created forward forecasts in an interdepartmental collaboration to minimize stocking, reduced administrative lead-time and increase availability. The effort has provided the roadmap for expansion and a dedicated TEAM was developed to promote the effort going forward in 2014. Out of 3,257 requisitions input during 2013, 1,655 are now on contracts or 51%.

One of our continued goals is to identify items that can be purchased jointly throughout the MTA, while reducing redundancy and improving economies of scale.

•Improve Accuracy and Service

At year end 2013, an inventory cycle count accuracy rate of 93.71% was achieved on \$57M counted. This reflects an adjustment that was reversed in January 2014 and once corrected the Cycle count accuracy rate for 2013 will be readjusted to 99.20%. Inventory cycle count accuracy rate represents the system count vs. the on-the-shelf count.

The out-of-stock rate for service parts, which is the inverse of service level, reached an all time low of 1.7% on 45,000 inventory items. This represents the percent of items in which stock is not available for potential demand.

2013 Detailed Accomplishments

2014 Goals

Challenge	Plan	2013 Detailed Accomplishments	2014 Goal
Right-size Stock Inventory investment to support service level and budgetary goals for MofE and MofW operations.	<ul style="list-style-type: none"> Continue expanded use of Smart Software to proactively forecast future needs. Provide method for strategic look-ahead forecast to allow for multi-year contract solicitation. Collaborate with internal customers to improve administrative Lead-time. Support MofW initiatives for centralized management of inventory. 	<ul style="list-style-type: none"> ✓ Improved service level by 1% over previous year to 98.3% while minimizing inventory growth by 4% over projection. ✓ Improved R&R service level through coordination of production planning by 5.1% over 2012 results. ✓ Developed excess metrics utilizing best practice to establish baseline monitoring. ✓ Ensured material availability in support of maintenance & program needs ✓ Utilized forecasting system to project multiyear service part demand plan for long-term contracts thus reducing admin lead-time. 	<ul style="list-style-type: none"> ➤ Maintain high level of service through aggressive monitoring of Service levels. ➤ Develop team to leverage lessons learned in strategic look-ahead forecasting generating three additional long-term contracts. ➤ Coordinate multi departmental planning for new M-8 fleet material availability. ➤ Create metrics of Plan against actual on Production consumption. ➤ Centralize reporting efforts and investigate executive dashboard live reporting.
Optimize Inventory for Inactive and Excess	<ul style="list-style-type: none"> Determine disposition of inactive material. Collaborate with internal customers in validation of excess/inactive stock material for final disposition. Continue to use Forecasting system to identify excess and implement plan for right-sizing levels. 	<ul style="list-style-type: none"> ✓ Performed stock rationalization at Harmon Campus Storeroom's and Distribution Center maximizing space in preparation of facility consolidation. ✓ Used Smart Forecasting Software to identify retirement reserves in inventory, maximizing disposal benefits and bin space reclamation. ✓ Utilizing the forecasting system Identified \$1.3 million in Inactive inventory for final disposal. 	<ul style="list-style-type: none"> ➤ Continue efforts in identifying for disposal Inactive and excess inventory allowing for space reclamation. ➤ Identify, and offer for disposal remaining stock of retiring M-2 fleet . ➤ Readjust demand forecasts for items shared between retiring fleet and remain fleets, minimizing spend.
Joint Procurement Initiatives	<ul style="list-style-type: none"> Identify items that can be purchased jointly throughout the MTA, while reducing redundancy and improving economies of scale. Pursue opportunities as part of the procurement operating procedures with peer agencies. 	<ul style="list-style-type: none"> ✓ Continued joint efforts with Procurement team for PS contract creations. Implemented planner initiated PS release process in order to minimize administrative lead-time. ✓ Continued the pursuit of opportunities as part of the procurement operating procedures with peer agencies ✓ Provided excess parts to LIRR for M7 fleet minimizing additional MTA Inventory investments. 	<ul style="list-style-type: none"> ➤ Improve methods and magnitude of inventory sharing involving excess parts. ➤ Standardize where possible common commodities between agencies in order to minimize inventory investment.

Inventory Service Level

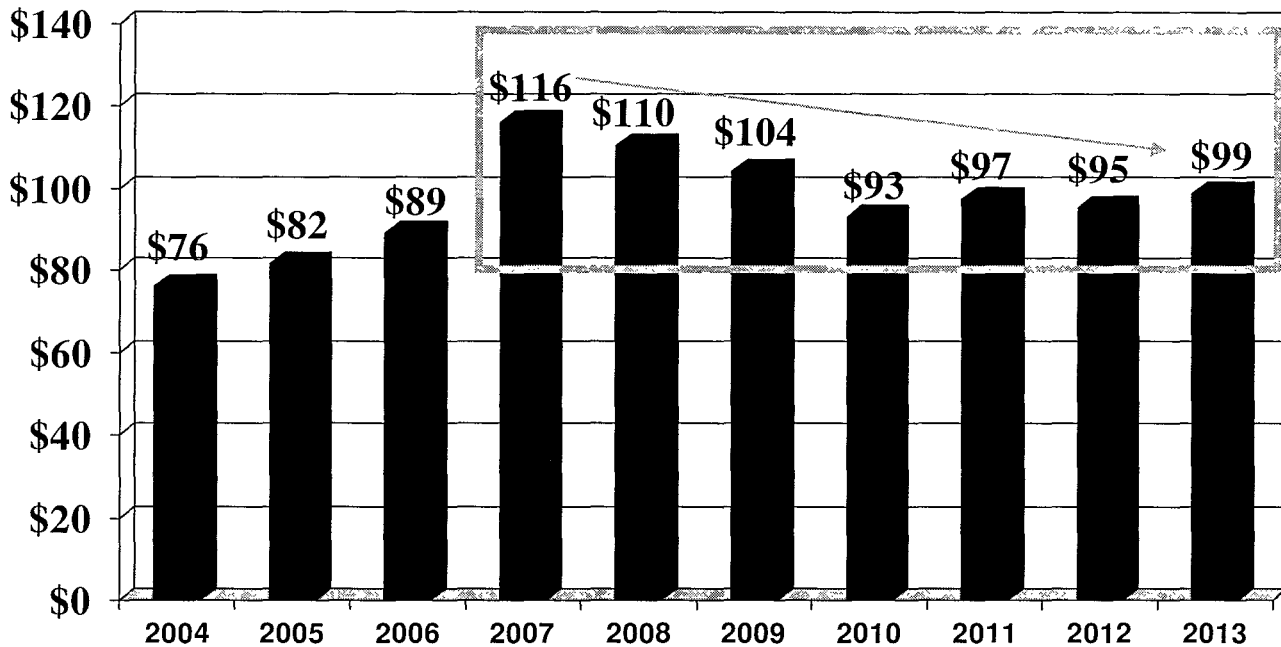
Year	Service Level
------	---------------

2013	98.3%
2012	97.8%
2011	97.7%
2010	97.0%
2009	96.8%
2008	95.9%
2007	96.6%
2006	96.8%
2005	97.4%
2004	96.3%

Service level is a performance measurement goal of the percent of time a part is available for use when requested by the internal customer. The MNR Service Level goal for 2013 was 98.0%. Procurement & Material Management has surpassed that goal by 0.3% to 98.3%. Improvements have trended upward 2% since 2008.

Total Historical Inventory Trends (Constant 2013 \$'s)

In Millions



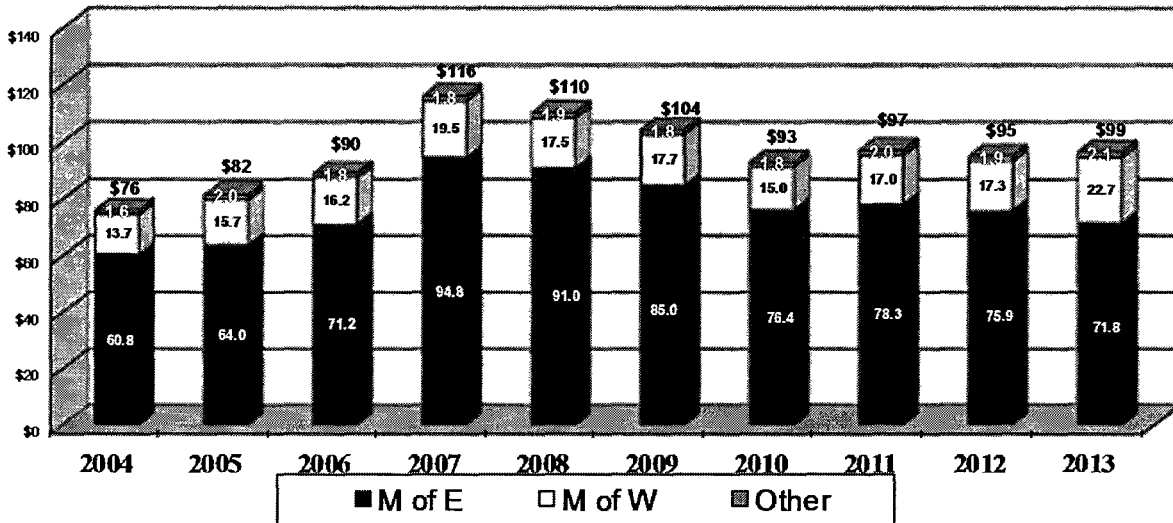
Inventory levels have seen a downward trend over the last seven years to the current \$99M level.

The 2013 inventory levels were projected, in 2012, to increase in the \$10M range. The major factors for this projection were: arrival of the M-8 capital spare components and five year program material to support the M-8 fleet, projected receipt of M-7 ten year and Locomotive five year programs as well as projected receipt of Hurricane Sandy material. Additionally, Infrastructure hardening material was received to facilitate MoW efforts.

While our projections were for a 10% increase in 2013 actual results were maintained at only 4% growth compared to 2012.

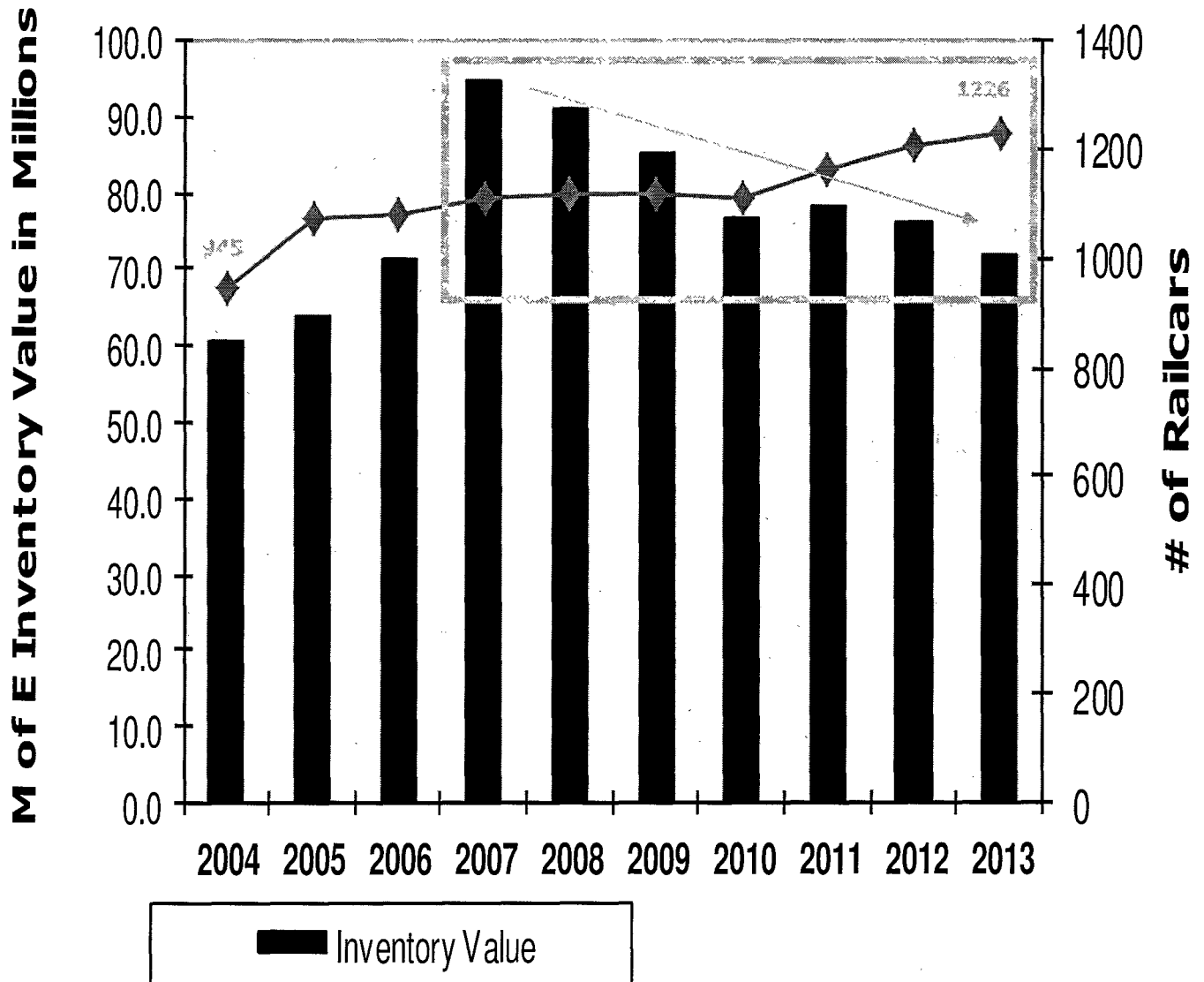
Inventory By MTA Category

(Constant 2013 \$'s)
In Millions



The graph illustrates the further dissection of inventory value by the three major MTA/MNR categories monitored. Values are: MofE (\$71.8M)—which experienced a 5% reduction in 2013 compared to 2012; MofW (\$22.7M)—experienced a 23% increase due in major part to arrivals of Sandy rehabilitation material and Infrastructure Hardening increases; and Other (\$2.1M) experienced an 8% increase primarily due to converting to a dual season uniform eliminating the need for a winter and summer uniform for conductors.

MofE Inventory Value vs # of Railcars (Constant 2013 \$) in millions



In closer examination of the MofE category trend, the graph illustrates the success achieved to-date with the decline in MofE inventory since 2007 by 8%. This was accomplished simultaneously while improving service levels to internal customers during a time in overall increase in vehicle assets.

Staff Summary



Metropolitan Transportation Authority

Subject AGREEMENTS FOR MTAPD RADIO PROJECT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature
Project Manager Name GEORGE MCDONALD

Date APRIL 28, 2014
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	LIRR & MNR Committee	4/28/14		X	
2	Finance Committee	4/28/14	X		
3	Board	4/30/14	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal
3	Chief of Staff		
2	Chief Financial Officer		

Board approval is requested for (1) a Master License Agreement for Construction and Operation of new wireless equipment support structures ("Structures") on MNR property and (2) authorization to enter into agreements with commercial operators of existing Structures for the installation of MTAPD Radio System wireless antennas, wireless ground equipment, and other associated equipment.

1) MASTER LICENSE FOR CONSTRUCTION AND OPERATION OF NEW STRUCTURES

MASTER LICENSOR/SUB-LICENSEE: Metropolitan Transportation Authority ("MTA") on behalf of the Metropolitan Transportation Authority Police Department ("MTAPD").

MASTER LICENSEE/SUB-LICENSOR: PI Telecom Infrastructure, LLC ("Parallel").

ACTIVITY: Master license to construct and operate new Structures (the "Master License") and sub-licenses for MTAPD use of such Structures.

LOCATIONS: Fifteen properties in Dutchess, Orange, Putnam, Rockland and Westchester Counties controlled by Metro-North Commuter Railroad ("Metro-North"), approximately as shown in Exhibit A, subject to adjustment based on final system design.

ACTIONS REQUESTED: Approval of terms.

TERM: 40 years.

COMPENSATION PAYABLE TO MASTER LICENSEE FOR MTAPD OCCUPANCY: Structures with additional users: MTAPD is required to pay \$1,850 per month (\$22,200 per annum), with 3% annual increases for the first 20 years of the term.
Structures without additional users (if any): License fees of \$3,500 per month (\$42,000 per annum), with 3% annual increases.

No fees are payable by MTAPD starting in year 21, whether or not co-location (i.e. other use) is permitted.

Such MTAPD license fees were proposed and negotiated based on an assumed capital cost to the Master Licensee per structure. If the final approved construction budget for a structure is higher or lower than the assumed capital cost, such fees will be adjusted by \$50 per each \$5,000 deviation above or below such budget. Licensee will bear the risk of construction costs exceeding the approved budget for each Structure.

PAYABLE TO MTA BY MASTER LICENSEE: Master Licensee shall make a one-time payment to MTA in the amount of \$10,185, regardless of whether co-location is permitted.
Additional user revenue share: For Structures with additional users, Master Licensee shall remit to MTA a portion of the resulting sublicense fees received by Master Licensee as follows:

- First sublicense: 50% of gross revenues;
- Second sublicense: 60% of gross revenues;
- Third and each additional sublicense thereafter: 70% of gross revenues;

TERMINATION: MTA has the right to terminate this agreement at any time with the proviso that Parallel be reimbursed for costs incurred.

2) AGREEMENTS WITH COMMERCIAL OPERATORS OF EXISTING STRUCTURES

AGENCY: MTA, on behalf of MTAPD.

LICENSORS/LESSORS: Various commercial owners and operators of existing Structures in the MTA service area.

LOCATIONS: Up to 39 locations, subject to change based on availability and system design.

ACTION REQUESTED: Authorization to enter into leases and/or licenses to allow the MTA to install and operate radio equipment on such Structures.

TERM: To be negotiated on a case-by-case basis.

COMPENSATION: Prevailing market rates, to be negotiated on a case by case basis.

DISCUSSION

The existing two-way radio system utilized by the MTA Police Department requires upgrading to modern standards on the VHF and 700/800 MHz spectra to facilitate reliable and clear police communications throughout the 12-county Metropolitan Commuter Transportation District and in Metro-North service areas in Connecticut which encompasses 5,000 square miles. Due to gaps in radio coverage with the existing system, the MTA Police instituted a temporary mitigation measure of two-man patrols in areas with limited radio coverage until the new radio system is in place. The cost of 2-man patrols was identified at \$2.4M which will be eliminated with the new system. This reduction in operating costs will help offset an estimated \$5.9M increase to the MTAPD annual operating budget due to radio tower lease costs and maintenance payments. In July 2012, the Board authorized MTA Long Island Rail Road ("LIRR"), on behalf of MTAPD, to proceed with a Request for Proposals for a contract to design, build, operate and maintain a new MTAPD radio system (the "System RFP"). The system will consist of wireless antennas, wireless ground equipment, radios, and other associated equipment ("System Equipment"). The System RFP will be issued during the 2nd quarter of 2014. The system's wireless antennas and associated equipment must be located on monopole or other antenna support structures ("Structures"). The proposed agreements herein provide the required antenna locations.

Preliminary engineering performed by a consultant engaged by LIRR to provide a preliminary design for the System Contract has determined that, to provide coverage throughout the MTA service area, the antennas and ground equipment to be procured by the selected System contractor will need to be installed at approximately 79 locations. The locations and required heights of the antennas have been determined based on a radio frequency promulgation study designed to minimize required infrastructure while optimizing performance. MTA Real Estate, LIRR and the MTAPD have investigated Structure availability and have determined there are 64 suitable Structures that already exist (of which 18 are controlled by local, state and federal government entities, 7 are controlled by LIRR, and 39 are controlled by commercial operators). MTA expects that occupancy agreements will be implemented for all 18 government sites.

After extensive review and analysis, it has been determined that there are no suitable existing Structures in the vicinity of 15 required antenna locations in Dutchess, Orange, Putnam, Rockland and Westchester Counties. Accordingly, the only feasible option to provide coverage at such locations is to construct new Structures on property controlled by Metro-North. Such Structures (typically "monopole"-type facilities) will be located approximately as described on Exhibit A. Minor adjustments to such locations may be required as a result of the final design of the radio system.

To defray costs and risks for System build out and to maximize benefits to the MTA, MTA customers and MTAPD's strategic partners, the proposed Master License Agreement will transfer the capital cost of construction of the new Structures onto the Master Licensee. This will also enable the MTA to generate additional revenues in the form of co-location fees from other wireless carriers. Co-location of wireless carriers on the new Structures will provide MTA

Staff Summary

To defray costs and risks for System build out and to maximize benefits to the MTA, MTA customers and MTAPD's strategic partners, the proposed Master License Agreement will transfer the capital cost of construction of the new Structures onto the Master Licensee. This will also enable the MTA to generate additional revenues in the form of co-location fees from other wireless carriers. Co-location of wireless carriers on the new Structures will provide MTA customers and local residents with enhanced access to emergency services and cellular networks in areas where little or no coverage currently exists. In addition, certain regional first responders will be provided with mission critical communications in areas where existing coverage is minimal. This approach will reduce overall costs, satisfy the System requirements for antenna structures and provide an important benefit to our customers. This revenue producing business model of shared MTA and third party use of wireless infrastructure has been successful in the context of the other contracts MTA has awarded for wireless networks in the subway system and at other locations within the MTA transportation system.

After considering the critical path activities for implementing the MTAPD Radio Project, staff concluded that the most cost effective way to proceed is to award the Master License for the proposed new Structures as soon as possible to ensure that the Master Licensee has sufficient time to complete due diligence on each Structure location and design and build the Structures in time to receive the equipment that will be designed and installed upon award of the System RFP as described above.

New Structures RFP

In late 2012, MTA Real Estate issued a Request for Expressions of Interest ("RFEI") from companies interested in constructing and operating the new Structures that will need to be constructed on Metro-North-controlled property. Expressions of interest were received from 10 companies, with three companies submitting complete responses to the RFEI.

In July of 2013, taking into account information gleaned from such RFEI responses, MTA Real Estate issued a Request for Proposals to enter into the proposed Master License (the "Structure RFP"). As amended, the Structure RFP contemplated that the Master Licensee would construct the Structures at the Master Licensee's cost, recouping a portion of such costs through sub-license fees paid by MTAPD for the right to locate its radio antennas at specified locations on the structures and its ground equipment within the associated compound. To minimize such sub-license fees and maximize the utility of the Structures, the Structure RFP provided that, in addition to sub-licenses with the MTAPD, the selected Master Licensee will be permitted to enter into sublicenses with wireless communications providers to co-locate antennas on the Structures and equipment within the compound. Any revenue generated from such sublicenses will be shared with the MTA on the terms described above.

In response to the RFP, Real Estate received responsive proposals from four wireless facility companies: SBA, Global Tower, Crown Castle and Parallel. The proposals were evaluated by representatives of MTA Real Estate, MTA Strategic Initiatives and the MTAPD Radio Project team (the "Selection Committee"). Following evaluation of the initial proposals and the issuance of addenda in response to proposer questions, MTA issued a request for "best and final" offers from Global Tower, Crown Castle and Parallel.

In response to such request for best and final offers, Global Tower withdrew. Crown Castle submitted three best and final offer scenarios, and Parallel submitted two. In reviewing such scenarios, the Selection Committee considered the likelihood and timing of co-locations on the Structures and the associated costs and revenues, the licensee fees that would be payable by MTAPD, and the overall range of potential costs of the project to MTAPD over the projected term. Both firms were deemed technically capable of constructing, operating and maintaining the Structures and associated infrastructure.

The proposals from Parallel and Crown Castle addressed several variables, including, most importantly, whether or not co-location on each structure would be permitted, how much compensation MTAPD would be required to pay for its right to occupy the structure, and what revenue share was being proposed. Assuming an average Structure construction cost of \$350,000, Parallel's most attractive offer had a worst case downside NPV exposure (no co-locations) of negative \$362,000 per Structure versus a best case upside NPV exposure (4 co-locations per Structure) of \$617,000 per Structure. Crown Castle's most attractive offer had a worst case downside NPV exposure of negative \$501,000 per Structure versus a best case upside NPV exposure of \$674,000 per Structure. The Selection Committee decided that Crown Castle's moderately higher upside (NPV \$57,000 difference per Structure) did not justify taking on the significantly increased downside exposure (\$139,000 per Structure).

Staff Summary



Parallel is a national right-of-way management and asset development company based in Jacksonville, Florida. It is a subsidiary of Florida East Coast Industries, which is owned by investment funds managed by Fortress Investment Group LLC. Parallel has significant experience in end-to-end Structure development, operations, maintenance and marketing and with other mass transportation providers and railroads, including the MTA LIRR East Side Access Project.

Construction and operation of the new Structures and related facilities described in this staff summary will be exempt from local regulation (pursuant to Public Authorities Law Section 1266(8)) and from review under the State Environmental Quality Review Act (pursuant to Public Authorities Law Section 1266(11)). Metro-North has conducted community outreach regarding the proposed new Structures and will continue to do so.

Based on the foregoing, MTA Real Estate requests Board approval to enter the Master License and related sub-licenses with Parallel on behalf of MTAPD.

Use of Existing Structures

Because the proposed new MTAPD radio system will require the installation of antennas and other equipment on up to 39 existing privately-owned commercial Structures throughout the MTA operating territory, MTA Real Estate will need to negotiate and enter into agreements with the operators of such Structures.

MTA Real Estate has contracted with an appraiser with specialized qualifications in infrastructure valuation to estimate the market rent rates that the MTA should expect to pay to locate antennas on 33 of such 39 Structures. The consultant's findings were that monthly rental rates for such occupancies should range from a low of \$1,400.00 per month to a high of \$4,000.00 per month depending on locational demand. Thus, the range of estimated aggregate monthly rental payments for the 39 sites would be from \$54,600 per month to \$156,000 per month (or from \$655,200 to \$1.872 million per annum).

Although MTA Real Estate will attempt to coordinate the commencement of such agreements as closely as possible with the System RFP implementation schedule, the commercial realities of the marketplace may require MTA Real Estate to act quickly and in advance of full system completion.

To facilitate the timely finalization of such transactions, MTA Real Estate requests Board authorization to enter into up to 39 occupancy agreements for existing commercial structures at the best-available negotiated rates without additional Board review and approval of specific transactions, provided such rates are determined to be fair and reasonable based on market rates in the region.

Exhibit A

Listing, Location and Description of Proposed New Structures

#	Site	County	Coordinates		Antenna Height	Site Description
			Lat	Long	AGL (m)	
1	New Hamburg Station	Dutchess	41 35 16.6	-73 56 52	45.7	Proposed Structure site is located south of New Hamburg Station at the edge of the parking area. Vacant land is occupied by a decommissioned generator located near the bridge.
2	Wassaic Station	Dutchess	41 48 52.9	-73 33 45	45.7	Proposed Structure to be located at the station beyond the parking area located east of the station platform. Land is vacant.
3	Harlem Valley Wingdale	Dutchess	41 38 47.8	-73 34 05	45.7	Proposed Structure site is located approx. 1 mile north of the station platforms. Land is located across the tracks from a vacant building (formerly a bar/lounge).
4	Port Jervis Station	Orange	41 22 22.4	-74 41 47	45.7	Proposed Structure site is located west of the station platforms at the "Y" junction within the Port Jervis yard area. Empty trailers and containers nearby.
5	Otisville Station	Orange	41 28 18.8	-74 31 45	45.7	Proposed Structure site is located across from Otisville Station beyond the parking area on vacant land, adjacent to the access road.
6	Salisbury Station	Orange	41 26 12.1	-74 06 06	45.7	Proposed Structure site is located at the north end of the Salisbury Station platform area, beyond existing RR equipment cases. Tower would be installed within the sunken area adjacent to the existing retaining wall.
7	Harriman South Station	Orange	41 17 36.2	-74 08 24	45.7	Proposed Structure site is located adjacent to the existing MTAPD personnel trailer located at the north end of the station parking lot. Land area is vacant.
8	Campbell Hall Station	Orange	41 27 05.2	-74 15 59	48.8	Proposed Structure site is located west of the station parking area on vacant land. Tower location would be at the far southwest end of the lot beyond fenced storage area.
9	Rt. 164	Putnam	41 28 39.9	-73 36 33	45.7	Proposed Structure site would be located approx. 1/10th mile north of R164 alongside the MNR Harlem line. Land is vacant and will require an access road along the tracks.
10	Spring Valley Station	Rockland	41 06 43.2	-74 02 38	45.7	Proposed site is located west of the Spring Valley Station along MNR's defunct Piermont track line. Tower site would be installed on old RR RoW.
11	Pearl River Station	Rockland	41 03 28.4	-74 01 20	45.7	Proposed Structure would be located south of Pearl River Station at the edge of the parking area. Tower would be

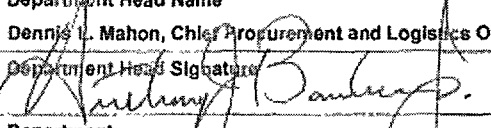
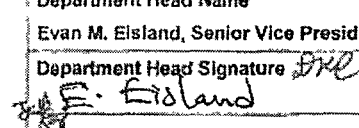
Staff Summary

						installed on vacant land separating the two parking areas.
12	Tarrytown Station	Westchester	41 04 32.0	-73 51 55	45.7	Proposed Structure site is located at the southern end of the Tarrytown yard/storage area.
13	Peekskill Station	Westchester	41 17 09.6	-73 55 50	45.7	Proposed Structure site would be located approx. 1 mile south of Peekskill Station, adjacent to an existing Signal HQ building/lot area. Selected site lies between the MNR track line and active siding.
14	Mount Kisco Station	Westchester	41 12 40.0	-73 43 38	45.7	Proposed Structure would be located east of Mt. Kisco Station within storage area. Lot area is vacant.
15	CP223 - Rye	Westchester	40 58 45.4	-73 41 39	45.7	Proposed Structure site would be located adjacent to the existing Structure located along the 195 corridor. Area contains abandoned shacks and equipment cases.

**METRO-NORTH/LONG ISLAND
COMMITTEE**

**PROCUREMENTS
FOR
BOARD
ACTION**

April 30, 2014

Subject Request for Authorization to Award Various Procurements	Date April 30, 2014
Department Procurement and Logistics - LIRR	Department Law and Procurement - MTACC
Department Head Name Dennis L. Mahon, Chief Procurement and Logistics Officer	Department Head Name Evan M. Eisland, Senior Vice President and General Counsel
Department Head Signature 	Department Head Signature 
Department Procurement and Material Management - MNR	
Department Head Name Anthony J. Bombace, Jr., Sr. Director, Procurement & Material Management	
Department Head Signature 	

Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	LIRR/MNR Committee	4.28.14				X	President, LIRR		
2	MTA Board	4.30.14				X	President, MNR		
						X	President, MTACC		

PURPOSE:

To obtain approval of the Board to award various contracts and purchase orders, and to inform the Metro-North/Long Island Committee of these procurement actions.

DISCUSSION:

LIRR proposes to award Non-Competitive procurements in the following categories:

		# of Actions	\$ Amount
<u>Schedules Requiring Two-Thirds Vote:</u>			
Schedule A:	Non-Competitive Purchases and Public Work Contracts	2	\$1,442,000
SUBTOTAL:		2	\$1,442,000

MNR proposes to award Non-Competitive procurements in the following categories:

<u>Schedules Requiring Majority Vote:</u>			
Schedule G:	Miscellaneous Service Contracts	1	\$3,419,779
SUBTOTAL:		1	\$3,419,779

MTACC proposes to award Non-Competitive procurements in the following categories: NONE

LIRR proposes to award Competitive procurements in the following categories:

	<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Two-Thirds Vote:</u>		
Schedule B: Competitive Requests for Proposals (Solicitation)	1	\$TBD
Schedule C: Competitive Requests for Proposals (Award)	1	\$25,959,880
<u>Schedules Requiring Majority Vote:</u>		
Schedule I: Modifications to Purchase and Public Work Contracts	1	\$11,321,166
SUBTOTAL:	3	\$37,281,046

MNR proposes to award Competitive procurements in the following categories:

<u>Schedules Requiring Majority Vote:</u>		
Schedule G: Miscellaneous Service Contracts	2	\$2,161,000
SUBTOTAL:	2	\$2,161,000

MTACC proposes to award Competitive procurements in the following categories:

<u>Schedules Requiring Two Thirds Majority Vote:</u>		
Schedule B: Competitive Request for Proposals	1	\$TBD
<u>Schedules Requiring Majority Vote:</u>		
Schedule H: Modifications to Personal and Miscellaneous Service Contracts	1	\$846,232
Schedule I: Modifications to Purchase and Public Work Contracts	1	\$2,154,714
SUBTOTAL:	3	\$3,000,946

LIRR proposes to award Ratifications in the following categories:

NONE

MNR proposes to award Ratifications in the following categories:

<u>Schedules Requiring Majority Vote:</u>		
Schedule K: Ratification of Completed Procurement Actions	4	\$1,218,250
SUBTOTAL:	4	\$1,218,250

MTACC proposes to award Ratifications in the following categories:

<u>Schedules Requiring Majority Vote:</u>		
Schedule K: Ratification of Completed Procurement Action	1	\$5,500,000
SUBTOTAL:	1	\$5,500,000

TOTAL: 16 \$54,023,021

The contractors noted above and on the following Staff Summary Sheets have been found in all respects responsive and responsible, and are in compliance with State laws and regulations concerning procurements.

BUDGET IMPACT:

The purchases/contracts will result in obligating Long Island Rail Road, Metro-North Railroad and MTA Capital Construction operating and capital funds in the amount listed. Funds are available in the current operating/capital budgets for this purpose.

RECOMMENDATION:

That the purchases/contracts be approved as proposed. (Items are included in the resolution of approval at the beginning of the Procurement Section.)

METROPOLITAN TRANSPORTATION AUTHORITY

WHEREAS, in accordance with Section 1265-a and Section 1209 of the Public Authorities law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public work contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

WHEREAS, in accordance with the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous procurement contracts, and certain change orders to procurement, public work, and miscellaneous procurement contracts; and

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All Agency Guidelines for Procurement of Services, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in the annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.
2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which it is deemed in the public interest to obtain authorization to solicit competitive proposals through a publicly advertised RFP for the reasons specified therein the Board declares it to be impractical or inappropriate to utilize a procurement process inviting sealed bids with award to the lowest responsive/responsible bidder.
3. As to each request for proposals (for purchase and public work contracts) set forth in Schedule C for which a recommendation is made to award the contract, the Board authorizes the execution of said contract.
4. The Board ratifies each action taken set forth in Schedule D for which ratification is requested.
5. The Board authorizes the execution of each of the following for which Board authorization is required: i) the miscellaneous procurement contracts set forth in Schedule E; ii) the personal service contracts set forth in Schedule F; iii) the miscellaneous service contracts set forth in Schedule G; iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; v) the contract modifications to purchase and public work contracts set forth in Schedule I; and vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.
6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.

APRIL 2014

MTA LONG ISLAND RAIL ROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote

Schedule A: Non-Competitive Purchase and Public Works Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source: \$250K Other Non-Competitive)

- | | | | |
|----|---|---|--------------------------------------|
| 1. | LB Foster Rail Technologies, Inc.
Sole Source
Contract No. IT04116 | \$580,000-LIRR
\$ 72,000-MNR
<u>\$105,000-NYCT</u>
\$757,000-Not-to-Exceed | <i><u>Staff Summary Attached</u></i> |
|----|---|---|--------------------------------------|

LIRR, on behalf of itself, Metro-North Railroad (MNR) and New York City Transit (NYCT) requests approval to award three separate three-year Sole Source estimated quantity contracts, to L. B. Foster Rail Technologies, Inc. (LB Foster), in the following not-to-exceed amounts: LIRR - \$580,000, MNR - \$72,000 and NYCT - \$105,000. Under the contracts, LB Foster will provide the LIRR, MNR and NYCT (collectively, the Agencies) with rail lubrication and traction applicators as well as replacement parts on an as-needed basis allowing each Agency to repair and maintain its existing respective rail lubrication and friction management systems manufactured by Portec Rail Products, Inc. (Portec). (At the end of December 2010, LB Foster acquired Portec and its catalog of track lubricating and friction management equipment).

- | | | | |
|----|--|--|--------------------------------------|
| 2. | North American Equipment
Sole Source
Contract No. IT05850 | \$415,000-LIRR
<u>\$270,000-MNR</u>
\$685,000-Not-to-Exceed | <i><u>Staff Summary Attached</u></i> |
|----|--|--|--------------------------------------|

LIRR, on behalf of itself and Metro-North Railroad (MNR) (collectively the "Railroads"), requests MTA Board approval to award individual sole source contracts to North American Equipment Sales Co., Inc. (North American) for the supply of parts required on an as-needed basis to maintain Little Giant/Badger cranes, American & Ohio Locomotive cranes, Teleweld rail heaters, and Airtec impact tools. The Railroads will issue individual orders to North American for a three-year period each in the not-to-exceed amounts of \$415,000 (LIRR) and \$270,000 (MNR).



Staff Summary

Item Number: 1

Vendor Name
LB Foster Rail Technologies, Inc. Pittsburgh, PA
Description
Spare Parts Required to Perform Maintenance and Repairs of LB Foster Lubricators and Traction Gel Applicators
Contract Term (including Options, if any)
3 Years
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type
<input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-Competitive
Solicitation Type
<input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source

Contact Number	Renewal?								
IT04116	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No								
Total Amount:	<table> <tr> <td>LIRR</td> <td>\$580,000</td> </tr> <tr> <td>MNR</td> <td>\$ 72,000</td> </tr> <tr> <td>NYCT</td> <td>\$105,000</td> </tr> <tr> <td>Not-to-Exceed</td> <td>\$757,000</td> </tr> </table>	LIRR	\$580,000	MNR	\$ 72,000	NYCT	\$105,000	Not-to-Exceed	\$757,000
LIRR	\$580,000								
MNR	\$ 72,000								
NYCT	\$105,000								
Not-to-Exceed	\$757,000								
Funding Source									
<input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:									
Requesting Dept/Div & Dept/Div Head Name:									
Maintenance of Way – John Collins, Chief Engineer									
Contract Manager:									
Richard Barone									

Discussion:

LIRR, on behalf of itself, Metro-North Railroad (MNR) and New York City Transit (NYCT) requests approval to award three separate three-year Sole Source estimated quantity contracts, to L. B. Foster Rail Technologies, Inc. (LB Foster), in the following not-to-exceed amounts: LIRR - \$580,000, MNR - \$72,000 and NYCT - \$105,000. Under the contracts, L.B. Foster will provide the LIRR, MNR and NYCT (collectively, the Agencies) with rail lubrication and traction applicators as well as replacement parts on an as-needed basis allowing each Agency to repair and maintain its existing respective rail lubrication and friction management systems manufactured by Portec Rail Products, Inc. (Portec). (At the end of December 2010, LB Foster acquired Portec and its catalog of track lubricating and friction management equipment).

LIRR advertised its intent to award a Joint Sole Source procurement to LB Foster in the NYS Contract Reporter on February 12, 2014, in the New York Post on February 20, 2014 and on the Web on February 20, 2014. No other vendor expressed interest in competing for this procurement. The prices submitted by LB Foster were reviewed and compared to the Producer Price Index (PPI) for finished goods - Series Id: WPSSOP3000. LB Foster's overall prices have increased no more than 1.2% annually, which is in line with PPI index annual increase of 1.2%. The LB Foster price list will be fixed for the first year of the contract and will then be adjusted on the contract anniversary date utilizing a previously agreed upon PPI. LB Foster has certified that all prices offered to the Agencies are equal to or not greater than prices charged to their most favored transit customer or any other commuter railroad or transit agency. As a result of the above, prices have been determined to be fair and reasonable.

Schedule A: Non-Competitive Purchases and Public Works

Staff Summary



Item Number: 2

Vendor Name North American Equipment – Bucyrus, Ohio	
Description Various Replacement Parts	
Contract Term (including Options, if any) 3 Year Contract	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-Competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source	

Contact Number IT05850	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount:	LIRR \$415,000 MNR \$270,000 Not-to-Exceed \$685,000
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Maintenance of Way – John Collins, Chief Engineer	
Contract Manager: Richard Barone	

Discussion:

LIRR, on behalf of itself and Metro-North Railroad (MNR) (collectively the "Railroads"), requests MTA Board approval to award individual sole source contracts to North American Equipment Sales Co., Inc. (North American) for the supply of parts required on an as-needed basis to maintain Little Giant/Badger cranes, American & Ohio Locomotive cranes, Teleweld rail heaters, and Airtec impact tools. The Railroads will issue individual orders to North American for a three-year period each in the not-to-exceed amounts of \$415,000 (LIRR) and \$270,000 (MNR).

North American is the exclusive distributor of these highly specialized pieces of equipment, which must be maintained in good operating condition to support on-going infrastructure maintenance programs. LIRR advertised its intent to award sole source contracts to North American in the NYS Contract Reporter on July 26, 2013, in the NY Post on August 8, 2013 and on the Web on August 15, 2013. No other manufacturer expressed an interest in competing for this contract.

North American offered list price plus delivery costs for Teleweld rail heaters, Airtec impact tools, American & Ohio Locomotive crane parts and a 5% discount off list on Little Giant/Badger parts plus delivery costs for the contract term. The price lists are subject to change by manufacturer. A comparison of the current price lists for Teleweld rail heaters parts over pricing for 2012 reflects an average price increase of 1.16%. The Producer Price Index (PPI) for heat transfer equipment, including heat pumps increased by 1.78%. The 2013 price for Airtec impact tool parts increase over the previous pricing by 2.77%, whereas the PPI for Power-driven hand tools, pneumatic, hydraulic, and power-actuated increased by 5.31%. American & Ohio Locomotive and Little Giant/Badger parts price list increased by 6.05%, while the PPI for parts for cranes, draglines, and shovels (sold separately) increased by 8.2%. Overall, the price list was found acceptable when compared to the appropriate PPI. North American has certified that all prices offered to the Agencies are equal to or not greater than prices charged to their most favored transit customer or any other Commuter Railroad or Transit Agency. As a result of the above, prices are determined to be fair and reasonable.

APRIL 2014

METRO-NORTH RAILROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Two-Thirds Vote:

G. Miscellaneous Service Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive; \$1M RFP; No Staff Summary required if Sealed Bid Procurement.)

- | | | | |
|---|---|--------------------|--------------------------------------|
| 1 | Siemens Industry, Inc. | \$3,419,779 | <u>Staff Summary Attached</u> |
| | Maintenance and System Upgrades for the Siemens GCT Building Management and GCT Fire Alarm and Life Safety Systems | | |

Approval is requested to award two, non-competitive, five year miscellaneous service contracts for maintenance and system upgrades for the Grand Central Terminal (GCT) Siemens Building Management System (BMS) and the GCT Siemens Fire Alarm and Life Safety System (FAS). The BMS primarily controls most of the GCT heating, ventilation, air conditioning systems, and monitors many critical alarms. The FAS can pinpoint alarm conditions anywhere throughout GCT, which facilitates a rapid response to fire and life safety events.

Siemens is the Original Equipment Manufacturer (OEM) for both systems and is the only authorized company to maintain the proprietary software that runs them. The contracts will provide continuous preventive maintenance, technical support, troubleshooting, repairs and replacement, and testing and inspection services. Various parts and equipment for each system are either being replaced to maintain leading edge technology or parts are being replaced due to obsolescence. Additionally, the contracts will include a provision for necessary upgrades as directed and approved solely by MNR. The maintenance and upgrades are expected to extend the life of the systems approximately 10 years. Also, during the period of these contracts, MNR will begin the process of a comprehensive evaluation of the technologies that are available to possibly replace the systems.

In accordance with MNR and MTA procurement guidelines, a notification of the sole source procurement was placed in the New York State Contract Reporter, the New York Post, The Daily Challenge, and on the MNR website. MNR has complied with PAL§ 1265-a (3) regarding the posting of advertisements in order to identify potential alternate suppliers and with MTA All-Agency Procurement Guidelines for this sole source procurement. No alternate suppliers responded to the notification. The MTA Department of Diversity and Civil rights assigned 0% M/WBE goals for this contract.

The cost for the Building Management System is \$1,557,838 and the cost for the Fire Alarm and Life Safety System agreement is \$1,861,941. MNR Procurement negotiated a 20% discount on the labor rates and a 60% discount on parts for the system upgrades, from the proposed amounts as submitted by Siemens. All prices are deemed to be fair and reasonable for the level of services required. The total cost for both contracts is \$3,419,779. These procurements are to be funded by the MNR Operating Budget.

Staff Summary

Item Number G					
Dept & Dept. Head Name: <i>[Signature]</i> Procurement & Material Management, Anthony J. Bombace, Jr.					
Division & Division Head Name:					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	M-N Comm.Mtg.	04-28-14	X		
2	MTA Board Mtg.	04-30-14	X		
Internal Approvals					
Order	Approval	Order	Approval		
X	President <i>[Signature]</i>	X	V.P. General Counsel <i>[Signature]</i>		
X	Sr. V.P. Operations <i>[Signature]</i>		V.P. Planning		
X	V.P. Finance & IT <i>[Signature]</i>				
	Capital Programs				

SUMMARY INFORMATION	
Vendor Name Siemens Industry, Inc	Contract Number 26232/26233
Description Maintenance & System Upgrades for the Siemens GCT Building Management System (BMS) and GCT Fire Alarm and Life Safety System (FAS)	
Total Amount Total: \$3,419,779 (BMS: \$1,557,838 & FAS: \$1,861,941)	
Contract Term (including Options, if any) Five years	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION:

Approval is requested to award two, non-competitive, five year miscellaneous service contracts for maintenance and system upgrades for the Grand Central Terminal (GCT) Siemens Building Management System (BMS) and the GCT Fire Alarm and Life Safety System (FAS).

II. DISCUSSION:

MNR requests MTA Board approval to award two, non-competitive, five year miscellaneous service contracts for maintenance and system upgrades for the Grand Central Terminal (GCT) Siemens Building Management System (BMS) and the GCT Fire Alarm and Life Safety System (FAS). The BMS primarily controls most of the GCT heating, ventilation, air conditioning systems, and monitors many critical alarms. It also controls various other mechanical/electrical equipment throughout GCT. The FAS can pinpoint alarm conditions anywhere throughout GCT, which facilitates a rapid response to fire and life safety events.

Siemens is the Original Equipment Manufacturer (OEM) for both systems and is the only authorized company to maintain the proprietary software that runs them. The contracts will provide continuous preventive maintenance, technical support, troubleshooting, repairs and replacement, and testing and inspection services. Various parts and equipment for each system are either being replaced to maintain leading edge technology or parts are being replaced due to obsolescence. Additionally, the contracts will include a provision for necessary upgrades as directed and approved solely by MNR. The maintenance and upgrades are expected to extend the life of the systems approximately 10 years. Also, during the period of these contracts, MNR will begin the process of a comprehensive evaluation of the technologies that are available to possibly replace the systems.

Staff Summary



In accordance with MNR and MTA procurement guidelines, a notification of the sole source procurement was placed in the New York State Contract Reporter, the New York Post, The Daily Challenge, and on the MNR website. MNR has complied with PAL§ 1265-a (3) regarding the posting of advertisements in order to identify potential alternate suppliers and with MTA All-Agency Procurement Guidelines for this sole source procurement. No alternate suppliers responded to the notification.

Siemens submitted a Contractor Responsibility Form as a requirement for the new contract and disclosed information constituting "Significant Adverse Information" ("SAI") under the MTA All-Agency Responsibility Guidelines. MNR prepared a Responsibility Waiver and with MNR recommendation the MTA Chairman approved same on February 25, 2014.

Siemens proposed pricing for the five year contract term for the BMS is \$1,557,838, which includes costs for: maintenance = \$590,592, upgrades = \$842,246 and an allowance = \$125,000. The cost for the FAS is \$1,861,941, which includes maintenance = \$1,006,486, upgrades = \$730,455, and an allowance = \$125,000. MNR Procurement negotiated a 20% discount on the labor rates and a 60% discount on parts for the system upgrades, from the proposed amounts as submitted by Siemens. All prices are to be deemed fair and reasonable.

III. D/M/WBE INFORMATION:

The MTA Department of Diversity and Civil Rights set 0% MWBE goals for these contracts.

IV. IMPACT ON FUNDING:

The cost for the Building Management System is \$1,557,838 and the cost for the Fire Alarm and Life Safety System agreement is \$1,861,941. The total cost for both contracts is \$3,419,779. These procurements are to be funded by the MNR Operating Budget.

V. ALTERNATIVES:

MNR does not have the available in-house staff with both the expertise and capability to perform the required maintenance/upgrades on the Siemens' Building Management System and Fire Alarm and Life Safety Systems.



APRIL 2014

MTA LONG ISLAND RAIL ROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote

Schedule B: Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)
(Staff Summaries only required for items estimated to be greater than \$1 million)

- | | | | |
|----|---|-------------|-------------------------------|
| 3. | TBD
Competitive RFP
Contract No. TBD | STBD | <u>Staff Summary Attached</u> |
|----|---|-------------|-------------------------------|
- LIRR requests MTA Board approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is in the public's best interest to use the Request for Proposal (RFP) procurement method pursuant to Section 1265-a of the Public Authorities Law to solicit a Design/Build construction contract for the Ellison Avenue Bridge Replacement Project.

Procurements Requiring Two-Thirds Vote

Schedule C: Competitive Request for Proposals (Award of Purchase and Public Work Contracts)
(Staff Summaries only required for items requiring Board approval)

- | | | | |
|----|---|--|-------------------------------|
| 4. | Picone-Schiavone II, a joint-venture
Of John P. Picone Inc. and
Schiavone Construction Co. LLC
Competitive RFP
Contract No. 6121 | \$23,979,000-Base Work
<u>\$ 1,980,880-Options</u>
\$25,959,880 | <u>Staff Summary Attached</u> |
|----|---|--|-------------------------------|
- LIRR requests approval to award a Contract to Picone-Schiavone II, a joint-venture of John P. Picone Inc. and Schiavone Construction Co. LLC, in the amount of \$25,959,880 to provide Design-Build Services for the Reconfiguration of the Johnson Avenue Yard in Jamaica, Queens. The Contract is part of the initial phase of Jamaica Capacity Improvements - Phase I, leading to the construction of a new station platform (Platform F) consistent with future East Side Access service and scoot service from Jamaica to Brooklyn.

Procurements Requiring Majority Vote

Schedule I: Modifications to Purchase and Public Work Contracts
(Staff Summaries required for individual change orders greater than \$250K. Approval without Staff Summary required for change orders greater than 15% of the adjusted contract amount which are also at least \$50K)

- | | | | |
|----|---|---------------------|-------------------------------|
| 5. | Bombardier Transportation/
Siemens Rail
Contract Nos. 1712 / 29544 | \$11,206,702 | <u>Staff Summary Attached</u> |
|----|---|---------------------|-------------------------------|
- LIRR requests Board approval to issue contract modifications to accelerate performance of the Positive Train Control System Integrator ("SI") contract to increase delivery rates for (i) PTC On-Board Equipment Kits for M-7 cars (LIRR and MNR) and M-3 cars (MNR only), and (ii) PTC Wayside Equipment Kits (both Railroads), and (iii) to obtain earlier delivery of MNR wayside transponders, at a total combined lump sum cost of \$11,206,702

Schedule B: Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)

Staff Summary



Long Island Rail Road

Page 1 of 2

Item Number: 3					
Dept/Dept Head Name: Procurement & Logistics, Dennis Mahon					
Department Head Signature & Date <i>[Signature]</i>					
Division/Division Head Name: Program Management, Richard Oakley					
Division Head Signature & Date <i>[Signature]</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	LI Committee	4.28.14			
2	MTA Board	4.30.14			
Internal Approvals					
Order	Approval	Order	Approval		
1	President <i>[Signature]</i>	4	VP/CFO <i>[Signature]</i>		
2	Executive VP <i>[Signature]</i>	5	VP/Gen'l Counsel <i>[Signature]</i>		
3	Sr. VP/Operations <i>[Signature]</i>	6	Sr. VP/Administration <i>[Signature]</i>		

SUMMARY INFORMATION	
Vendor Name	Contract Number
TBD	TBD
Description ;	
Design-Build Ellison Avenue Bridge Replacement	
Total Amount	
\$TBD	
Contract Term (including Options, if any)	
790 Calendar Days	
Options(s) included in Total Amount: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type	
<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive	
Solicitation Type	
<input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source	
<input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative:

I. PURPOSE/RECOMMENDATION

LIRR requests MTA Board approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is in the public's best interest to use the Request for Proposal (RFP) procurement method pursuant to Section 1265-a of the Public Authorities Law to solicit a Design/Build construction contract for the Ellison Avenue Bridge Replacement Project.

II. DISCUSSION

LIRR will seek a Design/Build Contractor for the final design and construction of the Ellison Avenue Bridge Replacement Project. Below is a brief description of the elements for the project. The Ellison Avenue Bridge is a roadway bridge over LIRR's Main Line, which was originally constructed by the LIRR as an overpass in 1896, and was rebuilt in 1941 as a two-lane roadway bridge with pedestrian sidewalks on both sides. The bridge is located above LIRR's Main Line at Mile Post 21.0, north of Old Country Road and between the Carle Place and Westbury Train Stations. The Ellison Avenue Bridge is surrounded by residential properties, with a posted speed limit of 30 MPH and a load weight restriction limit of 3 tons. The roadway deck of the Bridge is in poor condition and is in need of replacement.

The Design/Build Contractor will be required to complete the final design of the bridge with specific design details and construct the new structural steel members, bridge deck, bridge seats, and abutments. The existing 3-span bridge (including piers and abutments) will be completely demolished and replaced with a wider single span steel bridge to accommodate a future third track as part of Main Line Corridor Improvements. In addition, the abutments will be constructed deep enough to accommodate additional vertical clearance for potential future freight train service.

LIRR is requesting to use the RFP method for design/build procurement to ensure that the design is consistent with the necessary means and methods and encourage the selected proposer to identify innovative construction methods to minimize impacts to the project schedule, LIRR operations, and the surrounding residential area. Furthermore, the competitive RFP procurement method allows the LIRR to select a Contractor based upon considerations of technical capability, experience, with a particular type of project, past performance, qualifications of key personnel, safety records and project schedule as well as provides the LIRR with the ability to evaluate the contractors approach to key components of the project such as site constraints, construction schedule, access issues, means and methods, sequence of operation and minimal impact to Railroad operation, in addition to cost. In the past the MTA Board has previously authorized use of the RFP process in connection with many past Design-Build contracts for which the above considerations were important and effective.

Schedule B: Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)

Staff Summary



Page 2 of 2

III. IMPACT ON FUNDING

This contract will be funded by LIRR's 2005 to 2009 Capital Program Budget.

IV. ALTERNATIVES

The alternative is to use the Invitation for Bid (IFB) procurement method. The IFB procurement method does not allow the LIRR to negotiate costs or select a Contractor based upon best experience, technical capability, and a construction methodology which has the least impact to LIRR operations and the community. In addition, an IFB would (i) require drawings to be at the 100% level for the Ellison Avenue Bridge Replacement Project, thus potentially delaying the start of construction, (ii) delay meaningful dialogue with the Contractor until after award, thereby preventing the LIRR from being able to negotiate improvements to the construction schedule and incorporate more efficient means and methods for construction.

Schedule C Competitive Requests for Proposals (Award of Purchase and Public Work Contracts)

Staff Summary



Long Island Rail Road

Page 1 of 2

Item Number: 4					
Dept & Dept Head Name: Procurement & Logistics, Dennis Mahon					
Department Head Signature & Date <i>[Signature]</i>					
Division & Division Head Name: Program Management, Richard Oakley					
Division Head Signature & Date <i>[Signature]</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	LI Committee	4.28.14			
2	MTA Board	4.30.14			
Internal Approvals					
Order	Approval	Order	Approval		
6	President <i>[Signature]</i>	3	VP/CFO <i>[Signature]</i>		
5	Executive VP <i>[Signature]</i>	2	Sr. VP/Operations <i>[Signature]</i>		
4	VP/Gen'l Counsel & Sec'y <i>[Signature]</i>	1	SR VP/Administration <i>[Signature]</i>		

SUMMARY INFORMATION	
Vendor Name	Contract Number
Picone-Schiavone II, Joint Venture	6121
Description Design-Build Johnson Avenue Yard Reconfiguration	
Total Amount	
\$23,979,000 Base Work + \$1,980,880 Options	
Contract Term (Including Options, if any)	
765 consecutive calendar days	
Options(s) included in Total Amount: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type	
<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive	
Solicitation Type	
<input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source	
<input type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

I. PURPOSE/RECOMMENDATION:

LIRR requests approval to award a Contract to Picone-Schiavone II, a joint-venture of John P. Picone Inc. and Schiavone Construction Co. LLC, in the amount of \$ \$25,959,880, to provide Design-Build Services for the Reconfiguration of the Johnson Avenue Yard in Jamaica, Queens. The Contract is part of the initial phase of Jamaica Capacity Improvements - Phase I, leading to the construction of a new station platform (Platform F) consistent with future East Side Access service and scoot service from Jamaica to Brooklyn.

II. DISCUSSION:

Award of this contract to Picone-Schiavone for the reconstruction of the Johnson Avenue Yard will allow the future construction of the additional Jamaica service platform required to support East Side Access Readiness and will facilitate the next phase of Jamaica Capacity Improvements, including the extension of existing Jamaica Station Platforms A - E to 12-Car Platforms. This Contract (#6121) represents the initial scope of work required to provide ESA service to Grand Central Terminal as well as the phasing of other Jamaica Capacity Improvements including universal 12-car train access to Jamaica that will improve overall train capacity to Manhattan Terminals. The Design-Build Contractor will perform the final Johnson Avenue Yard design while effectively progressing yard construction, modifying track alignments, and providing space needed for the additional platform to be located south of the existing station platforms. Work includes new track and service aisles; retaining walls and other structural support systems; drainage systems; yard lighting; utility relocations; communication and security systems for a fully functional yard.

At its March 2013 meeting, the MTA Board approved the use of the "Request for Proposals" (RFP) method to solicit this contract. Proposals were submitted by seven firms, with pricing ranging from \$23,920,085 to \$51,546,000. Prices were requested for Base Work as well as Option Work (for acquisition, storage, and delivery of additional switches, and for additional track work within the yard).

After an initial assessment of the proposals, two of the proposers were eliminated from further consideration: one whose price proposal was well outside the range of costs proposed by the other six firms and LIRR's internal estimate; the other for submitting a deficient technical proposal that did not meet the technical specifications of the RFP. The remaining five proposals, from firms ECCO III Enterprises Inc., Kiewit Infrastructure Corp., Picone-Schiavone II, Skanska-Railworks Joint Venture, and Tully Construction Co. Inc., were evaluated by a Technical Evaluation Committee (TEC) composed of LIRR departmental stakeholders, and oral presentations were given by the proposers. The final evaluation of the firms, including their price offerings, led to a short-list of three firms (Kiewit, Picone-Schiavone II, and Tully) deemed to be within a competitive range. "Best and Final Offers" were requested from these three firms, who responded in the amounts (including options) of \$25,827,880 (Picone-Schiavone II), \$27,099,445, and \$35,090,000 (second and third lowest responders). The BAFOs were evaluated using a combination of cost (75% weight) and technical (25% weight) criteria, and Picone-Schiavone II was determined to be the firm offering the best value to the LIRR (\$23,847,000 base work + \$1,980,880 Option Work).

Staff Summary



Long Island Rail Road

Page 2 of 2

Picone-Schiavone II's proposal, with Stantec as the proposed design sub-consultant, conformed entirely to the critical LIRR technical requirements when evaluated against the RFP technical criteria (which included technical approach, planning and scheduling, corporate qualifications and experience, and experience of the project team's key personnel). The TEC also considered the alternate work methodologies, resulting in overall time and cost savings to the project, which were proposed by Picone-Schiavone II in relation to key elements of the Work. When compared to other proposers, Picone-Schiavone II presented a very strong technical response, and the most competitive overall price, including Option Work.

LIRR commenced negotiations with Picone-Schiavone II, and negotiated a final price of \$23,979,000 for the base work of the contract (\$58,915 more than the firm's original base work proposal of \$23,920,085, due to the LIRR acceleration of switch acquisitions). This price is less than the LIRR engineer's estimate, and is considered fair and reasonable. The contract also contains three options for various additional work elements, individually priced, with a total negotiated price of \$1,980,880.

Picone-Schiavone II's responsibility has been reviewed and this review has disclosed significant adverse information within the meaning of Responsibility Guidelines. LIRR has reviewed the information and after due consideration thereof, submitted a waiver of adverse information to the Chairman. LIRR will not make any award until the waiver has been reviewed and approved. LIRR also proposes to apply NYCTA and MTACC's current Independent Monitor agreement to this contract.

Based upon the evaluation process outlined above, it is the recommendation of LIRR that Picone-Schiavone II be awarded this design-build contract for the total base price of \$23,979,000, plus options of \$1,980,880.

III. D/M/WBE INFORMATION:

This contract has a 17% DBE goal, which Picone-Schiavone II has committed to meeting. John P. Picone, Inc. and Schiavone Construction Co., LLC have achieved previous M/W/DBE goals on recent MTA contracts.

IV. ADVERTISING: On July 11, 2013, LIRR publicly advertised the RFP for this project in the N.Y.S Contract Reporter, the N.Y. Post, and on the MTA website. Additionally, the advertisement was sent directly to fourteen construction firms deemed capable of performing this work.

V. IMPACT ON FUNDING:

This contract will be funded by a Federal Transportation Administration grant.

VI. ALTERNATIVES:

LIRR in-house forces are not available to perform all of the construction work associated with the Johnson Ave Yard Reconfiguration. Hence, the only alternative to retaining a 3rd-party vendor is to not undertake the work. This is not a viable alternative, as the reconfiguration of Johnson Avenue Yard is an integral part of the overall Jamaica Capacity Improvements Phase I project, which itself is an integral part of the East Side Access "Opening Day" Readiness effort.

Schedule I: Modifications to Purchase and Public Works Contracts

Staff Summary



Long Island Rail Road

Page 1 of 2

Item Number: 5

Vendor Name (& Location) Bombardier Transportation / Siemens Rail Automation (f/k/a InvensysRail)	
Description Positive Train Control System Integrator	
Contract Term (including Options, if any)	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-Competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Chris Calvagna	

Contact Number	AWO/Modification #
1712 / 29544	2
Original Amount: \$428,477,247	
Prior Modifications: \$0	
Prior Budgetary Increases: \$0	
Current Amount: \$428,477,247	
This Request: \$11,321,166	
% of This Request to Current Amount: 2.6%	
% of Modifications (including This Request) to Original Amount: 2.6%	

Purpose and Recommendation: LIRR requests Board approval to issue contract modifications to accelerate performance of the Positive Train Control System Integrator ("SI") contract to increase delivery rates for (i) PTC On-Board Equipment Kits for M-7 cars (LIRR and MNR) and M-3 cars (MNR only), and (ii) PTC Wayside Equipment Kits (both Railroads), and (iii) to obtain earlier delivery of MNR wayside transponders, at a total combined lump sum cost of \$11,321,166

Discussion:

At the November 2013 meeting of the Board, LIRR and MNR obtained approval to award contracts to a joint venture of Bombardier Transportation/Siemens Rail Automation in the not-to-exceed amount, inclusive of phases and options, of \$218,015,977 for LIRR and \$210,461,270 for MNR to design, integrate and furnish Positive Train Control ("PTC") systems necessary to comply with the Railroads' obligations as commuter railroads under the Rail Safety Improvement Act of 2008 and the implementing FRA Regulations. Due to the complexities of the systems to be installed on the Railroads, the substantial engineering challenges presented by the project and the large volume of installation work involving Railroad forces, the contract targeted completion of most project elements by the end of 2018. Following the Spuyten Duyvil derailment and in keeping with the Chairman's and the Board's emphasis on aggressive advancement of safety priorities, the Railroads were directed to engage the SI in discussion seeking to obtain significant acceleration in the PTC project.

Working with the SI, the Railroads developed a plan to achieve the following important and significant acceleration of equipment deliveries (thereby allowing earlier installation by Railroad forces):

ON-BOARD KITS (ADDITIONAL COST: 4.5M - \$3M LIRR/\$1.5M MNR):

These are computers and associated hardware which must be installed on the Railroads' existing fleet of rolling stock. This proposal accelerates the PTC On-Board equipment delivery rates by 100% for LIRR's M7 cars, which represent 74% of LIRR's Rolling Stock, and MNR's M7A and M3A cars, which represent 49% of MNR's Rolling Stock (MNR M-8 Cars and other portions of the fleet are being separately provisioned). (LIRR's future M-9 fleet will be equipped at manufacturing.) Specifically, current contract schedules show the completion of installation of kits on (i) MNR's 336 M-7 cars by December 2018, and 138 M-3 cars by June 2018 and (ii) LIRR's 836 M-7 cars by October 2018. This modification will accelerate scheduled delivery dates by 21 months (to March 2017) for MNR M-7A cars, and by 17 months (to April 2017) for LIRR M-7 cars.

WAYSIDE KITS (ADDITIONAL COST: \$5.8M - \$2.9M LIRR/\$2.9M MNR):

These are the units placed on the Railroads' right-of-way which facilitate the communication between the PTC central office computers and the on-board computers. Overall delivery rates are accelerated under this change order, supporting completion of installations on the final significant track segments approximately 12 months earlier than currently scheduled. Together, the acceleration of on-board and wayside equipment delivery will result in the acceleration of PTC installation by more than 12 months relative to the current contract schedule, over territory traveled by about 90% of LIRR's and 85% of MNR's respective weekday customers.

Staff Summary



MNR TRANSPONDERS TO ENFORCE CIVIL AND MAXIMUM AUTHORIZED SPEEDS (ADDITIONAL COST: \$1.0M):

MNR has the ability to operate ACSES (PTC) on certain equipped M8 cars, P32 Locos, BL 20s and cab cars to enforce Civil and Maximum Authorized Speeds. This modification will support the deployment of transponders on the MNR rights-of-way starting early in 2015, in advance of full PTC implementation. Note that LIRR will evaluate a future change order for early delivery of transponders, i.e., before installation of PTC on all wayside segments to enforce curves or tangent segments.

RISKS AND EVALUATION OF ACCELERATION COSTS:

The contract schedule associated with the original contract award already challenged both SI and Railroad forces. Thus, accelerating deliveries and installations introduces additional risk elements. Railroad MoE and MoW resources will have to be augmented through hiring and training of additional workforce personnel, and there will be costs to the Railroads beyond the third-party SI costs. MNR is currently seeking additional options to meet the accelerated schedule. As part of that process and consistent with MNR labor agreements, third party contractors, including OEM car builders, are being evaluated for possible off-property installation of on-board kits. In the event this evaluation proves advantageous, MTA Board approval will be sought at that time to implement those agreements.

The SI must identify and obtain additional engineering and manufacturing personnel, facilities and other resources. The contract modifications proposed here represent all involved parties' best efforts at balancing these risks and concerns with the important safety benefits inherent to acceleration of the overall project. The parties recognize that significant pilot testing must prove successful for acceleration of kits to have a benefit to the overall project schedule.

Contractually, the parties have agreed to a reasonable apportionment of these risk factors. Thus, the SI bears the full risk of late delivery of the accelerated on-board units, through the imposition of liquidated damages ("LDs") based on the revised, earlier delivery dates; while the risk of late deliveries associated with the wayside equipment is shared, as LD's will not be imposed unless the SI falls at least 50% behind the new accelerated schedule. This agreement reflects the SI's legitimate concerns about meeting the new and aggressive time frames.

The Railroads have worked diligently to verify the SI's expected increased costs related to these modifications, although it is inherently difficult to cost out the acceleration of certain elements within a large and complex design and manufacturing contract. Nevertheless, the pricing is deemed acceptable given that (i) the SI has reluctantly taken on considerable additional risk by agreeing to the acceleration of delivery kits, particularly in view of the R&D nature of the project; which adds a difficult-to-quantify element to the pricing, (ii) the combined cost of these modifications is approximately 2.6% of the overall contract value, and (iii) as noted in the November 2013 Staff Summary, the SI's overall contract price was approximately \$52M less than the other proposer, such that the revised contract price, including these acceleration costs, are still substantially below the other proposers' price.

Alternative:

The Railroads could elect not to accelerate the performance of this contract. Given the substantial safety-related benefits to earlier implementation of PTC, this alternative is not recommended.

In lieu of the lump sum pricing as described herein, the Railroads could request that the SI accelerate with payment to be made on a time and material basis, but it is believed that this approach will result in a less coordinated and successful project, with the prospect of delays and monetary claims significantly in excess of what we have negotiated with the SI.

APRIL 2014

METRO-NORTH RAILROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

G. Miscellaneous Service Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive; \$1M RFP; No Staff Summary required if Sealed Bid Procurement.)

1. **Advanced Hermetic, Inc.** **\$161,000 (not-to-exceed)**
Remanufacture of Trane Semi-Hermetic Compressors for Metro-North's M-2/M-4 Railcars
Approval is requested for a competitively solicited, two-year miscellaneous service contract to Advanced Hermetic, Inc. to provide for the remanufacture of Metro-North Railroad's (MNR) M-2 and M-4 Railcar compressors. This contract is required to maintain and support the railcars for their estimated remaining two-year life until they are decommissioned from revenue service and disposed of. All of the remanufacture services under this contract shall be as directed by MNR; there is no guarantee for any service from Advanced Hermetic.

In accordance with MNR and MTA procurement guidelines, an advertisement for the required services was placed in the New York State Contract Reporter, The New York Post, El Diario, the Daily Challenge and posted on the Metro-North Website. Sixteen vendors were sent solicitations and three bids were received. Advanced Hermetic was the lowest responsive and responsible bidder.

The pricing will remain fixed for the two year period, and it has been deemed fair and reasonable for the level of services to be provided. The total award of this contract is not-to-exceed \$161,000. This procurement is to be funded by the MNR Operating Budget.

2. **Masabi, LLC.** **\$2,000,000 (estimated)** **Staff Summary Attached**
Mobile Ticketing Program for MNR and LIRR

Approval is requested to award a negotiated, six-year miscellaneous service contract (RFP process, 11 proposals received, four firms short-listed) to Masabi, LLC for implementation of a Mobile Ticketing Program, including development and maintenance of all support systems for both railroads. This is a Metro-North-led joint agency RFP with Long Island Rail Road.

Metro-North Railroad and Long Island Rail Road (the "Railroads") seek to adopt a new ticketing and fare payment alternative involving the use of mobile devices. The primary objective of the program is to provide customers with a fully functional and customer-friendly software application for mobile devices that allows the purchase of tickets. The purchased ticket would be displayed with a visual image/barcode displays on a mobile device. The railroads will also explore a print-at-home option for customers.

In accordance with MNR and MTA procurement guidelines, an advertisement for the required services was placed in the New York State Contract Reporter, El Diario, the Daily Challenge, New York Post and

on the Metro-North Website. 104 vendors requested the RFP package, 29 vendors attended the pre-proposal conference, 11 proposals were received, and four firms were shortlisted.

Based on in-depth review of all Technical Proposals, Oral Presentations, product demonstrations, and cost analysis, the Selection Committee selected Masabi LLC as the best overall firm for the implementation of a Mobile Ticketing Program. Masabi's expertise and background includes: recent implementation of a successful mobile ticketing application for MBTA-Boston (the foundation of the system Masabi proposes for MNR/LIRR), development of a mobile ticketing application for NICE Bus in Nassau County, Long Island, and prior deployment of mobile ticketing at nine railroads in the UK (half of the UK market). The application is easy to understand and use, and is a proven technology that has been used for several years in the London Transport realm. In addition, the NYC Transit's New Fare Payment System Group, and the MTA Enterprise Architecture Committee evaluated Masabi's technical proposal and found that the Masabi solution uses open architecture and open standards, which is consistent with the MTA's goal of agency-wide interoperability.

Masabi's proposal was the most financially advantageous as it proposed a fixed fee per transaction cost of \$0.059, which includes all developmental, implementation, and maintenance and support costs for the life of the contract. No fees would be paid to the vendor unless the application is used. The railroads assume an adoption rate of 5% per year of current and projected ticket sales (or 25% over 5 years). The estimated total contract value is \$2.0M (MNR \$1.0M, LIRR \$1.0M) over the six-year term. Only one other firm offered a per ticket fee ranging from \$0.12 per ticket to \$0.18 per ticket (not per transaction). The three other firms proposed upfront development costs that ranged from \$4.8M-\$9.6M, and ongoing maintenance costs that ranged from \$1.5M-\$14.2M for various turnkey scenarios. This procurement is to be funded by each Railroad's Operating Budget.

Staff Summary

Item Number G						SUMMARY INFORMATION	
Dept. & Dept. Head Name: <i>[Signature]</i>						Vendor Name	
Procurement & Material Management, Anthony J. Bombace, Jr.						Masabi, LLC.	
Division & Division Head Name:						Contract #	
						8836-A	
Date Submitted: April 8, 2014						Description	
						Mobile Ticketing Program for MNR & LIRR	
						Total Amount - \$2,000,000 estimated (MNR \$1.0M, LIRR \$1.0M)	
Board Reviews							
Order	To	Date	Approval	Info	Other		
1	M-N Comm.Mtg.	4-28-14	X				
2	MTA Board Mtg.	4-30-14	X				
Internal Approvals							
Order	Approval	Order	Approval				
X	President <i>[Signature]</i>	X	V.P. General Counsel <i>[Signature]</i>				
X	Sr. V.P. Operations <i>[Signature]</i>	X	V.P. Planning <i>[Signature]</i>				
X	V.P. Finance & IT Capital Programs <i>[Signature]</i>						
Contract Term (including Options, if any)							
Six Years							
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
Procurement Type							
<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive							
Solicitation Type							
<input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:							
Funding Source							
<input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:							

I. PURPOSE/RECOMMENDATION:

Approval is requested to award a negotiated six-year miscellaneous service contract (RFP process, 11 proposals received, four firms were short-listed) to Masabi, LLC for Implementation of the Mobile Ticketing Program, providing customers with the ability to purchase tickets that can be downloaded to mobile devices. This is a Metro-North-led joint agency RFP with the Long Island Rail Road.

II. DISCUSSION:

Metro-North Railroad (MNR) and Long Island Rail Road (LIRR) (the "Railroads") seek to adopt a new ticketing and fare payment alternative that would allow customers to purchase tickets using their mobile devices and display them to train crews on-board for validation.

Overview of Current Railroad Systems

Both Railroads operate 'open systems' i.e. there are no fare barriers (fare gates/ validators) at the stations. Currently, customers purchase tickets for travel between specific stations within the individual railroad fare zones and for specific peak and off-peak travel periods. Ticket prices are calculated according to each railroad's tariff that encourages use of pre-paid tickets (i.e. tickets purchased prior to boarding the trains). All tickets are required to be inspected, and as appropriate, collected by on-train crew. Customers who do not have pre-purchased tickets purchase them on-board from train crews after paying a premium.

The Railroads offer customers several ticket purchasing venues that include station ticket office windows, automated ticket vending machines at stations, ticket-by-mail, online via the WebTicket program and on-board purchasing. Depending on the venue, a variety of payment options are available (cash, checks, debit/ATM cards, major credit cards and transit benefit cards). The Railroads also maintain separate proprietary back office systems supporting ticket sales and revenue collection.

Benefits of the Mobile Ticketing Program

The primary objective of the program is to develop and implement a customer-friendly and thoroughly tested software application that provides railroad customers with the ability to purchase tickets and receive the purchased ticket in visual and barcoded displays on their mobile devices. The introduction and system-wide implementation of the mobile ticketing program at the Railroads will:

- Enhance customer service by providing the Railroads' customers with additional convenient ticket purchasing options
- Utilize technology to facilitate on-board train inspection, validation and collection functions and ensure that revenue collection is maximized
- Reduce costs of future ticket selling infrastructure and equipment replacement
- Set the stage for future interoperability across the MTA

The vendor will provide the Mobile App, Ticket Validation Software to scan and validate tickets, a Web portal providing a print-at-home option (to be implemented at the Railroads' discretion), and a Host Server supporting both railroads. The Railroads' Ticket Issuing Machines (TIMs) utilized by train crew for on-board fare collection will be modified to accommodate barcode scanning for on-board validation of mobile and print-at-home tickets.

Each railroad would roll-out mobile ticketing through a phased-in approach. The vendor would be permitted to roll-out mobile ticketing to specific branch segments and/or ticket types only after successful pilot testing. Expansion to additional branch segments and/or ticket types would proceed only after successful deployment in preceding phases.

Procurement Discussion

On December 27, 2012, RFP No. 8836-A was advertised in the New York State Contract Reporter, El Diario, the Daily Challenge, New York Post and on the Metro-North Website. On March 22, 2013, 11 technical proposals were received from the following firms: Accenture, ACS-Xerox, Clark Universal, Cubic, DMI, IBM/CooCoo, Masabi, LLC, NTT Data, Portafare, Trapeze and Unwire.

A Selection Committee comprised of nine members representing the Railroads Customer Services, Information Technology, Operations Planning, Market Development, Transportation, Passenger Revenue, Controller, and Procurement & Material Management Departments evaluated the proposals using a two phase approach. Additional stakeholders from key MNR/LIRR departments were appointed as Technical and Financial Advisors to the Committee.

Proposals Evaluation:

The vendor proposals were evaluated under a two-phased approach outlined below.

The Phase 1 evaluation criteria, listed in order of importance, were as follows:

Technical Proposal--Demonstrate understanding of the Technical Specification Requirement and Technical Capability; *Past Experience* and performance on similar projects; *Demonstrate Confidence Level* in the vendor capability and financial resources to perform the assigned Scope of Work in the time projected; and *Responsiveness* to the requirements of the RFP.

The Selection Committee evaluated all 11 proposals under the Phase 1 criteria and made the determination to short-list the following four firms: ACS Transport Solutions, Inc. (a Xerox Company), IBM Corporation (partnered with CooCoo), Cubic Transportation Systems, Inc. and Masabi, LLC.

The RFP Phase 2 evaluation criteria, listed in order of importance, were as follows:

Technical Capability - Ability to provide technical services, equipment and systems as required in this RFP, including presentations and product demonstration; *Past Experience*/Demonstrated experience and products with similar railroad or transportation services, *Cost & Schedule* - overall costs and duration of project development as well as ongoing maintenance and *Project Management* - Proposed Management/Design Team.

Staff Summary

On April 17, 2013 all short-listed firms submitted their cost proposals. After the Selection Committee evaluated all four cost proposals under Phase 2, the short-listed firms were invited for Oral Presentations and to demonstrate their products. The Oral Presentations allowed each short-listed firm to address questions as well as provide a live demonstration of their proposed product and solution for the Railroads' Mobile Ticketing needs.

Cost Proposals & Analysis

All four short-listed vendors were asked to propose a mobile ticketing application at a fixed price per transaction or other alternative cost structure. Various business models were proposed including cost structures based on fixed price per transaction, percent of sales, turnkey scenarios. The Selection Committee determined that Masabi's proposal was the most cost-effective. Masabi was the only firm that offered to absorb startup, developmental and maintenance costs. Masabi's cost proposal is based upon a \$0.059 fixed fee per transaction, inclusive of developmental, implementation, hosting and ongoing systems maintenance/upgrade costs, and remains the same regardless of the number of tickets or the value per transaction. No fees are paid unless the application is used. Based on a conservative estimate of the Railroads customers that will utilize the option to purchase tickets on their mobile devices, the Railroads are estimating the adoption rate to be 5% per year of current and projected ticket sales (or 25% over 5 years). The estimated total contract value is \$2.0M (MNR \$1.0M, LIRR \$1.0M) over the six-year term.

Only one other firm offered a per ticket fee ranging from \$0.12 per ticket to \$0.18 per ticket (not per transaction). The three other firms proposed upfront development costs ranging from \$4.8M-\$9.6M, and ongoing maintenance costs that ranged from \$1.5M-\$14.2M for various turnkey scenarios.

Recommendation

Based on in-depth review of all Technical Proposals, Oral Presentations, product demonstrations, and cost analysis, the Selection Committee selected Masabi LLC as the best overall firm to provide a Mobile Ticketing Application. Masabi's expertise and background includes: recent implementation of a successful mobile ticketing application for MBTA-Boston (the foundation of the system Masabi proposes for MNR/LIRR), development of a mobile ticketing application for NICE Bus in Nassau County, Long Island, and prior deployment of mobile ticketing at nine railroads in the UK (half of the UK market). Masabi's application is easy to use, customer friendly and is a proven technology that has been used for several years in the London Transport realm. Additionally, Masabi presented solutions to the security and anti-fraud challenges associated with a print-at-home ticketing option.

In addition, the NYC Transit's New Fare Payment System Group, and the MTA Enterprise Architecture Committee evaluated Masabi's technical proposal and found that the Masabi solution uses open architecture and open standards, which is consistent with the MTA's goal of agency-wide fare payment interoperability.

III. D/M/WBE INFORMATION: The MTA Department of Diversity and Civil Rights (DDCR) established 10% MBE and 10% WBE goals for this contract. Masabi has met the pre-award goal qualification requirements set by MTA DDCR.

IV. IMPACT ON FUNDING: The total cost for this Mobile Ticketing Program is estimated at \$2.0M (MNR \$1.0M, LIRR \$1.0M). This procurement is to be funded by each Railroad's Operating Budget.

V. ALTERNATIVES: None. MNR & LIRR do not have the technical expertise to implement a Mobile Ticketing application in a cost and time effective manner.

April 2014

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

Schedule B. Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)
(Staff Summaries required for items estimated to be greater than \$1M.)

- | | | | |
|----|---|-----------------------|-------------------------------|
| 1. | Contractor To Be Determined
Contract Term To Be Determined
Contract No. CM007 | Cost To Be Determined | <u>Staff Summary Attached</u> |
|----|---|-----------------------|-------------------------------|

Pursuant to Subdivision 4(f) of section 1265-a of the Public Authorities Law, and Article IIIA (6) of the All Agency Procurement Guidelines, MTACC requests that the Board adopt a resolution declaring competitive bidding is impractical or inappropriate and it is in the public interest to issue a competitive Request for Proposal ("RFP") for the GCT Station Caverns for the East Side Access Project.

Procurements Requiring Majority Vote

Schedule H. Modifications To Personal and Miscellaneous Service Contracts
(Approval/Staff Summaries required for substantial change orders and change orders that cause the original contract to equal or exceed the monetary or duration threshold required for Board approval)

- | | | | |
|----|---|------------|-------------------------------|
| 2. | PB America/STV/Parsons Transportation
Group, Joint Venture
Contract No. 98-0040-01R
Modification Nos. 59 | \$ 846,232 | <u>Staff Summary Attached</u> |
|----|---|------------|-------------------------------|

Pursuant to Article XIII of the MTA All-Agency Guidelines for the Procurement of Services, MTACC seeks Board approval of a Contract modification for revisions to the design to include a new public entrance.

Schedule I. Modifications To Purchase and Public Work Contracts
(Staff Summaries required for individual change orders greater than \$750K. Approval without Staff Summary required for change orders greater than 15% of the adjusted contract amount which are also at least \$250K)

- | | | | |
|----|--|-------------|-------------------------------|
| 3. | Granite-Traylor-Frontier, Joint Venture
Contract No. CQ031
Modification No. 98 | \$2,154,714 | <u>Staff Summary Attached</u> |
|----|--|-------------|-------------------------------|

Pursuant to Article IX of the MTA All-Agency Procurement Guidelines, MTACC seeks Board approval of a modification of a modification for the close out of unresolved claims, changes and credits and the final reconciliation of unit quantities and allowance items..

**Schedule B: Competitive Requests for Proposals
Staff Summary**

Item Number: 1					
Dept & Dept Head Name: Law & Procurement, E. Eisland					
Division & Division Head Name: Procurement, D. Cannon					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	MNR & LI Committee	4/28/14	X		
2	Board	4/30/14	X		
Internal Approvals					
	Approval		Approval		
2	Executive Vice President		3	President	
1	Sr. VP & Sr. Program Executive, East Side Access				

SUMMARY INFORMATION	
Vendor Name RFP Authorizing Resolution	Contract Number CM007
Description GCT Station Caverns for the East Side Access Project	
Total Amount N/A	
Contract Term (including Options, if any) To Be Determined	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

I. PURPOSE/RECOMMENDATION

To request and recommend that the Board adopt a resolution declaring that competitive bidding is impractical or inappropriate and that, pursuant to Subdivision 4(f) of Section 1265-a of the Public Authorities Law and Article IIIA (6) of the All Agency Procurement Guidelines, it is in the public interest to issue a competitive Request for Proposal ("RFP") for Contract CM007, GCT Station Caverns for the East Side Access Project.

II. DISCUSSION

On October 24, 2012, bids were received for the Contract "Manhattan Structures II and Facilities Fit-Out CM012". The bids were considerably higher than the East Side Access Program Budget and Estimate and were therefore rejected on November 21, 2012. The revised strategy for procurement of the work that was included in CM012 is to issue several minor Additional Work Orders under current Contracts, and to award three new Contracts for the remaining work. The proposed CM007 – GCT Station Caverns Contract is the last of the new smaller Contracts.

Based on MTACC's analysis of the bids received on CM012, subsequent conversations with the bidding contractors, and the award of the first two smaller Contracts, CM005 and CM006, it was determined that access to the work site, productivity of the work force and coordination with adjacent contractors were, among other items, major contributors to the risks attributed to this work by the bidding contractors. The high level of risk translated into a high level of contingency reflected in the bid prices on CM012.

The access and coordination required by each contractor to facilitate the best price for the work depends on each contractor's planned sequence of performance, technical approaches to the work and other anticipated means and methods. Procurement through the RFP process will allow the MTA to receive means and methods proposals from contractors and afford the MTA with the opportunity to work through access, coordination and other perceived risks with each contractor in an effort to achieve the lowest price possible for the work. The RFP process will also permit MTACC to evaluate the relative benefits of alternative technical proposals and weigh alternatives that are in the best interest of the MTA.

The RFP process will require the interested firms to submit a technical proposal, which will include their technical approach, qualifications, experience and schedule. The technical proposals will be evaluated against MTACC's established criteria and negotiations on technical and commercial issues will be held with those firms considered to be in a competitive range. Upon completion of the negotiations, those firms will be invited to submit a cost proposal. Award will be made to the responsible firm whose cost proposal offers the best value.

II. IMPACT ON FUNDING

Funding for this Contract will be from the Capital Program.

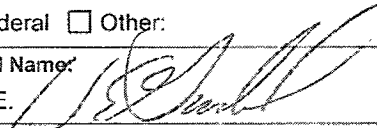
III. ALTERNATIVES

The use of a sealed bid process in which factors other than cost cannot be considered is not recommended as it does not provide a means to evaluate different technical matters or to consider or negotiate alternative proposals to achieve the overall best value to the MTA.

Schedule H: Modifications to Personal and Miscellaneous Service Contracts



Item Number: 2

Vendor Name (& Location) Parsons Brinckerhoff/STV/Parsons Transportation Group, JV (NY)	
Description East Side Access General Engineering Consultant (GEC) Services	
Contract Term (including Options, if any) March 2016	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
Procurement Type	<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive
Solicitation Type	<input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: East Side Access, W. Goodrich, P.E. 	

Contract Number	AWO/Modification #
98-0040-01R	59
Original Amount:	
\$ 140,000,000	
Prior Modifications:	
\$ 252,389,365	
Prior Budgetary Increases:	
\$ 0	
Current Amount:	
\$ 392,389,365	
This Request	
\$ 846,232	
% of This Request to Current Amount:	
0.22%	
% of Modifications (including This Request) to Original Amount:	
181%	

Discussion:

This Contract is for engineering, design and construction phase services for the LIRR East Side Access (ESA) project. In accordance with Article XIII of the MTA All-Agency Guidelines for the Procurement of Services, Board approval is requested to modify the Contract for design revisions to include a new public entrance.

This Modification is for revisions to the new LIRR Concourse at Grand Central Terminal to accommodate the future construction of a public entrance from MTA-owned property at 341, 345 and 347 Madison Avenue, between 44th and 45th Streets. The current design does not include an entrance at this location. This property will be redeveloped and there exists an opportunity to acquire easements to make physical improvements in the Concourse to accommodate an entrance through the property. The proposed entrance will enhance passenger flow, provide another egress location and offer LIRR customers another route to reach their ultimate destinations.

The Consultant submitted a cost proposal of \$973,911 for this modification while the MTACC estimate was \$965,389. Negotiations were held and the parties agreed to a cost of \$846,232, which is considered fair and reasonable.

Schedule I: Modifications to Purchase or Public Work Contracts



Item Number: 3

Vendor Name (& Location) Granite-Traylor-Frontier ("GTF"), Joint Venture		Contract Number CQ031	AWO/Modification # 98
Description Queens Bored Tunnels and Structures for the East Side Access Project		Original Amount: \$ 659,200,700	
Contract Term (including Options, if any) 42 Months		Prior Modifications: \$ 115,644,587 (includes an option of \$58,400,000)	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		Prior Budgetary Increases: \$ 0	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		Current Amount: \$ 774,845,287	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification		This Request \$ 2,154,714	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:		% of This Request to Current Amount: .28%	
Requesting Dept/Div & Dept/Div Head Name: East Side Access, W. Goodrich, P.E.		% of Modifications (including This Request) to Original Amount: 17.9%	

Discussion:

The work under this contract includes the construction of four soft-ground bored tunnels and miscellaneous demolition of surface structures for the East Side Access (ESA) Project. Pursuant to Article IX of the MTA All-Agency Procurement Guidelines, MTACC seeks Board approval of a modification for the close out of unresolved claims, changes and credits and the final reconciliation of unit quantities and allowance items.

This modification will resolve all remaining and unresolved claims and changes arising under this Contract, including, among other things, claims for extra work and differing site conditions related to the defective slurry walls constructed by the defaulted CQ028 contractor, credits for items such as removal of the Tunnel A Approach Structure excavation and bracing and the reconciliation of allowance and unit price items and quantities.

The Contractor submitted proposals which sought a net contract increase of approximately \$13.2M while MTACC's independent cost assessments of each of the issues resulted in a net credit of approximately \$1.5M. The parties met on several occasions to discuss the merits of their respective positions and ultimately agreed to a net lump sum increase in the amount of \$2,154,714 which is considered to be fair and reasonable. There is no time impact associated with this modification. Funding is available through the Contract's contingency. This modification allows for the final close out of this Contract.

APRIL 2014

METRO-NORTH RAILROAD

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

K. Ratification of Completed Procurement Actions

(Staff Summaries required for unusually large or complex items which otherwise would require Board approval)

1. International Salt Company \$290,000

Inventory Replenishment of Bulk Rock Salt

Emergency purchase of bulk rock salt for use at locations (i.e. sidewalks, service roads, parking lots, and shops & maintenance buildings) throughout MNR's operating territory. Due to the inordinate amount of snow storm events and sub-freezing temperatures that occurred in the Northeast region during the 2013-2014 winter season, the estimated bulk rock salt on hand for this winter's maintenance proved to be insufficient; thereby creating an inventory shortfall.

International Salt Company, the current supplier of bulk rock salt to MNR agreed to supply an additional quantity of the salt at the current contract pricing. The cost to be paid for this emergency purchase is consistent with previous prices paid and is deemed fair and reasonable. The total amount for this purchase is \$290,000 and is funded by the MNR Operating Budget.

2. Delta Composites, Inc. \$98,500

Purchase of 3rd Rail Fiberglass Non-Conductive Channels

Emergency purchase for 3rd rail fiberglass non-conductive channels needed to preclude electrical arcing. This arcing creates an unsafe electrical path through the bracket assembly, shorting the 3rd Rail (positive) to the running rail (negative). The new fiberglass non-conductive channels will be used to replace existing steel conductive channels located at various MNR 3rd rail territories. The fiberglass channels are less susceptible to electrical arcing especially when excessive amounts of runoff are washed onto MNR rights-of-way. Competitive bids were obtained on an expedited basis and Delta Composites submitted the lowest bid for the material. Prices have been deemed to be fair and reasonable. The total cost for the 3rd rail fiberglass channels is \$98,500 and is funded by the MNR Operating Budget.

3. Mac Products \$129,750

Emergency Material Purchase of Splice Covers for 150lb 3rd Rail

Emergency purchase for splice covers for MNR's 3rd Rail system. The splice covers will replace deteriorating or missing covers located at various 3rd rail locations throughout MNR territory. This condition was exacerbated this winter due to the excessive de-icing saltwater runoff from overhead bridges, platforms, or other structures along MNR's rights-of-way.

Competitive bids were obtained on an expedited basis and Mac Products submitted the lowest bid for the material. Prices have been deemed to be fair and reasonable. The total cost for the 3rd rail splice covers is \$129,750 and is funded by the MNR Operating Budget.

4 General Electric Transportation Systems LLC Inc. \$700,000 (not-to-exceed)

Repair of Locomotive No. 225

Emergency repair of Locomotive No. 225 damaged as a result of the December 2013 derailment. The scope of the work includes repairs to the carbody and structure and the electro-mechanical systems. The work required is beyond the capacity of the MNR in-house forces.

General Electric, the Original Equipment Manufacturer (OEM) and designer of the Locomotive has the necessary material and technical staff available to support the immediate repair and subsequent testing to return the locomotive to service as soon as possible. The cost of the repairs is not-to-exceed \$700,000 and is funded by the MNR Operating Budget.

April 2014

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

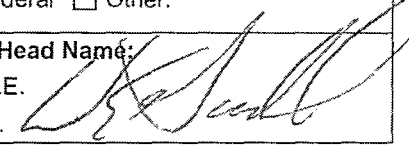
Schedule K. Ratification of Completed Procurement Actions (Involving Schedule E-J)
(Staff Summaries required for items requiring Board Approval)

- | | | | |
|----|---|-------------|-------------------------------|
| 1. | Tutor Perini Corporation
Contract No. CQ032
Modification No. 44 | \$5,500,000 | <u>Staff Summary Attached</u> |
|----|---|-------------|-------------------------------|

Pursuant to Article IX of the MTA All-Agency Procurement Guidelines, MTACC seeks Board approval to modify the contract to extend the 63rd Street Tunnel structure and backfill the Bellmouth. This is a scope and budget transfer.

Schedule K: Ratification of Completed Procurement

Item Number 1

Vendor Name (& Location) Tutor Perini Corporation (Peekskill, New York)		Contract Number CQ032	AWO/Modification # Mod 44
Description Plaza Substation and Queens Structures for the ESA Project		Original Amount: \$ 147,377,000	
Contract Term (including Options, if any) 1,653 days		Prior Modifications: \$ 60,056,570	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a		Prior Budgetary Increases: \$ 0	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		Current Amount: \$ 207,433,570	
Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification		This Request \$ 5,500,000	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:		% of This Request to Current Amount: 2.65%	
Requesting Dept/Div & Dept/Div Head Name: East Side Access, W. Goodrich, P.E. 		% of Modifications (including This Request) to Original Amount: 44.5%	

Discussion:

The work under this Contract is for the structural and architectural rehabilitation of existing facilities within the 63rd Street Tunnel as well as the construction of the Plaza Interlocking and Facility Power Substation B10 for the East Side Access (ESA) Project. In accordance with Article IX of the All-Agency Procurement Guidelines, MTACC is requesting Board approval to modify the Contract to extend the 63rd Street Tunnel structure and backfill the Bellmouth. This is a scope and budget transfer.

Presently, the original 63rd Street Tunnel structure continues at the Bellmouth as an open cut to the start of the new Northern Boulevard underpass tunnel. The Bellmouth open cut has a depth of approximately 60 feet. Future Contract CM012A's scope includes extending the 63rd Street Tunnel structure to the new Northern Boulevard tunnel and backfilling the west and south sections of the Bellmouth area to grade level. Contract CM012A is not expected to receive Notice to Proceed until 2016.

MTACC has determined that it would be beneficial to the ESA Project to transfer this work into existing Contract CQ032. Performing this work now under CQ032 would allow the work to be completed earlier and will create new staging areas for adjacent Contracts CM006, CM007 and CS179. This will eliminate the need to establish contractual Access Restraints which will improve access for follow-on contractors and alleviate adjacent contractor interferences.

The Contractor submitted a cost proposal in the amount of \$ 8,204,187 while MTACC's estimate is \$6,154,659. Negotiations were held and the parties agreed to a \$5,500,000 price for this Work which is considered to be fair and reasonable. Funding for this modification will be transferred from CM012A. The addition of this scope of work will not impact the CQ032's schedule or substantial completion date. In order to achieve the schedule savings and efficiency benefits discussed above, the MTACC President approved a retroactive memorandum and the Contractor was directed to proceed with the work up to the not-to-exceed amount of \$800,000. Authorization to proceed with the remainder of the work under this modification will be given upon Board ratification of this modification.



LONG ISLAND RAIL ROAD

A large rectangular box containing a grid of dotted lines. Overlaid on the grid is the text "MONTHLY OPERATING REPORT" in a large, bold, black, sans-serif font.

**MONTHLY
OPERATING
REPORT**

March 2014

**Helena E. Williams
President**

04/28/14 *****

Performance Summary

			2014 Data		2013 Data	
			Annual	YTD thru	YTD thru	
			Goal	Mar	Mar	Mar
On Time Performance						
<i>(Trains that arrive at their final destination within 5 minutes 59 seconds of scheduled arrival time)</i>						
	System	Overall	95.1%	93.0%	90.4%	92.5%
		AM Peak		93.7%	87.1%	85.5%
		PM Peak		86.9%	83.9%	93.1%
		Total Peak		90.4%	85.6%	89.1%
		Off Peak Weekday		93.6%	90.5%	92.6%
		Weekend		94.8%	95.6%	96.5%
	Babylon Branch	Overall	95.1%	92.4%	89.4%	90.3%
		AM Peak		96.0%	88.7%	82.3%
		PM Peak		81.5%	77.1%	90.3%
		Total Peak		89.2%	83.4%	85.9%
		Off Peak Weekday		93.8%	90.3%	91.3%
		Weekend		94.2%	95.9%	94.6%
	Far Rockaway Branch	Overall	95.1%	96.7%	95.0%	95.5%
		AM Peak		94.4%	87.5%	84.4%
		PM Peak		94.2%	91.9%	93.7%
		Total Peak		94.3%	89.5%	88.6%
		Off Peak Weekday		97.3%	95.9%	97.3%
		Weekend		97.8%	98.3%	98.2%
	Huntington Branch	Overall	95.1%	89.6%	87.0%	91.5%
		AM Peak		92.4%	86.3%	86.0%
		PM Peak		81.6%	78.9%	95.2%
		Total Peak		87.2%	82.8%	90.5%
		Off Peak Weekday		88.8%	85.0%	87.0%
		Weekend		92.3%	92.7%	97.7%
	Hempstead Branch	Overall	95.1%	95.4%	93.6%	95.9%
		AM Peak		97.6%	91.5%	89.5%
		PM Peak		91.0%	88.3%	97.4%
		Total Peak		94.5%	90.0%	93.2%
		Off Peak Weekday		96.0%	93.7%	96.0%
		Weekend		95.1%	96.5%	98.2%
	Long Beach Branch	Overall	95.1%	94.6%	92.8%	92.9%
		AM Peak		95.6%	90.5%	86.5%
		PM Peak		92.2%	89.8%	92.2%
		Total Peak		94.0%	90.2%	89.2%
		Off Peak Weekday		93.1%	91.7%	91.9%
		Weekend		98.1%	98.1%	99.1%
	Montauk Branch	Overall	95.1%	92.3%	89.1%	92.6%
		AM Peak		90.5%	83.5%	85.7%
		PM Peak		86.1%	84.5%	93.8%
		Total Peak		88.2%	84.0%	89.5%
		Off Peak Weekday		93.8%	89.7%	94.9%
		Weekend		93.5%	92.9%	90.8%
	Oyster Bay Branch	Overall	95.1%	93.7%	90.5%	91.7%
		AM Peak		95.2%	89.4%	87.1%
		PM Peak		77.8%	79.4%	94.4%
		Total Peak		87.2%	84.8%	90.5%
		Off Peak Weekday		96.5%	92.2%	89.6%
		Weekend		96.0%	94.0%	98.0%

Performance Summary		2014 Data			2013 Data	
		Annual	YTD thru		YTD thru	
		Goal	Mar	Mar	Mar	Mar
Port Jefferson Branch	Overall	95.1%	87.9%	83.4%	89.7%	89.5%
	AM Peak		84.5%	78.8%	86.3%	88.5%
	PM Peak		83.0%	78.7%	86.4%	83.6%
	Total Peak		83.8%	78.8%	86.4%	86.2%
	Off Peak Weekday		87.5%	80.1%	89.3%	89.8%
	Weekend		93.2%	94.5%	94.3%	92.7%
Port Washington Branch	Overall	95.1%	95.5%	93.4%	95.6%	95.2%
	AM Peak		94.4%	88.4%	85.5%	90.3%
	PM Peak		90.2%	86.2%	96.0%	93.4%
	Total Peak		92.3%	87.3%	90.9%	91.9%
	Off Peak Weekday		95.6%	93.9%	97.0%	96.1%
	Weekend		98.4%	98.7%	99.3%	98.3%
Ronkonkoma Branch	Overall	95.1%	90.6%	87.0%	89.7%	88.9%
	AM Peak		90.0%	81.5%	87.0%	89.0%
	PM Peak		91.7%	88.2%	93.3%	88.1%
	Total Peak		90.8%	84.7%	89.9%	88.6%
	Off Peak Weekday		91.0%	86.1%	87.4%	87.7%
	Weekend		89.6%	92.3%	94.5%	91.9%
West Hempstead Branch	Overall	95.1%	94.9%	94.0%	94.6%	95.1%
	AM Peak		96.2%	93.6%	88.6%	93.1%
	PM Peak		88.9%	88.1%	91.3%	89.9%
	Total Peak		92.2%	90.6%	90.0%	91.3%
	Off Peak Weekday		96.7%	96.0%	97.2%	97.3%
	Weekend		80.0%	92.9%	100.0%	92.9%
Operating Statistics		Trains Scheduled	20,681	59,553	20,021	57,783
Avg. Delay per Late Train (min) excluding trains canceled or terminated			-11.4	-12.7	-12.7	-13.5
Trains Over 15 min. Late excluding trains canceled or terminated			214	1,037	269	769
Trains Canceled			30	297	116	350
Trains Terminated			23	208	79	215
Percent of Scheduled Trips Completed			99.7%	99.2%	99.0%	99.0%
Consist Compliance (Percent of trains where the number of seats provided was greater than or equal to the required number of seats per loading standards)						
		AM Peak	99.3%			
		PM Peak	98.1%			
		Total Peak	98.7%			

Categories Of Delay		Feb	2014 Data		2013 Data		YTD 2013 Vs 2014
			Mar	YTD Thru Mar	Mar	YTD Thru Mar	
Late Train Incidents	National Rail Passenger Corp	54	47	427	82	277	150
	Capital Programs	113	21	171	9	17	154
	Engineering	196	117	630	254	567	63
	Penn Station Central Control	17	15	82	16	30	52
	Maintenance of Equipment	228	155	496	166	442	54
	** Other / Miscellaneous	766	270	2,020	512	1,407	613
	Public	410	619	1,587	379	1,133	454
	Transportation	30	45	90	47	92	(2)
	Vandalism	-	17	62	7	25	37
	Maintenance of Way (Sched.)	7	143	154	25	35	119

*** Other / Miscellaneous includes weather related delays*



EVENTS RESULTING IN 10 or MORE LATE (L), CANCELED (C) OR TERMINATED (T) TRAINS

Date	Day	DESCRIPTION OF EVENT	AM Peak			PM Peak			Off Peak			TOTAL		
			L	C	T	L	C	T	L	C	T	Late	Cxld	Term
3/4	Tues	Train 1716 with equipment trouble in Queens Interlocking				40	7		29	1	1	69	8	1
3/5	Wed	Train 1101 with equipment trouble in Rockville Centre	10	1	1				4			14	1	1
3/5	Wed	Broken rail in Queens Interlocking				11			4			15		
3/6	Thu	Bridge strike west of Westbury Station				15			4			19		
3/7	Fri	Switch trouble at East New York							11		2	11		2
3/8	Sat	Speed restriction for track work program-Queens to Hall							20			20		
3/10	Mon	Fire on tracks west of Hollis Station							10			10		
3/10	Mon	Train 806 with equipment trouble west of Nostrand Avenue	14						5			19		
3/11	Tues	Train 603 struck unauthorized person east of Syosset	30	6	4				13	2	2	43	8	6
3/11	Tues	Train 3802 with equipment trouble east of Island Park	4	2	1				6			10	2	1
3/14	Fri	Train 452 with equipment trouble in Penn Station				12			5			17		
3/17	Mon	Heavy loading due to St. Patrick's Day							11			11		
3/18	Tues	Sperry Rail Service defect east of Wood Interlocking				14			15			29		
3/18	Tues	Heavy loading system wide	7			4						11		
3/20	Thurs	Sperry Rail Service defect at Harold Interlocking				25	1		9			34	1	
3/21	Fri	Train 174 struck unauthorized person at Lynbrook Station						1	19			19		1
3/24	Mon	Heavy loading system wide	8						3			11		
3/26	Wed	Track circuit failure in Jay Interlocking	1			21			1			23		
3/27	Thurs	Train 2866 with equipment trouble in Atlantic Terminal				12	1		6			18	1	
3/29	Sat	Slow weather loading							11			11		
3/31	Mon	Emergency track work in Harold Interlocking				12	3		2			14	3	
TOTAL FOR MONTH			74	9	6	166	12	1	188	3	5	428	24	12
													464	

Long Island Rail Road

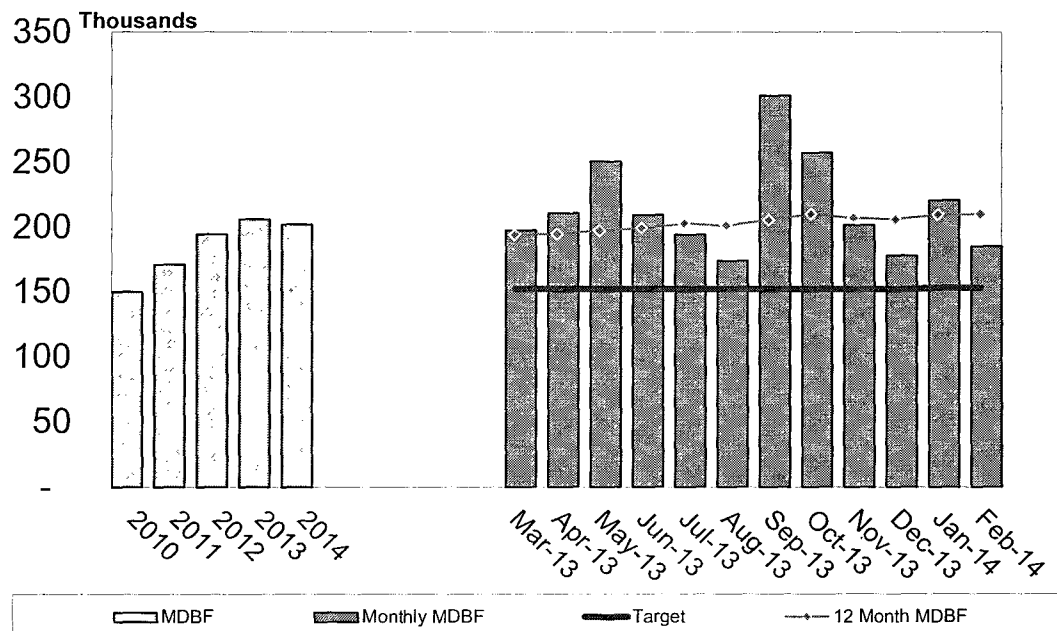
MEAN DISTANCE BETWEEN FAILURES

	2014 Data							2013 Data		
	Equip- ment Type	Total Fleet Size	MDBF Goal (miles)	February MDBF (miles)	February No. of Primary Failures	YTD MDBF thru February (miles)	12 month MDBF Rolling Avg (miles)	February MDBF (miles)	February No. of Primary Failures	YTD MDBF thru February (miles)
Mean Distance Between Failures	M-3	150	55,000	97,088	5	77,989	92,748	59,170	9	74,537
	M-7	836	355,000	584,168	8	516,018	495,022	396,144	11	372,045
	DM	21	18,000	16,051	4	23,157	23,614	30,039	2	31,207
	DE	24	18,000	9,124	9	15,390	18,819	27,553	3	19,452
	C-3	134	75,000	102,796	6	97,926	105,772	93,048	6	91,680
	Diesel	179	45,000	40,163	19	52,709	59,077	63,730	11	57,374
	Fleet	1,165	153,000	185,059	32	201,991	209,824	180,360	31	180,468

Mean Distance Between Failures (MDBF) is the average number of miles a railcar or locomotive travels before breaking down and causing a delay. The higher the MDBF, the more reliable the equipment and the service.

ALL FLEETS Mean Distance Between Failure

2010 - 2014





Standee Report

East Of Jamaica			2014 Data	
			March	
			AM Peak	PM Peak
Daily Average	Babylon Branch	Program Standees	0	0
		Add'l Standees	0	13
Total Standees		0	13	
Far Rockaway Branch	Program Standees	0	0	
	Add'l Standees	0	0	
	Total Standees	0	0	
Huntington Branch	Program Standees	60	0	
	Add'l Standees	18	5	
	Total Standees	78	5	
Hempstead Branch	Program Standees	0	0	
	Add'l Standees	1	0	
	Total Standees	1	0	
Long Beach Branch	Program Standees	0	0	
	Add'l Standees	0	0	
	Total Standees	0	0	
Montauk Branch	Program Standees	0	0	
	Add'l Standees	10	0	
	Total Standees	10	0	
Oyster Bay Branch	Program Standees	0	0	
	Add'l Standees	0	0	
	Total Standees	0	0	
Port Jefferson Branch	Program Standees	0	0	
	Add'l Standees	3	0	
	Total Standees	3	0	
Port Washington Branch	Program Standees	0	0	
	Add'l Standees	1	130	
	Total Standees	1	130	
Ronkonkoma Branch	Program Standees	0	0	
	Add'l Standees	18	10	
	Total Standees	18	10	
West Hempstead Branch	Program Standees	0	0	
	Add'l Standees	0	0	
	Total Standees	0	0	
System Wide PEAK			111	158

Definitions

Weekday standees are calculated based on the most recent average weekday customer counts

"Program Standees" is the average number of customers in excess of programmed seating capacity.

"Additional Standees" reflect the impact of reduced train car consists (as reported in the weekday equipment reports).

Note: These statistics do not include the effects of daily ridership variation or uneven distribution of customers within trains.

Holidays and Special Events for which there are special equipment programs are not included.



Long Island Rail Road

OPERATING REPORT FOR MONTH OF MARCH 2014

Standee Report

West Of Jamaica

			2014 Data	
			March	
			AM Peak	PM Peak
Daily Average	Babylon Branch	Program Standees	0	0
		Add'l Standees	3	50
		Total Standees	3	50
	Far Rockaway Branch	Program Standees	0	0
		Add'l Standees	0	0
		Total Standees	0	0
	Huntington Branch	Program Standees	0	0
		Add'l Standees	21	28
		Total Standees	21	28
	Hempstead Branch	Program Standees	0	0
		Add'l Standees	1	31
		Total Standees	1	31
	Long Beach Branch	Program Standees	18	0
		Add'l Standees	4	0
		Total Standees	22	0
	Montauk Branch	Program Standees	0	0
		Add'l Standees	0	0
		Total Standees	0	0
	Oyster Bay Branch	Program Standees	0	0
		Add'l Standees	0	0
		Total Standees	0	0
	Port Jefferson Branch	Program Standees	0	0
		Add'l Standees	0	0
		Total Standees	0	0
	Port Washington Branch	Program Standees	0	0
		Add'l Standees	1	130
		Total Standees	1	130
	Ronkonkoma Branch	Program Standees	0	0
		Add'l Standees	29	6
		Total Standees	29	6
	West Hempstead Branch	Program Standees	0	0
		Add'l Standees	0	0
		Total Standees	0	0
System Wide PEAK			77	246

Definitions

Weekday standees are calculated based on the most recent average weekday customer counts

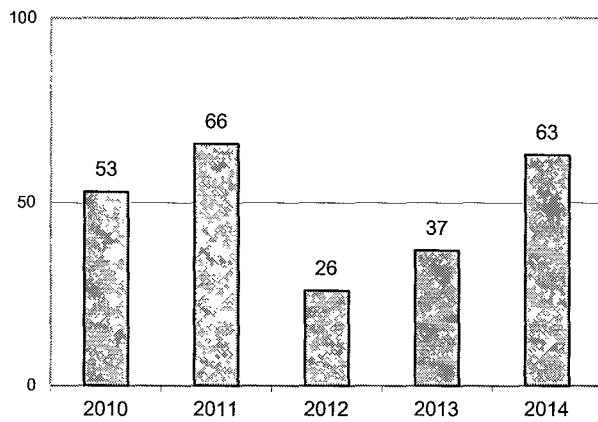
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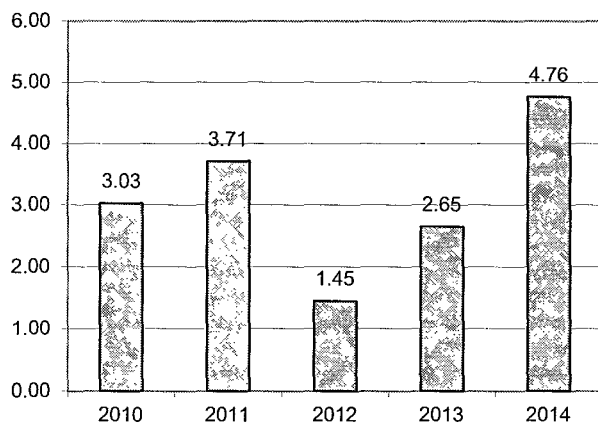
MTA Long Island Rail Road Summary of Employee Injuries - February 2014



Total Employee Injuries

Year	Total
2010	53
2011	66
2012	26
2013	37
2014	63

% change from last year: 70.3%



Employee FRA Reportable Injuries

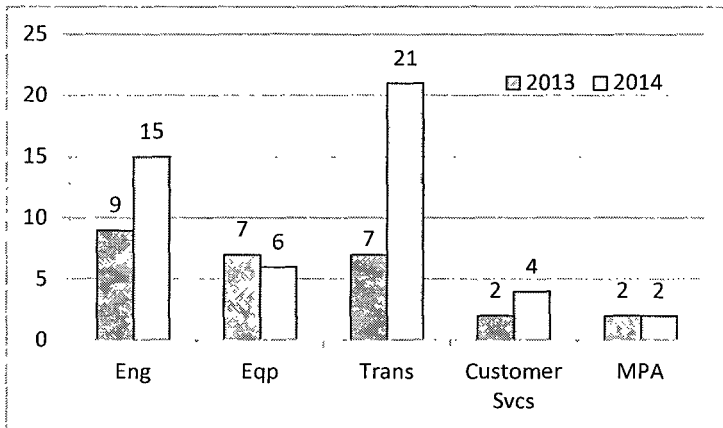
Year	Total	FRA FI*
2010	34	3.03
2011	37	3.71
2012	15	1.45
2013	27	2.65
2014	48	4.76

% change from last year: 79.6%

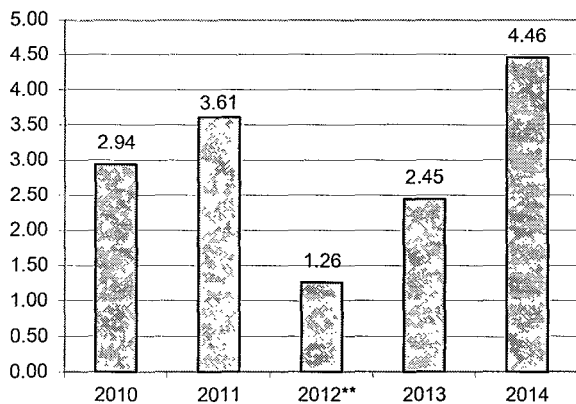
* Federal Railroad Administration Frequency Index

* - Injuries per 200,000 hours worked

MTA Long Island Rail Road Summary of Employee Injuries - February 2014



Employee Reportable Accidents Comparison by Department			
Department	2013	2014	% Change
Engineering	9	15	67%
Equipment	7	6	-14%
Transportation	7	21	200%
Customer Svcs	2	4	100%
MPA	2	2	0%



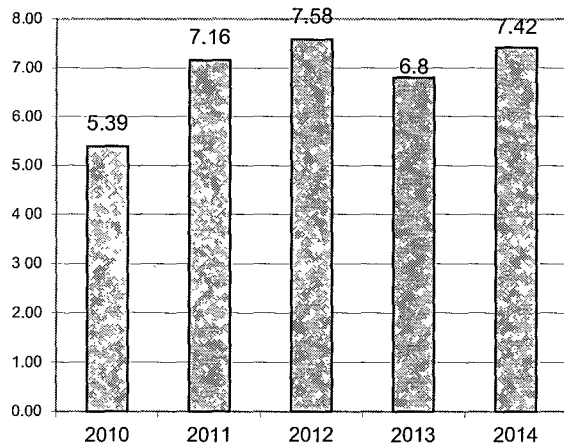
Employee Lost Time Injuries			
Year	LT	LT FI*	LT & RD FI*
2010	32	2.85	2.94
2011	34	3.41	3.61
2012**	13	1.26	1.26
2013	25	2.45	2.45
2014	45	4.46	4.46

% change from last year: 82.0%

**Please note: Prior years data includes Restricted Duty

* - Injuries per 200,000 hours worked

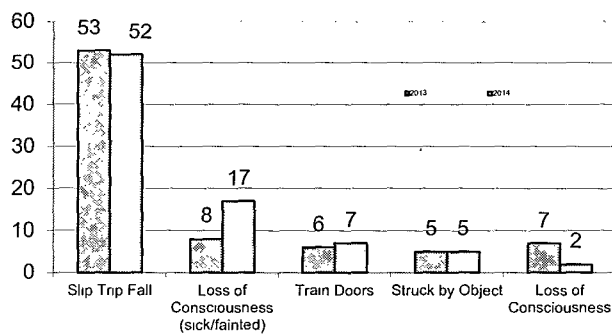
MTA Long Island Rail Road Summary of Employee Injuries - February 2014



Total Customer Injuries

Year	Total	FI*
2010	65	5.39
2011	84	7.16
2012	97	7.58
2013	86	6.8
2014	94	7.42

% change from last year: 9.1%



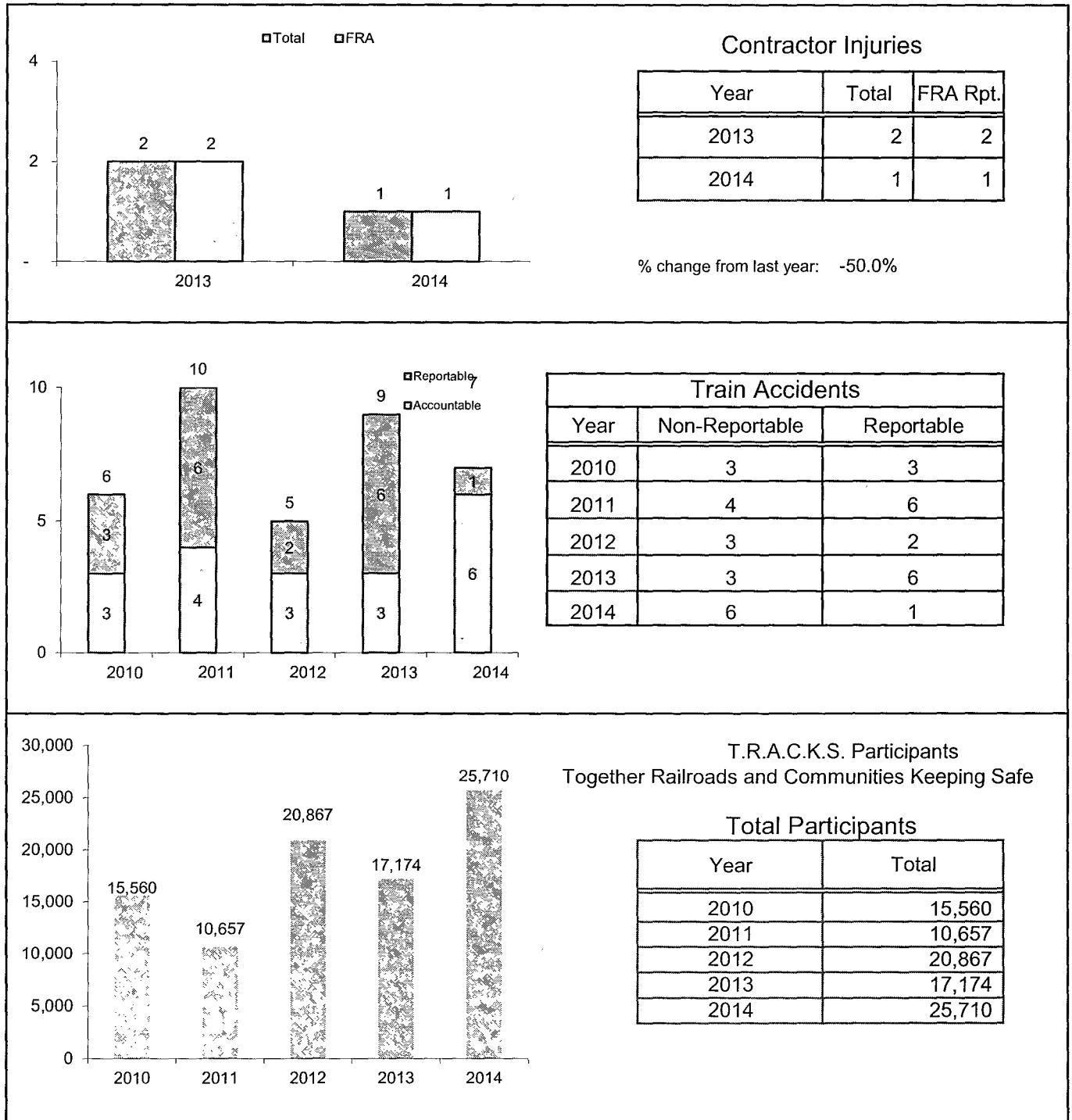
Top 5 Customer Injuries by Type

Year	Slip Trip Fall	Loss of Consciousness (sick/fainted)	Train Doors	Struck by Object	Gap
2013	53	8	6	5	7
2014	52	17	7	5	2

*- Injuries per 1,000,000 rides

MTA Long Island Rail Road

Summary of Contractor Injuries, Train Accidents & T.R.A.C.K.S. February 2014



Memorandum



Long Island Rail Road

Date: April 2014

To: Members of the LIRR Operating Committee

From: Helena E. Williams, President

A handwritten signature in black ink, appearing to read "H. Williams", written over the name in the "From:" field.

Re: Enhanced Safety Action Update

This is to update you on the LIRR's comprehensive efforts to enhance safety throughout our system:

- Our first Quarterly Corporate Safety Stand-Down for 2014 was conducted on March 27, 2014. In addition to the over 4,500 employees who participated in a stand-down, another 800 employees attended Safety, Health and Wellness Events that were held in one east end and one west end location.
- Our next LIRR Confidential Close Call Reporting System (C3RS) meeting between LIRR management and labor organization representatives and the Department of Transportation/ Volpe Center, Federal Railroad Administration (FRA), and NASA team is scheduled for May 12th through May 16th.
- The following progress was made on speed compliance enhancements and Positive Train Control (PTC):

Action Item	Status
Alerters	Vendor verification and validation of software is on schedule and in progress on C3, DE/DM and M3 fleet.
Speed Compliance	For the period 3/1/14 through 3/31/14, one hundred and thirty-one radar observations were completed. Ninety-one LIRR Engineers and three NYAR Engineers were observed. Fourteen event recorder downloads were analyzed. All results indicate compliance. <i>Please note:</i> There is a seven day window for radar observations to be entered into our Efficiency Testing System. Numbers are subject to change.
Emergency Order 29	<ul style="list-style-type: none">▪ All critical curves were completed as scheduled by March 1, 2014.▪ Work is progressing on identified tangent track segments. Three of the eight identified segments are completed. Design is one hundred percent complete on another one of the eight identified segments. The remaining four are in progress.
PTC	<ul style="list-style-type: none">▪ LIRR & MNR representatives continue to meet with the Joint Venture to negotiate Change Orders to accelerate the PTC delivery schedule.▪ Completed RRIF Loan application for signaling Speonk to Montauk, Ronkonkoma to Yaphank, and Babylon to Patchogue.▪ Long Beach Branch currently underway as part of Sandy restoration/mitigation project.



Long Island Rail Road

Monthly Financial Report

February 2014

MTA LONG ISLAND RAIL ROAD

February Ridership and Financial Report

Executive Summary

Ridership

- During the month of February, total ridership was 6.1 million, which was 1.4% higher than February 2013 (adjusted for same number of work days) and 1.6% above the budget.
 - Ridership through February was 12.7 million. This was 0.2% higher than 2013 (adjusted for same number of calendar work days) and 1.0% higher than the 2014 adopted budget.
 - Through February 2014, commutation ridership was 1.9% higher than 2013 (work day adjusted) and 0.8% higher than the 2014 adopted budget.
 - Through February 2014, non-commutation ridership was 2.3% lower than 2013 and 1.3% above the adopted budget.
-

Revenues

- Farebox revenue through February totaling \$98.4 million was \$1.5 million above the adopted budget due to higher ridership and yield per passenger.
- Capital & Other Revenue of \$28.9 million was \$10.5 million lower than adopted budget due to vacant positions, severe winter weather and timing of project activity.
- In summary, total LIRR revenue of \$127.2 million was \$8.9 million lower than the adopted budget.

Expenses

- Through February, total expenses of \$311.2 million were \$18.5 million less than adopted budget.
- Straight-time payroll spending was \$4.5 million less than adopted budget due to the existence of vacant positions. At the end of February, 247 of 7,058 positions were vacant. These vacancies consisted primarily of management/supervisory and operational hourlies.
- Year-to-date overtime hours worked was 24.1%, or 85,500 hours higher than the budget as a result of weather, which was 98,900 hours over budget.
- Year-to-date overtime hours increased by 28.7% in 2014 compared to 2013 due to weather.
- Other variances are primarily timing related.

Financial Performance Measures

- Through February, the Adjusted Farebox Operating Ratio was 55.9%, which is favorable to adopted budget due to lower expenses and higher revenue.
- Through February, the Adjusted Cost per Passenger was \$15.63, which is lower than budget due to lower expenses and higher ridership.
- Through February, the Revenue per Passenger was \$7.79, which is higher than budget.

FINANCIAL REPORT
(\$ In Millions)
For the Month Ending February 28, 2014

REVENUE

Year-to-date February **Total Revenues** (including Capital and Other Reimbursements) of \$127.2 were \$(8.9) million or (6.6)% unfavorable to budget. The month of February of \$63.5 was unfavorable to budget by \$(4.0) million or (5.9)%.

- **Y-T-D Farebox Revenues** were \$1.5 favorable to budget. The month was \$0.8 favorable to budget due to higher ridership and yield per passenger
- **Y-T-D Other Operating Revenues** were \$0.7 favorable to budget. The month was \$1.2 favorable to budget due to timing of advertising and rental income.
- **Y-T-D Capital and Other Reimbursements** were \$(11.1) unfavorable to budget. The month was \$(6.0) unfavorable due to vacant positions, severe winter weather and timing of project activity.

OPERATING EXPENSES

Year-to-date February **Total Expenses** (including depreciation and other) of \$311.2 were favorable to the budget by \$18.5 or 5.6%. The total expenses for the month of \$151.6 were favorable to budget by \$11.5 or 7.1%.

Labor Expenses, \$3.4 favorable Y-T-D; \$2.2 favorable for the month.

- **Payroll**, \$4.5 favorable Y-T-D; \$2.2 favorable for the month (primarily vacant positions).
- **Overtime**, \$(4.8) unfavorable Y-T-D; \$(2.1) unfavorable for the month (primarily weather-related).
- **Health & Welfare**, \$1.7 favorable Y-T-D; \$1.0 favorable for the month (vacant positions and lower rates).
- **OPEB Current Payment**, \$1.6 favorable Y-T-D; \$0.8 favorable for the month (fewer retirees/beneficiaries).
- **Other Fringe**, \$0.5 favorable Y-T-D; \$0.3 favorable for the month (lower Railroad Retirement Taxes, partially offset by higher FELA Indemnity reserve adjustments).

Non-Labor Expenses, \$15.0 favorable Y-T-D; \$8.0 favorable for the month.

- **Electric Power**, \$(0.1) unfavorable Y-T-D; \$0.5 favorable for the month (lower rates and accrual adjustments, partially offset by higher consumption).
- **Fuel**, \$0.1 favorable Y-T-D; \$0.1 favorable for the month (accrual adjustments for natural gas, partially offset by higher rates).
- **Insurance**, \$0.4 favorable Y-T-D; \$0.2 favorable for the month (primarily lower Force Account).
- **Claims**, \$0.8 favorable Y-T-D; \$0.2 favorable for the month (timing).
- **Maintenance and Other Operating Contracts**, \$2.7 favorable Y-T-D; \$0.6 favorable for the month (primarily timing for non-revenue vehicle repairs, elevator maintenance and various security initiatives, partially offset by the timing of vegetation management, HVAC, busing and waste maintenance).
- **Professional Services**, \$4.1 favorable Y-T-D; \$2.0 favorable for the month (timing of charges and activity for various IT hardware, software and system initiatives and other professional services).
- **Materials and Supplies**, \$5.7 favorable Y-T-D; \$3.9 favorable for the month (primarily timing of capital material usage, lower revenue vehicle running repair and delayed M7 Propulsion startup).
- **Other Business Expenses**, \$1.4 favorable Y-T-D; \$0.4 favorable for the month (timing of various miscellaneous expenses).

Depreciation and Other, on budget Y-T-D; on budget for the month (favorable Other Post-Employment Benefits due to latest actuarial estimate, offset by unfavorable Depreciation).

FAREBOX OPERATING RATIO

The year-to-date Farebox Operating Ratio was 43.6%, 0.4 percentage points above year-to-date January. The Farebox Operating Ratio for the month of February of 44.1% was 2.5 percentage points above the budget resulting from lower expenses and higher revenue. The adjusted year-to-date Farebox Operating Ratio was 55.9%. The adjusted Farebox Operating Ratio reflects the removal of the UAAL associated with the LIRR's closed pension plan and OPEB retiree expenses and the inclusion of Other Operating Revenue to reflect operational actions at the Rail Road.

TABLE 1

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
February 2014
(\$ in millions)

	Nonreimbursable				Reimbursable				Total			
			Favorable (Unfavorable)				Favorable (Unfavorable)				Favorable (Unfavorable)	
	Budget	Actual	Variance	Percent	Budget	Actual	Variance	Percent	Budget	Actual	Variance	Percent
Revenue												
Farebox Revenue	\$47,794	\$48,638	\$0,844	1.8	\$0,000	\$0,000	\$0,000	-	\$47,794	\$48,638	\$0,844	1.8
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	3,480	4,671	1,191	34.2	0.000	0.000	0.000	-	3,480	4,671	1,191	34.2
Capital & Other Reimbursements	0.000	0.000	0.000	-	16,231	10,203	(6,028)	(37.1)	16,231	10,203	(6,028)	(37.1)
Total Revenue	\$51.274	\$53.309	\$2.035	4.0	\$16.231	\$10.203	(\$6.028)	(37.1)	\$67.505	\$63.512	(\$3.993)	(5.9)
Expenses												
Labor												
Payroll	\$35,363	\$35,226	\$0,137	0.4	\$5,699	\$3,656	\$2,043	35.8	\$41,062	\$38,882	\$2,180	5.3
Overtime	8,682	10,920	(2,238)	(25.8)	0,619	0,475	0,144	23.3	9,301	11,395	(2,094)	(22.5)
Health and Welfare	9,023	8,218	0,805	8.9	0,972	0,757	0,215	22.1	9,995	8,975	1,020	10.2
OPEB Current Payment	5,561	4,784	0,777	14.0	0,000	0,000	0,000	-	5,561	4,784	0,777	14.0
Pensions	15,254	15,237	0,017	0.1	1,318	1,335	(0,017)	(1.3)	16,572	16,572	0,000	0.0
Other Fringe Benefits	10,332	10,481	(0,149)	(1.4)	1,170	0,711	0,459	39.2	11,502	11,192	0,310	2.7
Reimbursable Overhead	(1,642)	(1,136)	(0,506)	(30.8)	1,642	1,136	0,506	30.8	0,000	0,000	0,000	-
Total Labor Expenses	\$82.573	\$83.730	(\$1.157)	(1.4)	\$11.420	\$8.070	\$3.350	29.3	\$93.993	\$91.800	\$2.193	2.3
Non-Labor												
Electric Power	\$8,373	\$7,907	\$0,466	5.6	\$0,004	\$0,009	(\$0,005)	*	\$8,377	\$7,916	\$0,461	5.5
Fuel	2,252	2,188	0,064	2.9	0,000	0,000	0,000	-	2,252	2,188	0,064	2.9
Insurance	1,981	1,922	0,059	3.0	0,280	0,114	0,166	59.3	2,261	2,036	0,225	9.9
Claims	0,346	0,104	0,242	70.1	0,000	0,000	0,000	-	0,346	0,104	0,242	70.1
Paratransit Service Contracts	0,000	0,000	0,000	-	0,000	0,000	0,000	-	0,000	0,000	0,000	-
Maintenance and Other Operating Contracts	5,570	5,101	0,469	8.4	0,649	0,498	0,151	23.3	6,219	5,599	0,620	10.0
Professional Service Contracts	2,874	1,381	1,493	51.9	0,674	0,159	0,515	76.4	3,548	1,540	2,008	56.6
Materials & Supplies	9,246	7,089	2,157	23.3	3,089	1,322	1,767	57.2	12,335	8,411	3,924	31.8
Other Business Expenses	1,197	0,844	0,353	29.5	0,115	0,032	0,083	72.2	1,312	0,876	0,436	33.2
Total Non-Labor Expenses	\$31.839	\$26.536	\$5.303	16.7	\$4.811	\$2.134	\$2.677	55.6	\$36.650	\$28.669	\$7.981	21.8
Other Expense Adjustments												
Other	\$0,000	\$0,000	\$0,000	-	\$0,000	\$0,000	\$0,000	-	\$0,000	\$0,000	\$0,000	-
Total Other Expense Adjustments	\$0,000	\$0,000	\$0,000	-	\$0,000	\$0,000	\$0,000	-	\$0,000	\$0,000	\$0,000	-
Total Expenses before Depreciation & Other Post Employment Benefits	\$114.412	\$110.266	\$4.146	3.6	\$16.231	\$10.203	\$6.028	37.1	\$130.643	\$120.469	\$10.174	7.8
Depreciation	\$25,167	\$26,430	(\$1,263)	(5.0)	\$0,000	\$0,000	\$0,000	-	\$25,167	\$26,430	(\$1,263)	(5.0)
Other Post Employment Benefits	7,094	4,499	2,595	36.6	0,000	0,000	0,000	-	\$7,094	4,499	2,595	36.6
Environmental Remediation	0,167	0,167	0,000	0.2	0,000	0,000	0,000	-	\$0,167	0,167	0,000	0.2
Total Expenses	\$146.840	\$141.362	\$5.478	3.7	\$16.231	\$10.203	\$6.028	37.1	\$163.071	\$151.566	\$11.505	7.1
Net Surplus/(Deficit)	(\$95.566)	(\$88.053)	\$7.513	7.9	\$0,000	\$0,000	\$0,000	-	(\$95.566)	(\$88.053)	\$7.513	7.9
Cash Conversion Adjustments												
Depreciation	25,167	26,430	1,263	5.0	0,000	0,000	0,000	-	25,167	26,430	1,263	5.0
Operating/Capital	(0,880)	(0,339)	0,541	61.4	0,000	0,000	0,000	-	(0,880)	(0,339)	0,541	61.4
Other Cash Adjustments	15,552	5,227	(10,325)	(66.4)	0,000	0,000	0,000	-	15,552	5,227	(10,325)	(66.4)
Total Cash Conversion Adjustments	\$39.839	\$31.318	(\$8.521)	(21.4)	0,000	\$0,000	\$0,000	-	\$39,839	\$31.318	(\$8.521)	(21.4)
Net Cash Surplus/(Deficit)	(\$55.727)	(\$56.735)	(\$1,008)	(1.8)	\$0,000	\$0,000	\$0,000	-	(\$55.727)	(\$56.735)	(\$1,008)	(1.8)

TABLE 2

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
February Year-To-Date

(\$ in millions)

	Nonreimbursable				Reimbursable				Total			
	Favorable (Unfavorable)				Favorable (Unfavorable)				Favorable (Unfavorable)			
	Budget	Actual	Variance	Percent	Budget	Actual	Variance	Percent	Budget	Actual	Variance	Percent
Revenue												
Farebox Revenue	\$96.866	\$98.379	\$1.513	1.6	\$0.000	\$0.000	\$0.000	-	\$96.866	\$98.379	\$1.513	1.6
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	6.957	7.620	0.663	9.5	0.000	0.000	0.000	-	6.957	7.620	0.663	9.5
Capital & Other Reimbursements	0.000	0.000	0.000	-	32.366	21.245	(11.121)	(34.4)	32.366	21.245	(11.121)	(34.4)
Total Revenue	\$103.823	\$105.999	\$2.176	2.1	\$32.366	\$21.245	(\$11.121)	(34.4)	\$136.189	\$127.244	(\$8.945)	(6.6)
Expenses												
<i>Labor</i>												
Payroll	\$75.709	\$75.119	\$0.590	0.8	\$11.345	\$7.412	\$3.933	34.7	\$87.054	\$82.531	\$4.523	5.2
Overtime	16.384	21.383	(4.999)	(30.5)	1.285	1.092	0.193	15.0	17.669	22.475	(4.806)	(27.2)
Health and Welfare	18.019	16.746	1.273	7.1	1.939	1.541	0.398	20.5	19.958	18.288	1.670	8.4
OPEB Current Payment	11.122	9.563	1.559	14.0	0.000	0.000	0.000	-	11.122	9.563	1.559	14.0
Pensions	30.517	30.440	0.077	0.3	2.626	2.703	(0.077)	(2.9)	33.143	33.143	0.000	0.0
Other Fringe Benefits	20.862	21.245	(0.383)	(1.8)	2.335	1.464	0.871	37.3	23.197	22.709	0.488	2.1
Reimbursable Overhead	(3.244)	(2.358)	(0.886)	(27.3)	3.244	2.358	0.886	27.3	0.000	0.000	0.000	-
Total Labor Expenses	\$169.369	\$172.139	(\$2.770)	(1.6)	\$22.774	\$16.570	\$6.204	27.2	\$192.143	\$188.709	\$3.434	1.8
<i>Non-Labor</i>												
Electric Power	\$17.114	\$17.204	(\$0.090)	(0.5)	\$0.008	\$0.018	(\$0.010)	*	\$17.122	\$17.222	(\$0.100)	(0.6)
Fuel	4.711	4.628	0.083	1.8	0.000	0.000	0.000	-	4.711	4.628	0.083	1.8
Insurance	3.962	3.844	0.118	3.0	0.561	0.267	0.294	52.4	4.523	4.111	0.412	9.1
Claims	0.692	(0.119)	0.811	*	0.000	0.000	0.000	-	0.692	(0.119)	0.811	*
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	11.098	8.508	2.590	23.3	1.309	1.207	0.102	7.8	12.407	9.715	2.692	21.7
Professional Service Contracts	5.208	2.097	3.111	59.7	1.347	0.395	0.952	70.7	6.555	2.492	4.063	62.0
Materials & Supplies	18.502	16.327	2.175	11.8	6.137	2.622	3.515	57.3	24.639	18.949	5.690	23.1
Other Business Expenses	2.440	1.151	1.289	52.8	0.230	0.166	0.064	27.6	2.670	1.317	1.353	50.7
Total Non-Labor Expenses	\$63.727	\$53.640	\$10.087	15.8	\$9.592	\$4.675	\$4.917	51.3	\$73.319	\$58.315	\$15.004	20.5
Other Expense Adjustments												
Other	\$0.000	\$0.000	\$0.000	-	0.000	\$0.000	\$0.000	-	0.000	\$0.000	\$0.000	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Expenses before Depreciation & Other Post Employment Benefits	\$233.096	\$225.779	\$7.317	3.1	\$32.366	\$21.245	\$11.121	34.4	\$265.462	\$247.024	\$18.438	6.9
Depreciation	\$50.334	\$52.861	(2.527)	(5.0)	0.000	\$0.000	\$0.000	-	\$50.334	\$52.861	(\$2.527)	(5.0)
Other Post Employment Benefits	13.514	10.971	2.543	18.8	0.000	0.000	0.000	-	13.514	10.971	2.543	18.8
Environmental Remediation	0.334	0.333	0.001	0.2	0.000	0.000	0.000	-	0.334	0.333	0.001	0.2
Total Expenses	\$297.278	\$289.944	\$7.334	2.5	\$32.366	\$21.245	\$11.121	34.4	\$329.644	\$311.189	\$18.455	5.6
Net Surplus/(Deficit)	(\$193.455)	(\$183.945)	\$9.510	4.9	\$0.000	\$0.000	\$0.000	-	(\$193.455)	(\$183.945)	\$9.510	4.9
<i>Cash Conversion Adjustments</i>												
Depreciation	50.334	52.861	2.527	5.0	0.000	0.000	0.000	-	50.334	52.861	2.527	5.0
Operating/Capital	(1.760)	(0.467)	1.293	73.5	0.000	0.000	0.000	-	(1.760)	(0.467)	1.293	73.5
Other Cash Adjustments	18.650	8.242	(10.408)	(55.8)	0.000	0.000	0.000	-	18.650	8.242	(10.408)	(55.8)
Total Cash Conversion Adjustments	\$67.224	\$60.636	(\$6.588)	(9.8)	\$0.000	\$0.000	\$0.000	-	\$67.224	\$60.636	(\$6.588)	(9.8)
Net Cash Surplus/(Deficit)	(\$126.231)	(\$123.309)	\$2.922	2.3	\$0.000	\$0.000	\$0.000	-	(\$126.231)	(\$123.309)	\$2.922	2.3

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN BUDGET AND ACTUAL: ACCRUAL BASIS

February 2014					Year-to-Date February 2014		
Generic Revenue or Expense Category	Non Reimb. Or Reimb.	Favorable/ (Unfavorable) Variance		Reason for Variance	Favorable/ (Unfavorable) Variance		Reason for Variance
		\$	%		\$	%	
Revenue							
Farebox Revenue	Non Reimb.	0.844	1.8	Higher ridership \$0.751 and yield per passenger \$0.093.	1.513	1.6	Higher ridership \$0.948 and yield per passenger \$0.565.
Other Operating Revenue	Non Reimb.	1.191	34.2	Higher advertising and rental revenue, partially offset by miscellaneous income.	0.663	9.5	Higher advertising revenue and timing of miscellaneous income, partially offset by rental income.
Capital & Other Reimbursements	Reimb.	(6.028)	(37.1)	Primarily due to timing of project activity.	(11.121)	(34.4)	Primarily due to timing of project activity.
Expenses							
Payroll	Non Reimb.	0.137	0.4	Primarily lower headcount.	0.590	0.8	Primarily lower headcount.
	Reimb.	2.043	35.8	Primarily due to vacant positions and timing of project activity and other reimbursements.	3.933	34.7	Primarily due to vacant positions and timing of project activity and other reimbursements.
Overtime	Non Reimb.	(2.238)	(25.8)	Primarily weather-related overtime.	(4.999)	(30.5)	Primarily weather-related overtime.
	Reimb.	0.144	23.3	Primarily due to timing of project activity.	0.193	15.0	Primarily due to timing of project activity.
Health and Welfare	Non Reimb.	0.805	8.9	Vacant positions and lower rates.	1.273	7.1	Vacant positions and lower rates.
	Reimb.	0.215	22.1	Primarily due to timing of project activity.	0.398	20.5	Primarily due to timing of project activity.
OPEB Current Payment	Non Reimb.	0.777	14.0	Fewer retirees/beneficiaries.	1.559	14.0	Fewer retirees/beneficiaries.

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN BUDGET AND ACTUAL: ACCRUAL BASIS

February 2014				Year-to-Date February 2014			
Generic Revenue or Expense Category	Non Reimb. Or Reimb.	Favorable/ (Unfavorable) Variance		Reason for Variance	Favorable/ (Unfavorable) Variance		Reason for Variance
		\$	%		\$	%	
Pensions	Non Reimb.	0.017	0.1	Total pension is on plan. However the estimated percentage of pension allocated to reimbursable was under-estimated.	0.077	0.3	Total pension is on plan. However the estimated percentage of pension allocated to reimbursable was under-estimated.
	Reimb.	(0.017)	(1.3)	Total pension is on plan. However the estimated percentage of pension allocated to reimbursable was under-estimated.	(0.077)	(2.9)	Total pension is on plan. However the estimated percentage of pension allocated to reimbursable was under-estimated.
Other Fringe Benefits	Non Reimb.	(0.149)	(1.4)	Higher FELA indemnity reserve adjustments.	(0.383)	(1.8)	Higher FELA indemnity reserve adjustments.
	Reimb.	0.459	39.2	Primarily due to timing of project activity.	0.871	37.3	Primarily due to timing of project activity.
Electric Power	Non Reimb.	0.466	5.6	Timing of payments for facility electricity and lower traction power rates, partially offset by higher traction power consumption.	(0.090)	(0.5)	Higher traction power consumption and accrual adjustments, partially offset by lower rates and timing of payments for electricity.
	Reimb.	(0.005)	*		(0.010)	*	
Fuel	Non Reimb.	0.064	2.9	Accrual adjustments for natural gas.	0.083	1.8	Accrual adjustments for natural gas.
Insurance	Non Reimb.	0.059	3.0	Lower liability insurance.	0.118	3.0	Lower liability insurance.
	Reimb.	0.166	59.3	Force Account Insurance associated with project activity.	0.294	52.4	Force Account Insurance associated with project activity.
Claims	Non Reimb.	0.242	70.1	Accrual adjustments.	0.811	*	Prior period accrual adjustments.

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN BUDGET AND ACTUAL: ACCRUAL BASIS

February 2014					Year-to-Date February 2014				
Generic Revenue or Expense Category	Non Reimb. Or Reimb.	Favorable/ (Unfavorable) Variance		Reason for Variance	Favorable/ (Unfavorable) Variance		Reason for Variance		
		\$	%		\$	%			
Maintenance & Other Operating Contracts	Non Reimb.	0.469	8.4	Timing of payments for elevator/escalator maintenance, non-revenue vehicle repairs and various security initiatives, partially offset by timing of payments for HVAC, vegetation management and busing services.	2.590	23.3	Timing of payments for elevator/escalator maintenance, IT communications expenses, HVAC maintenance and various security initiatives, partially offset by timing of payments for vegetation management and busing services.		
	Reimb.	0.151	23.3	Primarily due to timing of project activity.	0.102	7.8	Primarily due to timing of project activity.		
Professional Service Contracts	Non Reimb.	1.493	51.9	Primarily due to timing of payments and activities for IT hardware and software and prior period accrual reversals.	3.111	59.7	Primarily due to timing of payments and activities for IT hardware and software and various consulting services.		
	Reimb.	0.515	76.4	Primarily due to timing of project activity.	0.952	70.7	Primarily due to timing of project activity.		
Materials & Supplies	Non Reimb.	2.157	23.3	Primarily due to lower material usage for fleet modifications and running repair for MU and Diesel fleet and delay of propulsion startup, partially offset by higher material usage in fleet cleaning due to winter storms and higher usage of M7 RCM material in the support shops.	2.175	11.8	Primarily due to lower material usage for fleet modifications and running repair for MU and Diesel fleet and delay of propulsion startup, partially offset by higher chargeouts of pool material, higher material usage in fleet cleaning due to winter storms and higher usage of M7 RCM material in the support shops.		
	Reimb.	1.767	57.2	Primarily due to timing of project activity and timing of payments for project material.	3.515	57.3	Primarily due to timing of project activity and timing of payments for project material.		

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN BUDGET AND ACTUAL: ACCRUAL BASIS

February 2014					Year-to-Date February 2014		
Generic Revenue or Expense Category	Non Reimb. Or Reimb.	Favorable/ (Unfavorable) Variance		Reason for Variance	Favorable/ (Unfavorable) Variance		Reason for Variance
		\$	%		\$	%	
Other Business Expenses	Non Reimb.	0.353	29.5	Timing of miscellaneous expenses.	1.289	52.8	Property restitution and timing of miscellaneous expenses.
	Reimb.	0.083	72.2	Primarily due to timing of project activity.	0.064	27.6	Primarily due to timing of project activity.
Depreciation	Non Reimb.	(1.263)	(5.0)	Primarily timing.	(2.527)	(5.0)	Primarily timing.
Other Post Employment Benefits	Non Reimb.	2.595	36.6	Lower based on latest actuarial estimate.	2.543	18.8	Lower based on latest actuarial estimate.

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
CASH RECEIPTS and EXPENDITURES

February 2014

(\$ in millions)

	Month				Year-to-Date			
	Budget	Actual	Favorable (Unfavorable)		Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent
<u>Receipts</u>								
Farebox Revenue	\$49.794	\$50.064	\$0.270	0.5	\$100.866	\$103.115	\$2.249	2.2
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	2.736	1.795	(0.941)	(34.4)	5.469	5.406	(0.063)	(1.1)
Capital & Other Reimbursements	17.199	14.248	(2.951)	(17.2)	32.049	26.448	(5.601)	(17.5)
Total Receipts	\$69.729	\$66.107	(\$3.622)	(5.2)	\$138.384	\$134.970	(\$3.414)	(2.5)
<u>Expenditures</u>								
<i>Labor:</i>								
Payroll	\$40.550	\$37.732	\$2.818	7.0	\$90.129	\$84.687	\$5.442	6.0
Overtime	9.106	11.656	(2.550)	(28.0)	19.371	23.121	(3.750)	(19.4)
Health and Welfare	9.995	10.336	(0.341)	(3.4)	19.958	19.442	0.516	2.6
OPEB Current Payment	5.561	6.192	(0.631)	(11.3)	11.122	10.977	0.145	1.3
Pensions	9.834	9.885	(0.051)	(0.5)	19.667	19.716	(0.049)	(0.2)
Other Fringe Benefits	11.317	10.093	1.224	10.8	24.986	22.694	2.292	9.2
GASB	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Reimbursable Overhead	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Labor Expenditures	\$86.363	\$85.893	\$0.470	0.5	\$185.233	\$180.637	\$4.596	2.5
<i>Non-Labor:</i>								
Electric Power	\$8.377	\$4.920	\$3.457	41.3	\$17.122	\$16.398	\$0.724	4.2
Fuel	2.252	2.740	(0.488)	(21.7)	4.711	5.059	(0.348)	(7.4)
Insurance	2.955	2.476	0.479	16.2	8.388	9.064	(0.676)	(8.1)
Claims	0.196	0.115	0.081	41.3	0.392	0.200	0.192	48.9
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	5.968	5.443	0.525	8.8	11.907	9.620	2.287	19.2
Professional Service Contracts	2.866	2.505	0.361	12.6	6.400	5.166	1.234	19.3
Materials & Supplies	13.227	15.352	(2.125)	(16.1)	23.912	26.922	(3.010)	(12.6)
Other Business Expenses	1.252	0.964	0.288	23.0	2.550	1.378	1.172	46.0
Total Non-Labor Expenditures	\$37.093	\$34.514	\$2.579	7.0	\$75.382	\$73.807	\$1.575	2.1
<i>Other Expenditure Adjustments</i>								
Other	2.000	1.810	0.190	9.5	4.000	3.734	0.266	6.7
Total Other Expenditure Adjustments	\$2.000	\$1.810	\$0.190	9.5	\$4.000	\$3.734	\$0.266	6.7
Total Expenditures	\$125.456	\$122.217	\$3.239	2.6	\$264.615	\$258.179	\$6.436	2.4
Cash Timing and Availability Adjustment	0.000	(0.625)	(0.625)	-	0.000	(0.100)	(0.100)	-
Net Cash Deficit (excludes opening balance)	(\$55.727)	(\$56.735)	(\$1.008)	(1.8)	(\$126.231)	(\$123.309)	\$2.922	2.3
Subsidies								
MTA	55.727	56.738	1.011	1.8	126.231	104.450	(21.781)	(17.3)

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN FEBRUARY BUDGET AND ACTUAL CASH BASIS

Generic Revenue or Expense Category	February 2014			Year-to-Date as of February 28, 2014		
	Favorable/ (Unfavorable) Variance		Reason for Variance	Favorable/ (Unfavorable) Variance		Reason for Variance
	\$	%		\$	%	
Receipts						
Farebox Revenue	0.270	0.5	Higher ridership \$0.751 and higher yields \$0.093, partially offset by lower Metrocard/AirTrain sales \$(0.294) and lower advance sales impact \$(0.278).	2.249	2.2	Higher advance sales impact \$1.222, higher ridership \$0.948 and higher yields \$0.565, partially offset by lower Metrocard/AirTrain sales \$(0.484).
Other Operating Revenue	(0.941)	(34.4)	Primarily due to the timing of rental, intercompany and miscellaneous receipts, partially offset by the timing of freight receipts.	(0.063)	(1.1)	Primarily due to the timing of rental receipts, offset by the collection of prior year intercompany receipts and higher miscellaneous receipts.
Capital and Other Reimbursements	(2.951)	(17.2)	Timing of activity and reimbursement for capital and other reimbursements.	(5.601)	(17.5)	Timing of activity and reimbursement for capital and other reimbursements.
Expenditures						
Labor:						
Payroll	2.818	7.0	Primarily due to lower headcount.	5.442	6.0	Primarily due to lower headcount.
Overtime	(2.550)	(28.0)	Primarily due to weather-related overtime.	(3.750)	(19.4)	Primarily due to weather-related overtime.
Health and Welfare	(0.341)	(3.4)	Primarily due to prior year payments.	0.516	2.6	Primarily due to lower headcount, partially offset by prior year payments.
OPEB Current Payment	(0.631)	(11.3)	Primarily due to the timing of payments, partially offset by fewer retirees.	0.145	1.3	Primarily due to the timing of payments, partially offset by fewer retirees.
Pensions	(0.051)	(0.5)		(0.049)	(0.2)	
Other Fringe Benefits	1.224	10.8	Primarily the timing of FELA payments and lower Railroad Retirement payments.	2.292	9.2	Primarily lower Railroad Retirement and Railroad Unemployment Insurance payments and the timing of FELA payments.

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN FEBRUARY BUDGET AND ACTUAL CASH BASIS

Generic Revenue or Expense Category	February 2014			Year-to-Date as of February 28, 2014		
	Favorable/ (Unfavorable) Variance		Reason for Variance	Favorable/ (Unfavorable) Variance		Reason for Variance
	\$	%		\$	%	
Non-Labor:						
Electric Power	3.457	41.3	Primarily due to the timing of payments.	0.724	4.2	Primarily due to lower rates.
Fuel	(0.488)	(21.7)	Primarily due to timing of payments and higher rates, partially offset by lower consumption.	(0.348)	(7.4)	Primarily due to timing of payments and higher rates, partially offset by lower consumption.
Insurance	0.479	16.2	Timing of insurance premium payments.	(0.676)	(8.1)	Timing of insurance premium payments.
Claims	0.081	41.3	Timing of payment for claims.	0.192	48.9	Timing of payment for claims.
Maintenance and Other Operating Contracts	0.525	8.8	Timing of payments.	2.287	19.2	Timing of payments.
Professional Service Contracts	0.361	12.6	Primarily the timing of payments for consulting services.	1.234	19.3	Primarily the timing of payments for consulting services.
Materials and Supplies	(2.125)	(16.1)	Primarily the timing of program, production plan, and operating funded capital material and supplies.	(3.010)	(12.6)	Primarily the timing of program, production plan, and operating funded capital material and supplies.
Other Business Expenses	0.288	23.0	Primarily due to the timing of payments.	1.172	46.0	Primarily due to the collection of prior year property damage restitution and the timing of payments.
Other Expenditure Adjustments	0.190	9.5	Lower Metrocard/AirTrain pass through payments.	0.266	6.7	Lower Metrocard/AirTrain pass through payments.

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
CASH CONVERSION (CASH FLOW ADJUSTMENTS)
February 2014
(\$ in millions)

	Month				Year-to-Date			
	Budget	Actual	Favorable (Unfavorable)		Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent
<u>Receipts</u>								
Farebox Revenue	\$2.000	\$1.427	(\$0.573)	(28.7)	\$4.000	\$4.736	\$0.736	18.4
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	(0.744)	(2.876)	(2.132)	*	(1.488)	(2.214)	(0.726)	(48.8)
Capital & Other Reimbursements	0.968	4.044	3.076	*	(0.317)	5.203	5.520	*
Total Receipts	\$2.224	\$2.594	\$0.370	16.7	\$2.195	\$7.726	\$5.531	*
<u>Expenditures</u>								
<i>Labor</i>								
Payroll	\$0.512	\$1.150	\$0.638	*	(\$3.075)	(\$2.156)	\$0.919	29.9
Overtime	0.195	(0.261)	(0.456)	*	(1.702)	(0.646)	1.056	62.0
Health and Welfare	0.000	(1.361)	(1.361)	-	0.000	(1.154)	(1.154)	-
OPEB Current Payment	0.000	(1.408)	(1.408)	-	0.000	(1.414)	(1.414)	-
Pensions	6.738	6.687	(0.051)	(0.8)	13.476	13.427	(0.049)	(0.4)
Other Fringe Benefits	0.185	1.100	0.915	*	(1.789)	0.016	1.805	*
GASB	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Reimbursable Overhead	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Labor Expenditures	\$7.630	\$5.906	(\$1.724)	(22.6)	\$6.910	\$8.071	\$1.161	16.8
<i>Non-Labor</i>								
Electric Power	\$0.000	\$2.996	\$2.996	-	\$0.000	\$0.823	\$0.823	-
Fuel	0.000	(0.552)	(0.552)	-	0.000	(0.431)	(0.431)	-
Insurance	(0.694)	(0.440)	0.254	36.7	(3.865)	(4.953)	(1.088)	(28.2)
Claims	0.150	(0.012)	(0.162)	*	0.300	(0.319)	(0.619)	*
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	0.251	0.156	(0.095)	(37.7)	0.500	0.095	(0.405)	(81.0)
Professional Service Contracts	0.682	(0.964)	(1.646)	*	0.155	(2.674)	(2.829)	*
Materials & Supplies	(0.892)	(6.941)	(6.049)	*	0.727	(7.973)	(8.700)	*
Other Business Expenses	0.060	(0.088)	(0.148)	*	0.120	(0.061)	(0.181)	*
Total Non-Labor Expenditures	(\$0.443)	(\$5.844)	(\$5.401)	*	(\$2.063)	(\$15.492)	(\$13.429)	*
<i>Other Expenditure Adjustments:</i>								
Other	(2.000)	(1.810)	0.190	9.5	(4.000)	(3.734)	0.266	6.7
Total Other Expenditure Adjustments	(\$2.000)	(\$1.810)	\$0.190	9.5	(\$4.000)	(\$3.734)	\$0.266	6.7
Total Expenditures before Depreciation	\$5.187	(\$1.748)	(\$6.935)	*	\$0.847	(\$11.154)	(\$12.001)	*
Depreciation Adjustment	25.167	26.430	1.263	5.0	50.334	52.861	2.527	5.0
Other Post Employment Benefits	7.094	4.499	(2.595)	(36.6)	13.514	10.971	(2.543)	(18.8)
Environmental Remediation	0.167	0.167	(0.000)	(0.2)	0.334	0.333	(0.001)	(0.2)
Total Expenditures	\$37.615	\$29.349	(\$8.266)	(22.0)	\$65.029	\$53.010	(\$12.019)	(18.5)
Cash Timing and Availability Adjustment	0.000	(0.625)	(0.625)	-	0.000	(0.100)	(0.100)	-
Total Cash Conversion Adjustments	\$39.839	\$31.318	(\$8.521)	(21.4)	\$67.224	\$60.636	(\$6.588)	(9.8)

MTA LONG ISLAND RAIL ROAD
2014 February Financial Plan
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

	February 2014						February Year-to-Date					
	Adopted Budget		Actuals		Var. - Fav./(Unfav)		Adopted Budget		Actuals		Var. - Fav./(Unfav)	
	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
NON-REIMBURSABLE OVERTIME												
<u>Scheduled Service</u> ¹	44,484	\$2.259	43,870	\$2.216	614	\$0.042	90,178	\$4.577	87,670	\$4.434	2,507	\$0.143
					1.4%	1.9%					2.8%	3.1%
<u>Unscheduled Service</u>	9,373	\$0.530	12,278	\$0.745	(2,905)	(\$0.215)	19,248	\$1.087	21,971	\$1.301	(2,723)	(\$0.214)
					-31.0%	-40.6%					-14.1%	-19.6%
<u>Programmatic/Routine Maintenance</u>	47,425	\$2.243	44,265	\$2.142	3,160	\$0.100	83,816	\$3.962	80,099	\$3.838	3,717	\$0.124
					6.7%	4.5%					4.4%	3.1%
<u>Unscheduled Maintenance</u>	513	\$0.023	674	\$0.030	(161)	(\$0.007)	1,188	\$0.054	1,329	\$0.060	(141)	(\$0.006)
					-31.4%	-31.4%					-11.9%	-11.9%
<u>Vacancy/Absentee Coverage</u>	46,704	\$2.264	42,553	\$2.065	4,151	\$0.199	83,147	\$4.068	75,745	\$3.678	7,402	\$0.390
					8.9%	8.8%					8.9%	9.6%
<u>Weather Emergencies</u>	25,826	\$1.297	69,819	\$3.468	(43,993)	(\$2.172)	49,840	\$2.502	148,762	\$7.592	(98,921)	(\$5.090)
					*	*					*	*
<u>Safety/Security/Law Enforcement</u> ²	-	\$0.000	-	\$0.000	0	\$0.000	-	\$0.000	0	\$0.000	-	-
<u>Other</u> ³	1,511	\$0.067	1,891	\$0.252	(380)	(\$0.185)	3,021	\$0.134	4,062	\$0.480	(1,040)	(\$0.346)
					-25.2%	*					-34.4%	*
NON-REIMBURSABLE OVERTIME	175,836	\$8.682	215,350	\$10.920	(39,513)	(\$2.238)	330,439	\$16.384	419,638	\$21.383	(89,199)	(\$4.999)
					-22.5%	-25.8%					-27.0%	-30.5%
REIMBURSABLE OVERTIME	11,828	\$0.619	9,063	\$0.475	2,765	\$0.144	24,771	\$1.285	21,122	\$1.092	3,648	\$0.193
					23.4%	23.2%					14.7%	15.0%
TOTAL OVERTIME	187,665	\$9.301	224,413	\$11.395	(36,748)	(\$2.094)	355,209	\$17.669	440,760	\$22.475	(85,551)	(\$4.806)
					-19.6%	-22.5%					-24.1%	-27.2%

¹ Includes Tour Length and Holiday overtime.

² Not Applicable

³ Reflects overtime for marketing, material management and other administrative functions.

Totals may not add due to rounding.

NOTE: Percentages are based on each type of Overtime and not on Total Overtime.

* Exceeds 100%

MTA LONG ISLAND RAIL ROAD
2014 February Financial Plan
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

	February 2014			February Year-to-Date		
	Var. - Fav./(Unfav)		Explanations	Var. - Fav./(Unfav)		Explanations
	Hours	\$		Hours	\$	
NON-REIMBURSABLE OVERTIME						
<u>Scheduled Service</u>	614 1.4%	\$0.042 1.9%		2,507 2.8%	\$0.143 3.1%	
<u>Unscheduled Service</u>	(2,905) -31.0%	(\$0.215) -40.6%	Higher than budget outside of assignment, weather-related incidents and support of on time performance.	(2,723) -14.1%	(\$0.214) -19.6%	Higher than budget outside of assignment, weather-related incidents and support of on time performance.
<u>Programmatic/Routine Maintenance</u>	3,160 6.7%	\$0.100 4.5%		3,717 4.4%	\$0.124 3.1%	
<u>Unscheduled Maintenance</u>	(161) -31.4%	(\$0.007) -31.4%		(141) -11.9%	(\$0.006) -11.9%	
<u>Vacancy/Absentee Coverage</u>	4,151 8.9%	\$0.199 8.8%	Primarily due to lower tours for Train and Engine, lower than budgeted headcount in Transportation and less position coverage needs than expected in Engineering.	7,402 8.9%	\$0.390 9.6%	Primarily due to lower tours for Train and Engine, lower than budgeted headcount in Transportation and less position coverage needs than expected in Engineering.
<u>Weather Emergencies</u>	(43,993) *	(\$2.172) *	Due to inclement weather conditions caused by snow storms and various other weather-related costs system wide.	(98,921) *	(\$5.090) *	Due to inclement weather conditions caused by snow storms and various other weather-related costs system wide.
<u>Safety/Security/Law Enforcement</u>						
<u>Other</u>	(380) -25.2%	(\$0.185) *	Due to double time impact and higher rated crafts.	(1,040) -34.4%	(\$0.346) *	Due to double time impact and higher rated crafts.
NON-REIMBURSABLE OVERTIME	(39,513) -22.5%	(\$2.238) -25.8%		(89,199) -27.0%	(\$4.999) -30.5%	
REIMBURSABLE OVERTIME	2,765 23.4%	\$0.144 23.2%		3,648 14.7%	\$0.193 15.0%	
TOTAL OVERTIME	(36,748) -19.6%	(\$2.094) -22.5%		(85,551) -24.1%	(\$4.806) -27.2%	

* Exceeds 100%

OVERTIME DECOMPOSITION LEGEND DEFINITIONS

<u>Type</u>	<u>Definition</u>
<i>Scheduled Service</i>	Crew book/Regular Run/Shift hours (above 8 hours) required by train crews, bus/tower/block operators, transportation supervisors/dispatchers, fare sales and collection, Train & Engineers, as well as non-transportation workers whose work is directly related to providing service (includes coverage for holidays).
<i>Unscheduled Service</i>	Service coverage resulting from extraordinary events not related to weather, such as injuries, mechanical breakdowns, unusual traffic, tour length, late tour relief, and other requirements that arise that are non-absence related.
<i>Programmatic/Routine Maintenance</i>	<i>Program Maintenance</i> work for which overtime is planned (e.g. Railroad Tie Replacement, Sperry Rail Testing, Running Board Replacement Programs). This also includes <i>Routine Maintenance</i> work for which OT has been planned, as well as all other maintenance <u>not resulting from extraordinary events</u> , including running repairs. Program/Routine maintenance work is usually performed during hours that are deemed more practical in order to minimize service disruptions, and includes contractual scheduled pay over 8 hours.
<i>Unscheduled Maintenance</i>	Resulting from an <u>extraordinary event</u> (not weather-related) requiring the use of unplanned maintenance to perform repairs on trains, buses, subway and bus stations, depots, tracks and administrative and other facilities, including derailments, tour length and weekend coverage.
<i>Vacancy/Absentee Coverage</i>	Provides coverage for an absent employee or a vacant position.
<i>Weather Emergencies</i>	Coverage necessitated by extreme weather conditions (e.g. snow, flooding, hurricane, and tornadoes), as well as preparatory and residual costs.
<i>Safety/Security/Law Enforcement</i>	Coverage required to provide additional customer & employee protection and to secure MTA fleet facilities, transportation routes, and security training.
<i>Other</i>	Includes overtime coverage for clerical, administrative positions that are eligible for overtime.
<i>Reimbursable Overtime</i>	Overtime incurred to support projects that are reimbursed from the MTA Capital Program and other funding sources.

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2014 BUDGET
TOTAL FULL-TIME POSITIONS and FULL-TIME EQUIVALENTS by FUNCTION and DEPARTMENT
NON-REIMBURSABLE and REIMBURSABLE
END-of-MONTH FEBRUARY 2014

	Budget	Actual	Favorable/ (Unfavorable) Variance
Administration			
Executive VP	5	6	(1)
Labor Relations	18	15	3
Procurement & Logistics (excl. Stores)	83	78	5
Human Resources	32	35	(3)
Sr VP Administration	2	2	0
Strategic Investments	32	26	6
President	4	4	0
VP & CFO	2	3	(1)
Information Technology	164	148	16
Controller	46	43	3
Management & Budget	19	18	1
Process Re-Engineering	7	7	0
VP - East Side Access & Special Projects	42	34	8
Market Dev. & Public Affairs	61	66	(5)
Gen. Counsel & Secretary	30	30	0
Diversity Management	1	2	(1)
System Safety/Training	74	73	1
Security	11	10	1
Sr VP Operations/Service Planning	24	24	-
Total Administration	657	624	33
Operations			
Train Operations	2,061	2,000	61
Customer Services	299	298	1
Total Operations	2,360	2,298	62
Maintenance			
Engineering	1,742	1,665	77
Equipment	2,071	2,020	51
Procurement (Stores)	93	93	-
Total Maintenance	3,906	3,778	128
Engineering/Capital			
Department of Project Management	135	111	24
Total Engineering/Capital	135	111	24
Baseline Total Positions	7,058	6,811	247
Non-Reimbursable	6,292	6,321	(29)
Reimbursable	766	490	276
Total Full-Time	7,058	6,811	247
Total Full-Time-Equivalents	-	-	-

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2014 BUDGET
FULL-TIME POSITIONS and FULL-TIME EQUIVALENTS
NON-REIMBURSABLE and REIMBURSABLE
END-OF-MONTH FEBRUARY 2014

Explanation of Variances
NON-REIMBURSABLE POSITIONS - Unfavorable (29) positions due to shift of Engineering work force from project activity to maintenance.
REIMBURSABLE POSITIONS - Favorable 276 positions primarily due to the timing of project activity and vacant positions.

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2014 BUDGET
TOTAL FULL-TIME POSITIONS and FULL-TIME EQUIVALENTS by FUNCTION and OCCUPATION
END-of-MONTH FEBRUARY 2014

	Budget	Actual	Favorable/ (Unfavorable) Variance
Administration			
Managers/Supervisors	345	310	35
Professional, Technical, Clerical	312	314	(2)
Operational Hourlies	-	-	-
Total Administration	657	624	33
Operations			
Managers/Supervisors	328	315	13
Professional, Technical, Clerical	168	171	(3)
Operational Hourlies	1,864	1,812	52
Total Operations	2,360	2,298	62
Maintenance			
Managers/Supervisors	760	697	63
Professional, Technical, Clerical	269	259	10
Operational Hourlies	2,877	2,822	55
Total Maintenance	3,906	3,778	128
Engineering/Capital			
Managers/Supervisors	98	87	11
Professional, Technical, Clerical	37	24	13
Operational Hourlies	-	-	-
Total Engineering/Capital	135	111	24
Total Positions			
Managers/Supervisors	1,531	1,409	122
Professional, Technical, Clerical	786	768	18
Operational Hourlies	4,741	4,634	107
Total Positions	7,058	6,811	247

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
RIDERSHIP
(In Thousands)

RIDERSHIP	February 2014				Year-to-Date February 2014			
	Budget	Actual	Favorable/ (Unfavorable) Variance	%	Budget	Actual	Favorable/ (Unfavorable) Variance	%
Monthly	3.527	3.536	0.009	0.3%	7.392	7.426	0.034	0.5%
Weekly	0.129	0.149	0.020	15.6%	0.267	0.294	0.027	10.2%
Total Commutation	3.656	3.685	0.029	0.8%	7.659	7.720	0.061	0.8%
One-Way Full Fare	0.543	0.554	0.012	2.2%	1.113	1.123	0.010	0.9%
One-Way Off-Peak	1.163	1.175	0.012	1.0%	2.457	2.450	(0.007)	-0.3%
All Other	0.652	0.693	0.042	6.4%	1.321	1.379	0.058	4.4%
Total Non-Commutation	2.357	2.422	0.065	2.8%	4.891	4.953	0.062	1.3%
Total	6.013	6.108	0.094	1.6%	12.550	12.673	0.123	1.0%

**MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
MONTHLY PERFORMANCE INDICATORS
February 2014**

		<u>MONTH</u>			<u>VARIANCE</u>	
		<u>Actual</u> <u>2014</u>	<u>Adopted</u> <u>Budget</u>	<u>Actual</u> <u>2013</u>	<u>vs.</u> <u>Budget</u>	<u>vs.</u> <u>2013</u>
Farebox Operating Ratio						
	Standard ⁽¹⁾	44.1%	41.6%	40.5%	2.5%	3.6%
	Adjusted ⁽²⁾	55.9%	51.6%	51.5%	4.2%	4.4%
Cost Per Passenger						
	Standard ⁽¹⁾	\$18.11	\$19.17	\$18.17	\$1.06	\$0.06
	Adjusted ⁽²⁾	\$15.63	\$16.52	\$15.67	\$0.89	\$0.04
Passenger Revenue/Passenger ⁽³⁾		\$7.99	\$7.98	\$7.36	\$0.01	\$0.63
		<u>YEAR-TO-DATE</u>			<u>VARIANCE</u>	
		<u>Actual</u> <u>2014</u>	<u>Adopted</u> <u>Budget</u>	<u>Actual</u> <u>2013</u>	<u>vs.</u> <u>Budget</u>	<u>vs.</u> <u>2013</u>
Farebox Operating Ratio						
	Standard ⁽¹⁾	43.6%	41.4%	41.3%	2.2%	2.3%
	Adjusted ⁽²⁾	55.9%	51.6%	51.3%	4.2%	4.6%
Cost Per Passenger						
	Standard ⁽¹⁾	\$17.85	\$18.71	\$17.34	\$0.86	(\$0.51)
	Adjusted ⁽²⁾	\$15.63	\$16.52	\$14.92	\$0.89	(\$0.71)
Passenger Revenue/Passenger ⁽³⁾		\$7.79	\$7.75	\$7.16	\$0.04	\$0.63

(1) The Standard Farebox Operating Ratio and Cost Per Passenger indicators reflect MTA-wide adopted calculations that exclude non-cash liability adjustments: Depreciation, Other Post Employment Benefits and Environmental Remediation (GASB-49).

(2) Adjusted Fare Box Operating Ratio and Cost Per Passenger indicators have been adjusted for comparability between the Long Island Rail Road and Metro-North Railroad and are being presented only at the railroad operating committees. These adjustments are not being used MTA-wide. Adjustments have been made to reflect all operating revenue and significant financial impacts that are outside management's control. These adjustments include: Inclusion of Other Operating Revenue, Removal of OPEB Current Payment expenses for retirees, and Removal of the UAAL associated with the LIRR's closed pension plan.

(3) Passenger Revenue/Passenger includes Bar Car Services

MTA LONG ISLAND RAIL ROAD

MONTHLY RIDERSHIP REPORT

FEBRUARY 2014

FEBRUARY 2014 RIDERSHIP AND REVENUE REPORT MTA LONG ISLAND RAIL ROAD EXECUTIVE SUMMARY

February

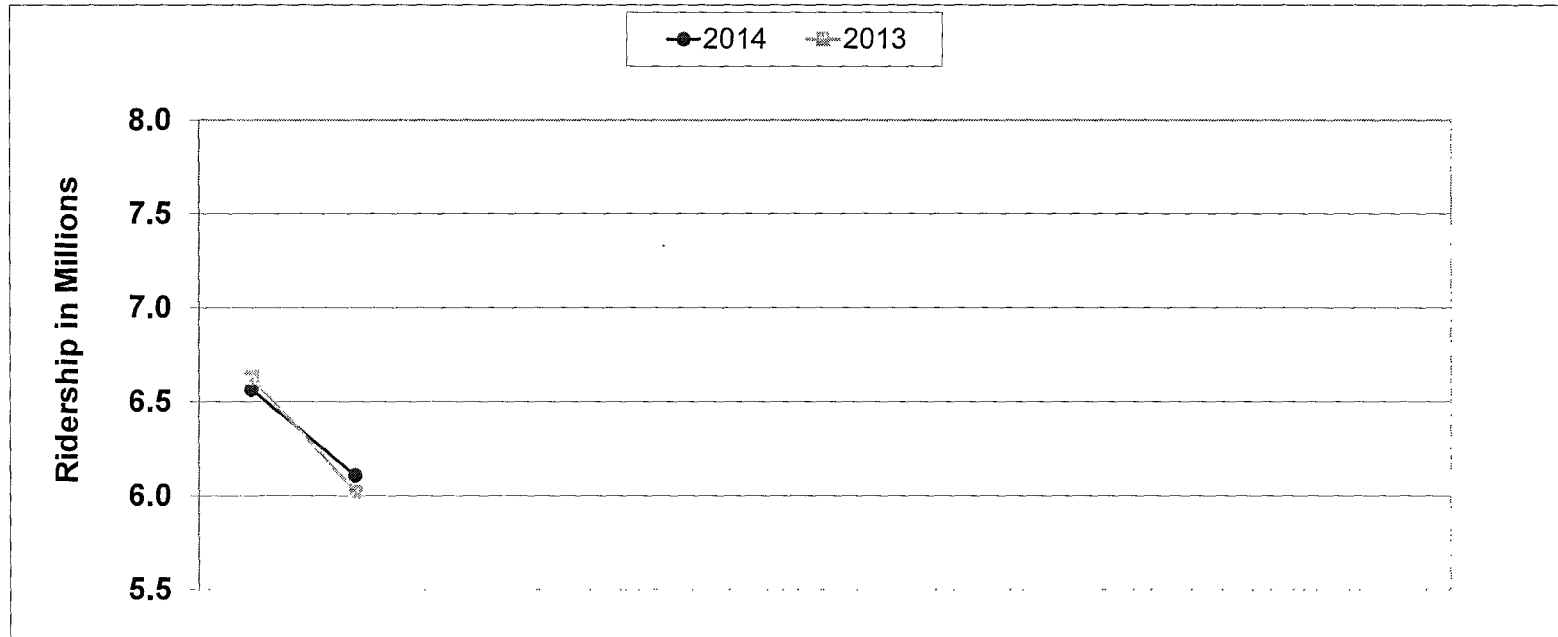
- February 2014 total ridership was 6.108 million vs. 6.021 million in February 2013, resulting in an increase of 87,006 passengers, or a 1.4% increase compared to February 2013. This February's weather included snow fall totaling 29.0 inches for the month (compared to 12.2 inches in February 2013), which had an effect on ridership.
- February 2014 commutation ridership was 3.685 million vs. 3.629 million in February 2013, resulting in an increase of 56,364 passengers, or an increase of 1.6%.
- February 2014 non-commutation ridership was 2.422 million vs. 2.392 million in February 2013, an increase of 30,642 passengers, or an increase of 1.3%.
- February 2014 revenue was \$48.6 million vs. \$44.2 million, an increase of \$4,456,713 or an increase of 10.1% compared to February 2013.

Year-To-Date

- 2014 YTD total ridership was 12.673 million vs. 12.649 million in 2013, an increase of 24,166 or a 0.2% increase compared to 2013, and 1.0% above budget.
- 2014 YTD commutation ridership was 7.720 million vs. 7.579 million in 2013, an increase of 141,572 or a 1.9% increase compared to 2013, and 0.8% above budget.
- 2014 YTD non-commutation ridership was 4.953 million vs. 5.070 million in 2013, a decrease of 117,406 or a decrease of 2.3% compared to 2013, and 1.3% above budget.
- 2014 YTD revenue was \$98.4 million vs. \$90.2 million in 2013, an increase of \$8,166,247 or an increase of 9.1% compared to 2013 and 1.6% above budget.

FEBRUARY RIDERSHIP

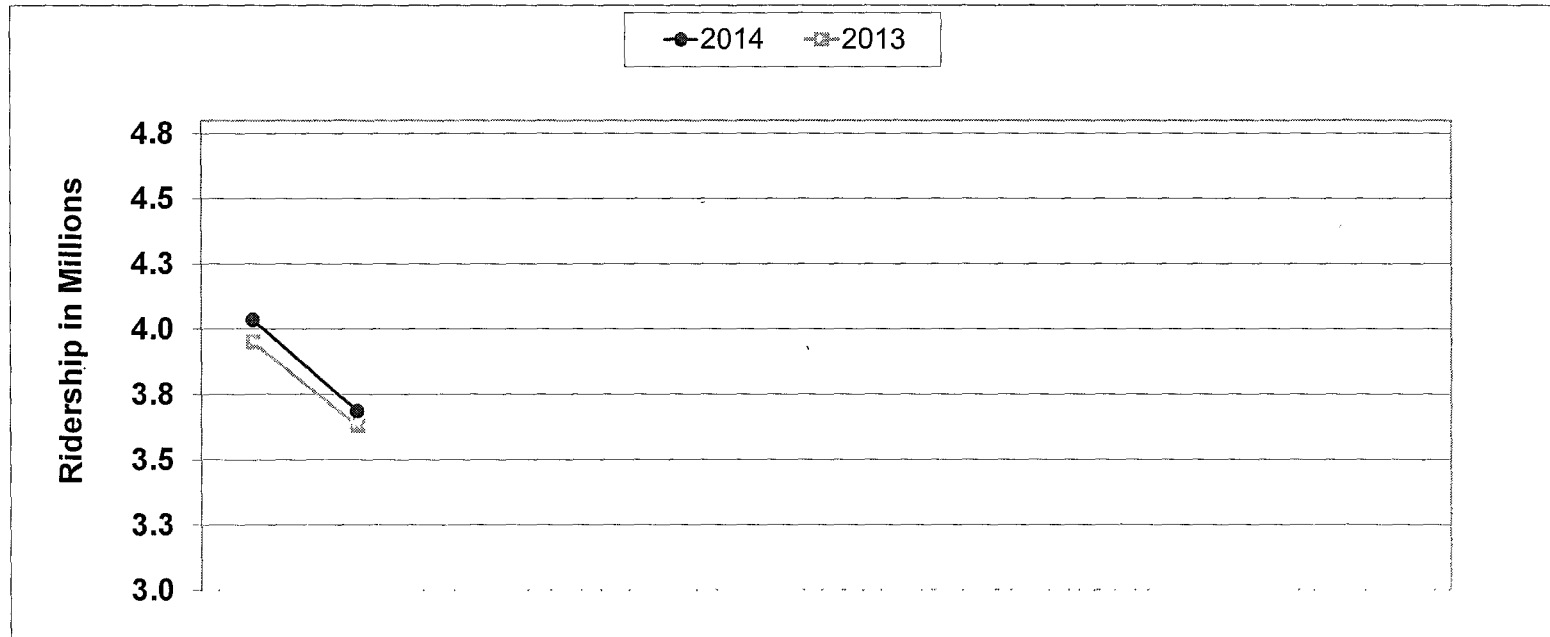
- February's Total Ridership was 1.4% above '13 and 1.6% above Budget.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2014	6.6	6.1											12.7
2013	6.6	6.0											12.6
PCT CHG.	-0.9%	1.4%											0.2%

FEBRUARY COMMUTATION RIDERSHIP

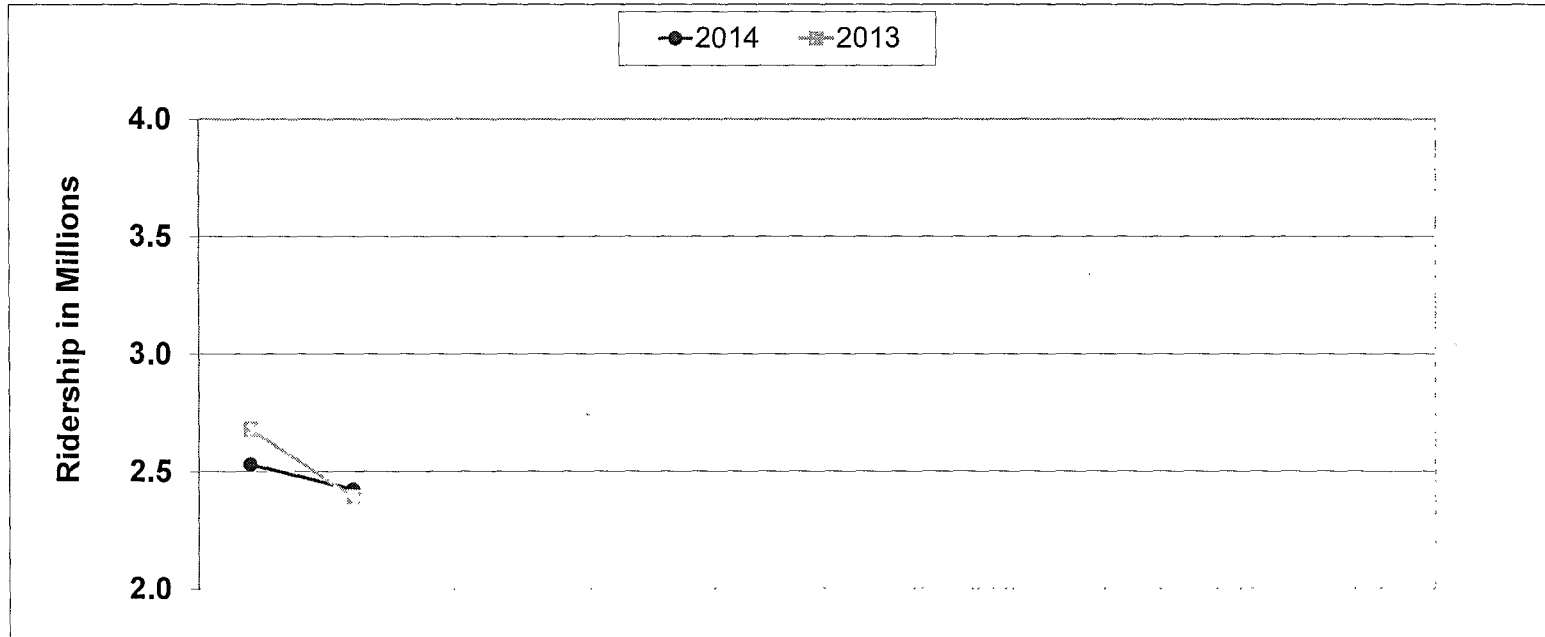
- February's Commutation Ridership was 1.6% above '13 and 0.8% above Budget.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2014	4.0	3.7											7.7
2013	3.9	3.6											7.6
PCT CHG.	2.2%	1.6%											1.9%

FEBRUARY NON-COMMUTATION RIDERSHIP

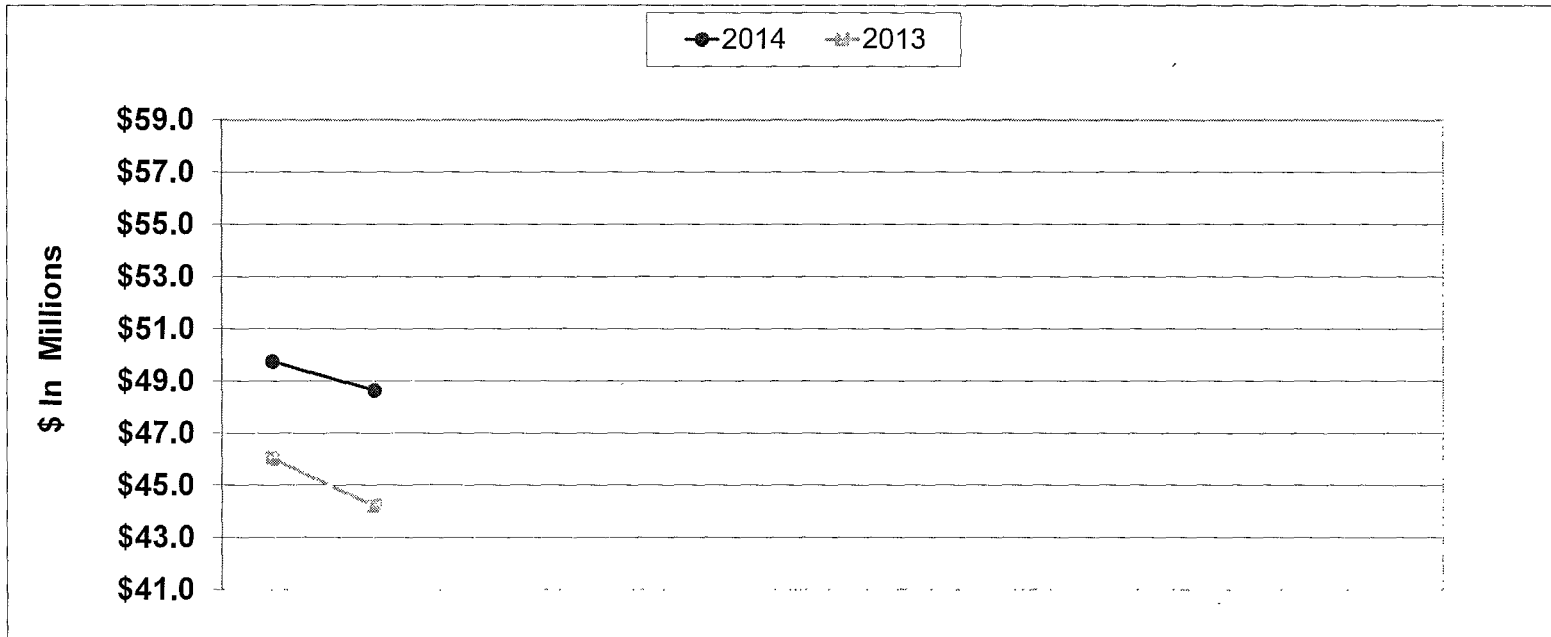
- February's Non-Commutation Ridership was 1.3% above '13 and 2.8% above Budget.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2014	2.5	2.4											5.0
2013	2.7	2.4											5.1
PCT CHG.	-5.5%	1.3%											-2.3%

FEBRUARY REVENUE

•February's Total Revenue was 10.1% above '13 and 1.8% above Budget*.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2014	\$49.7	\$48.6											\$98.4
2013	\$46.0	\$44.2											\$90.2
PCT CHG.	8.1%	10.1%											9.1%

*Fare increase was implemented in March 2013.

**MTA LONG ISLAND RAIL ROAD
RIDERSHIP SUMMARY
FEBRUARY 2014**

TICKET TYPE/SERVICE	FEBRUARY 2014	FEBRUARY 2013	CHANGE VS. 2013	
			NUMBER	PERCENT
COMMUTATION RIDERSHIP	3,685,216	3,628,852	56,364	1.6%
NON-COMMUTATION RIDERSHIP	2,422,469	2,391,827	30,642	1.3%
TOTAL RIDERSHIP	6,107,685	6,020,679	87,006	1.4%

**MTA LONG ISLAND RAIL ROAD
RIDERSHIP SUMMARY
2014 YEAR-TO-DATE**

TICKET TYPE/SERVICE	FEBRUARY 2014	FEBRUARY 2013	CHANGE VS. 2013	
			NUMBER	PERCENT
COMMUTATION RIDERSHIP	7,720,205	7,578,633	141,572	1.9%
NON-COMMUTATION RIDERSHIP	4,952,908	5,070,314	(117,406)	-2.3%
TOTAL RIDERSHIP	12,673,113	12,648,947	24,166	0.2%

** 2013 ridership numbers were adjusted using 2014 factors.*

**MTA LONG ISLAND RAIL ROAD
REVENUE SUMMARY
FEBRUARY 2014**

REVENUE	FEBRUARY 2014	FEBRUARY 2013	CHANGE VS. 2013	
			AMOUNT	PERCENT
COMMUTATION REVENUE	\$27,846,472	\$25,241,510	\$2,604,962	10.3%
NON-COMMUTATION REVENUE	\$20,791,188	\$18,939,437	\$1,851,751	9.8%
TOTAL REVENUE	\$48,637,660	\$44,180,948	\$4,456,713	10.1%

**MTA LONG ISLAND RAIL ROAD
REVENUE SUMMARY
2014 YEAR-TO-DATE**

REVENUE	FEBRUARY 2014	FEBRUARY 2013	CHANGE VS. 2013	
			AMOUNT	PERCENT
COMMUTATION REVENUE	\$55,521,394	\$50,000,105	\$5,521,289	11.0%
NON-COMMUTATION REVENUE	\$42,857,460	\$40,212,503	\$2,644,957	6.6%
TOTAL REVENUE	\$98,378,854	\$90,212,608	\$8,166,247	9.1%



Long Island Rail Road

CAPITAL PROGRAM REPORT

**LONG ISLAND RAIL ROAD
CAPITAL PROGRAM HIGHLIGHTS & UPDATES
MARCH 2014**

HIGHLIGHTS

PN-UH: ELEVATOR REPLACEMENT PROGRAM

Project Budget: \$5.00M

Milestone: Contract Award

A Construction Contract for replacement of the elevators at Woodside and Merrick Stations was awarded to Maxxum Construction Corp for \$2,374,500. The new elevators will be placed within the existing shaft enclosure walls and will be equipped with heavy duty features including waterproof enclosures for the electrical equipment and corrosion resistant steel finishes. The elevator machine rooms will be climate controlled to mitigate temperature effects. Rehabilitation work includes all associated equipment as well as the existing elevator vestibules, entrances and exits, and elevator pit drain systems. New electrical service, elevator lighting, signage, communications, safety and security systems will be installed. Beneficial Use is planned for early 2016.

PN-UF: METS / WILLETS POINT STATION RENOVATION

Project Budget: \$2.00M

Milestone: Contract Award

A Design Contract for improvements to the Mets / Willets Point Station platform was awarded to Dewberry Engineers Inc for \$1,002,583. The project work will include a new passenger elevator from the passarelle [pedestrian overpass / walkway] level to the platform; extension of the center island north platform from 8-cars to 12-cars; new canopies; new platform lighting; site drainage and a pumping system. Design Completion is planned for Spring 2015.

PN-AB: SUBSTATION BATTERY REPLACEMENT

Project Budget: \$0.80M

Milestone: Beneficial Use

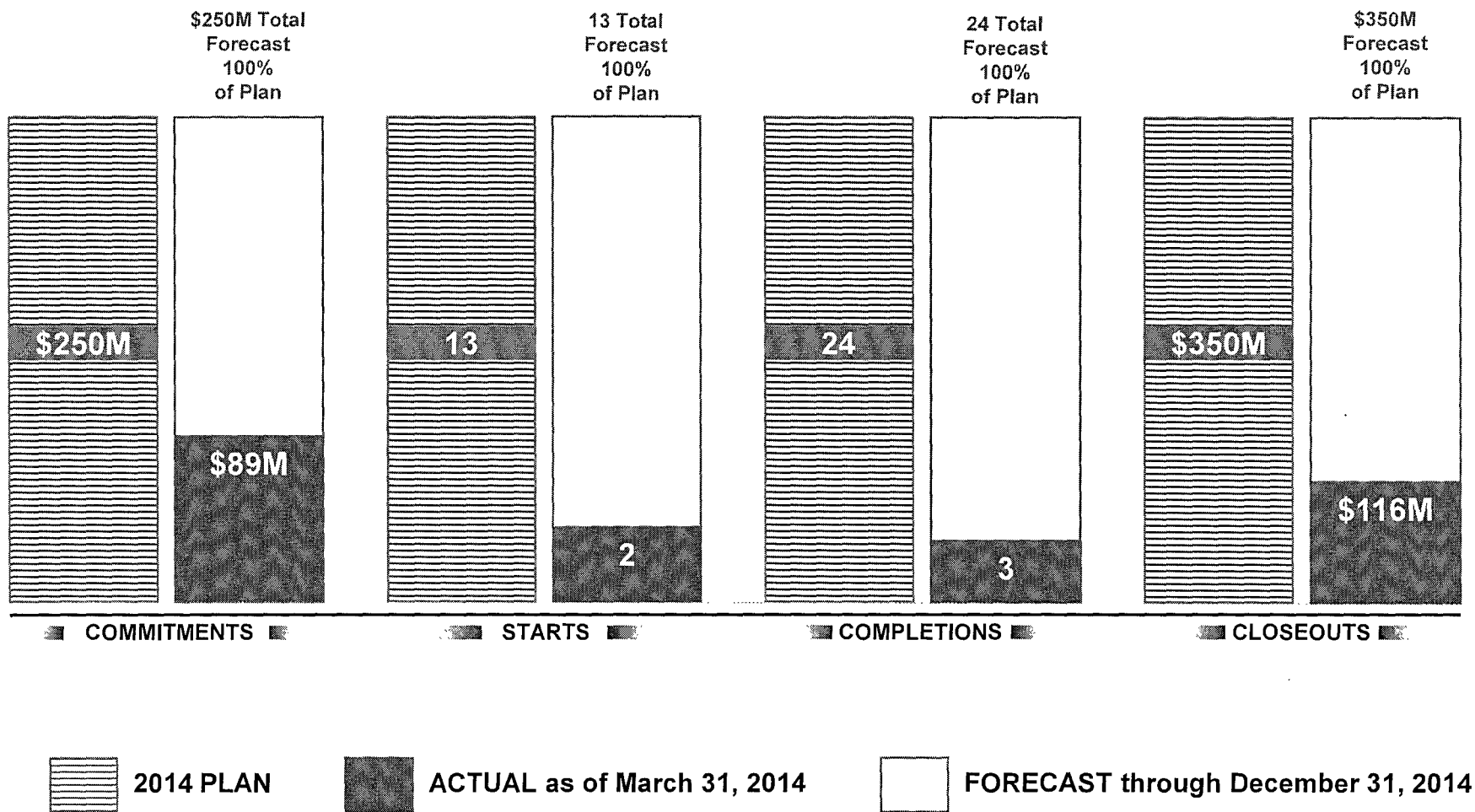
Replacement of Substation and MG batteries at 12 locations systemwide is complete. The cyclical replacement of batteries throughout the system is based on age and technical conditions. This project is part of the LIRR's efforts to improve service reliability even when a utility power supply is interrupted.

MENTORING ACTIVITIES

- Supplemental HVAC at JCC: Punchlist work in progress.
- Hillside UCC Shop [Under Car Cleaning]: Fabrication continued.
- Holban Yard: Paving work resumed.
- Woodside / Merrick Elevator Replacement: Contract awarded.
- Sutphin Overpass Painting / Fireproofing: Construction continued.
- HSF Electrolysis Lab: Submittals continued.
- HSF Emergency Generator: Procurement canceled due to bids over budget.
- Shea Yard Paving: Contract awarded.
- Jamaica Station Building Improvements: Procurement commenced.
- Harold Tower Rehabilitation: Procurement commenced.

2014 LIRR Capital Program Goals

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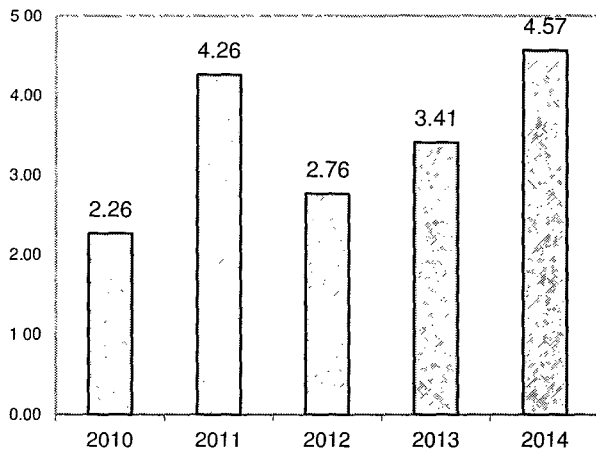
Metro-North Railroad

Safety Report

April 2014

MTA Metro-North Railroad

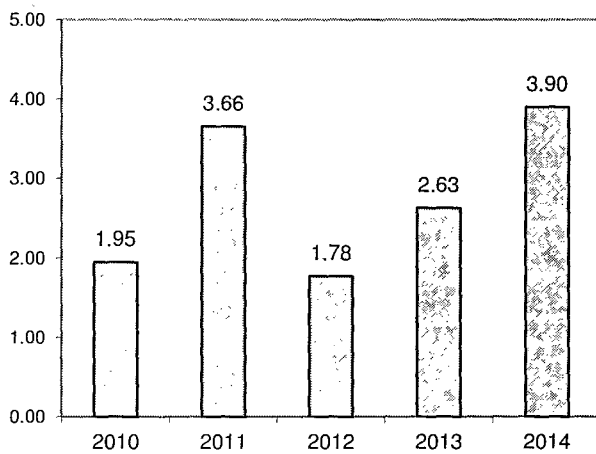
Summary of Employee Injuries thru February



Total Employee Injuries

Year	Total	Total FI*
2010	22	2.26
2011	42	4.26
2012	28	2.76
2013	35	3.41
2014	48	4.57

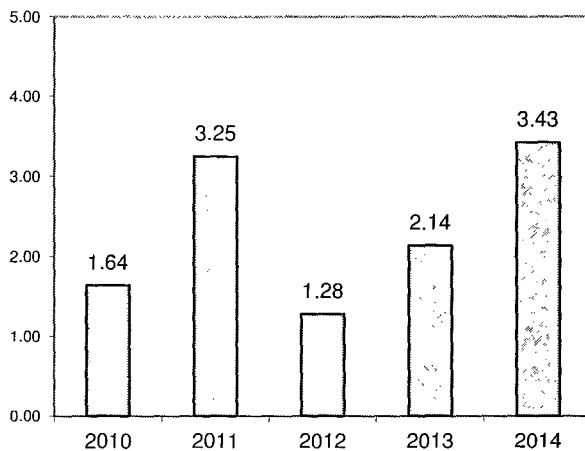
% change from last year: 33.9%
2013 Total FI Goal 2.80



Employee FRA Reportable Injuries

Year	Total	FRA FI*
2010	19	1.95
2011	36	3.66
2012	18	1.78
2013	27	2.63
2014	41	3.90

% change from last year: 48.3%
2013 FRA FI Goal 2.35



Employee Lost Time and Restricted Duty Injuries

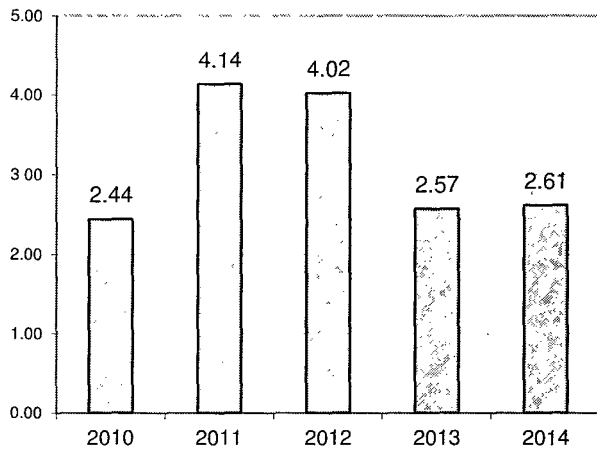
Year	LT	RD	LT FI*	RD FI*	LT&RD FI*
2010	14	2	1.44	0.21	1.64
2011	26	6	2.64	0.61	3.25
2012	12	1	1.18	0.10	1.28
2013	19	3	1.85	0.29	2.14
2014	36	0	3.43	0.00	3.43

% change from last year: 59.8%
2013 LT&RD FI Goal 1.75

* - Injuries per 200,000 hours worked

MTA Metro-North Railroad

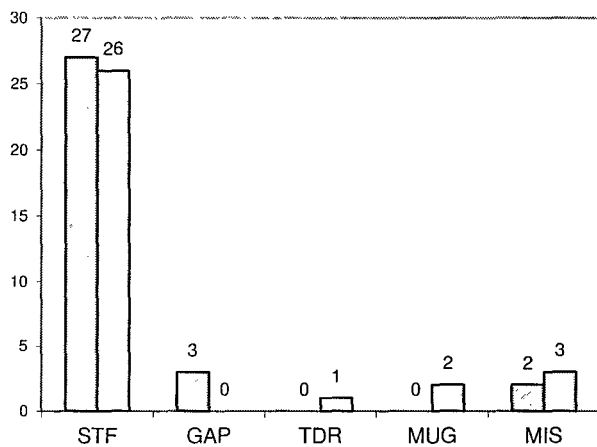
Summary of Customer/Contractor Injuries thru February



Total Customer Injuries

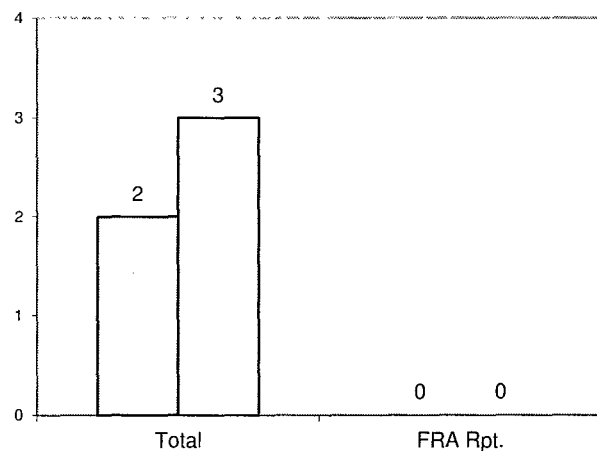
Year	Total	Total FI*
2010	28	2.44
2011	48	4.14
2012	51	4.02
2013	32	2.57
2014	32	2.61

% change from last year: 1.6%
2014 Total FI Goal 2.70



Top 5 Customer Injuries by Type

Year	Slip/Trip/Fall	Gap	Train Doors	Mugging	Misc.
2013	27	3	0	0	2
2014	26	0	1	2	3



Contractor Injuries

Year	Total	FRA Rpt.
2013	2	0
2014	3	0
% Chg	50.0%	0.0%

* - Injuries per 1,000,000 rides

Memorandum



Metro-North Railroad

Date: April 2014

To: Metro-North Committee

From: Joseph Giulietti, President

A handwritten signature in black ink, appearing to read "Joseph Giulietti".

Re: **Enhanced safety Action Update**

This is to update you on Metro-North's comprehensive efforts to enhance safety throughout our system:

- Our first Quarterly Corporate Safety Stand-Down for 2014 was held April 10, 2014. (This was in addition to the Stand-Down held March 11, following the tragic fatality of our 3rd rail employee.)
- A draft "Implementing Memorandum of Understanding" (IMOU) is being finalized with our first labor organization so that we may proceed with the rollout of the Confidential Close Call Reporting System (C3RS). We will begin collaborating with other labor organizations on their IMOUs as soon as the initial rollout is complete.

The following progress was made on speed compliance enhancements and Positive Train Control (PTC).

ACTION ITEM	STATUS
Alerters	<ul style="list-style-type: none">• SOW has been developed and is on schedule for May 2014 delivery.• Installation is on schedule to begin July 2014.
Speed Restrictions	<ul style="list-style-type: none">• Time Table Special Instructions were issued reducing MAS up to critical curves. BO issued effective 12/10/13.• Reduced speed signs were posted at critical curves as of 12/16/13.• Train observations have been increased.
Speed Compliance	<ul style="list-style-type: none">• 316 radar checks were performed for the period of 3/1/2014 – 3/31/2014.• 248 event recorder downloads were reviewed for the same period with five exceptions noted. 682 check rides were performed.
Emergency Order 29	<ul style="list-style-type: none">• All critical curves were completed on 2/8/13, on-schedule.• All bridges were completed by 3/21, five months ahead of scheduled completion of 9/1/14.
PTC	<ul style="list-style-type: none">• MNR & LIRR representatives continue to work with Joint Venture to accelerate PTC delivery schedule.• Plan in development for installation of wayside transponders for Civil Speed Restrictions on New Haven Line.• MNR is requesting CDoT funding to signalize the Waterbury Branch.



Metro-North Railroad

Operations Report

April 2014

Performance Summary			2014 Data			2013 Data	
			Annual Goal	March	YTD thru March	March	YTD thru March
On Time Performance <i>(Trains that arrive at their final destination within 5 minutes 59 seconds of scheduled arrival time)</i>	System	Overall	93.0%	93.1%	89.8%	98.0%	97.6%
		AM Peak	93.0%	92.2%	85.9%	96.7%	95.6%
		AM Reverse Peak	93.0%	95.6%	89.5%	98.0%	96.9%
		PM Peak	93.0%	91.2%	88.3%	98.0%	97.8%
		Total Peak	93.0%	92.3%	87.4%	97.4%	96.7%
		Off Peak Weekday	93.0%	92.2%	88.8%	98.4%	97.9%
		Weekend	93.0%	96.0%	95.0%	98.5%	98.4%
	Hudson Line	Overall	94.0%	93.8%	91.4%	98.6%	98.4%
		AM Peak	94.0%	92.7%	89.9%	98.3%	97.1%
		AM Reverse Peak	94.0%	92.1%	89.5%	99.5%	97.9%
		PM Peak	94.0%	91.3%	88.1%	96.9%	98.5%
		Total Peak	94.0%	92.0%	89.1%	97.8%	97.8%
		Off Peak Weekday	94.0%	93.4%	90.6%	99.6%	99.1%
		Weekend	94.0%	97.4%	96.0%	98.3%	98.5%
	Harlem Line	Overall	94.0%	94.3%	92.1%	98.7%	98.2%
		AM Peak	94.0%	94.4%	89.0%	97.9%	96.7%
		AM Reverse Peak	94.0%	98.1%	94.0%	99.2%	97.9%
		PM Peak	94.0%	91.4%	92.1%	98.8%	98.1%
		Total Peak	94.0%	93.8%	91.0%	98.4%	97.4%
		Off Peak Weekday	94.0%	93.2%	90.4%	99.0%	98.5%
		Weekend	94.0%	97.1%	96.6%	98.6%	98.9%
	New Haven Line	Overall	92.0%	91.7%	87.0%	97.2%	96.6%
		AM Peak	92.0%	90.2%	81.0%	94.8%	93.9%
		AM Reverse Peak	92.0%	95.5%	85.6%	96.2%	95.5%
		PM Peak	92.0%	91.1%	85.6%	98.2%	97.3%
		Total Peak	92.0%	91.3%	83.5%	96.3%	95.5%
		Off Peak Weekday	92.0%	90.7%	86.5%	97.3%	96.9%
		Weekend	92.0%	94.2%	93.3%	98.5%	98.0%
Operating Statistics							
	Trains Scheduled			19,172	54,963	18,242	52,537
	Avg. Delay per Late Train (min) <small>excluding trains canceled or terminated</small>			12.3	14.0	12.6	13.2
	Trains Over 15 min. Late <small>excluding trains canceled or terminated</small>		1,000	222	1,243	70	303
	Trains Canceled		160	58	266	2	20
	Trains Terminated		160	103	185	20	58
	Percent of Scheduled Trips Completed		99.8%	99.2%	99.2%	99.9%	99.9%
Consist Compliance <i>(Percent of trains where the number of seats provided was greater than or equal to the required number of seats per loading standards)</i>	System	Overall	99.8%	99.5%	98.9%	99.8%	99.7%
		AM Peak	99.8%	98.9%	97.8%	99.5%	99.3%
		AM Reverse Peak	99.8%	100.0%	99.7%	100.0%	99.9%
		PM Peak	99.8%	99.5%	98.1%	99.9%	99.6%
		Total Peak	99.8%	99.3%	98.2%	99.7%	99.5%
		Off Peak Weekday	99.8%	99.6%	99.2%	99.9%	99.9%
		Weekend	99.8%	99.9%	99.7%	99.8%	99.8%
	Hudson Line	AM Peak	99.8%	99.5%	99.0%	100.0%	99.9%
		PM Peak	99.8%	99.8%	99.5%	100.0%	99.9%
	Harlem Line	AM Peak	99.8%	98.7%	98.5%	100.0%	99.9%
		PM Peak	99.8%	99.9%	99.5%	100.0%	99.9%
	New Haven Line	AM Peak	99.8%	98.7%	96.7%	98.7%	98.4%
		PM Peak	99.8%	99.1%	96.4%	99.8%	99.2%

Categories of Delay		2014 Data			2013 Data	
		February	March	YTD thru March	March	YTD thru March
Train Delay Incidents Resulting in Late Trains. <i>(Each delay incurred by a late train is considered a separate train delay incident. Therefore, the number of train delay incidents is higher than the number of late trains for the month.)</i>	Maintenance of Way	2627	1498	6086	119	575
	Capital Projects	0	0	6	3	5
	Maintenance of Equipment	349	237	1001	136	412
	Operations Services	97	240	581	15	43
	Police Incidents	42	378	461	70	131
	Other	0	0	6	3	5
	Customers	109	98	359	33	129
	3rd Party Operations <i>(Other railroads, marine traffic, etc.)</i>	10	162	184	1	1
	Weather and Environmental	483	13	1043	10	186

EVENTS RESULTING IN 10 or MORE LATE (L), CANCELED (C) or TERMINATED (T) TRAINS

			Number of Late Trains																	
Date	Day	DESCRIPTION OF EVENT	AM Peak			AM Reverse			PM Peak			Off Peak			Weekend			TOTAL		
			L	C	T	L	C	T	L	C	T	L	C	T	L	C	T	Late	Cxld	Term
03/01	Sat	Broken rail at MP69.9.	0	0	0	0	0	0	0	0	0	0	0	0	10	0	3	10	0	3
03/03	Mon	Trains were held due to scheduled trains ahead.	6	0	0	0	0	0	0	0	0	4	0	0	0	0	0	10	0	0
03/04	Tue	Speed restriction of 10mph on trk 1 within CP3 on the 31B Switch due to a cracked frog.	0	0	0	0	0	0	20	0	0	12	0	0	0	0	0	32	0	0
03/04	Tue	Stop and Warn Conditions in effect at CP170 at Pleasant Ridge Road.	1	0	0	0	0	0	4	0	0	5	0	0	0	0	0	10	0	0
03/05	Wed	Trains were held due to scheduled trains ahead.	4	0	0	2	0	0	1	0	0	4	0	0	0	0	0	11	0	0
03/05	Wed	Speed restrictions at various locations, including at CP170 at Pleasant Ridge Road and on the Danbury Branch.	7	0	0	1	0	0	6	0	0	10	0	0	0	0	0	24	0	0
03/08	Sat	Speed restrictions at various locations on all three lines.	0	0	0	0	0	0	0	0	0	0	0	0	19	0	0	19	0	0
03/10	Mon	Trains were held due to scheduled trains ahead.	13	0	0	0	0	0	0	0	0	1	0	0	0	0	0	14	0	0
03/10	Mon	Train 897 was terminated due to a struck employee at CP3.	0	0	0	0	0	0	0	0	0	12	0	1	0	0	0	12	0	1
03/10	Mon	Speed restrictions at various locations on all three lines.	16	0	0	0	0	0	2	0	0	6	0	0	0	0	0	24	0	0

EVENTS RESULTING IN 10 or MORE LATE (L), CANCELED (C) or TERMINATED (T) TRAINS

Date	Day	DESCRIPTION OF EVENT	Number of Late Trains												TOTAL		
			AM Peak			AM Reverse			PM Peak			Off Peak			Weekend		
			L	C	T	L	C	T	L	C	T	L	C	T	L	C	T
03/11	Tue	Trains were held due to scheduled trains ahead.	6	0	0	2	0	0	1	0	0	3	0	0	0	0	0
03/12	Wed	Building explosion at 116th Street and Park Avenue, affecting service in and out of Grand Terminal.	1	0	15	1	3	1	89	25	0	66	26	67	0	0	0
03/13	Thu	Speed restrictions at various locations on all three lines.	47	0	0	6	0	0	0	0	0	23	0	0	0	0	0
03/13	Thu	Emergency Order 29 at Walk and Saga Bridges also at Yonkers, Port Chester and Jenkins Curves.	8	0	0	1	0	0	0	0	0	5	0	0	0	0	0
03/13	Thu	Congestion from CP106 to GCT account bridge locks at CP4.	20	0	0	0	0	0	0	0	0	1	0	0	0	0	0
03/13	Thu	Third Rail Shoes issues with several trains on the Hudson Line.	8	1	0	0	0	0	0	0	0	4	0	0	0	0	0
03/14	Fri	Speed restrictions at various locations on all three lines.	5	0	0	0	0	0	1	0	0	6	0	0	0	0	0
03/14	Fri	Emergency Order 29 at Cos Cob, Walk and Saga Bridges also at Yonkers, Port Chester and Jenkins Curves.	2	0	0	0	0	0	0	0	0	9	0	0	0	0	0
03/15	Sat	Speed restrictions at various locations on all three lines.	0	0	0	0	0	0	0	0	0	0	0	0	10	0	0
03/17	Mon	Congestion due to the 305 Switch trouble at CP1.	0	0	0	0	0	0	34	0	0	24	0	0	0	0	0
03/17	Mon	Speed restrictions at various locations on all three lines.	7	0	0	2	0	0	0	0	0	9	0	0	0	0	0

EVENTS RESULTING IN 10 or MORE LATE (L), CANCELED (C) or TERMINATED (T) TRAINS

Date	Day	DESCRIPTION OF EVENT	Number of Late Trains												TOTAL		
			AM Peak			AM Reverse			PM Peak			Off Peak			Weekend		
			L	C	T	L	C	T	L	C	T	L	C	T	L	C	T
03/17	Mon	Trains were held due to scheduled trains ahead.	9	0	0	3	0	0	0	0	0	10	0	0	0	0	0
03/17	Mon	Speed restriction due to System Road Foreman Notice (SRFN) 5-14 at Yonkers Curve and 6-14 at Saga Bridge.	8	0	0	2	0	0	0	0	0	5	0	0	0	0	0
03/17	Mon	Emergency Order 29 at Cos Cob, Walk and Saga Bridges also at Yonkers, Port Chester and Jenkins Curves.	0	0	0	0	0	0	8	0	0	3	0	0	0	0	0
03/19	Wed	Trains were held due to scheduled trains ahead.	9	0	0	1	0	0	0	0	0	4	0	0	0	0	0
03/20	Thu	Emergency Order 29 at Cos Cob, Walk and Saga Bridges also at Yonkers, Port Chester and Jenkins Curves.	8	0	0	5	0	0	1	0	0	4	0	0	0	0	0
03/20	Thu	Speed restrictions at various locations on all three lines.	12	0	0	6	0	0	0	0	0	6	0	0	0	0	0
03/21	Fri	Train 728 operated as a failed train from CP6-CP1 due to getting restricted cab signals from CP8.	15	0	0	1	0	0	0	0	0	1	0	0	0	0	0
03/21	Fri	Speed restrictions at various locations on all three lines.	14	0	0	1	0	0	0	0	0	15	0	0	0	0	0
03/22	Sat	Speed restrictions at various locations on all three lines.	0	0	0	0	0	0	0	0	0	0	0	0	12	0	0
03/22	Sat	Emergency Order 29 at Cos Cob, Walk and Saga Bridges also at Yonkers, Port Chester and Jenkins Curves.	0	0	0	0	0	0	0	0	0	0	0	0	11	0	0
03/24	Mon	Trains were held due to scheduled trains ahead.	3	0	0	2	0	0	0	0	0	8	0	0	0	0	0

EVENTS RESULTING IN 10 or MORE LATE (L), CANCELED (C) or TERMINATED (T) TRAINS

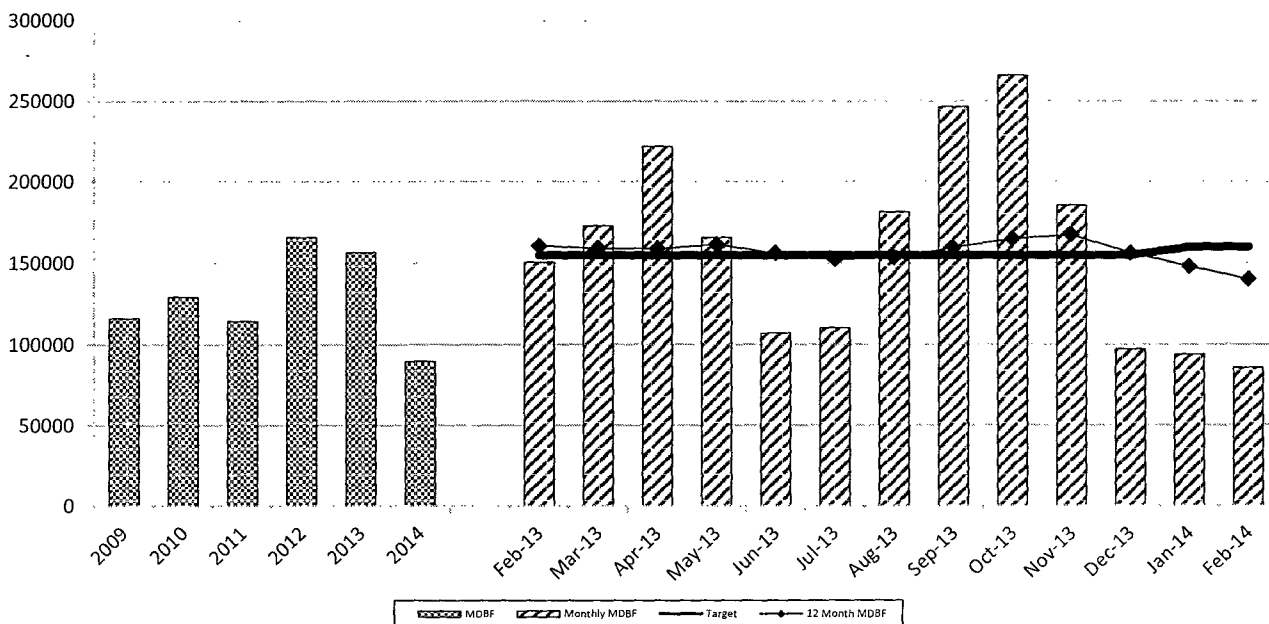
Date	Day	DESCRIPTION OF EVENT	Number of Late Trains															TOTAL		
			AM Peak			AM Reverse			PM Peak			Off Peak			Weekend					
			L	C	T	L	C	T	L	C	T	L	C	T	L	C	T	Late	Cxld	Term
03/26	Wed	Speed restrictions at various locations on all three lines.	6	0	0	1	0	0	0	0	0	4	0	0	0	0	0	11	0	0
03/26	Wed	Trains were held due to scheduled trains ahead.	6	0	0	1	0	0	1	0	0	4	0	0	0	0	0	12	0	0
03/27	Thu	Speed restrictions at various locations on all three lines.	2	0	0	1	0	0	2	0	0	10	0	0	0	0	0	15	0	0
03/28	Fri	Train 2570 at Williams Bridge and train 2014 on the Upper Level, lined Y to 34, were disabled due to 3rd Rail Contact Shoe issues.	0	0	0	0	0	0	0	0	0	14	0	0	1	0	0	15	0	0
03/28	Fri	Emergency Order 29 at Cos Cob, Walk, Peck, Devon and Saga Bridges also at Yonkers, Port Chester and Jenkins Curves.	1	0	0	0	0	0	2	0	0	14	0	0	0	0	0	17	0	0
TOTAL FOR MONTH			244	1	15	39	3	1	172	25	0	306	26	68	63	0	3	824	55	87
																		966		

	Equipment Type	Total Fleet Size	2014 Data						2013 Data		
			MDBF Goal (miles)	Feb MDBF (miles)	Primary Failure Goal	Feb No. of Primary Failures	YTD MDBF thru Feb (miles)	12 month MDBF Rolling Avg (miles)	Feb MDBF (miles)	Feb No. of Primary Failures	YTD MDBF thru Feb (miles)
Mean Distance Between Failures	M246	176	60,000	21,693	9	22	22,375	48,158	84,538	12	73,406
	M8	302	280,000	122,431	5	14	155,238	196,261	178,722	6	288,204
	M3	140	135,000	147,814	2	2	106,182	198,285	137,225	2	189,829
	M7	336	460,000	577,270	4	3	265,738	523,013	276,672	6	505,943
	Coach	213	295,000	112,310	5	11	131,981	283,816	242,550	5	215,996
	P-32	31	35,000	18,626	5	9	19,728	27,719	56,926	3	30,484
	BL-20	12	12,000	6,943	3	5	12,361	12,652	11,189	2	16,162
	Fleet	1210	160,000	85,704	33	66	89,914	140,439	150,751	36	155,002
	M2/4/6/8		140,000	60,869	14	36	66,030	95,435	115,926	18	118,627
	M3/7		320,000	405,488	6	5	217,871	423,097	241,810	8	441,109
	Diesel/Coach		120,000	57,511	13	25	69,748	114,100	140,590	10	111,342

Mean Distance Between Failures (MDBF) is the average number of miles a railcar or locomotive travels in revenue service before breaking down and causing a delay. The higher the MDBF, the more reliable the equipment and the service.

ALL FLEETS

Mean Distance Between Failures 2008 - 2013



West of Hudson Performance Summary			2014 Data			2013 Data	
			Annual Goal	March	YTD thru March	March	YTD thru March
On Time Performance <i>(Trains that arrive at their final destination within 5 minutes 59 seconds of scheduled arrival time)</i>	West of Hudson Total	Overall	97.0%	95.9%	92.4%	97.8%	96.9%
		AM Peak	97.1%	95.2%	91.0%	98.6%	97.7%
		PM Peak	96.3%	94.1%	91.9%	98.2%	97.7%
		Total Peak		94.7%	91.4%	98.4%	97.7%
		Off Peak Weekday	97.1%	96.2%	93.1%	98.7%	96.7%
		Weekend	97.3%	97.1%	92.5%	95.0%	96.3%
	Pascack Line	Overall	97.6%	96.9%	93.2%	97.6%	97.1%
	Valley Line	AM Peak	97.8%	98.2%	93.3%	97.6%	98.2%
		PM Peak	97.3%	96.6%	92.9%	98.6%	98.4%
		Total Peak		97.5%	93.1%	98.1%	98.3%
		Off Peak Weekday	97.5%	96.3%	92.9%	99.1%	96.6%
		Weekend	97.8%	97.1%	93.8%	94.2%	96.6%
	Port Jervis Line	Overall	96.2%	94.5%	91.3%	98.0%	96.7%
		AM Peak	96.2%	91.3%	87.9%	100.0%	97.0%
		PM Peak	95.2%	91.3%	90.8%	97.6%	97.0%
		Total Peak		91.3%	89.4%	98.8%	97.0%
		Off Peak Weekday	96.5%	95.9%	93.5%	98.0%	96.8%
		Weekend	96.5%	97.1%	90.5%	96.5%	96.0%
Operating Statistics							
	Trains Scheduled			1,703	4,887	1,705	4,965
	Avg. Delay per Late Train (min) <small>excluding trains canceled or terminated</small>			16.7	19.8	20.1	20.0
	Trains Over 15 min. Late <small>excluding trains canceled or terminated</small>		80	31	147	14	52
	Trains Canceled			1	38	2	13
	Trains Terminated			3	11	5	11
	Percent of Scheduled Trips Completed		99.8%	99.8%	99.0%	99.6%	99.5%

MARCH 2014 STANDEE REPORT

East of Hudson

			MAR 2013	YTD 2013	MAR 2014	YTD 2014
Daily Average AM Peak	Hudson Line	Program Standees	0	0	0	0
		Add'l Standees	0	0	0	0
		Total Standees	0	0	0	0
	Harlem Line	Program Standees	0	0	0	0
		Add'l Standees	0	1	0	1
		Total Standees	0	1	0	1
	New Haven Line	Program Standees	0	0	0	0
		Add'l Standees	20	44	23	98
		Total Standees	20	44	23	98
	EAST OF HUDSON TOTAL - AM PEAK		20	45	23	99
Daily Average PM Peak	Hudson Line	Program Standees	0	0	0	0
		Add'l Standees	0	1	0	2
		Total Standees	0	1	0	2
	Harlem Line	Program Standees	0	0	0	0
		Add'l Standees	0	4	0	7
		Total Standees	0	4	0	7
	New Haven Line	Program Standees	0	0	0	0
		Add'l Standees	2	22	20	90
		Total Standees	2	22	20	90
	EAST OF HUDSON TOTAL - PM PEAK		2	27	20	99

West of Hudson

			MAR 2013	YTD 2013	MAR 2014	YTD 2014
Daily Average AM Peak	Port Jervis Line	Program Standees	0	0	0	0
		Add'l Standees	0	0	0	0
		Total Standees	0	0	0	0
	Pascack Valley Line	Program Standees	0	0	0	0
		Add'l Standees	0	0	0	0
		Total Standees	0	0	0	0
	WEST OF HUDSON TOTAL - AM PEAK		0	0	0	0
Daily Average PM Peak	Port Jervis Line	Program Standees	0	0	0	0
		Add'l Standees	0	0	0	0
		Total Standees	0	0	0	0
	Pascack Valley Line	Program Standees	0	0	0	0
		Add'l Standees	0	0	0	0
		Total Standees	0	0	0	0
	WEST OF HUDSON TOTAL - PM PEAK		0	0	0	0

Definitions

Weekday standees are calculated based on the most recent average weekday customer counts for the train's maximum load point. For Hudson, Harlem and most New Haven Line trains, this point occurs at GCT/125th St., however; for certain New Haven Line trains, this maximum load point is east of Stamford.

"Program Standees" is the average number of customers in excess of programmed seating capacity. "Additional Standees" reflect the impact of reduced train car consists (as reported in the weekday equipment reports).

Note: These statistics do not include the effects of daily ridership variation or uneven distribution of customers within trains. Holidays and Special Events for which there are special equipment programs are not included.



Metro-North Railroad

Financial Report April 2014



FINANCIAL STATEMENTS
MONTH ENDED: FEBRUARY 2014

OFFICE OF VICE PRESIDENT OF FINANCE & INFORMATION SYSTEMS

**MTA METRO-NORTH RAILROAD
FEBRUARY 2014 FINANCIAL AND RIDERSHIP REPORT
EXECUTIVE SUMMARY**

February YTD financial results were unfavorable with a net operating deficit that was \$5.9 million or 4.7% higher than the Adopted Budget. Through February, Operating Revenues were \$2.7 million lower than the Adopted Budget reflecting lower passenger revenues due to the impact of multiple winter storms on non-commutation ridership. Operating expenses were \$3.1 million higher than projected primarily due to increased overtime requirements attributable to snow storm coverage partly offset by timing differences in non-payroll expenses.

Reimbursable Capital program expenditures (and reimbursements) were \$8.5 million lower than Budget due to revised timing of various budgeted projects (Positive Train Control, Hurricane Sandy Tree Removal, GCT Leaks Remediation and Track Program work) and the reallocation of forces to non-reimbursable operations storm coverage.

Ridership

Total ridership was 6.0 million for February and 12.5 million YTD which was 2.7% below the Adopted Budget reflecting the impact of multiple snow days with measurable accumulations.

East of Hudson

- YTD Ridership of 12.2 million was 2.9% lower than the Adopted Budget on all lines and across all ticket types.
- February ridership of 5.8 million was 1.9% lower than the Adopted Budget.
- YTD Commutation ridership was 0.9% lower than the Adopted Budget and 1.2% lower for the month. Compared to 2013, YTD commutation was 0.4% lower.
- YTD Non-commutation ridership was 5.9% lower than the Adopted Budget and 3.0% lower for the month. Compared to 2013, YTD non-commutation and 3.4% lower.

West of Hudson

- February YTD ridership was 6.7% higher than the Adopted Budget and 4.4% higher for the month reflecting higher commutation and non-commutation ridership.

Revenue and Reimbursements

Total Revenue and Reimbursements of \$124.4 million through February was \$11.2 million, or 8.3% lower than the Adopted Budget:

- Fare Box Revenue of \$97.0 million was \$2.8 million lower than the Adopted Budget due to lower ridership reflecting the impact of harsh winter weather.
- Other Operating Revenue of \$8.9 million was on target to the Adopted Budget.
- Capital and Other Reimbursements of \$18.5 million was \$8.5 million lower than the Adopted Budget due to scheduling changes in a number of projects.

Expenses

Total non-reimbursable and reimbursable expenses of \$254.6 million through February were \$5.3 million (2.1%) lower than the Adopted Budget:

- \$6.8 million was attributable to lower non-labor costs. These were primarily driven by lower contract service expenditures, lower material costs and timing differences of capital projects.
- Total Labor costs (operating and capital) were \$1.7 million higher than the Adopted Budget due to higher overtime costs which offset gains from budgeted but unfilled positions.

Financial Performance Measures

The performance indicators reflect the adverse impact of heavy snowfall on overtime expenses and ridership:

- Adjusted Farebox Operating Ratio of 58.1% through February was 3.1% lower than the Adopted Budget.
- Adjusted Cost per Passenger of \$14.94 for the period was \$0.80 higher than the Adopted Budget.
- Revenue per Passenger of \$8.01 for the period was on target to the Budget.

**MTA METRO-NORTH RAILROAD
FEBRUARY 2014 FINANCIAL REPORT
YEAR-TO-DATE ACTUAL VERSUS ADOPTED BUDGET**

REVENUE

Total Revenue and reimbursements were \$11.2 million (8.3%) lower than the Adopted Budget through February:

- **Fare Box Revenue** – year-to-date and the month were lower than the Adopted Budget by \$2.8 million and \$0.8 million, respectively, primarily due to lower non-commutation ridership reflecting the impact from multiple snow storms.
- **Other Operating Revenue** – year-to-date was on target to the Adopted Budget and the month was \$0.4 million above the Adopted Budget primarily due to higher GCT net retail revenue.
- **Capital and Other Reimbursements** – year-to-date and the month were lower by \$8.5 million and \$3.2 million, respectively, due to timing differences/rescheduling in expenditures for capital projects (Positive Train Control, Hurricane Sandy Tree Removal, GCT Leaks Remediation and Track Program work) and the reallocation of forces to operations for storm coverage.

EXPENSES

Total Expenses – Year-to-date expenses of \$254.6 million were \$5.3 million (2.1%) lower than the Adopted Budget. For the month, expenses were \$0.3 million (0.3%) lower than Adopted Budget.

- **Labor expenses** (including fringes and overhead recoveries) were \$146.7 million YTD. This was \$1.7 million above the Adopted Budget primarily due to higher overtime requirements and related fringe costs related to snow storm cleanup, coverage and repairs, partly offset by lower-than-anticipated capital project work.
- **Non-Labor Expenses**
YTD non-labor expenses were \$59.4 million, \$6.8 million lower than Adopted Budget and \$2.0 million lower for the month.
 - **Electric Power** – \$1.3 million higher year-to-date than Adopted Budget due to higher rates on the New Haven Line. For the month, expenses were \$0.8 million higher than the Adopted Budget.
 - **Fuel** – year-to-date was \$0.3 million above the Adopted Budget due to higher heating fuel consumption attributable to colder weather conditions.
 - **Maintenance & Other Operating Contracts** – \$2.2 million lower year-to date than the Adopted Budget primarily due to timing differences for maintenance contracts, telephone usage, ferry services, and reimbursable project activity. For the month, these costs were \$0.5 million lower than the Adopted Budget.
 - **Professional Services** – YTD was \$1.6 million below the Adopted Budget primarily due to timing differences in reimbursable project activity, IT related work, legal fees, and engineer services. For the month, expenses were \$1.3 million below the Adopted Budget.
 - **Materials & Supplies** – year-to-date expenditures were \$4.8 million below the Adopted Budget due to lower rolling stock material usage and purchases and timing differences in reimbursable project activity. For the month, expenses were \$1.6 million lower than the Adopted Budget.
 - **Other Business Expenses** –YTD was on target to the Adopted Budget. For the month, expenses were \$0.4 million higher than the Adopted Budget.
- **Depreciation and Other Non-Cash Liability Adjustments** – \$48.5 million in total which was \$0.2 million lower than the Adopted Budget due to timing of asset capitalization.

CASH DEFICIT

The Cash Deficit through February was \$78.0 million, which is \$5.6 million unfavorable to the Adopted Budget. This is essentially due to lower cash receipts of \$10.1 million primarily due to lower capital reimbursements partially offset by lower overall expenses (\$4.5 million).

ACCRUAL STATEMENT of OPERATIONS by CATEGORY

SCHEDULE I - A

	Adopted Budget	Actual	Variance	Percent	Adopted Budget	Actual	Variance	Percent	Adopted Budget	Actual	Variance	Percent
Revenue												
Farebox Revenue	\$48,219	\$47,391	(\$0.828)	(1.7)	\$0.000	\$0.000	\$0.000	-	\$48,219	\$47,391	(\$0.828)	(1.7)
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	4,290	4,680	0.390	9.1	0.000	0.000	0.000	-	4,290	4,680	0.390	9.1
<i>Capital & Other Reimbursements:</i>												
MTA	0.000	0.000	0.000	-	8,543	6,448	(2,095)	(24.5)	8,543	6,448	(2,095)	(24.5)
CDOT	0.000	0.000	0.000	-	3,035	2,454	(0,581)	(19.1)	3,035	2,454	(0,581)	(19.1)
Other	0.000	0.000	0.000	-	1,220	0,728	(0,492)	(40.3)	1,220	0,728	(0,492)	(40.3)
Total Capital and Other Reimbursements	0.000	0.000	0.000	-	12,797	9,630	(3,168)	(24.8)	12,797	9,630	(3,168)	(24.8)
Total Revenue/Receipts	\$52,508	\$52,070	(\$0.438)	(0.8)	\$12,797	\$9,630	(\$3,168)	(24.8)	\$65,306	\$61,700	(\$3,606)	(5.5)
Expenses												
<i>Labor</i>												
Payroll	\$33,320	\$33,273	\$0.047	0.1	\$3,099	\$2,312	\$0,787	25.4	\$36,419	\$35,585	\$0,834	2.3
Overtime	4,546	7,124	(2,577)	(56.7)	0,956	0,918	0,038	4.0	5,503	8,042	(2,539)	(46.1)
Health and Welfare	8,114	8,002	0,113	1.4	0,996	0,724	0,272	27.3	9,110	8,726	0,385	4.2
OPEB Current Payment	1,837	1,818	0,020	1.1	0,000	0,000	0,000	-	1,837	1,818	0,020	1.1
Pensions	5,846	5,992	(0,146)	(2.5)	0,607	0,467	0,140	23.0	6,452	6,459	(0,006)	(0.1)
Other Fringe Benefits	8,305	8,896	(0,590)	(7.1)	0,694	0,552	0,143	20.5	9,000	9,447	(0,448)	(5.0)
Reimbursable Overhead	(2,602)	(2,347)	(0,255)	(9.8)	2,538	2,310	0,227	9.0	(0,065)	(0,037)	(0,028)	(42.9)
Total Labor	\$59,367	\$62,756	(\$3,389)	(5.7)	\$8,890	\$7,284	\$1,606	18.1	\$68,257	\$70,040	(\$1,782)	(2.6)
<i>Non-Labor</i>												
Electric Power	\$7,691	\$8,488	(\$0,797)	(10.4)	\$0,000	\$0,005	(\$0,005)	-	\$7,691	\$8,494	(\$0,802)	(10.4)
Fuel	2,282	2,317	(0,035)	(1.5)	0,000	0,000	0,000	-	2,282	2,317	(0,035)	(1.5)
Insurance	1,433	1,396	0,037	2.6	0,224	0,187	0,037	16.7	1,657	1,583	0,074	4.5
Claims	0,059	0,300	(0,242)	*	0,000	0,000	0,000	-	0,059	0,300	(0,242)	*
Paratransit Service Contracts	0,000	0,000	0,000	-	0,000	0,000	0,000	-	0,000	0,000	0,000	-
Maintenance and Other Operating Contracts	7,637	7,725	(0,089)	(1.2)	0,952	0,383	0,568	59.7	8,588	8,108	0,480	5.6
Professional Service Contracts	2,056	1,474	0,582	28.3	1,069	0,365	0,703	65.8	3,125	1,839	1,285	41.1
Materials & Supplies	6,137	4,899	1,238	20.2	1,604	1,224	0,380	23.7	7,741	6,123	1,618	20.9
Other Business Expenses	2,181	2,433	(0,252)	(11.5)	0,059	0,182	(0,123)	*	2,240	2,615	(0,374)	(16.7)
Total Non-Labor	\$29,476	\$29,032	\$0,443	1.5	\$3,907	\$2,346	\$1,561	40.0	\$33,383	\$31,379	\$2,004	6.0
<i>Other Adjustments:</i>												
Other	0,000	0,000	0,000	-	0,000	0,000	0,000	-	0,000	0,000	0,000	-
Total Other Adjustments	\$0,000	\$0,000	\$0,000	-	\$0,000	\$0,000	\$0,000	-	\$0,000	\$0,000	\$0,000	-
Total Expenses before Non-Cash Liability Adjs.	\$88,843	\$91,788	(\$2,946)	(3.3)	\$12,797	\$9,630	\$3,168	24.8	\$101,640	\$101,418	\$0,222	0.2
Depreciation	18,936	18,827	0,110	0.6	0,000	0,000	0,000	-	18,936	18,827	0,110	0.6
OPEB Obligation	5,425	5,425	0,000	0.0	0,000	0,000	0,000	-	5,425	5,425	0,000	0.0
Environmental Remediation	0,000	0,000	0,000	-	0,000	0,000	0,000	-	0,000	0,000	0,000	-
Total Expenses	\$113,204	\$116,040	(\$2,836)	(2.5)	\$12,797	\$9,630	\$3,168	24.8	\$126,001	\$125,670	\$0,332	0.3
Net Surplus/(Deficit)	(\$60,696)	(\$63,969)	(\$3,274)	(5.4)	(\$0,000)	\$0,000	\$0,000	-	(\$60,696)	(\$63,969)	(\$3,274)	(5.4)
<i>Cash Conversion Adjustments:</i>												
Depreciation	18,936	18,827	(0,110)	(0.6)	0,000	0,000	0,000	-	18,936	18,827	(0,110)	(0.6)
Operating/Capital	(0,868)	(0,830)	0,038	4.4	0,000	0,000	0,000	-	(0,868)	(0,830)	0,038	4.4
Other Cash Adjustments	8,023	7,474	(0,550)	(6.9)	0,000	0,000	0,000	-	8,023	7,474	(0,550)	(6.9)
Total Cash Conversion Adjustments	\$26,092	\$25,470	(\$0,621)	(2.4)	\$0,000	\$0,000	\$0,000	-	\$26,092	\$25,470	(\$0,621)	(2.4)
Net Cash Surplus/(Deficit)	(\$34,604)	(\$38,499)	(\$3,895)	(11.3)	(\$0,000)	\$0,000	\$0,000	-	(\$34,604)	(\$38,499)	(\$3,895)	(11.3)

-- Results are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
February Year-To-Date
(\$ in millions)

SCHEDULE I - B

	Nonreimbursable				Reimbursable				Total			
	Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent			Variance	Percent
Revenue												
Farebox Revenue	\$99.803	\$97.029	(\$2.774)	(2.8)	\$0.000	\$0.000	\$0.000	-	\$99.803	\$97.029	(\$2.774)	(2.8)
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	8.882	8.931	0.048	0.5	0.000	0.000	0.000	-	8.882	8.931	0.048	0.5
Capital & Other Reimbursements												
MTA	0.000	0.000	0.000	-	18.000	12.106	(5.894)	(32.7)	18.000	12.106	(5.894)	(32.7)
CDOT	0.000	0.000	0.000	-	6.611	4.429	(2.181)	(33.0)	6.611	4.429	(2.181)	(33.0)
Other	0.000	0.000	0.000	-	2.334	1.941	(0.394)	(16.9)	2.334	1.941	(0.394)	(16.9)
Total Capital and Other Reimbursements	0.000	0.000	0.000	-	26.945	18.477	(8.469)	(31.4)	26.945	18.477	(8.469)	(31.4)
Total Revenue/Receipts	\$108.685	\$105.959	(\$2.726)	(2.5)	\$26.945	\$18.477	(\$8.469)	(31.4)	\$135.630	\$124.436	(\$11.194)	(8.3)
Expenses												
Labor:												
Payroll	\$71.224	\$71.040	\$0.184	0.3	\$6.517	\$4.587	\$1.930	29.6	\$77.741	\$75.627	\$2.114	2.7
Overtime	9.576	14.546	(4.970)	(51.9)	2.016	1.747	0.269	13.4	11.592	16.293	(4.701)	(40.5)
Health and Welfare	17.607	17.242	0.365	2.1	2.101	1.443	0.658	31.3	19.708	18.686	1.022	5.2
OPEB Current Payment	3.675	3.658	0.017	0.5	0.000	0.000	0.000	-	3.675	3.658	0.017	0.5
Pensions	12.471	12.757	(0.286)	(2.3)	1.275	0.930	0.345	27.0	13.746	13.687	0.059	0.4
Other Fringe Benefits	17.180	17.700	(0.520)	(3.0)	1.462	1.085	0.377	25.8	18.642	18.784	(0.143)	(0.8)
Reimbursable Overhead	(5.545)	(4.576)	(0.969)	(17.5)	5.408	4.494	0.914	16.9	(0.137)	(0.082)	(0.055)	(40.0)
Total Labor	\$126.188	\$132.367	(\$6.179)	(4.9)	\$18.779	\$14.286	\$4.493	23.9	\$144.967	\$146.653	(\$1.686)	(1.2)
Non-Labor:												
Electric Power	\$14.360	\$15.679	(\$1.319)	(9.2)	\$0.000	\$0.011	(\$0.011)	-	\$14.360	\$15.690	(\$1.330)	(9.3)
Fuel	4.845	5.155	(0.310)	(6.4)	0.000	0.000	0.000	-	4.845	5.155	(0.310)	(6.4)
Insurance	2.855	2.792	0.063	2.2	0.474	0.340	0.133	28.2	3.328	3.133	0.196	5.9
Claims	0.114	0.474	(0.359)	*	0.000	0.000	0.000	-	0.114	0.474	(0.359)	*
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	15.205	13.796	1.408	9.3	1.516	0.735	0.780	51.5	16.720	14.531	2.189	13.1
Professional Service Contracts	3.902	3.231	0.671	17.2	2.137	1.216	0.921	43.1	6.040	4.447	1.592	26.4
Materials & Supplies	12.531	9.884	2.648	21.1	3.922	1.740	2.182	55.6	16.453	11.624	4.829	29.4
Other Business Expenses	4.276	4.245	0.032	0.7	0.118	0.148	(0.030)	(25.5)	4.394	4.392	0.002	0.0
Total Non-Labor	\$58.088	\$55.255	\$2.833	4.9	\$8.166	\$4.191	\$3.975	48.7	\$66.254	\$59.446	\$6.808	10.3
Other Adjustments												
Other	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Other Adjustments	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Expenses before Non-Cash Liability Adjs.	\$184.276	\$187.622	(\$3.346)	(1.8)	\$26.945	\$18.477	\$8.469	31.4	\$211.221	\$206.099	\$5.122	2.4
Depreciation	37.873	37.653	0.220	0.6	0.000	0.000	0.000	-	37.873	37.653	0.220	0.6
OPEB Obligation	10.850	10.850	0.000	0.0	0.000	0.000	0.000	-	10.850	10.850	0.000	0.0
Environmental Remediation	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Expenses	\$232.998	\$236.125	(\$3.126)	(1.3)	\$26.945	\$18.477	\$8.469	31.4	\$259.944	\$254.601	\$5.342	2.1
Net Surplus/(Deficit)	(\$124.313)	(\$130.165)	(\$5.852)	(4.7)	\$0.000	\$0.000	\$0.000	-	(\$124.313)	(\$130.165)	(\$5.852)	(4.7)
Cash Conversion Adjustments:												
Depreciation	37.873	37.653	(0.220)	(0.6)	0.000	0.000	0.000	-	37.873	37.653	(0.220)	(0.6)
Operating/Capital	(2.623)	(0.797)	1.826	69.6	0.000	0.000	0.000	-	(2.623)	(0.797)	1.826	69.6
Other Cash Adjustments	16.666	15.263	(1.402)	(8.4)	0.000	0.000	0.000	-	16.666	15.263	(1.402)	(8.4)
Total Cash Conversion Adjustments	\$51.915	\$52.119	\$0.204	0.4	\$0.000	\$0.000	\$0.000	-	\$51.915	\$52.119	\$0.204	0.4
Net Cash Surplus/(Deficit)	(\$72.398)	(\$78.046)	(\$5.648)	(7.8)	\$0.000	\$0.000	\$0.000	-	(\$72.398)	(\$78.046)	(\$5.648)	(7.8)

-- Results are preliminary and subject to audit review
-- Differences are due to rounding.
* Variance exceeds 100%

Generic Revenue or Expense Category	Non Reimb. or Reimb.	Variance		Reason for Variance	Variance		Reason for Variance
		\$	%		\$	%	
OTHER OPERATING REVENUE	Non-Reimb	\$0.390	9.1%	Primarily reflects higher net GCT retail revenue.	\$0.048	0.5%	
CAPITAL AND OTHER REIMBURSEMENTS	Reimb	(\$3.168)	(24.8%)	Lower reimbursements reflect scheduling changes in capital project expenditures.	(\$8.469)	(31.4%)	Lower reimbursements reflect scheduling changes in capital project expenditures.
PAYROLL	Reimb	\$0.787	25.4%	Reflects reallocation of forces to operations coverage for inclement weather conditions, vacant administrative positions, and timing differences of the following projects: 2013 Cyclical Track Program, NH Rail Yard - Component Change Out Shop, Positive Train Control, H & H Lines Power Imp and Program Scope Dev., Harmon Shop Improvements and Misc. I&C NHL & Branch Lines.	\$1.930	29.6%	Reflects reallocation of forces to operations coverage for inclement weather conditions, vacant administrative positions, and timing differences of the following projects: 2013 Cyclical Track Program, NH Rail Yard - Component Change Out Shop, Positive Train Control, H & H Lines Power Imp and Program Scope Dev., Harmon Shop Improvements and Misc. I&C NHL & Branch Lines.
OVERTIME	Non-Reimb	(\$2.577)	(56.7%)	Higher overtime requirements due to snow storm coverage, cleanup, and repairs.	(\$4.970)	(51.9%)	Higher overtime requirements due to snow storm coverage, cleanup, and repairs.
	Reimb	\$0.038	4.0%	Reflects reallocation of forces to operations coverage for inclement weather conditions as well as timing differences of the following projects: 2013 Cyclical Track Program, partially offset by higher than projected activity on the GCT Turnout/Switch Renewal Project and the Cos Cob West Substation.	\$0.269	13.4%	Reflects reallocation of forces to operations coverage for inclement weather conditions as well as timing differences of the following projects: 2013 Cyclical Track Program and H & H Lines Power Improvements project.
HEALTH AND WELFARE	Reimb	\$0.272	27.3%	Reflects lower project activity.	\$0.658	31.3%	Reflects lower project activity.
PENSIONS	Reimb	\$0.140	23.0%	Reflects lower project activity.	\$0.345	27.0%	Reflects lower project activity.
OTHER FRINGE BENEFITS	Non-Reimb	(\$0.590)	(7.1%)	Primarily reflects payment of uniform, shoe and tool allowance.	(\$0.520)	(3.0%)	
	Reimb	\$0.143	20.5%	Reflects rate differentials and project adjustments.	\$0.377	25.8%	Reflects rate differentials and project adjustments.

MTA METRO-NORTH RAILROAD
 ACCRUAL STATEMENT OF OPERATIONS BY CATEGORY
 EXPLANATION OF VARIANCE BETWEEN ADOPTED BUDGET AND ACTUAL RESULTS
 FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
 FEBRUARY 2014
 (\$ in millions)

Generic Revenue or Expense Category	Non Reimb. or Reimb.	Current Month vs. Adopted Budget			Year to Date vs. Adopted Budget		
		Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
		\$	%		\$	%	
REIMBURSABLE OVERHEAD	Non-Reimb	(\$0.255)	(9.8%)	The non-reimbursable and reimbursable variances reflect lower activity on the following projects: Positive Train Control, Hurricane Sandy Tree Removal, GCT Leaks Remediation, and Track Program work.	(\$0.969)	(17.5%)	The non-reimbursable and reimbursable variances reflect lower activity on the following projects: Positive Train Control, NH Rail Yard - Component Change Out Shop, GCT Leaks Remediation, Hurricane Sandy Tree Removal and Track Program work.
	Reimb	\$0.227	9.0%		\$0.914	16.9%	
ELECTRIC POWER	Non-Reimb	(\$0.797)	(10.4%)	Primarily due to higher rates on the NHL line.	(\$1.319)	(9.2%)	Primarily due to higher rates on the NHL line.
FUEL	Non-Reim	(\$0.035)	(1.5%)		(\$0.310)	(6.4%)	Primarily due to higher heating fuel consumption resulting from colder weather conditions.
INSURANCE	Reimb	\$0.037	16.7%	Reflects lower project activity.	\$0.133	28.2%	Reflects lower project activity.
CLAIMS	Non-Reimb	(\$0.242)	*	Primarily reflects Spuyten Duyvil derailment injury claims.	(\$0.359)	*	Primarily reflects NHL and Spuyten Duyvil injury claims and Federal Employers Liability Act (FELA) claims payable to the Railroad Retirement Board.
MAINTENANCE AND OTHER OPERATING CONTRACTS	Non-Reimb	(\$0.089)	(1.2%)	Reflects delay on the Hurricane Sandy - Tree Removal and GCT Leaks Remediation project and lower than anticipated activity on the System Wide Lead Abatement project.	\$1.408	9.3%	Reflects lower costs for maintenance contracts, telephone usage and ferry services.
	Reimb	\$0.568	59.7%		\$0.780	51.5%	Reflects delay on the GCT Leaks Remediation project and Hurricane Sandy - Tree Removal project.
PROFESSIONAL SERVICE CONTRACTS	Non-Reimb	\$0.582	28.3%	Favorable variance reflects the timing of expenses for IT costs, legal expenses, and engineer services.	\$0.671	17.2%	Favorable variance reflects the timing of expenses for IT costs, legal expenses, and engineer services.
	Reimb	\$0.703	65.8%	Reflects timing differences for Positive Train Control and the timing of invoices for the EMU Fleet Replacement project.	\$0.921	43.1%	Reflects timing differences for Positive Train Control.

MTA METRO-NORTH RAILROAD
 ACCRUAL STATEMENT OF OPERATIONS BY CATEGORY
 EXPLANATION OF VARIANCE BETWEEN ADOPTED BUDGET AND ACTUAL RESULTS
 FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
 FEBRUARY 2014
 (\$ in millions)

Generic Revenue or Expense Category	Non Reimb. or Reimb.	Current Month vs. Adopted Budget			Year to Date vs. Adopted Budget		
		Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
		\$	%		\$	%	
MATERIAL AND SUPPLIES	Non-Reimb	\$1.238	20.2%	Lower rolling stock mechanical material usage and purchases.	\$2.648	21.1%	Lower rolling stock mechanical material usage and purchases.
	Reimb	\$0.380	23.7%	Reflects timing differences for Positive Train Control and the NHL Bridge Timber Replacement program.	\$2.182	55.6%	Reflects timing differences for Positive Train Control, Hurricane Sandy Power & C&S projects, NH Rail Yard - Component Change Out Shop and the Overhead Bridge Program.
OTHER BUSINESS EXPENSES	Non-Reimb	(\$0.252)	(11.5%)	Primarily due to higher miscellaneous expenses for the month partially offset by lower NJT Subsidy payments.	\$0.032	0.7%	
	Reimb	(\$0.123)	*	Reflects an unbudgeted purchase of Optical Equipment for C&S Telecommunication department for the 525 North Broadway White Plains Project and minor variances on several projects.	(\$0.030)	(25.5%)	Reflects an unbudgeted purchase of Optical Equipment for C&S Telecommunication department for the 525 North Broadway White Plains Project and minor variances on several projects.
OPERATING CAPITAL	Non-Reim	\$0.038	4.4%		\$1.826	69.6%	Reflects lower activity during the period on the Employee Welfare Facility Improvements, Expand Real-Time Train Status Information - NYS, Ticket Vending Machines (TVMs), OW Tower Demolition - Tarrytown, Bridge Walkways Installation, Ticket Issuing Machines (TIMs), and Line Segment Ridership Forecasting Models projects, partially offset by higher activity on the Vehicle Replacement project, and higher than anticipated payment on prior year project carryover costs.

* Variance exceeds 100%.

MTA Metro-North Railroad
February Financial Plan - 2014 Adopted Budget
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

	February					February Year-to-Date				
	Adopted Budget		Actuals		Var. - Fav./(Unfav)	Adopted Budget		Actuals		Var. - Fav./(Unfav)
	Hours	\$	Hours	\$	Hours \$	Hours	\$	Hours	\$	Hours \$
NON-REIMBURSABLE OVERTIME										
<u>Scheduled Service</u> ¹	52,378	\$2.0	44,638	\$2.5	7,740 (\$0.5) 14.8% -23.3%	113,445	\$4.4	103,145	\$5.7	10,300 (\$1.2) 9.1% -28.0%
<u>Unscheduled Service</u>	0	\$0.0	0	\$0.0	0 \$0.0	0	\$0.0	0	\$0.0	0 \$0.0
<u>Programmatic/Routine Maintenance</u>	29,335	\$1.3	29,755	\$1.4	(420) (\$0.1) -1.4% -7.0%	58,603	\$2.7	62,873	\$3.0	(4,270) (\$0.4) -7.3% -13.6%
<u>Unscheduled Maintenance</u>	0	\$0.0	0	\$0.0	0 \$0.0	0	\$0.0	0	\$0.0	0 \$0.0
<u>Vacancy/Absentee Coverage</u> ²	11,639	\$0.7	21,706	\$1.0	(10,067) (\$0.3) -86.5% -42.4%	24,777	\$1.5	43,188	\$2.0	(18,411) (\$0.5) -74.3% -34.0%
<u>Weather Emergencies</u>	6,345	\$0.4	38,576	\$1.8	(32,231) (\$1.4) *	12,435	\$0.7	70,909	\$3.3	(58,474) (\$2.5) *
<u>Safety/Security/Law Enforcement</u> ³	0	\$0.0	0	\$0.0	0 \$0.0	0	\$0.0	0	\$0.0	0 \$0.0
<u>Other</u> ⁴	2,541	\$0.1	171	\$0.4	2,370 (\$0.3) 93.3% *	6,260	\$0.3	662	\$0.6	5,598 (\$0.3) 89.4% *
Subtotal	102,238	\$4.5	134,846	\$7.1	(32,608) (\$2.6) -31.9% -56.7%	215,520	\$9.6	280,778	\$14.5	(65,258) (\$5.0) -30.3% -51.9%
REIMBURSABLE OVERTIME	19,029	\$1.0	17,959	\$0.9	1,069 \$0.0 5.6% 4.0%	40,115	\$2.0	34,749	\$1.7	5,367 \$0.3 13.4% 13.4%
TOTAL OVERTIME	121,267	\$5.5	152,805	\$8.0	(31,538) (\$2.5) -26.0% -46.2%	255,635	\$11.6	315,527	\$16.3	(59,891) (\$4.7) -23.4% -40.6%

Totals may not add due to rounding.

NOTE: Percentages are based on each type of Overtime and not on Total Overtime.

* Exceeds 100%

¹ Includes Service Delay and Tour Length related overtime.

² Excludes T&E crew coverage (included in Scheduled Service category)

³ Not Applicable

⁴ Reflects overtime for administrative functions. Also reflects timing differences related to payroll and calendar cutoff dates.

MTA Metro-North Railroad
February Financial Plan - 2014 Adopted Budget
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

	February			February Year To Date		
	Var. - Fav./(Unfav)		Explanations	Var. - Fav./(Unfav)		Explanations
	Hours	\$		Hours	\$	
NON-REIMBURSABLE OVERTIME						
<u>Scheduled Service</u> ¹	7,740 14.8%	(\$0.5) -23.3%	Train service coverage for weather related events.	10,300 9.1%	(\$1.2) -28.0%	Train service coverage for weather related events.
<u>Unscheduled Service</u>	0 -	\$0.0 -		0 -	\$0.0 -	
<u>Programmatic/Routine Maintenance</u>	(420) -1.4%	(\$0.1) -7.0%	Primarily due to higher requirements for the implementation of mandated signal system modifications to ensure automatic speed enforcement and incremental rail testing.	(4,270) -7.3%	(\$0.4) -13.6%	Primarily due to higher requirements for snow storm coverage, implementation of mandated signal system modifications to ensure automatic speed enforcement and incremental rail testing.
<u>Unscheduled Maintenance</u>	0 -	\$0.0 -		0 -	\$0.0 -	
<u>Vacancy/Absentee Coverage</u> ²	(10,067) -86.5%	(\$0.3) -42.4%	Vacancy and sick time coverage.	(18,411) -74.3%	(\$0.5) -34.0%	Vacancy and sick time coverage.
<u>Weather Emergencies</u>	(32,231) *	(\$1.4) *	Due to increased operations coverage and cleanup requirements for snow storms during the month.	(58,474) *	(\$2.5) *	Due to increased operations coverage and cleanup requirements for multiple snow storms.
<u>Safety/Security/Law Enforcement</u> ³	0 -	\$0.0 -		0 -	\$0.0 -	
<u>Other</u> ⁴	2,370 93.3%	(\$0.3) *	Reflects timing differences related to payroll and calendar cutoff dates.	5,598 89.4%	(\$0.3) *	Reflects timing differences related to payroll and calendar cutoff dates.
Subtotal	(32,608) -31.9%	(\$2.6) -56.7%		(65,258) -30.3%	(\$5.0) -51.9%	
REIMBURSABLE OVERTIME	1,069 5.6%	\$0.0 4.0%		5,367 13.4%	\$0.3 13.4%	
TOTAL OVERTIME	(31,538)	(\$2.5)		(59,891)	(\$4.7)	

NOTE: Percentages are based on each type of Overtime and not on Total Overtime.

* Exceeds 100%

¹ Includes Service Delay and Tour Length related overtime.

² Excludes T&E crew coverage (included in Scheduled Service category)

³ Not Applicable

⁴ Reflects overtime for Customer Service and Material Management Depts. as well as other administrative functions. Also reflects timing differences related to payroll and calendar cutoff dates.

MTA METRO-NORTH RAILROAD
2014 Overtime Report
Overtime Legend

REVISED OVERTIME DECOMPOSITION LEGEND DEFINITIONS

<u>Type</u>	<u>Definition</u>
<i>Scheduled Service</i>	Crew book/Regular Run/Shift hours (above 8 hours) required by train crews, bus/tower/block operators, transportation supervisors/dispatchers, fare sales and collection, Train & Engineers, as well as non-transportation workers whose work is directly related to providing service (includes coverage for holidays).
<i>Unscheduled Service</i>	Service coverage resulting from extraordinary events not related to weather, such as injuries, mechanical breakdowns, unusual traffic, tour length, late tour relief, and other requirements that arise that are non-absence related.
<i>Programmatic/Routine Maintenance</i>	<i>Program Maintenance</i> work for which overtime is planned (e.g. Railroad Tie Replacement, Sperry Rail Testing, Running Board Replacement Programs). This also includes <i>Routine Maintenance</i> work for which OT has been planned, as well as all other maintenance <u>not resulting from extraordinary events</u> , including running repairs. Program/Routine maintenance work is usually performed during hours that are deemed more practical in order to minimize service disruptions, and includes contractual scheduled pay over 8 hours.
<i>Unscheduled Maintenance</i>	Resulting from an <u>extraordinary event</u> (not weather-related) requiring the use of unplanned maintenance to perform repairs on trains, buses, subway and bus stations, depots, tracks and administrative and other facilities, including derailments, tour length and weekend coverage.
<i>Vacancy/Absentee Coverage</i>	Provides coverage for an absent employee or a vacant position.
<i>Weather Emergencies</i>	Coverage necessitated by extreme weather conditions (e.g. snow, flooding, hurricane, and tornadoes), as well as preparatory and residual costs.
<i>Safety/Security/Law Enforcement</i>	Coverage required to provide additional customer & employee protection and to secure MTA fleet facilities, transportation routes, and security training.
<i>Other</i>	Includes overtime coverage for clerical, administrative positions that are eligible for overtime.
<i>Reimbursable Overtime</i>	Overtime incurred to support projects that are reimbursed from the MTA Capital Program and other funding sources.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
CASH RECEIPTS AND EXPENDITURES
(\$ in millions)

SCHEDULE III

	February 2014				Year-to-Date			
	Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent
Receipts								
Farebox Receipts	\$48.719	\$47.111	(\$1.608)	(3.3)	\$100.799	\$99.416	(\$1.383)	(1.4)
Toll Receipts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Receipts	4.926	7.452	2.526	51.3	11.466	14.658	3.192	27.8
<i>Capital & Other Reimbursements:</i>								
MTA	8.179	6.915	(1.264)	(15.5)	15.660	10.115	(5.545)	(35.4)
CDOT	4.604	1.300	(3.304)	(71.8)	8.350	2.921	(5.429)	(65.0)
Other	0.760	0.485	(0.275)	(36.2)	2.079	1.133	(0.946)	(45.5)
Total Capital and Other Reimbursements	13.543	8.700	(4.843)	(35.8)	26.089	14.169	(11.920)	(45.7)
Total Receipts	\$67.188	\$63.263	(\$3.925)	(5.8)	\$138.354	\$128.243	(\$10.111)	(7.3)
Expenditures								
<i>Labor:</i>								
Payroll	\$37.992	\$35.733	\$2.259	5.9	\$83.994	\$77.489	\$6.505	7.7
Overtime	5.564	7.906	(2.342)	(42.1)	12.383	17.158	(4.775)	(38.6)
Health and Welfare	10.459	12.614	(2.155)	(20.6)	20.917	19.033	1.884	9.0
OPEB Current Payment	1.837	3.464	(1.627)	(88.5)	3.675	5.304	(1.629)	(44.3)
Pensions	0.219	0.454	(0.235)	*	0.493	1.765	(1.272)	*
Other Fringe Benefits	9.436	8.806	0.630	6.7	21.612	19.967	1.645	7.6
GASB Account	0.743	1.486	(0.743)	(100.0)	1.486	1.486	0.000	0.0
Reimbursable Overhead	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Labor	\$66.250	\$70.463	(\$4.213)	(6.4)	\$144.560	\$142.202	\$2.358	1.6
<i>Non-Labor:</i>								
Electric Power	\$7.848	\$6.081	\$1.767	22.5	\$14.676	\$9.456	\$5.220	35.6
Fuel	1.983	2.298	(0.315)	(15.9)	4.248	5.427	(1.179)	(27.8)
Insurance	3.338	0.000	3.338	100.0	3.338	3.951	(0.613)	(18.4)
Claims	0.057	0.728	(0.671)	*	0.114	1.112	(0.998)	*
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	6.574	7.055	(0.481)	(7.3)	11.312	16.201	(4.889)	(43.2)
Professional Service Contracts	3.111	1.778	1.333	42.8	5.938	5.894	0.044	0.7
Materials & Supplies	8.398	9.272	(0.874)	(10.4)	17.573	13.755	3.818	21.7
Other Business Expenditures	4.233	4.087	0.146	3.4	8.993	8.291	0.702	7.8
Total Non-Labor	\$35.542	\$31.299	\$4.243	11.9	\$66.192	\$64.087	\$2.105	3.2
<i>Other Adjustments:</i>								
Other	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Post Employment Benefits	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Other Adjustments	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Expenditures	\$101.792	\$101.762	\$0.030	0.0	\$210.752	\$206.289	\$4.463	2.1
Net Cash Deficit (excludes Opening Cash Balance)	(\$34.604)	(\$38.499)	(\$3.895)	(11.3)	(\$72.398)	(\$78.046)	(\$5.648)	(7.8)
Subsidies								
MTA	25.285	17.105	(8.180)	(32.4)	53.564	36.930	(16.634)	(31.1)
CDOT	9.319	23.407	14.088	*	18.834	33.058	14.224	75.5
Total Subsidies	\$34.604	\$40.512	\$5.908	17.1	\$72.398	\$69.988	(\$2.410)	(3.3)
Cash Timing and Availability Adjustment	\$0.000	(\$2.000)	(\$2.000)	-	\$0.000	\$8.071	\$8.071	-

-- Results are preliminary and subject to audit review.
-- Differences are due to rounding.
* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2014 BUDGET
CASH RECEIPTS AND EXPENDITURES
EXPLANATION OF VARIANCE BETWEEN BUDGET AND ACTUAL RESULTS
(\$ in millions)

\$ Detail

Generic Receipt or Expense Category	February Month vs Budget			Year-To-Date as of February 28, 2014		
	Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
	\$	%		\$	%	
FARE REVENUE	(1.608)	(3.3%)	Lower ridership combined with timing of cash receipts.			
OTHER OPERATING REVENUE	2.526	51.3%	February receipt of LAZ parking budgeted in January, timing of quarterly payment to MTA for LaSalle charges and higher GCT net revenues.	3.192	27.8%	CSX reimbursement for 2013 derailment, as well as timing of quarterly payment to MTA for LaSalle charges.
CAPITAL AND OTHER REIMBURSEMENTS:						
MTA	(1.264)	(15.5%)	Lower cash receipts due to timing as well as lower project activity.	(5.545)	(35.4%)	Lower cash receipts due to timing as well as lower project activity.
CDOT	(3.304)	(71.8%)	Lower project activity combined with delay in cash receipts due to timing.	(5.429)	(65.0%)	Lower project activity combined with delay in cash receipts due to timing.
OTHER	(0.275)	(36.2%)	Lower receipts than anticipated due to timing of I & C related projects.	(0.946)	(45.5%)	Lower receipts than anticipated due to timing of I & C related projects.
PAYROLL	2.259	5.9%	Position vacancies and revised scheduling of capital projects.	6.505	7.7%	Position vacancies, revised scheduling of capital projects, lower payroll taxes associated with vacancies and vacation payouts.
OVERTIME	(2.342)	(42.1%)	Higher overtime necessitated by inclement weather.	(4.775)	(38.6%)	Higher overtime necessitated by inclement weather.
HEALTH & WELFARE	(2.155)	(20.6%)	Prepayment of March NYSHIP/Empire premiums partially offset by lower premium rates, timing of Met Life/Vision Care premium paid in March and vacancies.	1.884	9.0%	Lower premium rates, timing of payments for Met Life/Vision Care premiums and vacancies partially offset by prepayment of March NYSHIP/Empire premiums.
OPEB CURRENT PAYMENT	(1.627)	(88.5%)	Prepayment to NYSHIP for March.	(1.629)	(44.3%)	Prepayment to NYSHIP for March.
PENSIONS	(0.235)	*	Represents final ARC payment for 2013.	(1.272)	*	Reflects additional payments to meet the final 2013 Actuarial Required Contribution (MTA Defined Benefit and Retirement Contribution).
OTHER FRINGE BENEFITS	0.630	6.7%	Lower FELA claims than anticipated.	1.645	7.6%	Lower FELA claims than anticipated combined with lower railroad retirement tax payments.
GASB ACCOUNT	(0.743)	-100.0%	Reflects timing of YTD payment paid in February.	0.000	0.0%	
ELECTRIC POWER	1.767	22.5%	Delay of February payment made in March.	5.220	35.6%	Prepayment made in 2013 combined with delay of February payment made in March partially offset by higher rates on the New Haven Line.
FUEL	(0.315)	(15.9%)	Timing of January payments made in February as well as rate variances.	(1.179)	(27.8%)	Timing of payments combined with rate variance.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2014 BUDGET
CASH RECEIPTS AND EXPENDITURES
EXPLANATION OF VARIANCE BETWEEN BUDGET AND ACTUAL RESULTS
(\$ in millions)

\$ Detail

Generic Receipt or Expense Category	February Month vs Budget			Year-To-Date as of February 28, 2014		
	Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
	\$	%		\$	%	
INSURANCE	3.338	100.0%	Timing of quarterly payments for station and agency property insurance.	(0.613)	(18.4%)	Timing of insurance payments for the last quarter of 2013 (Excess Liability, Station Liability, Force Account insurance premiums, property - terrorism premium) partially offset by timing of quarterly payments for station and property insurance.
CLAIMS	(0.671)	*	Passenger injury settlements relating to New Haven Line derailment, Spuyten Dyvil incident and other passenger injury claims.	(0.998)	*	Passenger injury settlements relating to New Haven Line derailment, Spuyten Dyvil incident and other passenger injury claims.
MAINTENANCE & OTHER OPERATING CONTRACTS	(0.481)	(7.3%)	Bus service for Spuyten Duyvil incident and parking lot lighting for ConEd power outage.	(4.889)	(43.2%)	Timing of 2013 expenses paid in 2014 including Bus & Transfer Services, Real Estate Rentals, Escalator Maintenance, Real Estate Management Services, Auto & Other Vehicle purchases, Environmental Waste Removal and Non-Vehicle Maintenance Repair.
PROFESSIONAL SERVICE CONTRACTS	1.333	42.8%	Timing of capital projects combined with timing of audit and legal fees.	0.044	0.7%	
MATERIALS & SUPPLIES	(0.874)	(10.4%)	Timing of material purchases (propulsion, suspension) partially offset by lower capital projects and operating capital projects.	3.818	21.7%	Timing of capital related projects, operating capital and material purchases for inventory.
OTHER BUSINESS EXPENSES	0.146	3.4%		0.702	7.8%	Timing of capital related projects.
MTA SUBSIDY RECEIPTS	(8.180)	(32.4%)	Lower subsidy draw due to higher CDOT subsidy payments partially offset by lower receipts and lower cash availability balance.	(16.634)	(31.1%)	Lower subsidy draw due to higher CDOT subsidy payments, higher cash availability balance and lower payroll and non-payroll disbursements partially offset by lower cash receipts.
CDOT SUBSIDY RECEIPTS	14.088	*	Includes prepayment for March.	14.224	75.5%	Includes prepayment for March.
TOTAL SUBSIDY RECEIPTS	5.908	17.1%		(2.410)	(3.3%)	

* Variance exceeds 100%

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
CASH CONVERSION (CASH FLOW ADJUSTMENT)
(\$ in millions)

	February 2014				Year-to-Date			
	Adopted Budget	Actual	Favorable (Unfavorable) Variance	Percent	Adopted Budget	Actual	Favorable (Unfavorable) Variance	Percent
Receipts								
Farebox Revenue	\$0.500	(\$0.280)	(\$0.780)	*	\$0.996	\$2.387	\$1.391	*
Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	0.636	2.772	2.136	*	2.584	5.727	3.144	*
Capital & Other Reimbursements:		0.000			0.000	0.000		
MTA	(0.364)	0.467	0.831	*	(2.340)	(1.991)	0.349	14.9
CDOT	1.569	(1.154)	(2.723)	*	1.739	(1.508)	(3.248)	*
Other	(0.460)	(0.243)	0.217	47.1	(0.255)	(0.808)	(0.552)	*
Total Capital and Other Reimbursements	0.746	(0.930)	(1.675)	*	(0.856)	(4.308)	(3.451)	*
Total Revenue/Receipts	\$1.882	\$1.563	(\$0.319)	(17.0)	\$2.724	\$3.807	\$1.083	39.8
Expenditures								
Labor:								
Payroll	(\$1.573)	(\$0.148)	\$1.425	90.6	(\$6.253)	(\$1.862)	\$4.391	70.2
Overtime	(0.061)	0.136	0.197	*	(0.791)	(0.865)	(0.074)	(9.4)
Health and Welfare	(1.348)	(3.888)	(2.540)	*	(1.209)	(0.347)	0.862	71.3
OPEB Current Payment	0.000	(1.646)	0.000		0.000	(1.646)	(1.646)	-
Pensions	6.233	6.005	(0.229)	(3.7)	13.253	11.922	(1.331)	(10.0)
Other Fringe Benefits	(0.436)	0.641	1.078	*	(2.970)	(1.183)	1.788	60.2
GASB Account	(0.743)	(1.486)	(0.743)	(100.0)	(1.486)	(1.486)	0.000	0.0
Reimbursable Overhead	(0.065)	(0.037)	0.028	42.9	(0.137)	(0.082)	0.055	40.0
Total Labor	\$2.007	(\$0.423)	(\$2.431)	*	\$0.407	\$4.451	\$4.044	*
Non-Labor:								
Electric Power	(\$0.157)	\$2.413	\$2.569	*	(\$0.316)	\$6.234	\$6.550	*
Fuel	0.299	0.019	(0.280)	(93.6)	0.597	(0.272)	(0.869)	*
Insurance	(1.681)	1.583	3.264	*	(0.010)	(0.818)	(0.809)	*
Claims	0.002	(0.428)	(0.429)	*	0.000	(0.638)	(0.639)	*
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	2.014	1.053	(0.961)	(47.7)	5.408	(1.670)	(7.078)	*
Professional Service Contracts	0.014	0.061	0.048	*	0.102	(1.447)	(1.548)	*
Materials & Supplies	(0.657)	(3.149)	(2.492)	*	(1.120)	(2.131)	(1.011)	(90.3)
Other Business Expenses	(1.993)	(1.472)	0.520	26.1	(4.599)	(3.899)	0.700	15.2
Total Non-Labor	(\$2.159)	\$0.080	\$2.239	*	\$0.062	(\$4.641)	(\$4.703)	*
Other Adjustments:								
Other	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Other Adjustments	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Expenditures Adjustments before Non-Cash Liability Adj.	(\$0.152)	(\$0.344)	(\$0.192)	*	\$0.469	(\$0.190)	(\$0.659)	*
Depreciation	18.936	18.827	(0.110)	(0.6)	37.873	37.653	(0.220)	(0.6)
OPEB Obligation	5.425	5.425	0.000	0.0	10.850	10.850	0.000	0.0
Environmental Remediation	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Expenditures Adjustments	\$24.209	\$23.908	(\$0.302)	(1.2)	\$49.192	\$48.312	(\$0.879)	(1.8)
Total Cash Conversion Adjustments	\$26.092	\$25.470	(\$0.621)	(2.4)	\$51.915	\$52.119	\$0.204	0.4

-- Results are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
UTILIZATION
(in millions)

	<u>Month of February</u>		<u>Variance</u>		<u>Year-to-Date February</u>		<u>Variance</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Fav (Unfav)</u>	<u>%</u>	<u>Budget</u>	<u>Actual</u>	<u>Fav (Unfav)</u>	<u>%</u>
<u>Farebox Revenue</u>								
Harlem Line	\$14.850	\$14.432	(\$0.418)	-2.8	\$30.521	\$29.479	(\$1.042)	-3.4
Hudson Line	\$10.550	\$10.165	(\$0.386)	-3.7	\$21.503	\$20.727	(\$0.776)	-3.6
New Haven Line	\$22.777	\$22.757	(\$0.020)	-0.1	\$47.699	\$46.751	(\$0.948)	-2.0
Total Farebox Revenue	\$48.177	\$47.354 ⁽¹⁾	(\$0.823)	-1.7	\$99.723	\$96.957 ⁽¹⁾	(\$2.766)	-2.8
<u>Ridership</u>								
Harlem Line	2.010	1.958	(0.052)	-2.6	4.228	4.094	(0.134)	-3.2
Hudson Line	1.164	1.134	(0.030)	-2.6	2.429	2.364	(0.065)	-2.7
New Haven Line	2.785	2.754	(0.031)	-1.1	5.948	5.786	(0.162)	-2.7
Total Ridership East of Hudson	5.960	5.847	(0.113)	-1.9	12.605	12.245	(0.361)	-2.9
West of Hudson	0.112	0.117	0.005	4.4	0.230	0.245	0.015	6.7
Total Ridership	6.072	5.964	(0.108)	-1.8	12.836	12.490	(0.345)	-2.7

(1) Excludes West of Hudson Mail & Ride revenue totaling \$0.037 million for the month and \$0.72 million year-to-date.

East of Hudson:

East of Hudson ridership for the month fell by 1.9%, or a reduction of 113 thousand rides, and 0.6% lower than February 2013, reflecting the impact of harsh winter weather's adverse impact on ridership. Year-to-date ridership was 12.2 million, 2.9% lower than Budget and 1.6% lower than 2013.

Commutation ridership was 1.2% lower for the month and 0.9% lower for the the year-to-date. Compared to 2013, February year-to-date commutation ridership was 0.4% lower. Non-commutation ridership was 5.9% below budget year-to-date and 3.4% lower than 2013. For the month, non-commutation ridership was 3.0% lower than budget and 0.5% worse than 2013.

West of Hudson:

West of Hudson ridership was 4.4% higher for the month and 6.7% higher year-to-date vs.2014 Budget reflecting progressive growth over the projected ridership.

MTA METRO-NORTH RAILROAD
2014 ADOPTED BUDGET VS. ACTUALS
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
February 28, 2014

<u>Department</u>	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Administration			
President	3	3	-
Labor Relations	9	6	3
Safety (1)	45	31	14
COS/Corporate & Public Affairs	17	15	2
Legal	18	18	0
Claims Services	14	12	2
Environmental Compliance & Svce	7	7	-
VP Administration	3	2	1
VP Human Resources	7	6	1
Human Resources (2)	28	23	5
Training (3)	58	49	9
Employee Relations & Diversity	5	4	1
VP Planning	2	2	-
Operations Planning & Analysis	18	16	2
Capital Planning & Programming	16	13	3
GCT & Corporate Development (4)	26	27	(1)
Long Range Planning	8	8	-
VP Finance & Information Systems	3	1	2
Controller (2)	80	73	7
Information Technology & Project Mgmt (2)	121	99	22
Budget	18	17	1
Customer Service (2)	49	44	5
Procurement & Material Mgmt (2)	42	29	13
Corporate	2	-	2
Total Administration	599	506	93
Operations			
Operations Administration (2)	61	52	9
Operations Services (2) (5)	1,426	1,398	28
Customer Service (2)	236	232	4
GCT & Corporate Development	38	37	1
Metro-North West (6)	27	34	(7)
Total Operations	1,788	1,754	34
Maintenance			
GCT & Corporate Development (4)	174	168	6
Maintenance of Equipment (2) (5)	1,691	1,636	55
Maintenance of Way (2)	1,914	1,827	87
Procurement & Material Mgmt	124	122	2
Total Maintenance	3,903	3,753	150
Engineering/Capital			
Construction Management (2)	42	37	5
Engineering & Design (2)	68	57	11
Total Engineering/Capital	110	94	16
Total Positions	6,400	6,107	293
Non-Reimbursable	5,897	5,801	97
Reimbursable	503	306	196
Total Full-Time	6,399	6,106	293
Total Full-Time-Equivalents (of part-time positions)	1	1	-

(1) Variance reflects 10 new positions included in the 2014 budget for the Safety Security Initiative and 4 existing vacant positions.

(2) Variance reflects existing vacant positions.

(3) Variance reflects 8 new positions included in the 2014 budget for hiring initiative and 1 existing vacant position.

(4) Variance reflects 6 positions within the GCT & Corporate Development department that were transferred from a management center that performs a maintenance function to a management center that performs an administrative function. Additionally, there are 5 existing vacant positions within the administrative arm of the GCT & Corporate Development department.

(5) Headcount actuals adjusted to reflect the budgeted re-organization of the Car Appearance unit from Operations Services to the Maintenance of Equipment department.

(6) Metro-North West unfavorable variance is due to Operation Services providing T&E staff to perform flag work on various projects on MNR's West of Hudson services.

MTA METRO-NORTH RAILROAD
2014 ADOPTED BUDGET VS. ACTUALS
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
February 28, 2014

FUNCTION/OCCUPATION	Budget	Actual	Favorable (Unfavorable) Variance
Administration (1)			
Managers/Supervisors	196	158	39
Professional, Technical, Clerical	402	348	54
Operational Hourlies	-	-	-
Total Administration	599	506	93
Operations (1)			
Managers/Supervisors (2)	149	141	7
Professional, Technical, Clerical	238	230	8
Operational Hourlies (2)	1,402	1,382	20
Total Operations	1,788	1,754	34
Maintenance (1)			
Managers/Supervisors (2)	545	480	65
Professional, Technical, Clerical	500	474	26
Operational Hourlies (2)	2,859	2,799	59
Total Maintenance	3,903	3,753	150
Engineering/Capital			
Managers/Supervisors	49	41	8
Professional, Technical, Clerical	61	53	8
Operational Hourlies	-	-	-
	110	94	16
Public Safety			
Managers/Supervisors	-	-	-
Professional, Technical, Clerical	-	-	-
Operational Hourlies	-	-	-
Total Public Safety	-	-	-
Total Positions			
Managers/Supervisors	939	820	119
Professional, Technical, Clerical	1,201	1,106	96
Operational Hourlies	4,260	4,181	79
Total Positions	6,400	6,107	293

Notes

(1) Reflects allocation of Customer Service, GCT & Corporate Development and Procurement & Material Management functions between Administration, Operations and Maintenance categories.

(2) Headcount actuals adjusted to reflect the budgeted re-organization of the Car Appearance unit from Operations Services to the Maintenance of Equipment department.

**MTA METRO-NORTH RAILROAD
2014 ADOPTED BUDGET VS. ACTUALS**

February 28, 2014

Agency-wide (Non-Reimbursable and Reimbursable)	Budget	Actual	Favorable (Unfavorable) Variance	Explanation of Variances
<i>Functional Classification:</i>				
Operations (1)	1,788	1,754	34	Reflects vacancies in Operation Services (train operations staff), Operations Administration (drug & alcohol technicians, project managers and automotive staff) and Customer Service staffing (assistant directors and ticket sellers).
Maintenance (1)	3,903	3,753	150	Reflects vacancies in Maintenance of Way (trackmen, mechanics, vehicle & machine operators and signal maintainers) and Maintenance of Equipment positions (electricians, carmen, machinists and sheetmetal workers).
Administration (1)	599	506	93	Reflects vacancies in Information Technology (computer support analysts, application developers and network analysts), Safety (fire EMS and safety officers primarily related to the Safety Security Initiative), Procurement (procurement managers and specialists) and Training personnel (training officers and managers).
Engineering / Capital	110	94	16	Reflects vacancies in Engineering & Design (engineers and project directors) and Construction Management (engineers and site construction managers) positions.
Total Agency-wide Headcount	6,400	6,107	293	
Non-Reimbursable	5,897	5,801	97	
Reimbursable	503	306	196	

Notes

(1) Reflects allocation of Customer Service, GCT & Corporate Development and Procurement & Material Management functions between Administration, Operations and Maintenance categories.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
MONTHLY PERFORMANCE INDICATORS *
FEBRUARY 2014

	MONTH			VARIANCE	
	2014	BUDGET	2013	BUDGET	2013
Farebox Operating Ratio					
Standard ⁽¹⁾	53.3%	56.0%	53.4%	-2.7%	-0.1%
Adjusted ⁽²⁾	58.1%	61.7%	59.3%	-3.6%	-1.2%
Cost per Passenger					
Standard ⁽¹⁾	\$15.36	\$14.62	\$14.23	(\$0.74)	(\$1.13)
Adjusted ⁽²⁾	\$15.37	\$14.33	\$13.99	(\$1.04)	(\$1.38)
Passenger Revenue/Passenger ⁽³⁾	\$8.19	\$8.19	\$7.60	\$0.00	\$0.59
	YEAR-TO-DATE			VARIANCE	
	2014	BUDGET	2013	BUDGET	2013
Farebox Operating Ratio					
Standard ⁽¹⁾	53.1%	55.5%	54.9%	-2.4%	-1.8%
Adjusted ⁽²⁾	58.1%	61.2%	60.9%	-3.1%	-2.8%
Cost per Passenger					
Standard ⁽¹⁾	\$15.07	\$14.42	\$13.55	(\$0.65)	(\$1.52)
Adjusted ⁽²⁾	\$14.94	\$14.14	\$13.31	(\$0.80)	(\$1.63)
Passenger Revenue/Passenger ⁽³⁾	\$8.01	\$8.01	\$7.44	\$0.00	\$0.57

(1) Standard Farebox Operating Ratio and Cost Per Passenger indicators reflect MTA-wide adopted calculations that exclude non-cash liability adjustments: Depreciation, Other Post Employment Benefits, Environmental Remediation (GASB-49), and the NHL share of MTA Police and Business Service Center costs.

(2) Adjusted Fare Operating Ratio and Cost Per Passenger indicators have been adjusted for comparability between Metro-North and the LIRR and are being presented only at the railroad operating committees. These adjustments are not being used MTA-wide. Adjustments have been made to reflect all operating revenues and significant financial impacts that are outside management's control. These adjustments include: Inclusion of Other Operating Revenue, Removal of OPEB retiree expenses, and Inclusion of estimated farebox revenue from an equalization of the Connecticut fare structure.

(3) Includes Bar Car Services.

* Includes East and West of Hudson revenues and expenses.



Metro-North Railroad

**Ridership Report
April 2014**

MTA METRO-NORTH RAILROAD

MONTHLY RIDERSHIP REPORT

FEBRUARY 2014

Operations Planning & Analysis Department
April, 2014

FEBRUARY 2014 RIDERSHIP REPORT MTA METRO-NORTH RAILROAD

EXECUTIVE SUMMARY

February

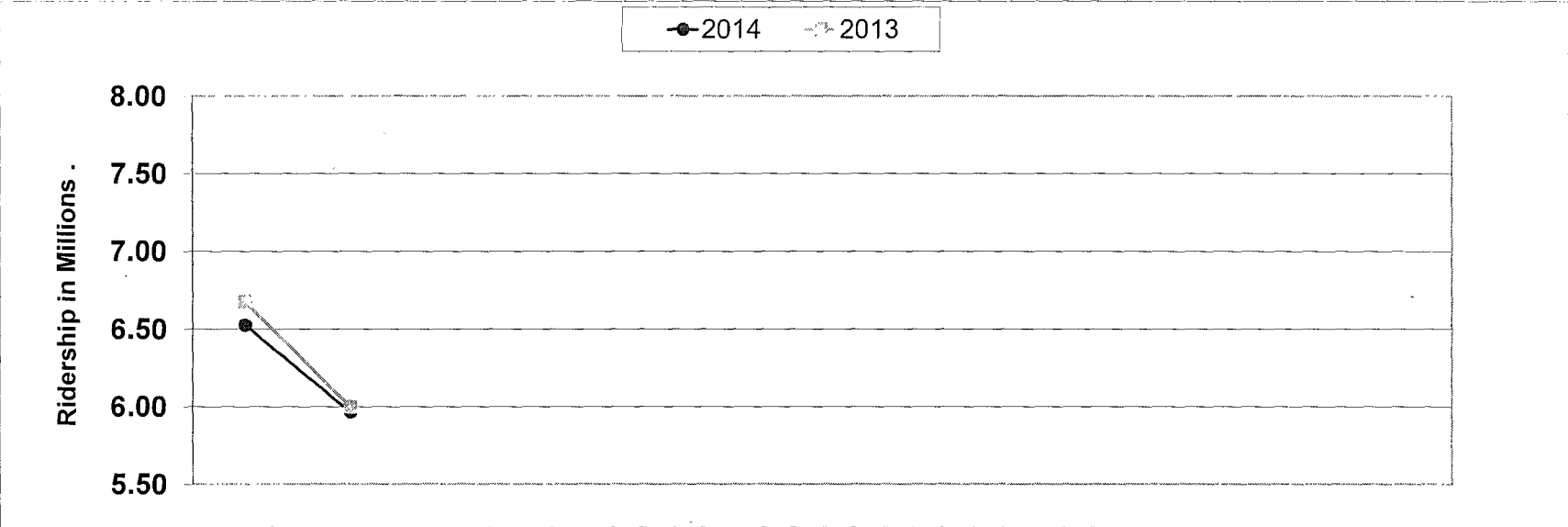
- February 2014 **Total MNR System Ridership** was 6.003 million vs. 6.037 million in February 2013, a decrease of 34,055 passengers (-0.6%).
- February 2014 **Total Rail Ridership** was 5.964 million vs. 5.996 million in February 2013, a decrease of 32,023 passengers (-0.5%).
 - **Rail Commutation Ridership** was (-0.6%) vs. 2013
 - **Rail Non-commutation Ridership** was (-0.4%) vs. 2013
- February 2014 **East of Hudson Ridership** was 5.847 million vs. 5.884 million in February 2013, a decrease of 37,120 passengers (-0.6%).
- February 2014 **West of Hudson Ridership** was 0.117 million vs. 0.112 million in February 2013, an increase of 5,097 passengers (+4.5%)
- February 2014 **Connecting Services Ridership** was 0.039 million vs. 0.041 million in February 2013, a decrease of 2,032 passengers (-5.0%).
- February 2014 **Rail Revenue** was \$48.4 million vs. \$45.1 million in February 2013, an increase of \$3,274,003 (+7.3%).

Year To Date

- 2014 YTD **Total MNR System Ridership** was 1.5% below 2013 and 2.8% below budget.
- 2014 YTD **Total Rail Ridership** was 1.4% below 2013 and 2.7% below budget.
- 2014 YTD **East of Hudson Ridership** was 1.6% below 2013 and 2.9% below budget.
- 2014 YTD **West of Hudson ridership** was 6.8% above 2013 and 6.7% above budget.
- 2014 YTD **Connecting Services Ridership** was 9.9% below 2013 and 12.1% below budget.
- 2014 YTD **Rail Revenue** was 6.2% above 2013 and 2.6% below budget.

FEBRUARY RAIL RIDERSHIP ⁽¹⁾

- February's Total Rail Ridership was 0.5% below 2013 and 1.8% below budget.

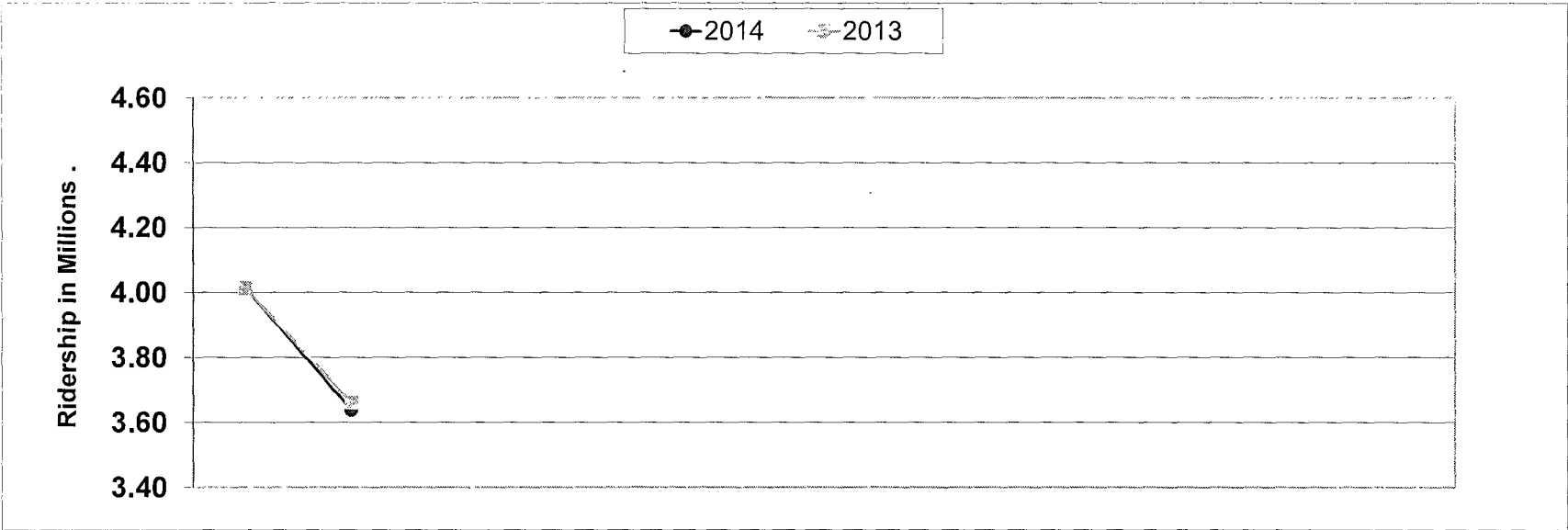


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2014	6.53	5.96											12.49
2013	6.68	6.00											12.67
PCT CHG.	-2.3%	-0.5%											-1.4%

1) Includes East and West of Hudson.

FEBRUARY RAIL COMMUTATION RIDERSHIP ⁽¹⁾

- February's Rail Commutation Ridership was 0.6% below 2013 and 1.0% below budget.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2014	4.01	3.64											7.65
2013	4.01	3.66											7.67
PCT CHG.	0.0%	-0.6%											-0.3%

1) Includes East and West of Hudson.

FEBRUARY RAIL NON-COMMUTATION RIDERSHIP ⁽¹⁾

- February's Rail Non-Commutation Ridership was 0.4% below 2013 and 2.9% below budget.

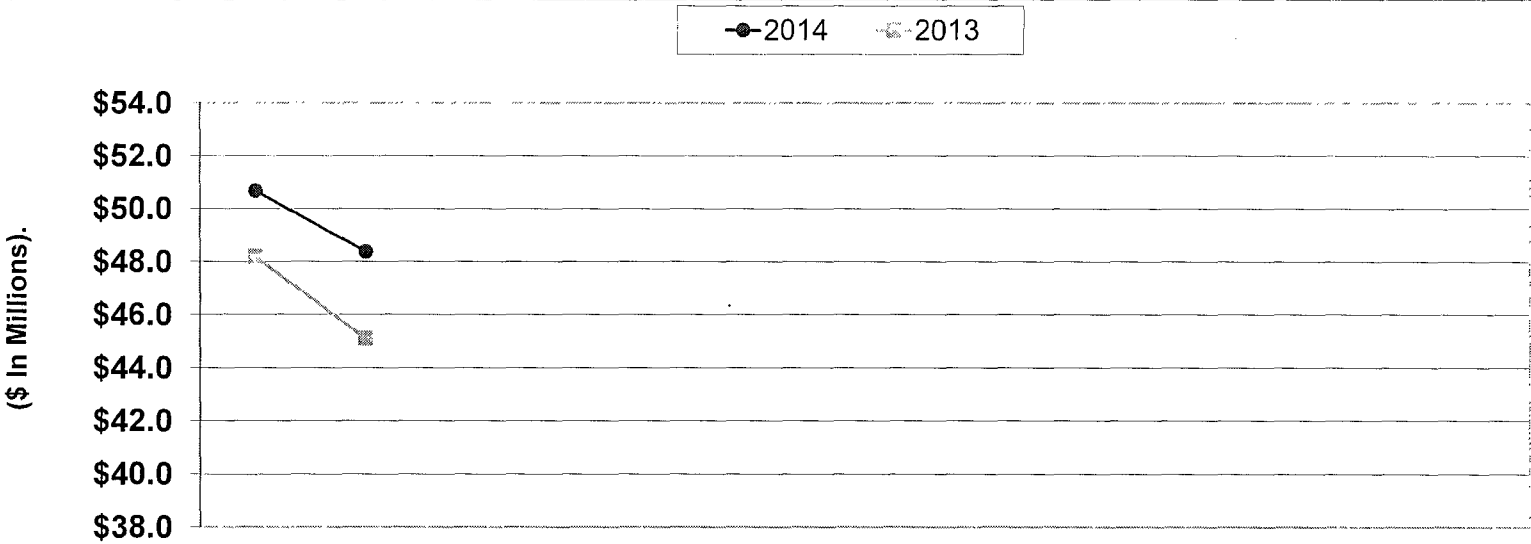


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2014	2.51	2.33											4.84
2013	2.66	2.34											5.00
PCT CHG.	-5.7%	-0.4%											-3.2%

1) Includes East and West of Hudson.

FEBRUARY RAIL REVENUE⁽¹⁾

- February's Total Rail Revenue was 7.3% above 2013 and 1.6% below budget.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2014	\$50.7	\$48.4											\$99.0
2013	\$48.2	\$45.1											\$93.3
PCT CHG.	5.1%	7.3%											6.2%

1) Includes East and West of Hudson.

MTA METRO-NORTH RAILROAD

RIDERSHIP SUMMARY

FEBRUARY 2014

TICKET TYPE/SERVICE	FEBRUARY 2014	FEBRUARY 2013 (1)	CHANGE VS. 2013	
			AMOUNT	PERCENT
RAIL COMMUTATION RIDERSHIP				
East of Hudson	3,566,103	3,592,777	(26,674)	-0.7%
West of Hudson	71,438	67,396	4,042	6.0%
Total Rail Commutation Ridership	3,637,541	3,660,173	(22,632)	-0.6%
RAIL NON-COMMUTATION RIDERSHIP				
East of Hudson	2,280,536	2,290,982	(10,446)	-0.5%
West of Hudson	45,907	44,852	1,055	2.4%
Total Rail Non-Commutation Ridership	2,326,443	2,335,834	(9,391)	-0.4%
TOTAL RAIL RIDERSHIP				
East of Hudson	5,846,639	5,883,759	(37,120)	-0.6%
West of Hudson	117,345	112,248	5,097	4.5%
TOTAL RAIL RIDERSHIP	5,963,984	5,996,007	(32,023)	-0.5%
CONNECTING SERVICES RIDERSHIP (2)	38,640	40,672	(2,032)	-5.0%
TOTAL MNR SYSTEM RIDERSHIP	6,002,624	6,036,679	(34,055)	-0.6%

Notes:

1) 2013 ridership figures have been restated to eliminate calendar impacts on ridership.

2) Includes Hudson Rail Link, Haverstraw-Ossining Ferry and Newburgh-Beacon Ferry.

MTA METRO-NORTH RAILROAD

TICKET TYPE/SERVICE	YTD	YTD ⁽¹⁾		
			AMOUNT	PERCENT
RAIL COMMUTATION RIDERSHIP				
East of Hudson	7,502,627	7,535,816	(33,189)	-0.4%
West of Hudson	148,566	137,021	11,545	8.4%
Total Rail Commutation Ridership	7,651,193	7,672,837	(21,644)	-0.3%
RAIL NON-COMMUTATION RIDERSHIP				
East of Hudson	4,742,220	4,907,515	(165,295)	-3.4%
West of Hudson	96,931	92,787	4,144	4.5%
Total Rail Non-Commutation Ridership	4,839,151	5,000,302	(161,151)	-3.2%
TOTAL RAIL RIDERSHIP				
East of Hudson	12,244,847	12,443,331	(198,484)	-1.6%
West of Hudson	245,497	229,808	15,689	6.8%
TOTAL RAIL RIDERSHIP	12,490,344	12,673,139	(182,795)	-1.4%
CONNECTING SERVICES RIDERSHIP ⁽²⁾	79,145	87,800	(8,655)	-9.9%
TOTAL MNR SYSTEM RIDERSHIP	12,569,489	12,760,939	(191,450)	-1.5%

Notes:

1) 2012 ridership figures have been restated to eliminate calendar impacts on ridership.

2 Includes Hudson Rail Link, Haverstraw-Ossining Ferry and Newburgh-Beacon Ferry.

MTA METRO-NORTH RAILROAD

RIDERSHIP BY LINE

FEBRUARY 2014

LINE	FEBRUARY 2014 ACTUAL	FEBRUARY 2014 BUDGET	VARIANCE VS. BUDGET		FEBRUARY 2013 RESTATE ⁽¹⁾	CHANGE FROM 2013	
			AMOUNT	PERCENT		AMOUNT	PERCENT
EAST OF HUDSON							
Harlem Line	1,958,194	2,010,395	(52,201)	-2.6%	1,979,265	(21,071)	-1.1%
Hudson Line	1,134,115	1,164,219	(30,104)	-2.6%	1,151,020	(16,905)	-1.5%
New Haven Line	2,754,330	2,785,247	(30,917)	-1.1%	2,753,474	856	0.0%
Total East of Hudson	5,846,639	5,959,861	(113,222)	-1.9%	5,883,759	(37,120)	-0.6%
WEST OF HUDSON							
Port Jervis Line	71,485	69,358	2,127	3.1%	69,549	1,936	2.8%
Pascack Valley Line	45,860	43,050	2,810	6.5%	42,699	3,161	7.4%
Total West of Hudson	117,345	112,408	4,937	4.4%	112,248	5,097	4.5%
TOTAL RAIL RIDERSHIP	5,963,984	6,072,269	(108,285)	-1.8%	5,996,007	(32,023)	-0.5%
CONNECTING SERVICES PROVIDED BY METRO-NORTH CONTRACTORS							
Hudson Rail Link	29,983	28,842	1,141	4.0%	27,921	2,062	7.4%
Haverstraw-Ossining Ferry	6,148	8,966	(2,818)	-31.4%	8,825	(2,677)	-30.3%
Newburgh-Beacon Ferry	2,509	3,926	(1,417)	-36.1%	3,926	(1,417)	-36.1%
Total Connecting Services	38,640	41,734	(3,094)	-7.4%	40,672	(2,032)	-5.0%
TOTAL MNR SYSTEM	6,002,624	6,114,003	(111,379)	-1.8%	6,036,679	(34,055)	-0.6%

Notes

1) 2013 ridership figures have been restated to eliminate calendar impacts on ridership

RIDERSHIP BY LINE

TICKET TYPE/SERVICE							
			AMOUNT	PERCENT		AMOUNT	PERCENT
EAST OF HUDSON							
Harlem Line	4,094,433	4,228,061	(133,628)	-3.2%	4,162,231	(67,798)	-1.6%
Hudson Line	2,364,116	2,429,244	(65,128)	-2.7%	2,401,890	(37,774)	-1.6%
New Haven Line	5,786,298	5,948,179	(161,881)	-2.7%	5,879,210	(92,912)	-1.6%
Total East of Hudson	12,244,847	12,605,484	(360,637)	-2.9%	12,443,331	(198,484)	-1.6%
WEST OF HUDSON							
Port Jervis Line	149,129	142,739	6,390	4.5%	143,119	6,010	4.2%
Pascack Valley Line	96,368	87,438	8,930	10.2%	86,689	9,679	11.2%
Total West of Hudson	245,497	230,177	15,320	6.7%	229,808	15,689	6.8%
TOTAL RAIL RIDERSHIP	12,490,344	12,835,661	(345,317)	-2.7%	12,673,139	(182,795)	-1.4%
CONNECTING SERVICES PROVIDED BY METRO-NORTH CONTRACTORS							
Hudson Rail Link	61,362	60,742	620	1.0%	58,802	2,560	4.4%
Haverstraw-Ossining Ferry	13,173	19,575	(6,402)	-32.7%	19,267	(6,094)	-31.6%
Newburgh-Beacon Ferry	4,610	9,731	(5,121)	-52.6%	9,731	(5,121)	-52.6%
Total Connecting Services	79,145	90,048	(10,903)	-12.1%	87,800	(8,655)	-9.9%
TOTAL MNR SYSTEM	12,569,489	12,925,709	(356,220)	-2.8%	12,760,939	(191,450)	-1.5%

Notes

1) 2013 ridership figures have been restated to eliminate calendar impacts on ridership.



Metro-North Railroad

Capital Program Report

April 2014

**CAPITAL PROGRAM
HIGHLIGHTS
April 28, 2014**

STATIONS/PARKING/FACILITIES

North White Plains Station Access and Parking Garage

Design is nearing completion. Pile driving for the south half of the new garage is complete. Formwork and concrete placement for pile caps for the foundation are progressing.

Poughkeepsie Station Improvements

Designer continues with site investigation and data collection.

New Haven Line Station Improvements

Mount Vernon East, Pelham, New Rochelle, Larchmont, Mamaroneck, and Harrison Stations: Non-track outage related work activities continue for the Pelham station canopy extension and New Rochelle station node house installation, as well as non-track outage related work activities at Mamaroneck and Harrison Stations for platform ramps and stairs replacement and electrical upgrades.

Two Small Business Mentoring Projects are underway:

- *Pelham-New Rochelle Platform & Guardrail Replacement & Pelham New Bicycle Parking Area:*
 - Platform guardrail in fabrication and on-site mobilization in progress
- *Larchmont Platform, Ramp Stairs and Guardrail Replacement:*
 - Platform guardrail installation in progress

Fordham Station Improvements

Contractor has commenced with site survey, demolition of the canopy at the north end of the outbound platform, mobilization of field offices, and coordination of lay down areas. The submittal process is underway.

Harlem Line Station Renewal for Select Components

Review comments on the 30% design are being incorporated in the design for Phase I Stations (Botanical Gardens, Williams Bridge, and Woodlawn). Conceptual Design Report is under review for Phase II stations (Wakefield, Mount Vernon West, Fleetwood, Bronxville, and Tuckahoe).

POWER

Substation Replacement Bridge-23

Fabrication of the long lead equipment for Phase II, East GIS & Transformer is complete and has been delivered. Preparation for the Phase II GIS/Transformer cutover and Con Edison outage is tentatively scheduled for April 2014. MNR is moving forward with the East/West Cos Cob and Rye Harrison tie that will establish an acceptable third contingency feed. Commissioning for Pelham balancing substation anticipated to commence third quarter of 2014. Construction review of activities at Pelham, New Rochelle and S-14 continues on vendor submittals, equipment procurement and design modifications.

Harlem River Lift Bridge-Cable Replacement/Control System

Project coordination meetings and submittal process continues. Procurement of long lead items is on-going. Bridge outage has been coordinated with the United States Coast Guard and is scheduled for August 2014. Coordination on the AC Facility Houses design for SANDY Hardening is ongoing; 100% design drawings are complete and under review.

TRACK AND STRUCTURES

2013 Cyclical Track Program

Work has resumed with ties and rail being laid out along New Haven Line in preparation of the track work to commence June, 2014.

Rehabilitation - Woodbury Viaduct

Work will commence in the spring of 2014 with bearing replacement of the east abutment and concrete pier repairs.

Rehabilitate Catenary Structures

Approximately 2/3 of the tower bases were completed as of November 15, 2013. Work to resume in early April 2014 to complete the remaining tower bases.

Undergrade Bridges – East of Hudson

NH 20.39 – Work is 95% complete.

Painting of select undergrade bridges – one bridge remaining and is scheduled to be painted in the spring of 2014.

Design of 5 Undergrade Bridges – MNR is reviewing the following design submissions: 60% for HA 14.57, 90% for NH 25.74, and 100% for HU 3.41; the 60% design for the replacement of HA 61.06 and HA 61.36 is progressing.

Undergrade Bridges – West of Hudson

Design of repairs to seven (7) undergrade bridges on the Port Jervis Line: Six are complete with the design of JS 51.00 progressing to the 100% design.

Overhead Bridges – East of Hudson

Replacement of Bridge Street Bridge in Poughkeepsie – All substructure work is complete. Project shut-down for the winter months and will resume in the spring.

SHOPS AND YARDS

Harmon Shop Improvements

- *Phase V, Preliminary Design (Consist Shop)* – The Preliminary Design documents have been completed.
- *Phase V, Stage I Pre-demo work* – Utility connections and exterior work on coach cleaners' trailers are complete. Finishing work to the interior of the coach cleaners and training trailers continues.
- *Phase V, Stage I Design-Build* – The selection process continues.

Employee Welfare & Storage Facilities

Contractor is preparing to mobilize and submittal process is underway continues for the North White Plains Maintenance of Way & Maintenance of Equipment Facility Roof replacement.

GRAND CENTRAL TERMINAL

Grand Central Terminal Train Shed and Park Avenue Tunnel

Anticipate advertisement for construction of the Train Shed Repairs project the 2nd quarter of 2014.

GCT Elevator Rehabilitation Phase 4

The 100% submittal for A-car has been received and is under review by MNR. The 100% submittal for T-35 elevator is anticipated to be received in April, 2014.

GCT Utilities

- *Domestic Water System* - Shop drawing submittal process continues.
- *Fire Suppression Design* - 90% design drawings have been received and are under review.

GCT Leaks Remediation

Mobilization at site is anticipated to commence in April 2014 pending receipt of construction permits. Submittal process is underway with contractor's baseline schedule under review by MNR.

ROLLING STOCK

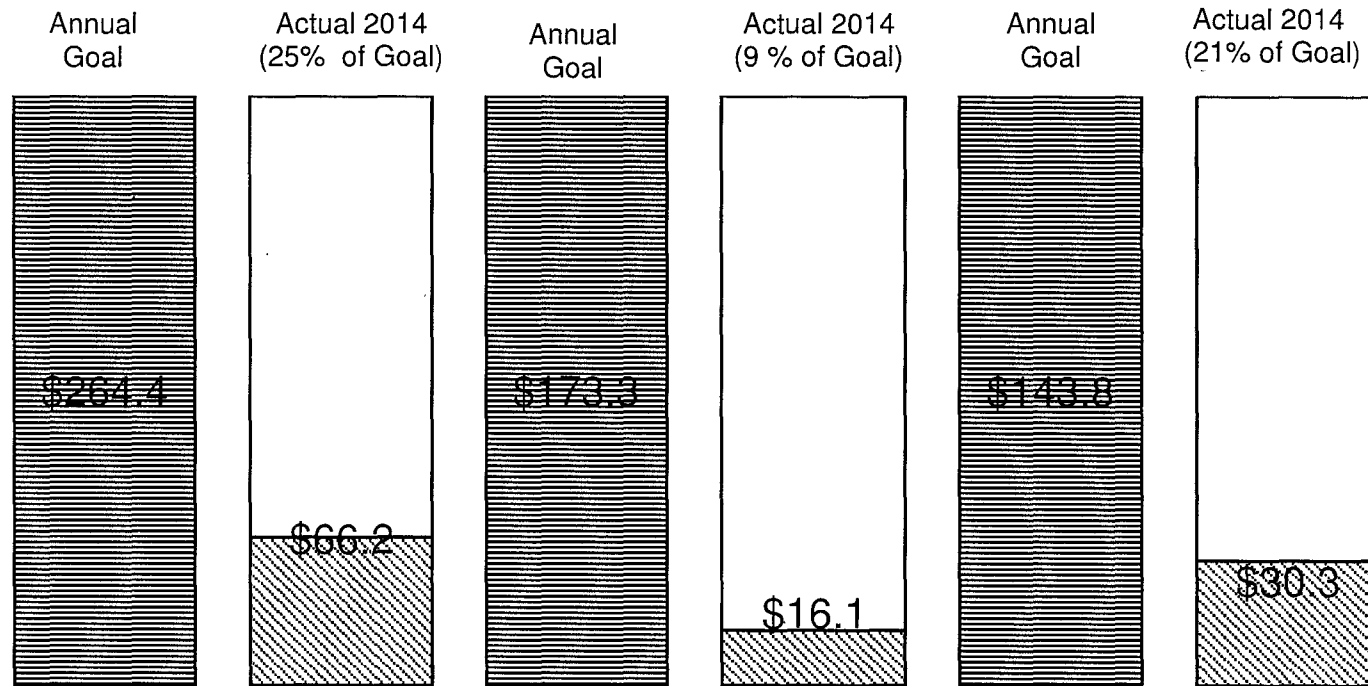
M-8 Car Program

As of March 31, 2014, 324 cars have been conditionally accepted and placed into revenue service.

2014 MNR Capital Program Goals

As of March 31, 2014

In Millions



Commitments

Completions

Closeouts

■ 2014 Goals

■ Actual as of March 31, 2014

□ Forecast : March 31, 2014