



Metropolitan Transportation Authority

Meeting of Metro-North and Long Island Committees

April 2018

Members

M. Pally, LIRR Chair

S. Metzger, MNR Chair

N. Brown

R. Glucksman

I. Greenberg

C. Moerdler

J. Molloy

S. Rechler

A. Saul

V. Tessitore

V. Vanterpool

J. Vitiello

C. Wortendyke

N. Zuckerman

Joint Metro-North and Long Island Committees Meeting

Monday, 4/23/2018

8:30 - 10:00 AM ET

2 Broadway

20th Floor Board Room

New York, NY

1. Public Comments Period

2. Approval of Minutes - March 19, 2018

LIRR Minutes

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MNR Minutes

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3. 2018 Work Plans

LIRR 2018 Work Plan

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MNR 2018 Work Plan

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4. AGENCY PRESIDENTS'/CHIEF'S REPORTS

LIRR Report (no material)

MNR Report

- **MNR Safety Report**

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MTA Capital Construction Report

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MTA Police Report

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5. AGENCY INFORMATION ITEMS

Joint Information Items

- **MTA Homeless Outreach**

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- **LIRR/MNR PTC Project Update**

Joint LIRR MNR Committee Monthly PTC Project Update_20180419 Final - Page 62

LIRR Information Items

- **Final Review of 2017 Operating Budget Results**

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- **2017 Annual Ridership Report**

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- **Annual Inventory Report**
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- **May Timetable Change & Spring Trackwork Programs**
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MNR Information Items

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- **Final Review of 2017 Operating Budget Results**
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- **2017 Annual Ridership Report**
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- **Annual Inventory Report**
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- **Track Program Quarterly Update**
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- **Harrison Transit-Oriented Development**
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- **Property Acquisition-Croton Falls Station**
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- **Lease Agreement for Tarrytown Station Building**
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6. PROCUREMENTS

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- **LIRR Competitive**
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- **LIRR Ratifications (No Items)**

MNR Procurements

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- **MNR Non-Competitive (No Items)**
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- **MNR Ratifications (No Items)**

MTA CC Procurements

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- **MTACC Non-Competitive (No Items)**
- **MTACC Competitive**
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- **MTACC Ratifications (No Items)**

7. AGENCY REPORTS ON OPERATIONS, FINANCE, RIDERSHIP AND CAPITAL PROGRAM

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- **LIRR Ridership Report**
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- **LIRR Capital Program Report**
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MNR - Performance Summaries

- **MNR Operations Report**
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- **MNR Finance Report**
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Next Meeting: Monday, May 21, 2018

MNR at 8:30 am

LIRR at 9:30 am

**Minutes of the Regular Meeting
Long Island Rail Road Committee
Monday, March 19, 2018**

**Meeting held at
2 Broadway – 20th Floor
New York, New York 10004
8:30 a.m.**

The following members were present:

Hon. Mitchell H. Pally, Chair, Long Island Rail Road Committee
Hon. Norman Brown
Hon. Randy Glucksman
Hon. Ira R. Greenberg
Hon. Susan G. Metzger
Hon. Charles G. Moerdler
Hon. John J. Molloy
Hon. Scott Rechler
Hon. Vincent Tessitore, Jr.
Hon. Veronica Vanterpool
Hon. Carl V. Wortendyke

The following members were not present:

Hon. James E. Vitiello
Hon. Neal Zuckerman

Representing Long Island Rail Road: Patrick A. Nowakowski, Dave Kubicek, Loretta Ebbighausen, Elisa Picca, Mark Young, Richard Mack, and Mark D. Hoffer

Representing MTA Capital Construction Company: Janno Lieber, William Goodrich, Evan Eisland, David Cannon and Peter Kohner

Representing MTA Police: Chief Owen Monaghan

Long Island Rail Road Committee Chair Mitchell H. Pally called the Meeting of the Long Island Rail Road Committee (“LIC”) to order.

PUBLIC COMMENTS

Mark D. Hoffer, Long Island Rail Road Vice President - General Counsel & Secretary introduced the two public speakers, requesting them to limit their comments to two minutes, and to address matters on the agenda for the meeting.

Murray Bodin stated that grade crossings should have traffic lights instead of red flashing lights.

John Michno stated that he was pleased to see the construction projects along the Main Line but the performance by LIRR senior management has been abysmal in his opinion. He discussed the weekly Main Line service disruptions and stated that the Babylon Branch receives the best service and rarely has catastrophic shutdowns. He asked why LIRR does not provide buses to its customers when there is a service disruption. He stated that with the planned Main Line track work, LIRR is providing school buses for its riders, which are not meant to transport adults. Mr. Michno stated that during the work planned for the next three weekends, the Babylon Branch will keep most of its service. He stated his opinion that LIRR favors the Babylon Branch which serves a white-collar, upper income community and in his opinion LIRR is violating Title VI. Mr. Michno stated that he lives in Mineola, which is one of the busiest stations, and its service has been cut in half. He requested that LIRR do right by its riders and replace President Nowakowski with someone who will look out for the LIRR and not just the Babylon Branch. He provided pictures to the Board showing what he alleged are poor conditions on the Main Line.

Additional details of the comments made by the public speakers are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records.

APPROVAL OF MINUTES AND 2018 WORK PLAN CHANGES

Upon motion duly made and seconded, the Committee approved the minutes of the February 20, 2018 Long Island Rail Road Committee Meeting. There were no reported changes to the 2018 Work Plan.

MTA LONG ISLAND RAIL ROAD PRESIDENT'S REPORT

President Nowakowski reported on LIRR's Performance Improvement Plan ("PIP" or "Plan") goals and provided the Board with a list of the Plan's activities. LIRR is still researching timelines and finances, weather impacts, quicker service recovery, and communications to customers on board trains, at stations, at home and at work. LIRR will be reaching out to its customers by hosting six "LIRR Listens" events, which will be held over the next six weeks at Penn Station, Atlantic Terminal and Jamaica. The cost of the PIP will be \$15 million to \$20 million per year; three-quarters of which will be dedicated for additional labor and one-quarter will be dedicated to contracts and goods and services system-wide.

Board Member Charles G. Moerdler commented that at the Metro-North Committee meeting, one of the answers advanced to the question as to why there are so many standees is because you cannot add to the consist of the trains so they have enough cars. He asked if LIRR has the same problem.

President Nowakowski responded yes, particularly for the Huntington Branch because of LIRR's limited storage capacity. LIRR would like to have 12-car trains stored at Huntington but the track is not long enough. LIRR recently met with the Town of Huntington Supervisor to

resume discussions about alternatives. Due to an increase in ridership, capacity is an issue on the LIRR system as well as limited infrastructure capacity.

Board Member Moerdler commented that LIRR has a fair number of additional standees all the time due to a lack of train cars and in some areas, such as Huntington, the municipality is not willing to step up to the plate so far.

President Nowakowski responded yes, regarding the number of additional standees on trains. He also responded that the Town of Huntington is willing to assist LIRR. The project involves property acquisition; LIRR has provided the Town with some alternatives, which are being analyzed by the Town regarding any impacts on community development.

Board Member Moerdler commented that the MTA is a very easy target for the media and the public to blame for these occurrences. It seems that the problem goes far beyond LIRR and MTA, it involves the cooperation of the municipalities and counties and until they are prepared to cooperate, LIRR is at a standstill.

President Nowakowski responded that the municipalities are participating in examining these problems and LIRR has not encountered any area where it does not have a good relationship with the local community.

Board Member Moerdler commented that he and LIRR have had these discussions for the past couple of years but the public and the Governor have expressed their concerns on how to deal with this issue, which he thinks is a priority. He asked if it is correct that there is a large area of Long Island where there is no direct communication system between trains. President Nowakowski responded that LIRR communicates with trains via radio, but does not have the ability to see a snapshot of the whole system and where trains are, otherwise known as Centralized Train Control (“CTC”).

Board Member Moerdler asked if the remedy to that problem is in the Plan. President Nowakowski responded that LIRR has funding in the 2015-2019 Program to develop a new facility to transition from LIRR’s tower system to a central theater utilizing CTC. That funding is both to finish the theater that LIRR is constructing and to develop a transition plan. LIRR needs to close towers and replace equipment in a coordinated way system-wide. LIRR brought a consultant on board last year who is developing the transition plan for LIRR which will be a major element for the LIRR in the 2020-2024 Capital Program.

Board Member Scott Rechler commented that he was disappointed with the PIP and expected to see a much more developed, clearer Plan. LIRR’s performance is at an historic low point and LIRR needs a well thought out, easy to understand Plan for our customers, otherwise they are not going to think LIRR is doing anything. There may be a lot of good ideas in the Plan, but we need ensure that it clearly highlights what we are going to doing in the three categories President Nowakowski mentioned, hardening, response time, and communication. The Plan should also have a clear timeline, convey a sense of urgency and be in a format that can be easily communicated.

President Nowakowski responded that the Plan specifically breaks down the activities for each of the three categories. There is always a certain amount of overlap. LIRR will report to the Board monthly on the progress of each activity and will establish timelines and schedules for each and every item that is on that list. He stated that measurement of the completion of activities is not enough. LIRR needs to make sure that the activities that we have identified are moving the bar on terms of our customers' perception of how well we are meeting their expectations. We need to measure whether or not we are moving the customer perception of improvement of service. That is why we are doing the outreach events that we described.

Board Member Rechler stated that Mr. Nowakowski responded to his concerns exactly. None of the activities listed are "silver bullets" that will change the customer experience overnight; it takes time just as we have seen from the Subway Action Plan. Nonetheless, LIRR needs to put together a report card that easily communicates to customers the actions taken similar to the Subway Action Plan. For example, we are going to hire X number of people; we are going to focus on the top 10 areas that need hardening and that have been our greatest challenges along the way; and we are starting to implement five communications programs over the next month. While we are not going to see a performance change overnight, we are taking steps that customers can recognize are being taken. This type of plan is a good management tool, both internally and externally.

President Nowakowski responded that he agrees wholeheartedly with Board Member Rechler's comments. In developing the Plan, LIRR studied the Subway Action Plan. The next piece of it will be not only reporting on the completion of specific activities but also showing where we are moving the different metrics and their impact on our customers. Ridership goes down when we have these service issues, so in addition to regular customer satisfaction surveys, we intend to conduct a series of polling activities on a monthly basis to see if we are moving the needle with our customers and to get feedback.

Board Member Rechler stated that what President Nowakowski is saying is 100% correct. You need to do those metrics. The first point right now is you have to lay out a Plan that the public understands. No one is walking away with the perception that LIRR is going to solve its problems after handing out these spreadsheets. Perception becomes reality. We have seen this with the Subway Action Plan. People identified in major ways the things we have been doing. It buys us time as we are rolling this out. Board Member Rechler asked that the Plan be revised to convey the sense of urgency that the public expects to see from us in ways they can understand, measuring customer service, On-Time Performance ("OTP"), ridership, etc. The public needs to know in a way they understand that we recognize the challenges ahead of us and we are doing everything we can.

President Nowakowski responded that he agreed with Board Member Rechler's comments.

Board Member Ira R. Greenberg commented that the Plan is very good, it is a meat and potatoes list of things that are going to be done that will result in an increase in OTP. It would be good to tell the passengers that. If you are going to put something in Train Talk, you could say that these are the kinds of things LIRR is doing to address the problems you hear about every

day. Regarding signal problems, Board Member Greenberg asked why it won't be until July that LIRR is going to add 24/7 coverage at key locations for Signal Gangs.

President Nowakowski responded that we are in the process hiring additional signal people needed to provide this coverage.

Board Member Greenberg commented that this level of signals coverage is key. When people hear there is a problem in the East River Tunnel, they understand that is Amtrak. When someone gets hit by a train or there is a blocked crossing, people know that is not the railroad's fault. But these other things are completely our fault and it is on our dime. The way we operate when a train fails, our customers want to hear that. The last Train Talk I received resulted in a comment from one of my fellow LIRR Commuter Council Members that OTP in February was 92.3%. That is below goal but it did not say that in Train Talk. So it made it sound as if 92.3% is a good number. When you were in school, 90% was good, but not for our railroad; 90% is bad. Maybe we should not be putting things in Train Talk things that make it sound as if we are blowing our own horn when people know that service is bad. That is a public perception issue that LIRR has to address. Regarding the spreadsheet, it is a good foundation. He thinks translating this and communicating with the passengers through something like Train Talk or through the things President Nowakowski mentioned and summarizing them is the way to go. Board Member Greenberg asked how big a problem lightning strikes are. He didn't realize we had that many lightning strikes, and that we want to harden our system against lightning strikes.

President Nowakowski responded that different summers bring different levels of electrical storms. Five years ago, we had major storms; we prioritized and did all the major locations but we did not hit all the locations. We want to make sure we get out there and get all the locations done and ensure that they are better equipped to deal with lightning when it occurs.

Board Member Greenberg commented that since we are heavily relying on the M-9 order, it would be good if there was a monthly summary update showing that the order is on schedule and that we are going to have all the M-9s in place by December. This is a critical element both for car availability and implementing Positive Train Control ("PTC").

President Nowakowski responded that we are dependent on getting the M-9s and a review of M-9 status is in the Work Plan several times a year

Board Member Greenberg commented it would be good for this Committee to see a monthly report so that the Committee will know either than nothing bad happened or if the order falls behind schedule.

President Nowakowski responded a review of M-9 status is in the Work Plan several times a year.

Board Member Greenberg stated that a monthly update would be better, assuring the Committee that nothing bad happened.

Chair Pally commented that the first delivery of the M-9s is projected to be in June.

Senior Vice President-Operations Dave Kubicek responded that we are on schedule for June of this year. Our test equipment will be here on the railroad the first part of April. We are presently testing M-9 cars in Colorado.

Board Member Moerdler commented that he was following up on Board Member Greenberg's question. He asked if it is correct that there are approximately 162 M-3s now in service and that these cars will be phased out at the end of the year.

President Nowakowski responded in the affirmative.

Board Member Moerdler commented that there appears to be a built-in short fall because LIRR only plans on replacing 60 of the M-3s.

Senior Vice President Kubicek responded that the base order is 92 and we are in the process of exercising an option for an additional 110 cars. The reliability of the M-3 is deteriorating and that is why we expect to have only 60 to 70 units in revenue service by year-end, because right now we are solely dependent on the M-7s and we have shrunken their spare ratio. The M-7 is the workhouse that is getting the railroad through at this time.

Chair Pally asked if the plan is to replace the current M-3s with the new M-9s and the replacement does not happen until the M-9 actually shows up.

Senior Vice President Kubicek responded in the affirmative.

Chair Pally commented that he thinks that is the issue and that on an ongoing basis, as more M-9s come into play, the M-3s will be replaced.

Board Member Moerdler commented that he understands that the M-3s will not be equipped with PTC or the like. If you are going to keep them beyond the anticipated date of the arrival of the M-9s, and have a one-for-one exchange, you have to keep the M-3's up to date.

President Nowakowski responded that we probably run about 70 M-3s out of total of 160 on any given day. We expect by the end of the year to have close to 90 M-9s delivered so we will be able to replace all the M-3's that we run on a daily basis. As Dave said, we have an option we are exercising to acquire more M-9 cars as well.

Board Member Moerdler commented that if it is not cost-prohibitive, take a small number of the M-3s that are in good shape and get them up to date so that so they can be there after the December PTC deadline. Otherwise, you cannot validly make the argument that you have enough equipment to provide service.

President Nowakowski responded that LIRR can look at that strategy. PTC has been installed on certain Metro-North M-3's, so the design is out there. At this point in time LIRR does not believe we need to go down that road because we believe we are going to have enough of the M-9s delivered.

Chair Pally commented that he agreed with Board Members Greenberg and Rechler that to some degree this is an excellent start, an excellent opportunity to see everything that is going on. This is obviously what the Board needs because we have to see all the specific details, and we have to approve the necessary resources. We need to determine how we present the Plan to the riding public in a different fashion because they are not going to look at each individual item. The public wants to know when they are going to see their service improved. Chair Pally commented that he hopes that the Plan will continue to be implemented quickly so that we can see improvements. He agreed with President Nowakowski that the issue is not tracking how many activities are completed but making clear what is being done to improve OTP or service reliability or the other things that customers want to see. It's a first step into a second step that we need to continue to follow closely.

President Nowakowski responded that he understands what has been said and that we need to communicate effectively up front.

LIRR SAFETY REPORT

Vice President - Corporate Safety Loretta Ebbighausen stated that LIRR's Safety Performance Report appears on Page 141 of the Committee Book, reporting through the end of January 2018.

Vice President Ebbighausen reported a decline in customer injuries and an increase in employee injuries. On April 3, 2018, LIRR will be hosting its employee Safety Focus day. The topic for discussion is preparing employees for working in a physically demanding environment.

Reporting on LIRR's Community Outreach Program, undertaken in collaboration with the MTA Police Department ("MTAPD"), Vice President Ebbighausen stated that LIRR's T.R.A.C.K.S. classroom presentations reached over 8,000 participants through the end of January 2018.

MTA CAPITAL CONSTRUCTION

MTA Capital Construction Chief ("MTACC") Development Officer Janno Lieber reported that the East Side Access Project (ESA) had received four favorable bids, including three below the engineer's estimate, for the Harold Track Work Part 3 Contract, CH057D. Award of that Contract does not require Board approval.

Chief Development Officer Lieber also reported that LIRR's signaling experts have determined that additional weekends are needed to perform the full regimen of Federal Railroad Administration ("FRA") testing for the CIL cutover, beyond the initially planned six weekends. Mr. Lieber explained that the CIL cutover is the process of switching over from the old relay signal system to the new and updated microprocessor system. One benefit of this switchover is that trains will be able to move into any East River tunnel, which is a very significant level of flexibility that has never existed before. When this cutover is complete it will benefit every LIRR train that comes through Harold Interlocking. This is an example of an ESA improvement

coming online right away, benefiting ridership and service before the entirety of the ESA program is completed. ESA is attempting to offset the additional time required for the CIL cutover through the regional scheduling process with LIRR and Amtrak. This is, in the meantime, creating some scheduling risk.

Chief Development Officer Lieber stated that he will be providing an even more extensive ESA update to the CPOC Committee in April.

Board Member Norman Brown requested a response to a question he posed at a previous meeting with regard to the number of parking spots being created in connection with the Main Line Third Track project. Chief Development Officer Lieber stated that he will provide that information.

Chair Pally asked for a brief update on the Main Line Third Track Project. Chief Development Officer Lieber reported that all required activities were taking place, including setting up offices, planning the work, preparing for utility relocations, establishing the schedule, agreeing on the submittal and review process, and making sure that everyone understands all of the processes. The project is currently on schedule. There is continued dialogue with a number of the municipalities about transit-oriented development plans and maximizing opportunities for value capture. Heavy construction is slated to begin in the third or fourth quarter of this year.

MTA POLICE DEPARTMENT

MTAPD Chief Owen Monaghan reported that system-wide for the month of February, there were 18 total major felonies compared to 26 in 2017; a decrease of 31%. In 2018, system-wide, there were 49 total major felonies compared to 43 in 2017, an increase of 12%. During February, LIRR experienced its lowest record level of major felonies: four crimes, consisting of two felonies, one in Penn Station and one in Wyandanch; and two grand larcenies, one in Mineola and one in Babylon. LIRR had 16 total major felonies compared to 21 in 2017; a decrease of 24%. There were no hate crimes reported during the month of February.

Chair Pally commented that LIRR hopes this trend continues.

LONG ISLAND RAIL ROAD ACTION ITEM

- Extension of Refund Period for Railroad Tickets

Upon motion duly made and seconded, the above action item was approved for recommendation to the Board. The details of the above item are contained in the staff summary 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 regarding the action item.

LONG ISLAND RAIL ROAD INFORMATION ITEMS

- Annual Strategic Investments & Planning Study
- Annual Elevator/Escalator Report
- Spring Track Work Programs
- Customer Satisfaction Survey
- PTC Status Report

Executive Vice President Elisa Picca presented LIRR's Annual Strategic Investments & Planning Study, which can be found on Page 39 of the Committee Book. Regarding LIRR's initiatives, Executive Vice President Picca discussed LIRR's Main Line Expansion Project and Transit Oriented Development projects at Wyandanch, Hicksville, Ronkonkoma and Mineola; LIRR's Capital Program Project Highlights such as Rolling Stock, Track, Shops & Yards; and LIRR's Network Strategy Study including Second Track, Third Track and ESA.

Board Member Veronica Vanterpool commented that the Track section under the Capital Program Project Highlights lists the East River Tunnel rehabilitation project and states and that no that no work was done at all in 2017. She asked how this has impacted the timeline for this project.

Executive Vice President Picca responded that the work was superseded by more critical work that had to be done for the Amtrak State of Good Repair project. LIRR will take a look at the timeline. This happens periodically and LIRR has to reforecast the timeline. It does not mean that LIRR is not committed to do the project just that the limited resources available had to be rededicated elsewhere.

Board Member Vanterpool asked if it was because those weekend outages were clustered that they ended up overlapping with some of the work, or were they stretched out over the year.

Executive Vice President Picca responded that it was a matter of resources and earlier in the year, LIRR had failures that needed attention at that time. She stated that the East River Tunnel rehabilitation project is important work and it will get back on track.

MTACC Chief Development Officer Lieber stated that MTA needs the flexibility and capacity that ESA will provide in order to take East River Tunnels out of service and this is deeply affected by Amtrak's resource problems and its inability to support service outages. Last week, MTA Chairman Joe Lhota convened a meeting with the Chairman and CEO of Amtrak to discuss Amtrak's resource problems and other issues. This is a serious problem and it has impeded ESA for many years, and the impact that this problem has and continues to have affects our ability to get work done in all of these projects. East River Tunnels is just one of many projects that compete for Amtrak resources and to some extent LIRR resources. Amtrak is still in the process of designing the East River Tunnel renovation. LIRR will get back to the Committee about the specifics of the question Board Member Vanterpool asked.

Board Member Greenberg asked, with regard to Safety, whether the New York and Atlantic Railroad (“NYAR”) has an engineer training program that parallels ours, so that we are sure that their crews are trained like LIRR crews.

Vice President Ebbighausen responded that LIRR has enhanced accountability and improved the transparency of its relationship with NYAR. NYAR conducts its own training for their train and engine service crews and LIRR does the testing for these persons after NYAR’s training. LIRR will not allow NYAR to operate on LIRR’s territory until LIRR has the confidence that NYAR will operate at a level that is safe and will abide by LIRR’s rules. LIRR has regular meetings with NYAR to review operations and service changes; the level of cooperation and collaboration with NYAR has significantly increased during the past year. NYAR will also engage in a sleep apnea screening and a confidential close call reporting program, both of which are initiatives supported by LIRR.

Board Member Greenberg commented that Elmhurst is not on the list of new stations in this Capital Program and asked if LIRR still going ahead with that project.

Executive Vice President Picca responded that LIRR has planning funds identified for that project, but it is not an active project at the moment and work has not yet commenced.

Board Member Greenberg asked when will LIRR start the planning and design of the Elmhurst station project.

Executive Vice President Picca responded that this would be later in the Capital Program.

Board Member Greenberg commented that New York City Transit (“NYCT”) will be requiring ADA accessibility for all its station renovation procurements and LIRR should do this as well.

Executive Vice President Picca responded that LIRR can do that and that the stations that are under renovation will be accessible.

Board Member Greenberg asked whether, as a result of the locomotive replacement program, NYAR will no longer be running the locomotives they are currently running.

President Nowakowski responded the procurement that is going forward is the base contract for replacing the diesel work locomotives currently used by LIRR.

Senior Vice President Kubicek responded that LIRR is looking to shrink the overall size of the work/freight locomotive fleet operating on its system, and that the goal is to procure a common engine type so that the locomotives that LIRR is purchasing will be the same model utilized by NYAR for freight service.

President Nowakowski responded that there is an ongoing separate replacement program for NYAR, and LIRR has been getting funding for one locomotive a year.

Board Member Greenberg commented regarding the procurement of ESA special locomotives, noting that NYCT uses diesel locomotives and asking if LIRR could piggyback on an order they have or will have.

Senior Vice President Kubicek responded that LIRR is finalizing its specifications and it is going to be a Tier IV locomotive. LIRR is working very closely with ESA engineering and has been speaking with a lot of people across the board about ensuring our ability to recover equipment of this size and magnitude, and in this operating environment.

Board Member Greenberg commented that ordering a locomotive that is specially made often winds up being a problem.

Senior Vice President Kubicek responded, stating LIRR is aware of the problem and because LIRR is dealing with a lower profile, and in an MU environment, it is a big concern on our part. The locomotives will be specialized and this is dictated by the physics of this operating environment.

Board Member Moerdler commented last year the Board approved a Design-build contract for a new fare payments system to Cubic and we awarded it based on the numbers that were provided. On Page 50 of the Committee book is the following statement: "LIRR and MNR are contributing existing Capital funds to the design phase of the project." He asked what happened since the Board awarded the contract and why was it that capital funds are being added to the award or that LIRR would be a participant in funding that project or that Cubic was getting a co-contributor.

Vice President-Management & Finance and Chief Financial Officer Mark Young responded that when the 2015-2019 Capital Program was developed several years ago, before the Cubic contract was awarded, both commuter railroads were asked to appropriate \$5 million in their 5-year Capital Programs in anticipation of the new fare payment system project. That has been put in place and we had set aside the money knowing that we would all become part of this MTA-wide initiative.

Board Member Moerdler asked why that wasn't mentioned when the procurement was brought before the Board.

Vice President Young responded that he will review the staff summary again regarding a reference to the funding shares.

Board Member Moerdler commented that it seems as if there is an addition that has made, having an impact on a prior Board decision that made no reference to it.

Vice President Young responded the \$5 million that each railroad appropriated was in the original 2015-2019 Capital Program. After the contract was awarded based on the actual response from the vendor, each entity was asked to adjust its appropriations for that amount and that was reflected in the Capital Program Amendment.

Board Member Moerdler commented that LIRR sought approval of the award of the contract to Cubic. After the Board approved award of the contract, an additional \$5 million was contributed by LIRR.

Vice President Young responded the original \$5 million that both commuter railroads appropriated was in the original development of the 2015-2019 Capital Program, well before the Cubic award.

Board Member Moerdler commented that LIRR then needs to look at the wording on Page 50 of the Committee Book because it suggests that after the event, you gave Cubic \$5 million.

Vice President Young responded we will look at the wording.

Chair Pally asked Vice President Young to come back to the Board and provide an analysis of what happened and when it happened.

Board Member Vincent Tessitore asked, recognizing that we have an agreement with NYAR, whether we are beginning to look down the road to see if we can take the freight operation back, which LIRR operated prior to the agreement with NYAR. Our organization has made that suggestion and we feel it can be a tremendous advantage to the railroad if we take it back and train and test our own people and maintain our own tracks to ensure that passenger and freight operations can co-exist side by side in a way they once did. Maybe LIRR can start looking into a long term plan where our staffing can get built up to take back the freight operation in the future.

President Nowakowski responded that at this point in time, LIRR is in year two of a 10-year extension to the original NYAR contract, so it would be a long time before we can actively do something to change how freight is handled. The NYAR contract will expire in eight years.

Board Member Tessitore commented that he understands that LIRR has a lot of long term projects and it would take time, but recommended that LIRR start now to look at and plan for taking back the freight operation, rather than waiting until two years before the contract is up. If we start thinking about it now it could help us greatly down the road.

Board Member Randy Glucksman commented on the suggestion of working with New Jersey Transit ("NJT") to purchase locomotives. To the best of his knowledge, NJT is no longer buying diesel locomotives, only very expensive dual power locomotives which cost \$17 million per locomotive.

Board Member Rechler commended LIRR for working with the municipalities on transit-oriented development and encouraged LIRR to continue. He commented that he thinks this is going to spark more and more municipalities to pursue similar types of projects, which will be great for the system.

President Nowakowski commented on the Customer Satisfaction Survey which reflected the dissatisfaction that our customers feel and that is something LIRR needs to move the bar on.

Chair Pally commented that the Customer Satisfaction Survey was not as good as we all hoped but we can also hope that a number of the items that are being planned now will result in an increase of customer satisfaction because that is the goal. There is nothing in the survey that is a surprise to LIRR's customers, the MTA Board and management. LIRR will continue to use it as a focal point for moving forward.

The details of the above items are contained in the 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 regarding the above information items.

MTA LONG ISLAND RAIL ROAD

Procurement

LIRR Assistant Deputy Chief Contracting Officer Richard Mack presented the following procurement items and ratification to the Committee for approval.

Competitive:

- **AB Oil Service** – LIRR requests Board approval to award blanket contracts to AB Oil Service and Island Pump & Tank for hazardous and non-hazardous waste removal and disposal services from various LIRR locations on an on call basis for a period of five (5) years from Notice of Award. The firms will be awarded separate contracts for the services in the aggregate not-to-exceed amount of \$5,000,000.
- **L.K. Comstock** – LIRR requests Board approval to award a contract modification to L.K. Comstock in the amount of \$3,102,008 to provide design and construction of all civil and electrical infrastructure support work required for two new Motor Generator buildings at Deer Park and Ronkonkoma, as well as similar work for one new Motor Generator Set at Bethpage for the new Second Track project.
- **Forte Construction Corp.** – LIRR requests Board approval to award a contract to Forte Construction Corp. to perform the design and construction services to complete the station renovation, including amenities, at Northport Station and provide station amenities at five additional station locations,

Ratification:

- **Power Resources International** – It is requested that the Board formally ratify the “Declaration of Emergency,” made by the Chief Procurement and Logistics Officer, waiving formal competitive bidding pursuant to Article III

Paragraph B 1 of the All Agency Procurement Guidelines and Section 1265-a of the Public Authorities Law subsection 4(a), and approve award of a contract to Power Resources International for Main Line Second Track Motor Generator upgrades.

Board Member Moerdler suggested contacting NYCT Vice President Stephen Plochochi, because there is a way now to reduce the amount of time it will take between the initiation of any procurement and its completion by as much as a half to two-thirds, and the comment about saving four months in connection with awarding the Power Resources contract might have been obviated if LIRR had started down the road that NYCT is now on. Board Member Moerdler asked where Forte is located.

Assistant Deputy Chief Contracting Officer Mack responded that Forte is a New York State business corporation and he will report back to Board Member Moerdler regarding its exact location.

Board Member Greenberg asked if LIRR can look at Northport and see if the station could be made accessible.

Executive Vice President Picca responded that LIRR will look at the Northport Station.

Upon motion duly made and seconded, the above procurement items were approved for recommendation to the Board. The details of the procurement items are contained in the 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 Board Member comments and discussion regarding the proposed procurements.

MTA CAPITAL CONSTRUCTION

Procurement

MTACC presented no procurement items to the Committee for approval.

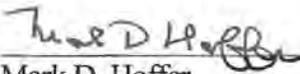
LIRR Reports on Operations, Safety, Finance, Ridership, and Capital Program

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,



Mark D. Hoffer
Secretary

Minutes of the Regular Meeting
Metro-North Committee
Monday, March 19, 2018

Meeting held at
2 Broadway – 20th Floor
New York, New York 10004
8:30 a.m.

The following members were present:

Hon. Susan G. Metzger, Chair of the Metro-North Committee
Hon. Mitchell H. Pally, Chair of the Long Island Rail Road Committee
Hon. Norman Brown
Hon. Randy Glucksman
Hon. Charles G. Moerdler
Hon. John J. Molloy
Hon. Veronica Vanterpool

Not Present:

Hon. Andrew Saul
Hon. James E. Vitiello
Hon. Carl V. Wortendyke
Hon. Neal J. Zuckerman

Also Present:

Catherine Rinaldi – President, Metro-North Railroad
Susan J. Doering – Vice President, Customer Service and Stations
Yvonne Hill-Donald - Vice President, Human Resources
Richard L. Gans – Vice President and General Counsel
Glen Hayden – Vice President, Engineering
John Kesich – Senior Vice President, Operations
John Kennard – Vice President – Capital Programs
Mark Mannix – Sr. Director, Corporate and Public Affairs
Owen Monaghan, Chief, MTA Police Department
Andrew Paul – Vice President, Labor Relations
Kim Porcelain – Vice President, Finance and Information Systems
Justin Vonashek – Vice President, System Safety

The Hon. Vincent Tessitore, Jr. and Janno Lieber, MTA Chief Development Officer also attended the meeting.

Ms. Metzger, Chair of the Metro-North Committee called the meeting to order.

PUBLIC COMMENT

Murray Bodin expressed his opinion that Positive Train Control (PTC) would be more easily achieved using the cloud.

Additional details of the comments made by the public speaker are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records.

APPROVAL OF MINUTES AND 2018 WORK PLAN

Upon motion duly made and seconded, the Committee approved the minutes of the February 20, 2018 Metro-North Committee meeting. There are no changes to the 2018 Metro-North Railroad Committee Work Plan, a copy of which is filed with the records of this meeting.

PRESIDENT'S REPORT

President Rinaldi stated that she is honored to have been named by Chairman Lhota as the new President of Metro-North. She looks forward to continuing the good working relationship she has with the Committee. President Rinaldi also looks forward to leading Metro-North's team of talented individuals, and continuing the traditions, values and hard work that have earned the railroad its reputation for safety, reliability and customer service.

President Rinaldi reported that Civil Speed Enforcement, which provides PTC protection against over-speed derailments due to exceeding permanent speed limits, is in-service across all east of Hudson lines. She stated that on March 1, 2018, Metro-North began operating diesel equipment with Civil Speed Enforcement and M-7 trains on the Harlem and Hudson Lines began operating with Civil Speed Enforcement on March 10, 2018. President Rinaldi reported that, later in the meeting, the Committee will be asked to vote on a modification to a procurement to provide engineering support services for PTC.

President Rinaldi reported on service reliability, noting that during the month of February 2018, on-time performance improved 3.9% from January 2018. Trains operated above goal across all three lines and all service periods with an overall on-time performance of 96.3%.

President Rinaldi reported that service delivery in the month of March 2018 was challenging due to two significant winter Nor'easter storms. During these storms, the railroad kept customers safe and informed of delays. On March 2, 2018, a winter storm with wind gusts of 40-60 miles per hour resulted in over a foot of snow across Metro-North's service area. The upper Harlem Line sustained the greatest impact as multiple trees fell throughout the day. As a result, service was suspended between North White Plains and Wassaic from 6 p.m. through 11 p.m. to permit Metro-North forces to remove fallen trees and repair damage to the third rail.

On Wednesday, March 7, 2018, Winter Storm Quinn with wind gusts of 40-60 miles per hour brought heavy snow across the area. Metro-North began the day with a reduced weekday schedule. Throughout that day, multiple trees fell. From 5:30 p.m., conditions quickly deteriorated as strong winds knocked down multiple trees in a short period of time, resulting in a complete loss of signal power on the New Haven Line and multiple power poles and lines down on the upper Harlem Line between Croton Falls and Brewster. Due to worsening conditions, service was

suspended across all three lines by 7 p.m. Patrol trains operating on all three lines safely transported customers to their final destinations.

On Thursday, March 8, 2018, due to the significant damage sustained across the entire region, Metro-North operated a reduced Holiday Schedule but was unable to provide Danbury or New Canaan Branch service due to multipipe downed trees. On Friday March 9, 2018, the railroad provided a full weekday schedule across all lines and branches. However, the railroad operated a modified schedule through most of the day between Southeast and Goldens Bridge as one of the two tracks remained out of service due to damaged power poles. Unfortunately, as the railroad continued repairs to downed power lines on the Harlem Line between Croton Falls and Brewster, poles that were weakened by the two storms failed, blocking both tracks, forcing the railroad to again suspend train service between Goldens Bridge and Southeast starting at 3 p.m. Emergency bus service was deployed starting at 5 p.m. and continued throughout the weekend.

President Rinaldi thanked MTA Bus and Putnam and Westchester counties for providing buses to support the operation. Train service continued between Grand Central Terminal and Goldens Bridge and Southeast and Wassaic. The bus bridge continued until 8 p.m. Sunday, March 11, 2018 when the railroad resumed normal service. The events revealed a vulnerability in Metro-North's system requiring a series of weekend outages with substitute bus service through the end of April to continue to do pole replacements, tree removal and to ensure that the poles in that area are resilient. President Rinaldi thanked Metro-North employees for their hard work during this very challenging period, noting that employees have done an excellent job in keeping customers safe and informed.

Responding to questions posed by Board members Pally and Moerdler, President Rinaldi and Mr. Kesich noted that the damaged poles, located between Croton Falls and Brewster, are signal poles maintained by Metro-North. The poles create a redundancy to Metro-North's traction subsystem. Chair Metzger noted that President Rinaldi began her tenure with a difficult situation which was handled very well by all at Metro-North. On behalf of the Committee, she thanked MTA Bus for their assistance.

The details of the President's Report are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records, which recording includes discussion between Board members Pally and Moerdler, Chair Metzger, President Rinaldi and staff regarding the President's report.

MTA METRO-NORTH RAILROAD SAFETY REPORT

Mr. Vonashek reported that the customer accident rate is nearly 29% lower than the previous 12 months and the employee lost time injury rate is down slightly versus the previous 12 months. Metro-North's community outreach program, TRACKS, reached nearly 1,200 individuals in January 2018. Metro-North held its first quarter Safety Focus Day on Tuesday, March 6, 2018, highlighting various safety topics to bring attention to areas of concern, such as, slip, trip and falls and overexertion.

The details of Mr. Vonashek's report are contained in the safety report filed with the records of this meeting and the video recording of the meeting produced by the MTA and maintained in the MTA records.

MTA POLICE DEPARTMENT (MTAPD) REPORT

Chief Monaghan congratulated President Rinaldi on her appointment as President of Metro-North. The MTAPD will continue the close collaboration it has with President Rinaldi. Chief Monaghan reported on crime statistics, noting that system-wide the total number of major felonies decreased by eight in February 2018 versus February 2017, 18 versus 26 or a decrease of 31%. Year-to-date February 2018 total major felonies increased by six versus February 2017, 49 versus 43 or an increase of 14%. In February 2018, total major felonies on the Metro-North system remained the same as in February 2017, 14 versus 14. Of the 14 major felonies, 13 resulted in arrest, eight of which occurred in Grand Central Terminal. Year-to-date February 2018, the total number of major felonies increased by 11 versus February 2017, 32 versus 21 or an increase of 52%. The increase in major felonies was driven by five assaults on police officers and shoplifting crimes at Duane Reade and Rite Aid where a trespassing order was violated and the individuals were charged with burglary. No hate crimes were reported in the month of February 2018.

Board member Moerdler asked about the two arrests for making terrorist threats. Chief Monaghan noted that these two arrests were for disorderly conduct. During those arrests, an intoxicated or disturbed individual uttered a terrorist type threat, such as, "I am going to bomb this place." Chief Monaghan noted that since November 2017, there has been an increase in homeless assistance activities. He further noted there is a dedicated homeless unit consisting of a sergeant, seven police officers and a lieutenant. The sole duties of this unit are to assist the homeless in Grand Central Terminal and Penn Station. Chief Monaghan noted that the MTAPD has dedicated a large amount of resources and has had good results. In Grand Central Terminal, there have been over 4,000 contacts with homeless individuals. The MTAPD is working with the Bowery Residents Committee (BRC); over 20 homeless individuals who need help have accepted services. Chief Monaghan noted that 10 individuals in Grand Central Terminal received psychological services and homes. Chief Monaghan reported that in February 2018, there were over 712 contacts at 125th Street; noting that numerous contacts can be made with the same individual. Chief Monaghan stated that it is more difficult to get individuals at 125th Street to accept services. The BRC is working at 125th Street. Seven individuals have accepted services from the BRC at that location year-to-date February 2018. Chief Monaghan noted that at 125th Street, the MTAPD is dealing with problems in addition to those associated with homelessness. The MTAPD has increased the number of Vehicle and Traffic Law summonses and have increased contacts with taxis and limousines that create a quality of life issue.

The details of Chief McGrann's report are contained in the MTAPD report filed with the records of this meeting, which recording includes a discussion regarding the MTAPD report.

ACTION ITEM:

- Extension of Refund Period of Railroad Tickets Pursuant to Newly Adopted Public Authorities Law Section 1266-k – Approval to revise fare policy applicable to the MTA Commuter Railroads (MetroNorth and LIRR) to extend the refund period for unused portions of one-way, round trip and ten trip tickets for an additional two-year period, to bring the Railroads into compliance with a recent amendment to the Public Authorities Law.

Mr. Gans reported that in December 2017, legislation was passed that requires the MTA to adopt a policy to permit customers to transfer unused fare balances for a period of two-years. He noted that Metro-North tickets are different from MetroCards in that balances cannot be transferred between tickets. To comply with this legislation, the Railroads recommend that the refund period be extended to two-years. Mr. Gans noted that, upon Board approval, Metro-North will quickly implement the policy. With respect to E-Tickets, Metro-North is working with the vendor to develop software changes compatible with the extended refund policy. An interim procedure will be utilized until a permanent solution is devised. Mr. Gans noted that the impact on revenue cannot be definitively determined at this time, but that the fee applied to refunds would help to mitigate costs. Board member Vanterpool asked why the law was amended. Mr. Gans stated that he believes the legislature was primarily concerned with MetroCards. However, the language of the legislation is broad enough to apply to the Railroads.

Upon motion duly made and seconded, the Committee approved the foregoing action item for recommendation to the Board. The details of the action item are contained in a staff summary 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 Board member Vanterpool's comments and discussion regarding the proposed action item.

METRO-NORTH INFORMATION ITEMS:

Four information items were presented to the Committee:

- Annual Strategic Investments and Planning Studies Status Update March 2018 - President Rinaldi noted that the Status Update is in the Committee Book.

Board member Moerdler congratulated President Rinaldi on her appointment as President of Metro-North. He noted that the strategic investment and planning studies update is silent with respect to the provision of affordable and moderate-income housing as part of Transit Oriented Development (TOD). Thereafter, there was a discussion between Board members Moerdler, Pally, Glucksman, Brown, Vanterpool, Chair Metzger, President Rinaldi and staff regarding the MTA's responsibilities with respect to the provision of affordable housing. It was noted that ownership of the housing development and proximity to railroad facilities affects the influence the MTA has on developers and municipalities. Chair Metzger noted that the provision of affordable housing is a very complex issue that should be debated by the entire Board. President Rinaldi stated that Metro-North will provide the Committee with a chart detailing the existing TOD opportunities and the extent to which affordable housing has or has not been implemented before the April Board meeting. The chart may be used to guide the discussion at the full Board.

Board member Pally asked whether the capital projects in Connecticut listed on page 56 of the Committee book will go forward considering the State of Connecticut's financial situation. President Rinaldi noted that the State of Connecticut is currently in legislative session. She hopes that the Connecticut Department of Transportation (CDOT) can come to terms with the legislature on a funding mechanism so that some of the draconian cuts will not need to be implemented. Ms. Porcelain noted that capital projects that are federally funded or underway will be completed. President Rinaldi will keep the Committee informed of CDOT's financial situation.

- Annual Elevator and Escalator Report – President Rinaldi noted that the annual report reflects the availability of elevators and escalators during last year.
- 2017 Customer Satisfaction Survey Results – President Rinaldi presented the report.

The 2017 Customer Satisfaction Survey indicates that 89% of customers were satisfied with Metro-North in 2017, slightly below the 2016 level of 90%. Three out of 10 customers were very satisfied with the railroad. Satisfaction with the railroad has risen 16 points since 2014. President Rinaldi noted that satisfaction fell in 2017 due to on-time performance issues experienced just before the survey was distributed, the May 2017 derailment near Rye which affected service on the New Haven Line, and the December 2016 CDOT fare increase of 6%. President Rinaldi reported that when looking at the results by line, 93% of Hudson Line customers were satisfied in 2017, a point higher than in 2016, 90% of Harlem Line customers were satisfied with the railroad's performance, down 2 points from 2016 and customer satisfaction on the New Haven Line fell to 85%, also 2 points below 2016. President Rinaldi noted that customers continue to rate the railroad's front-line employees very favorably with 95% satisfied with them, including 52% who said they were very satisfied with them. In addition, 96% of customers were satisfied with the courtesy and responsiveness of our conductors, with almost 6 out of 10 customers rating themselves as very satisfied with them. Grand Central Terminal continued to please most of the railroad's customers, with a rating of 95%. Among reverse peak customers, 88% were satisfied compared with 94% in 2016. Among west of Hudson a.m. peak customers 81% were satisfied, down 2 points from 2016.

There was a discussion among Board members Vanterpool and Glucksman, Chair Metzger, President Rinaldi and Ms. Doering regarding platform announcements. It was noted that the Penta system used at Metro-North's east of Hudson stations will be upgraded as part of the Enhanced Station Initiatives. There are protocols for all communications, including when to use automated versus live announcements. The railroad relies on automated announcements for routine announcements. The automated announcements are supplemented with live announcements when needed. Chair Metzger stated that it is nice to see that 52% of Metro-North's customers are very pleased with Metro-North's front-line employees.

- PTC Status Report – President Rinaldi noted that the PTC Report is in the same format as the report that was presented at the February meeting. The report is contained in the Committee Book.

The details of the information items 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 Board members' comments and discussion regarding the information items.

METRO-NORTH PROCUREMENTS:

Two non-competitive procurements were presented to the Committee:

- Approval to award a five-year non-competitive, negotiated miscellaneous procurement in the not-to-exceed amount of \$20,516,723 to Jamaica Bearings Company, Inc. for the

purchase of journal bearings and bearing components on an as-needed basis for Metro-North's M-3, M-7, M-8 & Coach railcar fleet.

- Approval for additional funding in the not-to-exceed amount of \$1,000,000 to the firm Dayton T. Brown, Inc. to provide engineering services required to prepare documentation (including the Revenue Service Demonstration Report) to satisfy Federal Railroad Administration requirements for PTC certification on the new Advanced Civil Speed Enforcement System.

Two competitive procurements were presented to the Committee:

- Approval to award two competitively solicited, five-year miscellaneous service contracts in the not-to-exceed amount of \$15,000,000 to ETS Contracting, Inc. (\$7,500,000) and WRS Environmental Services (\$7,500,000) to perform on-call system-wide asbestos, lead, and hazardous material abatement services on an as-needed, task order basis.

Board member Vanterpool asked whether the proposed procurement with Jamaica Bearings Company, Inc. includes labor and, if not, why the cost is coming out of the operating budget. Mr. Muir noted that the procurement does not include labor. The cost is coming out of the operating budget because the procurement is for the running repair and ongoing service of truck and axle bearings. In response to Board member Brown's question, Mr. Muir noted that a significant number of bearings are purchased for the M-7 and M-8 fleets. Fewer bearings are purchased for the M-3 fleet due to the size of that fleet.

Upon motion duly made and seconded, the Committee approved the foregoing procurements for recommendation to the Board. The details of the procurements 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 a discussion of the proposed procurement with Jamaica Bearings Company, Inc.

PENN STATION ACCESS

Janno Lieber, MTA Chief Development Officer, reported on Penn Station Access on the Hell Gate Line, noting that three bids have been received for the general engineering contract and that procurement is underway. He reported that the planning agreement with Amtrak has been extended. In addition, MTA Capital Construction is in the process of drafting the agreements with Amtrak that are required to construct the four new Metro-North stations in the Bronx and institute Metro-North service on the Hell Gate Line. The firm of HR&A is conducting a development study in tandem with the City of New York related to the issue of value capture. Mr. Lieber noted that value will be created with the addition of the four stations in the Bronx. A full report will be given at the March CPOC meeting.

In response to Board member Moerdler's question, Mr. Lieber noted that a bid has been issued for the design of the four stations in the Bronx.

The details of the Penn Station Access report are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records, which recording includes Board member Moerdler's questions regarding that report.

OPERATIONS, FINANCIAL, RIDERSHIP AND CAPITAL PROGRAM REPORTS:

Board member Moerdler inquired as to the cause of the threefold increase in unscheduled engineering delays in 2018. He does not believe the increase is due to weather related issues because delays due to weather are down. Mr. Kesich stated that the increase is indirectly related to weather events. He noted that, in the first two weeks of January 2018, there were significant snow events that led to switch failures at interlockings and problems with switch heaters. He noted that Metro-North's Power Department has been working diligently to replace most of the switch heaters. Mr. Kesich noted that the railroad purchased newly designed switch heater elements which were found to be less effective than the older ones. The Power Department has replaced approximately 80% of the switch heater elements. The increase in delays due to unscheduled engineering failures was driven by these problems.

Referring to page 148 of the Committee Book, Mr. Moerdler noted that the number of delays attributed to weather year-to-date February 2018 was 739 versus 889 year-to-date February 2017. Mr. Kesich noted that, in 2017, the railroad did not experience severe snow events. In 2018, the delays were attributed to engineering failures rather than weather events because there was an identifiable known issue with the switch heaters and the railroad did not want to bury those infrastructure issues under a general weather category.

Mr. Kesich noted that the number of delayed trains year-to-date February 2018 as reported on page 147 of the Committee Book was due to weather issues. Board member Moerdler and Mr. Kesich discussed delays that are accounted for in the train schedule. Mr. Kesich reported that the schedule does not account for unscheduled delays due to weather conditions or slippery rail because these events are unforeseeable and may or may not occur. The schedule accounts for scheduled Maintenance of Way work and track outages. In 2018, significant snow and wind events with fallen trees accounted for average delays of 30 to 60 minutes. Mr. Kesich noted that in the month of February 2018, delays were lower than in February 2017.

Referring to page 152 of the Committee Book, Board member Moerdler asked for an explanation of the event referred to wherein the engine on west of Hudson train number 66 shut down. Mr. Kesich noted that during the February 20, 2018 event, there was a locomotive failure which caused the engine to shut down causing termination of that train. Mr. Kesich noted that the increase in standees on the Harlem Line is attributed to weather related events and the increase in ridership on that line. When trains are cancelled due to an unscheduled event, there is an increase in standees on the remaining trains on the affected line. This is problematic on the New Haven Line where the railroad is procuring an additional 60 M-8s which are scheduled to arrive starting in 2019.

Board member Moerdler asked if the railroad could deal with unscheduled standees, should the number of standees become consistent, by adding to the consist. Mr. Kesich stated that this could be done if the railroad had the railcars and yard space to do so. He noted that, from an infrastructure and rolling stock perspective, Metro-North is almost at capacity. Mr. Kesich noted that the railroad is developing a new fleet strategy paper to examine how the railroad will address future ridership needs. He noted that the railroad has just enough railcars to operate the service it is providing. The railroad utilizes that minimum number of cars to carry the maximum number of riders. The railroad has faced challenges in 2017 and 2018 related to

the removal of 1,000 railcars from service to install PTC packages. This poses challenges to Metro-North customers when there are service disruptions and the railroad has no additional railcars to put into service. Chair Metzger noted that this issue was discussed in the "white paper" that the Committee members received and that the Committee discussed this issue two months ago. She noted that this is an issue the railroad must closely monitor and act upon when needed. Board member Moerdler stated that the railroad's effort is to provide increased levels of service to attract more riders but has an approaching shortage of equipment to increase ridership, noting that increased ridership will lead to an increase in the number of standees. President Rinaldi noted that the infrastructure improvements and fleet needs to operate more service and will be discussed when planning for the upcoming capital program. Chair Metzger noted that the infrastructure is stretched on all lines. Board member Moerdler noted that there has been a necessary focus on New York City Transit issues. He stated there is an equal responsibility to the riders of Metro-North and Long Island Rail Road. Chair Metzger stated that the issue has arisen because the railroad has been so successful in attracting riders. She thanked President Rinaldi, stating that the Committee looks forward to continuing its work with her and hopes that she has a long tenure.

The details of the Operations, Financial, Ridership and Capital Program Reports are contained in reports filed with the records of the meeting and in the video recording of the meeting produced by the MTA and maintained in the MTA records, which recording includes discussion regarding Metro-North's infrastructure and fleet.

ADJOURNMENT

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

Respectfully submitted,



Linda Montanino
Assistant Secretary

Long Island Rail Road Committee Work Plan

I. <u>RECURRING AGENDA ITEMS</u>	<u>Responsibility</u>
Approval of Minutes	Committee Chair & Members
2018 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	Sr. VP - Operations
Safety	Chief Safety Officer
Financial/Ridership Report	VP & CFO
Capital Program Report	SVP - Engineering
II. <u>SPECIFIC AGENDA ITEMS</u>	<u>Responsibility</u>
<u>April 2018</u> (Joint Meeting with MNR)	
Final Review of 2017 Operating Budget Results	Management & Budget
2017 Annual Ridership Report	Finance/Marketing
Annual Inventory Report	Procurement
May Timetable Change & Spring Trackwork Programs	Service Planning
MTA Homeless Outreach	MTA
LIRR/MNR PTC Project Update	President
<u>May 2018</u>	
Diversity/EEO Report – 1 st Q 2018	Administration/Diversity
PTC Status Report	Engineering
<u>June 2018</u> (Joint Meeting with MNR)	
Status Update on PTC	President/Sr. Staff
Bi-Annual Report on M-9 Procurement	President/Sr. Staff
Summer Track Work	Service Planning
LIRR/MNR PTC Project Update	President
<u>July 2018</u>	
Penn Station Retail Development	MTA Real Estate
Environmental Audit	Corporate Safety
2018 Fall Construction Schedule Change	Service Planning
PTC Status Report	Engineering
<u>September 2018</u>	
2019 Preliminary Budget (Public Comment)	
2018 Mid-Year Forecast	Management & Budget
Diversity/EEO Report – 2 nd Quarter 2018	Administration/Diversity
Fall Trackwork Programs	Service Planning
PTC Status Report	Engineering

October 2018 (Joint Meeting with MNR)

2019 Preliminary Budget (Public Comment)	President/Sr. Staff
Status Update on PTC	Service Planning
November Schedule Change	MTA
MTA Homeless Outreach	President/Sr. Staff
Bi-Annual Report on M-9 Procurement	President
LIRR/MNR PTC Project Update	

November 2018

Review of Committee Charter	Committee Chair & Members
East Side Access Support Projects Update	President/Sr. Staff
2018 Holiday Schedule & Trackwork	Service Planning
PTC Status Report	Engineering

December 2018 (Joint Meeting with MNR)

2019 Final Proposed Budget	Management & Budget
2019 Proposed Committee Work Plan	Committee Chair & Members
Diversity/EEO Report – 3 rd Q 2018	Administration/Diversity
LIRR/MNR PTC Project Update	President

January 2019

Approval of 2019 Committee Work Plan	Committee Chair & Members
PTC Status Report	Engineering

February 2019 (Joint Meeting with MNR)

Adopted Budget/Financial Plan 2019	Management & Budget
2018 Annual Operating Results	Operations
2018 Annual RCM Fleet Maintenance Report	Operations
Status Update on PTC	President/Sr. Staff
Diversity/EEO Report – 4 th Q 2018	Administration/Diversity
2019 Spring Schedule Change	Service Planning
LIRR/MNR PTC Project Update	President

March 2019

Annual Strategic Investments & Planning Study	Strategic Investments
Annual Elevator/Escalator Report	Engineering
Spring Track Work	Service Planning
Customer Satisfaction Survey Report	Public Affairs
PTC Status Report	Engineering

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.

2018 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.

Police Activity Report

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

PERFORMANCE SUMMARIES

Report on Transportation

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

Report on Mechanical

A monthly report will be given highlighting key fleet performance statistics and indicators.

Report on Safety

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

Financial Report

A monthly report will be provided that compares the Railroad's actual financial performance against its budget and/or forecast.

Ridership Report

A monthly report will be provided that compares actual monthly ticket sales, ridership and revenues against 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 2018 (Joint Meeting with MNR)

Final Review of 2017 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.

2017 Annual Ridership/Marketing Plan Report

A report will be presented to the Committee on Agency ridership trends during 2017 based on monthly ticket sales data and the results of train ridership counts conducted by the Agency.

2018 Summer Schedule Change

The Committee will be advised of Agency plans to adjust schedules to support construction projects during the summer of 2018.

MTA Homeless Outreach

MTA Operations Support will provide a bi-annual report on homeless outreach efforts including an update on service providers and placements.

Project Update on PTC

The Committee will be briefed on 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 and as amended by the "Positive Train Control Enforcement and Implementation Act of 2015". Highlights to include cost of PTC along with operation and implementation risks.

MAY 2018

Diversity & EEO Report– 1st Quarter 2018

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.

PTC Status Report

A monthly status report will be provided that highlights the accomplishments, schedule, challenges and risk associated with the PTC implementation.

JUNE 2018 (Joint Meeting with MNR)

Status Update on PTC

The Committee will be briefed on 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 and as amended by the "Positive Train Control Enforcement and Implementation Act of 2015." Highlights to include cost of PTC along with operation and implementation risks.

Bi-Annual Report on M-9 Procurement

The committee will be briefed on the status of the M-9 procurement, including design, fabrication and delivery status, plus budget and schedule performance.

Project Update on PTC

The Committee will be briefed on 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 and as amended by the "Positive Train Control Enforcement and Implementation Act of 2015". Highlights to include cost of PTC along with operation and implementation risks.

JULY 2018

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.

PTC Status Report

A monthly status report will be provided that highlights the accomplishments, schedule, challenges and risk associated with the PTC implementation.

Environmental Audit Report

The Committee will be briefed on the results of the 2017 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.

2018 Fall Construction Schedule Change

The Committee will be advised of Agency plans to adjust schedules to support construction projects during the fall of 2018.

SEPTEMBER 2018

2019 Preliminary Budget

Public comment will be accepted on the 2019 Budget.

2018 Mid-Year Forecast

The agency will provide the 2018 Mid-Year Forecast financial information for revenue and expense by month.

Diversity & EEO Report– 2nd Quarter 2018

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.

PTC Status Report

A monthly status report will be provided that highlights the accomplishments, schedule, challenges and risk associated with the PTC implementation.

OCTOBER 2017 (Joint Meeting with MNR)

2019 Preliminary Budget

Public comment will be accepted on the 2019 Budget.

Project Update on PTC

The Committee will be briefed on 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 and as amended by the "Positive Train Control Enforcement and Implementation Act of 2015". Highlights to include cost of PTC along with operation and implementation risks.

MTA Homeless Outreach

MTA Operations Support will provide a bi-annual report on homeless outreach efforts including an update on service providers and placements.

Bi-Annual Report on M-9 Procurement

The committee will be briefed on the status of the M-9 procurement, including design, fabrication and delivery status, plus budget and schedule performance.

NOVEMBER 2018

Review Committee Charter

Annual review of Long Island Committee Charter for Committee revision/approval.

East Side Access Support Projects Update

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

Holiday Schedule

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

PTC Status Report

A monthly status report will be provided that highlights the accomplishments, schedule, challenges and risk associated with the PTC implementation.

DECEMBER 2018 (Joint Meeting with MNR)

Diversity & EEO Report– 3rd Quarter 2018

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.

2019 Final Proposed Budget

The Committee will recommend action to the Board on the Final Proposed Budget for 2018.

Proposed 2019 Committee Work Plan

The Committee Chair will present a draft Long Island Rail Road Committee Work Plan for 2018 that will address initiatives to be reported throughout the year.

Project Update on PTC

The Committee will be briefed on 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 and as amended by the "Positive Train Control Enforcement and Implementation Act of 2015". Highlights to include cost of PTC along with operation and implementation risks.

JANUARY 2019

Approval of 2019 Committee Work Plan

The Committee will approve the Proposed Long Island Rail Road Committee Work Plan for 2018 that will address initiatives to be reported on throughout the year.

PTC Status Report

A monthly status report will be provided that highlights the accomplishments, schedule, challenges and risk associated with the PTC implementation.

FEBRUARY 2019 (Joint Meeting with MNR)

Adopted Budget/Financial Plan 2019

The Agency will present its revised 2019 Financial Plan. These plans will reflect the 2019 Adopted Budget and an updated Financial Plan for 2018 reflecting the out-year impact of any changes incorporated into the 2018 Adopted Budget.

2018 Annual Operating Results

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

2018 Annual Fleet Maintenance Report

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

Project Update on PTC

The Committee will be briefed on 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 and as amended by the "Positive Train Control Enforcement and Implementation Act of 2015". Highlights to include cost of PTC along with operation and implementation risks.

Diversity & EEO Report– 4th Quarter 2018

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.

2019 Spring/Summer Construction Schedule Changes

The Committee will be advised of plans to adjust schedules to support construction projects during the spring and summer of 2019.

MARCH 2019

Annual Strategic Investments & Planning Study

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.

Annual Elevator/Escalator Report

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

Customer Satisfaction Survey Report

The committee will be informed on the results of the 2017 survey distributed to customers on the Hudson, Harlem and New Haven Lines and West of Hudson service.

PTC Status Report

A monthly status report will be provided that highlights the accomplishments, schedule, challenges and risk associated with the PTC implementation.

2018 Metro-North Railroad Committee Work Plan

I. <u>RECURRING AGENDA ITEMS</u>	<u>Responsibility</u>
Approval of Minutes	Committee Chairs & Members
2018 Committee Work Plan	Committee Chairs & Members
President's Report	President/Senior Staff
Safety Report	
MTA Police Report	
Information Items (if any)	
Action Items (if any)	
Procurements	
Agency Reports	Senior Staff
Operations	
Finance	
Ridership	
Capital Program	
II. <u>SPECIFIC AGENDA ITEMS</u>	<u>Responsibility</u>
.....	
<u>April 2018 (Joint meeting with LIRR)</u>	
Final Review of 2017 Operating Budget Results	Finance
2017 Annual Ridership Report	Operations Planning & Analysis
Annual Inventory Report	Procurement
Track Program Quarterly Update	Engineering
MTA Homeless Outreach	MTA
LIRR/MNR PTC Project Update	President
<u>May 2018</u>	
Diversity/EEO Report – 1 st Quarter 2018	Diversity and EEO
PTC Status Report	Engineering
<u>June 2018 (Joint meeting with LIRR)</u>	
LIRR/MNR PTC Project Update	President
Bi-Annual Report on M-9 Procurement	President
<u>July 2018</u>	
Grand Central Terminal Retail Development	MTA Real Estate
Environmental Audit	Environmental Compliance
Track Program Quarterly Update	Engineering
PTC Status Report	Engineering
<u>September 2018</u>	
2019 Preliminary Budget (Public Comment)	Finance
2018 Mid-Year Forecast	Finance

Diversity/EEO Report – 2nd Quarter 2018
2018 Fall Schedule Change
PTC Status Report

Diversity and EEO
Operations Planning & Analysis
Engineering

October 2018 (Joint meeting with LIRR)
2019 Preliminary Budget (Public Comment)
LIRR/MNR PTC Project Update
Track Program Quarterly Update
MTA Homeless Outreach
Bi-Annual Report on M-9 Procurement

Finance
President
Engineering
MTA
President

November 2018
Review of Committee Charter
Holiday Schedule
PTC Status Report

Committee Chairs & Members
Operations Planning & Analysis
Engineering

December 2018 (Joint meeting with LIRR)
2019 Final Proposed Budget
2019 Proposed Committee Work Plan
Diversity/EEO Report – 3rd Quarter 2018
LIRR/MNR PTC Project Update

Finance
Committee Chairs & Members
Diversity and EEO
President

January 2019
Approval of 2019 Committee Work Plan
Track Program Quarterly Update
PTC Status Report

Committee Chairs & Members
Engineering
Engineering

February 2019 (Joint meeting with LIRR)
Adopted Budget/Financial Plan 2019
2018 Annual Operating Results
2018 Annual Fleet Maintenance Report
LIRR/MNR PTC Project Update
Diversity/EEO Report – 4th Quarter 2018
2019 Spring/Summer Schedule Change

Finance
Operations
Operations
President
Diversity and EEO
Operations Planning & Analysis

March 2019
Annual Strategic Investments & Planning Studies
Annual Elevator & Escalator Report
Customer Satisfaction Survey Report
PTC Status Report

Capital Planning
Engineering
Operations Planning & Analysis
Engineering

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.

2018 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.

President's Report

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

Safety

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

Police Activity Report

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

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.

Operations

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

Finance

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.

II. SPECIFIC AGENDA ITEMS

APRIL 2018 (Joint Meeting with LIRR)

Final Review of 2017 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.

2017 Annual Ridership Report

A report will be presented to the Committee on Metro-North's ridership trends during 2017 based on monthly ticket sales data and the results of train ridership counts conducted by Metro-North.

Annual Inventory Report

The Agency will present its annual report on Inventory.

Track Program Quarterly Update

A quarterly report will be provided that highlights the progress made on track maintenance work to bring the infrastructure to a state of good repair.

MTA Homeless Outreach

MTA Operations Support will provide a bi-annual report on homeless outreach efforts including an update on service providers and placements.

LIRR/MNR PTC Project Update

The Committee will be briefed on 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. Highlights to include cost of PTC along with operation and implementation risks.

MAY 2018

Diversity & EEO Report-- 1st Quarter 2018

A quarterly report to the Committee providing data on key Equal Employment Opportunity (EEO) and Human Resources indicators relating to MNR's EEO 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.

PTC Status Report

A monthly status report will be provided that highlights the accomplishments, schedule, challenges and risks associated with the PTC implementation.

JUNE 2018 (Joint Meeting with LIRR)

LIRR/MNR PTC Project Update

The Committee will be briefed on 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. Highlights to include cost of PTC along with operation and implementation risks.

Bi-Annual Report on M-9 Procurement

The committee will be briefed on the status of the M-9 procurement, including design, fabrication and delivery status, plus budget and schedule performance.

JULY 2018

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.

Environmental Audit Report

The Committee will be briefed on the results of the 2017 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.

Track Program Quarterly Update

A quarterly report will be provided that highlights the progress made on track maintenance work to bring the infrastructure to a state of good repair.

PTC Status Report

A monthly status report will be provided that highlights the accomplishments, schedule, challenges and risks associated with the PTC implementation.

SEPTEMBER 2018

2019 Preliminary Budget

Public comment will be accepted on the 2019 Budget.

2018 Final Mid-Year Forecast

The agency will provide the 2018 Mid-Year Forecast financial information for revenue and expense by month.

Diversity & EEO Report– 2nd Quarter 2018

A quarterly report to the Committee providing data on key Equal Employment Opportunity (EEO) and Human Resources indicators relating to MNR's EEO 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.

2018 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 2018.

PTC Status Report

A monthly status report will be provided that highlights the accomplishments, schedule, challenges and risks associated with the PTC implementation.

OCTOBER 2018 (Joint Meeting with LIRR)

2019 Preliminary Budget

Public comment will be accepted on the 2019 Budget.

LIRR/MNR PTC Project Update

The Committee will be briefed on 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. Highlights to include cost of PTC along with operation and implementation risks.

Track Program Quarterly Update

A quarterly report will be provided that highlights the progress made on track maintenance work to bring the infrastructure to a state of good repair.

MTA Homeless Outreach

MTA Operations Support will provide a bi-annual report on homeless outreach efforts including an update on service providers and placements.

Bi-Annual Report on M-9 Procurement

The committee will be briefed on the status of the M-9 procurement, including design, fabrication and delivery status, plus budget and schedule performance.

NOVEMBER 2018

Review of Committee Charter

Annual review and approval of the MNR Committee Charter.

Holiday Schedule

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

PTC Status Report

A monthly status report will be provided that highlights the accomplishments, schedule, challenges and risks associated with the PTC implementation.

DECEMBER 2018 (Joint Meeting with LIRR)

2019 Final Proposed Budget

The Committee will recommend action to the Board on the Final Proposed Budget for 2019.

2019 Proposed Committee Work Plan

The Committee Chair will present a draft Metro-North Committee Work Plan for 2019 that will address initiatives to be reported throughout the year.

Diversity & EEO Report– 3rd Quarter 2018

A quarterly report to the Committee providing data on key Equal Employment Opportunity (EEO) and Human Resources indicators relating to MNR's EEO 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.

LIRR/MNR PTC Project Update

The Committee will be briefed on 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. Highlights to include cost of PTC along with operation and implementation risks.

JANUARY 2019

Approval of 2019 Committee Work Plan

The Committee will approve the Proposed Metro-North Railroad Committee Work Plan for 2019 that will address initiatives to be reported on throughout the year.

Track Program Quarterly Update

A quarterly report will be provided that highlights the progress made on track maintenance work to bring the infrastructure to a state of good repair.

PTC Status Report

A monthly status report will be provided that highlights the accomplishments, schedule, challenges and risks associated with the PTC implementation.

FEBRUARY 2018 (Joint Meeting with LIRR)

Adopted Budget/Financial Plan 2019

The Agency will present its revised 2019 Financial Plan. These plans will reflect the 2019 Adopted Budget and an updated Financial Plan for 2019 reflecting the out-year impact of any changes incorporated into the 2019 Adopted Budget.

2018 Annual Operating Results

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

2018 Annual Fleet Maintenance Report

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

LIRR/MNR PTC Project Update

The Committee will be briefed on 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. Highlights to include cost of PTC along with operation and implementation risks.

Diversity & EEO Report– 4th Quarter 2018

A quarterly report to the Committee providing data on key Equal Employment Opportunity (EEO) and Human Resources indicators relating to MNR's EEO 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.

2019 Spring/Summer 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 during the spring and summer of 2019.

MARCH 2019

Annual Strategic Investments & Planning Studies

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.

Annual Elevator/Escalator Report

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

Customer Satisfaction Survey Report

The committee will be informed on the results of the 2018 survey distributed to customers on the Hudson, Harlem and New Haven Lines and West of Hudson service.

PTC Status Report

A monthly status report will be provided that highlights the accomplishments, schedule, challenges and risks associated with the PTC implementation.



Metro-North Railroad

Safety Report



Metro-North Railroad

March 2018 Highlights: Safety Report

Metro-North Railroad (MNR) continues to see a positive trend in reducing employee lost time injuries. Overall, MNR experienced a decrease of 0.67% for the current 12-month period (Mar 17 – Feb 18) versus the previous 12 months (Mar 16 – Feb 17). While lost time injuries experienced a 0.67% decrease, overall injuries were down by 5.41% for the period of March 2017 through February 2018. The decrease can be attributed to targeted Job Safety Briefings, increase in field audits and inspections, quarterly Safety Focus Day events, timely issuance of Rules, Policies & Procedures, Safety Bulletins, and Safety Training for all managers. MNR's new Safety Rule Book became effective March 12th, 2018.

Customer injuries continue to experience a steady decline. For the current 12-month period (Mar 17 – Feb 18), customer reportable injuries decreased by 26.1% compared to the previous 12 months (Mar 16 – Feb 17).

Although customer injuries are on the decline, we continue to maintain a strong effort to promote safe behaviors at or around trains, tracks and grade crossings through our safety education community outreach program, Together Railroads and Communities Keeping Safe (TRACKS).

In effort to reduce employee and customer incident and injuries, the Office of System Safety conducts monthly facility audits to ensure employees' working areas are free of hazards. Safety inspections are also conducted at stations to ensure our customers have access to safe environments when boarding, de-boarding and waiting for trains.

MNR continues to hold new employee safety orientation (NESO) which consists of a full day focused solely on safety. NESO introduces new employees to safe work practices on the railroad, and includes time in the field to ensure all employees are safe while working on the railroad.

And finally, MNR encourages employees to report all incidents and injuries, regardless of severity. This transparency has created a safe environment where employees feel free to report incidents without the fear of retaliation. We have created multiple avenues for employees to report non-emergent safety concerns anonymously via our Safety Hotline, email address, or electronic online form. These reports are actively tracked and remediated immediately to mitigate and eliminate hazards.

Justin Vonashek
Vice President
Office of System Safety

February 2018 Safety Report

Performance			
Performance Indicator	12-Month Average		
	March 2015 - February 2016	March 2016 - February 2017	March 2017 - February 2018
FRA Reportable Customer Accident Rate per Million Customers	1.24	1.15	0.85
FRA Reportable Employee Lost Time Injury Rate per 200,000 worker hours	2.55	2.98	2.96
Grade Crossing Incidents ¹	2	1	2
Mainline FRA Reportable Train Derailments	2	0	2
Mainline FRA Reportable Train Collisions	0	0	0

¹ Per FRA - Any impact between railroad on-track equipment and a highway user at a highway-rail grade crossing. The term "highway user" includes automobiles, buses, trucks, motorcycles, bicycles, farm vehicles, pedestrians, and all other modes of surface transportation motorized and un-motorized.

Leading Indicators				
Safety Training	2017		2018	
	February	Year to Date	February	Year to Date
First Responders Trained	146	304	183	227
Employee Safety Training Courses	98	188	128	202
Employees Trained	1,208	2,000	1,339	2,478
Employee Safety Training Hours	25,892	35,447	19,581	50,274
Customer and Community: Focus on Grade Crossings	2017		2018	
	February	Year to Date	February	Year to Date
Broken Gates	3	6	0	5
MTA Police Details	133	297	117	208
Summons	43	139	23	50
Warnings	7	11	0	0
Community Education and Outreach	11,890	15,290	8,910	10,095
Cars Equipped with Cameras	Fleet Size	Total Cars Equipped	% Complete	
Inward / Outward Facing Cab Cameras	956	319	33.37%	
Passenger Compartment Cameras	1,086	316	29.10%	

Definitions:

First Responders Trained - The number of first responders trained by MNR's Emergency Management to assist in crisis events, such as train evacuation.

Employee Safety Training Courses - The number of distinct safety-related courses offered, including technical courses that have a safety element. Repeats are excluded so that each course is counted only once.

Employees Trained - The number of unique employees that attended one or more of these safety-related courses.

Employee Safety Training Hours - The total hours of training completed by employees in all safety-related courses attended.

MTA Police Detail - The number of details specifically for the purpose of monitoring behavior at Grade Crossings.

Summons for Grade Crossing Violation and other Infractions- The number of violations issued to a motorist for going around a crossing gate or due to behavior that put the motorist at risk (i.e. cell phone use, etc.).

Warnings - The number of warnings issued to motorists due to behavior that put the motorist at risk (i.e. cell phone use, etc.).

Community Education and Outreach - The number of individuals reached at a TRACKS event. Program began in May 2016.

Cars Equipped with Cameras - Number of complete inward/outward and passenger compartment camera installations on rolling stock. Installation began in August 2016.

MTA CAPITAL CONSTRUCTION

PROJECT UPDATE

EAST SIDE ACCESS

East Side Access Active and Future Construction Contracts

Report to the Railroad Committee - April 2018

Expenditures thru March 2018; \$s in million

	Budget	Committed	Expenditures
Construction	\$ 8,024.5	\$ 7,537.9	\$ 6,002.4
Design	\$ 739.6	\$ 739.6	\$ 726.0
Project Management	\$ 1,033.7	\$ 883.3	\$ 824.0
Real Estate	\$ 178.0	\$ 119.9	\$ 117.8
Rolling Stock†	\$ 202.0	\$ 3.2	\$ 0.1
Total	\$ 10,177.8	\$ 9,283.9	\$ 7,670.2

† An additional \$463 million budgeted for ESA rolling stock is included in a reserve and \$50 million is included in the Regional Investment budget.

	Schedule
Project Design Start	March-1999
Project Design Completion	December-2018
Project Construction Start	September-2001
Revenue Service Date	December-2022

Project Description	Budget (Bid + Contingency)	Current Contract (Bid + Approved AWOs)	Remaining Budget	Expenditures	2014 Replan Award Date	Actual/ Forecast Award Date	Planned Completion at Award	Forecast Completion
Manhattan Construction								
CM014A: GCT Concourse Finishes Early Work Yonkers Contracting	\$61.1	\$60.5	\$0.6	\$58.7	Nov-2011	Nov-2011	Apr-2013	Jun-2018
CM006: Manhattan Northern Structures Frontier Kemper Constructors, Inc.	\$361.6	\$350.2	\$11.4	\$328.6	Mar-2014	Mar-2014	Nov-2016	Jun-2018
CM014B: GCT Concourse & Cavern Fit-Out GCT Constructors JV	\$463.6	\$447.5	\$16.1*	\$222.9	Dec-2014	Feb-2015	Aug-2018	May-2020
CM007: Manhattan Cavern Structure & Facilities Fit-Out Tutor Perini Corporation	\$712.3	\$662.2	\$50.2	\$247.4	Jul-2015	Apr-2016	Jan-2020	Jun-2020
Queens Construction								
CQ032: Plaza Substation & Queens Struct Construction Tutor Perini Corporation	\$265.4	\$261.5	\$4.0	\$242.0	Aug-2011	Aug-2011	Aug-2014	Jun-2018
CQ033: Mid-Day Storage Yard Tutor Perini Corporation	\$308.0	\$294.7	\$13.4	\$53.0	N/A	Apr-2017	Aug-2020	Dec-2020
Harold Construction								
CH061A: Harold Tunnel A Cut and Cover Structures Michels Corp.	\$42.0	\$34.4	\$7.5	\$18.7	N/A	Nov-2016	May-2018	Jun-2018
CH057D: Harold Structures - Part 3, Trackwork		In Procurement			N/A	Apr-2018	May-2019	Jun-2019
CH058A: Harold Structures - Part 3A: B/C Approach**		In Design			Jul-2015	Jul-2018	N/A	Oct-2020
Systems Contracts								
Systems Package 1: Tunnel Ventilation, Facility Power, Communications, Controls, Security, Fire Detection (CS179) Tutor Perini Corporation	\$606.9	\$565.4	\$41.5***	\$339.4	Mar-2014	Mar-2014	Dec-2019	Jan-2021
Systems Package 2: Signal Installation (CS086)		In Procurement			N/A	May-2018	N/A	Jan-2021
Systems Package 3: Signal Equipment (VS086) Ansaldo STS USA Inc.	\$21.8	\$19.9	\$1.9	\$8.4	Jun-2014	Jun-2014	Dec-2019	Jan-2021
Systems Package 4: Traction Power (CS084) E-J Electrical Installation Company	\$79.7	\$72.9	\$6.8	\$11.4	Sep-2014	Oct-2014	Dec-2019	Jan-2021

* Remaining contingency includes unawarded options and associated contingency (originally \$26M).

** CH058 contract package is being split into two packages. The first package will be CH058A Harold Structures Part 3A B/C Approach. There will be a future package CH058B which will include regional investment of the Eastbound Reroute.

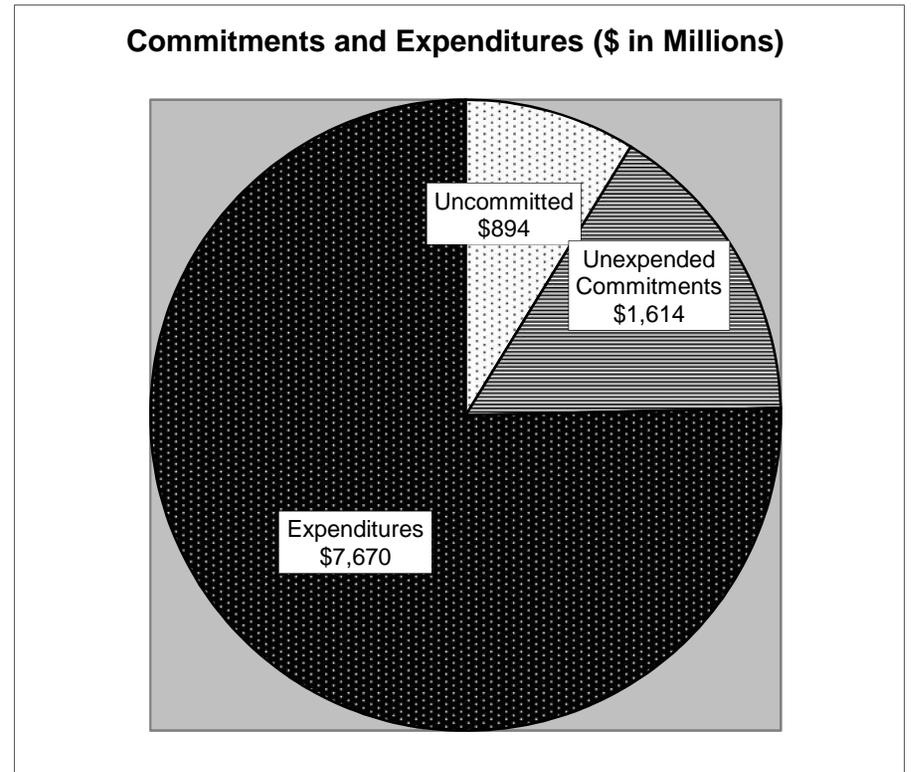
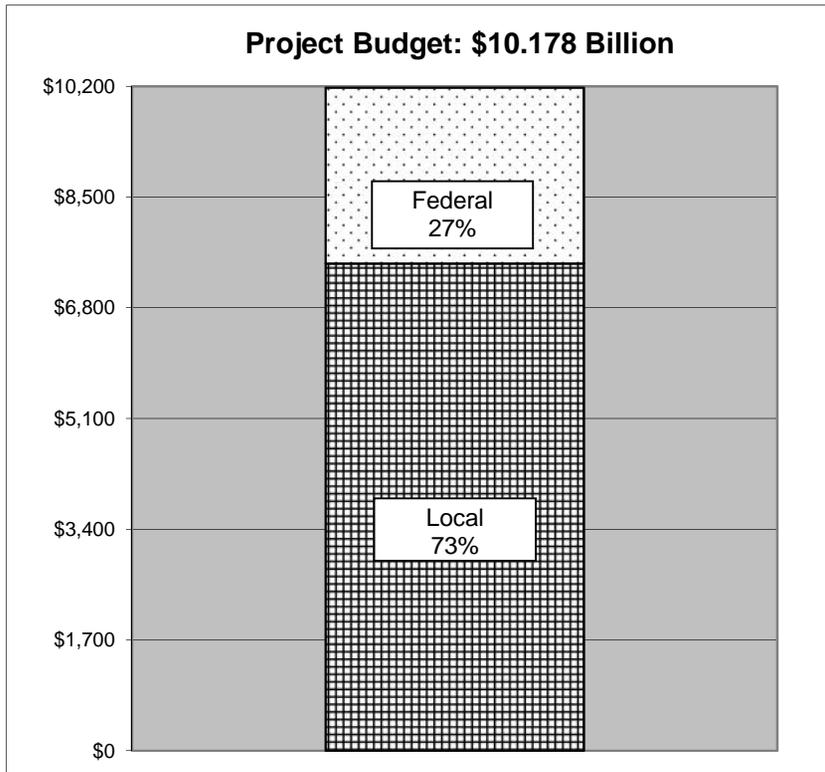
*** Remaining contingency includes unawarded options and associated contingency (originally \$238.48M).

East Side Access Status

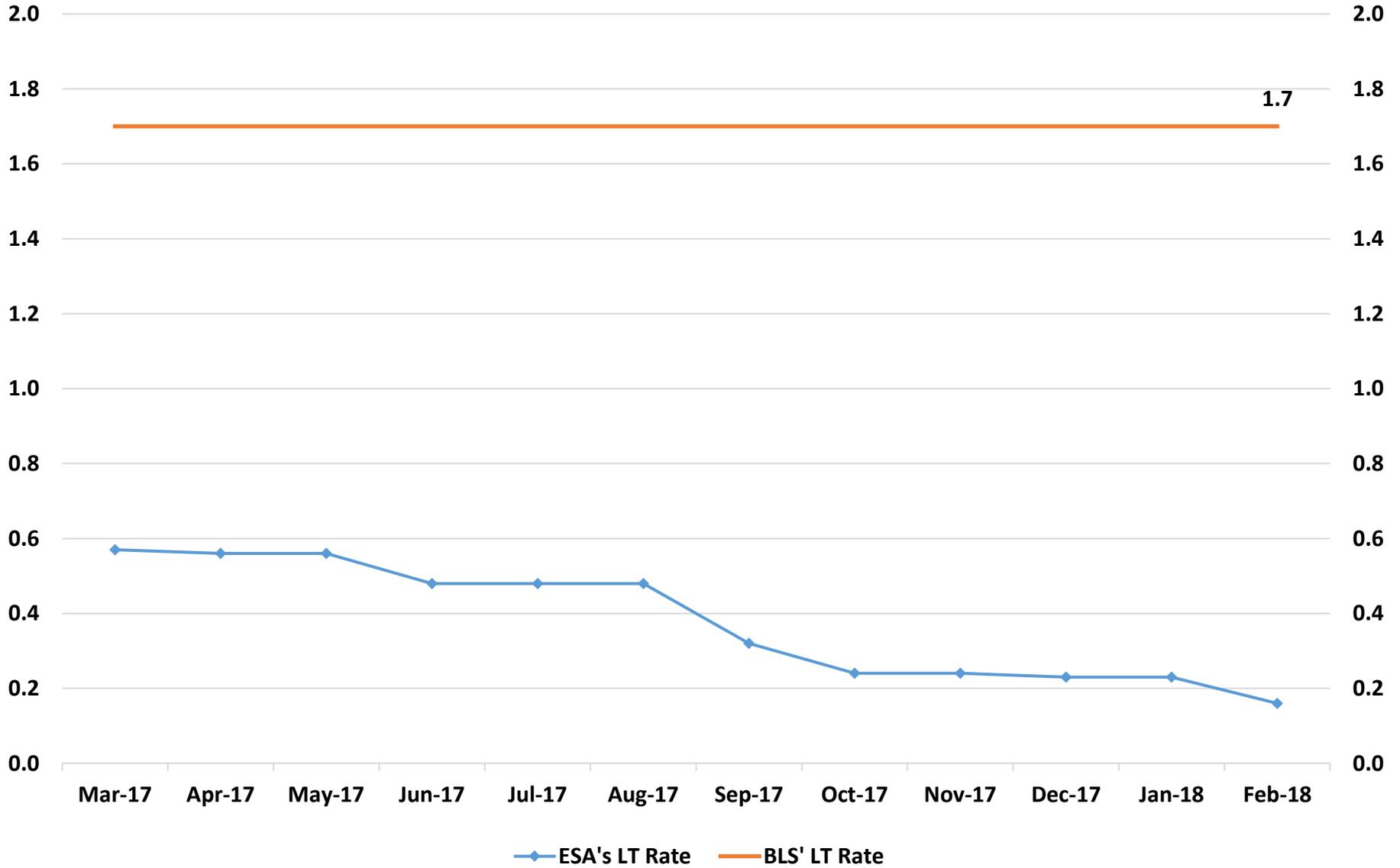
Report to the Railroad Committee - April 2018

data thru March 2018

MTA Capital Program \$ in Millions	Budgeted	Funding Sources			Status of Commitments		
		Local Funding	Federal Funding	Federal Received	Committed	Uncommitted	Expended
1995-1999	\$ 158	\$ 94	\$ 64	\$ 64	\$ 158	\$ -	\$ 158
2000-2004	1,533	737	797	797	1,529	5	1,523
2005-2009	2,683	1,697	986	986	2,674	9	2,649
2010-2014	3,502	2,649	852	852	3,154	348	2,674
2015-2019	2,302	2,302	-	-	1,769	533	666
Total	\$ 10,178	\$ 7,479	\$ 2,699	\$ 2,699	\$ 9,284	\$ 894	\$ 7,670



East Side Access 12 Month Rolling Average Lost Time(LT) Injury Rates





POLICE REPORT



METROPOLITAN TRANSPORTATION AUTHORITY

Police Department Long Island Rail Road

March 2018 vs. 2017

	2018	2017	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	0	1	-1	-100%
Felony Assault	1	1	0	0%
Burglary	1	0	1	100%
Grand Larceny	10	7	3	43%
Grand Larceny Auto	0	0	0	0%
Total Major Felonies	12	9	3	33%

Year to Date 2018 vs. 2017

	2018	2017	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	2	6	-4	-67%
Felony Assault	6	5	1	20%
Burglary	1	1	0	0%
Grand Larceny	19	17	2	12%
Grand Larceny Auto	0	1	-1	-100%
Total Major Felonies	28	30	-2	-7%



METROPOLITAN TRANSPORTATION AUTHORITY

Police Department Metro North Railroad

March 2018 vs. 2017

	2018	2017	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	0	2	-2	-100%
Felony Assault	1	3	-2	-67%
Burglary	0	0	0	0%
Grand Larceny	11	6	5	83%
Grand Larceny Auto	0	1	-1	-100%
Total Major Felonies	12	12	0	0%

Year to Date 2018 vs. 2017

	2018	2017	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	3	4	-1	-25%
Felony Assault	6	3	3	100%
Burglary	8	4	4	100%
Grand Larceny	27	20	7	35%
Grand Larceny Auto	0	2	-2	-100%
Total Major Felonies	44	33	11	33%



**METROPOLITAN TRANSPORTATION AUTHORITY
Police Department
System Wide**

March 2018 vs. 2017

	2018	2017	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	0	3	-3	-100%
Felony Assault	2	4	-2	-50%
Burglary	1	0	1	100%
Grand Larceny	21	14	7	50%
Grand Larceny Auto	0	1	-1	-100%
Total Major Felonies	24	22	2	9%

Year to Date 2018 vs. 2017

	2018	2017	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	6	10	-4	-40%
Felony Assault	12	9	3	33%
Burglary	9	5	4	80%
Grand Larceny	46	38	8	21%
Grand Larceny Auto	0	3	-3	-100%
Total Major Felonies	73	65	8	12%

INDEX CRIME REPORT
Per Day Average
March 2018

	Systemwide	LIRR	MNRR
Murder	0	0	0
Rape	0	0	0
Robbery	0	0	0
Fel. Assault	2	1	1
Burglary	1	1	0
Grand Larceny	21	10	11
GLA	0	0	0
Total	24	12	12
Crimes Per Day	0.77	0.39	0.39



MTA Police Department Arrest Summary: Department Totals

1/1/2018 to 3/31/2018

Arrest Classification	Total Arrests	
	2018	2017
Robbery	12	7
Felony Assault	14	14
Burglary	8	2
Grand Larceny	15	7
Grand Larceny Auto	1	0
Aggravated Harassment	2	2
Aggravated Unlicensed Operator	8	6
Assault-Misdemeanor	29	16
Breach of Peace	2	2
Criminal Contempt	4	3
Criminal Mischief	13	15
Criminal Possession Stolen Property	6	4
Criminal Tampering	0	7
Criminal Trespass	10	7
Disorderly Conduct	2	2
Drug Offenses	11	27
DUI Offenses	4	2
Forgery	16	13
Fraud	1	0
Graffiti	2	9
Make Terrorist Threat	3	0
Menacing	5	4
Obstruct Government	4	5
Petit Larceny	56	38
Public Lewdness	5	4
Reckless Endangerment	0	3
Resisting Arrest	12	11
Sex Offenses	6	3
Stalking	0	1
Theft of Services	63	49
Warrant Arrest	40	13
Weapons Offenses	5	1
Total Arrests	359	277

**Metropolitan Transportation Authority
Police Department**

Hate Crimes Report (January-March 2018)

Motivation	2018	2017	Diff	% Change
ASIAN	0	0	0	0%
BLACK	2	0	2	0%
ETHNIC	0	0	0	0%
GENDER	0	0	0	0%
HISPANIC	1	0	1	0%
MUSLIM	0	1	-1	-100%
OTHER	1	0	1	0%
ANTI-SEMITIC	2	10	-8	-80%
SEXUAL ORIENTATION	0	0	0	0%
WHITE	0	0	0	0%
TOTAL	6	11	-5	-45%

CRIME NAME	2018	2017	Diff	% Change
Agg. Harassment # 1	0	0	0	0%
Agg. Harassment # 2	0	0	0	0%
Felony Assault	0	0	0	0%
Misd. Assault	1	1	0	0%
Criminal Mischief # 3	0	0	0	0%
Criminal Mischief # 4	5	10	-5	-50%
Grand Larceny # 4	0	0	0	0%
Menacing # 2	0	0	0	0%
Robbery # 2	0	0	0	0%
Total	6	11	-5	-45%



Long Island Rail Road



Metro-North Railroad

JOINT INFORMATION ITEMS

MTA HOMELESS OUTREACH

Long Island Rail Road
Metro-North Railroad

April 2018



MTA HOMELESS OUTREACH

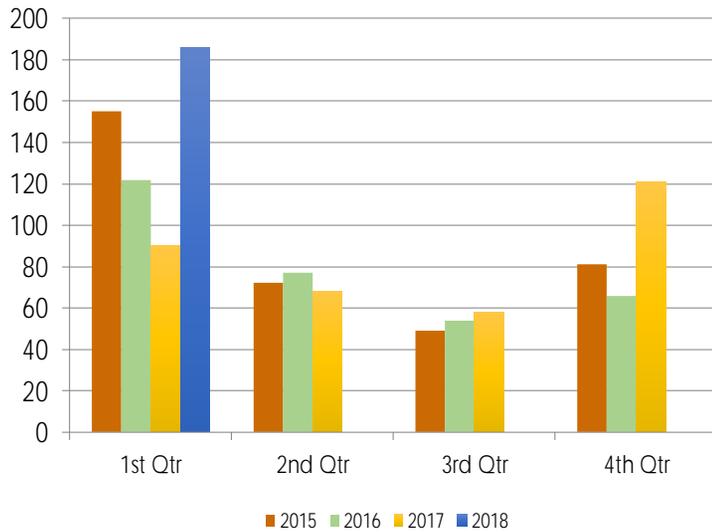
- Service Providers
 - Bowery Residents' Committee (BRC)
 - LIRR & MNR property within NYC
 - MNR Northern counties
 - Services for the Underserved (SUS)
 - LIRR Eastern counties

- Placements
 - Voluntary
 - Exception for those individuals who pose a danger to themselves or others
 - Partners
 - MTAPD
 - Amtrak

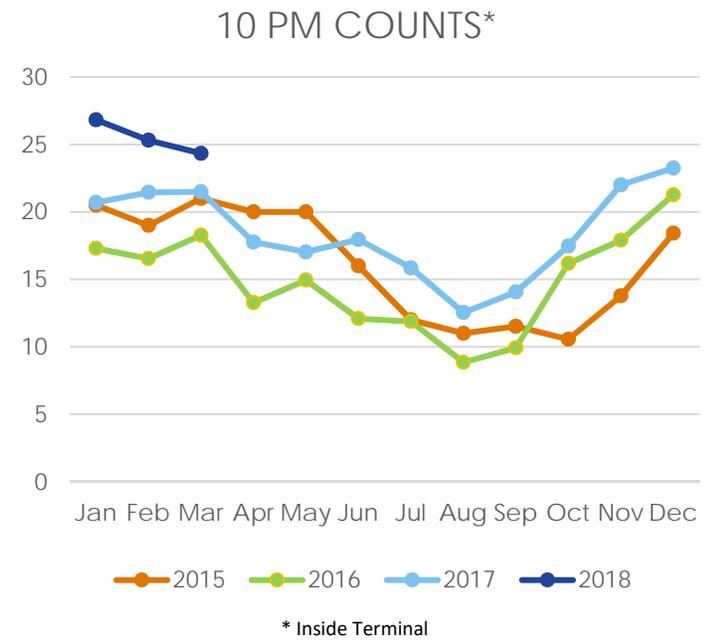


MTA HOMELESS OUTREACH

GCT Placements



GCT Homeless Counts

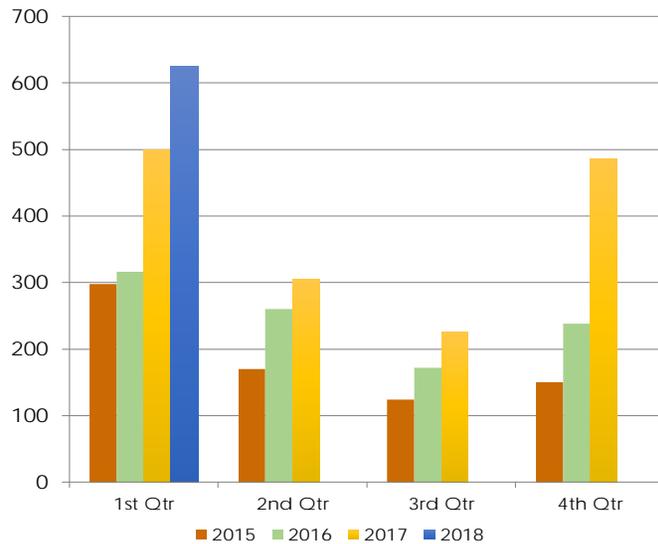


† Placement and count data provided by BRC



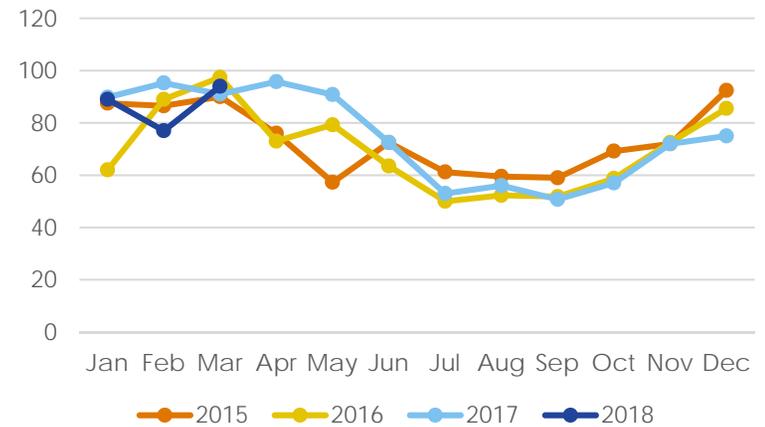
MTA HOMELESS OUTREACH

Penn Placements



Penn Homeless Counts

Average of Penn Initiative Weekly Counts*



*Penn Initiative includes Amtrak level, Subway areas & Street level

† Placement and count data provided by BRC



April 2018
Joint MNR/LIRR Committee Meeting
Monthly PTC Project Update

April 23, 2018



PTC Overall Project Status

Item	Comments
Schedule	<ul style="list-style-type: none"> <input type="checkbox"/> Critical safety variances discovered during LIRR Integrated System testing shifts interim milestone dates for both Railroads by an estimated 2 months. <input type="checkbox"/> Pilot test completion and RSD application now moved to August 2018 timeframe. <input type="checkbox"/> Compliance with all federal requirements still on target. <input type="checkbox"/> Slippage of interim milestones places the goal of having all lines in PTC operations by 12/31/18 at significant risk.
% Complete	<p>LIRR - 69%</p> <p>MNR - 68%</p>
Budget	<p>\$968M</p> <p>LIRR: Additional need of \$40M pending Board approval in April as part of 2015-2019 Plan Amendment</p>



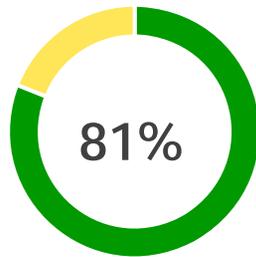
LIRR/MNR Project Progress Dashboard

Long Island Rail Road

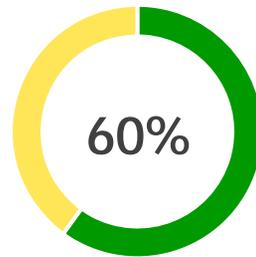
Radio Spectrum



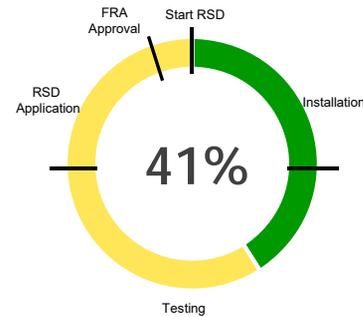
Installation of Hardware



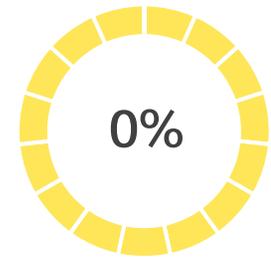
Employees Trained



PTC Operations (RSD) Pilot Lines



PTC Operations (RSD) 15 Non-Pilot Segments

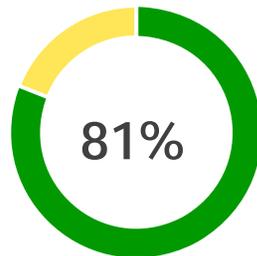


Metro North Railroad

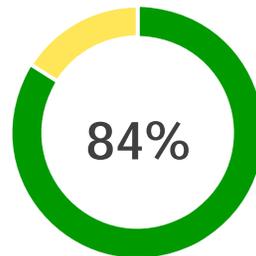
Radio Spectrum



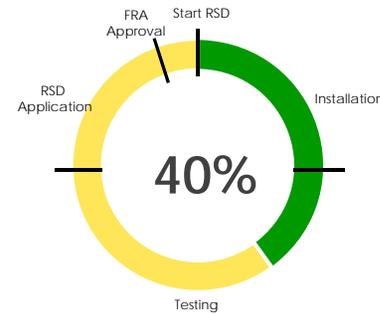
Installation of Hardware



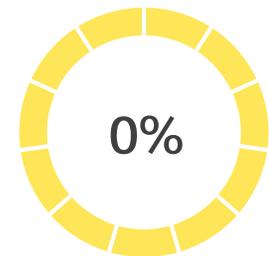
Employees Trained



PTC Operations (RSD) Pilot Lines



PTC Operations (RSD) 11 Non-Pilot Segments



LIRR PTC – 2018 Hardware Installation Projections

PTC Subsystem	System Requirements	FRA Goals	Installs through March 2018	% Complete FRA Goal	Remaining to meet FRA Goals	18-Mar		18-Apr	18-May	18-Jun	18-Jul	18-Aug	18-Sep	18-Oct	18-Nov	18-Dec
						Forecast	Actual	Forecast								
Transponders	3367	3367	2499	74%	868	88	97	116	163	163	183	193	50	0	0	0
WIUs	151	145	118	81%	27	0	1	0	0	2	6	10	9	0	0	5*
C-Cases	111	108	107	99%	1	0	0	0	0	0	0	1	0	0	3*	0
M7	418	240	414	100%	0	12	8	0**	0	0	0	0	0	0	0	0
DE/DM	45	30	10	33%	20	9	4	10	10	10	5	0	0	0	0	0
C3	23	17	2	12%	15	6	0	3	6	6	6	0	0	0	0	0
E15	16	5	0	0%	5	0	0	1	5	5	5	0	0	0	0	0
M9	66	0	0	0%	0	0	0	0	0	0	11	11	11	11	11	11

Data date March 31, 2018

* For future PTC in ESA tunnels

** Four M7 pairs are out of service and installs will be completed prior to return to service

 Month when FRA goal is met

M7 installations complete to meet FRA goals and minimum operational needs



MNR East of Hudson PTC – 2018 Hardware Installation Projections

PTC Subsystem	System Requirements	FRA Goals	Installs through March 2018	% Complete FRA Goal	Remaining to meet FRA Goals	18-Mar		18-Apr	18-May	18-Jun	18-Jul	18-Aug	18-Sep	18-Oct	18-Nov	18-Dec
						Forecast	Actual	Forecast								
Transponders	2931	2931	2502	85%	429	0	0	0	75	75	75	75	75	54	0	0
WIUs	84	84	81	96%	3	1	1	1	1	0	1	0	0	0	0	0
Radio Cases	104	104	59	57%	45	8	7	8	8	8	8	6	4	3	0	0
M7	167	167	167	100%	0	0	0	0	0	0	0	0	0	0	0	0
M3	69	32	18	56%	14	3	3	0	1	6	8	12	12	12	0	0
P32	31	23	7 (4 Partial)	22%/100%	16	3	3	3	3	3	3	3	3	3	3	3
			31 Partial (OBC)											3		
Cab Cars	52	35	5 Complete	14%/94%	30	3	3	5	6	6	6	6	6	6	6	6
			33 Partial (OBC)											6		
M8	190	106	190 Partial (OBC)	0%/100%	106	0	0	24	24	24	24	24	24	24	22	0
BL20	12	9	12 Partial	0%	9	0	0	1	1	2	1	1	2	2	2	0
GP35	7	4	7 Partial	0%	4	0	0	0	0	0	1	2	1	1	2	0

Data date March 31, 2018

Month when FRA goal is met

All M7 installations complete



MNR Port Jervis Line Hardware Installation Projections

PTC Subsystem	System Requirements	FRA Goals	Installs through March 2018	% Complete FRA Goal	Remaining to meet FRA Goals	18-Mar		18-Apr	18-May	18-Jun	18-Jul	18-Aug	18-Sep	18-Oct	18-Nov	18-Dec
						Forecast	Actual	Forecast								
Transponders	250	250	0	0%	250	0	0	0	0	0	80	80	90	0	0	0
WIUs	10	10	0	0%	10	0	0	0	0	0	3	3	3	1	0	0
Radio Cases	11	11	0	0%	11	0	0	0	0	0	3	3	3	2	0	0

Data date March 31, 2018

 Month when FRA goal is met

Note : Port Jervis Line Wayside Hardware Installation Schedule is dependent on NJ Transit PTC Contractor design and deliveries.



LIRR Project Update (March Accomplishments)

- Commenced Integrated System FAT
- Continued review/approval of Final Design Review documents for FDR.
- Completed equipment installations/programming and facility set-up on West Hempstead line to support Locomotive Engineering training
- Continued preliminary Site Performance Testing on Pilot Line 2.
- Continued preparations to start Site Performance Testing on Pilot Line 1.
- Continued to resolve priority test variances from Office and Subsystem FATs
 - 7 core office test variances have been resolved and pending re-test
- Continued to develop the RSD application for FRA approval.
- Continued interoperability discussions with Amtrak.
- Continued installation of M7 on-board software.
- Commenced installation of brackets in Atlantic tunnel to install PTC and cellular cables.
- Conducted tests to commission upgraded electrical and HVAC systems at Primary Computer Center to support office subsystem.
- Continued Database Verification & Validation of non-pilot lines.



MNR Project Update (March Accomplishments)

- Civil Speed Enforcement (CSE)
 - Began operating equipped Diesel and Cab Cars with CSE.
 - Began operating M7 Fleet with CSE.
- Completed Office Subsystem 2.3 regression testing with variances observed at Pittsburgh. Resolve priority variances.
- Commenced Integrated System Pre-FAT with critical variances observed.
- Continued preparations to start Site Performance Testing on RSD Segment.
- Progressed the FRA Revenue Service Demonstration (RSD) plan with Dayton T Brown.
- Continued review/approval of Final Design Review documents.
- Third party contractor continues installation of Radio Cases and Antenna Poles.
- M3 Arch Street installation work was awarded to Bombardier.
- Continued review of CSE data logs of Tenant Railroads (Amtrak/CSX/P&W) operation demonstrating PTC interoperability on MNR.



Recent LIRR/MNR Project Challenges

- LIRR failed several test cases during Integrated System FAT (core functionality)

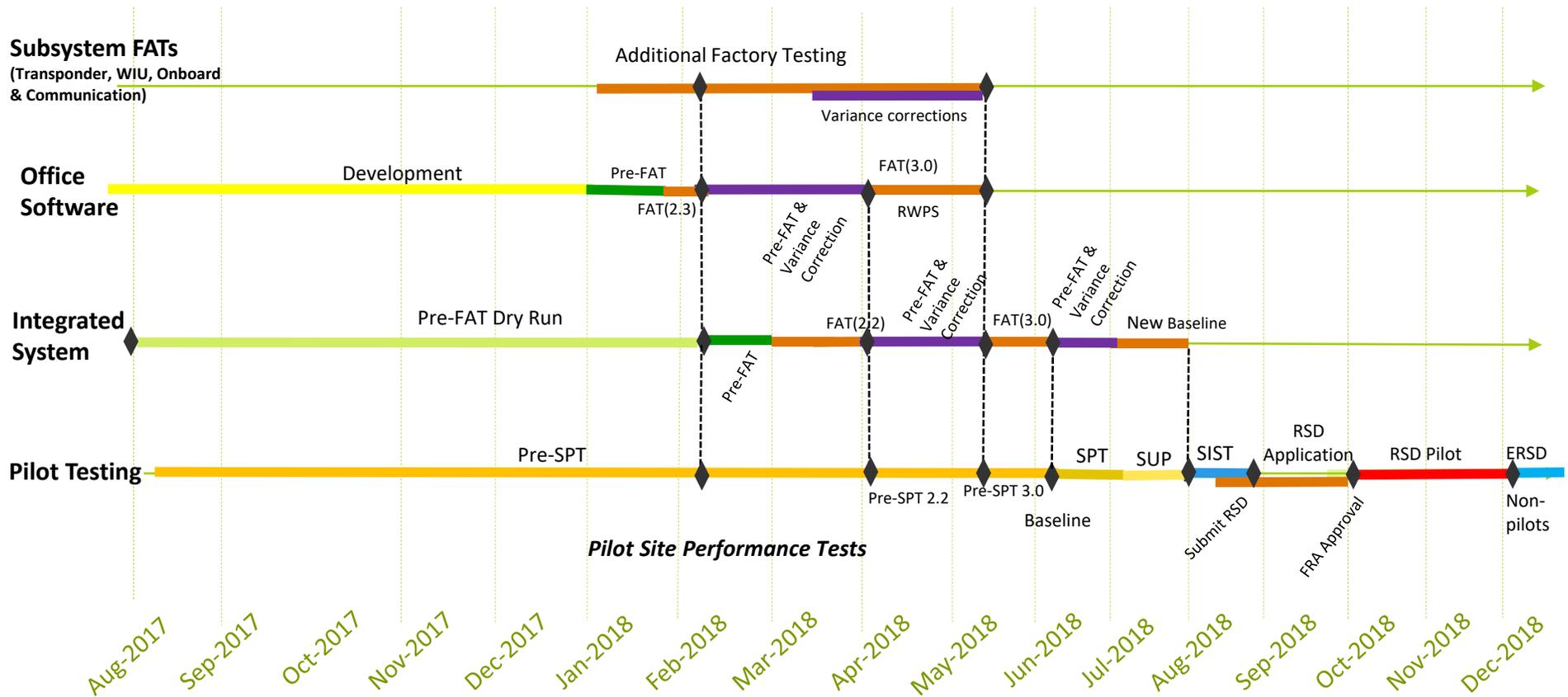
Total test procedures executed	passed	failed	deferred	remaining	% passed	% failed	% complete
52	13	16*	2	21	26	32	58

- FAT was suspended to correct the “safety critical” and “high priority” variances.
- Root cause of several of these variances are still under investigation and the schedule impact is estimated to be approximately 2 months.
- Similar test failures expected during MNR FAT
- MNR Integrated System Pre-FAT had a significant number of failed test cases
- MNR FAT suspended due to LIRR FAT variances
- MNR Integrated System FAT was cancelled to allow time for variance corrections



LIRR Schedule Software/System Development & Test

- The schedule impact to correct the newly discovered variances is estimated to be two months.
- Currently holding the 2018 completion date pending variance resolution and a schedule impact analysis.



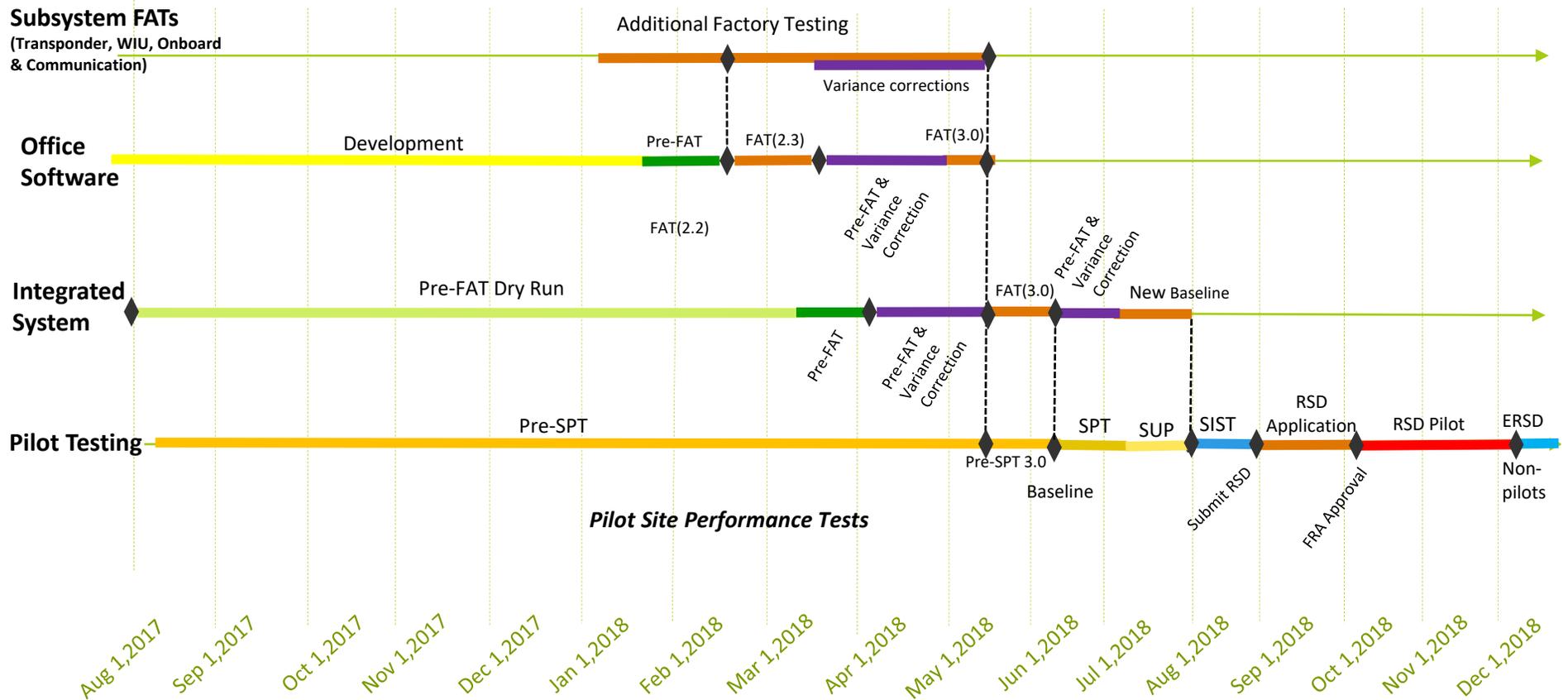
SPT = Site Performance Tests
SIST = Site Integrated System Test

SUP = Site Update Period
RSD = Revenue Service Demonstration

ERSD = Extended Revenue Service Demonstration

MNR Schedule Software/System Development & Test

- The schedule impact to correct the newly discovered variances is estimated to be two months.
- Currently holding the 2018 completion date pending variance resolution and a schedule impact analysis.



SPT = Site Performance Tests
SIST = Site Integrated System Test

SUP = Site Update Period
RSD = Revenue Service Demonstration

ERSD = Extended Revenue Service Demonstration

LIRR Project April 2018 Look-Ahead

- Resolve and re-test critical PTC variances to resume Integrated System testing.
- Continue review/approval of Final Design Review documents.
- Complete upgrade of electrical and HVAC at Primary Computer Center to support office subsystem.
- Complete installation and programming of transponders on two non-pilot line segments. (Main Line Hollis to Floral Park and Montauk – Hall to Amityville)
- Continue installation of on-board software and commissioning of M7 production vehicles.
- Continue installations of onboard equipment on DE/DM and C3 vehicles.
- Commence installation of on-board software for DE/DM and C3s.
- Continue installation of brackets and commence cable installation in Atlantic Tunnel.
- Continue Amtrak Interoperability discussions.
- Commence preliminary Site Performance on Pilot Line 1.
- Continue preliminary Site Performance Testing on Pilot Line 2.
- Continue Database Verification & Validation of non-pilot lines.



MNR Project April 2018 Look-Ahead

- ❑ Finalize software modifications for M3 Fleet for CSE implementation.
- ❑ Complete testing of the cellular network on the RSD Segment (Tarrytown – Harmon).
- ❑ Complete Integrated System Pre-FAT and develop a plan for addressing critical variances.
- ❑ Resolve and re-test critical PTC variances to begin Integrated System testing.
- ❑ Perform Interoperability testing with CSX on the Test Track.
- ❑ Install Office Software 2.3.0 and required work stations at Emergency Control Center (ECC) to support Site Performance Tests
- ❑ Continue field testing on the test track to demonstrate PTC functionality (Temporary Speed Restrictions (TSR) Enforcement, Positive Train Stop, Accurate Stop).
- ❑ Continue review of CSE data logs of Tenant Railroads (Amtrak/CSX/P&W) operation demonstrating PTC interoperability on MNR.
- ❑ Continue Amtrak Interoperability discussions to finalize the LOU.



LIRR/MNR Project Risks and Railroad Mitigations

- ❑ Proceeding with Integrated System FAT and pilot testing with open test variances. Identify and focus on the required functional testing to meet the FRA PTC goals.
 - ❑ LIRR Office FAT Variances were resolved and software was loaded into the Backup Computer Center.
 - ❑ Perform bench level Integrated System testing in New York.
 - ❑ Remotely witness test cases in order to expedite variance closure.
 - ❑ Expedite the delivery of the contractually required test lab to be utilized within Bombardier's New York office to support testing.
 - ❑ The Contractor has so far failed to provide a cloud based solution to allow the joint Railroad/Contractor team to access the Requirements Traceability Matrix (RTM) tool to support real-time Verification & Validation activities.
 - ❑ The SI has so far failed to provide shadow mode testing to provide input to and accelerate the completion of the SIST testing period and provide an initial view of system performance.
 - ❑ Witnessed preliminary testing of core RWPS functionality
- ❑ Systems Integration challenges as a result of the application of ACSES on high density operations can only be discovered during bench level testing and field operational testing.
- ❑ Procuring additional radio spectrum to minimize potential interference issues.



LIRR/MNR Project Risks and Railroad Mitigations (contd.)

- ❑ System Integrator assembled and are utilizing portable test equipment that mimics train communications with the wayside in a compact package (trunk train) to speed up discovery of wayside communications issues without utilizing a real train.
- ❑ System Integrator's (SI) difficulty in the acquisition and retaining PTC knowledgeable resources to support the project to meet the deadline.
 - ❑ Met with new Bombardier Executive for Regional Americas.
 - ❑ The Contractor has added staff and are acquiring additional outside support for their design, testing and requirements work.
 - ❑ Railroads are utilizing their own consultants to bridge technical and operational gaps in the SI's PTC team.
- ❑ Finalization of agreement with Amtrak for interoperability design and implementation.
- ❑ MNR Port Jervis Line PTC installation dependent upon receipt of wayside equipment from NJT.
 - ❑ MNR will accept Wayside/Communication material at 50% design to commence installation.
- ❑ Completion by December 2018 requires simultaneous commissioning of multiple line segments making it challenging with constraints of resources.
- ❑ Completion by December 2018 seriously threatened by the discovery of critical software variances during LIRR Integrated System FAT.
- ❑ Timely approvals of RSD applications by FRA due to a significant number of applications requiring FRA review at the same time.



Safety Layers of LIRR/MNR's PTC System

PTC Is Designed to Prevent:	Current Technology at LIRR	Current Technology at MNR	PTC Mandate
Train to train collisions	 Red signal violation automatically prevented over 15 mph	 Red signal violation automatically prevented over 15 mph	 Will stop train at red signals, regardless of speed
Overspeed derailments at curves and elsewhere	 Cab signal system automatically limits train speeds for permanent speed limits.	 CSE will automatically enforce permanent speed limits system wide as of 1 st Qtr. 2018.	 Limits train speeds for permanent and temporary speed limits
Incursion into work zones	 Track blocking prevents clearing routes into work zones.	 Enhanced Employee Protection System (EEPS) fulfills requirement	 MNR: EEPS. LIRR: Enforced Track Blocking and Roadway Worker Protection System
Movement of train through misaligned switch	 Protected by Cab Signal System / Automatic Train Control over 15 mph	 Protected by Centralized Train Control / Cab Signal System / Automatic Train Control over 15 mph	 Will stop train at interlocking red signal. Will limit speed to 15 mph outside interlockings.
Stop a train prior to a malfunctioning grade crossing	 Protection at malfunctioning grade crossing by operating rules and manual procedures	 Protection at malfunctioning grade crossing by operating rules and manual procedures	 PTC will permit applying a special TSR that will stop trains before the affected grade crossing.



Yellow check = existing partial compliance with PTC mandate



Green check = full compliance with PTC mandate

LIRR/MNR PTC Timeline and Look-ahead

March 2018

- ✓ LIRR completed Integrated System Pre-FAT.
- ✓ LIRR commenced Integrated System FAT.
- ✓ MNR started operating diesel & M7 trains with ACSES CSE.

April 2018

- MNR to start Site Performance Testing on Hudson Line Pilot.

May 2018

- LIRR/MNR to achieve Final Design Review (FDR) (previously March 2018)
- MNR to start operating M3 trains with ACSES CSE.
- MNR to commence Integrated System FAT (previously April 2018)

June 2018

- LIRR to start Site Performance Testing on Pilot Lines (previously April 2018)

July 2018

- LIRR to complete Integrated System FAT (previously April 2018)
- LIRR to complete all on-board installations (Except NYAR & M9) (Previously June)
- System Integrator (SI) to complete delivery of Train-the-trainer courses.
- MNR to complete all required training to employees.



LIRR/MNR PTC Timeline and Look-ahead

August 2018

- ❑ LIRR to submit RSD application for pilot lines (previously June 2018)
- ❑ LIRR to start Site Performance Testing on non-pilot segments (previously June 2018)
- ❑ MNR to submit RSD application for Tarrytown to Croton-Harmon segment (previously July 2018)

September 2018

- ❑ LIRR to complete all wayside installations. (with the exception of ESA tunnels)
- ❑ Begin RSD on Tarrytown to Croton-Harmon segment on Hudson Line.

October 2018

- ❑ MNR to complete all wayside installations including Port Jervis Line.
- ❑ LIRR to complete all required training to employees. (previously September 2018)
- ❑ LIRR to obtain FRA approval to start RSD on pilot lines (previously August 2018)
- ❑ MNR to obtain FRA approval to start RSD on Tarrytown to Croton-Harmon Hudson line segment. (previously September 2018)

November 2018

- ❑ MNR to complete all onboard installations.
- ❑ MNR to request expansion of RSD approval to non-pilot track segments.
- ❑ LIRR to request expansion of RSD approval to non-pilot track segments (previously September 2018)

December 2018

- ❑ LIRR/MNR to submit PTC Safety Plan to FRA for approval.
- ❑ LIRR begins to place all lines in PTC Operations (RSD).
- ❑ MNR begins to place all lines in PTC Operations (RSD).





Long Island Rail Road

INFORMATION

ITEMS

**MTA LONG ISLAND RAIL ROAD
2017 YEAR-END REPORT
SUMMARY**

The MTA Long Island Rail Road's financial performance in comparison to the 2017 Final Estimate was favorable. This improvement in the final result was due to the fact that actual 2017 non-reimbursable expenses before Depreciation, Other Post Employee Benefits (OPEB), GASB 68 Pension Expense Adjustment and Environmental Remediation of \$1,430.9 million were \$21.9 million lower than the Final Estimate. This was partially offset by total Operating Revenue of \$780.6 million which was \$4.3 million lower than the Final Estimate.

LIRR's Cash Deficit of \$(739.9) million was \$62.9 million higher than the Final Estimate, primarily due to timing of receipts for capital and other reimbursements. Excluding timing related items, the LIRR cash deficit was \$1.1 million favorable.

In order to achieve these positive results, the LIRR subjected key cost centers to intensive monitoring and control. It accomplished this while simultaneously providing the resources necessary to provide a high level of operational performance.

Total Non-Reimbursable Revenues were \$4.3 million lower than the Final Estimate as a result of Other Operating Revenue, which was \$1.9 million unfavorable due to lower advertising revenue, and Farebox revenue which was \$2.5 million lower than projected due to lower ridership and yield per passenger. Overall, ridership remained at the same level as 2016 when adjusted for the same number of calendar workdays. Ridership was lower than the Final Estimate by 0.3 million or 0.3%. Despite finishing slightly lower than the Final Estimate, the LIRR experienced its second highest ridership since the post-war record in 1949.

Total Non-Reimbursable Expenses Before Depreciation and Other were \$21.9 million lower than the Final Estimate as a result of several factors. Labor expenses of \$1,017.5 million were \$33.7 million lower than the estimate primarily due to the existence of vacant positions and associated fringe costs, lower OPEB Current payments, lower retiree sick payouts, lower vacation pay and sick leave buyout accruals and higher Reimbursable Overhead, partially offset by higher right of way maintenance and vacancy/absentee coverage overtime.

Non-labor expenses of \$413.4 million were \$(11.9) higher than the Final Estimate. Higher non-cash items including legal claim reserves based on latest actuarial estimates, demolition of a building that was not fully depreciated, write-off of certain projects that are no longer capital eligible and higher bad debt reserves for Amtrak outstanding receivables were partially offset by the timing of fleet modification work and Reliability Centered Maintenance activities as well as fewer rolling stock running repairs, corporate inventory adjustments.

Depreciation, Other Post Employee Benefits, GASB 68 Pension Adjustment and Environmental Remediation of \$482.0 million were \$54.6 million above the estimate

primarily due to an MTA-wide increase in Other Post-Employment Benefits which was higher than the Final Estimate by \$54.6 million based on the latest actuarial estimate.

From the year-end preliminary actuals to the final close, adjustments for Other Post-Employment Benefits, claims, materials, maintenance and other operating contracts, professional services and other business expenses were the only significant changes.

Total Reimbursable revenues and expenses were \$42.1 million higher than the Final Estimate primarily resulting from capital project activity.

LIRR's Cash Deficit of \$(739.9) million was \$62.9 million higher than the Final Estimate. The cash variance can be classified as "real" or "timing". A timing cash variance will generally reverse itself in the following year so that the cumulative 2017-2018 impact is zero. A "real" variance occurs when that variance results in a financial impact over the financial plan period that is not offset in future year. Any variance that is not a timing variance is a real variance. The \$62.9 million variance consisted of a real favorable variance of \$1.1 million and unfavorable timing variance of \$63.9 million. Cash Receipts of \$1,096.5 million were lower than the Final Estimate by \$45.7 million, comprised of \$16.3 million in real variances and \$(62.0) million in timing variances. The real variance was due to favorable capital reimbursements resulting from higher project activity, partially offset by lower Farebox Revenue. The timing variance is attributed to timing of receipts for capital and other reimbursements. This timing reflects work performed but not yet reimbursed by the capital program or other entities.

Cash expenditures of \$1,835.5 million were \$16.4 million higher than the Final Estimate, comprised of \$(14.5) million in real unfavorable variances and \$(1.9) million in unfavorable timing variances. Unfavorable real variances are primarily attributed to higher material and overtime usage in the Maintenance of Way department for operating and capital project activity, partially offset by lower payroll and associated fringe costs due to vacant positions as well as lower maintenance and other operating contracts. The timing variance is primarily attributed to early delivery of rolling stock materials and insurance payments, partially offset by maintenance and professional services expenses.

The overall favorable 2017 financial performance reflects the LIRR's continued focus on maximizing scarce financial resources. Heading into 2018, 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
2017 YEAR-END REPORT
EXPLANATIONS OF REVENUE AND EXPENSE VARIANCES
ACCRUAL BASIS**

2017 Final Estimate vs. Actual

Non-Reimbursable

Revenue:

- **Farebox Revenue** was \$(2.5) million below the estimate. Ridership of 89.2 million was 0.3% below the estimate and was primarily due to lower ridership. While lower than the Final Estimate, the LIRR experienced its second highest ridership since the post-war record in 1949.
- **Other Operating Revenue** was \$(1.9) million or (3.4)% lower than estimate primarily due to lower advertising, miscellaneous, and special service revenues. This was partially offset by higher rental revenues.

Expenses:

- **Payroll** was \$18.3 million or 3.5% below the estimate primarily due to the existence of vacant positions, lower retiree sick payouts and sick leave buyout accruals, pay rates and vacation pay accrual reversals.
- **Overtime** was \$(1.4) million or (1.1)% above the estimate primarily due to higher maintenance and vacancy/absentee coverage, partially offset by lower weather-related overtime and unscheduled/scheduled service.
- **Health & Welfare** was \$1.7 million or 1.7% below the estimate due to the existence of vacant positions.
- **OPEB Current Payment** was \$0.2 million or 0.3% below estimate due to fewer retirees/beneficiaries than estimated.
- **Pension** was \$2.4 million or 1.7% below the estimate due to the latest actuarial projection.
- **Other Fringe Benefits** were \$3.3 million or 2.5% below estimate primarily due to lower Railroad Retirement taxes, partially offset by higher FELA indemnity reserves.
- **Reimbursable Overhead** were \$9.1 million or 24.4% below estimate primarily due to timing of project activity.
- **Electric Power** was \$(0.5) million or (0.6)% above the estimate primarily due to higher rates, partially offset by lower consumption and accrual adjustments.

- **Fuel** was \$0.3 million or 1.9% below the estimate due to lower consumption, partially offset by accrual adjustments.
- **Insurance** was on the estimate.
- **Claims** were \$(13.9) million above estimate primarily due to latest actuarial estimates associated with an increase in FELA Asbestos claims.
- **Maintenance and Other Operating Contracts** were \$(0.3) million or (0.3)% above estimate. This was primarily due to higher vehicle lease payments, uniforms and joint facility maintenance accruals, partially offset by lower expenditures for Ticket Vending Machine (TVM) maintenance, Penn Station cleaning and HVAC maintenance expenditures.
- **Professional Service Contracts** were \$(3.1) million or (9.4)% above the estimate. This was primarily due to write-offs of various projects that are no longer capital eligible, higher legal fees for state initiatives and engineering consultant services, partially offset by the timing of activities/payments for Enterprise Asset Management (EAM), MTA chargebacks, medical and drug testing services and other professional service contracts.
- **Materials & Supplies** were \$13.2 million or 9.8% below estimate. The savings were primarily due to timing of fleet modification initiatives, 12 year diesel propulsion and other initiatives under the Reliability Centered Maintenance (RCM) program and lower miscellaneous inventory adjustments, partially offset by higher usage of right of way track material.
- **Other Business Expenses** were \$(7.6) million or (42.2)% above estimate primarily due to the demolition of a building that was not fully depreciated and higher bad debt reserves as a result of Amtrak outstanding receivables, partially offset by higher restitution on property damage and lower print, stationary and office supplies.
- **Depreciation** was \$(2.6) million or (0.8)% above estimate primarily due to a year-end review of capital assets.
- **Other Post Employee Benefits** were \$(54.6) million or (62.1)% above the estimate reflecting the latest actuarial estimate.
- **GASB 68 Pension Adjustment** was \$3.9 million below the estimate due to latest actuarial estimates.
- **Environmental Remediation** was \$(1.4) million above estimate due to latest actuarial estimates.

The impact of 2017 results should not have a substantial impact on the 2018 accrued budget as most of the variances in 2017 are not expected to recur in 2018.

Reimbursable:

Total Capital and Other Reimbursements were higher than estimate by \$42.1 million or 11.4%. This was primarily due to higher 2017 Annual Track Program, East Rail Yard and various other capital project activity.

2017 Adopted Budget vs. Actual

The MTA Long Island Rail Road's financial performance in comparison to the 2017 Adopted Budget was favorable. Actual non-reimbursable 2017 expenses before Depreciation, Other Post Employee Benefits (OPEB), GASB 68 Pension Expense Adjustment and Environmental Remediation of \$1,430.9 million were \$106.7 million or 6.9% lower than the Final Estimate. The operating cash deficit of \$(739.9) million was \$12.7 million or 1.7% favorable to budget.

Non-Reimbursable:

Revenue:

- **Farebox Revenue** was \$(8.3) million or (1.1)% lower than budget. Ridership of 89.2 million was 0.3% below the budget. Ridership resulted in a decrease of \$1.9 million and lower yield per passenger resulted in a decrease of \$6.4 million. The lower yield per passenger was primarily due to discounted tickets for service to City Zone stations other than Penn Station as incentive to use other terminals during Amtrak State of Good Repair efforts in Penn Station during the summer of 2017. While ridership was lower than the Adopted Budget, the LIRR experienced its second highest ridership since the post-war record in 1949.
- **Other Operating Revenue** was \$(4.7) million or (8.1)% lower than budget due to lower advertising and miscellaneous revenues, partially offset by higher rental and special services revenue.

Expenses:

- **Payroll** was \$28.3 million or 5.3% below budget primarily due to vacant positions, lower rates, vacation pay and sick leave buyout accrual reversals and lower retiree sick payments.
- **Overtime** was \$(12.3) million or (10.3)% above budget primarily due to higher vacancy/absentee coverage, maintenance and scheduled service overtime, partially offset by favorable weather-related and unscheduled service overtime.
- **Health & Welfare** was \$6.7 million or 6.2% below budget primarily due to lower headcount and rates.
- **OPEB Current Payment** was \$9.3 million or 13.4% below budget due to lower rates and fewer retirees/beneficiaries than estimated.

- **Pension** was \$(1.5) million or (1.1)% above budget based on the most recent actuarial report.
- **Other Fringe Benefits** were \$7.0 million or 5.2% below budget due to lower Railroad Retirement Taxes caused by vacant positions, partially offset by higher meal allowance and FELA indemnity reserves.
- **Reimbursable Overhead** were \$18.4 million or 65.6% below estimate primarily due to timing of project activity.
- **Electric Power** was \$9.5 million or 10.1% below budget due to lower rates and consumption.
- **Fuel** was \$1.1 million or 6.6% below budget due to lower consumption and rates.
- **Insurance** was \$3.8 million or 15.7% below budget primarily due to lower property and liability insurance.
- **Claims** were \$(13.9) million above budget due to latest actuarial estimates associated with an increase in FELA Asbestos claims and higher public liability reserves.
- **Maintenance and Other Operating Contracts** were \$(9.5) million or (11.7)% above budget resulting from Amtrak State of Good Repair bussing and ferry service and higher equipment/vehicle rentals, partially offset by lower expenses for vegetation management, platform investments, escalator and elevator maintenance, TVM upgrades and maintenance, security services and various other maintenance and other operating contracts.
- **Professional Service Contracts** were \$10.2 million or 22.1% below budget primarily due to timing of EAM consulting contracts, M7 propulsion consultant services, lower MTA Procurement Chargebacks and various Marketing, Public Affairs and Engineering professional services contracts, partially offset by write-offs of various projects that are no longer capital eligible and higher legal fees for state initiatives.
- **Materials & Supplies** were \$57.9 million or 32.2% below budget. The favorable variance is primarily due to timing of fleet modifications (cameras, DE/DM gate unit) and reliability centered maintenance activities (M7 threshold, M7 propulsion and DE/DM ice to fire), corporate inventory adjustments and delayed security initiatives.
- **Other Business Expense** was \$(8.3) million or (47.4)% above budget due to the demolition of a building that was not fully depreciated upon demolition, higher bad debt reserves and debit/credit card fees, partially offset by higher restitution of property damage and miscellaneous other expenses.
- **Depreciation** was \$(0.8) million or (0.2)% above budget due to certain assets being fully depreciated.

- **Other Post Employee Benefits** were \$(56.4) million or (65.6)% above budget due to latest actuarial estimate.
- **GASB 68 Pension Adjustment** was \$178.3 million favorable primarily due to a misinterpretation of how this non-cash item should have been reflected on the statement of operations.
- **Environmental Remediation** was \$(1.4) million above budget due to latest reserve estimates for environmental remediation.

Reimbursable:

Total Capital and Other Reimbursements were higher than budget by \$44.0 million or 12.0%. This was primarily due to higher East Side Access, 2017 Annual Track Program, East Rail Yard and various other capital project activity. This was partially offset by lower Operating Funded Capital expenditures.

MTA LONG ISLAND RAIL ROAD
2017 YEAR-END REPORT
2017 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
(\$ in millions)

	2017			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual	2017 Adopted Budget		Final Estimate	
				\$	%	\$	%
NON-REIMBURSABLE							
Revenue							
Farebox Revenue	\$735.889	\$730.069	\$727.597	(\$8.292)	(1.1)	(\$2.472)	(0.3)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	57.681	54.874	53.019	(4.662)	(8.1)	(1.855)	(3.4)
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	-	0.000	-
Total Revenue	\$793.570	\$784.943	\$780.616	(\$12.954)	(1.6)	(\$4.327)	(0.6)
Expenses							
Labor:							
Payroll	\$529.911	\$519.932	\$501.665	\$28.246	5.3	18.266	3.5
Overtime	119.311	130.222	131.604	(12.293)	(10.3)	(1.382)	(1.1)
Health and Welfare	106.992	102.076	100.334	6.658	6.2	1.742	1.7
OPEB Current Payment	69.074	60.000	59.822	9.252	13.4	0.178	0.3
Pensions	140.835	144.798	142.354	(1,519)	(1.1)	2.444	1.7
Other Fringe Benefits	135.215	131.565	128.237	6.978	5.2	3.328	2.5
Reimbursable Overhead	(28.081)	(37.379)	(46.506)	18.425	65.6	9.127	24.4
Total Labor Expenses	\$1,073.257	\$1,051.214	\$1,017.510	\$55.747	5.2	\$33.704	3.2
Non-Labor:							
Electric Power	\$94.301	\$84.266	\$84.769	\$9.532	10.1	(\$0.503)	(0.6)
Fuel	17.396	16.569	16.253	1.143	6.6	0.316	1.9
Insurance	24.334	20.556	20.524	3.810	15.7	0.032	0.2
Claims	4.370	4.370	18.301	(13.931)	*	(13.931)	*
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	80.833	90.024	90.287	(9.454)	(11.7)	(0.263)	(0.3)
Professional Service Contracts	45.956	32.698	35.779	10.177	22.1	(3.081)	(9.4)
Materials & Supplies	179.708	135.010	121.812	57.896	32.2	13.198	9.8
Other Business Expenses	17.420	18.065	25.684	(8.264)	(47.4)	(7.619)	(42.2)
Total Non-Labor Expenses	\$464.318	\$401.558	\$413.408	\$50.910	11.0	(\$11.850)	(3.0)
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	\$1,537.575	\$1,452.772	\$1,430.919	\$106.656	6.9	\$21.853	1.5
Depreciation	\$339.290	\$337.520	\$340.114	(\$0.824)	(0.2)	(\$2.593)	(0.8)
Other Post Employee Benefits	85.981	87.834	142.396	(56.415)	(65.6)	(54.562)	(62.1)
GASB 68 Pension Expense Adjustment	174.400	0.000	(3.936)	178.336	*	3.936	-
Environmental Remediation	2.000	2.000	3.401	(1.401)	(70.0)	(1.401)	(70.0)
Total Expenses	\$2,139.246	\$1,880.127	\$1,912.894	\$226.352	10.6	(\$32.767)	(1.7)
Net Surplus/(Deficit)							
<i>(Excluding Subsidies and Debt Service)</i>	(\$1,345.676)	(\$1,095.183)	(\$1,132.277)	\$213.399	15.9	(\$37.094)	(3.4)
<i>Cash Depreciation Adjustments</i>							
Depreciation	\$339.290	\$337.520	\$340.114	\$0.824	0.2	\$2.593	0.8
Operating/Capital	(28.966)	(11.288)	(11.952)	17.014	58.7	(0.664)	(5.9)
Other Cash Adjustments	282.718	91.915	64.219	(218.499)	(77.3)	(27.696)	(30.1)
Total Cash Conversion Adjustments	\$593.042	\$418.147	\$392.381	(\$200.661)	(33.8)	(\$25.767)	(6.2)
Net Cash Surplus/(Deficit)	(\$752.634)	(\$677.036)	(\$739.897)	\$12.737	1.7	(\$62.861)	(9.3)

Totals may not add due to rounding
Results are subject to audit

MTA LONG ISLAND RAIL ROAD
2017 YEAR-END REPORT
2017 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
(\$ in millions)

REIMBURSABLE	2017			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual	2017 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	-
Capital and Other Reimbursements	368.593	370.512	412.641	44.048	12.0	42.129	11.4
Total Revenue	\$368.593	\$370.512	\$412.641	\$44.048	12.0	\$42.129	11.4
Expenses							
Labor:							
Payroll	\$128.992	\$123.391	\$119.502	\$9.490	7.4	\$3.889	3.2
Overtime	30.372	38.242	50.011	(19.639)	(64.7)	(11.770)	(30.8)
Health and Welfare	26.892	28.059	29.252	(2.360)	(8.8)	(1.193)	(4.3)
OPEB Current Payment	0.000	0.000	0.000	0.000	-	0.000	-
Pensions	43.692	44.289	45.628	(1.936)	(4.4)	(1.339)	(3.0)
Other Fringe Benefits	27.499	29.847	32.446	(4.947)	(18.0)	(2.600)	(8.7)
Reimbursable Overhead	28.081	37.379	46.506	(18.425)	(65.6)	(9.127)	(24.4)
Total Labor Expenses	\$285.528	\$301.207	\$323.346	(\$37.818)	(13.2)	(\$22.139)	(7.4)
Non-Labor:							
Electric Power	\$0.125	\$0.783	\$1.272	(\$1.147)	*	(\$0.489)	(62.4)
Fuel	0.000	0.046	0.068	(0.068)	-	(0.022)	(47.6)
Insurance	8.998	8.302	7.742	1.256	14.0	0.560	6.7
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	15.144	12.886	16.130	(0.986)	(6.5)	(3.244)	(25.2)
Professional Service Contracts	0.711	1.916	6.207	(5.496)	*	(4.291)	*
Materials & Supplies	57.714	44.518	56.290	1.424	2.5	(11.772)	(26.4)
Other Business Expenses	0.373	0.855	1.587	(1.214)	*	(0.732)	(85.7)
Total Non-Labor Expenses	\$83.065	\$69.306	\$89.295	(\$6.230)	(7.5)	(\$19.990)	(28.8)
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	\$368.593	\$370.512	\$412.641	(\$44.048)	(12.0)	(\$42.129)	(11.4)
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	\$368.593	\$370.512	\$412.641	(\$44.048)	(12.0)	(\$42.129)	(11.4)
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
Results are subject to audit

MTA LONG ISLAND RAIL ROAD
2017 YEAR-END REPORT
2017 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
(\$ in millions)

NON-REIMBURSABLE/ REIMBURSABLE	2017			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual	2017 Adopted Budget		Final Estimate	
				\$	%	\$	%
Revenue							
Farebox Revenue	\$735.889	\$730.069	\$727.597	(\$8.292)	(1.1)	(\$2.472)	(0.3)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	57.681	54.874	53.019	(4.662)	(8.1)	(1.855)	(3.4)
Capital and Other Reimbursements	368.593	370.512	412.641	44.048	12.0	42.129	11.4
Total Revenue	\$1,162.163	\$1,155.455	\$1,193.258	\$31.095	2.7	\$37.802	3.3
Expenses							
Labor:							
Payroll	\$658.903	\$643.322	\$621.167	\$37.736	5.7	\$22.155	3.4
Overtime	149.683	168.464	181.615	(31.932)	(21.3)	(13.152)	(7.8)
Health and Welfare	133.884	130.136	129.586	4.298	3.2	0.549	0.4
OPEB Current Payment	69.074	60.000	59.822	9.252	13.4	0.178	0.3
Pensions	184.527	189.087	187.982	(3.455)	(1.9)	1.105	0.6
Other Fringe Benefits	162.714	161.412	160.683	2.031	1.2	0.729	0.5
Reimbursable Overhead	0.000	0.000	0.000	-	-	0.000	-
Total Labor Expenses	\$1,358.785	\$1,352.421	\$1,340.856	\$17.929	1.3	\$11.564	0.9
Non-Labor:							
Electric Power	\$94.426	\$85.049	\$86.040	\$8.386	8.9	(\$0.991)	(1.2)
Fuel	17.396	16.616	16.322	1.074	6.2	0.294	1.8
Insurance	33.332	28.858	28.266	5.066	15.2	0.592	2.1
Claims	4.370	4.370	18.301	(13.931)	*	(13.931)	*
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	95.977	102.910	106.417	(10.440)	(10.9)	(3.507)	(3.4)
Professional Service Contracts	46.667	34.613	41.985	4.682	10.0	(7.372)	(21.3)
Materials & Supplies	237.422	179.527	178.101	59.321	25.0	1.426	0.8
Other Business Expenses	17.793	18.920	27.271	(9.478)	(53.3)	(8.351)	(44.1)
Total Non-Labor Expenses	\$547.383	\$470.863	\$502.704	\$44.679	8.2	(\$31.840)	(6.8)
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	\$1,906.168	\$1,823.284	\$1,843.560	\$62.608	3.3	(\$20.276)	(1.1)
Depreciation	\$339.290	\$337.520	\$340.114	(\$0.824)	(0.2)	(\$2.593)	(0.8)
Other Post Employee Benefits	85.981	87.834	142.396	(56.415)	(65.6)	(54.562)	(62.1)
GASB 68 Pension Expense Adjustment	174.400	0.000	(3.936)	178.336	*	3.936	-
Environmental Remediation	2.000	2.000	3.401	(1.401)	(70.0)	(1.401)	(70.0)
Total Expenses	\$2,507.839	\$2,250.639	\$2,325.535	\$182.304	7.3	(\$74.896)	(3.3)
Net Surplus/(Deficit) <i>(Excluding Subsidies and Debt Service)</i>	(\$1,345.676)	(\$1,095.183)	(\$1,132.277)	\$213.399	15.9	(\$37.094)	(3.4)
<i>Cash Depreciation Adjustments</i>							
Depreciation	\$339.290	\$337.520	\$340.114	\$0.824	0.2	\$2.593	0.8
Operating/Capital	(28.966)	(11.288)	(11.952)	17.014	58.7	(0.664)	(5.9)
Other Cash Adjustments	282.718	91.915	64.219	(218.499)	(77.3)	(27.696)	(30.1)
Total Cash Conversion Adjustments	\$593.042	\$418.147	\$392.381	(\$200.661)	(33.8)	(\$25.767)	(6.2)
Net Cash Surplus/(Deficit)	(\$752.634)	(\$677.036)	(\$739.897)	\$12.737	1.7	(\$62.861)	(9.3)
Totals may not add due to rounding Results are subject to audit							

MTA LONG ISLAND RAIL ROAD
2017 Overtime Results
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

	2017 Adopted Budget		2017 Final Estimate		Actual		2017 Adopted Budget vs. Actuals		2017 Final Estimate vs. Actuals	
	Hours	\$	Hours	\$	Hours	\$	Var. - Fav/(Unfav)		Var. - Fav/(Unfav)	
							Hours	\$	Hours	\$
NON-REIMBURSABLE OVERTIME										
<u>Scheduled Service</u> ¹	390,959	\$24.042	419,326	\$25.912	412,344	\$25.396	(21,384) -5.5%	(\$1.354) -5.6%	6,982 1.7%	\$0.516 2.0%
<u>Unscheduled Service</u>	118,444	7.639	116,201	7.331	103,193	6.441	15,252 12.9%	1.198 15.7%	13,008 11.2%	0.890 12.1%
<u>Programmatic/Routine Maintenance</u>	727,710	41.893	746,314	42.628	797,660	45.660	(69,951) -9.6%	(3.767) -9.0%	(51,346) -6.9%	(3.032) -7.1%
<u>Unscheduled Maintenance</u>	5,800	0.340	18,991	1.113	23,716	1.395	(17,916) *	(1.056) *	(4,725) *	(0.282) *
<u>Vacancy/Absentee Coverage</u>	599,317	35.207	708,053	41.257	726,499	42.246	(127,182) -21.2%	(7.039) -20.0%	(18,446) -2.6%	(0.989) -2.4%
<u>Weather Emergencies</u>	154,999	8.717	151,348	8.816	121,495	7.158	33,504 21.6%	1.559 17.9%	29,853 19.7%	1.658 18.8%
<u>Safety/Security/Law Enforcement</u> ²	-	-	-	-	-	-	-	-	-	-
<u>All Other</u> ³	27,614	1.474	25,152	3.166	22,949	3.308	4,665 16.9%	(1.834) *	2,203 8.8%	(0.142) -4.5%
TOTAL NON-REIMBURSABLE OVERTIME	2,024,844	\$119.311	2,185,385	\$130.223	2,207,856	\$131.604	(183,012) -9.0%	(\$12.293) -10.3%	(22,471) -1.0%	(\$1.381) -1.1%
REIMBURSABLE OVERTIME	544,800	\$30.372	644,704	\$38.242	813,725	\$50.012	(268,925) -49.4%	(\$19.640) -64.7%	(169,021) -26.2%	(\$11.770) -30.8%
TOTAL OVERTIME	2,569,644	\$149.683	2,830,089	\$168.465	3,021,581	\$181.615	(451,937) -17.6%	(\$31.933) -21.3%	(191,492) -6.8%	(\$13.150) -7.8%

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
2017 YEAR-END REPORT
EXPLANATIONS OF CASH RECEIPTS AND EXPENDITURE VARIANCES**

2017 Final Estimate vs. Actual

Receipts

- **Farebox Revenue** was \$(3.6) million or (0.5)% below the estimate as a result of lower than anticipated ridership, advanced sales, MetroCard/AirTrain sales and lower yield per passenger.
- **Other Operating Revenue** was \$(1.2) million or (2.9)% below the estimate primarily due to the timing of rental and freight revenues and lower miscellaneous and special service revenues.
- **Capital and Other Reimbursements** were \$(40.9) million or (11.7)% below the estimate primarily due to a backlog in billing and reimbursement for capital project activity.

Expenditures

- **Payroll** was \$6.2 million or 1.0% below the estimate due to the existence of vacant positions, the timing of final Retro Wage Adjustment payments now set for payment in 2018, lower retiree sick payments and higher sick pay law claims, partially offset by the timing of interagency reimbursements and the recording of overtime Retro Wage Adjustment (RWA) payments in payroll instead of overtime.
- **Overtime** was \$(7.6) million or (4.5)% higher than the estimate due to higher capital project activity, maintenance and vacancy/absentee coverage, partially offset by lower payments for weather-related emergencies and scheduled/unscheduled service, the recording of RWA overtime payments in payroll instead of overtime and the timing of the final RWA payments for overtime now set for payment in 2018.
- **Health and Welfare** was \$2.4 million or 1.9% lower than estimate primarily due to vacant positions and interagency reimbursements.
- **OPEB Current Payment** was \$0.2 million or 0.3% lower than the estimate due to fewer retiree/beneficiaries.
- **Pensions** were \$3.1 million or 1.6% lower than the estimate due to payments based on available information prior to the final actuarial report and interagency reimbursements.
- **Other Fringe Benefits** were \$0.6 million or 0.4% lower than the estimate due to lower Railroad Retirement Tax payments including interagency reimbursements and

payments associated with the final RWA which is now set for payment in 2018, partially offset by higher FELA and meal payments.

- **Electric Power** was \$(0.7) million or (0.8)% higher than the estimate primarily due to higher rates and reimbursable activity, partially offset by lower consumption.
- **Fuel** was \$0.2 million or 0.9% lower than the estimate primarily due to lower consumption.
- **Insurance** was \$(4.0) million or (14.2)% higher than estimate due to the timing of payments.
- **Claims** were \$(1.2) million or (69.6)% higher, reflecting higher claim payments.
- **Maintenance and Other Operating Contracts** were \$10.9 million or 9.6% lower than the estimate primarily due to the timing of and lower payments for maintenance services.
- **Professional Service Contracts** were \$4.3 million or 12.8% lower than estimate due to the timing of MTA chargeback service payments and professional service contract payments.
- **Materials and Supplies** were \$(32.4) million or (19.7)% higher than estimate due to advance material purchases and higher program and production plan material and supplies purchases.
- **Other Business Expenses** were \$1.4 million or 6.8% lower than estimate primarily due to delays in New York Power Authority (NYPA) loan repayments and higher restitution of property damages, partially offset by higher debit/credit card.
- **Other Expense Adjustments** were \$0.3 million or 1.4% lower than estimate due to lower MetroCard/AirTrain sales pass-through payments.
- **Cash Timing and Availability Adjustment** was \$(0.8) million higher than the estimate.

The total cash deficit variance of \$(62.9) million, as detailed above, represents a real favorable variance of \$1.1 million and an unfavorable timing variance of \$(63.9) million. The timing variance is primarily associated with receipts for capital and other reimbursements.

2017 Adopted Budget vs. Actual

Receipts

- **Farebox Revenue** was \$(10.0) or (1.3)% below the budget due to lower yield per passenger, MetroCard/AirTrain sales and lower ridership, partially offset by higher advance sales.

- **Other Operating Revenue** was \$(1.8) million or (4.2)% below the budget primarily due to the timing of rental and freight revenues, partially offset by higher miscellaneous revenue.
- **Capital and Other Reimbursements** were \$(29.3) million or (8.7)% lower than budget due to the timing of reimbursements.

Expenditures

- **Payroll** was \$24.9 million or 3.8% lower than budget due to vacant positions, the timing of final Retro Wage Adjustment payments and lower retiree sick payments.
- **Overtime** was \$(26.5) million or (17.7)% higher than budget due to higher payments for project overtime, vacancy/absentee coverage, maintenance and unscheduled service overtime, partially offset by lower payments for weather-related and unscheduled service overtime.
- **Health and Welfare** was \$8.6 million or 6.4% lower than budget primarily due to vacant positions, lower rates and interagency reimbursements.
- **OPEB Current Payment** was \$9.2 million or 13.4% lower than budget due to fewer retiree/beneficiaries than estimated and lower rates.
- **Pensions** were \$1.0 million or 0.6% lower than budget due to interagency reimbursements.
- **Other Fringe Benefits** were \$3.5 million or 2.2% lower than budget primarily due to lower Railroad Retirement Tax including interagency reimbursements, partially offset by higher FELA claims payments and higher payments for meals.
- **Electric Power** was \$8.4 million or 8.9% lower than budget due to lower rates and consumption.
- **Fuel** was \$0.4 million or 2.4% lower than budget due to lower rates and consumption.
- **Insurance** was \$(0.3) million or (1.1)% higher than budget due the timing of All Agency Protective Liability insurance policy payments and prior period audit adjustment payments, partially offset by lower premium payments for liability and property insurance.
- **Claims** were \$(1.2) million or (69.6)% higher than budget reflecting higher claim payments.
- **Maintenance and Other Operating Contracts** were \$(11.2) million or (12.1)% higher than budget primarily due to higher payments related to the Amtrak State of Good Repair program, partially offset by lower payments for other maintenance services.

- **Professional Service Contracts** were \$12.5 or 29.8% lower than budget generally due to the timing of and payment for consulting services and contracts.
- **Materials and Supplies** were \$25.0 million or 11.3% lower than budget primarily due to timing of program initiatives.
- **Other Business Expenses** were \$(1.9) million or (11.2)% higher than budget due to higher credit/debit fee payments.
- **Other Expense Adjustments** were \$2.3 million or 11.3% lower than budget due to lower MetroCard/AirTrain sales pass-through payments.
- **Cash Timing and Availability Adjustment** was \$(0.8) million higher than budget.

MTA LONG ISLAND RAIL ROAD
2017 YEAR-END REPORT
2017 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
CASH RECEIPTS AND EXPENDITURES
December Year-to-Date
(\$ in millions)

	2017			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual	2017 Adopted Budget		Final Estimate	
				\$	%	\$	%
Receipts							
Farebox Revenue	\$755.889	\$749.427	\$745.862	(\$10.027)	(1.3)	(\$3.565)	(0.5)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	42.620	42.063	40.845	(1.775)	(4.2)	(1.218)	(2.9)
Capital and Other Reimbursements	339.103	350.632	309.755	(29.348)	(8.7)	(40.877)	(11.7)
Total Receipts	\$1,137.612	\$1,142.122	\$1,096.461	(\$41.151)	(3.6)	(\$45.661)	(4.0)
Expenditures							
Labor:							
Payroll	\$652.502	\$633.813	\$627.564	\$24.938	3.8	\$6.249	1.0
Overtime	149.683	168.575	176.163	(26.480)	(17.7)	(7.588)	(4.5)
Health and Welfare	133.884	127.743	125.308	8.576	6.4	2.435	1.9
OPEB Current Payment	69.074	60.000	59.848	9.226	13.4	0.152	0.3
Pensions	184.527	186.541	183.488	1.039	0.6	3.053	1.6
Other Fringe Benefits	161.714	158.830	158.222	3.492	2.2	0.608	0.4
GASB Account	0.000	0.000	0.000	0.000	-	0.000	-
Reimbursable Overhead	0.000	0.000	0.000	0.000	-	0.000	-
Total Labor Expenditures	\$1,351.384	\$1,335.502	\$1,330.593	\$20.791	1.5	\$4.909	0.4
Non-Labor:							
Electric Power	\$94.426	\$85.349	\$86.060	\$8.366	8.9	(\$0.711)	(0.8)
Fuel	17.396	17.133	16.982	0.414	2.4	0.151	0.9
Insurance	32.029	28.345	32.375	(0.346)	(1.1)	(4.030)	(14.2)
Claims	1.747	1.747	2.963	(1.216)	(69.6)	(1.216)	(69.6)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	92.271	114.364	103.439	(11.168)	(12.1)	10.925	9.6
Professional Service Contracts	42.055	33.872	29.543	12.512	29.8	4.329	12.8
Materials & Supplies	221.820	164.426	196.812	25.008	11.3	(32.386)	(19.7)
Other Business Expenses	17.118	20.420	19.032	(1.914)	(11.2)	1.388	6.8
Total Non-Labor Expenditures	\$518.862	\$465.656	\$487.206	\$31.656	6.1	(\$21.550)	(4.6)
Other	\$20.000	\$18.000	\$17.745	\$2.255	11.3	\$0.255	1.4
Total Other Expenditure Adjustments	\$20.000	\$18.000	\$17.745	\$2.255	11.3	\$0.255	1.4
Total Expenditures	\$1,890.246	\$1,819.158	\$1,835.543	\$54.703	2.9	(\$16.385)	(0.9)
Cash Timing and Availability Adjustment	0.000	0.000	(0.814)	(0.814)	-	(0.814)	-
Operating Cash Deficit	(\$752.634)	(\$677.036)	(\$739.897)	\$12.737	1.7	(\$62.861)	(9.3)

Totals may not add due to rounding

MTA LONG ISLAND RAIL ROAD
2017 YEAR-END REPORT
2017 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
CASH CONVERSION (CASH FLOW ADJUSTMENTS)
(\$ in millions)

	2017			Favorable/(Unfavorable) Variance			
	Adopted	Final	Actual	2017 Adopted Budget		Final Estimate	
	Budget	Estimate		\$	%	\$	%
Receipts							
Farebox Revenue	\$20.000	\$19.358	\$18.264	(\$1.736)	(8.7)	(\$1.094)	(5.6)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	(15.061)	(12.811)	(12.175)	2.886	19.2	0.637	5.0
Capital and Other Reimbursements	(29.490)	(19.880)	(102.866)	(73.396)	*	(83.006)	*
Total Receipts	(\$24.551)	(\$13.333)	(\$96.797)	(\$72.246)	*	(\$83.463)	*
Expenditures							
Labor:							
Payroll	\$6.401	\$9.509	(\$6.397)	(\$12.798)	*	(\$15.906)	*
Overtime	0.000	(0.111)	5.453	5.453	-	5.564	*
Health and Welfare	0.000	2.393	4.278	4.278	-	1.886	78.8
OPEB Current Payment	0.000	0.000	(0.025)	(0.025)	-	(0.025)	-
Pensions	0.000	2.546	4.494	4.494	-	1.948	76.5
Other Fringe Benefits	1.000	2.582	2.461	1.461	*	(0.121)	(4.7)
GASB Account	0.000	0.000	0.000	0.000	-	0.000	-
Reimbursable Overhead	0.000	0.000	0.000	0.000	-	0.000	-
Total Labor Expenditures	\$7.401	\$16.919	\$10.264	\$2.863	38.7	(\$6.655)	(39.3)
Non-Labor:							
Electric Power	\$0.000	(\$0.300)	(\$0.020)	(\$0.020)	-	\$0.280	93.4
Fuel	0.000	(0.517)	(0.660)	(0.660)	-	(0.143)	(27.6)
Insurance	1.303	0.513	(4.109)	(5.412)	*	(4.622)	*
Claims	2.623	2.623	15.338	12.715	*	12.715	*
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	3.706	(11.454)	2.977	(0.729)	(19.7)	14.431	*
Professional Service Contracts	4.612	0.741	12.443	7.831	*	11.701	*
Materials & Supplies	15.602	15.101	(18.710)	(34.312)	*	(33.812)	*
Other Business Expenses	0.675	(1.500)	8.239	7.564	*	9.739	*
Total Non-Labor Expenditures	\$28.521	\$5.207	\$15.498	(\$13.023)	(45.7)	\$10.290	*
Other Expense Adjustments:							
Other	(20.000)	(18.000)	(17.745)	2.255	11.3	0.255	1.4
Total Other Expenditure Adjustments	(\$20.000)	(\$18.000)	(\$17.745)	\$2.255	11.3	\$0.255	1.4
Total Expenditures Before Depreciation	\$15.922	\$4.126	\$8.017	(\$7.905)	(49.7)	\$3.891	94.3
Depreciation	\$339.290	\$337.520	\$340.114	\$0.824	0.2	\$2.593	0.8
Other Post Employee Benefits	85.981	87.834	142.396	56.415	65.6	54.562	62.1
GASB 68 Pension Expense Adjustment	174.400	0.000	(3.936)	(178.336)	*	(3.936)	-
Environmental Remediation	2.000	2.000	3.401	1.401	70.0	1.401	70.0
Total Expenditures	\$617.593	\$431.481	\$489.992	(\$127.601)	(20.7)	\$58.511	13.6
Cash Timing and Availability Adjustment	0.000	0.000	(0.814)	(0.814)	-	(0.814)	-
Baseline Total Cash Conversion Adjustments	\$593.042	\$418.147	\$392.381	(\$200.661)	(33.8)	(\$25.767)	(6.2)

Totals may not add due to rounding

MTA LONG ISLAND RAIL ROAD
2017 YEAR-END REPORT
2017 CASH RESULTS - ACTUAL vs. FINAL ESTIMATE
(\$ In millions)

	Final Estimate	Actual	Favorable/(Unfavorable) Variance		
			Total	Real	Timing
<u>Receipts</u>					
Farebox Revenue	\$749.427	\$745.862	(\$3.565)	(\$2.974)	(\$0.591)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	42.063	40.845	(1.218)	0.323	(1.541)
Capital and Other Reimbursements	350.632	309.755	(40.877)	18.998	(59.875)
Total Receipts	\$1,142.122	\$1,096.461	(\$45.661)	\$16.347	(\$62.007)
<u>Expenditures</u>					
Labor:					
Payroll	\$633.813	\$627.564	\$6.249	\$9.390	(\$3.141)
Overtime	168.575	176.163	(7.588)	(8.288)	0.700
Health and Welfare	127.743	125.308	2.435	2.435	0.000
OPEB Current Payment	60.000	59.848	0.152	0.152	0.000
Pensions	186.541	183.488	3.053	3.053	0.000
Other Fringe Benefits	158.830	158.222	0.608	0.411	0.197
GASB Account	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$1,335.502	\$1,330.593	\$4.909	\$7.153	(\$2.244)
Non-Labor:					
Electric Power	\$85.349	\$86.060	(\$0.711)	(\$0.856)	\$0.144
Fuel	17.133	16.982	0.151	0.151	0.000
Insurance	28.345	32.375	(4.030)	(0.289)	(3.741)
Claims	1.747	2.963	(1.216)	(1.216)	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	114.364	103.439	10.925	1.144	9.781
Professional Service Contracts	33.872	29.543	4.329	0.071	4.258
Materials & Supplies	164.426	196.812	(32.386)	(22.072)	(10.314)
Other Business Expenses	20.420	19.032	1.388	1.191	0.197
Total Non-Labor Expenditures	\$465.656	\$487.206	(\$21.550)	(\$21.875)	\$0.325
Other Expenditure Adjustments:					
Other	\$18.000	\$17.745	\$0.255	\$0.255	\$0.000
Total Other Expenditure Adjustments	\$18.000	\$17.745	\$0.255	\$0.255	\$0.000
Total Expenditures	\$1,819.158	\$1,835.543	(\$16.385)	(\$14.467)	(\$1.919)
Cash Timing and Availability Adjustment	\$0.000	(\$0.814)	(\$0.814)	(\$0.814)	\$0.000
Baseline Net Cash Deficit	(\$677.036)	(\$739.897)	(\$62.861)	\$1.065	(\$63.926)

Totals may not agree due to rounding.

**MTA LONG ISLAND RAIL ROAD
2017 YEAR-END REPORT
EXPLANATIONS OF VARIANCES ON RIDERSHIP/ (UTILIZATION)**

2017 Final Estimate vs. Actual

Ridership of 89.2 million was 0.3% below the estimate resulting in a decrease of \$2.5 million in Farebox Revenue. Commutation ridership was lower than the Final Estimate, partially offset by higher non-commutation ridership. While total ridership was lower than the Final Estimate, the LIRR experienced its second highest ridership since the post-war record in 1949.

2017 Adopted Budget vs. Actual

In comparison to the Adopted Budget, actual farebox revenue was below budget by \$8.3 million. The shortfall against budget was primarily driven by discounted tickets for service to City Zone stations other than Penn Station as incentive to use other terminals during Amtrak State of Good Repair efforts in Penn Station during the summer of 2017.

Compared to 2016, ridership levels remained at the same level when adjusting for the same number of calendar work days. Lower commutation ridership was offset by higher non-commutation ridership.

**MTA LONG ISLAND RAIL ROAD
2017 YEAR-END REPORT
2017 FEBRUARY ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
UTILIZATION
(in millions)**

	Year-to-Date as of December 2017				Variance Favorable/(Unfavorable)					
	Adopted Budget	Final Estimate	Actual	Adjusted* 2016	Actual vs. Budget		Actual vs. Final Estimate		Actual vs. Adjusted 2016	
	\$	%	\$	#	%	%	\$	%	#	%
Farebox Revenue										
Monthly	\$360.822	\$355.171	\$351.412		(\$9.410)	(2.6)	(\$3.759)	(1.1)		
Weekly	18.725	17.922	18.192		(0.534)	(2.8)	0.269	1.5		
Total Commutation	\$379.547	\$373.094	\$369.604		(\$9.944)	(2.6)	(\$3.490)	(0.9)		
One Way Full	\$96.598	\$98.934	\$99.497		\$2.899	3.0	\$0.563	0.6		
One Way Off Peak	178.826	179.012	179.916		1.090	0.6	0.904	0.5		
All Other	80.918	79.030	78.581		(2.337)	(2.9)	(0.449)	(0.6)		
Total Non Commutation	\$356.342	\$356.975	\$357.993		\$1.652	0.5	\$1.018	0.3		
Total Farebox Revenue	\$735.889	\$730.069	\$727.597		(8.292)	(1.1)	(\$2.472)	(0.3)		
Ridership										
Monthly	49.664	49.361	48.832	49.682	(0.832)	(1.7)	(0.528)	(1.1)	(0.850)	(1.7)
Weekly	1.915	1.863	1.889	1.875	(0.026)	(1.4)	0.026	1.4	0.015	0.8
Total Commutation	51.580	51.224	50.722	51.557	(0.858)	(1.7)	(0.502)	(1.0)	(0.835)	(1.6)
One Way Full	8.550	8.781	8.820	8.554	0.269	3.1	0.039	0.4	0.265	3.1
One Way Off Peak	18.399	18.690	18.830	18.265	0.431	2.3	0.140	0.8	0.566	3.1
All Other	10.862	10.743	10.788	10.784	(0.074)	(0.7)	0.044	0.4	0.003	0.0
Total Non Commutation	37.811	38.214	38.437	37.603	0.627	1.7	0.223	0.6	0.834	2.2
Total Ridership	89.390	89.438	89.159	89.160	(0.231)	(0.3)	(0.279)	(0.3)	(0.001)	(0.0)

*Prior year adjusted to reflect current year calendar. Applicable to ridership only.

**MTA LONG ISLAND RAIL ROAD
2017 YEAR-END REPORT
EXPLANATIONS OF VARIANCES on POSITIONS
By FUNCTION and DEPARTMENT
NON-REIMBURSABLE/ REIMBURSABLE and FULL-TIME/ FULL-TIME
EQUIVALENTS**

2017 Final Estimate vs. Actual

At the end of 2017, the Long Island Rail Road had 7,331 total employees (actual staffing), which consisted of 6,220 non-reimbursable and 1,111 reimbursable employees. Staffing was 83 positions or 1.1% below the final estimate of 7,414 positions.

The vacancies were primarily in administrative positions followed by Department of Program Management and Maintenance of Equipment Department.

MTA LONG ISLAND RAIL ROAD
2017 Year-End Report
Non-Reimbursable-Reimbursable Positions by Function and Department
Full-Time Positions and Full-Time Equivalents
December 2017

	2017 Adopted Budget	2017 Final Estimate	Actual	Favorable (Unfavorable) Variance			
				Adopted Budget		Final Estimate	
				Variance	%	Variance	%
Administration							
Executive VP	2	2	2	0	0.0%	0	0.0%
Enterprise Asset Management	7	7	5	2	28.6%	2	28.6%
Sr Vice President - Engineering	2	2	2	0	0.0%	0	0.0%
Labor Relations	19	19	17	2	10.5%	2	10.5%
Procurement & Logistics (excl. Stores)	70	75	64	6	8.6%	11	15.0%
Human Resources	33	35	34	(1)	-3.0%	1	2.9%
Sr VP Administration	2	2	2	0	0.0%	0	0.0%
Strategic Investments	17	18	16	1	5.9%	2	11.1%
President	4	4	3	1	25.0%	1	25.0%
VP & CFO	4	4	3	1	25.0%	1	25.0%
Controller	43	44	42	1	2.3%	2	4.5%
Management and Budget	21	21	17	4	19.0%	4	19.0%
BPM, Controls, & Compliance	7	7	6	1	14.3%	1	14.3%
Market Dev. & Public Affairs	71	71	69	2	2.8%	2	2.8%
Gen. Counsel & Secretary	33	33	33	0	0.0%	0	0.0%
Diversity Management	3	3	3	0	0.0%	0	0.0%
Security	14	13	9	5	35.7%	4	30.8%
System Safety	36	37	34	2	5.6%	3	8.1%
Training	67	67	65	2	3.0%	2	3.0%
Service Planning	25	25	24	1	4.0%	1	4.0%
Rolling Stock Programs	17	17	10	7	41.2%	7	41.2%
Sr Vice President - Operations	2	2	2	0	0.0%	0	0.0%
Total Administration	499	508	462	37	7.4%	46	9.1%
Operations							
Train Operations	2,214	2,201	2,214	0	0.0%	(13)	-0.6%
Customer Service	303	303	300	3	1.0%	3	1.0%
Total Operations	2,517	2,504	2,514	3	0.1%	(10)	-0.4%
Maintenance							
Engineering	1,993	1,997	1,997	(4)	-0.2%	0	0.0%
Equipment	2,132	2,094	2,079	53	2.5%	15	0.7%
Procurement (Stores)	96	97	98	(2)	-2.1%	(1)	-1.0%
Total Maintenance	4,221	4,188	4,174	47	1.1%	14	0.3%
Engineering/Capital							
Department of Program Management	156	156	130	26	16.7%	26	16.7%
Special Projects/East Side Access	46	46	40	6	13.0%	6	13.0%
Positive Train Control	0	12	11	(11)	0.0%	1	8.3%
Total Engineering/Capital	202	214	181	21	10.4%	33	15.4%
Baseline Total Positions	7,439	7,414	7,331	108	1.5%	83	1.1%
<i>Non-Reimbursable</i>	6,235	6,106	6,220	15	0.2%	(114)	-1.9%
<i>Reimbursable</i>	1,118	1,308	1,111	7	0.6%	197	15.1%
Total Full-Time	7,353	7,414	7,331	22	0.3%	83	1.1%
Total Full-Time-Equivalents							

**MTA LONG ISLAND RAIL ROAD
2017 YEAR-END REPORT
EXPLANATIONS of VARIANCES
By FUNCTION AND OCCUPATION GROUP**

2017 Final Estimate vs. Actual

At the end of 2017, the Long Island Rail Road had 7,331 total employees (actual staffing), which consisted of 1,377 Managers/Supervisors, 506 Professional, Technical & Clerical and 5,448 Operational Hourlies. This was 83 positions or 1.1% below the final estimate of 7,414. Staffing vacancies were primarily found in Managers/Supervisors and Professional titles.

MTA LONG ISLAND RAIL ROAD
2017 Year-End Report
2017 Final Estimate vs. Actual
Total Positions by Function and Occupational Group
December 2017

	2017 Adopted Budget	2017 Final Estimate	Actual	Favorable (unfavorable) Variance			
				Adopted Budget		Final Estimate	
				Variance	%	Variance	%
Administration							
Managers/Supervisors	254	257	242	12	4.7%	15	5.8%
Professional, Technical, Clerical	139	146	109	30	21.6%	37	25.1%
Operational Hourlies	106	106	111	(5)	-4.7%	(5)	-4.7%
Total Administration	499	508	462	37	7.4%	46	9.1%
Operations							
Managers/Supervisors	296	297	295	1	0.3%	2	0.7%
Professional, Technical, Clerical	96	95	93	3	3.1%	2	2.1%
Operational Hourlies	2,125	2,112	2,126	(1)	0.0%	(14)	-0.7%
Total Operations	2,517	2,504	2,514	3	0.1%	(10)	-0.4%
Maintenance							
Managers/Supervisors	782	798	715	67	8.6%	83	10.4%
Professional, Technical, Clerical	267	270	248	19	7.1%	22	8.1%
Operational Hourlies	3,172	3,120	3,211	(39)	-1.2%	(91)	-2.9%
Total Maintenance	4,221	4,188	4,174	47	1.1%	14	0.3%
Engineering/Capital							
Managers/Supervisors	145	145	125	20	13.8%	20	13.8%
Professional, Technical, Clerical	68	69	56	12	17.6%	13	18.8%
Operational Hourlies	0	0	0	0	0.0%	0	0.0%
Total Engineering/Capital	213	214	181	32	15.0%	33	15.4%
Public Safety							
Managers/Supervisors	0	0	0	0	0.0%	0	0.0%
Professional, Technical, Clerical	0	0	0	0	0.0%	0	0.0%
Operational Hourlies	0	0	0	0	0.0%	0	0.0%
Total Public Safety	0	0	0	0	0.0%	0	0.0%
Baseline Total Positions							
Managers/Supervisors	1,477	1,497	1,377	100	6.8%	120	8.0%
Professional, Technical, Clerical	570	580	506	64	11.2%	74	12.7%
Operational Hourlies	5,403	5,338	5,448	(45)	-0.8%	(110)	-2.1%
Total Baseline	7,450	7,414	7,331	119	1.6%	83	1.1%

**MTA LONG ISLAND RAIL ROAD
2017 YEAR-END REPORT
RESULTS OF OPERATIONS**

FINANCIAL PERFORMANCE

Actual 2017 non-reimbursable expenses before Depreciation, Other Post Employee Benefits (OPEB), GASB 68 Pension Expense Adjustment and Environmental Remediation of \$1,430.9 million were \$106.7 million or 6.9% lower than the Adopted Budget and \$21.9 million lower than the Final Estimate.

The operating cash deficit of (\$739.9) million was 1.7% favorable to the Adopted Budget and (9.3)% unfavorable to the Final Estimate.

Managing Workforce Levels: Given that payroll spending is the single largest expense category in the budget, it is essential that the LIRR pay close attention to staffing levels. Senior management must ensure that the LIRR is budgeted appropriately for its operation and at the same time make sure that a sufficient number of positions are filled to complete necessary work and avoid the unnecessary use of overtime.

The LIRR's success at controlling labor-related expenses is founded on the development of a realistic and efficient 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. The LIRR was able to use its 2017 hiring plan to fill critical positions and minimize the number of vacancies in the key operating departments. While a great deal of progress has been made, there is still work to be done to further reduce the number of vacancies.

Controlling Overtime: The LIRR's Overtime Task Force is tasked with strengthening the Rail Road's overtime monitoring and approval process, standardizing procedures, and increasing managerial accountability for overtime usage. The Task Force is a corporate-wide effort that engages high-level senior management and staffing from the four main operating departments and relevant oversight and support departments. The Task Force formally meets on a quarterly basis to review and discuss progress on strategic overtime initiatives and overall overtime data. Individual working groups met regularly to discuss trends and identify corrective actions plans.

While overall overtime spending grew in 2017, the Task Force identified several key areas of strategic focus for the year. Specifically, the Task Force targeted Reimbursable overtime in the Transportation Department, filling vacant operational positions in the Maintenance of Equipment Department, oversight of tour extensions in the Stations Department and maintenance and modification overtime in the Engineering Department.

In Transportation, the level of Reimbursable overtime continued to grow in 2017, although this was a direct result of additional Flagging requirements to support the capital program on the right of way.

Maintenance of Equipment focused on filling vacant operational positions. Vacant position overtime hours in 2017 were approximately 2,900, (4.3%) higher than 2016. Part of this increase was due to an overall higher workload in 2017. An aggressive hiring plan was developed to fill positions in anticipation of attrition and in advance of the start of maintenance and modification programs.

Stations focused on strengthening its oversight of extension of tours. Through the end of 2017, extension of tour overtime was 3,300 hours or (19.8%) higher than 2016. However, the majority of this additional overtime was due to additional customer support during the Amtrak state of good repair work at Penn Station during the summer.

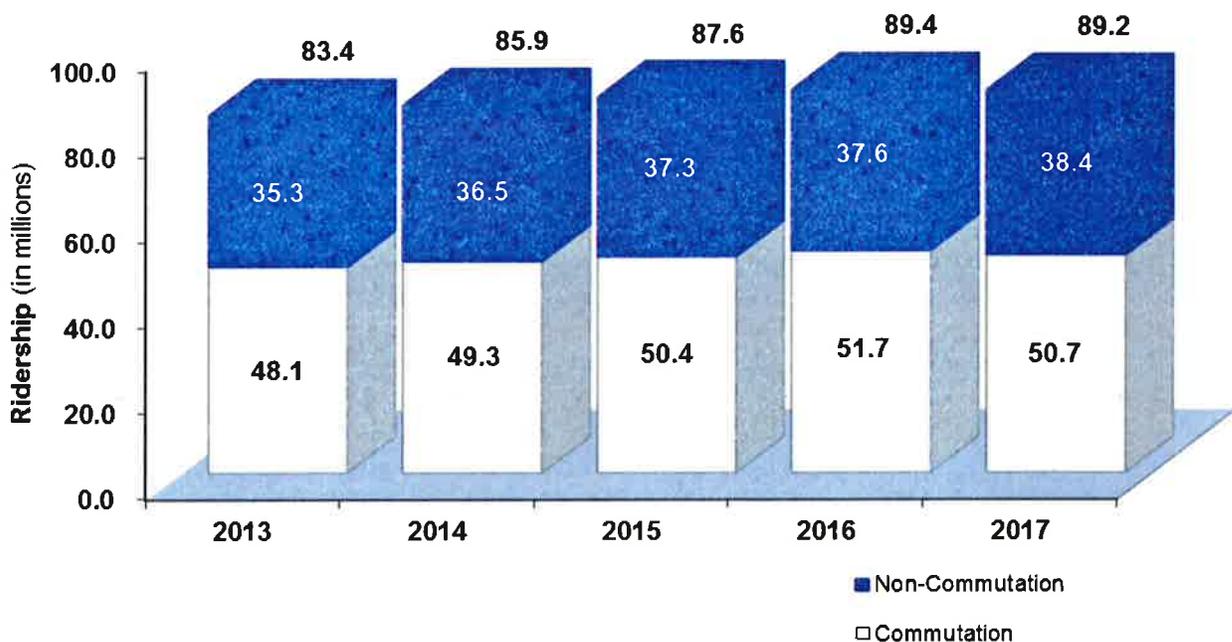
An area that continues to remain an area of concern is maintenance/modification overtime in the Engineering Department. Maintenance/Modification overtime increased by approximately 21,300 hours (11.9%) over 2016. Although an action plan was developed at the end of 2016, Engineering exceeded its 2017 maintenance & modification overtime budget in part due to constraints such as track time and unforeseen operating and maintenance requirements that developed during the course of maintaining safe and reliable service. While the Engineering Department prioritized maintenance and modification overtime work at the beginning of the year, lower priority efforts directly related to safe railroad train operations progressed outside of budget constraints. Looking ahead, the Department is in the process of developing an aggressive work plan for 2018. As part of this work plan, it will develop performance metrics for each overtime initiative so it can quantify work performed and measure results.

Matching Inventory and Material Purchasing with Needs: Materials and Supplies is the largest non-payroll cost category in the budget. Careful management of spending in this category is a very important component in achieving financial control and stability. The Inventory Task Force has continued to oversee the management of inventory and material acquisition. For 2017 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 2017, by making better use of existing inventory and better aligning the purchase of materials with the actual need, spending on materials and supplies was \$25 million less than budget on a cash basis.

One metric used by the MTA to measure financial performance is Farebox Operating Ratio (FOR), which calculates what percent of operating expenses the LIRR covers through farebox revenue. In 2017, the ratio decreased from 51.4% in 2016 to 50.6%. This slight decrease was a result of an increase in expenses due to expenses growing higher than revenues as the ridership was the same as 2016 and there was no fare increase in 2017. However, the 2017 actual FOR was favorable to the Adopted Budget level of 47.2%. It is important to note that excluding the LIRR's unfunded pension liability expenses, the LIRR's farebox operating ratio would have increased to 59.2% in 2017. The LIRR's operating cost per passenger increased from \$15.57 in 2016 to \$16.18 in 2017.

RIDERSHIP AND REVENUE

The Long Island Rail Road (LIRR) experienced its second-highest ridership since the post-war record of 91.8 million passengers in 1949, following 2016’s modern record of 89.4 million passengers. During 2017, the LIRR carried 89.2 million customers, which was a 0.2 percent decrease from 89.4 million customers in 2016. However, when adjusted for the same number of calendar workdays, the 2017 ridership was at the same level as 2016. LIRR remains the busiest commuter railroad in North America. Strong local economic conditions and continuous growth in non-commutation travel, including trips to entertainment and sports venues, have contributed to these ridership numbers.



The 2017 Non-Commutation market experienced growth increasing 2.2%, outpacing the decline of the 2017 Commutation market, which decreased (1.6)% compared to 2016. Overall in 2017, Commutation ridership experienced declines in ten consecutive months, while Non-Commutation experienced only three declines during 2017. The main factor affecting ridership in 2017 was the Amtrak Summer State of Good Repair Program taking place at Penn Station. The LIRR estimates that 438,000 riders were lost during the summer program.

During 2017, service was enhanced to the East End. After discussions with officials from North Fork and South Fork communities about improving public transit access, LIRR provided the following services: the “Fisherman’s Train,” which enabled early

morning weekday riders to travel from Ronkonkoma to Greenport; the “Jury Train,” which was repurposed to allow for a westbound train to depart from Greenport; and a new one-seat ride opportunity will come into fruition during 2018 from Southampton to Penn Station during the AM peak.

The LIRR will continue to analyze ridership trends in order to respond to service needs. Market Research has revealed an increased reliance on LIRR service—especially on the part of younger riders—for travel to work and other destinations.

In 2016 the Long Island Rail Road launched MTA eTix, the first-ever mobile ticketing application. MTA eTix allows LIRR customers to purchase and display train tickets directly from their mobile devices, including smartphones and tablets.

Mobile tickets have been growing in popularity winning over many LIRR customers. Customer satisfaction during the early stages was very high, while the eTix share of all sales channels far exceeded expectations (in December 2017, eTix represented 21.2% of all tickets sold).

LIRR’s popular Mail&Ride program launched a pilot program for students in December of 2017 for the January 2018 commutation month. Mail&Ride enlisted Chaminade High School in Mineola to participate in this pilot, where students now receive their tickets by mail instead of purchasing them at the ticket windows. The school’s monthly tickets for January 2018 were mailed out on December 19, 2017. The Mail&Ride Department is anticipating opening this pilot to other schools during the 2nd quarter of 2018.

SAFETY and SECURITY

An essential element of LIRR’s mission is to ensure the safety of its customers, employees, and the communities it serves. LIRR’s corporate safety program is designed to engage every employee in promoting the value of safety. It is a collaborative effort between the Corporate Safety Department and all LIRR operating and administrative departments.

“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 (SGIP), new and enhanced training, detailed trend analyses, and field observations, are all directed towards engaging all employees in promoting the value of safety while ensuring accountability.

The rate of FRA-reportable employee “lost time” injuries increased in 2017 by 23%. The highest number of employee accidents continues to be in the “slips, trips, and falls” category with the majority of injuries being soft tissue injuries. Corporate and Department interventions focus on engaging employees to heighten awareness and encourage collaborative problem solving. This includes a number of Labor Management partnership meetings and initiatives. Departments are seeking to identify the behaviors that contribute to these accidents and address them in their employee awareness campaigns, field observations, and safety meetings.

From 2016 to 2017, the LIRR experienced an increase of almost nine percent in the “customer injury rate.” The Atlantic Terminal bumping post collision on January 4, 2017 resulted in 108 minor customer injuries. Penn Station remains the location with the greatest number of injuries. This can be attributed to the volume of customers that travel through the busiest terminal in the LIRR system. In 2018, the LIRR will continue its customer outreach campaign, with its theme of “Let’s Travel Safely Together” that includes videos, seat drops, announcements, and social media posts. The campaign, in partnership with Amtrak, New Jersey Transit, and New York City Transit focuses on customer behaviors such as carrying too many packages and luggage, and rushing to trains.

The LIRR accomplished the following in 2017:

- Conducted quarterly “Safety FOCUS days” across LIRR, each attended by approximately 4,000 employees. Conducted weeklong Safety, Health, and Wellness Events throughout the property on all tours focusing on seasonal safety trends, personal protective equipment, fire extinguisher safety, physical fitness, fatigue, and electrical safety.
- Commenced obstructive sleep apnea testing for locomotive engineers.
- Continued system-wide implementation of the Confidential Close Call Reporting System (C3RS), a collaborative effort between management, labor, and the Federal Railroad Administration (FRA), that provides a mechanism for employees to confidentially report “close calls” that could have resulted in operating and safety incidents. This led to the implementation of three corrective actions recommended by the Peer Review Team.
- Continued to work with MTAHQ, NYSDOT, Nassau and Suffolk counties, local government authorities, and a third-party consultant to develop improved safety measures at railroad grade crossings. Applied for and awarded a competitive FRA Infrastructure Safety Grant to implement enhancements at two crossings.
- Continued collaborative design and development efforts with Metro-North and a third party vendor for a new enterprise safety system. This system will replace LIRR’s existing mainframe-based Accident Control System that currently serves as the railroad’s FRA accident-reporting system and the official depository of accident and incident data.
- Continued implementation of a “safety management systems” (SMS) approach to LIRR’s overall safety program. The SMS approach, which has been endorsed by the FTA, the FRA, the federal DOT, other transportation authorities, supplements an engineering-centered process with increased attention to the “human element,” data sharing, and measurements of safety performance.
- Implemented Customer Safety Awareness Days in partnerships with New Jersey Transit, Amtrak, and New York City Transit at Penn Station. Messaging focused on “Let’s Travel Safely Together” highlighting how customer behaviors can help reduce customer accidents and injuries.
- Implemented a railroad safety contest geared toward elementary, middle and high schools. Winners at the elementary and middle school levels had their winning slogans printed on banners that were hung at their local station. The high

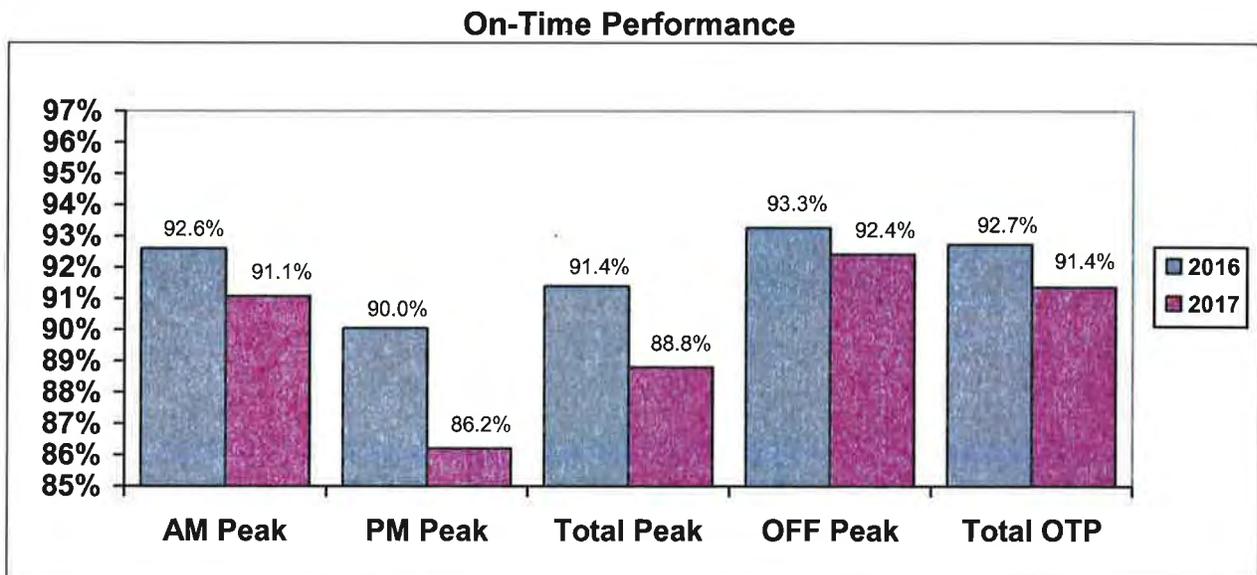
school winner worked with the LIRR to develop a Public Service Announcement that was circulated to all schools as well as played over the intercom in LIRR stations.

- Implemented a labor-management partnership committee focusing on On Track Safety. The committee is comprised of representatives from Corporate Safety, Employee Training, and Engineering Department management and labor representatives.
- the LIRR Office of Security implemented additional security measures at several railroad facilities, passenger stations and yards to enhance both employee and customer security. Major projects included installation of high-security electronic gates and fencing at two LIRR locations; security hardening at two LIRR yards; installation of video management systems at 16 LIRR station platforms; installation of 112 access-control devices; and the upgrade of security systems at 19 LIRR passenger stations.

The LIRR has also begun pilot testing train cars with inward and outward facing cameras in both the passenger and crew compartment.

OPERATIONAL PERFORMANCE

On-Time Performance (OTP): 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 2017, the LIRR's OTP was 91.4%, a decline of 1.3% from the 2016 OTP rate of 92.7%.



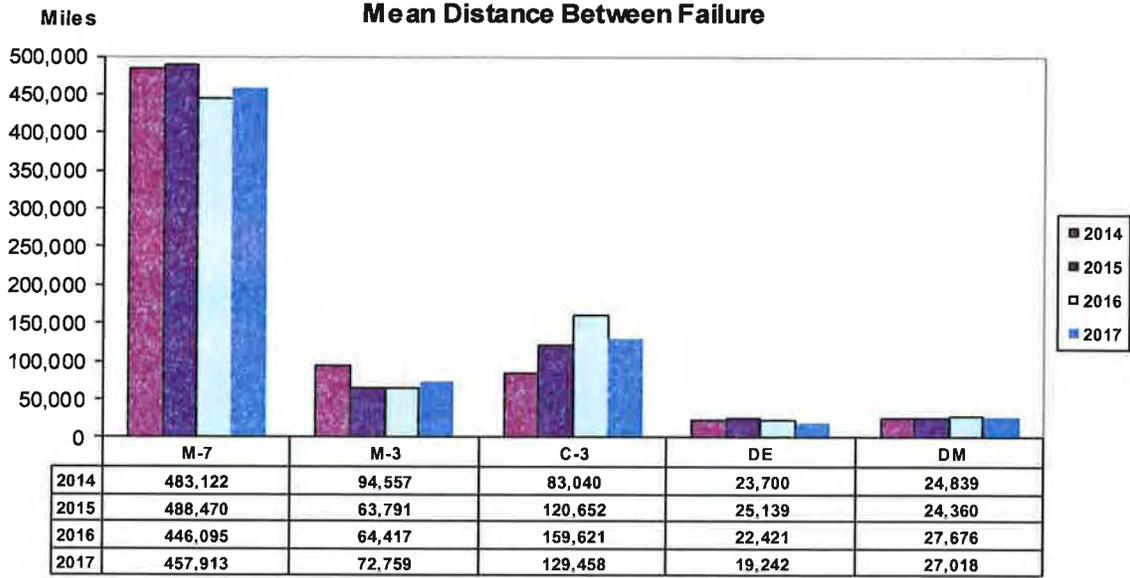
In 2017, the total number of delays increased by 19% from 17,951 to 21,362. The primary causes of these delays were 3rd party operations and severe weather. Delays attributed to 3rd party operations increased by 1,912 delays or 131% and

delays attributed to weather increased by 573 delays or 27%. 3rd party operation delays were very prevalent in May and June where Amtrak had 3rd rail and signal troubles. Weather delays were most prevalent in February with Winter Storm Niko and November through December due to low adhesion due to adverse weather conditions. Additional causes included unscheduled right of way maintenance issues and rolling stock equipment mechanical failures.

To address these issues, senior staff engaged in a top-to-bottom assessment of the LIRR operations and has recently introduced a Performance Improvement Plan (PIP). This plan targets key areas, so as to yield maximum effect, with concentrations on service reliability and bolstering our preparedness for seasonal impacts to service.

The PIP lays out near-term as well as long-term goals, from procuring additional snow-fighting equipment to intensifying inspection protocols to revising the messaging protocols used by our Public Information Office (PIO). This is a systemic, sustained program that will help improve the customer experience.

Mean Distance Between Failures (MDBF): MDBF is the standard measurement used to gauge fleet reliability. The MDBF for the entire fleet in 2017 was 205,270 miles, which exceeded the 2017 goal of 200,000 miles by 2.6% and represents a 3.2% decrease from 2016.



The M-7 fleet MDBF continued to be a strong contributor in the LIRR's fleet reliability achievements. With an MDBF of 457,913 miles, the M-7 fleet continued to remain the highest MDBF reliability fleet. The Reliability Centered Maintenance (RCM) program and rigorous maintenance schedules and protocols contributed to its outstanding reliability performance.

The Maintenance of Equipment Department's increased maintenance efforts have also led to robust reliability of the C-3 fleet. While the C-3 MDBF of 129,458 miles exceeded the 2017 goal by 6.1%, it fell below the 2016 actuals by 18.9%. While a slight decline from 2016, the C-3 still managed to achieve its second best ever performance. LIRR continues its efforts of optimizing the reliability-centered maintenance program, enterprise asset management system implementation, new M-9 fleet preparedness, and initiatives targeting the performance of the entire fleet.

The combined diesel fleet achieved an MDBF of 67,218 miles, which exceeded the goal by 3.4%. In comparison to 2016 MDBF of 77,035, the overall diesel fleet MDBF fell by 12.7%. While the decline was attributable to the lower C-3 MDBF from its record-high previous year, the 20-year old diesel fleet performance recorded its third best-ever performance.

At the end of 2017, the MU electric fleet consisted of 828 M-7 and 148 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 6.2% and 1.5% respectively. The AM peak requirement at year-end was 858 for the MU fleet and 114 for the C-3 coaches.

CUSTOMER COMMUNICATION

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.

The LIRR continues to explore new ways to improve customer communication. As part of the 2018 PIP, the LIRR will be meeting more regularly with elected officials and members of the public to receive feedback on LIRR services, including "meet the manager" sessions and focus groups. The LIRR Public Information Office (PIO) will improve messaging protocols to provide recovery estimates for service disruptions as well as provide early morning messages in advance of anticipated disruptions. The LIRR along with the MTA is developing and testing a new and improved MyMTA Application. A key component of the PIO is the initiative to obtain more accurate and timely train status information to convey on customer signage.

CUSTOMER SATISFACTION

In 2017, the LIRR "Overall Customer Satisfaction" decreased to 77% from 84% in 2016. Historically, customers perceive "On Time Performance" as a key service attribute that is significantly tied to train service operations. The survey score for "On Time Performance" in 2017 was 73% vs. 79% in 2016, down six points – also mirroring a six point drop from the "Overall Train Service" score (76% vs. 82%). There were a significant number of planned and unplanned service disruptions during 2017 that likely resulted in the lower satisfaction scores. On the positive side, there is a consistent trend in high satisfaction scores related to employees. "Overall Courtesy and Responsiveness of Employees" scored 90%, and "Professional Appearance of Conductors" and "Courtesy and Responsiveness of Conductors" – both received high satisfaction scores of 92%.

The LIRR has developed a performance improvement plan to address many of the underlying reasons for the decline in customer satisfaction including listening sessions and meet the manager events.

CAPITAL IMPROVEMENTS

In 2017, the LIRR exceeded its Capital Program goals for Commitments, Starts, and planned Completions.

The LIRR's 2017 capital commitments totaled over \$1024.7 million. Significant Commitments included Nostrand Avenue Station Rehabilitation, Jamaica Capacity Improvements, the 2017 Annual Track Program, Main Line Double Track Phase II, Buckram Road Bridge Design-Build, new elevators at Murray Hill Station, new Mid-Suffolk Electric Yard, Morris Park Diesel Locomotive Shop Improvements, Positive Train Control Atlantic Avenue Cables, Moynihan Station (representing LIRR's funding contribution) and the purchase of M9 electric train cars. The Rail Road's 2017 capital

completions totaled more than \$336.8 million. Among the major completions during the year were the 150th Street Jamaica Bridge Rehabilitation, Employee facilities renewal, Replacement of Escalators at Various Stations, Systems Restoration at Wreck Lead Bridge, Main Line Double Track Phase II Design, Speonk to Montauk Signalization, the 2017 Annual Track Program and Post Avenue Bridge Replacement.

In addition, the LIRR advanced construction on important elements within each infrastructure asset category. Both normal replacement and system improvement projects continued to progress in 2017.

System Improvements

- **Jamaica Capacity Improvements (JCI) Project:** JCI Phase I continues with improvements and modifications to the signal system and construction of a new platform in Jamaica Station. In 2017 a design contract for JCI Phase II was awarded. Phase II work includes extension of existing Jamaica Platforms A through E to accommodate 12-car train consists, a full reconfiguration of Jay and Hall interlockings, electric switches, third-rail and power infrastructure. This reconfiguration is expected to increase overall capacity, reduce travel time, and improve system reliability.
- **Main Line Double Track:** The Phase II Design Build Civil and Sitework contract between Central Islip to Farmingdale was completed. This included vegetation clearing and removal of unfit material, construction of retaining structures, and installation of a new track bed with sub-ballast for the new second track. Track, systems and station platform work continues in 2018 with new grade crossing concrete pad installation and the demolition of the Pinelawn Station shelter.

Signal & Communication Systems

- **Speonk to Montauk Signalization:** The installation of a new Automatic Speed Control Signal System from Speonk to Montauk was completed and went into service in November 2017, thus eliminating all “Dark Territory” – i.e. non-signalized along the Montauk branch.
- **Positive Train Control:** The design, integration, and furnishing of a Positive Train Control (PTC) system are ongoing. Improved delivery schedules for on-board and wayside kits were established that will support installation and earlier utilization of PTC on more track segments and by a greater number of trains.
- **Centralized Train Control:** Design efforts for the architectural fit-out of a Centralized Train Control [CTC] facility in Jamaica was completed in 2017. This project will provide the LIRR with a central location for monitoring and controlling train operations, and thus a quicker response time to operational situations.
- **Lightning Protection:** LIRR Engineering forces commenced efforts in April 2017 to upgrade lightning protection at various interlocking locations system-wide, to mitigate or reduce damage to the signal system that can occur during weather incidents involving lightning.

Power

- **Richmond Hill Substation Replacement:** In 2017 contracts were awarded for the replacement of existing substations at Richmond Hill. The new prefabricated modular substation will house new pre-installed AC and DC switchgear, rectifiers, control cabinets, and associated equipment. Additional, substation components include high tension feeders, fiber optic cables for the Programmable Logic Controller (“PLC”), and a fire alarm system.
- **Atlantic Avenue Tunnel Lighting:** Replacement of the tunnel lighting system in the Atlantic Avenue Tunnel between East New York Station and Atlantic Terminal in Brooklyn began in March 2017.

Shops and Yards

- **Diesel Locomotive Shop Improvements:** A design-build contract for a new Morris Park Locomotive Shop and Employee Facility was awarded in 2017. This project will construct a new shop with maintenance bays and associated work areas, employee facilities, parts storage and storage tracks. The renewed heavy repair and overhaul diesel locomotive shop and supporting facilities will provide improved locomotive reliability and facilitate on-time performance.
- **Mid-Suffolk Yard:** A design-build contract for construction of a new Mid-Suffolk Yard for electric train storage south of the existing Ronkonkoma Yard was awarded in 2017. The new yard will provide additional storage capacity for 12-car electric trains with construction of up to 11 new layout tracks, a new traction power substation, walkways and driveways, and a new employee facility.

Track:

- **Montauk Branch Track Upgrades:** Completed the renewal of 42,145 deteriorated mechanized wood ties and 24,816 concrete along the Babylon Branch in 2017.

Bridges

- **150th Street Jamaica Bridge Rehabilitation:** Rehabilitation and waterproofing of the 150th Street Jamaica Bridge was completed in 2017.
- **Post Avenue Bridge Replacement:** Post Avenue Bridge in Westbury was replaced with a new bridge in October 2017. Demolition of the old span and installation of the new improved bridge required a 48-hour suspension of Main Line train service between Hicksville and Mineola and the use of alternate bus service and train diversions.

Sandy Related Projects

- **Long Beach Branch:** Oil City Substation replacement was completed in 2017. Design-Build replacement of the Long Beach Substation continued in 2017 with an estimated completion date of March 2018. Replacement of underwater cables, the bridge electrical system, and the emergency generator at the Wreck Lead Bridge

over which takes the LIRR over Reynolds Channel was completed at the close of 2017.

- **Infrastructure and System Upgrades:** Replacement of the following components in Far Rockaway Yard and Shea Yard were completed: third rail cables, switch machines, signal components, and yard system components. Installment of portable emergency generators, roof replacement and carpeting at Hillside support Facility were also completed in 2017. Replacement of third rail protection board, brackets, insulators, and cables continues into 2018.
- **First Avenue Substation Restoration:** Design-Build work to provide new fully operational AC Switchgears was completed in 2017.

The LIRR continued its investment in the MTA-wide EAM initiative. The EAM program will align with ISO55000 standards, Federal Transit Administration (FTA) requirements, and other industry “best practices.”

**MTA LONG ISLAND RAIL ROAD
2017 YEAR END REPORT
2017 ADOPTED BUDGET AND FINAL ESTIMATE vs ACTUALS
MONTHLY PERFORMANCE INDICATORS
December 2017**

		<u>YEAR-TO-DATE</u>			<u>VARIANCE</u>	
		<u>Actual</u>	<u>Final Estimate</u>	<u>2016</u>	<u>vs. Final Estimate</u>	<u>vs. 2016</u>
Farebox Operating Ratio						
	Standard ⁽¹⁾	50.6%	50.1%	51.4%	0.5%	-0.8%
	Adjusted ⁽²⁾	59.2%	58.6%	60.4%	0.6%	-1.2%
Cost Per Passenger						
	Standard ⁽¹⁾	\$16.18	\$16.37	\$15.57	\$0.19	(\$0.61)
	Adjusted ⁽²⁾	\$14.80	\$14.98	\$14.23	\$0.18	(\$0.57)
Passenger Revenue/Passenger ⁽³⁾		\$8.19	\$8.20	\$8.01	(\$0.01)	\$0.18

		<u>YEAR-TO-DATE</u>			<u>VARIANCE</u>	
		<u>Actual</u>	<u>Adopted Budget</u>	<u>2016</u>	<u>vs. Adopted Budget</u>	<u>vs. 2016</u>
Farebox Operating Ratio						
	Standard ⁽¹⁾	50.6%	47.2%	51.4%	3.4%	-0.8%
	Adjusted ⁽²⁾	59.2%	55.3%	60.4%	3.9%	-1.2%
Cost Per Passenger						
	Standard ⁽¹⁾	\$16.18	\$17.52	\$15.57	\$1.34	(\$0.61)
	Adjusted ⁽²⁾	\$14.80	\$16.05	\$14.23	\$1.25	(\$0.57)
Passenger Revenue/Passenger ⁽³⁾		\$8.19	\$8.27	\$8.01	(\$0.08)	\$0.18

(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



2017 ANNUAL RIDERSHIP REPORT

**2017 ANNUAL RIDERSHIP REPORT
LONG ISLAND RAIL ROAD
EXECUTIVE SUMMARY**

In 2017, the Long Island Rail Road (LIRR) experienced its second-highest ridership since the post-war record of 91.8 million passengers in 1949, following 2016’s modern record of 89.4 million passengers. The LIRR carried 89.2 million customers, which was a slight 0.2 percent decrease from 89.4 million customers in 2016. However, when adjusted for the same number of calendar workdays, the 2017 ridership was at the same level as 2016. Strong local economic conditions and continuous growth in non-commutation travel, including trips to entertainment and sports venues, contributed to these ridership numbers.

2017 Ridership Summary

- In 2017, the LIRR experienced high ridership of 89.2 million passengers, despite an estimated ridership loss of 438,000 customers related to service changes due to Amtrak’s Summer State of Good Repair program
- Total NYC Employment increased 2.0% during CY 2017 due to a steadily improving economy
- Off-peak discretionary travel increased due to innovative marketing programs

ANNUAL RIDERSHIP 2017 VS 2016 (in millions) *

	Annual Ridership 2017	Annual Ridership 2016	% Change vs. 2016
Total Ridership	89.2	89.2	0.0% ●

*Annual ridership based on calendar adjusted total ticket sales

Legend: ▲ increase; ▼ decrease; ● no change

Major Factors and Initiatives Affecting Ridership

1. STRONG REGIONAL ECONOMY

- NYC Non-Agricultural employment increased 2.0% during CY 2017 vs. 2016
- Mining, Logging & Construction employment increased 3.3%
- Business and Professional Services employment increased 2.6%
- Leisure and Hospitality employment increased 3.3%
- Financial Sector employment increased 0.9%
- Education and Health employment increased 3.6%

2. SERVICE IMPROVEMENTS

- During 2017, the LIRR posted favorable trends in non-commutation ridership. A number of Service Enhancements were implemented:
 - An additional train to the East End, referred to as the “Fisherman’s Train”, was provided to early morning weekday riders to travel from Ronkonkoma to Greenport.
 - Hicksville Station improvements included the installation of new platforms, platform waiting rooms, canopies, elevators, escalators, stairways, signage, security cameras, Wi-Fi, and charging ports.
 - Under the Enhanced Station Initiative, Stewart Manor Station improvements began in 2017. This project has deployed best architectural and design practices to upgrade the station, as well as install new LED lighting, USB charging ports, Wi-Fi service, and digital kiosks.

3. ON-TIME PERFORMANCE AND FLEET RELIABILITY

- System-wide on-time performance decreased by 1.3% in 2017 (reported 91.4% versus 92.7% in 2016).
- The 2017 Mean Distance Between Failures (MDBF) for the entire fleet reached 205,270, exceeding the goal of 200,000 miles.

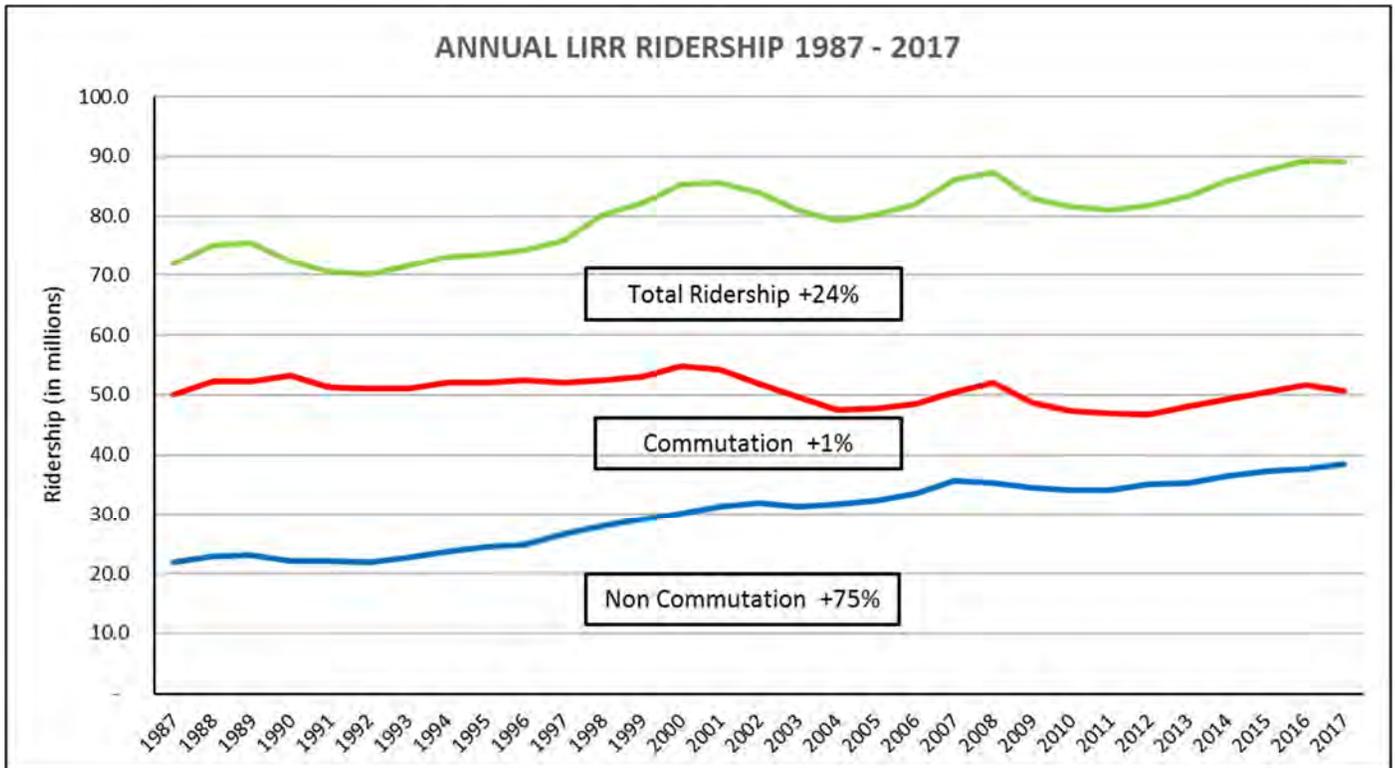
4. RIDERSHIP GROWTH OF DISCRETIONARY TRAVEL (SPORTS, ENTERTAINMENT AND LEISURE SEGMENTS)

- The full Rollout of the first-ever Mobile Ticketing App (MTA eTix) has continued successfully, resulting in \$173 million in ticket revenue, since its launch in June 2016. The App has been used by 650,000 LIRR customers who bought 8.6 million tickets that accounted for 21% of all ticket sales (exceeding expectations of 5% growth).
- During the Northern Trust PGA Golf Tournament at Westbury in August 2017, the LIRR gained additional ridership to/from Westbury Station for the event.
- Expanded service to two LIRR Holiday Trains – (a reserved seat holiday-decorated non-stop train) from Ronkonkoma and Babylon to Penn Station with on-board entertainment, giveaways and special discount to an MSG show.
- Sales & Promotions programs contributed to LIRR’s 2017 total off-peak business of \$212 million (+4.2% over 2016) and fostered new opportunities for Deals & Getaways and Group Sales, influencing the +2.4% increase of 2017 off-peak ridership.
- Spearheaded the 5th Annual “Long Island Car Free Day” encouraging Long Islanders to give up their cars and try mass transit, carpooling, walking, and bicycling.
- Cultivated partnerships with “Discover LI”, “NYC & Co”, and “I LOVE NY” to leverage cross marketing opportunities. Targeted the tourism segment working with travel agents and leisure organizations.
- Provided support to the 2017 Long Island Project Pride Weekend at Long Beach, LI.

Long-Term Ridership Trends

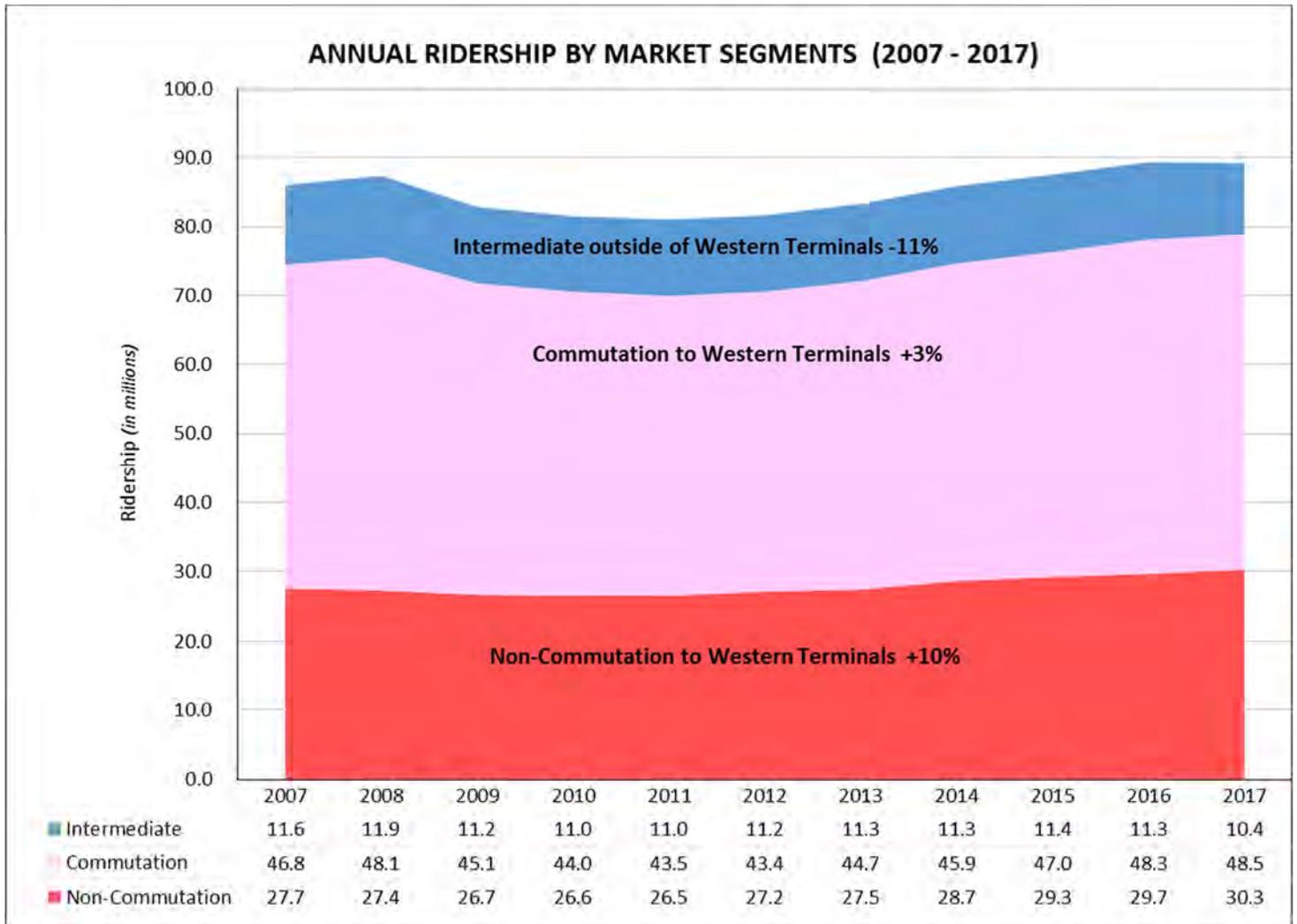
Ridership Trends

- Over the past 30 years, system-wide ridership has grown by 24%
- Non-Commutation ridership has climbed, recording a 75% increase over the 30-year span, while Commutation ridership has shown a slight increase in overall growth (+1%)



Ridership Trends by Market

- Over the past 10 years, significant growth has occurred in the Non-Commutation market, which grew 10%
- Commutation ridership to western terminals has increased by 3% since 2007
- Non-Commutation growth increased due to favorable market/economic conditions and aggressive marketing programs/niche market segments (i.e., NYC/LI Getaways, etc.)
- Intermediate ridership outside of western terminals has decreased by 11% over the past 10 years



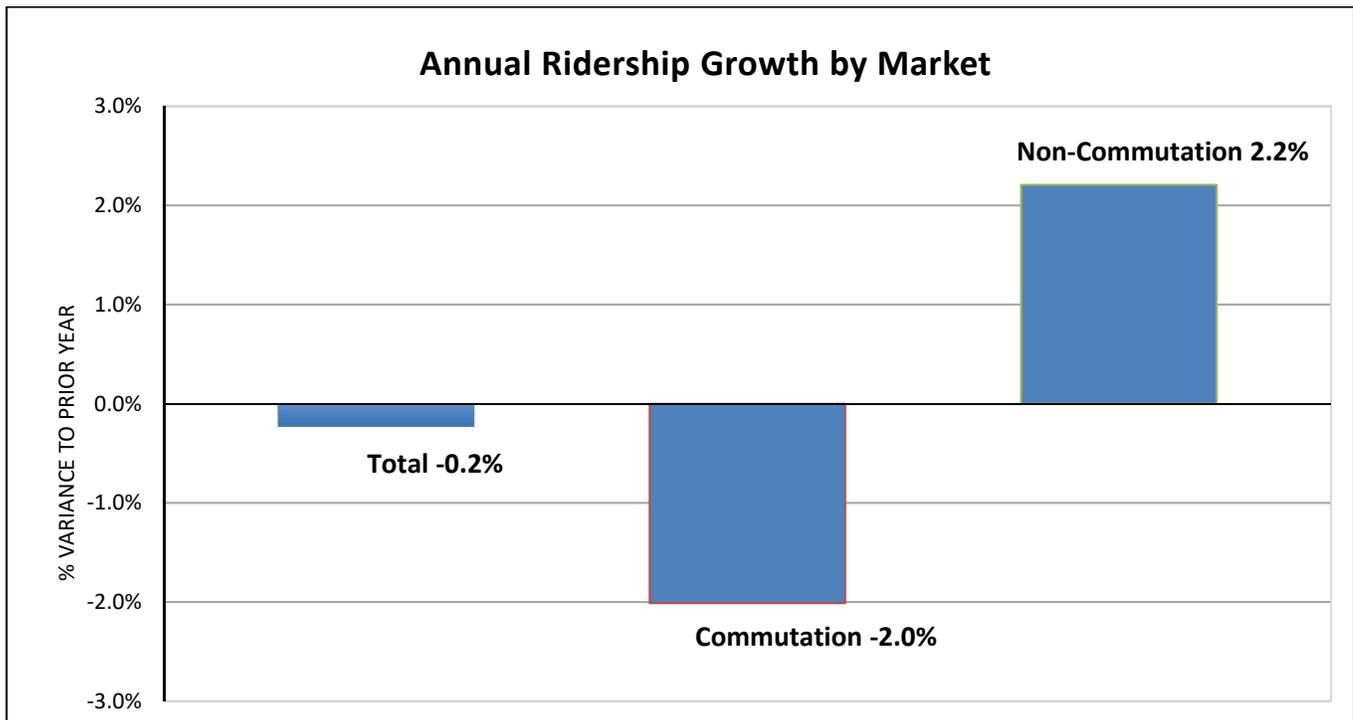
Market and Ridership Trend Analysis¹ (2017 vs. 2016)

Commutation

- 2017 Commutation ridership decreased 2.0%, as ridership suffered from the impact of service changes caused by Amtrak's Summer State of Good Repair program (loss of 438,000 customers), which largely affected the commutation market segment
- Reverse Commute ridership decreased 0.3% in the AM period, but remained the same compared to last year in the PM Peak period

Non-Commutation

- 2017 Non-Commutation ridership increased 2.2%, reflecting a growing trend of discretionary trips
- Total Weekend ridership increased 1.2%. Saturday ridership travel increased 0.8% and Sunday ridership travel increased 1.8%. Off-peak weekday travel increased 1.6%.



¹ Data is based on a combination of passenger counts and ticket sales

2017 vs. 2016 Branch Comparisons

- Most LIRR Branches experienced ridership gains in 2017. The Greenport Branch showed the highest percent increase of 14.7%, as weekday service was added in 2017. City Zone had shown the largest percent decrease of 2.9%, as reflected by the impact of several trackwork programs. The Port Jefferson Branch has continued to maintain the highest ridership (19.1 million customers), followed by the Babylon Branch servicing 18.1 million compared to 2016.

RIDERSHIP BY BRANCH (in millions) *

Branch	Annual Ridership 2017	Annual Ridership 2016	% Change vs. 2016
Babylon	18,085,955	18,348,401	1.4% ▼
City Zone	7,171,230	7,387,923	2.9% ▼
Far Rockaway	6,245,366	6,127,963	1.9% ▲
Greenport	68,121	59,365	14.7% ▲
Hempstead	4,251,182	4,163,361	2.1% ▲
Long Beach	4,898,829	4,923,744	0.5% ▼
Montauk	2,348,119	2,306,084	1.8% ▲
Oyster Bay	1,924,288	1,901,569	1.2% ▲
Port Jefferson**	19,086,565	19,036,912	0.3% ▲
Port Washington	14,084,690	14,087,743	0.0% ●
Ronkonkoma	9,935,414	9,998,448	0.6% ▼
West Hempstead	1,059,082	1,010,165	4.8% ▲
Total	89,158,841	89,351,676	(0.2%) ▼

Legend: ▲ increase; ▼ decrease; ● no change

*Ridership data is based on ticket sales

**Port Jefferson Branch includes ridership from Huntington Branch

2018 Outlook

- Throughout the remainder of 2018 (and for multiple years beyond), the LIRR will be engaged in several large-scale projects, resulting in a more modern system well-suited to meet future transportation needs. However, these system upgrades require service changes to allow for construction that will impact ridership primarily during the off-peak period, but in some cases even during the peak period.
- The 118th U.S. Open at Shinnecock Hills, USGA Championship Golf Tournament is expected to boost discretionary ridership.
- To meet the increasing demand for service on the South Fork, an additional AM Peak train will be added to the Montauk schedule offering a one-seat ride for those traveling from Southampton to Penn Station.
- The LIRR is expecting to place into revenue service the first M9 cars in the Fall of 2018
- The LIRR Mainline Expansion Project will be underway in 2018 to provide greater reliability, as well as offer enhanced Reverse Commute and Intra-Island travel options.
- Continue fostering new opportunities to build on the successful performance of Deals & Getaways and Group Sales in recent years. Introduce attractive NYC & LI value-added packages and capitalize on cross marketing opportunities with regional partners and venues to increase non-commutation ridership.
- Provide support to the 2018 Long Island Project Pride Weekend at Long Beach, LI.
- Continue promotional partnerships with local sports venues to grow off-peak ridership.
- Ridership growth is expected to continue with several opportunities to serve all local airports, building incremental ridership growth of travel through the LIRR.

2017 LIRR Annual Ridership Report Appendix

Additional ridership statistics are provided in an online appendix. Listed as an exhibit within the April 2018 Metro-North and LIRR Committee materials, the appendix is available at:

<http://web.mta.info/mta/news/books>

Procurement & Materials Management

2017 Inventory Report

Long Island Railroad

Prepared April 2018



Mission Statement



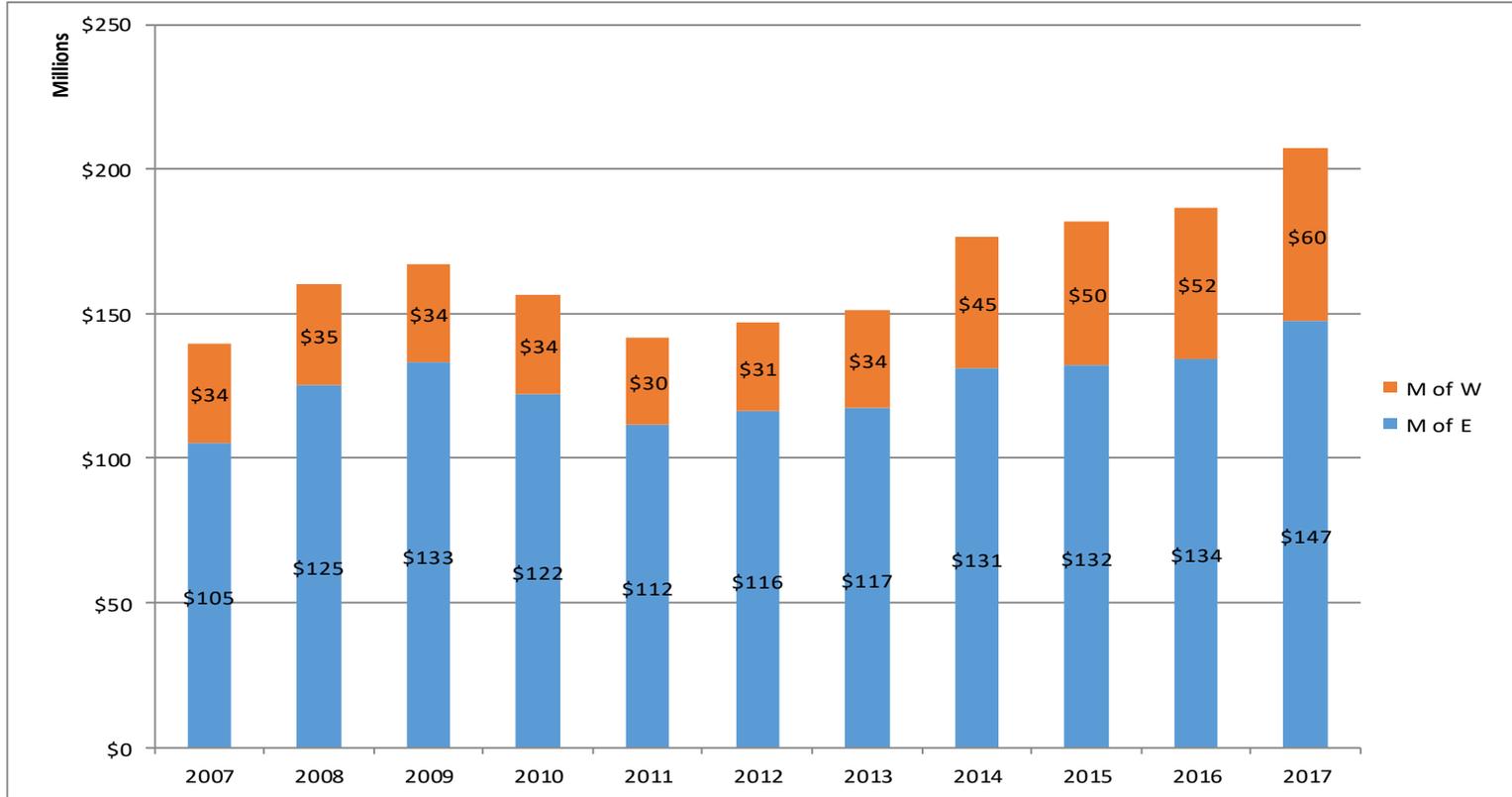
The mission of the Procurement and Logistics Department is to effectively support the LIRR's corporate charter to provide a safe, efficient and on-time rail transportation service. The availability of materials and supplies is critical to this endeavor. P&L is committed to maintaining adequate inventory 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. These actions recommended by the Task Force have resulted in a budget-recognized cash saving of \$72.5 M since 2010.



Inventory by Department (Constant 2017 \$'s)



M of E

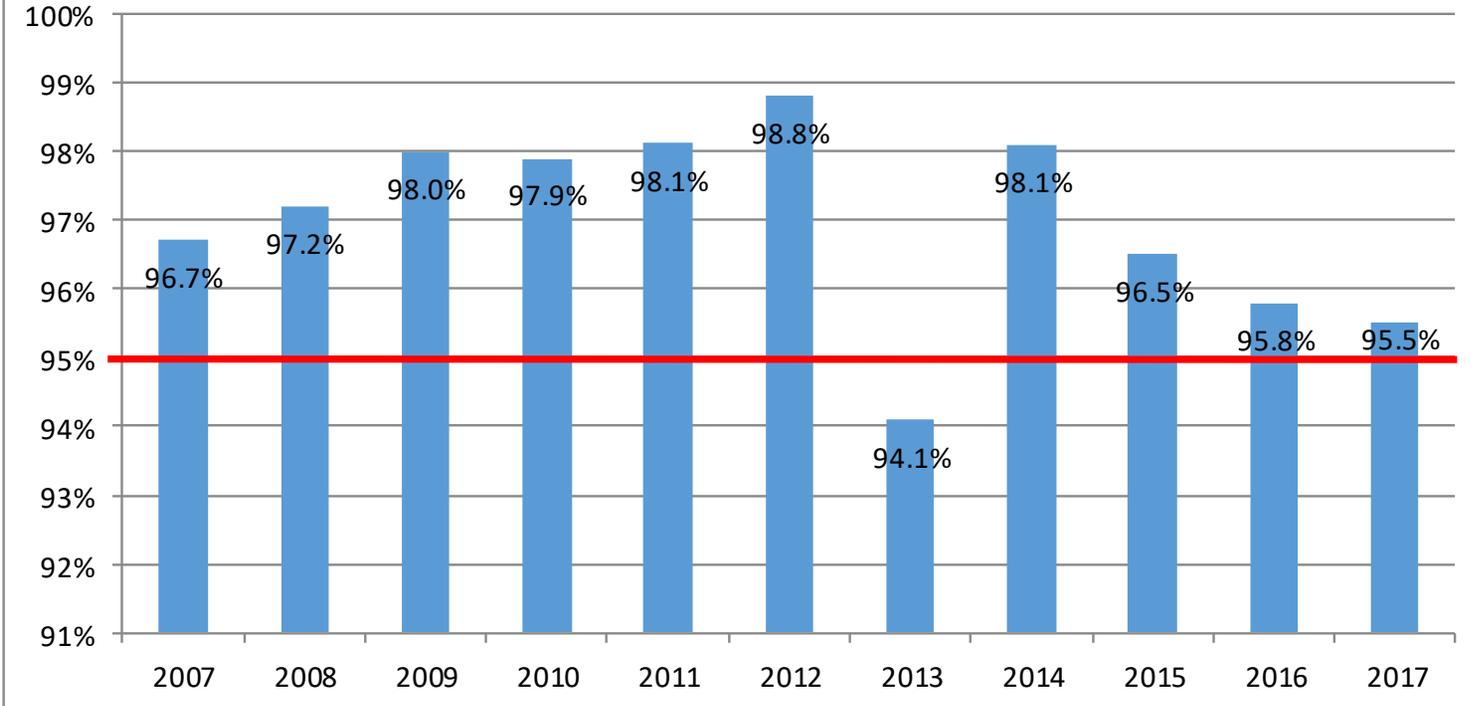
YTD increase of \$12.9 Million in total inventory value is a direct result of scheduled shipments of planned material to be used in 2018 Production Plan and was received for in 2017 to support the annual shop build requirements valued at \$9 Million.

M of W

The increase in total inventory value of \$7.6 Million is due to early delivery for 2018 Capital work.



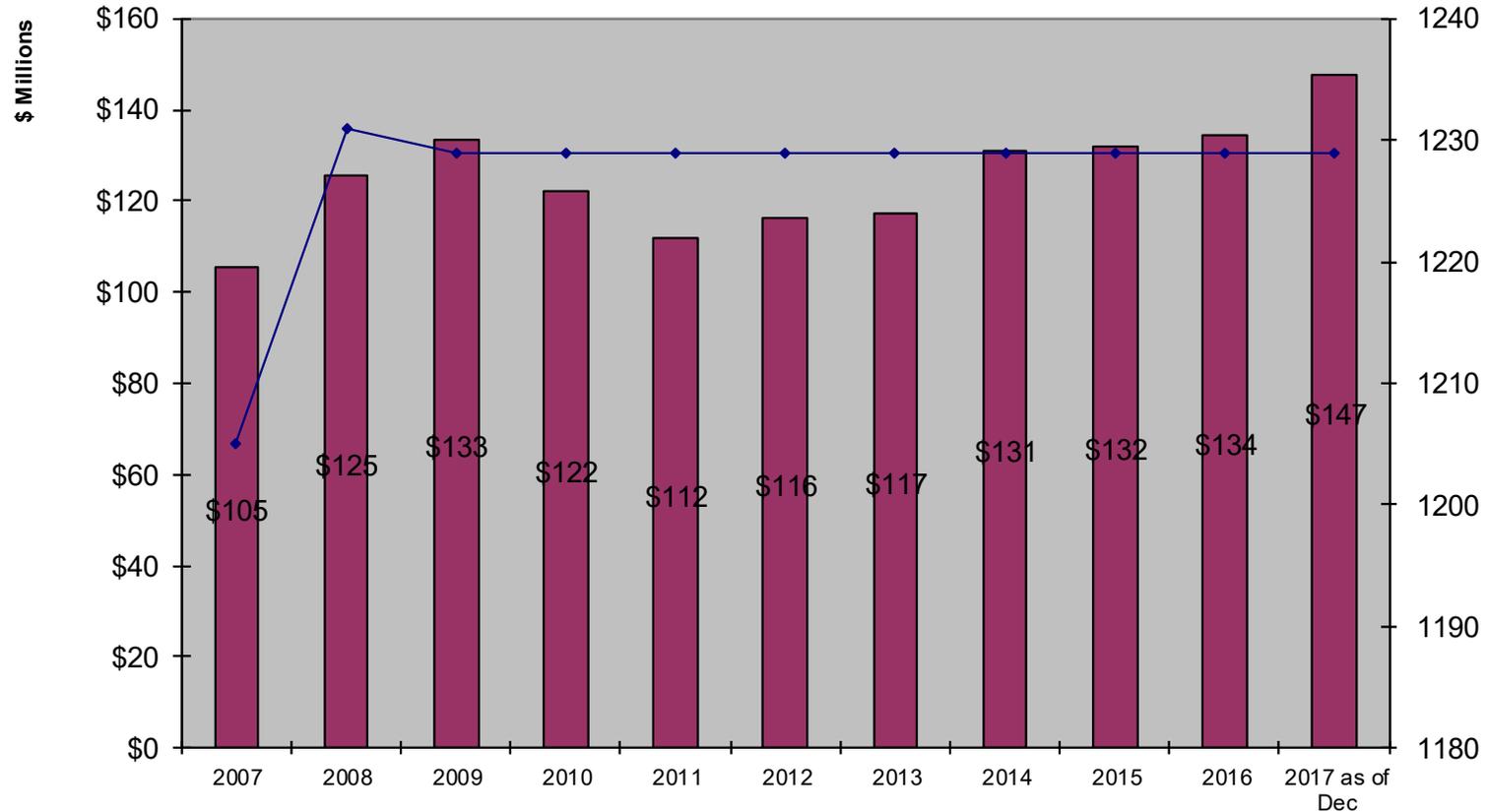
Material Availability 2007 thru Dec. 2017



- 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% over the last 10 years.
- 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.



LIRR Yearly Inventory by # of Railcars December 2017 (MofE Only) Constant 2017 \$'s



- Increases in inventory value are driven by (i) significantly higher Average Unit Price (AUP) of components utilized in the RCM program when compared to older (M-3) fleets, and (ii) early delivery of 2018 Production Plan assets.
- The number of commodities in inventory has not significantly increased in the past ten years.



2017 Accomplishments

Challenge	Plan	2017 Goal	2017 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 \$10.0M by 12/2017 ➤ 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 \$72.5M over the past 8 years. ✓ Maintained an average material availability - 97%
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 ➤ 2017 Goal = \$1.75M Q1 - \$450K Q2 - \$450K 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 \$568K.
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"> ➤ 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



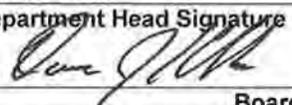
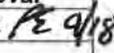
2018 Action Plan

Challenge	Plan	2018 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 \$5.0 by 12/2018 ➤ 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 ➤ 2018 Goal = \$1.5M <ul style="list-style-type: none"> Q1 - \$375K Q2 - \$375K Q3 - \$375K Q4 - \$375K
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 2018 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 & TRACKWORK PROGRAMS						Date April 2, 2018			
Department SR. VICE PRESIDENT – OPERATIONS						Vendor Name			
Department Head Name D. KUBICEK						Contract Number			
Department Head Signature 						Contract Manager Signature			
Board Action						Internal Approval			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	LI COMM	4/23/18				3	Sr VP – Eng. 	1	President 
						2	VP Mktg & PA 		

PURPOSE:

This is to inform the Long Island Committee of the MTA Long Island Rail Road’s plan to adjust schedules beginning May 21, 2018, through September 3, 2018.

Projects supported during this timetable include Main Line Second Track, Main Line Expansion, Positive Train Control Installation, Tunnel Lighting and VD Yard Work on the Atlantic Branch, Nostrand Avenue Station Rehabilitation, and maintenance in Atlantic Terminal.

Continuing projects include East Side Access work in Harold Interlocking, Positive Train Control Testing, Stewart Manor Station Rehabilitation, Wantagh Station rehabilitation, Hicksville Station rehabilitation, Rockville Center and Lynbrook Viaduct Rehabilitation Project, West Side Yard Overbuild, and Jamaica Capacity Improvements.

Additionally, Trackwork Programs during the months of April and May will support Rail Surfacing at Valley Stream, Mechanical Tie Installation Project on the Montauk Branch, Rail Replacement at East New York, East Side Access Pre-Cutover Signal Testing.

MAY 21 TIMETABLE CHANGE

Service Changes & Improvements

- **Montauk Branch** – With the recent completion of the new signal system between Speonk and Montauk, the LIRR is now able to provide an additional AM Peak one-seat ride from stations Southampton, Hampton Bays and Westhampton. The 5:08AM dual-mode train from Speonk to Penn Station will now originate from Southampton at 4:41AM, offering Southampton, Hampton Bays, and Westhampton customers for the first time a morning one-seat ride to Penn Station on a daily basis.

- **Port Jefferson Branch** – In response to customer feedback for improved late night schedules, the Port Jefferson train departing Jamaica at 2:10AM and arriving in Port Jefferson at 3:36AM, will originate out of Jamaica at 12:40AM and arrive in Port Jefferson at 2:06AM.
- **Hempstead Branch** – In response to customer requests, the Hempstead train departing Penn Station at 6:58AM will have added stops at Forest Hills and Kew Gardens increasing service opportunities for reverse commuters.
- **Main Line** – Weekend summer service between Ronkonkoma and Greenport will increase from 2 trains in each direction to 4 trains in each direction beginning on Saturday, May 5th.

Construction Activities (Long-term trackwork items written into the timetable)

- **Atlantic Branch, Brook-East New York – PTC, Tunnel Lighting, Communication & VD Yard Work** – One of two main tracks will be out of service midday weekdays as well as weekends, between Atlantic Terminal and East New York for multiple projects, including PTC, Tunnel Lighting, Nostrand Avenue Station, Communication work and VD Yard work.
 - **Service Impacts:** On midday weekdays, Hempstead, Far Rockaway, Huntington, Babylon, and Ronkonkoma Branch trains' schedules are adjusted up to 4 minutes. On weekends, some Far Rockaway, Hempstead, and Long Beach Branch trains' schedules are adjusted between 3 and 10 minutes.
- **Port Jefferson Branch, Continuous Welded Rail Replacement** – One of two main tracks will be out of service between Syosset and Huntington midday weekday for continuous welded rail replacement.
 - **Service Impacts:** One Port Jefferson and one Huntington westbound train will be adjusted by up to 3 minutes earlier.
- **Montauk Branch, Positive Train Control** – One of two main tracks will be out of service between Babylon and Sayville to support Positive Train Control testing on the overnight on weekends.
 - **Service Impacts:** One Montauk and one Speonk train will operate on adjusted schedules of up to 12 minutes later.

TRACK WORK PROGRAMS

Construction Activities (Short-term trackwork items requiring a special program)

- **East Side Access Signal Pre-Cutover Testing** – East Side Access Pre-cutover testing for 48 hours on the weekend(s) of May 12th-13th (26 hours) and 19th-20th, in Harold Interlocking.
 - **Service Impacts:** East Side Access will be taking various tracks in Harold Interlocking out of service for pre-testing of new signals and signal apparatus prior to the cutover of these new systems next year. These outages will occur on multiple weekends: May 12th-13th (26 hours) and 19th-20th. (Note: work will continue on additional weekends to be reported on next month.) Service will be reduced from ½ hourly to hourly on the Huntington Branch and from 1 ½ hours to two hourly on the Port Jefferson Branch. Other train schedules throughout the system will have minor adjustments to prevent conflicts between Long Island Rail Road, Amtrak and NJ Transit trains within Harold Interlocking resulting from the decrease in available routes.

- **Atlantic Branch, Emergency Rail Replacement** – One of two main tracks will be out of service between East New York and Atlantic Terminal for a period of 55 hours April 27th - 30th.
 - **Service Impacts:** Mid-day train service will be reduced from ½ hourly to hourly. In addition, four westbound trains will terminate in Jamaica and two eastbound trains will originate in the overnight periods. Customers will be accommodated by subway between Jamaica, East New York, Nostrand Avenue, and Atlantic Terminal (cross-honoring will be in effect between the LIRR and NYCTA Subway)

- **Main Line Second Track Project** – Main track between Farmingdale and Ronkonkoma on the weekend of April 28th-29th and between Brentwood and Ronkonkoma on the weekend of May 19th-20th will be out of service to support the Main Line Second Track Project for a period of approximately 48 hours. Also, beginning April 30th for a period of 7 weeks, an existing siding at Central Islip will be unavailable, requiring some AM and PM Peak adjustments.
 - **Service Impacts:** On the weekend of April 28th-29th, eastbound customers will transfer at Hicksville for bus service from Bethpage through Ronkonkoma. Eastbound customers can expect up to 44 minutes additional travel time. Westbound customers traveling from stations Ronkonkoma through Bethpage will board buses at their station for Hicksville, where they will transfer to train service. Westbound buses will depart up to 44 minutes earlier than normal train service in order to connect with trains at Hicksville. Customers traveling between Ronkonkoma and Greenport will have train service on adjusted schedules to connect to and from buses at Ronkonkoma. For a period of 7 weeks, following this weekend’s work, one train in each of the AM and PM peak periods will terminate at Brentwood and turn for a westbound train originating out of Brentwood instead of Ronkonkoma. In the morning, the 5:11AM train from Penn Station to Ronkonkoma will terminate at Brentwood and the 7:04AM from Ronkonkoma to Penn Station will originate out of Brentwood. In the evening, the 6:05PM train from Atlantic Terminal to Ronkonkoma will terminate at Brentwood and the 7:13PM train from Ronkonkoma to Penn Station will originate out of Brentwood. On the weekend of May 19th-20th, eastbound customers will transfer at Brentwood for bus service to Central Islip and Ronkonkoma. Eastbound customers can expect up to 34 minutes of additional travel time. Westbound customers at Ronkonkoma and Central Islip will board buses where they will transfer at Brentwood for train service and can expect up to 34 minutes of additional travel time.

- **Port Washington Branch, Positive Train Control** – One of two main tracks will be out of service between Woodside and Bayside to support Positive Train Control Testing for 48 hours on the weekend(s) of May 5th-6th and May 19th-20th.
 - **Service Impacts:** Service will be reduced from ½ hourly to hourly on the branch.

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

IMPACT ON FUNDING

Funding for these projects is contained in the Long Island Rail Road Operating and Capital budgets.



Metro-North Railroad

Information Items

**MTA METRO-NORTH RAILROAD
2017 YEAR-END REPORT
SUMMARY**

Metro-North's overall financial results were unfavorable by 4.1% versus the 2017 Final Estimate with an Operating Deficit of \$832.9 million that was \$32.7 million higher than projected.

Total Operating Revenue of \$791.9 million was \$6.0 million lower than the 2017 Final Estimate. Farebox Revenue of \$733.4 million was \$3.6 million (0.5%) lower reflecting a slight reduction in East-of-Hudson non-commutation ridership. Other Operating Revenue of \$58.5 million was \$2.4 million lower than the 2017 Final Estimate due to lower revenue from net GCT retail operations and decreased advertising revenue.

Total Operating Expenses of \$1,624.8 million not only supported baseline service levels and maintenance programs, but also Metro-North's strategic plan with emphasis on Our People, Our Customers and Our Infrastructure as well as the continuation of the comprehensive "Infrastructure Improvement" and "Station Enhancement" programs.

As compared to the 2017 Final Estimate, operating expenses were \$26.7 million (1.7%) higher driven by higher labor costs of \$6.6 million and net non-cash expense accruals for Depreciation, Other Post-Employment Benefits (OPEB) Obligation, GASB 68/Pension Adjustment and Environmental Remediation totaling \$35.0 million partially offset by favorable non-labor expenses of \$15.0 million.

Favorable non-labor costs were the result of lower expenditures for Maintenance Contracts (\$10.7 million), scheduling changes impacting Professional Services (\$6.0 million), lower rate driven energy expenditures (\$5.3 million) and lower than forecasted expenses for non-capital equipment purchases and printing supplies (\$1.2 million) partially offset by higher passenger Claims expense (\$7.8 million) and higher Materials and Supplies expense (\$0.5 million) due to higher costs for rolling stock parts and supplies for reliability centered maintenance and track programs partially offset by lower obsolete and excess material reserves and other inventory adjustments. Labor costs for the year were \$6.6 million higher than the 2017 Final Estimate, reflecting higher payroll expense (\$7.7 million) due to an increase in the reserve for unused vacation and sick time and the reallocation of forces to operating coverage from rescheduled capital programs, higher Other Fringe Benefits (\$11.5 million) due primarily to an increase in estimated liabilities for employee claims, and higher pension expense (\$2.3 million) due to higher actuarially determined contributions partially offset by lower vacation and absentee Overtime coverage (\$1.0 million) and lower Health and Welfare costs (\$9.8 million) due to lower than forecasted enrollees as well as revised dental rates.

Reimbursable revenues (and expenditures) totaling \$224.2 million were \$29.0 million lower than the 2017 Final Estimate primarily due to revised scope estimates and delays in several major initiatives that drove lower Materials & Supplies and Professional Service

Contracts. This resulted in higher labor of \$2.7 million offset by lower non-labor expenditures of \$31.7 million.

The net cash deficit for the year of \$550.4 million was \$34.8 million lower than the 2017 Final Estimate. Cash receipts totaling \$1,029.8 million were \$11.2 million lower than the 2017 Final Estimate. This was due to \$29.0 million in unfavorable “timing” variances resulting from the delay in receipts for nearly completed capital project work of \$25.1 million combined with delays in Amtrak and Beacon Line Rail Trail reimbursements. This unfavorable “timing” variance is partially offset by a “real” favorable variance of \$17.9 million, which represents reimbursements from the MTA for Inter-agency expenses.

Cash disbursements of \$1,580.2 million were \$46.0 million lower than the 2017 Final Estimate, of which \$51.0 million represents a favorable “timing” difference and \$5.0 million represents an unfavorable “real” difference. The favorable “timing” difference includes delayed capital spending of \$25.8 million for Materials and Supplies, Professional Service Contracts of \$21.2 million and Maintenance and Other Operating Contracts of \$9.7 million. These favorable “timing” differences were partially offset by an unfavorable “timing” difference of \$6.0 million for Insurance premiums. The \$5.0 million unfavorable “real” variance primarily consists of higher inter-agency expenses of \$12.9 million combined with increased usage and purchases of Materials and Supplies of \$7.4 million partially offset by lower Professional Service Contracts of \$6.8 million, Other Business Expenses of \$6.4 million and Maintenance and Other Operating Contracts of \$3.2 million.

The cash deficit was funded by operating subsidies of \$549.5 million (MTA share \$418.9 million, CDOT share \$130.6 million) that was combined with the usage of \$0.5 million in available cash balances.

Detailed explanations for differences between actual results and both the 2017 Final Estimate and 2017 Adopted Budget are included in the following pages. As always, Metro-North will continue to monitor its financial performance and resource requirements closely and will make appropriate forecast adjustments going forward.

**MTA METRO-NORTH RAILROAD
2017 YEAR-END REPORT
DETAILED EXPLANATIONS OF REVENUE AND EXPENSES VARIANCES
BY GENERIC CATEGORY – ACCRUAL BASIS**

2017 ACTUALS VS FINAL ESTIMATE

NON-REIMBURSABLE

Total Revenue of \$791.9 million was \$6.0 million lower than the 2017 Final Estimate. **Farebox Revenue** of \$733.4 million was \$3.6 million lower than the 2017 Final Estimate reflecting a slight reduction in East-of-Hudson non-commutation ridership. **Operating Revenue** was \$2.4 million lower than the 2017 Final Estimate due to lower revenue from net GCT retail operations and a shortfall in advertising revenue.

Total Expenses, including non-cash expenses for Depreciation, OPEB Obligation, GASB 68/Pension Adjustment and Environmental Remediation, were \$1,624.8 million or \$26.7 million higher than the 2017 Final Estimate.

Payroll expenses were \$7.7 million higher than the 2017 Final Estimate due to an increase in the reserve for unused vacation and sick time as well as the rescheduling of capital projects causing the reallocation of forces to operations coverage. **Overtime** costs were \$1.0 million lower than projected due primarily to reduced vacation and absentee coverage. **Health and Welfare costs** (including OPEB Current Payments) were \$9.5 million favorable due to lower than forecasted enrollees as well as revised dental rates. **Pensions** were \$2.3 million higher than the 2017 Final Estimate due to higher actuarially determined contributions. **Other Fringe Benefit** expenses, including payroll taxes, were \$11.5 million higher than the 2017 Final Estimate due primarily to increased employee claims. **Reimbursable Overhead** cost recoveries were \$4.4 million higher than the 2017 Final Estimate due to higher activity for the following projects: Cameras for the M-8 Fleet, C-30 Track Program, M-8 New Haven Line Purchase and the Substation Bridge Construction project.

Electric Power and **Fuel** expenses were lower than the 2017 Final Estimate by \$4.5 million and \$0.8 million, respectively, due to slightly lower rates. **Insurance** expense was on budget to the 2017 Final Estimate. Accrued **Claims** expenses were \$7.8 million higher than the 2017 Final Estimate due to higher actuarially determined passenger claims. **Maintenance and Other Operating Contracts** were \$10.7 million lower than the 2017 Final Estimate primarily due to the rescheduling of software support for the M-7 Systems Equipment Replacement Project, contracted car repairs of the M-8 equipment damaged in the 2013 Bridgeport derailment, and track maintenance services as well as lower GCT utilities cost. **Professional Services** were \$6.0 million below the 2017 Final Estimate due to lower engineering and consulting services, outside training, market share studies, ridership analysis, medical services, temporary services, audit, legal fees and advertising services. **Materials & Supplies** were \$0.5 million higher than the 2017 Final Estimate due primarily to higher expenses for track materials, rolling stock parts and supplies related to the Component Change-Out Shops, support shop work and on-going repairs partially offset by lower obsolete and excess material reserves and other inventory

adjustments. **Other Business Expenses** were \$1.2 million lower than the 2017 Final Estimate due to lower non-capital equipment purchases and printing supplies. **Depreciation** expense was \$4.6 million higher than the 2017 Final Estimate due to higher capitalization of assets than forecasted. **OPEB Obligation** was \$40.8 million higher than the 2017 Final Estimate due primarily to a change in actuarial standards to reflect age-adjusted premiums versus paid premiums over the population. **GASB 68/Pension Adjustment** was \$10.0 million lower than the 2017 Final Estimate due to revised actuarial guidance. **Environmental Remediation** expense was lower by \$0.4 million due to fewer projects requiring remediation.

REIMBURSABLE

Capital Program expenses (and reimbursements) of \$224.2 million were \$29.0 million lower than the 2017 Final Estimate of \$253.2 million. Labor expenses (including fringes and overhead) totaling \$154.7 million were \$2.7 million higher than the 2017 Final Estimate due to higher activity for the Cameras and Audio for M8 Fleet. Non-Labor expenditures of \$69.5 million were \$31.7 million lower than the 2017 Final Estimate mainly due to lower activity in the Network Infrastructure Replacement project, the Positive Train Control program in CT, the Turnouts Mainline High-Speed projects, the Cyclical Track Program and the GCT Turnouts Switch Renewal program.

2017 ACTUALS vs. ADOPTED BUDGET

NON-REIMBURSABLE

Total Revenue of \$791.9 million was \$16.7 million lower than the 2017 Adopted Budget. **Farebox Revenue** of \$733.4 million was \$6.9 million lower than the 2017 Adopted Budget, reflecting lower ridership growth among non-commutation riders. Other Operating Revenue of \$58.5 million was \$9.7 million lower than the 2017 Adopted Budget resulting primarily from the suspension of commissary service and a shortfall in advertising revenue.

Total Expenses of \$1,624.8 million were \$12.3 million higher than the 2017 Adopted Budget. This is driven primarily by higher OPEB Obligations, and the impact on resulting labor expense mostly from the re-timing of capital projects, increased pension expense, lower Reimbursable Overhead cost recoveries, and increased Other Fringe Benefits expense and claims costs. These increases were partially offset by lower energy costs, lower expenditures for maintenance, lower materials and supplies expenses, scheduling changes generating lower Professional Services costs, reduced Health and Welfare costs due to lower rates, lower overtime expense, lower GASB 68 Pension Adjustment costs, lower depreciation costs due to reduced capitalization of assets and lower environmental remediation costs. Further details by specific cost category follow.

Payroll expenses were \$16.4 million higher than the 2017 Adopted Budget due to an increase in the reserve for unused vacation and sick time, the rescheduling of capital projects causing the reallocation of forces to operations and increased payments for holiday pay. **Overtime** costs were \$5.9 million lower than the 2017 Adopted Budget reflecting fewer weather events, reduced vacation and absentee coverage, and improved employee availability for train service coverage. **Health and Welfare** (including OPEB current payments) were \$1.7 million lower than the 2017 Adopted Budget reflecting lower

than budgeted enrollees as well as revised dental rates partially offset by a higher than budgeted number of retirees receiving healthcare premiums. **Pension** expenses were \$13.8 million higher than the 2017 Adopted Budget reflecting higher actuarial guidance for both 2016 and 2017. **Other Fringe Benefits** were \$14.7 million higher than the 2017 Adopted Budget reflecting increased employee claims. **Reimbursable Overhead** cost recoveries were \$5.3 million less than the 2017 Adopted Budget reflecting lower activity for the Cyclical Track Program due to the reprioritization of forces to maintenance projects.

Electric Power and **Fuel** expenses were \$12.6 million and \$0.6 million lower, respectively, than the 2017 Adopted Budget due primarily to lower rates. **Insurance** expenses were \$3.3 million lower than the 2017 Adopted Budget reflecting lower premiums. Accrued **Claims** expenses were \$8.5 million higher than the 2017 Adopted Budget due to higher passenger claims. **Maintenance and Other Operating Contracts** expenses were \$21.8 million under the 2017 Adopted Budget primarily due to lower expenditures for track maintenance services, locomotive overhauls, M-7 Systems Replacement Project and GCT utilities, timing of contracted repairs for M-8 cars damaged in the Bridgeport derailment and Ticket Vending Machine (TVM) Chip Reader upgrades, and the suspension of the commissary operation. **Professional Services** were \$9.2 million lower than the 2017 Adopted Budget due to lower expenses for engineering and consulting services, outside training, market share studies, ridership analysis, medical services, temporary services, audit services, legal fees and advertising services. **Materials & Supplies** were \$3.6 million lower than the 2017 Adopted Budget due to lower obsolescence costs partially offset by higher spending on track materials and rolling stock parts and supplies related to the Component Change-Out Shops, support shop work, and on-going repairs. **Other Business Expenses** were \$0.5 million lower than the 2017 Adopted Budget due to increased Amtrak Reimbursements and lower subsidy payments to New Jersey Transit for West of Hudson operations due to favorable fuel-related inflation adjustments. **Depreciation** expense was \$0.5 million lower than the 2017 Adopted Budget due to lower capitalization of assets than budgeted. **OPEB Obligation** was \$30.5 million higher than the 2017 Adopted Budget due primarily to a change in actuarial standards to reflect age adjusted premiums versus paid premiums over the population. **GASB 68/Pension Adjustment** expense was \$14.3 million lower due to revised actuarial guidance. **Environmental Remediation** expenses were lower by \$2.8 million reflecting fewer projects requiring remediation.

REIMBURSABLE

Capital program expenditures (and reimbursements) totaling \$224.2 million were \$22.9 million lower than the 2017 Adopted Budget. Labor expenses including fringe and overhead were \$23.1 million lower than the 2017 Adopted Budget primarily due to the C-30 Track Program, the Power Infrastructure Restoration, the GCT Turnouts Switch Renewal, the Replace Timbers Undergrade Bridge, the Walk Bridge Acceleration & Design Construction project, the Drainage and Undercutting program and the Cyclical Track Program. Non-Payroll expenditures were essentially flat.

MTA METRO NORTH RAILROAD
2017 ADOPTED BUDGET AND FINAL ESTIMATE vs. FINAL (DRAFT) ACTUAL
DECEMBER YEAR-TO-DATE
(\$ in millions)

SCHEDULE I-A

NON-REIMBURSABLE

	2017			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual	Adopted Budget		Final Estimate	
				\$	%	\$	%
Revenue							
Farebox Revenue	\$740.355	\$736.985	\$733.409	(\$6.946)	(0.9)	(\$3.576)	(0.5)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	68.250	60.939	58.506	(9.745)	(14.3)	(2.433)	(4.0)
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	\$808.605	\$797.924	\$791.914	(\$16.691)	(2.1)	(\$6.009)	(0.8)
Expenses							
<u>Labor:</u>							
Payroll	\$495.685	\$504.400	\$512.114	(\$16.429)	(3.3)	(\$7.715)	(1.5)
Overtime	97.352	92.372	91.419	5.933	6.1	0.953	1.0
Health and Welfare	107.144	113.444	103.629	3.514	3.3	9.815	8.7
OPEB Current Payment	31.200	32.700	33.010	(1.810)	(5.8)	(0.310)	(0.9)
Pensions	98.766	110.241	112.551	(13.785)	(14.0)	(2.310)	(2.1)
Other Fringe Benefits	118.284	121.508	132.998	(14.713)	(12.4)	(11.490)	(9.5)
GASB Account	0.000	0.000	0.000	0.000	-	0.000	-
Reimbursable Overhead	(59.303)	(49.565)	(54.004)	(5.298)	(8.9)	4.439	9.0
Total Labor Expenses	\$889.128	\$925.099	\$931.716	(\$42.588)	(4.8)	(\$6.618)	(0.7)
<u>Non-Labor:</u>							
Electric Power	\$78.711	\$70.649	\$66.149	\$12.562	16.0	\$4.500	6.4
Fuel	17.460	17.663	16.817	0.643	3.7	0.846	4.8
Insurance	20.661	17.450	17.343	3.318	16.1	0.107	0.6
Claims	1.000	1.663	9.507	(8.507)	*	(7.844)	*
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	123.473	112.330	101.655	21.818	17.7	10.675	9.5
Professional Service Contracts	44.668	41.385	35.424	9.244	20.7	5.961	14.4
Materials & Supplies	94.845	90.750	91.257	3.588	3.8	(0.507)	(0.6)
Other Business Expenses	32.078	32.839	31.609	0.469	1.5	1.230	3.7
Total Non-Labor Expenses	\$412.896	\$384.729	\$369.760	\$43.135	10.4	\$14.968	3.9
<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 Adjts.	\$1,302.024	\$1,309.827	\$1,301.477	\$0.547	0.0	\$8.350	0.6
Depreciation	\$240.693	\$235.531	\$240.178	\$0.515	0.2	(\$4.647)	(2.0)
OPEB Obligation	68.316	58.000	98.810	(30.493)	(44.6)	(40.810)	(70.4)
GASB68 Pension Adjustment	(2.500)	(6.808)	(16.848)	14.348	*	10.040	*
Environmental Remediation	4.000	1.621	1.227	2.773	69.3	0.394	24.3
Total Expenses	\$1,612.533	\$1,598.172	\$1,624.844	(\$12.311)	(0.8)	(\$26.672)	(1.7)
Net Surplus/(Deficit)	(\$803.927)	(\$800.248)	(\$832.929)	(\$29.002)	(3.6)	(\$32.681)	(4.1)
Cash Conversion Adjustments:							
Depreciation	\$240.693	\$235.531	\$240.178	(\$0.515)	(0.2)	\$4.647	2.0
Operating/Capital	(61.019)	(60.378)	(49.264)	11.755	19.3	11.114	18.4
Other Cash Adjustments	73.369	39.940	91.662	18.293	24.9	51.722	*
Total Cash Conversion Adjustments	\$253.043	\$215.094	\$282.576	\$29.533	11.7	\$67.482	31.4
Net Cash Surplus/(Deficit)	(\$550.884)	(\$585.154)	(\$550.353)	\$0.531	0.0	\$34.801	5.9

Notes:

-- Results are based on the preliminary close of the general ledger and are subject to review and adjustment.
-- Differences are due to rounding.
* Variance exceeds 100%.

MTA METRO NORTH RAILROAD
2017 ADOPTED BUDGET AND FINAL ESTIMATE vs. FINAL (DRAFT) ACTUAL
DECEMBER YEAR-TO-DATE
(\$ in millions)

SCHEDULE I-B

REIMBURSABLE

	2017			Favorable/(Unfavorable) Variance			
	<u>Adopted</u>	<u>Final Estimate</u>	<u>Actual</u>	<u>Adopted Budget</u>		<u>Final Estimate</u>	
	<u>Budget</u>			<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
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	139.727	139.696	114.813	(24.915)	(17.8)	(24.883)	(17.8)
CDOT	93.643	92.331	91.152	(2.492)	(2.7)	(1.179)	(1.3)
Other	13.744	21.213	18.228	4.484	32.6	(2.985)	(14.1)
Capital and Other Reimbursements	247.115	253.240	224.193	(22.922)	(9.3)	(29.047)	(11.5)
Total Revenue	\$247.115	\$253.240	\$224.193	(\$22.922)	(9.3)	(\$29.047)	(11.5)
Expenses							
<u>Labor:</u>							
Payroll	\$52.323	\$43.631	\$43.786	\$8.537	16.3	(\$0.155)	(0.4)
Overtime	25.587	23.396	24.614	0.974	3.8	(1.218)	(5.2)
Health and Welfare	17.593	15.569	15.354	2.240	12.7	0.216	1.4
OPEB Current Payment	0.000	0.000	0.000	0.000	-	0.000	-
Pensions	11.645	10.334	9.633	2.012	17.3	0.700	6.8
Other Fringe Benefits	13.277	11.422	11.473	1.803	13.6	(0.051)	(0.4)
GASB Account				0.000	-	0.000	-
Reimbursable Overhead	57.339	47.652	49.808	7.531	13.1	(2.156)	(4.5)
Total Labor Expenses	\$177.764	\$152.004	\$154.668	\$23.096	13.0	(\$2.664)	(1.8)
<u>Non-Labor:</u>							
Electric Power	\$0.000	\$0.064	\$0.145	(\$0.145)	-	(\$0.081)	*
Fuel	0.000	0.000	0.000	\$0.000	-	\$0.000	-
Insurance	4.241	4.285	4.931	(0.690)	(16.3)	(0.646)	(15.1)
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	16.769	20.434	18.492	(1.723)	(10.3)	1.942	9.5
Professional Service Contracts	19.041	31.735	20.819	(1.778)	(9.3)	10.916	34.4
Materials & Supplies	29.055	44.378	24.874	4.180	14.4	19.503	43.9
Other Business Expenses	0.246	0.340	0.263	(0.017)	(7.0)	0.077	22.8
Total Non-Labor Expenses	\$69.351	\$101.236	\$69.525	(\$0.174)	(0.3)	\$31.711	31.3
<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	\$247.115	\$253.240	\$224.193	\$22.922	9.3	\$29.047	11.5
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
OPEB Obligation	0.000	0.000	0.000	0.000	-	0.000	-
GASB68 Pension Adjustment	0.000	0.000	0.000	0.000	-	0.000	-
Environmental Remediation	0.000	0.000	0.000	0.000	-	0.000	-
Total Expenses	\$247.115	\$253.240	\$224.193	\$22.922	9.3	\$29.047	11.5
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
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	-
Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-

Notes:

-- Results are based on the preliminary close of the general ledger and are subject to review and adjustment.
-- Differences are due to rounding.
* Variance exceeds 100%.

MTA METRO NORTH RAILROAD
2017 ADOPTED BUDGET AND FINAL ESTIMATE vs. FINAL (DRAFT) ACTUAL
DECEMBER YEAR-TO-DATE
(\$ in millions)

SCHEDULE I-C

NON-REIMBURSABLE/ REIMBURSABLE	2017			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual	Adopted Budget		Final Estimate	
				\$	%	\$	%
Revenue							
Farebox Revenue	\$740.355	\$736.985	\$733.409	(\$6.946)	(0.9)	(\$3.576)	(0.5)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	68.250	60.939	58.506	(9.745)	(14.3)	(2.433)	(4.0)
MTA	139.727	139.696	114.813	(24.915)	(17.8)	(24.883)	(17.8)
CDOT	93.643	92.331	91.152	(2.492)	(2.7)	(1.179)	(1.3)
Other	13.744	21.213	18.228	4.484	32.6	(2.985)	(14.1)
Capital and Other Reimbursements	247.115	253.240	224.193	(22.922)	(9.3)	(29.047)	(11.5)
Total Revenue	\$1,055.720	\$1,051.164	\$1,016.107	(\$39.613)	(3.8)	(\$35.057)	(3.3)
Expenses							
Labor:							
Payroll	\$548.008	\$548.031	\$555.900	(\$7.893)	(1.4)	(\$7.870)	(1.4)
Overtime	122.939	115.767	116.032	6.907	5.6	(0.265)	(0.2)
Health and Welfare	124.737	129.014	118.983	5.754	4.6	10.031	7.8
OPEB Current Payment	31.200	32.700	33.010	(1.810)	(5.8)	(0.310)	(0.9)
Pensions	110.411	120.574	122.184	(11.773)	(10.7)	(1.610)	(1.3)
Other Fringe Benefits	131.561	132.930	144.471	(12.910)	(9.8)	(11.541)	(8.7)
GASB Account	0.000	0.000	0.000	0.000	-	0.000	-
Reimbursable Overhead	(1.964)	(1.913)	(4.196)	2.232	*	2.283	*
Total Labor Expenses	\$1,066.892	\$1,077.103	\$1,086.384	(\$19.492)	(1.8)	(\$9.282)	(0.9)
Non-Labor:							
Electric Power	\$78.711	\$70.713	\$66.294	\$12.417	15.8	\$4.420	6.3
Fuel	\$17.460	\$17.663	\$16.817	\$0.643	3.7	\$0.846	4.8
Insurance	24.902	21.735	22.275	2.627	10.5	(0.540)	(2.5)
Claims	1.000	1.663	9.507	(8.507)	*	(7.844)	*
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	140.242	132.764	120.147	20.095	14.3	12.617	9.5
Professional Service Contracts	63.708	73.120	56.243	7.466	11.7	16.877	23.1
Materials & Supplies	123.899	135.128	116.131	7.769	6.3	18.997	14.1
Other Business Expenses	32.323	33.179	31.872	0.452	1.4	1.307	3.9
Total Non-Labor Expenses	\$482.246	\$485.965	\$439.285	\$42.961	8.9	\$46.680	9.6
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.	\$1,549.138	\$1,563.067	\$1,525.669	\$23.469	1.5	\$37.398	2.4
Depreciation	\$240.693	\$235.531	\$240.178	\$0.515	0.2	(\$4.647)	(2.0)
OPEB Obligation	68.316	58.000	98.810	(30.493)	(44.6)	(40.810)	(70.4)
GASB68 Pension Adjustment	(2.500)	(6.808)	(16.848)	14.348	*	10.040	*
Environmental Remediation	4.000	1.621	1.227	2.773	69.3	0.394	24.3
Total Expenses	\$1,859.647	\$1,851.412	\$1,849.036	\$10.611	0.6	\$2.375	0.1
Net Surplus/(Deficit)	(\$803.927)	(\$800.248)	(\$832.929)	(\$29.002)	(3.6)	(\$32.681)	(4.1)
Cash Conversion Adjustments:							
Depreciation	\$240.693	\$235.531	\$240.178	(\$0.515)	(0.2)	\$4.647	2.0
Operating/Capital	(61.019)	(60.378)	(49.264)	11.755	19.3	11.114	18.4
Other Cash Adjustments	73.369	39.940	91.662	18.293	24.9	51.722	*
Total Cash Conversion Adjustments	253.043	215.094	282.576	\$29.533	11.7	\$67.482	31.4
Net Cash Surplus/(Deficit)	(\$550.884)	(\$585.154)	(\$550.353)	\$0.531	0.0	\$34.801	5.9

Notes:

-- Results are based on the preliminary close of the general ledger and are subject to review and adjustment.

-- Differences are due to rounding.

* Variance exceeds 100%.

**MTA METRO-NORTH RAILROAD
2017 YEAR-END REPORT
DETAILED EXPLANATIONS OF CASH RECEIPT AND EXPENDITURE
VARIANCES BY GENERIC CATEGORY
2017 ACTUALS vs. FINAL ESTIMATE**

RECEIPTS

Cash receipts totaling \$1,029.8 million were \$11.2 million lower than the 2017 Final Estimate. This is due to a “timing” unfavorable variance of \$29.0 million primarily resulting from the delay in receipts for capital project work of \$25.1 million combined with delays in reimbursements of \$1.2 million from Amtrak and \$1.0 million from the New York State for the Beacon Line Rail Trail. This unfavorable “timing” variance is offset by a “real” favorable variance of \$17.9 million, which primarily represents reimbursements from the MTA for Inter-agency expenses that are completely offset by labor expenditures as noted below.

EXPENDITURES

Cash disbursements of \$1,580.2 million were \$46.0 million lower than the 2017 Final Estimate, of which \$51.0 million represents a favorable “timing” difference, and \$5.0 million represents an unfavorable “real” difference. The favorable “timing” difference includes delayed capital spending of \$25.8 million for Materials and Supplies, Professional Service Contracts of \$21.2 million and Maintenance and Other Operating Contracts of \$9.7 million. This favorable “timing” difference is offset by an unfavorable “timing” difference of \$6.0 million related to Insurance premiums. The \$5.0 million unfavorable “real” variance primarily consists of higher inter-agency expenses of \$12.9 million combined with increased usage and purchases of Materials and Supplies of \$7.4 million partially offset by lower Professional Service Contracts of \$6.8 million, Other Business Expenses of \$6.4 million and Maintenance and Other Operating Contracts of \$3.2 million.

Payroll, Overtime and Other Fringe Benefits expenditures were \$7.2 million, \$1.7 million and \$4.0 million respectively, higher than the 2017 Final Estimate reflecting a “real” difference driven by inter-agency payments, which are completely reimbursed as noted above in receipts. **Health & Welfare** expenditures (including OPEB Current Payment and OPEB Obligations) were \$1.8 million higher than the 2017 Final Estimate representing a “real” difference due to 2016 payments made in 2017. **Pension** payments were \$3.0 million higher than the 2017 Final Estimate representing a “real” difference primarily due to higher payments resulting from a higher actuarially determined contributions (ADC) for 2017, reflecting a decrease in the Railroad Retirement Tier II offset to 90%.

Electric Power and Fuel expenses were lower than the 2017 Final Estimate by \$2.9 million and \$1.4 million, respectively, representing a “real” difference attributable to lower rates. Expenditures for **Insurance** were \$6.5 million higher than the 2017 Final Estimate due to the “timing” of premium policy payments for All Agency Access of \$3.4 million and All Agency Property of \$2.5 million combined with a “real” variance of \$0.4 million for Automobile premiums. **Claims** were relatively flat to the 2017 Final Estimate.

Maintenance and Other Operating Contracts expenditures were \$12.9 million lower than the 2017 Final Estimate reflecting a “timing” difference of \$9.7 million which represents lower expenditures for operating capital projects, most notably the Carey’s Hole Elevator Install and the Haverstraw Dock Replacement projects. This was combined with a “real” variance of \$3.2 million which primarily represents lower maintenance & repair costs. **Professional Services** were \$28.0 million lower than the 2017 Final Estimate, reflecting a favorable “timing” difference of \$21.2 million that represent lower expenditures for capital construction projects combined with a favorable “real” difference of \$6.8 million that represent lower expenditures for Engineering and Professional Services. **Materials and Supplies** were \$18.5 million lower than the 2017 Final Estimate due to a “timing” difference of \$25.8 million, which represents lower spending for capital construction projects partially offset by a “real” difference of \$7.4 million that represents payments for rolling stock and associated materials. **Other Business Expenses** were \$6.7 million lower than the 2017 Final Estimate primarily due to a lower “real” difference of \$6.4 million driven by lower spending on Other Miscellaneous Expenses, Travel Meetings & Conventions and Non-Capital Equipment purchases. This favorable “real” variance is combined with a favorable “timing” difference of \$0.3 million which represents lower spending for capital construction projects.

The cash receipts and disbursements activity noted above resulted in a net cash deficit of \$550.4 million, which is \$34.8 million lower than the 2017 Final Estimate. Cash subsidies of \$549.5 million and use of available cash balances of \$0.5 million were drawn to fund this deficit. Cash subsidy requirements were \$35.7 million lower than the 2017 Final Estimate (MTA share \$43.2 million offset by a CDOT share of \$7.5 million).

2017 ACTUALS vs. ADOPTED BUDGET

RECEIPTS

Cash receipts of \$1,029.8 million were \$59.0 million lower than the 2017 Adopted Budget. Farebox Revenue was \$9.4 million lower than the 2017 Adopted Budget, reflecting the impact of lower than budgeted East of Hudson Non-Commutation ridership. Other Operating Revenue was \$30.0 million lower than the 2017 Adopted Budget primarily due to non-receipt of payments from the Passenger Rail Investment and Improvement Act (PRIIA) of \$25.3 million combined with the suspension of commissary services of \$7.0 million.

Capital and Other Reimbursements were \$19.6 million lower than the 2017 Adopted Budget reflecting scheduling changes in capital projects, most notably Signal Replacement - Greenwich to South Norwalk and Network Infrastructure Replacement.

EXPENDITURES

Total expenditures of \$1,580.2 million were \$59.6 million lower than 2017 Adopted Budget.

Payroll expenditures were \$2.7 million lower than the 2017 Adopted Budget primarily due to the timing of new hires. Expenditures for **Overtime** were \$7.7 million lower than the

2017 Adopted Budget reflecting improved employee availability for train service coverage and fewer weather events as well as the timing of payments. **Health & Welfare** (including OPEB current payments) expenditures were \$7.6 million higher than the 2017 Adopted Budget primarily due to higher rates, payments relating to inter-agency expenses not budgeted and timing of payments, partially offset by vacancies. **Pension** payments were \$13.2 million higher than the 2017 Adopted Budget primarily due to higher than budgeted actuarially determined contributions (ADC) for both 2016 and 2017. Expenditures for **Other Fringe Benefits** were \$2.3 million lower than the 2017 Adopted Budget primarily due to lower payments for employee injury claim settlements.

Electric Power expenditures were \$10.9 million lower than the 2017 Adopted Budget due to lower rates of \$13.5 million partially offset by the timing of payments of \$2.6 million. **Fuel** costs were \$1.2 million lower than the 2017 Adopted Budget primarily due to lower rates of \$0.6 million combined with timing of payments of \$0.6 million. **Insurance** expenditures were \$5.2 million higher than the 2017 Adopted Budget primarily due to the timing of premium payments. **Claims** payments were \$8.5 million lower than the 2017 Adopted Budget due to the maximum exposure per occurrence threshold being met relating to the Spuyten Duyvil derailment. **Maintenance and Other Operating Contracts** were \$33.2 million lower than the 2017 Adopted Budget primarily due to the rescheduling of software support for the M-7 Systems Equipment Replacement Project, contracted car repairs of the M-8 equipment damaged in the 2013 Bridgeport derailment, and track maintenance services as well as lower GCT utilities cost. **Professional Services** contracts were \$14.4 million lower than the 2017 Adopted Budget primarily due to lower expenses for Engineering, Professional, Medical Services and Outside Training of \$14.6 million. **Materials and Supplies** were \$3.2 million lower than the 2017 Adopted Budget driven mostly by revised assumptions of 2017 capital project activity. **Other Business Expenses** were \$1.4 million lower than the 2017 Adopted Budget, primarily due to lower New Jersey Transit Subsidy and Stationary, Printing and Supplies.

The cash receipts and disbursement activity noted above resulted in a net cash deficit of \$550.4 million that was \$0.5 million lower than the 2017 Adopted Budget.

MTA METRO NORTH RAILROAD
2017 ADOPTED BUDGET AND FINAL ESTIMATE vs. FINAL (DRAFT) ACTUAL
CASH RECEIPTS AND EXPENDITURES
DECEMBER YEAR-TO-DATE
(\$ in millions)

SCHEDULE III

	2017			Favorable/(Unfavorable) Variance			
	Adopted	Final Estimate	Actual	Adopted Budget		Final Estimate	
	Budget	Final Estimate	Actual	\$	%	\$	%
Receipts							
Farebox Revenue	\$729.085	\$724.707	\$719.650	(\$9.435)	(1.3)	(\$5.057)	(0.7)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	115.856	88.681	85.853	(30.003)	(25.9)	(2.828)	(3.2)
MTA	136.514	107.793	124.594	(11.920)	(8.7)	16.801	15.6
CDOT	93.643	92.331	75.265	(18.378)	(19.6)	(17.066)	(18.5)
Other	13.744	27.490	24.461	10.717	78.0	(3.029)	(11.0)
Capital & Other Reimbursements	243.901	227.613	224.320	(19.581)	(8.0)	(3.293)	(1.4)
Total Receipts	\$1,088.843	\$1,041.001	\$1,029.823	(\$59.020)	(5.4)	(\$11.178)	(1.1)
Expenditures							
<u>Labor:</u>							
Payroll	\$550.869	\$540.913	\$548.138	\$2.731	0.5	(\$7.225)	(1.3)
Overtime	123.336	113.896	115.603	7.733	6.3	(1.707)	(1.5)
Health and Welfare	128.576	132.849	134.387	(5.811)	(4.5)	(1.538)	(1.2)
OPEB Current Payment	31.200	32.700	33.005	(1.805)	(5.8)	(0.305)	(0.9)
Pensions	110.803	120.965	123.978	(13.175)	(11.9)	(3.013)	(2.5)
Other Fringe Benefits	132.334	126.077	130.061	2.273	1.7	(3.984)	(3.2)
GASB Account	0.000	0.000	0.000	0.000	-	0.000	-
Reimbursable Overhead	0.000	0.000	0.000	(0.000)	-	(0.000)	(61.3)
Total Labor	\$1,077.117	\$1,067.401	\$1,085.172	(\$8.055)	(0.7)	(\$17.771)	(1.7)
<u>Non-Labor:</u>							
Electric Power	\$80.612	\$72.614	\$69.708	\$10.904	13.5	\$2.906	4.0
Fuel	17.012	17.205	15.787	1.225	7.2	1.418	8.2
Insurance	24.968	23.598	30.134	(5.166)	(20.7)	(6.536)	(27.7)
Claims	21.328	12.785	12.868	8.461	39.7	(0.083)	(0.6)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	171.997	151.705	138.788	33.209	19.3	12.917	8.5
Professional Service Contracts	71.590	85.146	57.166	14.424	20.1	27.980	32.9
Materials & Supplies	126.844	142.141	123.687	3.157	2.5	18.454	13.0
Other Business Expenditures	48.258	53.561	46.866	1.392	2.9	6.695	12.5
Total Non-Labor	\$562.610	\$558.755	\$495.004	\$67.606	12.0	\$63.751	11.4
<u>Other Expenditure Adjustments:</u>							
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Expenditures	\$1,639.727	\$1,626.155	\$1,580.176	\$59.551	3.6	\$45.979	2.8
Net Cash Surplus/(Deficit)	(\$550.884)	(\$585.154)	(\$550.353)	\$0.531	0.0	\$34.801	5.9
<u>Subsidies</u>							
MTA	\$442.334	\$462.059	\$418.895	(\$23.439)	(5.3)	(\$43.164)	(9.3)
CDOT	108.550	123.095	\$130.586	22.036	20.3	7.491	6.1
Total Subsidies	\$550.884	\$585.154	\$549.481	(\$1.403)	(0.3)	(\$35.673)	(6.1)
Opening Cash Balance	0.000	0.000	0.000	0.000		0.000	
Cash Timing and Availability Adjustment	0.000	0.000	(0.464)	(0.464)		(0.464)	
Closing Cash Balance	0.000	0.000	0.000	0.000		0.000	

Notes:

-- Results are preliminary and subject to audit review.
-- Differences are due to rounding.
* Variance exceeds 100%.

MTA METRO NORTH RAILROAD
2017 ADOPTED BUDGET AND FINAL ESTIMATE vs. FINAL (DRAFT) ACTUAL
CASH CONVERSION (CASH FLOW ADJUSTMENTS)
DECEMBER YEAR-TO-DATE
(\$ in millions)

	2017			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual	Adopted Budget		Final Estimate	
				\$	%	\$	%
Receipts							
Farebox Revenue	(\$11.270)	(\$12.278)	(\$13.759)	(\$2.489)	(22.1)	(\$1.481)	(12.1)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	47.606	27.742	27.347	(20.259)	(42.6)	(0.394)	(1.4)
MTA	(3.214)	(31.903)	9.781	12.995	*	41.685	*
CDOT	0.000	0.000	(15.887)	(15.887)	-	(15.887)	-
Other	0.000	6.277	6.233	6.233	-	(0.044)	(0.7)
Capital & Other Reimbursements	(3.214)	(25.627)	0.127	3.341	*	25.754	*
Total Receipts	\$33.123	(\$10.163)	\$13.716	(\$19.407)	(58.6)	\$23.879	*
Expenditures							
<u>Labor:</u>							
Payroll	(\$2.861)	\$7.117	\$7.762	\$10.623	*	\$0.645	9.1
Overtime	(0.397)	1.871	0.429	0.826	*	(1.442)	(77.1)
Health and Welfare	(3.839)	(3.836)	(15.404)	(11.565)	*	(11.568)	*
OPEB Current Payment	0.000	0.000	0.005	0.005	-	0.005	-
Pensions	(0.392)	(0.391)	(1.794)	(1.403)	*	(1.404)	*
Other Fringe Benefits	(0.773)	6.853	14.410	15.183	*	7.557	*
GASB Account	0.000	0.000	0.000	0.000	-	0.000	-
Reimbursable Overhead	(1.964)	(1.913)	(4.196)	(2.232)	*	(2.283)	*
Total Labor	(\$10.225)	\$9.702	\$1.212	\$11.438	*	(\$8.490)	(87.5)
<u>Non-Labor:</u>							
Electric Power	(\$1.901)	(\$1.901)	(\$3.414)	(\$1.513)	(79.6)	(\$1.513)	(79.6)
Fuel	0.448	0.458	1.030	0.582	*	0.572	*
Insurance	(0.066)	(1.863)	(7.859)	(7.793)	*	(5.996)	*
Claims	(20.328)	(11.122)	(3.361)	16.968	83.5	7.761	69.8
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	(31.755)	(18.940)	(18.641)	13.114	41.3	0.300	1.6
Professional Service Contracts	(7.882)	(12.026)	(0.923)	6.959	88.3	11.103	92.3
Materials & Supplies	(2.944)	(7.013)	(7.556)	(4.612)	*	(0.543)	(7.7)
Other Business Expenditures	(15.935)	(20.382)	(14.994)	0.941	5.9	5.388	26.4
Total Non-Labor	(\$80.363)	(\$72.790)	(\$55.719)	\$24.644	30.7	\$17.071	23.5
<u>Other Expenditure Adjustments:</u>							
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Other Post Employment Benefits	0.000	0.000	0.000	0.000	-	0.000	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Cash Conversion Adjustments before Non-Cash Liability Adjs.	(\$57.466)	(\$73.251)	(\$40.791)	\$16.676	29.0	\$32.460	44.3
Depreciation	\$240.693	\$235.531	\$240.178	(\$0.515)	(0.2)	\$4.647	2.0
OPEB Obligation	68.316	58.000	98.810	30.493	44.6	40.810	70.4
GASB68 Pension Adjustment	(2.500)	(6.808)	(16.848)	(14.348)	*	(10.040)	*
Environmental Remediation	4.000	1.621	1.227	(2.773)	(69.3)	(0.394)	(24.3)
Total Cash Conversion Adjustments	\$253.043	\$215.094	\$282.576	\$29.533	11.7	\$67.482	31.4

Notes:

- Results are based on the preliminary close of the general ledger and are subject to review and adjustment.
- Differences are due to rounding.
- * Variance exceeds 100%.

MTA METRO NORTH RAILROAD
2017 YEAR-END REPORT
2017 CASH RESULTS - ACTUAL vs. FINAL ESTIMATE
(\$ in millions)

	<u>Favorable/(Unfavorable) Variance</u>				
	<u>Final Estimate</u>	<u>Actual</u>	<u>Total</u>	<u>Real</u>	<u>Timing</u>
Receipts					
Farebox Revenue	\$724.7	\$719.7	(\$5.1)	(\$3.6)	(\$1.5)
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	88.7	85.9	(2.8)	(0.4)	(2.4)
MTA	107.8	124.6	16.8	23.7	(6.9)
CDOT	92.3	75.3	(17.1)	0.0	(17.1)
Other	27.5	24.5	(3.0)	(1.9)	(1.1)
Capital and Other Reimbursements	227.6	224.3	(3.3)	21.8	(25.1)
Total Receipts	1,041.0	1,029.8	(11.2)	17.9	(29.0)
Expenditures					
Labor:					
Payroll	540.9	548.1	(7.2)	(7.2)	(0.0)
Overtime	113.9	115.6	(1.7)	(1.7)	(0.0)
Health and Welfare	132.8	134.4	(1.5)	(1.5)	0.0
OPEB Current Payment	32.7	33.0	(0.3)	(0.3)	0.0
Pensions	121.0	124.0	(3.0)	(3.0)	0.0
Other Fringe Benefits	126.1	130.1	(4.0)	(4.0)	0.0
GASB Account	0.0	0.0	0.0	0.0	0.0
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	1,067.4	1,085.2	(17.7)	(17.7)	(0.0)
Non-Labor:					
Electric Power	72.6	69.7	2.9	2.9	0.0
Fuel	17.2	15.8	1.4	1.4	0.0
Insurance	23.6	30.1	(6.5)	(0.5)	(6.0)
Claims	12.8	12.9	(0.1)	(0.1)	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	151.7	138.8	12.9	3.2	9.7
Professional Service Contracts	85.1	57.2	28.0	6.8	21.2
Materials & Supplies	142.1	123.7	18.5	(7.4)	25.8
Other Business Expenses	53.6	46.9	6.7	6.4	0.3
Total Non-Labor Expenditures	558.8	495.0	63.8	12.7	51.0
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	1,626.2	1,580.2	46.0	(5.0)	51.0
Baseline Net Cash Deficit	(\$585.2)	(\$550.4)	\$34.8	\$12.9	\$21.9

MTA METRO-NORTH RAILROAD
Preliminary 2017 Overtime Results
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

	2017 Adopted Budget		2017 Final Estimate		Preliminary Actual		2017 Adopted Budget vs. Actuals		2017 Final Estimate vs. Actuals	
	Hours	\$	Hours	\$	Hours	\$	Var. - Fav/(Unfav)	Var. - Fav/(Unfav)	Var. - Fav/(Unfav)	Var. - Fav/(Unfav)
							Hours	\$	Hours	\$
NON-REIMBURSABLE OVERTIME										
<u>Scheduled Service</u> ¹	583,792	\$ 36.070	527,223	\$ 34.295	576,633	\$ 34.695	7,159 1.2%	\$1.376 3.8%	(49,410) -9.4%	(\$0.400) -1.2%
<u>Unscheduled Service</u>	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -
<u>Programmatic/Routine Maintenance</u>	618,069	\$ 35.067	586,027	\$ 33.292	599,042	\$ 33.573	19,027 3.1%	\$1.495 4.3%	(13,015) -2.2%	(\$0.281) -0.8%
<u>Unscheduled Maintenance</u>	11,381	\$ 0.612	12,140	\$ 0.617	9,049	\$ 0.462	2,332 20.5%	\$0.150 24.5%	3,091 25.5%	\$0.154 25.0%
<u>Vacancy/Absentee Coverage</u> ²	342,326	\$ 18.156	330,882	\$ 17.672	316,099	\$ 16.650	26,226 7.7%	\$1.506 8.3%	14,783 4.5%	\$1.023 5.8%
<u>Weather Emergencies</u>	130,362	\$ 7.446	103,801	\$ 5.794	103,379	\$ 5.655	26,983 20.7%	\$1.791 24.1%	422 0.4%	\$0.140 2.4%
<u>Safety/Security/Law Enforcement</u> ³	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -
<u>Other</u>	0	\$ -	60	\$ 0.702	86	\$ 0.385	(86)	(\$0.385)	(26)	\$0.317
Subtotal	1,685,929	\$ 97.352	1,560,133	\$ 92.372	1,604,288	\$ 91.419	81,641	\$5.933	(44,155)	\$0.953
REIMBURSABLE OVERTIME	427,281	\$ 25.587	200,322	\$ 23.396	414,114	\$ 24.614	13,166 3.1%	\$0.974 3.8%	(213,792) -106.7%	(\$1.218) -5.2%
TOTAL OVERTIME	2,113,210	\$ 122.939	1,760,455	\$ 115.767	2,018,402	\$ 116.032	94,807 4.5%	\$6.907 5.6%	(257,948) -14.7%	(\$0.265) -0.2%

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

MTA Metro-North Railroad
Preliminary 2017 Overtime Results
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

	Final Estimate December Year-to-Date		
	Var. - Fav/(Unfav)		Explanations
	Hours	\$	
NON-REIMBURSABLE OVERTIME			
<u>Scheduled Service</u> ¹	(49,410)	(\$0.400)	Reflects service coverage versus available staff and train dispatchment needs.
	-9.4%	-1.2%	
<u>Unscheduled Service</u>	0	\$ -	
<u>Programmatic/Routine Maintenance</u>	(13,015)	(\$0.281)	Slightly higher Reliability Centered Maintenance (RCM) in Maintenance of Equipment.
	-2.2%	-0.8%	
<u>Unscheduled Maintenance</u>	3,091	\$0.154	
	25.5%	25.0%	
<u>Vacancy/Absentee Coverage</u> ²	14,783	\$1.023	Lower vacation, sick and vacancy coverage requirements.
	4.5%	5.8%	
<u>Weather Emergencies</u>	422	\$0.140	Fewer weather events than forecasted.
	0.4%	2.4%	
<u>Safety/Security/Law Enforcement</u> ³	0	\$ -	
<u>Other</u>	(26)	\$0.317	Reflects timing differences related to payroll and calendar cutoff dates.
Subtotal	(44,155)	\$0.953	
REIMBURSABLE OVERTIME			
	(213,792)	(\$1.218)	Reflects higher YTD activity in the Cameras and Audio for M8 Fleet.
	-106.7%	-5.2%	
TOTAL OVERTIME	(257,948)	(\$0.265)	

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

MTA METRO-NORTH RAILROAD
2017 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
2017 YEAR-END REPORT
DETAILED EXPLANATION OF VARIANCES ON
NON-REIMBURSABLE AND REIMBURSABLE POSITIONS
By FUNCTION and DEPARTMENT**

2017 ACTUALS vs. FINAL ESTIMATE

Effective December 31, 2017, Metro-North's staff count was 420 lower than the 2017 Final Estimate. This included 156 employees in an unpaid status and 264 vacant positions. While approximately 700 positions were filled, 473 were external hires, with promotions and transfers accounting for the balance. Retirements and staff turnover totaling 327 offset hiring.

Administrative headcount was 90 fewer than the 2017 Final Estimate primarily due to filling positions with internal transfers and promotions as well as staff turnover in the Training, Procurement, Human Resources, Controllers, Legal and Capital Planning Departments. The number of Operations positions paid was 66 higher than the 2017 Final Estimate primarily due to the advanced hiring of Engineer, Conductor and Rail Traffic Controller positions in the Transportation Department. Maintenance positions were 381 fewer than 2017 Final Estimate primarily due to vacancies in the Maintenance of Way and Maintenance of Equipment Departments resulting filling positions with internal transfers and promotions as well as retirements. There were 15 fewer Engineering/Capital positions than the 2017 Final Estimate primarily due to retirements and filling positions with promotions.

MTA METRO-NORTH RAILROAD
2017 FINAL ESTIMATE VS. ACTUALS
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
December 31, 2017

<u>Department</u>	<u>Final Estimate</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Notes</u>
Administration				
President	4	2	2	
Labor Relations	18	17	1	
Safety	58	54	4	
Security	26	23	3	
Office of the Executive VP	10	10	-	
Corporate & Public Affairs	19	20	(1)	
Customer Service	69	65	4	A
Legal	19	13	6	A
Claims	14	12	2	
Environmental Compliance & Svce	8	7	1	
Human Resources	51	44	7	A
Training	101	83	18	A
Employee Relations & Diversity	6	6	-	
VP Planning	2	2	-	
Operations Planning & Analysis	22	19	3	
Capital Planning & Programming	18	12	6	A
Long Range Planning	8	8	-	
VP Finance & Info Systems	9	4	5	A
Controller	81	74	7	A
Budget	23	18	5	A
Procurement & Material Management	39	22	17	A
Total Administration	605	515	90	
Operations				
Operations Administration	74	67	7	
Transportation	1,513	1,614	(101)	B
Customer Service	293	280	13	A
Metro-North West	46	31	15	A
Total Operations	1,926	1,992	(66)	
Maintenance				
Maintenance of Equipment	1,764	1,664	100	A
Maintenance of Way	2,388	2,116	272	A
Procurement & Material Mgmt	129	120	9	
Total Maintenance	4,281	3,900	381	
Engineering/Capital				
Construction Management	43	40	3	
Engineering & Design	84	72	12	A
Total Engineering/Capital	127	112	15	
Total Positions	6,939	6,519	420	
Non-Reimbursable	6,332	5,995	337	
Reimbursable	607	524	82	
Total Full-Time	6,938	6,518	420	
Total Full-Time-Equivalents (of part-time positions)	1	1	-	

Notes

- (A) Variance reflects delayed and internal hiring of vacant positions.
(B) Variance reflects advance hiring of engineers and conductors.

**MTA METRO-NORTH RAILROAD
2017 YEAR-END REPORT
DETAILED EXPLANATIONS of VARIANCES on
FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
By OCCUPATIONAL GROUP**

2017 ACTUALS vs. FINAL ESTIMATE

Effective December 31, 2017, Metro-North's staff count was 420 lower than the 2017 Final Estimate. This included 156 employees in an unpaid status and 264 vacant positions. While approximately 700 positions were filled, 473 were external hires, with promotions and transfers accounting for the balance. Retirements and staff turnover totaling 327 offset hiring.

Administrative headcount was 90 fewer than the 2017 Final Estimate primarily due to filling positions with internal transfers and promotions as well as staff turnover in the Training, Procurement, Human Resources, Controllers, Legal and Capital Planning Departments. The number of Operations positions paid was 66 more than the 2017 Final Estimate primarily due to higher Conductor, Engineer and Rail Traffic Controller trainee positions in the Transportation Department in the Operational Hourly category, partially offset by vacancies in specialist positions in the Professional, Technical, and Clerical category. Maintenance positions paid were 381 fewer than the 2017 Final Estimate primarily due to Operational Hourly vacancies in Electrician and Coach Cleaner's crafts that support right-of-way and rolling stock maintenance. Engineers, Technicians, and Specialists in the Professional, Technical, and Clerical category as well as vacant Foreman and Director level staff in the Managers/Supervisors category also contribute to this variance. Engineering/Capital positions paid were 15 fewer than the 2017 Final Estimate primarily due to retirements and filling positions with promotions.

MTA METRO-NORTH RAILROAD
2017 FINAL ESTIMATE VS. ACTUALS
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
December 31, 2017

FUNCTION/OCCUPATION	Final Estimate	Actual	Favorable (Unfavorable) Variance
Administration			
Managers/Supervisors	206	177	29
Professional, Technical, Clerical	399	338	61
Operational Hourlies	-	-	-
Total Administration	605	515	90
Operations			
Managers/Supervisors	214	238	(24)
Professional, Technical, Clerical	215	175	40
Operational Hourlies	1,497	1,580	(83)
Total Operations	1,926	1,992	(66)
Maintenance			
Managers/Supervisors	673	625	48
Professional, Technical, Clerical	578	504	74
Operational Hourlies	3,030	2,770	260
Total Maintenance	4,281	3,900	381
Engineering/Capital			
Managers/Supervisors	47	46	1
Professional, Technical, Clerical	80	66	14
Operational Hourlies	-	-	-
Total Engineering/Capital	127	112	15
Public Safety			
Managers/Supervisors	-	-	-
Professional, Technical, Clerical	-	-	-
Operational Hourlies	-	-	-
Total Public Safety	-	-	-
Total Positions			
Managers/Supervisors	1,140	1,086	54
Professional, Technical, Clerical	1,272	1,084	188
Operational Hourlies	4,527	4,350	177
Total Positions	6,939	6,519	420

**MTA METRO-NORTH RAILROAD
2017 YEAR-END REPORT
DETAILED EXPLANATIONS OF VARIANCES ON
RIDERSHIP (UTILIZATION)**

As compared to the Final Estimate, overall East of Hudson ridership was lower by 0.1%. The ridership decrease was on all three lines reflecting slightly lower than projected non-commutation ridership. Overall, commutation ridership was unchanged vs. the 2017 Final Estimate and non-commutation ridership was 0.4% lower than the 2017 Final Estimate.

West-of-Hudson ridership was 1.6 million for the year, which was 1.3% higher than the 2017 Final Estimate and 3.6% lower than 2016.

2017 Metro-North rail ridership for East and West of Hudson service totaled 86.5 million rides, an increase of 0.3 million (0.3%) over 2016.

East of Hudson ridership for 2017 was the highest in the railroad's history at 84.9 million, surpassing the previous record of 84.5 million rides that was set in 2016. In total, this is an increase of 0.4 million rides or 0.4% over 2016.

The changes by service line versus 2016 are as follows:

- +0.7% Harlem Line
- +2.1% Hudson Line
- -0.5% New Haven Line

Significant increases occurred in weekend discretionary and weekday off-peak ridership during the past year, due in part to the improved and reliable service. However, commutation ridership to Manhattan was -0.8% below 2017 and Intermediate ridership decreased by -2.4%:

- -0.8% Commutation to Manhattan
- +0.8% Weekday Off-Peak
- +3.8% Weekend
- +0.2% Reverse Commutation
- -2.4% Intermediate

MTA METRO-NORTH RAILROAD
2017 ADOPTED BUDGET AND FINAL ESTIMATE VS ACTUAL
RIDERSHIP/UTILIZATION
DECEMBER 2017
(in millions)

	YTD AS OF DECEMBER 2017				Favorable/(Unfavorable) Variance					
	ADOPTED BUDGET	FINAL ESTIMATE	2017 ACTUAL	2016 ACTUAL	ADOPTED BUDGET		FINAL ESTIMATE		2016	
	\$	%	\$	%	\$	%	\$	%		
FAREBOX REVENUE										
Harlem Line - Commutation	113.844	110.810	111.009	108.944	(2.834)	-2.5%	0.199	0.2%	2.065	1.9%
Harlem Line - Non-Commutation	101.210	102.034	101.292	96.010	0.081	0.1%	(0.742)	-0.7%	5.282	5.5%
TOTAL HARLEM LINE	\$215.054	\$212.844	\$212.301	\$204.955	(\$2.753)	-1.3%	(\$0.543)	-0.3%	\$7.347	3.6%
Hudson Line - Commutation	73.646	72.463	72.539	70.784	(1.106)	-1.5%	0.076	0.1%	1.756	2.5%
Hudson Line - Non-Commutation	81.882	85.084	84.843	78.699	2.961	3.6%	(0.241)	-0.3%	6.144	7.8%
TOTAL HUDSON LINE	\$155.528	\$157.547	\$157.383	\$149.483	\$1.855	1.2%	(\$0.165)	-0.1%	\$7.900	5.3%
New Haven Line - Commutation	160.507	157.540	156.827	151.027	(3.680)	-2.3%	(0.712)	-0.5%	5.800	3.8%
New Haven Line - Non-Commutation	193.749	194.766	192.543	183.716	(1.205)	-0.6%	(2.222)	-1.1%	8.828	4.8%
TOTAL NEW HAVEN LINE	\$354.256	\$352.305	\$349.371	\$334.743	(\$4.885)	-1.4%	(\$2.935)	-0.8%	\$14.628	4.4%
All Lines - Commutation	347.996	340.813	340.376	330.755	(7.620)	-2.2%	(0.437)	-0.1%	9.621	2.9%
All Lines - Non-Commutation	376.841	381.884	378.679	358.425	1.837	0.5%	(3.205)	-0.8%	20.254	5.7%
TOTAL EAST OF HUDSON LINES	\$724.838	\$722.696	\$719.055	\$689.180	(\$5.783)	-0.8%	(\$3.642)	-0.5%	\$29.874	4.3%
West of Hudson ^{(A)(B)}	<u>\$15.517</u>	<u>\$14.288</u>	<u>\$14.354</u>	<u>\$14.610</u>	<u>(\$7.163)</u>	<u>.5%</u>	<u>0.066</u>	<u>5%</u>	<u>(0.256)</u>	<u>.8%</u>
TOTAL FAREBOX REVENUE	\$740.355	\$736.985	\$733.409	\$703.791	(\$6.946)	-0.9%	(\$3.576)	-0.5%	\$29.618	4.2%
RIDERSHIP^(C)										
Harlem Line - Commutation	17.157	16.668	16.683	16.802	(0.474)	-2.8%	0.015	0.1%	(0.118)	-0.7%
Harlem Line - Non-Commutation	11.037	11.206	11.129	10.826	0.092	0.8%	(0.077)	-0.7%	0.303	2.8%
TOTAL HARLEM LINE	28.195	27.874	27.812	27.628	(0.383)	-1.4%	(0.062)	-0.2%	0.184	0.7%
Hudson Line - Commutation	9.486	9.305	9.309	9.312	(0.177)	-1.9%	0.004	0.0%	(0.003)	0.0%
Hudson Line - Non-Commutation	7.285	7.620	7.589	7.237	0.304	4.2%	(0.031)	-0.4%	0.351	4.9%
TOTAL HUDSON LINE	16.770	16.925	16.897	16.549	0.127	0.8%	(0.027)	-0.2%	0.348	2.1%
New Haven Line - Commutation	22.894	22.202	22.201	22.537	(0.693)	-3.0%	(0.001)	0.0%	(0.336)	-1.5%
New Haven Line - Non-Commutation	17.933	18.004	17.968	17.817	0.035	0.2%	(0.035)	-0.2%	0.152	0.9%
TOTAL NEW HAVEN LINE	40.827	40.205	40.169	40.354	(0.658)	-1.6%	(0.036)	-0.1%	(0.184)	-0.5%
Total Ridership East of Hudson	49.537	48.175	48.193	48.651	(1.344)	-2.7%	0.019	0.0%	(0.458)	-0.9%
All Lines - Commutation	36.255	36.830	36.686	35.880	0.430	1.2%	(0.144)	-0.4%	0.806	2.2%
All Lines - Non-Commutation	85.792	85.004	84.879	84.531	(0.913)	-1.1%	(0.125)	-0.1%	0.348	0.4%
TOTAL EAST OF HUDSON LINES	85.792	85.004	84.879	84.531	(0.913)	-1.1%	(0.125)	-0.1%	0.348	0.4%
Total Ridership West of Hudson	0.976	0.881	0.894	0.939	(0.081)	-8.3%	0.013	1.5%	(0.044)	-4.7%
All Lines - Commutation	0.787	0.716	0.723	0.738	(0.064)	-8.2%	0.007	1.0%	(0.015)	-2.1%
All Lines - Non-Commutation	1.763	1.597	1.617	1.677	(0.146)	-8.3%	0.020	1.3%	(0.060)	-3.6%
TOTAL WEST OF HUDSON LINES	1.763	1.597	1.617	1.677	(0.146)	-8.3%	0.020	1.3%	(0.060)	-3.6%
Total Ridership East & West of Hudson	50.513	49.056	49.088	49.589	(1.425)	-2.8%	0.032	0.1%	(0.502)	-1.0%
All Lines - Commutation	37.043	37.546	37.409	36.618	0.366	1.0%	(0.137)	-0.4%	0.791	2.2%
All Lines - Non-Commutation	87.555	86.601	86.496	86.207	(1.059)	-1.2%	(0.105)	-0.1%	0.289	0.3%
TOTAL EAST & WEST OF HUDSON LINES	87.555	86.601	86.496	86.207	(1.059)	-1.2%	(0.105)	-0.1%	0.289	0.3%

^(A) West of Hudson actuals are preliminary

^(B) Beginning with 2017, ticket sales revenue collected on West of Hudson operations by New Jersey Transit has been reclassified to the Farebox Revenue category. Previously, such revenue was classified as an offset under the Other Business Expenses category. In this report, 2016 results have been adjusted for consistency with the 2017 revenue. This shift does not change the bottom line or impact subsidies.

^(C) 2016 Ridership figures have been restated to eliminate calendar impacts on ridership

MTA METRO-NORTH RAILROAD 2017 YEAR-END REPORT RESULTS OF OPERATIONS

In 2017, Metro-North Railroad (MNR) continued to utilize its resources to sustain current operations and fund strategic investments that further promote safe, secure and reliable transportation service for our customers, a safe and secure working environment for our employees, and constant and impactful improvements in our infrastructure. Over the last several years, Metro-North has taken important steps to develop policies and initiatives to meet these objectives, and that work continues.

Our Strategic Plan

In June of 2016, we launched a new Metro-North Strategic Plan. Our mission is to be a safe, reliable and efficient railroad providing regional mobility and excellent service to our customers. Our vision is that, through an engaged and empowered workforce, Metro-North Railroad will provide superior customer service by setting the standard for safety, reliability, and innovation.

The Strategic Plan, developed through a collaborative process with the entire workforce, is dynamic and ongoing. Our plan identifies 3 Priority Areas: Our People, Our Customers and, Our Infrastructure. Through these three priorities, an engaged workforce will continue to progress Metro-North Railroad towards fulfilling Our Mission:

- *Our People – Be an engaged, accountable and high performing workforce.*
- *Our Customers – Consistently meet customer expectations by ensuring safe, reliable, accessible and comfortable service, and by providing timely, accurate and open communication.*
- *Our Infrastructure – Ensure that all assets are in a state of good repair.*

Our Plan drivers - Safety, Integrity, and Innovation establish the focus for new initiatives.

- *Safety – Safety guides all our decisions, actions and initiatives.*
- *Integrity – Maintaining the public's confidence in all that we do and building a sustainable future.*
- *Innovation – Encouraging new ways of thinking and doing business.*

These efforts improve the Railroad's operations, particularly the safety and reliability of the right-of-way infrastructure. They have reduced both the number and duration of unscheduled track outages as maintenance to significant stretches of track have been addressed. This progress has improved safety and also benefits on-time performance with speed restrictions reduced or eliminated. This also fosters the identification of new opportunities and maintenance requirements that further support safety and service reliability goals.

Safety/Security Initiatives

Safety

- Fully implemented the confidential "close call" reporting system (C3RS) with the transportation, mechanical and engineering departments. C3RS encourages

workers to report any potential safety hazard or breach of procedures that they may observe by providing them with a convenient, non-confrontational, non-punitive and anonymous method to do so. It is a partnership among the Federal Railroad Administration (FRA), the National Aeronautics and Space Administration (NASA), Metro-North and participating labor organizations.

- Coordinated with the NYSDOT to mark and stripe the roadways at Virginia Road, Lakeview Avenue, and Roaring Brook Road to prevent drivers from stopping on or too close to the grade crossings. Also, new signage was added at each of the grade crossings and cameras will be installed to monitor driver behavior and observe the effectiveness of the program.
- Provided training to public safety first responders (fire, police, and EMS) in a classroom and field environment. The program teaches first responders how to respond to incidents involving the railroad and provides guidance on safe operations around railroad equipment and the right-of-way.

Security

- Established a Grand Central Area Security Consortium with the private-sector partners that conduct business in and around the Terminal to share information and review and coordinate security practices.
- Completed redesign of the video surveillance system for use on Metro-North's fleet of rolling stock, which improved image quality in low-light situations such as the Engineer Cabin.
- Purchased a Rapid Deployment video system which can be dynamically deployed to potential trouble spots on the railroad for surveillance. The system was effective in preventing burglaries at the Highbridge Yard facility in the Bronx. The camera can remotely view and retrieve critical security video without the use of traditional communication cabling.
- Facilitated an Active Shooter Exercise in Grand Central Terminal which involved representatives from the NYPD, FDNY, NY State Police, MTAPD, US Department of Homeland Security and the FBI.
- Developed Cyber Security and Active Shooter employee education campaigns.

Operations/Technology

- Progressed installation of Positive Train Control (PTC). Metro-North's PTC Safety Plan, which will be submitted to the FRA for System Certification, is 68% complete. Metro-North is on-time to meet the FRA deadline of December 31,

2018. Implemented Civil Speed Enforcement (CSE) on the New Haven Line between Woodlawn and New Haven including the New Canaan Branch, on the Harlem Line between Mott Haven and Woodlawn and the Hudson Line between Grand Central Terminal (GCT) and Spuyten Duyvil. The remaining segments are to be implemented in February 2018. The full PTC pilot program is set to begin on the Hudson Line late summer 2018.

- Implemented an initiative focusing on the highly challenging shop cycles required by federal mandates for air brake maintenance. The pilot program, which focuses on Shoreliner Railcars, measures, maps and refocuses shop workflow activities. Initial tests reduced shop time by approximately 50% (28 to 14 business days) for one air brake maintenance cycle by concentrating on specific, critical tasks and relocating Shoreliner maintenance to facilities better suited to this particular maintenance plan.
- Metro-North implemented a pilot program that increased service at the Tremont and Melrose stations from a two-hour frequency to hourly frequency during off-peak and weekend travel. The service day was also extended, with earlier inbound service on weekdays and significantly later outbound service on weekdays and weekends. During the pilot period, overall ridership at the two stations increased so significantly that, after a public hearing about the schedule change, the increased service at Melrose and Tremont was made permanent.
- Continued the railroad's track work initiative, a system-wide effort that has rebuilt miles of the railroad in the last four years, resulting in safer and more reliable service for customers. In 2017, Metro-North replaced 42,231 ties, laid 9.9 miles of continuous welded rail, rebuilt 36 switches, renewed and/or upgraded 12 railroad crossings (11% of all the crossings in the network), and performed 2,242 welds on joints that connect rails with one another. Metro-North adjusted train schedules to accommodate off-peak and weekend track outages required to support this track work to manage and minimize train delays.

Employed a wide range of technology to supplement visual track inspections, which are conducted twice a week by inspectors who are positioned on the tracks. This sophisticated equipment can detect issues unseen by visual inspection. The range of high-tech inspections includes:

- Track Geometry: To measure a variety of geometric parameters of the track, including the position, curvature, alignment, smoothness, and the cross level of the two running rails, Metro-North is utilizing several options including:
 - Utilizing Track Geometry Cars operated by the Federal Railroad Administration and Mermec (a company that develops software and equipment for the Railroad). The cars use a variety of sensors, measuring systems, and data management systems to create a profile of the inspected track inspected.
 - The Automated Geometry Inspection Equipment was made fully functional on three of our revenue train cars, which allows for continuous track geometry measurements as trains carry passengers around the system.

- Continuing the acceptance testing for a state-of-the-art self-propelled track geometry car that will use innovative laser, optical and inertial sensor systems to analyze the condition of the rail and track infrastructure. The inspection vehicle will undergo a period of calibration and testing during 2018 before it's entered into service in early 2019.
- Internal Metal Defects and Fatigue: To detect flaws, defects and metal fatigue inside the steel running rails, Metro-North utilizes Sperry Rail Service, which operates a specialized car over rails and measures them with ultrasonic and induction test equipment.
- Mismatched Joint Bars: To identify any instances where the end of a rail does not match up precisely with the beginning of the following rail, Metro-North has used an Aurora System (track imaging technology), which takes rail measurements of joint bars that are accurate within two-hundredths of an inch.
- Track Loading: A track loading vehicle is used to give rails a stress test, applying forces close to the strength limits of the rails, track ties, rail fasteners, and stone ballast.
- Overhauled two additional GP35 Locomotives bringing the total to six with the seventh to be completed in the first quarter of 2018. An additional eighth locomotive was added and should be completed in late 2018.
- Progressed the second Reliability Centered Maintenance (RCM) overhaul for the P32 Fleet while performing the major component changes in the new Harmon locomotive facility. This initiative returns work to the facility and takes advantage of recent capital investments made at the railroad's Croton-Harmon maintenance facility.
- Progressed installation of a CCTV camera security system including forward-facing cab view for all rolling stock with all installations expected to be completed by the end of 2018.

Technology

- Rolled-out the capability to send Operational Messages on Mobile Devices, which enables critical Metro-North operational messages to be sent to Conductors utilizing existing Ticket Issuing Machine (TIM) devices. The System will enhance employee safety and improve customer service communications during service delays and interruptions. It can also broadcast messages from Metro-North's Enhanced Employee Protection System (EEPS), which ensures the protection of railway workers on the tracks.
- Implemented the Customer Assistance Application, a web-based dashboard that provides Field Managers with real-time views of operating information accessible on their smartphones. Centralizing access to current operating information is

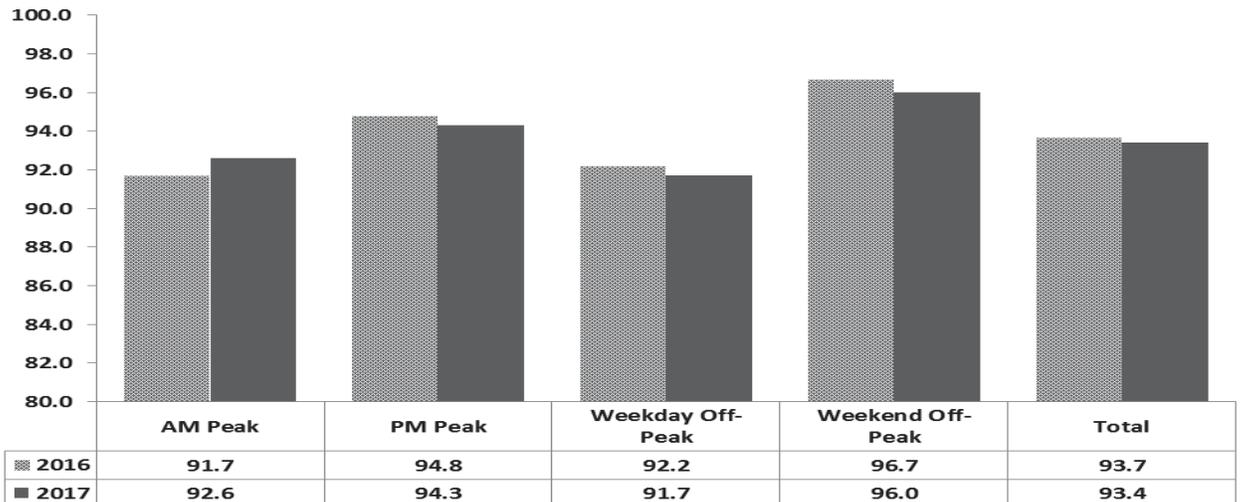
especially critical to maintaining a safe operation during service interruptions or critical events.

- Modified Metro-North’s Commutation Ticketing system to remove the gender identification from the customer ticket. This change is to ensure compliance with the Governor’s Anti-Discrimination Policies.

2017 On-Time Performance

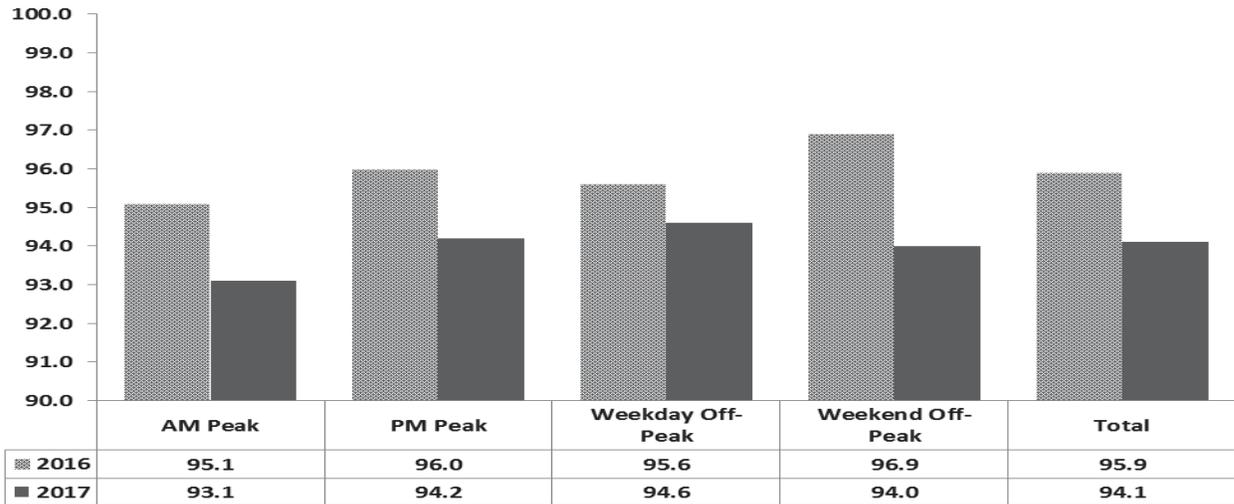
- Metro-North’s system-wide on-time performance for 2017 totaled 93.4%, down from 93.7% in 2016 but above the railroad’s goal of 93.0%. The Harlem Line performed at 94.9%, the Hudson Line at 93.6% and the New Haven Line at 92.1%.

**MTA Metro-North Railroad
On-Time Performance Percentage
East of Hudson
2016 versus 2017 Actuals**



- West-of-Hudson on-time performance totaled 94.1%, a decrease of 1.8 percentage points from 95.9% the previous year.

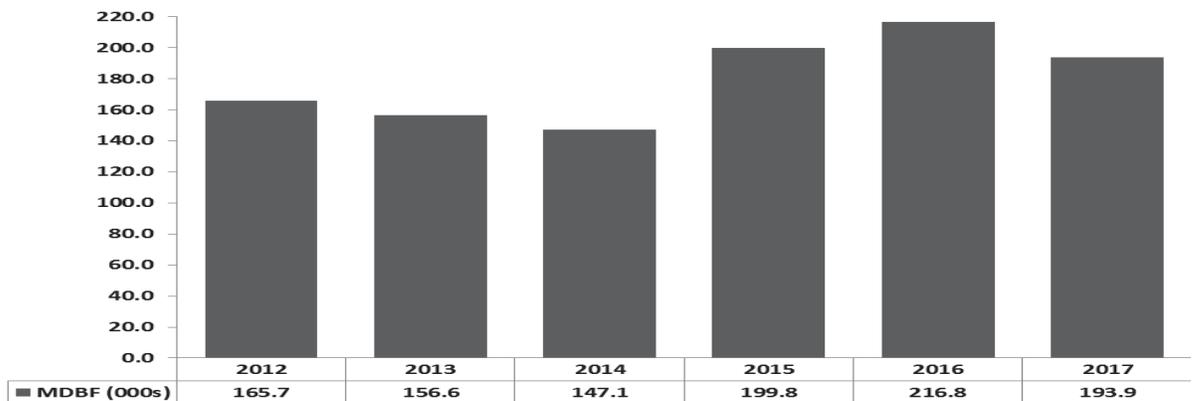
**MTA Metro-North Railroad
On-Time Performance Percentage
West of Hudson
2016 versus 2017 Actuals**



Equipment Reliability

- In 2017, the railroad maintained a high mean distance between failure (MDBF), the distance a train travels before experiencing a mechanical problem, of 193,883 miles. This provides a consistent MDBF for the last three years averaging 203,497 miles. It falls just 3% below the railroad’s goal of 200,000 miles. Contributing factors to this consistent success includes the performance of the new M-8 fleet on the New Haven Line and aggressive car and locomotive maintenance programs. This also resulted in a consist compliance rate—the percentage of cars in service every day providing seats for the railroad’s customers—of 99%.

**MTA Metro-North Railroad
Mean Distance Between Failure (MDBF)
Miles 000s**



Ridership

2017 Metro-North rail ridership for East and West of Hudson service totaled 86.5 million rides, an increase of 0.3 million (0.3%) over 2016.

East of Hudson ridership for 2017 was the highest in the railroad's history at 84.9 million, surpassing the previous record of 84.5 million rides that was set in 2016. In total, this is an increase of 0.4 million rides or 0.4% over 2016.

The changes by service line versus 2016 are as follows:

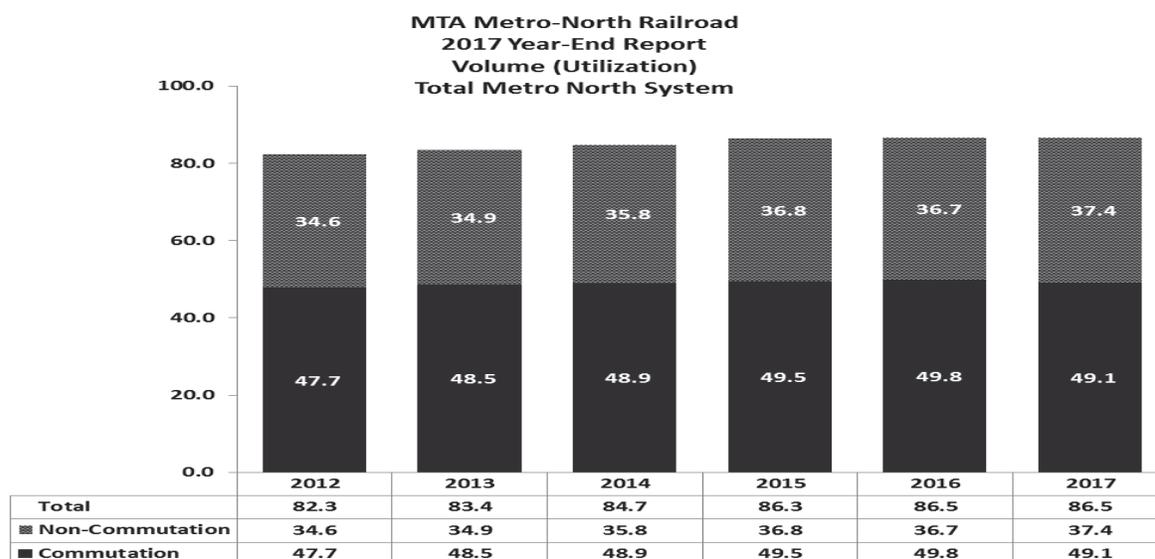
- +0.7% Harlem Line
- +2.1% Hudson Line
- -0.5% New Haven Line

Significant increases occurred in weekend discretionary and weekday off-peak ridership during the past year, due in part to the improved and reliable service. However, commutation ridership to Manhattan was -0.8% below 2017 and Intermediate ridership decreased by -2.4%:

- -0.8% Commutation to Manhattan
- +0.8% Weekday Off-Peak
- +3.8% Weekend
- +0.2% Reverse Commutation
- -2.4% Intermediate

As compared to the Final Estimate, overall East of Hudson ridership was lower by 0.1%. The ridership decrease was on all three lines reflecting slightly lower than projected non-commutation ridership. Overall, commutation ridership was unchanged vs. the 2017 Final Estimate and non-commutation ridership was 0.4% lower than the 2017 Final Estimate.

West-of-Hudson ridership was 1.6 million for the year, which was 1.3% higher than the 2017 Final Estimate and 3.6% lower than 2016.



Customer Service Initiatives

- Completion of the GCT wireless and Wi-Fi network in Grand Central Terminal built by a consortium of wireless communication providers that benefits all Metro-North riders and visitors to Grand Central Terminal.
- As of December 2017, the MTA eTix® mobile ticketing app (launched in August 2016) that lets customers purchase and use Metro-North Railroad tickets directly on their mobile device is being used by 22.5% of monthly customers, 31.5% of weekly customers and over 19% of one-way ticket purchases.
- Completed station enhancements to Marble Hill on the Hudson Line and Bronxville on the Harlem Line as part of our ongoing Station Rehabilitation Program. These upgrades included painting, lighting, signage, bench replacement, and many other improvements to customer amenities. Upgrades to lighting and static signage at Fleetwood and Tuckahoe began in 2017, and additional enhancements at these stations will continue in 2018. Additionally, approximately 150 station recycling centers were replaced as part of a three-year, system-wide initiative.
- Procured the services of the BRC, a Homeless Outreach Provider, entering into a 5-year contract to provide assistance and resources needed by homeless individuals frequenting our stations.
- Continued to roll out new wireless station LCD (liquid crystal display) monitors. The new cellular LCD monitors display the next nine trains that arrive at the station, the stops they will make, departure times, real-time train status and track information. Stations completed in 2017 included Scarborough, Irvington, Cortlandt, Woodlawn, Williams Bridge, Hawthorne, Croton Falls, Purdy's and Valhalla, bringing the total number of stations equipped with this real-time information to fifty-five. Metro-North is expanding these monitors across all East-of-Hudson stations in New York State. Seven stations will be completed in 2018 and the final 11 are scheduled for completion in 2019.
- Worked with the Rockland County Department of Public Transportation to expand Saturday TAPPAN ZEEexpress bus service by adding eight new trips between Rockland and Westchester Counties, and extending two trips to White Plains. Sunday TAPPAN ZEEexpress bus service was also added for the first time, operating on the same schedule as the newly enhanced Saturday service. The increased service provides 32 trips on both Saturdays and Sundays.
- Created a new Social Media Division within the Customer Communications Center to disseminate real-time service information as well as monitor customer feedback and engage customers in new and innovative ways. Staffed on a 24/7 basis, managers monitor social media to help identify emerging issues so they can be addressed immediately.

Capital

Major 2017 Commitments

- Rolling Stock
 - Awarded engineering services contract in July to commence drafting technical specifications and contract documents for both dual mode locomotives and bi-level coach cars.
 - M-8 married pairs and single cars continue to operate in revenue service. The M-8 fleet has been going through various phases of system modification and key upgrades such as PTC and CCTV, to be completed by year-end.
 - Awarded a change order in January, with MTA Board approval, to purchase up to an additional 60 M-8 cars in a married pair configuration. An option for an additional 34 cars was also approved for selection in the first quarter of 2018.

- Stations
 - Awarded eight contracts in December related to the implementation of multi-phase Customer Service Initiative (CSI) Projects in Grand Central Terminal (GCT), at outlying passenger stations and other Metro-North facilities. These projects will improve and upgrade the level of information provided to our customers.
 - Awarded Design–Build contracts in December for station enhancements at five stations on the Hudson, Harlem, and New Haven lines. These enhancements include renovations to waiting rooms, platforms, and bathrooms as well as other significant improvements.

- Infrastructure
 - Awarded many contracts including the following projects:
 - Construction services for the provision of three new temporary modular buildings for Quality Assurance and Maintenance Planning Departments at Harmon Yard as part of the Small Business Mentoring Program.
 - Build-out of the Metro-North GCT 5C area for the installation of PTC primary control center and engineering lab.
 - Engineering and design services for the inspection, assessment, and design of priority repairs to be performed in the GCT train shed.

Major 2017 Completions

- Rolling Stock
 - Completed design in December to upgrade M-8 married pairs with Advanced Civil Speed Enforcement System (ACSES) and commenced upgrading fleet with approved ACSES Software. Expected revenue service operation on the New Haven Line for the M-8s with ACSES Civil Speed Enforcement is early 2018.

Sustainability/Transit Oriented Development Initiatives

- Built upon Executive Order 88 “BuildSmart NY” and Reforming the Energy Vision, Metro-North is implementing the ISO 50001 Energy Management System framework to guide efforts in the most efficient, cost-effective, and environmentally responsible manner possible. ISO (the International Organization for Standardization) brings together experts to share knowledge and develop international standards that support innovation and provide solutions to global challenges. Metro-North aspires to become the first railroad in North America to have an Energy Management System with ISO 50001 Certification.
- Installed two new electronic Fuel Monitoring and Leak Detection Systems - one at Brewster Yard, and one at North White Plains Yard. A similar system is planned for installation at Harmon Yard, 525 North Broadway, Poughkeepsie Yard, Mott Haven Yard and Grand Central Terminal. These new systems will monitor diesel and heating fuel consumption, detect leaks, report back to an Enterprise Energy Management System online, and ultimately lead Metro-North to better control how we monitor, manage and consume fuel.
- Finalized plans to replace over one hundred and fifty 1,000-watt High Pressure Sodium high mast yard lighting fixtures with 500 watt LED fixtures at Croton-Harmon Yard. This lighting upgrade will increase the safety of our workforce, reduce our high mast yard lighting energy consumption by 50%, reduce maintenance costs, and reduce light pollution. Installation is expected to take place in the second quarter of 2018, and the initiative is expected to pay for itself within five years.
- Advanced the proposed Harrison Station Transit Oriented Development, which has completed the required environmental and public review. Metro-North is currently reviewing design drawings. The project, a collaboration with the Town/Village of Harrison and Metro-North, is a “mixed-use” development containing 143 multi-family residential units (including affordable units), 27,000 square feet of commercial/retail space, 745 parking spaces including a garage with 475 spaces dedicated for use by Metro-North customers (nearly doubling commuter parking), and two pedestrian plazas. The MTA owns the site, and with the design and approval processes underway, the project is scheduled for groundbreaking in 2018.
- Granted permission to use federal Congestion Mitigation Air Quality (CMAQ) funds remaining from the construction of the recently completed North White

Plains parking garage towards the construction of a new parking facility near the Croton Falls Station to improve parking on the Upper Harlem Line. The new parking facility is located on the former St. Joseph's Church property, an approximate 8-10 minute walk to the Croton Falls Station and will eliminate parking in unauthorized spaces along local roads. This parking project will net approximately 200 new spaces (beyond the number of spaces used by customers who currently park on the street).

Metro-North—Cost Cutting/Other Revenue Initiatives

Cost Cutting

- Reduced operating subsidies by \$5.3 million annually through cost-cutting measures, while at the same time continuing the long-term strategic investments needed to ensure safe, secure, and reliable transportation services. Since 2010, Metro-North has implemented initiatives with annualized savings of \$46.0 million and will continue to subject all areas of the budget to intensive review. Since 2010, the MTA and its agencies have pursued operational efficiencies and recurring cost reductions to the amount of \$1.9 billion. Over that period, Metro-North has contributed a cumulative annualized savings of \$95.3 million towards these cost-cutting measures.
- Continued to generate steam and electric-related energy savings thanks to the Grand Central Energy Conservation Project. Annual cost reductions continue to be comparable to the 2016 level of more than \$1 million annually versus 2014, which is when this project was originally completed.



Metro-North Railroad

2017 Annual Ridership Report

- **Total Metro-North annual rail ridership in 2017 is approximately 86.5 million, the highest in Metro-North history** (surpassing by approximately 300,000 rides the previous record of 86.2 million, set in 2016).
- **Total annual East of Hudson ridership was approximately 84.9 million, also the highest in Metro-North history** (surpassing 2016's record of 84.5 million by approximately 400,000 rides).
 - Annual East of Hudson ridership was 0.4% above 2016 and 0.1% below Forecast
 - Annual Commutation ridership was 0.9% below 2016
 - Annual Non-Commutation ridership was 2.2% above 2016
 - **2017 was a record-setting year for the Harlem & Hudson lines**
 - Both the Harlem Line and the Hudson Line surpassed 2016's record with 27.8 and 16.9 million annual rides respectively.
 - The Hudson Line surpassed 2016's record ridership by approximately 400,000 and the Harlem Line increased by approximately 200,000 rides.
- **West of Hudson annual ridership** was approximately **1.6 million** which is 3.6% below 2016. However, 2017 ridership is 0.5 million less than the record set in 2008 of 2.1 million.
- Connecting Services ridership increased during 2017:
 - Combined ridership on the three Metro-North Connecting Services was approximately 587,000 (2.1% above 2016)
 - Ridership increased by 4.3% on the Hudson Rail Link; ridership decreased 2.6% on Haverstraw-Ossining Ferry and by 1.9% on the Newburgh-Beacon Ferry.
- **Long Term Ridership Trends (1987 – 2017)**
 - Non-Commutation ridership to/from Manhattan has increased by 102%
 - Intermediate ridership has increased by 167%
 - Commutation ridership to/from Manhattan has increased by only 23%.

Michael Shiffer
Vice President
Planning

**2017 RIDERSHIP REPORT
METRO NORTH RAILROAD
EXECUTIVE SUMMARY**

Total Metro-North annual rail ridership was 86.5 million, which was 0.3% above 2016 and the highest in MNR history (surpassing the previous record of 86.2 million annual rides set in 2016 by approximately 0.3 million rides). Ridership has increased by approximately 57 percent over the past thirty years. This growth continues to be driven by increases in non-traditional markets; i.e., the Non-Commutation, Reverse Commutation and Intermediate markets. Since 1987, Non-Commutation ridership to/from Manhattan has increased by 102% and Intermediate ridership has increased by 167%; over the same time period, Commutation ridership to/from Manhattan has increased by only 23%.

2017 Ridership Summary

- MNR carried approximately 87.1 million customers – the highest total in MNR history
- Annual East of Hudson ridership was approximately 84.9 million, also the highest in MNR history (surpassing 2016’s record of 84.5 million by approximately 0.4 million rides). East of Hudson Ridership increased 0.4% compared to 2016.
- 2017 was a record-setting year for the Harlem Line and Hudson Line.
- West of Hudson ridership decreased 3.6% during 2017.
- Ridership on the Hudson Rail Link and the Haverstraw-Ossining and Newburgh-Beacon ferries was 587,000 (+2.1% vs. 2016).

ANNUAL RIDERSHIP 2017 VS 2016 (in millions)

	Annual Ridership 2017	Annual Ridership 2016	% Change vs. 2016
Total Rail Ridership	86.50	86.20	0.3% ▲
<i>East of Hudson</i>	84.88	84.53	0.4%▲
Harlem Line	27.81	27.63	0.7%▲
Hudson Line	16.90	16.55	2.1%▲
New Haven Line	40.17	40.35	-0.5%▼
<i>West of Hudson</i>	1.62	1.68	-3.6%▼
Port Jervis Line	0.97	1.00	-3.5%▼
Pascack Valley Line	0.65	0.68	-3.8%▼
Connecting Services	.58	.57	2.1%▲
Hudson Rail Link	.39	.38	4.3%▲
Haverstraw-Ossining Ferry	.13	.13	-2.6%▼
Newburgh-Beacon Ferry	.06	.06	-1.9%▼
Total MNR System Ridership	87.08	86.78	0.3%▲

Major Factors Affecting Ridership

1. STRONG REGIONAL ECONOMY

- NY City Non-Agricultural employment increased 2.0% during CY 2017
- Financial Activities employment increased 0.9%
- Professional and Business Services employment increased 2.6%
- Education and Health Services employment increased 3.6%
- Leisure and Hospitality employment increased 3.3%

2. IMPROVED ON-TIME PERFORMANCE AND FLEET RELIABILITY

- On-time performance for CY 2017 operated above goal at 93.4% and train delays were reduced by 4.8% from 2016. The Harlem Line performed at 94.9%, the Hudson Line performed at 93.6% and the New Haven Line at 92.1%.
- Maintaining a high mean distance between failures (MDBF) – the distance a train travels before experiencing a mechanical problem – of 193,883 miles. The MDBF average for the last 3 years has been a very consistent 203,497 miles. Contributing factors include the performance of the new M8 fleet on the New Haven Line and aggressive car and locomotive maintenance programs. This resulted in a consist compliance rate of 99%.

3. CUSTOMER SATISFACTION

- Satisfaction with Metro-North overall among customers of the 3 East of Hudson lines in 2017 was comparable to 2016. 89% of customers were satisfied with the railroad, slightly lower than the 90% the year before.
- Among West of Hudson AM Peak customers, satisfaction fell to 81% compared to 83% in 2016, attributable to various service and reliability issues, including the aftermath of the 2016 Hoboken derailment and summer 2017 infrastructure repairs at Penn Station NY.

4. SEVERE WINTER WEATHER/SERVICE DISRUPTIONS

- Ridership was negatively affected by two major Winter Storms: February 9th and March 14th-15th). The estimated impact of these two winter storms was approximately 160,000 fewer rides.
- Also contributing to lower ridership was the May 18th Rye derailment on the New Haven Line which resulted in approximately 24,000 fewer rides.
- West of Hudson ridership was adversely affected by Amtrak's summer infrastructure repairs at Penn Station.

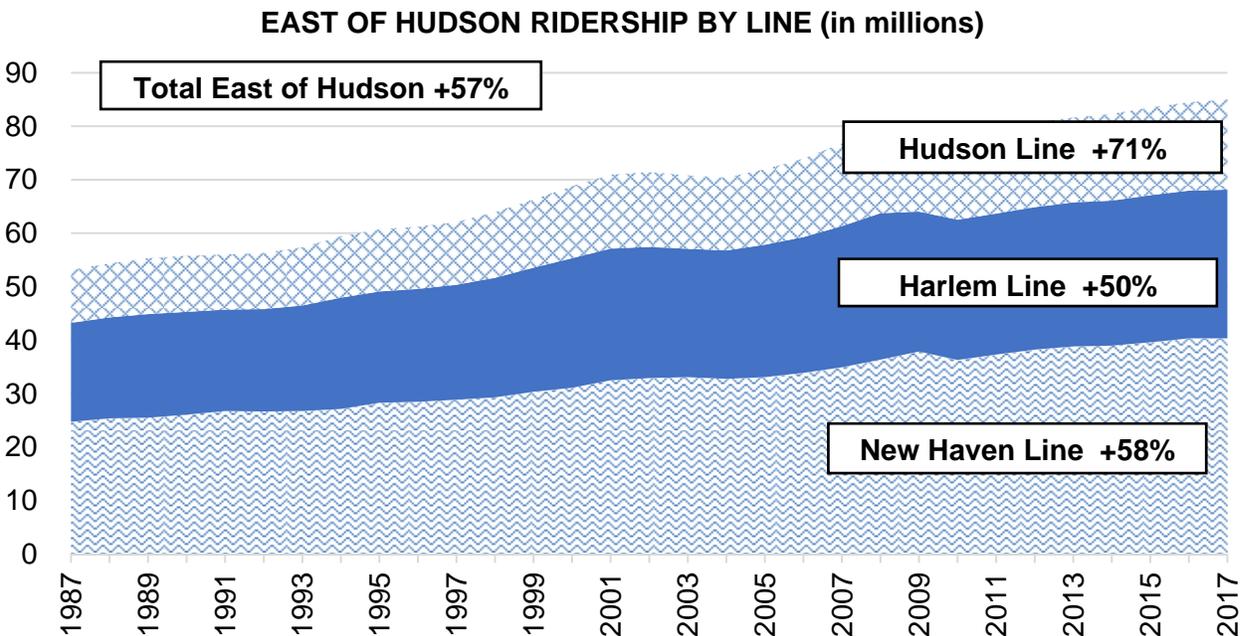
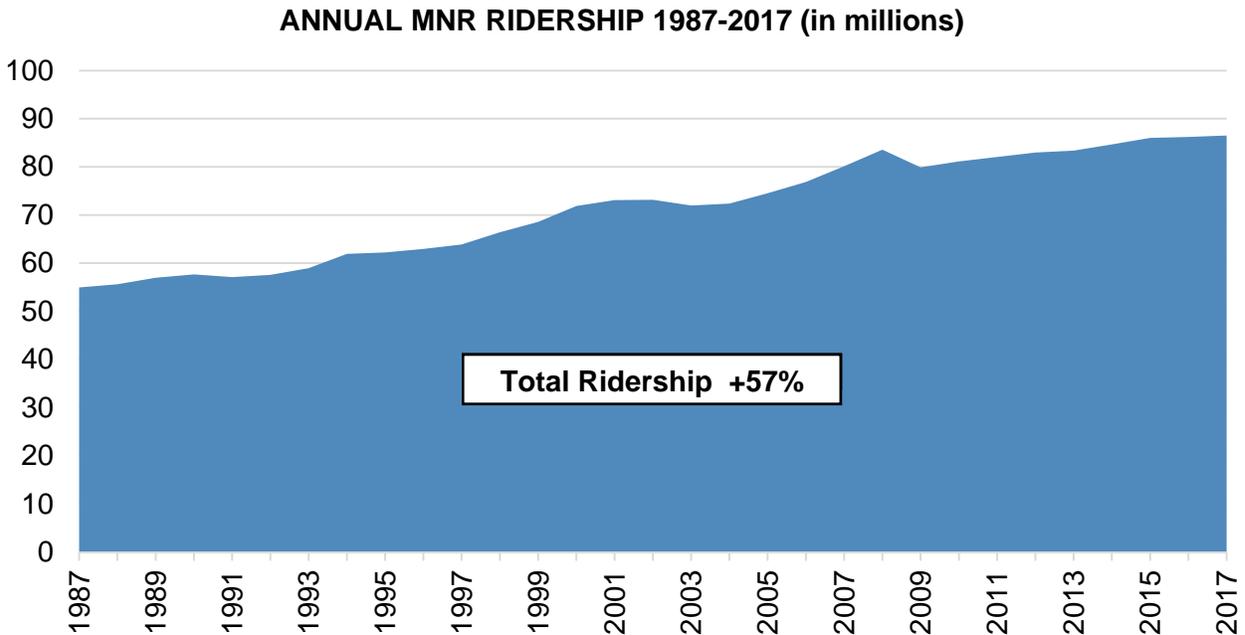
5. OFF-PEAK RIDERSHIP

- Based on GCT passenger counts, off-peak ridership results had increases during the weekday off-peak period and large increases on weekends.
 - Weekday Off-Peak +0.8% above 2016
 - Weekend ridership +3.8% (Saturday +6.0%, Sunday +1.1%) above 2016

Long-Term Ridership Trends

Ridership Trends by Line

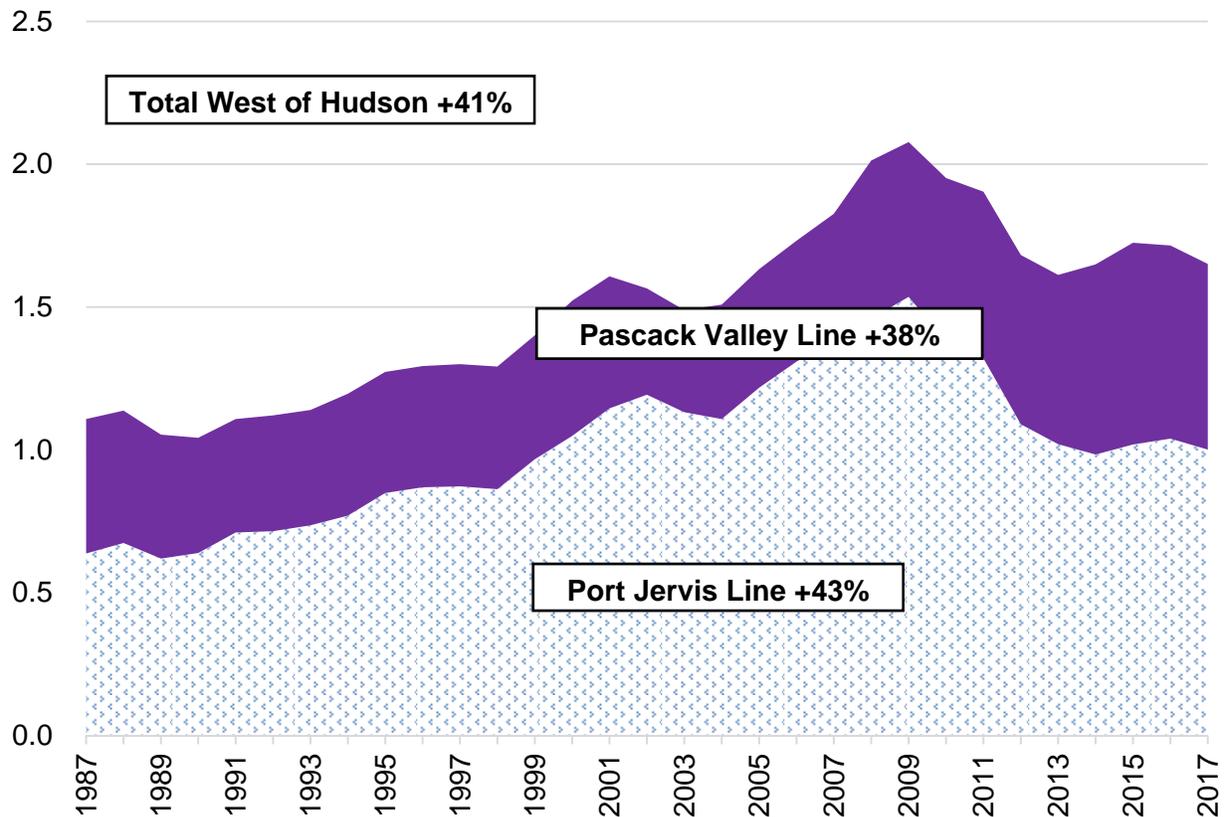
System wide ridership over the past 30 years has increased by 57%.



East of Hudson

- Total East of Hudson ridership has increased by 57% from 53.8 million in 1987 to 84.9 million in 2017, an increase of over 31 million annual rides.
- The fastest-growing segments have been the Hudson intermediate (+218% since 1987) and Harlem intermediate (+157% since 1987)

WEST OF HUDSON RIDERSHIP BY LINE (in millions)

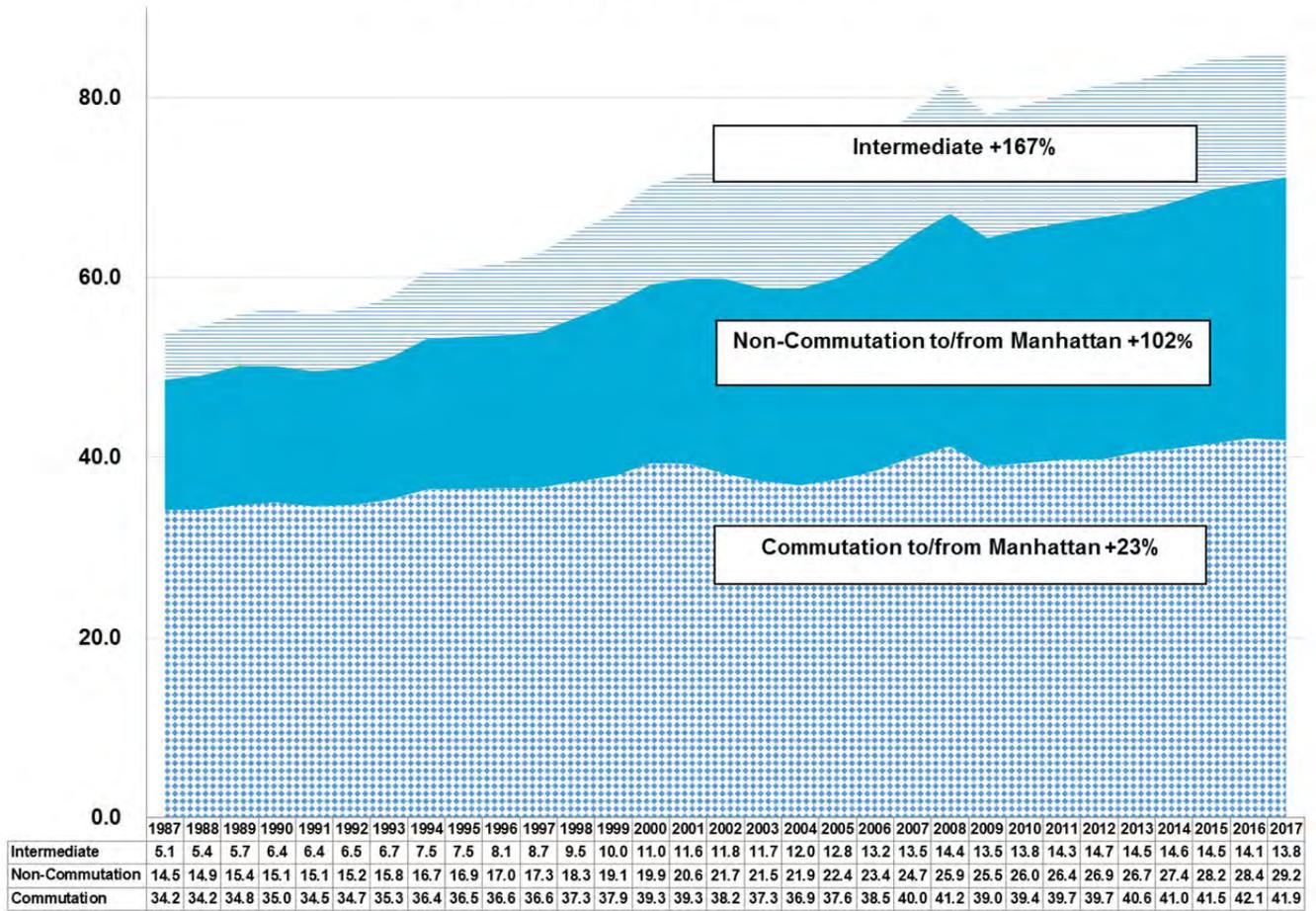


West of Hudson

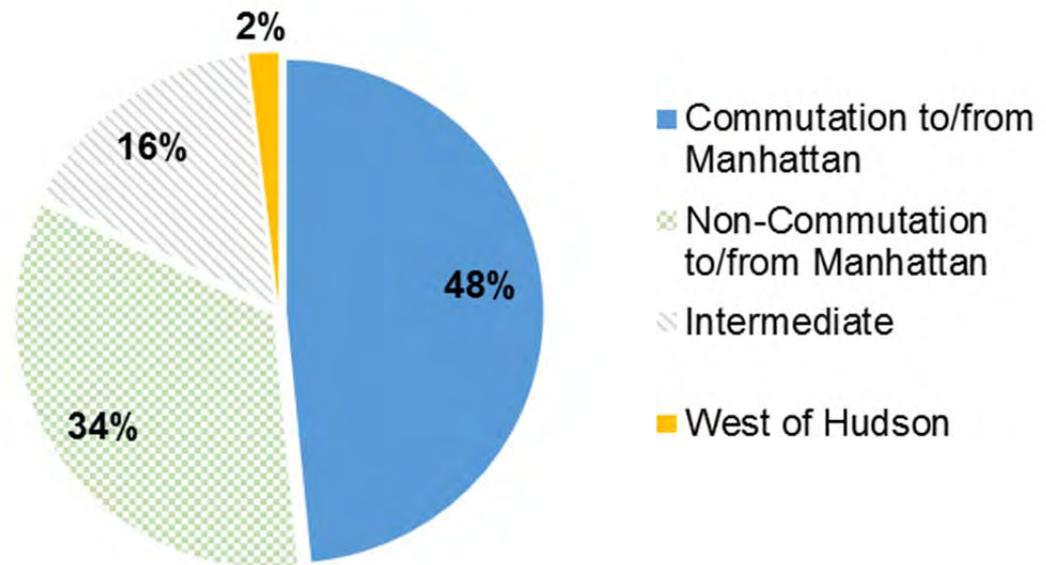
- Total West of Hudson ridership has increased by 41% from 1,145,000 annual rides in 1987 to 1.6 million annual rides in 2017. However, ridership is still 470,000 less than the record year in 2008, due to the combined effects of the regional economic recession and the adverse effects of Hurricane Irene and Superstorm Sandy.
- West of Hudson ridership decreased during the past year. Both lines were adversely impacted by Amtrak's summer infrastructure repairs at Penn Station. During CY 2017, both Pascack Valley Line ridership and Port Jervis Line ridership decreased by approximately 4%.
- Port Jervis Line ridership has increased by 43% since 1987 (from 670,000 annual rides to over 965,000 annual rides) but has decreased by 37% since 2008.
- Pascack Valley Line ridership also has increased by 38% since 1987, with most of this increase occurring after the implementation of weekday off-peak and weekend service in 2007.

Ridership Trends by Market

ANNUAL RIDERSHIP BY MARKET 1987-2017 (in millions)



2017 Ridership by Market



- Initially, ridership growth was broad-based, with significant ridership growth occurring in all market segments.
- However, since the early to mid-1990's, the fastest growth has occurred in Non-Commutation and Intermediate markets:
 - Non-Commutation to/from Manhattan (+93% since 1990)
 - Intermediate (+115% since 1990)
- This growth is due largely to a combination of targeted marketing, service, and fare policy initiatives implemented over many years, as well as significant growth in suburban employment, especially in White Plains and Stamford.

Examples of targeted Intermediate markets which have experienced significant ridership growth include the following:

- Bronx-Lower Westchester (e.g., Fordham to White Plains)
 - Intra-Connecticut (e.g., East End New Haven Line to Greenwich/Stamford)
- In sharp contrast, Commutation ridership to/from Manhattan, which historically has been MNR's core market, has increased by only about 20% since 1990 and now constitutes less than half of total MNR rail ridership (48% in 2017 compared to 67% in 1984).

Market and Ridership Trend Analysis (2017 vs. 2016)¹

Commutation to/from Manhattan

- Commutation ridership to/from Manhattan decreased slightly by 0.4%, reflecting a continuation of the strong regional economic growth (i.e., a 2.0% increase in total New York City employment, with larger increases in Professional and Business Services, Education and Health Services and Leisure and Hospitality employment).

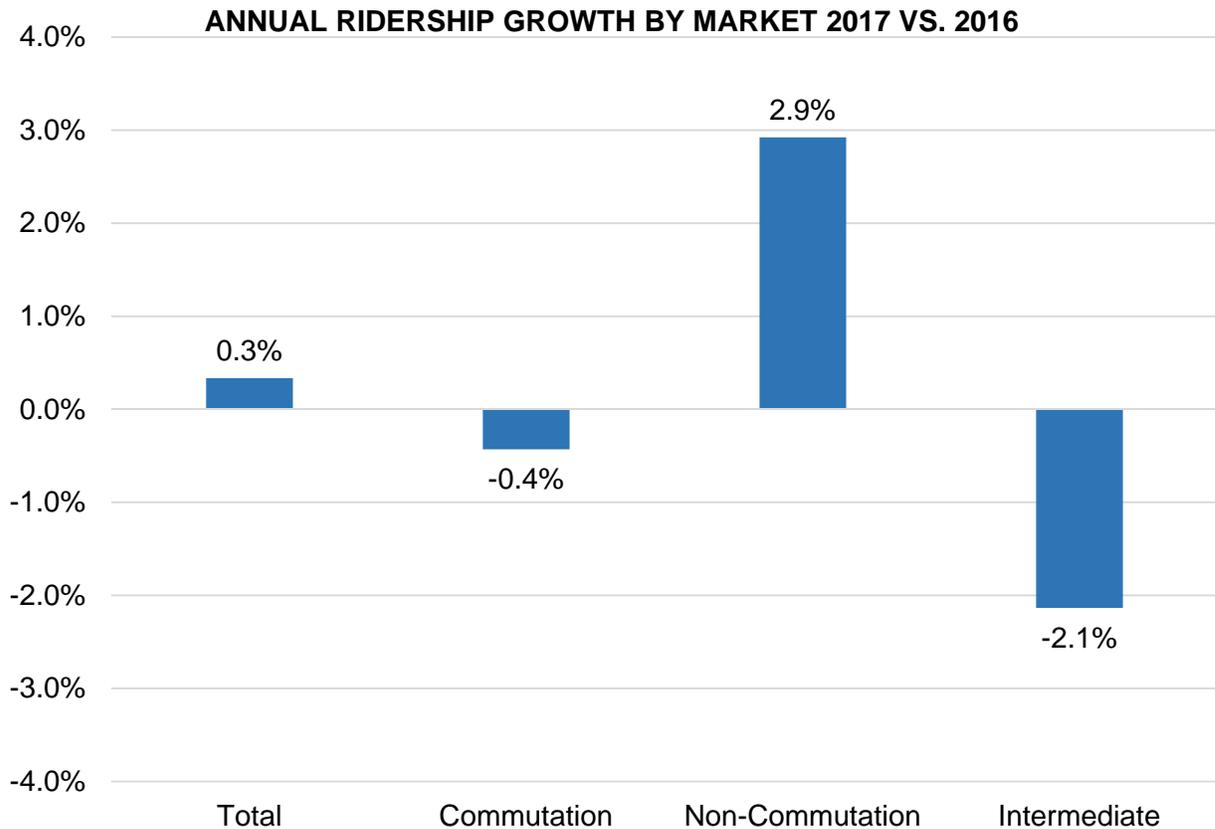
Non-Commutation to/from Manhattan

- Non-Commutation ridership to/from Manhattan increased 2.9%, reflecting the safe and reliable service during CY 2017.
- Weekday off-peak ridership increased by 0.8%

Intermediate

- Total Intermediate ridership decreased 2.1%:
 - Intermediate Commutation ridership decreased 4.3%
 - Intermediate Non-Commutation ridership decreased by 0.2%
- This trend is in sharp contrast to the rapid historical ridership growth in this market, and may be due to relatively low and stable gasoline prices, which, combined with the shorter distance of intermediate trips, encourages greater travel by auto.

¹ Data is based on a combination of ticket sales and allocated fall passenger counts



Trends by Line/Segment and Branch

East of Hudson

- Record ridership increased on both the Harlem and Hudson Lines, with the Hudson Line increasing at the fastest rate (+2.1%).
- Ridership increases occurred on some of the major line segments, with modest increases occurring on the Upper Hudson (+2.1%), the Inner New Haven (+0.9%), and the Lower Harlem (+0.7%).
- The largest ridership increases occurred on Bronx portions of both the Harlem (+13.3%) and Hudson (+6.1%) lines. These large increases occurred in both the Commutation and Non-Commutation markets to/from Manhattan. The double-digit growth on the Harlem Line was partly attributed to additional train service at Tremont and Melrose stations. These two stations accounted for approximately 30% of the growth on the Harlem line in the Bronx.

West of Hudson

- Port Jervis Line ridership decreased 3.5%.
- Pascack Valley Line ridership decreased 3.8%.
- The decline in West of Hudson ridership is attributable to various service and reliability issues, including the aftermath of the 2016 Hoboken derailment and summer 2017 infrastructure repairs at Penn Station NY.

ANNUAL RIDERSHIP BY LINE/SEGMENT (In Millions)

Line/Segment	Annual Ridership 2017	Annual Ridership 2016	% Change vs. 2016
Hudson Line	16.89	16.54	2.1%▲
Bronx (Hudson)	1.31	1.23	6.1%▲
Lower Hudson	8.43	8.31	1.4%▲
Upper Hudson	5.11	5.01	2.1%▲
Intermediate	2.04	1.99	2.6%▲
Harlem Line	27.81	27.62	0.7%▲
Bronx (Harlem)	1.99	1.75	13.3%▲
Lower Harlem	14.89	14.78	0.7%▲
Upper Harlem	6.61	6.68	-1.0%▼
Wassaic Branch	0.47	0.47	0.7%▲
Intermediate	3.85	3.94	-2.3%▼
New Haven Line	40.17	40.35	-0.5%▼
Inner New Haven *	14.71	14.58	0.9%▲
Outer New Haven *	15.60	15.64	-0.2%▼
New Canaan Branch *	1.38	1.38	0.0%●
Danbury Branch *	0.49	0.50	-3.1%▼
Waterbury Branch *	0.13	0.12	1.9%▲
NY Intrastate	2.36	2.43	-2.6%▼
Interstate	1.27	1.32	-3.8%▼
CT Intrastate	4.23	4.38	-3.4%▼
Port Jervis Line	0.97	1.00	-3.5%▼
Pascack Valley Line	0.65	0.68	-3.8%▼

Legend: ▲ increase; ▼ decrease; ● no change * Includes travel to/from Manhattan

2018 Outlook

- Metro-North is projecting continued ridership growth in 2018
- 2018 total annual Metro-North system ridership is projected to increase 1.0% to approximately 88 million due to favorable economic forecasts.
- Ridership increases are projected to occur in all markets and on all lines, with the largest growth projected to continue in the Non-Commutation and Intermediate markets.

Appendix

Additional ridership statistics are provided in an online appendix. Listed as an exhibit within the April 2018 Metro-North and LIRR Committee materials, the appendix is available at:

<http://web.mta.info/mta/news/books/>

MTA Metro North Railroad



Procurement & Material Management Inventory Report 2017

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 (2017)

Strategic Inventory Planning & Procurement

In 2017, Metro-North's Procurement & Material Management Department continued with initiatives to improve service to its customers. These initiatives focused on monitoring of Key Performance Indicators (KPI's), and use of our forecasting software to achieve high service levels. Through this effort, customer service achieved a service level of 98.3%.

The P&MM Department, as well as the MofW Material Management Unit, continued building on the accomplishment previously achieved through the specific initiatives in the 2017 Action Plan. The following charts and graphs illustrate the continued positive nature of the efforts undertaken.

2017 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. The forecasting system is instrumental in minimizing MNR's growth of inventory while still achieving high service levels.

•Economic Order Quantity for Repair and Return Items

We were able to create orders for repair and return components in economic order quantity saving the company \$335,000 administrative dollars, and over 1300 orders, while increasing on hand inventory by 3%.

•Creation of M8 Fleet Parts

We added more than 2000 items to the catalog in support of the M8 fleet. These items will be added to inventory going forward.

•More Key Performance Indicators Measured

We added more indicators to allow staff to easily see trends and issues from month to month. We're now capturing transfer of material and associated dollar value, reorder dwell time, and established new parameters for administrative lead time.

•Improve Accuracy and Service

At year end 2017, an inventory cycle count accuracy rate of 99.9% was achieved on \$90M counted. Inventory cycle count accuracy rate represents the system count vs. the on-the-shelf count.

Further development of the Executive Dashboard software was completed, which provides drillable KPI reporting at managers desktops, thereby eliminating manually generated reporting.

•Commissary

This year we closed the commissary, which represented an inventory value of \$200,000.

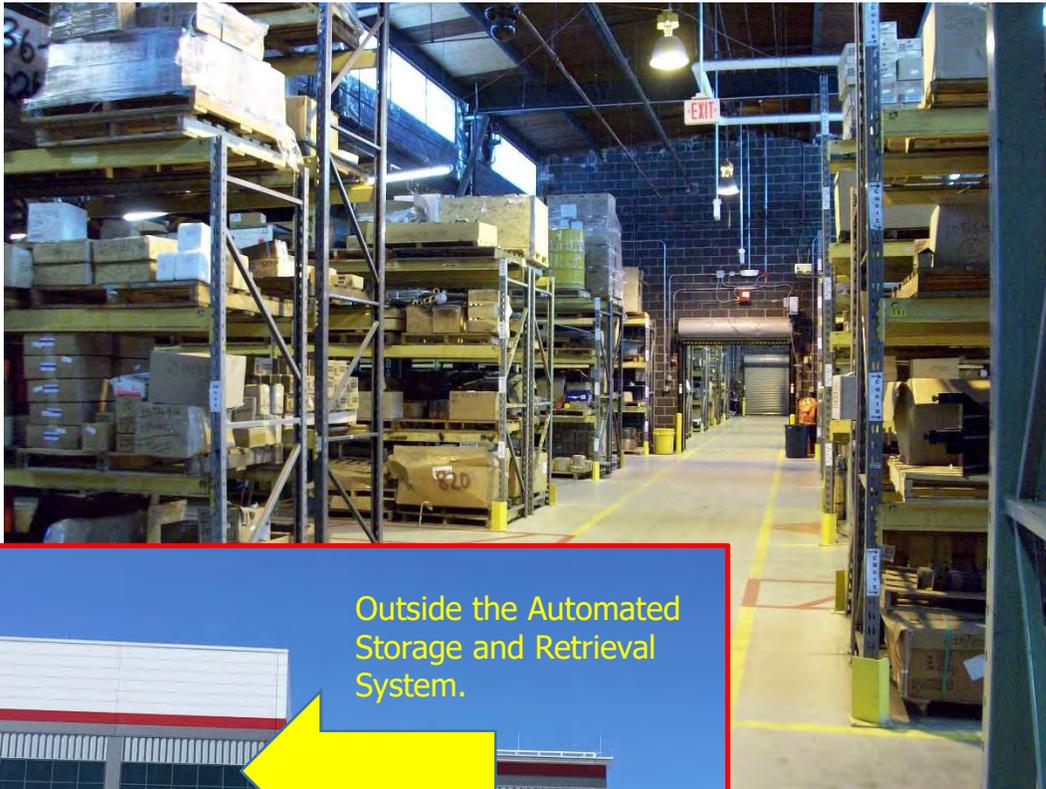
2017 Detailed Accomplishments 2018 Goals

Challenge	Plan	2018 Goals	2017 Detailed Accomplishments
<p>Right-size Stock Inventory investment to support service level and budgetary goals for MofE and MofW operations.</p> <p>Automation of manual systems</p>	<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. • Meet collaboratively with customer to review ongoing requirements. • Work toward Repair and Return internal PO process. • Update system integration points to allow more automation. 	<ul style="list-style-type: none"> ➤ Continue M-8 fleet material ramping to support availability. ➤ Automate expediting process ➤ Improve desktop tools for easier data access. ➤ Move New Haven storerooms into the new CDW facility, including ASRS. (See next photo). ➤ Move Croton-Harmon support shop storeroom to swing space. (See next photo). ➤ Work with IT to develop internal PO process. ➤ Automate replenishments in system using enhanced PIES system. ➤ Bring in automation tools to allow collection of volume of material at receipt and use that data for optimized storage. 	<ul style="list-style-type: none"> ➤ Targeted R&R service level and associated vendor performance for systematic improvement and incorporate into vendor performance studies. Database for bi-weekly tracking initiated. ➤ Expanded breadth and depth of executive dashboard view to incorporate the replacement of existing manual reporting. ➤ Expanded metrics of Plan against actual on Production consumption to include Project MofE area. ➤ Vendor Performance Report Cards/Letters increased by 10%. ➤ Increased service levels for repair and return items by 3%. ➤ Captured new fill rate data for requests filled to mechanical.
<p>Optimize Inventory for Inactive and Excess</p>	<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"> ➤ Continue efforts in identifying disposal of inactive and excess inventory allowing for space reclamation. ➤ Identify items with expirations life to document FIFO processes and ensure shelf-life items are best used and discarded if not. This will insure expired inventory does not affect repairs or operations. ➤ Review of inventory for current fleet usage. 	<ul style="list-style-type: none"> ➤ Continued efforts in identifying disposal of inactive and excess inventory allowing for space reclamation on the Harmon Campus. ➤ Adjusted demand forecasts for upcoming retiring M-2 exclusive inventory in New Haven.

Both of our large storerooms will be moving into different facilities this year. Harmon support shop is moving into swing space below. We will be moving into this swing space during Phase V, Stage II construction.



This page shows the Hallock storeroom. This is moving into the new Central Warehouse next to the CCO shop in New Haven.



Outside the Automated Storage and Retrieval System.

Inside the Automated Storage and Retrieval System, second level. View of racking and conveyers behind secure gates.

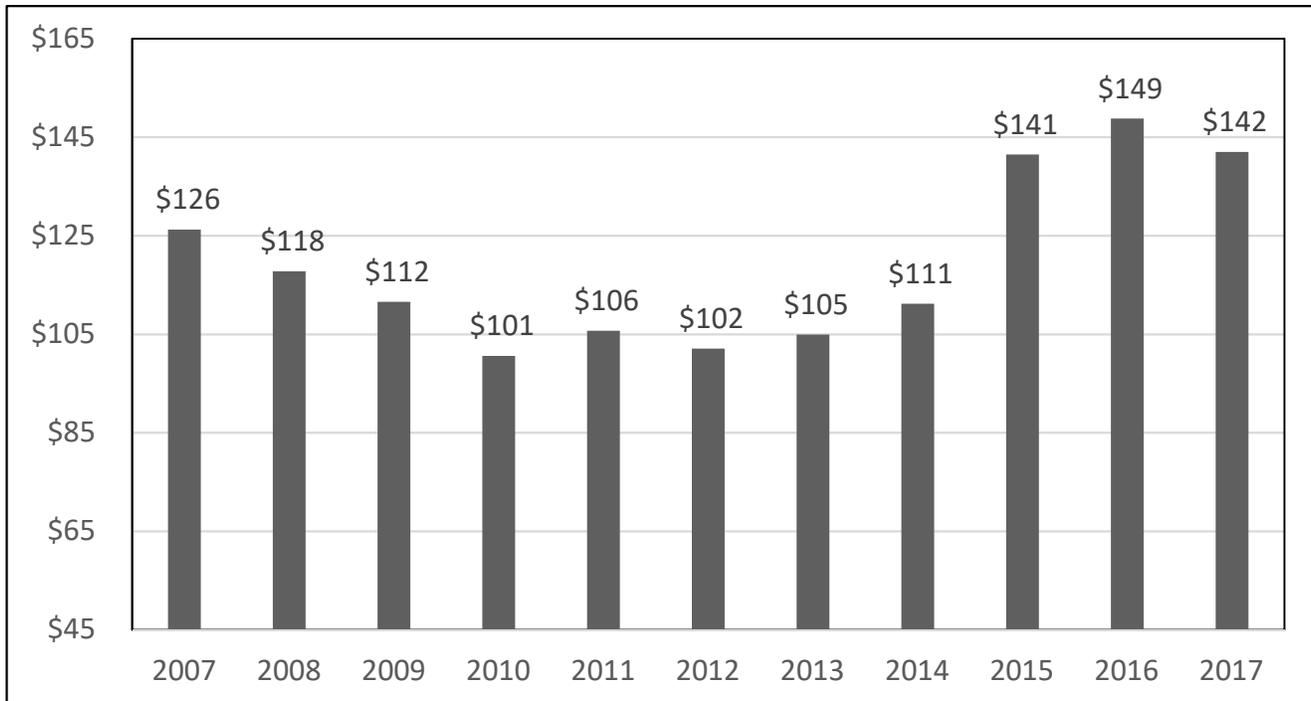


Inventory Service Level

Year		Service Level
2017		98.3%
2016		98.3%
2015	↑	98.9%
2014		98.7%
2013		98.3%
2012		97.8%
2011		97.7%
2010		97.0%
2009		96.8%
2008		95.9%

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 2017 fleet support was 98%. Procurement & Material Management has again exceeded that goal by .3%.

Total Historical Inventory Trends (Constant* 2017 \$'s) In Millions

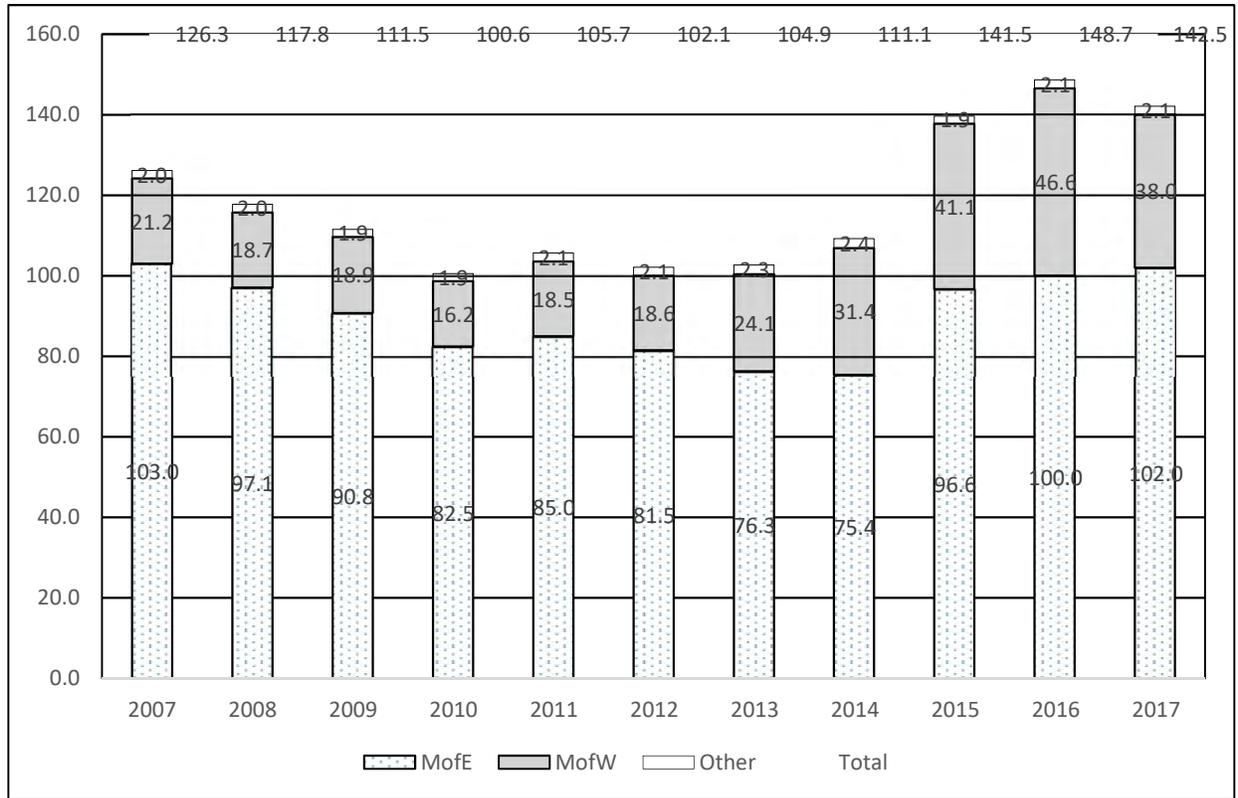


Inventory levels decreased slightly over last year due to MofW maintenance programs including replacement of switches, turnouts and rails.

More M8 fleet maintenance material will be added over the next two years, which will increase the coming year's overall inventory.

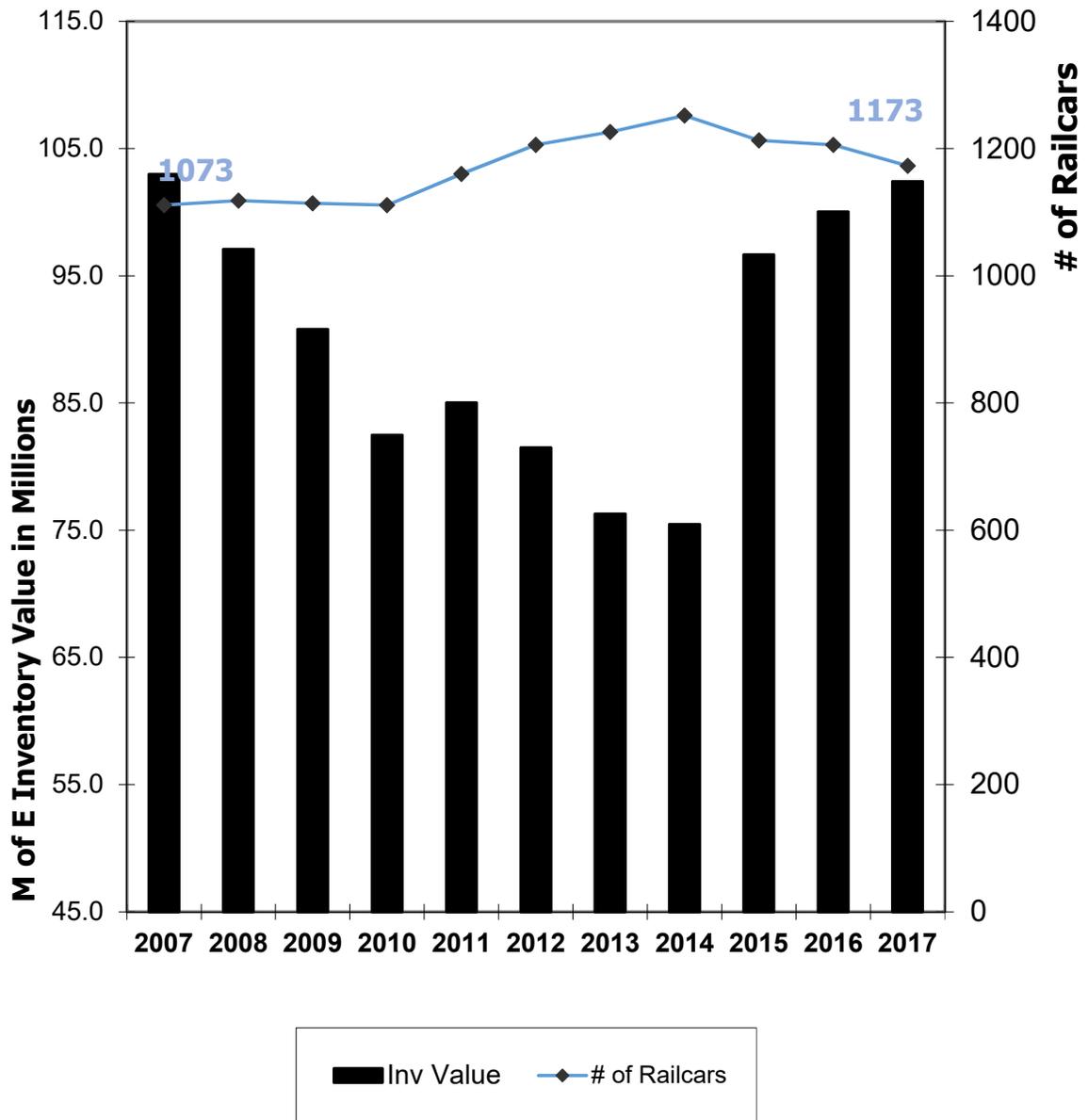
*Constant dollars are adjusted for inflation.

Inventory By MTA Category (Constant 2017 \$'s) In Millions



The graph illustrates the further dissection of inventory value by the three major MTA/MNR categories monitored. Values are: MofE (\$100.0M), which experienced a 3% growth in 2017 compared to 2016, MofW experienced a drop in value due to program infrastructure work and usage of parts to support that initiative. Other category remains the same, but will decrease next year due to the closing of the commissary.

**MofE Inventory Value vs # of Railcars
(Constant 2017 \$) in millions**



In closer examination of the MofE category trend, the graph illustrates the success with the overall decline in MofE inventory since 2007 ending in 2014. In 2015, a \$20M infusion of Capital spare material was received to support CDOT M-8's. Inventory has slightly increased this year due to PTC equipment. Fleet reduction was due to M2 disposals.

2018 1st Quarter Maintenance of Way Division

Track, Structures, Stations & Facilities

Metro-North Railroad

April 23, 2018



■ Production Tie Replacement – 1,758,250 systemwide wood ties (28,200 ties planned)

■	Hudson Line	25,600	ties planned	0	complete	0%
■	New Haven	2,600	ties planned	0	complete	0%
	Total 2018	28,200	ties planned	0	complete	0% complete

■ Rail Vac (Wood Ties) – 4,000 ties planned

■	GCT	0	ties complete			
■	Hudson	40	ties complete			
■	Harlem	0	ties complete			
■	New Haven	0	ties complete			
	Total 2018	40	ties complete	1%	complete	



▣ Rail Replacement – 1,508 rail miles systemwide (15.8 miles planned)

▣	Hudson Line	9	miles planned	1.1	completed	12%	complete
▣	New Haven	6.6	miles planned	0	completed	0%	complete
▣	Port Jervis	0.2	miles planned	0	completed	0%	complete
	Total 2018	15.8	miles planned	1.1	completed	7%	complete

▣ Surfacing - 754 track miles systemwide (130 miles planned)

▣	Hudson Line	73	miles planned	3.6	completed	5%	complete
▣	Harlem Line	18	miles planned	1.8	completed	10%	complete
▣	New Haven - NY	6	miles planned	0.7	completed	12%	complete
▣	New Haven - CT	26.6	miles planned	0.1	completed	0%	complete
▣	New Haven - WTBY	6.4	miles planned	0.3	completed	5%	complete
	Total 2018	130	miles planned	6.5	completed	5%	complete



Switch Renewal - 1,500 Switches systemwide (38 switches planned)

□	9 switches planned	0 switches completed	0% complete
□	9 switches planned	5 switches completed	56% complete
□	7 switches planned	1 switches completed	14% complete
□	10 switches planned	1 switches completed	10% complete
□	3 switches planned	2 switches completed	67% complete
Total 2018	38 switches planned	9 switches completed	24% complete

Grade Crossing Renewal – 111 Grade Crossings systemwide (20 crossings planned)

□	Hudson Line	2 Crossings planned	complete	0%
□	Harlem Line	5 Crossings planned	complete	0%
□	New Haven			
	□ New Canaan	1 Crossings planned	complete	0%
	□ Danbury	7 Crossings planned	complete	0%
	□ Waterbury	4 Crossings planned	1 complete	25%
□	West of Hudson	1 Crossings planned	complete	0%
	Total 2018	20 Crossings planned	1 complete	5% complete



▣ **Welds (2,000 joints planned)**

▣	Hudson Line	218	joints completed		
▣	Harlem Line	93	joints completed		
▣	New Haven	137	joints completed		
▣	West of Hudson	8	joints completed		
	Total 2018	456	joints completed	23% complete	

▣ **Loram Rail Grinder (15.4 miles planned)**

▣	Hudson Line	5.4	Miles planned	0	complete	0%	
▣	New Haven	10	Miles planned	0	complete	0%	3 curves
	Total 2018	15.4	Miles planned	0	complete	0% complete	



- **GCT Station Track Rehabilitation (44 Platforms)**

- Track 32 – (Completed)
 - 2,200' rail, 90 bracket ties, 1,000 block ties
- Track 24 – Pre - Amtrak-GCT Service – Under Construction
 - 455 ties completed
- Track 113 Fall 2018
 - Still needs approval



- **Sperry Rail (2x per year)**

- 1st run - field survey 2% complete
- Defects corrected from 1st run: NY- 33, CT – 13

- **Ensco Geometry (2x per year)**

- Contracted for 6 tests over 3 years
- 1st run – Survey will be completed on April 15, 2018 – April 19, 2018



- **Overhead Bridge Program**

- Typical repairs include replacing deteriorated members, rebuilding deteriorated bridge seats, repairing abutment walls, repairing load bearing supports timber deck replacements. (20% complete)

- **New Haven**

- Centre Avenue (MP 16.37) (0% Complete)

- **Direct Fixation Fasteners, Park Ave Viaduct & Trainshed Repairs 31,584**

- Fasteners systemwide**

- Park Avenue Viaduct – replaced 9,024 fasteners with new fastening system (Tk 4 – 48%, Tk 2 – 28% , Tk 1 – 48 %, Tk 3 –42%, Overall – 41%)
- GCT Trainshed
 - Repoint circular arch brick vents (Track 3/4, 66th to 95th streets)
 - Completed repointing brick tunnel (Track 3/4, 87th to 95th streets)



▣ Bridge Timbers (CT only - 593 ties planned)

▣ NH 33.75 Elm St Tk2	52	timbers	0%
▣ NH 33.75 Elm St Tk3	52	timbers	0%
▣ NH 34.17 East Main Tk1	92	timbers	0%
▣ NH 40.89 Franklin Street Tk1, Tk2 (43 timbers each)	86	timbers	0%
▣ NH 41.28 Washington & Main Tk2	96	timbers	0%
▣ NH 53.72 Hancock Ave Tk4	50	timbers	0%
▣ NH 53.84 Howard Ave Tk1	53	timbers	0%
▣ NH 56.20 East Main Street Tk2	56	timbers	0%
▣ NH 59.96 East Main St. Tk3	56	timbers	0%
Total 2018	593	Timbers completed	0% complete

▣ Bridge Timbers (NY only – 1,140 Timbers planned)

▣ New Haven – Mamaroneck Ave (MP 20.37 All Tracks)	240	timbers	0%
▣ New Haven – Locust Avenue (MP 23.71, Tk2 & Tk4)	86	timbers	0%
▣ New Haven – Westchester Ave (MP 25.54, All Tracks)	240	timbers	0%
▣ Port Jervis – Pond Brook (MP 33.94, Trk 1 & Trk 2)	106	timbers	50%
▣ Port Jervis - Cattle Pass (MP 38.98, Single)	16	timbers	0%
▣ Port Jervis – Pine Hill Road (MP 48.51, Single)	32	timbers	0%
▣ Port Jervis – Moodna Viaduct (MP 55.03, Single) (Spot only)	420	timbers	0%
Total 2018	1,140	Timbers	7% complete



- ▣ **S-Program (New Haven – CT only)**

- ▣ Canal St. (MP 33.41) – Steel repairs/masonry repairs(50% complete)
- ▣ Main St. (MP 59.01) – Steel repairs/masonry repairs (90% complete)
- ▣ East Main St. (MP 59.96) – Steel repairs/masonry repairs (10% complete)

- ▣ **Railroad Maintenance Memorandum Items (RMM, New Haven - CDOT)**

- ▣ Completed 21 various (minor) steel /or concrete repairs



- ▣ **NY Bridge Repair Program**

- ▣ Hudson Line

- ▣ Wells Ave. (MP 15.31) – Masonry repairs (90% complete)

- ▣ New Haven

- ▣ Highland Ave. (MP 25.83) – Masonry repairs (0% complete)

- ▣ Port Jervis

- ▣ Ramapo River (MP 32.06JS) – Steel repairs (0% complete)

- ▣ Stream (MP 44.80JS) – Wingwall repairs (0% complete)

- ▣ Shea Rd. (MP 63.04JS) – Concrete repairs on arch (0% complete)

- ▣ NY O&W RR – Floorbeam repair (0% complete)

- ▣ **Bridge Flag Repairs (Harlem, Hudson New Haven-NY/Port Jervis Line)**

- ▣ Completed 15 various (minor) steel /or concrete repairs



- ▣ **Cos Cob**

- ▣ Mitre Rail Replacement and timbers (Track 1) – 65% complete
 - ▣ Fabricated/installed steel ballast retainers
 - ▣ Installed bridge timbers

- ▣ **Graffiti Removal Program**

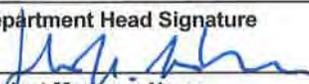
- ▣ Hudson & Harlem - cleaned graffiti off various buildings, bridges, retaining walls & rock cuts

- ▣ **Right of Way Fence**

- ▣ Installed 1,250ft of fence

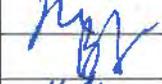
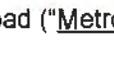


Staff Summary

Subject HARRISON TRANSIT-ORIENTED DEVELOPMENT
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name NICK ROBERTS / GREG SYLVESTER

Date APRIL 23, 2018
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Metro-North Committee	4/23/18		X	
2	Finance Committee	4/23/18	X		
3	Board	4/25/18	X		

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

AGENCIES: Metropolitan Transportation Authority ("MTA") and MTA Metro-North Railroad ("Metro-North" or "MNR").

DEVELOPER PURCHASER: A subsidiary of AvalonBay Communities Inc., a Maryland corporation (the "Developer").

LOCATION: Approximately 3.76-acres immediately south of Metro-North's Harrison Station (the "Station") on the New Haven Line, designated as Section 18, Block 182, Lots 12 and 15 on the Town/Village of Harrison's assessment map (the "Site"), currently used for a commuter surface parking lot (total of 257 spaces).

ACTIVITY: Phased sale of the Site, excluding that portion of the Site on which a new parking garage with 592 parking spaces of which 475 are dedicated commuter spaces (the "Parking Structure") will be constructed (the "Retained Parcel") and granting of permanent easement for the use of 117 spaces in designated areas of the Parking Structure (the "Parking Easement") to the Developer.

ACTION REQUESTED: (1) Adoption of the attached State Environmental Quality Review Act ("SEQRA") Findings Statement as an Involved Agency.
 (2) Approval of terms for the phased disposition of portions of the Site, excluding the Retained Parcel, the granting of the Parking Easement and the development of the Site as a mixed-use transit-oriented development pursuant to a land disposition and development agreement ("LDDA") and other transaction documents, and to convey the Site to the Developer to permit construction of a mixed-use transit oriented development ("TOD") and construction of the Parking Structure (collectively, the "Project") on the Site.

PROPERTY TO BE CONVEYED BY MTA TO DEVELOPER: (1) At the initial closing, the eastern portion of the Site, commonly referred to as the East Parcel (excluding the Retained Parcel), to be shown as Lot 2 on the Final Subdivision Plat prepared for AvalonBay Communities, Inc., prepared by Welsh Engineering (the "Subdivision Map").
 (2) Upon substantial completion of the Parking Structure, the western portion of the Site, commonly referred to as the West Parcel, to be shown as Lot 1 on the Subdivision Map, and the Parking Easement.

PROPERTY TO BE RETAINED BY MTA:	That portion of the Site on which the Parking Structure will be constructed, which will be shown as Lot 3 on the Subdivision Map, plus easements for access and egress, utilities and other related appurtenances across the remainder of the Site.
COMPENSATION:	In exchange for the conveyance to the Developer of fee title ownership to the Site and a permanent easement for designated areas in the to-be built Parking Structure for 117 spaces, the Developer will, at no cost to MTA or Metro-North, construct the Parking Structure, including all ramps, driveways, sidewalks, vertical transportation and other means of vehicular and pedestrian access between the Parking Structure, adjoining street and the Station on a portion of the Site that has been subdivided into a separate parcel and will be retained by MTA. The Parking Structure will have 592 spaces of which 475 parking spaces will be permanently designated as commuter parking spaces. The Parking Structure will be owned by MTA and operated and maintained by Metro-North.

COMMENTS:

On September 24, 2014, the Board approved the attached Staff Summary authorizing MTA Real Estate to enter into a joint development agreement (“JDA”) with AvalonBay Communities Inc. and the Town, which MTA did on March 12, 2015. The JDA outlined the terms and conditions by which the Developer would:

- seek the requisite Town zoning and site plan approvals;
- fund the studies and environmental impact statements needed for such approvals;
- reach agreement on the definitive terms of a land disposition and development agreement between MTA/Metro-North and the Developer pursuant to which MTA would convey to the Developer in 2 stages, first the East Parcel and then the West Parcel after completion of the Parking Structure; and Developer would construct in 2 phases the Project with the Parking Structure to be constructed and completed as part of the first phase and as a condition to the conveyance of the West Parcel;
- establish the process by which the Town, acting as the lead agency, and Metro-North would review the proposed project pursuant to SEQRA;
- reach agreement on the definitive terms of a condominium or other structure regarding the ownership, use, operation and maintenance of the Parking Structure upon completion by Metro-North and the Developer;
- reach agreement with the Town on the definitive terms of (i) an agreement providing for a temporary license to use Town property near the Station for off-site commuter parking during construction of the Parking Structure (the “Interim Parking Agreement”) and (ii) an agreement pursuant to which the Town commits to permanently preserve at least 338 commuter parking spaces on Town property located on the north side of the Station (the “Northside Parking Agreement”).

In accordance with such September 24, 2014 MTA Board approval and the JDA, this is to seek authorization for (i) the adoption of the attached SEQRA Findings Statement, (ii) sale of the Site (less the Retained Parcel) to the Developer, and (iii) execution of related agreements to permit the construction of the Project by the Developer, including the Interim Parking Agreement and the Northside Parking Agreement with the Town.

The Project, which has undergone SEQRA review by the Town, and received all Town land use approvals, including rezoning, subdivision and site plan approvals, consists of the following components:

- 136 market-rate rental apartment homes and 7 Affordable Affirmatively Furthering Fair Housing units;
- approximately 27,000 square feet of retail, restaurant and/or other neighborhood commercial space;
- at no cost to Metro-North, a Parking Structure with 475 spaces permanently set aside for Metro-North commuters, and 117 parking spaces serving Project residents and the commercial space; and
- a surface lot and below grade parking garage containing an aggregate total of 180 parking spaces serving the Project residents and the commercial space on the West Parcel.

Staff Summary

FINANCE COMMITTEE MEETING Metro-North Railroad Harrison Station TOD (Cont'd.)

Page 3 of 3

Statement ("MTA/MNR Findings"). The MTA/MNR Findings have been prepared in accordance with SEQRA and conclude that the Project will have no adverse environmental impacts and that the conveyance of the property interests in the Site and the execution of related agreements are Unlisted Actions that do not require additional review under SEQRA. Harrison's Findings are attached to the MTA/MNR Findings. MTA and MNR staff recommend that the Board adopt the MTA/MNR Findings.

Pursuant to the negotiated terms of the LDDA, the Site is being subdivided at Developer's expense into three (3) lots - Lot 1, being the East Parcel of the Site referred to in the JDA excluding the Retained Parcel on which the Parking Structure is to be built which is subdivided Lot 3, and Lot 2 being the West Parcel of the Site referred to in the JDA. The LDDA will provide, among other things, for the conveyance of Lot 1 at the initial closing, which will occur after the adoption of the SEQRA findings; and MTA approval of the transaction pursuant to the authorizations sought in this Staff Summary, and following satisfaction of certain initial closing conditions, including the Town's execution of the Interim Parking Agreement and the Northside Parking Agreement. At the initial closing, MTA will enter into a Declaration of Project Easements reserving for the benefit of the Retained Parcel and the Station and railroad line operations necessary easements in, over and across Lots 1 and Lot 2.

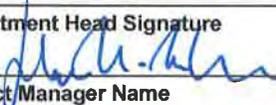
The LDDA will also provide that Developer will substantially complete the Parking Structure at its sole cost and expense, within 30 months (subject to force majeure) after the initial closing, and that upon such substantial completion by the Developer, the parties will enter into a Parking Easement, Operation and Maintenance Agreement in the form to be attached to the LDDA (the "Parking Agreement"). AvalonBay Communities Inc., the Developer's parent, which is a public real estate investment trust, will provide a guaranty of completion of Developer's obligations to construct and complete the Parking Structure. The cost of constructing the Parking Structure is estimated to be \$26,689 per space or \$12,577,275 for 475 spaces, which equals the consideration paid by Developer for Lots 1 and Lot 2 and for the Parking Easement. This consideration exceeds the fair market value of the property interests in the Site being conveyed to the Developer, as reflected in the independent appraisal of the Site that was obtained by MTA Real Estate prior to seeking board approval to enter into the JDA.

Rather than establishing a condominium regime of ownership in the Parking Structure upon its completion as potentially envisioned in the JDA, the parties agreed that MTA/Metro-North will continue to own the Parking Structure and the land comprising the Retained Parcel/Lot 3. The Parking Agreement will provide that (i) Developer, and any successor owner of Lot 1, will be granted a permanent easement in the Parking Structure for the exclusive use of 117 spaces in designated areas, and an exclusive license to use up to 40 additional spaces as overflow spaces in the commuter parking areas in locations to be designated by Metro-North or its parking operator other than during the hours of 7:00 am and 4:00 pm on non-holiday weekdays, (ii) Metro-North will operate, maintain, repair and replace the Parking Structure and (iii) Developer will generally be responsible for contributing 25% of all operating and capital costs of the Parking Structure and MTA/Metro-North will be responsible for 75%. This allocation of financial responsibility for the ongoing costs and expenses of the Parking Structure was based upon the relative number of spaces Developer will have the exclusive right to use and it factors in the use of the overflow spaces during the off-hours and on holidays and weekends. Notwithstanding the foregoing, during the first 10 years the Developer has agreed to bear a disproportionate share of certain capital expenses relating to structural elements of the Parking Structure.

The construction of the Parking Structure and related facilities including the transit oriented development by the Developer will mean i) cost avoidance to MNR to rebuild, resurface and or restripe the existing surface parking lots; and ii) the gain of 218 new parking spaces in the Parking Structure for MNR commuters. The Project has the potential for increased ridership and will create improved amenities for the commuters and the public.

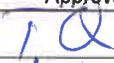
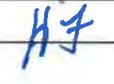
Based on the foregoing, MTA Real Estate requests: first, that the MTA Board adopt the MTA/MNR Findings; and, second, authorize the MTA and/or Metro-North, as applicable, (i) to enter into the LDDA and other transaction documents, including the Interim Parking Agreement, the Northside Parking Agreement, the Declaration of Project Easements and, upon substantial completion of the Parking Structure, the Parking Agreement, (ii) to convey to the Developer the Site (excluding the Retained Property) in 2 stages consistent with the phased development of the eastern and western portions of the Project and (iii) to enter into such other agreements and take such other action as necessary to consummate this transaction with the Developer and the Town on the terms and conditions set forth above.

Staff Summary

Subject PROPERTY ACQUISITION OF 12 CROTON FALLS ROAD
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name ANTHONY CAMPBELL

Date APRIL 23, 2018
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Appr	Info	Other
1	Metro-North Committee	4/23/18		X	
2	Finance Committee	4/23/18	X		
3	Board	4/25/18	X		

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

AGENCY: MTA Metro-North Railroad ("Metro-North")

GRANTOR: The Roman Catholic Church of St. Joseph (the "RCC")

LOCATION: 12 Croton Falls Road, Somers, Westchester County, NY, Section 07.09, Block 1, Lot 1.1, 19.91± acres of land with improvements (the "Property")

ACTIVITY: Acquisition of the fee simple title to the Property

ACTION REQUESTED: Approval of terms

COMPENSATION: \$3,100,000.00

COMMENTS:

Metro-North seeks to acquire the Property to provide additional customer parking for commuters using the Croton Falls Station in North Salem, NY (the "Station"). Information about the proposed acquisition was submitted to the Comptroller's office in 2016.

Metro-North will construct a surface parking facility with approximately 450 spaces, with the ability to add approximately 200 spaces on the Property if Metro-North decides to do so at a later date (the "Project").

Currently, there is a lack of suitable parking near the Station for approximately 200 commuter vehicles. This has resulted in vehicles being routinely parked in unauthorized locations, including the shoulders of busy streets and on highways which lack sufficient sidewalks and lighting. Construction of the parking facility will provide Metro-North customers with a convenient and safe parking amenity. Furthermore, the facility will alleviate overflow parking at the nearby Purdy's Station. Additional benefits of the Project include improved traffic flow in the vicinity of the Station and reduced pollution of sensitive NYC Watershed lands which surround the area.

RCC's former church (now deconsecrated), school, rectory and convent, all of which are vacant, as well as operating equipment, are currently located on the Property. All of these improvements will be removed or demolished by Metro-North. Approximately 12.5 acres of the land has very steep slopes and is not suitable for development. The New York State Historic Preservation office has indicated that none of the RCC's structures are eligible for listing in the New York State or National Registers of Historic Places.

Staff Summary

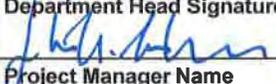
FINANCE COMMITTEE MEETING PROPERTY ACQUISITION OF 12 CROTON FALLS ROAD

A portion of the Project will be federally funded. As such, in accordance with Federal Transit Administration ("FTA") rules and requirements MTA Real Estate on behalf of Metro-North offered to purchase the property at fair market value (\$3,100,000.00) based upon an independent appraisal procured by MTA Real Estate for this purpose, which offer was accepted by RCC.

Metro-North's Environmental Compliance and Services Department undertook an Environmental Assessment of the Property. The assessment did not reveal any significant environmental conditions. Since federal funding will be used for a portion of the Project, compliance with the National Environmental Policy Act ("NEPA") was also required. Ultimately, the FTA issued a Class II Categorical Exclusion (CE) for the Project, and a State Environmental Quality Act evaluation resulted in a Negative Declaration determination.

Based on the foregoing, MTA Real Estate requests authorization for Metro-North to acquire the Property on the above terms and conditions.

Staff Summary

Subject LEASE AGREEMENT FOR TARRYTOWN STATION
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name ALICIA BIGGS

Date APRIL 23, 2018
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Metro-North Committee	4/23/18		X	
2	Finance Committee	4/23/18	X		
3	Board	4/25/18	X		

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

AGENCY: Metropolitan Transportation Authority ("MTA" and MTA Metro-North Railroad ("Metro-North"))

LESSEE: The Bakehouse of Tarrytown LLC ("The Bakehouse")

LOCATION: Tarrytown Station, Hudson Line, Westchester County

ACTIVITY: Lease for bakery and café/restaurant

ACTION REQUESTED: Approval of terms

TERM: Five years with three 5 year renewal options

SPACE: Tarrytown Station Building, including the loft area, for a total of 3,842± square feet

COMPENSATION: \$37,080 for Year 1 with 3% annual increases through Year 5
 Year 6 rent increases by the greater of CPI or 3%, with 3% annual increases through Year 10.
 Year 11 rent increases by the greater of CPI or 3%, with 3% annual increases through Year 15.
 Year 16 rent increases by the greater of CPI or 3%, with 3% annual increases through Year 20.

COMMENTS:

In furtherance of a station leasing program that MTA Real Estate and Metro-North have developed, a Request For Proposals ("RFP") was issued seeking proposals to utilize and maintain the entire Tarrytown Station Building (the "Building"), exclusive of the Metro-North Ticket Office. This includes the office loft, waiting room and concession space while preserving a waiting area and bathrooms for the public and Metro-North customers. The RFP also provided the option to operate a mobile coffee cart within the station overpass during peak morning hours.

In response to the RFP, one proposal was received from The Bakehouse Inc. (also known as Riviera Bakehouse), a well-known bakery located in Ardsley-on-Hudson. The Bakehouse Inc. proposed \$37,080 in the first year with increases over

Staff Summary

FINANCE COMMITTEE MEETING LEASE AGREEMENT FOR TARRYTOWN STATION

the term of the lease. They also proposed three, 5 year renewal options. The rent for each renewal period will increase by CPI or 3%, whichever is higher. Over the initial 5 year term, the proposed rent is equivalent to a present value of \$122,463.39 using a 7% discount rate. Over 20 years, the net present value, with 3% annual increases, is \$446,295.02. While this proposal is lower than the appraised value as determined by an independent appraiser, Lessee will be making significant improvements to the Building totaling nearly \$250,000.00.

The Bakehouse Inc. has been in business for 45 years in Ardsley-on-Hudson. They offer a wide variety of cakes, pastries and specialty goods. They plan to operate a full service bakery in addition to a sit down/take-out restaurant/café in the Building. The Bakehouse Inc. has proposed reconfiguring and updating the Building's interior, including: 1) installing a kitchen with new fixtures and appliances, and 2) relocating the men's restroom. Metro-North has agreed to upgrade the station's electrical service. The tenant shall fund \$80,000 of the electrical upgrade, which shall be reimbursed by Metro-North through rent credits. The Bakehouse Inc. will also provide a guaranty for project completion and rent payment.

The lease will permit Metro-North continued operation and maintenance of the ticket office. Furthermore, Lessee will be required to provide use of the waiting area and restrooms for Metro-North's customers and the public during their business hours, 6:00 a.m. to 8:00 p.m., which expands the hours of availability of the waiting room and restrooms. The Lessee will assume all operation and maintenance of the Building's interior and Lessee's improvements.

Based on the foregoing, MTA Real Estate requests authorization for MTA and Metro-North to enter into a lease agreement with The Bakehouse of Tarrytown on the above-described terms and conditions.

LONG ISLAND RAIL ROAD

PROCUREMENTS

FOR

BOARD ACTION

April 25, 2018

Staff Summary



Subject: Request for Authorization to Award Various Procurements						Date <p style="text-align: center;">April 25, 2018</p>			
Department Procurement and Logistics									
Department Head Name Dennis L. Mahon, Chief Procurement and Logistics Officer									
Department Head Signature 									
Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	LI Committee	4.23.18				2	President <i>PEA 4/17/18</i>		
2	MTA Board	4.25.18				1	Executive VP <i>SEP 4/17/18</i>		

PURPOSE:

To obtain approval of the Board to award various contracts and purchase orders, and to inform the Long Island Rail Road Committee of these procurement actions.

DISCUSSION:

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

	<u># of Actions</u>	<u>\$ Amount</u>
	None	

LIRR proposes to award Competitive Procurements in the following categories:

	<u># of Actions</u>	<u>\$ Amount</u>
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Schedules Requiring Majority Vote

Schedule I: Modifications to Purchase and Public Work Contracts	1	\$2,473,852
SUBTOTAL:	1	\$2,473,852

LIRR proposes to award Ratifications in the following categories:

	<u># of Actions</u>	<u>\$ Amount</u>
	None	

	1	\$2,473,852
--	----------	--------------------

BUDGET IMPACT:

The purchases/contracts will result in obligating LIRR operating and capital funds in the amounts listed. Funds are available in the current operating budget 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 2018

MTA LONG ISLAND RAIL ROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

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)

1. **L.K. Comstock and Company Inc. \$2,473,852** *Staff Summary Attached*
Contract Modification **Not-to-Exceed**
Contract No. 6257

LIRR requests MTA Board approval to award a contract modification to L.K. Comstock (Comstock) in the not-to-exceed amount of \$2,473,852 to provide trench excavation and utility pole modifications between Central Islip and Farmingdale. This change order is a modification to contract #6257 with Comstock for the Design-Build Track and Systems Installation for the New Second Track on the Main Line Ronkonkoma Branch Phase II. The new second track project calls for utility trenching and emplacement of PVC conduit to run signal and other cabling underneath the tracks between Central Islip and Farmingdale. In all, 121 trenches must be dug (80% of them using hand tools), conduit emplaced in them, and backfilled. This work originally was assigned to internal LIRR forces, but current labor resource constraints make this impossible within the project's schedule. Hence LIRR requires the contractor to undertake the work.

Staff Summary



Item Number: 1
Vendor Name (& Location) L.K. Comstock and Company, Inc.
Description Main Line Second Track Ronkonkoma Branch Phase II
Contract Term (including Options, if any) 572 consecutive calendar days
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Change Order
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept/Div & Dept/Div Head Name: Program Management, Paul Dietlin

SUMMARY INFORMATION	
Contact Number 6257	AWO/Modification # #3
Original Amount:	\$66,530,000
Prior Modifications:	\$3,102,008 NTE
Prior Budgetary Increases:	
Current Amount:	\$69,632,008 NTE
This Request:	\$2,473,852 NTE
% of This Request to Current Amount:	3.55%
% of Modifications (Including This Request) to Original Amount:	8.38%

I. PURPOSE/RECOMMENDATION

LIRR requests MTA Board approval to award a contract modification to L.K. Comstock (Comstock) in the not-to-exceed amount of \$2,473,852 to provide trench excavation and utility pole modifications between Central Islip and Farmingdale. This change order is a modification to contract #6257 with Comstock for the Design-Build Track and Systems Installation for the New Second Track on the Main Line Ronkonkoma Branch Phase II.

II. DISCUSSION

The new second track project calls for utility trenching and emplacement of PVC conduit to run signal and other cabling underneath the tracks between Central Islip and Farmingdale. In all, 121 trenches must be dug (80% of them using hand tools), conduit emplaced in them, and backfilled. This work originally was assigned to internal LIRR forces, but current labor resource constraints make this impossible within the project's schedule. Hence LIRR requires the contractor to undertake the work.

Additionally, cable mounting equipment must be installed on 135 existing utility poles along the same project area to accommodate the cabling connections. The contractor originally was to install poles supplied by LIRR and make the attachments prior to the poles being erected. Subsequent LIRR field analysis indicated that existing poles on the project site could be used in lieu of installing new poles. However, attaching cable mounts to existing poles requires a change in work means and methods (to include climbing), at additional cost. A credit against the contract will be taken as part of this change order for not installing the original poles.

The requested amount for Comstock's scope of work is not to exceed \$2,473,852. LIRR has reviewed Comstock's proposal in detail and found their prices to be fair and reasonable.

In connection with a previous contract awarded to L.K. Comstock, L.K. Comstock was found to be responsible notwithstanding significant adverse information pursuant to the All-Agency Responsibility Guidelines and such responsibility finding (SAI waiver) was approved by Thomas F. Prendergast, MTA Chairman and CEO, on February 26, 2016. No new SAI has been found relating to L.K. Comstock and L.K. Comstock has been found to be responsible.

Staff Summary

III. D/M/WBE INFORMATION

The MTA Department of Diversity and Civil Rights has established MBE/WBE goals of 15%/15% for this contract.

IV. IMPACT ON FUNDING

Funding for this change order is included in LIRR's 2015-2019 Capital Budget.

V. ALTERNATIVES

The only other alternative to including the conduit installation in this contract modification would be to solicit proposals for this work from other contractors. Contracting with another contractor would not be in the best interest of the LIRR for the following reasons:

- LIRR would lose the benefit of L.K. Comstock's knowledge of the project gained so far through their design and construction work.
- L.K. Comstock has other Contract work in the same area. As such, by utilizing a different contractor, there would be significant duplication of effort by the new contractor, which would have to mobilize to the area, become familiar with the needs of the project and understanding of the project corridor. The increased time resulting from the learning curve of a new contractor would adversely impact the schedule of this fast track project.



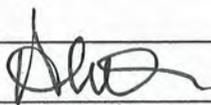
Metro-North Railroad

Procurements

Subject Request for Authorization to Award Various Procurements

Department Procurement and Material Management

Department Head Name
Alfred Muir, Sr. Director

Department Head Signature 

Project Manager Name

Date
April 13, 2018

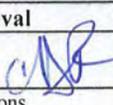
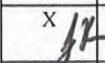
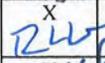
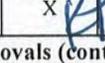
Vendor Name
Various

Contract Number
Various

Contract Manager Name
Various

Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	MNR Comm. Mtg.	4-23-18	X		
2	MTA Board Mtg.	4-25-18	X		

Internal Approvals			
	Approval		Approval
X	President 	X	V.P. Capital Programs
X	Sr. V.P. Operations 		
X	V.P. & General Counsel 		
X	V.P. Finance & IT 		

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
_____	_____	_____	_____	_____	_____	_____	_____

PURPOSE:
To obtain approval of the Board to award various contracts/contract modifications and purchase orders, and to inform the MTA Metro-North Railroad Committee of these procurement actions.

DISCUSSION:
MNR proposes to award non-competitive procurements in the following categories:

	# of Actions	\$ Amount
<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>	NONE	
<u>Schedules Requiring Majority Vote</u>	NONE	
SUB TOTAL:		

MNR proposes to award competitive procurements in the following categories:

	<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>	<u>NONE</u>	
<u>Schedules Requiring Majority Vote</u>		
Schedule I: Modifications to Purchase and Public Work Contracts	1	\$8,149,272
• Judlau-TC Electric Joint Venture \$8,149,272		
SUB TOTAL:	1	\$8,149,272

MNR presents the following procurement actions for Ratification:

<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>	NONE	
<u>Schedules Requiring Majority Vote</u>	NONE	
SUB TOTAL:		
TOTAL:	1	\$8,149,272

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 MNR operating and capital funds in the amount listed. Funds are available in the current MNR 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 2018

METRO-NORTH RAILROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

I. Modifications to Purchase and Public Work Contracts

(Approvals/Staff Summaries required for individual change orders greater than \$250K. Approvals without Staff Summaries required for change orders greater than 15% of previously approved amount which are also at least \$50K)

**1. Judlau-TC Electric Joint Venture \$8,149,272 (not-to-exceed) Staff Summary Attached
Design/Build Power/C&S Infrastructure Improvements CP-5 to CP-35**

Approval is requested for a contract modification in the not-to-exceed amount of \$8,149,272 to the firm Judlau-TC Electric Joint Venture for the Design/Build Power/C&S Infrastructure Improvements from Mott Haven (CP-5) to Croton-Harmon (CP-35).

As a result of Superstorm Sandy, a significant portion of MNR's Hudson Line was completely submerged and Power and Communication & Signal (C&S) infrastructure systems were inundated with salt water and significantly damaged. As part of that infrastructure restoration program, a design/build contract was competitively solicited and awarded in May 2015 to the firm Judlau-TC Electric Joint Venture. Phase 1 of the project from Greystone to Croton-Harmon totaled \$105,521,300; the second phase included in the original competitive solicitation from Mott Haven to Greystone and was elected in November 2016 in the amount of \$86,898,700. The key contract work includes hardening of C&S and power infrastructure components via installation of elevated equipment platforms and installation of new power and C&S cabling in conduits and cable troughs for protection against damage. Compromised and/or failed system components such as 3rd rail sectionalizing switches, snow-melt systems, remote terminal cabinets, signal transformers positive and negative system cabling and 3rd rail system components exposed to the brackish water are to be replaced as part of this program.

Approval is requested at this time for a contract modification in the not-to-exceed amount of \$8,149,272 for additional and adjusted quantities of various unit bid items to complete Phase 1. It was not feasible or desirable to fully investigate all field conditions existing on the Hudson Line prior to solicitation and award of this contract. A full investigation of all subsurface conditions would have greatly extended the pre-solicitation design period such that the availability of federal funds would have been jeopardized. Accordingly, the contract was bid as a combination of lump sum items and estimated unit price quantities, which provided a reasonable allocation of risk between MNR and the contractor. Placing the risk of subsurface conditions on the contractor, where neither MNR nor the contractor had the ability to fully investigate those conditions before the start of the contractor, would have resulted in a higher initial contract price based on the contractor's need to include a very high level of contingency in its price.

In fact, field conditions have dictated that alternate design considerations and construction means & methods be implemented, and unit prices adjusted or renegotiated, in order to reduce or eliminate

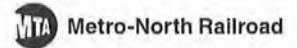
conflicts with existing buried utilities, to lessen service impacts by reducing the need for track outages and to minimize interference with existing signal power or communication cable/fiber installations.

The result of these additions and deletions will be a net not-to-exceed amount of \$8,149,272 to complete Phase 1. The design changes and revised unit bid items have been negotiated by MNR and the contractor and are deemed fair and reasonable.

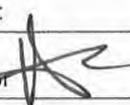
In connection with a previous contract awarded to the Contractor, the Contractor was found to be responsible notwithstanding significant adverse information pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Interim Executive Director in consultation with the MTA General Counsel. No new SAI has been found relating to the Contractor and the Contractor has been found to be responsible.

It is recommended at this time a contract modification be approved in the not-to-exceed amount of \$8,149,272. Funding is included in the MTA Capital Program through the FTA funded Sandy Emergency Relief Program.

Schedule I: Modifications to Purchase and Public Works Contracts



Item Number: 1

Vendor Name (& Location) Judlau-TC Electric Joint Venture
Description Design/Build Power/C&S Infrastructure Improvements CP-5 to CP-35
Contract Term (including Options, if any) 50 Months
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 type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept./Div. & Dept./Div. Head Name: Procurement & Material Management, Al Muir, Sr. Director 

Contract Number 39881	AWO/Modification # 14-32
Original Phase 1*	\$105,521,300
Prior Modifications: Phase 1	\$8,087,671
Option – Phase 2	\$86,898,700
Prior Budgetary Increases:	\$0.00
Current Amount:	\$ 200,507,671
This Request:	\$8,149,272 (not-to-exceed)
% of This Request to Current Amount:	4.064% (Phase 1)
% of Modifications (Including This Request) to Original Amount:	15% (Phase 1)

Discussion and Background:

Approval is requested for a contract modification in the not-to-exceed amount of \$8,149,272 to the firm Judlau-TC Electric Joint Venture for the Design/Build Power/C&S Infrastructure Improvements from Mott Haven (CP-5) to Croton-Harmon (CP-35).

As a result of Superstorm Sandy, a significant portion of MNR’s Hudson Line was completely submerged and Power and Communication & Signal (C&S) infrastructure systems were inundated with salt water and significantly damaged. As part of that infrastructure restoration program, a design/build contract was competitively solicited and awarded in May 2015 to the firm Judlau-TC Electric Joint Venture. Phase 1 of the project from Greystone to Croton-Harmon totaled \$105,521,300; the second phase included in the original competitive solicitation from Mott Haven to Greystone and was elected in November 2016 in the amount of \$86,898,700. The key contract work includes hardening of C&S and power infrastructure components via installation of elevated equipment platforms and installation of new power and C&S cabling in conduits and cable troughs for protection against damage. Compromised and/or failed system components such as 3rd rail sectionalizing switches, snow-melt systems, remote terminal cabinets, signal transformers positive and negative system cabling and 3rd rail system components exposed to the brackish water are to be replaced as part of this program.

Procurement Action

Approval is requested at this time for a contract modification in the not-to-exceed amount of \$8,149,272 for additional and adjusted quantities of various unit bid items to complete Phase 1. It was not feasible or desirable to fully investigate all field conditions existing on the Hudson Line prior to solicitation and award of this contract. A full investigation of all subsurface conditions would have greatly extended the pre-solicitation design period such that the availability of federal funds would have been jeopardized. Accordingly, the contract was bid as a combination of lump sum items and estimated unit price quantities, which provided a reasonable allocation of risk between MNR and the contractor. Placing the risk of subsurface conditions on the contractor, where neither MNR nor the contractor had the ability to fully investigate those conditions before the start of the contractor, would have resulted in a higher initial contract price based on the contractor’s need to include a very high level of contingency in its price.

In fact, field conditions have dictated that alternate design considerations and construction means & methods be implemented, and unit prices adjusted or renegotiated, in order to reduce or eliminate conflicts with existing buried utilities, to lessen service impacts by reducing the need for track outages and to minimize interference with existing signal power or communication cable/fiber installations.

Schedule I: Modifications to Purchase and Public Works Contracts

The specific contract changes are as follows:

- 1) Based on pre-solicitation assumptions made by the railroad, it was anticipated that installing C&S cable trough above signal power conduits in an over/under configuration would be the most advantageous methodology for efficient installation. However, this over/under configuration requires an approximate excavation depth of 6'. It became apparent during the construction that this configuration was causing actual interference with existing railroad utilities and increased the potential to encounter substantial quantities of subsurface rock. The implementation of this configuration would be made more expensive by the requirement for OSHA-approved safety sheeting to protect workers and any adjoining facilities. It was determined that an alternate configuration would allow a significantly shallower, thus safer, excavation that would encounter less rock. This revised methodology while increasing certain contractor costs benefits MNR by reducing the number of required track outages that have a negative effect on train operations. The project cost directly related to this field change, after the reduction of certain unit items along with the increase of previously defined units yielded a net not-to-exceed amount of \$2,634,530.
- 2) The railroad had initially specified a minimum offset of the installation of cable troughs and other infrastructure of 12" from the edge of tie. However, it was determined during the construction phase that this specified offset would negatively impact the future maintenance of the railroad, and therefore the railroad determined to increase the infrastructure distance from edge of tie to 30". In connection with this design change, the railroad allowed for the installation of eight-4" diameter C&S conduits in lieu of trough reducing interfaces with adjacent property owners, existing wetlands, slopes, rock outcroppings, and the Hudson River. This change allows for the installation of hardened cable conduits to be used above ground where field conditions dictate, increasing resiliency and protecting the railroad's critical infrastructure. These alternate designs necessitated the creation of new contract unit items for this installation method that were not originally envisioned in the contract documents. The project cost related to this field change, after the reduction of certain unit items along with the increase of other units yielded a net not-to-exceed amount of \$4,898,852.
- 3) The remaining adjustments in contract quantities are related to the increased use of test pits and soil and rock excavation, which exceeded estimated quantities but did not require changes to the design. These activities require an increase not-to-exceed amount of \$615,890.

The result of these additions and deletions will be a net not-to-exceed amount of \$8,149,272 to complete Phase 1. The design changes and revised unit bid items have been negotiated by MNR and the contractor and are deemed fair and reasonable.

In connection with a previous contract awarded to the Contractor, the Contractor was found to be responsible notwithstanding significant adverse information pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Interim Executive Director in consultation with the MTA General Counsel. No new SAI has been found relating to the Contractor and the Contractor has been found to be responsible.

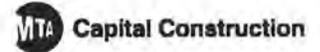
It is recommended at this time a contract modification be approved in the not-to-exceed amount of \$8,149,272. Funding is included in the MTA Capital Program through the FTA funded Sandy Emergency Relief Program.

**METRO NORTH AND LONG ISLAND RAIL ROAD
JOINT COMMITTEE**

MTA BOARD

**PROCUREMENT PACKAGE
APRIL 2018**

Staff Summary



Subject Request for Authorization to Award Various Procurements					
Department Law and Procurement					
Department Head Name Evan M. Eisland					
Department Head Signature 					
Board Action					
Order	To	Date	Approval	Info	Other
1	MNR and LIRR Joint Committee	4/23/18	X		
2	Board	4/25/18	X		

Date: April 19, 2018			
Vendor Name GCT Constructors Joint Venture (Secaucus, NJ)			
Contract Number CM014B			
Contract Manager Name Michael Gaspar			
Internal Approvals			
	Approval		Approval
3	Vice President, Program Controls 	5	President
2	Vice President & Chief Financial Officer 	4	Executive Vice President
1	Vice President & Chief Procurement Officer 		

PURPOSE

To obtain the approval of the Board to award a contract modification and, to inform the Long Island Rail Road Committee of this procurement action.

DISCUSSION

MTA Capital Construction proposes to award a Competitive Procurements in the following category:

Schedules Requiring Majority Vote:	<u># of Actions</u>	<u>\$ Amount</u>
Schedule I Modification to Purchase or Public Work Contract	2	\$ 1,855,000
TOTAL	2	\$ 1,855,000

Budget Impact:

The approval of the contract modification will obligate MTA Capital Construction capital funds in the amount listed. Funds are available in the capital budget for this purpose.

Recommendation:

That the contract modifications be approved as proposed. (The items are included in the resolution of approval at the beginning of the Procurement Section.)

MTA Capital Construction Company

BOARD RESOLUTION

WHEREAS, in accordance with Section 1265-a and 1209 of the Public Authorities Law and the All Agency Procurement guidelines, the Board authorizes the award of certain non-competitive purchase and public works 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 service and miscellaneous procurement contracts, certain change orders to purchase, public work, and miscellaneous service and miscellaneous procurement contracts;

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 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 authorization to solicit proposals is requested, for the reasons specified therein, the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals and authorizes the solicitation of such proposals.
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. As to each action set forth in Schedule D, the Board declares competitive bidding impractical or inappropriate for the reasons specified therein, and ratifies each action 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; 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.
7. The Board authorizes the budget adjustments to estimated contracts set forth in Schedule L.

April 2018

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

Schedule I. Modification 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)

GCT Constructors Joint Venture		<u>Staff Summary Attached</u>
1.	Contract No. CM014B Mod No. 155	\$ 933,000
2.	Contract No. CM014B Mod No. 157	\$ 922,000



In accordance with Article VIII of the All-Agency General Contract Procurement Guidelines, MTACC seeks Board approval to modify the contract to resolve a portion of the backlog of differing site conditions, and other related issues.

Item Number: 1 and 2

Page 1 of 2

Vendor Name (& Location) GCT Constructors Joint Venture (Secaucus, NJ)
Description GCT Concourse and Facilities Fit-Out for the ESA Project
Contract Term (including Options, if any): 1,726 Days
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input 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 Other: Modification
Funding Source <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input checked="" type="checkbox"/> Other:
Requesting Dept/Div & Dept/Div Head Name: East Side Access/William Goodrich, P.E.

Contract Number	AWO/Modification #
CM014B	155 & 157
Original Contract Amount:	\$ 404,622,096
Original Option Amounts:	\$ 24,277,904
Original Board Approved Amount:	\$ 428,900,000
Prior Modifications:	\$ 14,578,430
Exercised Options:	\$ 24,277,904
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 443,478,430
This Request	\$ 933,000
	\$ 922,000
% of This Request to Current Amount:	.4%
% of Modifications (including This Request) to Original Amount:	4%

Discussion:

Contract CM014B is for the architectural, structural, electrical, plumbing, and mechanical fit-out of the new Long Island Railroad (LIRR) Concourse located in the former Madison Yard of Grand Central Terminal. In accordance with Article VIII of the All Agency General Contract Procurement Guidelines, MTACC seeks Board approval to modify the contract to resolve a portion of the backlog of differing site conditions, and other related issues discussed below, that are affecting completion of the Contract.

The changes to the work associated with Modifications 155 and 157 address 49 separate issues. The majority of the issues involve the resolution of structural steel clashes, revisions to mechanical equipment, utility and duct layouts, and masonry walls, and the relocation of drainage pipes as a result of existing field conditions not being adequately represented in the contract drawings. Other issues include adjustments to fire alarms, the addition of valves for the domestic water system, and revisions affecting access and architectural features. Some of these changes may be the result of design errors or omissions and to the extent they are, claims will be pursued against the designer of record. Bundling these smaller issues into larger modifications is a more efficient way to resolve the backlog of issues facing this contract and MTACC anticipates that similar bundles of these types of issues will be presented to the Board in the future until the backlog is eliminated.

For Modification 155, the Contractor submitted a cost proposal of \$1,520,969 for 31 issues. MTACC prepared a separate estimate for each issue and the total estimate for all 31 issues was \$1,047,960. Negotiations were held and both parties agreed to a cost of \$933,000, which is considered to be fair and reasonable as it falls below the MTACC Project Estimate.

For Modification 157, the Contractor submitted a cost proposal of \$2,286,717 for 18 issues. MTACC prepared separate estimates for each issue and the total estimate for all 18 issues was \$1,228,939. Negotiations were held and both parties agreed to a cost of \$922,000 which is considered to be fair and reasonable as it falls below the MTACC Project Estimate.

Item Numbers: 1 and 2

Page 2 of 2

In connection with previous contracts awarded to the joint venture partners who form GCT Constructors Joint Venture, both John P. Picone Inc. (“JPP”) and Schiavone Construction Company, LLC (“Schiavone”) were found to be responsible notwithstanding significant adverse information (“SAI”) pursuant to the All-Agency Responsibility Guidelines and such responsibility findings were approved by the MTA Chairman/CEO in consultation with the MTA General Counsel in December 2014. MTACC is currently performing an updated responsibility review of the joint venture partners which is not complete. In the event that new SAI is discovered in connection with that review we will report it to the Board and take appropriate action.



LONG ISLAND RAIL ROAD



Monthly Operating Report March 2018

Phillip Eng
President

04/23/18 *****



**OPERATING REPORT
FOR MONTH OF MARCH 2018**

Performance Summary

		2018 Data			2017 Data		
		Annual	YTD thru		YTD thru		
		Goal	Mar	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	94.0%	88.1%	88.3%	90.9%	90.9%
		AM Peak		88.9%	85.3%	91.7%	89.6%
		PM Peak		81.1%	80.4%	83.8%	84.0%
		Total Peak		85.3%	83.0%	87.9%	86.9%
		Off Peak Weekday		89.1%	89.3%	91.1%	90.8%
		Weekend		89.4%	92.6%	94.8%	95.9%
	Babylon Branch	Overall	93.9%	87.9%	87.2%	90.8%	90.3%
		AM Peak		88.3%	84.5%	93.1%	90.1%
		PM Peak		78.7%	78.2%	82.8%	82.4%
		Total Peak		83.8%	81.6%	88.3%	86.5%
	Off Peak Weekday		88.9%	89.3%	92.0%	90.9%	
	Weekend		92.9%	91.5%	92.3%	95.3%	
Far Rockaway Branch	Overall	96.6%	93.8%	92.8%	95.8%	94.5%	
	AM Peak		89.7%	85.9%	92.9%	90.8%	
	PM Peak		90.9%	89.2%	93.2%	90.7%	
	Total Peak		90.2%	87.4%	93.0%	90.7%	
	Off Peak Weekday		93.9%	93.7%	96.1%	94.6%	
	Weekend		97.5%	96.2%	98.6%	98.2%	
Huntington Branch	Overall	92.5%	86.4%	87.2%	87.8%	89.1%	
	AM Peak		87.9%	85.3%	89.6%	88.1%	
	PM Peak		77.6%	76.0%	73.3%	77.4%	
	Total Peak		83.1%	81.0%	81.7%	82.9%	
	Off Peak Weekday		86.0%	87.7%	86.5%	88.1%	
	Weekend		90.0%	91.8%	96.3%	95.8%	
Hempstead Branch	Overall	96.5%	88.1%	88.3%	92.9%	92.0%	
	AM Peak		85.5%	82.6%	92.2%	89.7%	
	PM Peak		77.3%	80.1%	84.5%	84.7%	
	Total Peak		81.6%	81.4%	88.6%	87.3%	
	Off Peak Weekday		90.0%	89.5%	93.3%	91.9%	
	Weekend		90.9%	92.6%	97.4%	97.1%	
Long Beach Branch	Overall	95.9%	92.0%	90.3%	92.2%	91.7%	
	AM Peak		91.3%	84.4%	93.8%	91.3%	
	PM Peak		86.4%	84.9%	83.0%	85.3%	
	Total Peak		88.9%	84.6%	88.7%	88.4%	
	Off Peak Weekday		92.3%	90.9%	92.9%	91.3%	
	Weekend		95.3%	96.0%	95.8%	96.9%	
Montauk Branch	Overall	90.8%	90.4%	88.7%	91.1%	90.6%	
	AM Peak		84.7%	86.9%	95.7%	88.3%	
	PM Peak		83.9%	79.1%	87.3%	86.1%	
	Total Peak		84.3%	83.3%	91.7%	87.3%	
	Off Peak Weekday		90.3%	89.0%	92.3%	91.5%	
	Weekend		95.7%	92.5%	87.8%	91.9%	
Oyster Bay Branch	Overall	94.1%	85.0%	87.5%	88.7%	90.6%	
	AM Peak		91.6%	90.1%	90.7%	89.1%	
	PM Peak		67.4%	71.2%	78.3%	83.3%	
	Total Peak		80.4%	81.4%	84.9%	86.4%	
	Off Peak Weekday		86.8%	89.2%	88.4%	91.1%	
	Weekend		87.4%	91.7%	96.0%	95.3%	

Performance Summary		2018 Data			2017 Data	
		Annual	YTD thru		YTD thru	
		Goal	Mar	Mar	Mar	Mar
Port Jefferson Branch	Overall	90.9%	83.5%	85.0%	87.0%	88.8%
	AM Peak		86.9%	84.5%	90.2%	87.5%
	PM Peak		74.7%	76.7%	80.7%	83.7%
	Total Peak		81.2%	80.9%	85.8%	85.7%
	Off Peak Weekday		81.6%	83.1%	83.5%	86.2%
	Weekend		90.5%	93.7%	97.3%	97.6%
Port Washington Branch	Overall	95.3%	88.0%	90.2%	91.5%	91.7%
	AM Peak		97.1%	91.8%	90.3%	92.8%
	PM Peak		86.4%	84.7%	86.5%	84.9%
	Total Peak		91.9%	88.3%	88.4%	88.7%
	Off Peak Weekday		92.1%	91.0%	90.7%	90.6%
	Weekend		73.3%	90.6%	98.0%	97.3%
Ronkonkoma Branch	Overall	91.6%	83.8%	84.3%	88.7%	88.8%
	AM Peak		83.7%	80.8%	88.9%	86.1%
	PM Peak		81.5%	79.7%	87.5%	85.9%
	Total Peak		82.8%	80.3%	88.3%	86.0%
	Off Peak Weekday		83.4%	84.7%	88.9%	88.7%
	Weekend		88.3%	91.9%	88.8%	92.8%
West Hempstead Branch	Overall	95.8%	90.3%	90.0%	94.6%	93.9%
	AM Peak		90.0%	81.9%	93.9%	90.8%
	PM Peak		84.1%	82.0%	85.5%	85.4%
	Total Peak		86.8%	82.0%	89.3%	87.9%
	Off Peak Weekday		94.7%	93.5%	96.8%	95.6%
	Weekend		83.8%	92.7%	97.2%	98.4%
Operating Statistics	Trains Scheduled		20,840	60,390	21,305	61,174
	Avg. Delay per Late Train (min) excluding trains canceled or terminated		-14.7	-14.6	-12.9	-13.7
	Trains Over 15 min. Late excluding trains canceled or terminated		433	1,422	351	1,152
	Trains Canceled		399	823	161	444
	Trains Terminated		278	453	123	253
	Percent of Scheduled Trips Completed		96.8%	97.9%	98.7%	98.9%
	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>					
	AM Peak		98.4%			
	PM Peak		97.4%			
	Total Peak		97.9%			

System Categories Of Delay	% Total	2018	2018 Data		2017 Data		YTD 2018 Vs 2017
		Feb	Mar	YTD Thru Mar	Mar	YTD Thru Mar	
Engineering (Scheduled)	0.8%	11	21	48	59	157	(109)
Engineering (Unscheduled)	4.0%	177	100	719	408	928	(209)
Maintenance of Equipment	6.2%	187	155	546	171	610	(64)
Transportation	2.1%	20	53	114	37	280	(166)
Capital Projects	2.3%	81	58	183	35	42	141
Weather and Environmental	40.1%	59	996	2,396	315	1,426	970
Police	10.3%	294	257	732	128	467	265
Customers	13.5%	274	335	991	320	832	159
Special Events	2.7%	11	68	118	34	52	66
Other	11.1%	78	275	543	138	295	248
3rd Party Operations	6.8%	80	168	701	290	482	219
Total	100.0%	1,272	2,486	7,091	1,935	5,571	1,520

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
1-Mar	Thur	Amtrak related switch trouble in F Interlocking				16			5			21		
2-Mar	Fri	High winds				56	49	17	111	51	23	167	100	40
3-Mar	Sat	High winds (from 3/2)							3	35	79	3	35	79
3-Mar	Sat	Train 7713 struck a trespasser west of Westbury Station							12	8	1	12	8	1
4-Mar	Sun	High winds (from 3/2)							7	74		7	74	
7-Mar	Wed	Snow Storm				60	58	2	93	37	6	153	95	8
8-Mar	Thur	Snow Storm (From 3/7)	4						6		1	10		1
11-Mar	Sun	Emergency PSEG work							10			10		
13-Mar	Tues	Weather loading	17						11			28		
13-Mar	Tues	Snow Storm	13									13		
16-Mar	Fri	FDNY Activity				45	36	1	50	38	10	95	74	11
16-Mar	Fri	Slow Loading	20	1					3	1	0	23	2	
19-Mar	Mon	Loss of Signal Supervisory System at Divide Interlocking							11			11		
19-Mar	Mon	Train 1101 with equipment trouble	7	1		3						10	1	
21-Mar	Wed	Winter Storm Toby	2			6	5		33	3		41	8	
22-Mar	Thur	Winter Storm Toby	58						18			76		
23-Mar	Fri	Con Ed feeder cable trouble	18	2	12				3	1	11	21	3	23
23-Mar	Fri	Amtrak related signal trouble				16	5			1		16	6	
23-Mar	Fri	Automobile accident east of Mineola				2	2	3	23	24	1	25	26	4
24-Mar	Sat	Automobile accident east of Mineola (3/23)							3	6	3	3	6	3
24-Mar	Sat	Heavy Event Loading							26			26		
27-Mar	Tues	Train 2733 with a trespasser strike at Baldwin Station	35	7					8	3		43	10	
29-Mar	Thurs	Train 2742 with equipment trouble				9	1		3		4	12	1	4
30-Mar	Fri	Train 28 with equipment trouble in Penn Station	6						4			10		
TOTAL FOR MONTH			180	11	12	213	156	23	436	215	213	829	382	248
												1459		



Long Island Rail Road

OPERATIONS

MECHANICAL REPORT

Long Island Rail Road

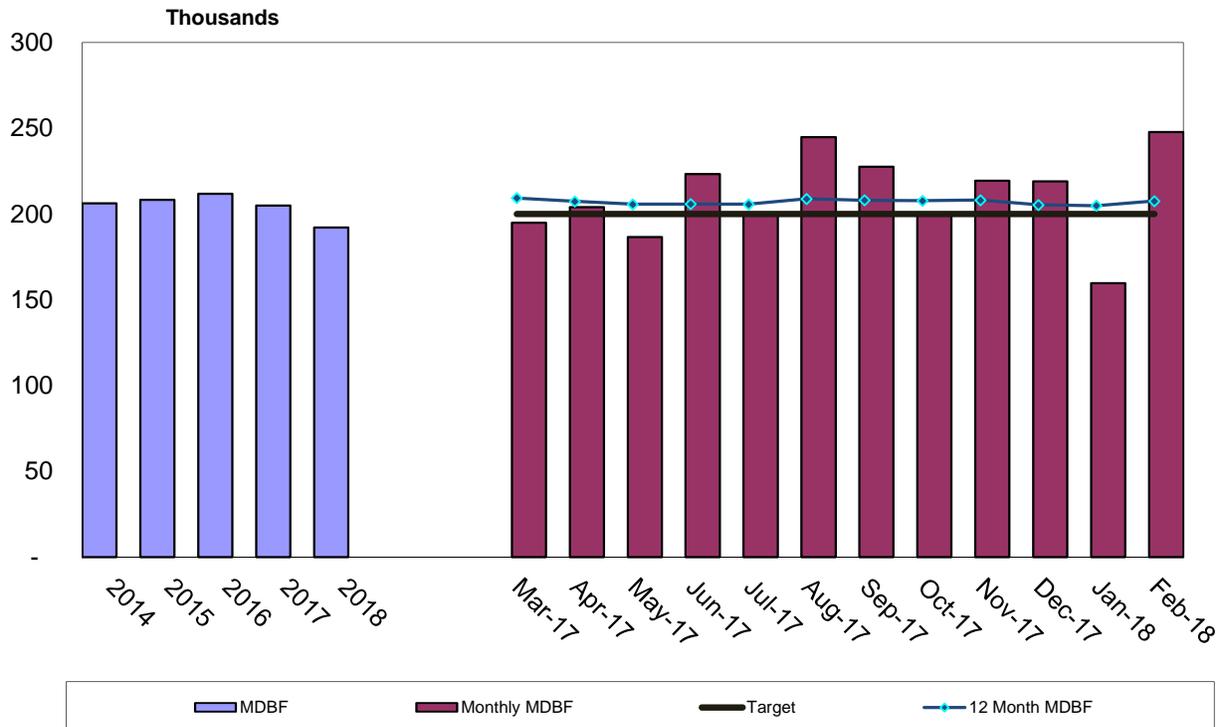
MEAN DISTANCE BETWEEN FAILURES - FEBRUARY 2018

			2018 Data					2017 Data		
	Equip-ment Type	Total Fleet Owned	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	M-3	161	67,000	106,380	5	75,800	75,537	46,317	11	61,232
Distance	M-7	836	440,000	464,728	10	544,962	481,951	472,674	10	398,478
Between Failures	C-3	134	122,000	155,207	4	65,486	117,127	203,904	3	99,337
	DE	24	22,000	18,402	5	20,798	19,471	20,778	4	19,398
	DM	21	22,000	54,691**	0	31,001	27,338	66,182	1	28,030
	Diesel	179	65,000	85,281	9	49,118	64,805	95,126	8	59,486
	Fleet	1,176	200,000	247,780	24	192,176	207,512	206,801	29	181,004

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.

**Since DM fleet had no primary failures in February 2018, actual miles are shown on the chart above.

ALL FLEETS Mean Distance Between Failure 2014 - 2018





Standee Report

East Of Jamaica

			2018 Data	
			March	
			AM Peak	PM Peak
Daily Average	Babylon Branch	Program Standees	0	0
		Add'l Standees	1	3
			Total Standees	3
	Far Rockaway Branch	Program Standees	0	0
		Add'l Standees	0	3
			Total Standees	3
	Huntington Branch	Program Standees	40	0
		Add'l Standees	124	3
			Total Standees	164
	Hempstead Branch	Program Standees	0	0
		Add'l Standees	0	0
			Total Standees	0
	Long Beach Branch	Program Standees	0	0
		Add'l Standees	2	3
			Total Standees	3
	Montauk Branch	Program Standees	0	0
		Add'l Standees	0	0
			Total Standees	0
	Oyster Bay Branch	Program Standees	0	0
		Add'l Standees	0	0
			Total Standees	0
	Port Jefferson Branch	Program Standees	0	0
		Add'l Standees	4	0
			Total Standees	0
	Port Washington Branch	Program Standees	0	0
		Add'l Standees	34	113
			Total Standees	113
	Ronkonkoma Branch	Program Standees	0	0
		Add'l Standees	23	26
			Total Standees	26
	West Hempstead Branch	Program Standees	0	0
		Add'l Standees	0	0
			Total Standees	0
			System Wide PEAK	150

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.



Standee Report

West Of Jamaica

		2018 Data		
		March		
		AM Peak	PM Peak	
Daily Average	Babylon Branch	Program Standees	0	0
		Add'l Standees	17	2
		Total Standees	17	2
	Far Rockaway Branch	Program Standees	0	0
		Add'l Standees	4	3
		Total Standees	4	3
	Huntington Branch	Program Standees	40	0
		Add'l Standees	42	40
		Total Standees	82	40
	Hempstead Branch	Program Standees	0	0
		Add'l Standees	0	151
		Total Standees	0	151
	Long Beach Branch	Program Standees	28	0
		Add'l Standees	4	0
		Total Standees	32	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	1	0
		Total Standees	1	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	34	113
		Total Standees	34	113
	Ronkonkoma Branch	Program Standees	0	0
		Add'l Standees	6	14
		Total Standees	6	14
	West Hempstead Branch	Program Standees	0	0
		Add'l Standees	30	0
		Total Standees	30	0
		System Wide PEAK	206	322

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.

**ELEVATOR AND ESCALATOR OPERATING REPORT
FOR THE MONTH OF MARCH 2018**

Elevator Availability		2018		2017	
		March	Year to Date	March	Year to Date
Branch	Babylon Branch	96.8%	98.3%	98.9%	99.0%
	Far Rockaway Branch	99.0%	99.2%	99.2%	98.9%
	Hempstead Branch	99.4%	99.5%	99.1%	99.2%
	Long Beach Branch	99.5%	99.3%	98.9%	98.5%
	Port Jefferson Branch	99.3%	98.1%	98.9%	99.0%
	Port Washington Branch	99.5%	99.6%	99.2%	99.4%
	Ronkonkoma Branch	99.1%	99.3%	98.7%	98.8%
	City Terminal Stations	99.5%	99.7%	99.4%	97.7%
	Overall Average	98.7%	99.1%	99.0%	98.7%

Escalator Availability		2018		2017	
		March	Year to Date	March	Year to Date
Branch	Babylon Branch	97.7%	95.3%	97.1%	97.4%
	Far Rockaway Branch	79.5%	92.6%	99.1%	98.6%
	Hempstead Branch	98.0%	98.5%	98.2%	98.8%
	Long Beach Branch	97.3%	97.6%	90.7%	91.0%
	Port Jefferson Branch	97.4%	98.7%	97.9%	97.7%
	City Terminal	97.4%	98.9%	99.9%	99.4%
	Overall Average	97.0%	97.2%	98.3%	98.2%



Long Island Rail Road

OPERATIONS SAFETY REPORT

February Safety Report

Statistical results for the 12-Month period are shown below.

Performance			
Performance Indicator	12-Month Average		
	March 2015- February 2016	March 2016- February 2017	March 2017- February 2018
FRA Reportable Customer Accident Rate per Million Customers	4.50	4.20	2.83
FRA Reportable Employee Lost Time Injury Rate per 200,000 worker hours	3.25	3.27	3.65
Grade Crossing Incidents ¹	13	8	15
Mainline FRA Reportable Train Derailments	0	3	0
Mainline FRA Reportable Train Collisions	2	2	1

¹ Per FRA - Any impact between railroad on-track equipment and a highway user at a highway-rail grade crossing. The term "highway user" includes automobiles, buses, trucks, motorcycles, bicycles, farm vehicles, pedestrians, and all other modes of surface transportation motorized and un-motorized.

Leading Indicators				
Focus on Safety Training	2017		2018	
	February	Year to Date	February	Year to Date
First Responders Trained	134	413	194	282
Employee Safety Training Courses	87	124	76	146
Employees Trained	1,083	2,029	997	1945
Employee Safety Training Hours	20,549	50,409	22,356	41,839
Customer and Community:	February 2017	Year to Date	February 2018	Year to Date
Broken Gates	7	15	7	14
MTA Police Details	57	98	106	230
Summons	198	321	117	199
Warnings	99	151	37	80
Arrests	0	0	0	0
Community Education and Outreach	10,342	17,655	8,540	16,566
	Completed		Total 2018	% Complete
Cameras on Rolling Stock	4		429	1%

Definitions:

First Responders Trained - The number of first responders trained to assist in crisis events.

Employee Safety Training Courses - The number of distinct safety-related courses offered, including technical courses that have a safety element. Repeats are excluded so that each course is counted only once.

Broken Gates - The number of events at grade crossing locations where a vehicle broke a crossing gate.

MTA Police Detail - The number of details specifically for the purpose of monitoring behavior at Grade Crossings.

Summons for Grade Crossing Violation and other Infractions- The number of violations issued to a motorist for going around a crossing gate or due to behavior that put the motorist at risk (i.e. cell phone use, etc.).

Warnings - The number of warnings issued to motorists due to behavior that put the motorist at risk (i.e. cell phone use, etc.).

Community Education and Outreach - The number of participants who attended a TRACKS, Operation LifeSaver, or Railroad Safety Awareness Event.

Cameras on Rolling Stock - Number of complete inward/outward camera installations on rolling stock.

**ELEVATOR AND ESCALATOR INJURY/ENTRAPMENT REPORT
FOR THE MONTH OF MARCH 2018**

Elevators	Mechanical Injury	Human Factor Injury	Entrapment
Atlantic Terminal	0	0	1
Ronkonkoma	0	0	1
Valley Stream	0	0	1
Wantagh	0	0	3

Escalators	Mechanical Injury	Human Factor Injury
There were no elevator incidents reported in the month of March 2018		

Definitions:

Mechanical includes sudden changes in speed, handrail, alignment. **Human Factor** includes lost balance, encumbrances, slip/trip/fall, pushed/shoved, intoxication, caught between, etc. **Entrapment** is defined as when customers are removed from an elevator with special tools or training. These events require intervention but not necessarily involve a customer injury.



Long Island Rail Road

Monthly Financial Report

February 2018

**MTA LONG ISLAND RAIL ROAD
FEBRUARY 2018 FINANCIAL REPORT
YEAR TO DATE ACTUAL VERSUS ADOPTED BUDGET
(\$ In Millions)**

SUMMARY

February YTD operating results were favorable by \$17.0 or 7.7% lower than the Adopted Budget.

Non-Reimbursable revenues through February were \$(1.0) unfavorable to the Adopted Budget. Other Operating Revenues were unfavorable due to timing of advertising revenue. Farebox Revenue was favorable as a result of higher ridership. Total Non-Reimbursable expenses through February were \$18.0 favorable due to lower labor expenses as a result of vacant positions and associated fringe costs and timing of material, partially offset by higher FELA Indemnity reserves, overtime and timing of maintenance and professional contracts.

YTD capital and other reimbursable expenditures (and reimbursements) were \$16.2 higher than the Adopted Budget due to timing of capital and other reimbursements.

REVENUE/RIDERSHIP

Year-to-date February **Total Revenues** (including Capital and Other Reimbursements) of \$188.0 were \$15.2 or 8.8% favorable to the Adopted Budget.

- **Y-T-D Farebox Revenues** were \$0.2 favorable to budget due to higher ridership, partially offset by lower yield per passenger. Ridership through February was 13.4 million. This was 2.1% lower than 2017 (adjusted for same number of calendar work days) and 0.3% higher than the Adopted Budget.
- **Y-T-D Other Operating Revenues** were \$(1.1) unfavorable to budget due to timing of advertising, partially offset by the higher rental and special services revenue.
- **Y-T-D Capital and Other Reimbursements** were \$16.2 favorable due to timing of capital activity and interagency reimbursements.

EXPENSES

Year-to-date February **Total Expenses** (including depreciation and other) of \$393.1 were favorable to the Adopted Budget by \$1.8 or 0.5%.

Labor Expenses, \$(1.5) unfavorable Y-T-D.

- **Payroll**, \$5.7 favorable Y-T-D (primarily vacant positions).
- **Overtime**, \$(4.2) unfavorable Y-T-D (primarily higher capital project activity, vacancy/absentee coverage and maintenance overtime, partially offset by lower weather-related overtime).
- **Health & Welfare**, \$1.5 favorable Y-T-D (vacant positions).
- **OPEB Current Payment**, \$2.4 favorable Y-T-D (fewer retirees/beneficiaries than projected).
- **Other Fringe**, \$(7.0) unfavorable Y-T-D (higher FELA Indemnity reserves and timing of Railroad Retirement Taxes).

Non-Labor Expenses, \$1.2 favorable Y-T-D.

- **Electric Power**, \$1.5 favorable Y-T-D (lower rates and consumption).
- **Fuel**, \$(0.4) unfavorable Y-T-D (higher rates and accrual adjustments, partially offset by lower consumption).
- **Insurance**, \$0.3 favorable Y-T-D (lower Force Account and liability Insurance, partially offset by higher property insurance).
- **Claims**, \$(0.5) unfavorable Y-T-D (increase in non-employee reserves).
- **Maintenance and Other Operating Contracts**, \$(3.6) unfavorable Y-T-D (Primarily timing of prior period accrual reversals).
- **Professional Services**, \$(2.2) unfavorable Y-T-D (Primarily higher capital project activity and timing of activities/payments for Enterprise Asset Management, MTA chargebacks and prior period accrual reversals).
- **Materials and Supplies**, \$5.5 favorable Y-T-D (primarily timing of modifications and Reliability Centered Maintenance activity for revenue fleet and miscellaneous inventory adjustments, partially offset by higher capital project activity).

- **Other Business Expense**, \$0.6 favorable Y-T-D (higher restitution of property damage and timing of bad debt reserves).

Depreciation and Other, \$2.1 favorable Y-T-D (lower Depreciation and Other Post-Employment Benefits).

CASH DEFICIT SUMMARY

The Cash Deficit through February of \$122.3 was \$40.4 favorable to the Adopted Budget due to higher receipts and lower expenditures.

FINANCIAL PERFORMANCE MEASURES

- The year-to-date Farebox Operating Ratio was 44.4%, 2.8 percentage points above the Adopted Budget resulting from lower expenses and higher revenue.
- Through February, the Adjusted Farebox Operating Ratio was 50.2%, which is favorable to the Adopted Budget due to lower expenses.
- Through February, the Adjusted Cost per Passenger was \$17.41, which is lower than the Adopted Budget due to lower expenses.
- Through February, the Revenue per Passenger was \$8.39, which was above the Adopted Budget.

TABLE 1

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
ACCURAL STATEMENT of OPERATIONS by CATEGORY
FEBRUARY 2018
(\$ in millions)

	Nonreimbursable				Reimbursable				Total			
	Budget	Actual	Favorable (Unfavorable)		Budget	Actual	Favorable (Unfavorable)		Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent			Variance	Percent
Revenue												
Farebox Revenue	\$55.160	\$55.584	\$0.424	0.8	\$0.000	\$0.000	\$0.000	-	\$55.160	\$55.584	\$0.424	0.8
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	3.013	3.217	0.203	6.7	0.000	0.000	0.000	-	3.013	3.217	0.203	6.7
Capital & Other Reimbursements	0.000	0.000	0.000	-	26.462	36.263	9.801	37.0	26.462	36.263	9.801	37.0
Total Revenue	\$58.174	\$58.801	\$0.627	1.1	\$26.462	\$36.263	\$9.801	37.0	\$84.636	\$95.063	\$10.428	12.3
Expenses												
<i>Labor:</i>												
Payroll	\$42.506	\$39.787	\$2.719	6.4	\$10.138	\$10.633	(\$0.495)	(4.9)	\$52.644	\$50.420	\$2.224	4.2
Overtime	11.872	10.889	0.983	8.3	2.408	4.805	(2.397)	(99.6)	14.279	15.694	(1.415)	(9.9)
Health and Welfare	10.315	9.138	1.177	11.4	2.127	2.648	(0.521)	(24.5)	12.442	11.786	0.656	5.3
PEPB Current Payment	6.342	5.186	1.156	18.2	0.000	0.000	0.000	-	6.342	5.186	1.156	18.2
Pensions	11.331	10.893	0.438	3.9	3.456	3.894	(0.438)	(12.7)	14.787	14.787	0.000	0.0
Other Fringe Benefits	12.804	14.049	(1.245)	(9.7)	2.175	2.847	(0.672)	(30.9)	14.979	16.896	(1.917)	(12.8)
Reimbursable Overhead	(1.925)	(4.165)	2.240	*	1.925	4.165	(2.240)	*	0.000	0.000	0.000	-
Total Labor Expenses	\$93.246	\$85.777	\$7.468	8.0	\$22.228	\$28.993	(\$6.765)	(30.4)	\$115.474	\$114.771	\$0.703	0.6
<i>Non-Labor:</i>												
Electric Power	\$7.310	\$6.090	\$1.221	16.7	\$0.000	\$0.143	(\$0.143)	-	\$7.310	\$6.232	\$1.078	14.7
Fuel	1.391	1.427	(0.036)	(2.6)	0.000	0.000	0.000	-	1.391	1.427	(0.036)	(2.6)
Insurance	1.761	1.704	0.057	3.2	0.666	0.633	0.033	5.0	2.427	2.337	0.090	3.7
Claims	0.364	1.191	(0.827)	*	0.000	0.000	0.000	-	0.364	1.191	(0.827)	*
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	7.042	9.238	(2.196)	(31.2)	1.166	2.327	(1.161)	(99.6)	8.208	11.565	(3.357)	(40.9)
Professional Service Contracts	2.823	5.120	(2.296)	(81.3)	0.047	0.402	(0.355)	*	2.870	5.522	(2.652)	(92.4)
Materials & Supplies	14.695	10.255	4.440	30.2	2.325	3.659	(1.334)	(57.4)	17.021	13.915	3.106	18.2
Other Business Expenses	1.476	1.393	0.083	5.6	0.029	0.106	(0.076)	*	1.506	1.499	0.007	0.5
Total Non-Labor Expenses	\$36.864	\$36.418	\$0.446	1.2	\$4.234	\$7.270	(\$3.036)	(71.7)	\$41.097	\$43.688	(\$2.590)	(6.3)
<i>Other Expense Adjustments:</i>												
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	\$130.110	\$122.195	\$7.914	6.1	\$26.462	\$36.263	(\$9.801)	(37.0)	\$156.571	\$158.458	(\$1.887)	(1.2)
Depreciation	\$28.407	\$27.692	\$0.715	2.5	\$0.000	\$0.000	\$0.000	-	\$28.407	\$27.692	\$0.715	2.5
Other Post Employment Benefits	7.539	7.134	0.405	5.4	0.000	0.000	0.000	-	7.539	7.134	0.405	5.4
GASB 68 Pension Expense Adjustment	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Environmental Remediation	0.167	0.167	0.000	0.0	0.000	0.000	0.000	-	0.167	0.167	0.000	0.0
Total Expenses	\$166.222	\$157.188	\$9.034	5.4	\$26.462	\$36.263	(\$9.801)	(37.0)	\$192.684	\$193.451	(\$0.767)	(0.4)
Net Surplus/(Deficit)	(\$108.048)	(\$98.387)	\$9.661	8.9	\$0.000	\$0.000	\$0.000	-	(\$108.048)	(\$98.387)	\$9.661	8.9
<i>Cash Conversion Adjustments</i>												
Depreciation	\$28.407	\$27.692	(\$0.715)	(2.5)	\$0.000	\$0.000	\$0.000	-	28.407	\$27.692	(\$0.715)	(2.5)
Operating/Capital	(0.433)	(0.594)	(0.161)	(37.1)	0.000	0.000	0.000	-	(0.433)	(0.594)	(0.161)	(37.1)
Other Cash Adjustments	(1.722)	(1.196)	0.526	30.5	0.000	0.000	0.000	-	(1.722)	(1.196)	0.526	30.5
Total Cash Conversion Adjustments	\$26.251	\$25.902	(\$0.350)	(1.3)	0.000	\$0.000	\$0.000	-	\$26.251	\$25.902	(\$0.350)	(1.3)
Net Cash Surplus/(Deficit)	(\$81.797)	(\$72.485)	\$9.312	11.4	\$0.000	\$0.000	\$0.000	-	(\$81.797)	(\$72.485)	\$9.312	11.4

Results are based on the preliminary close of the general ledger and are subject to review and adjustment. Please note that the current months' actuals do not include post-close adjustments, which will be captured in the subsequent month's YTD results.

TABLE 2

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
ACCURAL STATEMENT of OPERATIONS by CATEGORY
FEBRUARY Year-To-Date
(\$ in millions)

	Nonreimbursable				Reimbursable				Total			
	Budget	Actual	Favorable (Unfavorable)		Budget	Actual	Favorable (Unfavorable)		Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent			Variance	Percent
Revenue												
Farebox Revenue	\$111.585	\$111.737	\$0.152	0.1	\$0.000	\$0.000	\$0.000	-	\$111.585	\$111.737	\$0.152	0.1
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	6.071	4.937	(1.134)	(18.7)	0.000	0.000	0.000	-	6.071	4.937	(1.134)	(18.7)
Capital & Other Reimbursements	0.000	0.000	0.000	-	55.160	71.359	16.199	29.4	55.160	71.359	16.199	29.4
Total Revenue	\$117.656	\$116.674	(\$0.982)	(0.8)	\$55.160	\$71.359	\$16.199	29.4	\$172.816	\$188.033	\$15.217	8.8
Expenses												
<i>Labor:</i>												
Payroll	\$91.716	\$85.788	\$5.928	6.5	\$21.358	\$21.547	(\$0.189)	(0.9)	\$113.074	\$107.336	\$5.738	5.1
Overtime	24.237	24.633	(0.396)	(1.6)	4.824	8.603	(3.779)	(78.3)	29.060	33.235	(4.175)	(14.4)
Health and Welfare	20.343	17.958	2.385	11.7	4.452	5.344	(0.893)	(20.1)	24.794	23.302	1.492	6.0
OPEB Current Payment	12.685	10.270	2.414	19.0	0.000	0.000	0.000	-	12.685	10.270	2.414	19.0
Pensions	22.341	21.800	0.541	2.4	7.233	7.774	(0.541)	(7.5)	29.574	29.574	0.000	0.0
Other Fringe Benefits	26.841	32.709	(5.867)	(21.9)	4.552	5.681	(1.129)	(24.8)	31.394	38.390	(6.996)	(22.3)
Reimbursable Overhead	(4.201)	(8.108)	3.908	93.0	4.201	8.108	(3.908)	(93.0)	0.000	0.000	0.000	-
Total Labor Expenses	\$193.962	\$185.049	\$8.912	4.6	\$46.619	\$57.058	(\$10.439)	(22.4)	\$240.581	\$242.108	(\$1.527)	(0.6)
<i>Non-Labor:</i>												
Electric Power	\$15.324	\$13.650	\$1.674	10.9	\$0.000	\$0.186	(\$0.186)	-	\$15.324	\$13.837	\$1.488	9.7
Fuel	2.988	3.396	(0.408)	(13.7)	0.000	0.000	0.000	-	2.988	3.396	(0.408)	(13.7)
Insurance	3.523	3.404	0.119	3.4	1.406	1.221	0.185	13.2	4.929	4.625	0.304	6.2
Claims	0.728	1.239	(0.511)	(70.1)	0.000	0.000	0.000	-	0.728	1.239	(0.511)	(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	13.306	15.756	(2.451)	(18.4)	2.369	3.482	(1.113)	(47.0)	15.675	19.239	(3.564)	(22.7)
Professional Service Contracts	5.430	6.669	(1.240)	(22.8)	0.093	1.045	(0.952)	*	5.523	7.715	(2.192)	(39.7)
Materials & Supplies	29.373	20.188	9.184	31.3	4.611	8.330	(3.720)	(80.7)	33.983	28.519	5.464	16.1
Other Business Expenses	2.936	2.326	0.610	20.8	0.062	0.036	0.026	42.4	2.998	2.362	0.636	21.2
Total Non-Labor Expenses	\$73.607	\$66.630	\$6.977	9.5	\$8.541	\$14.301	(\$5.760)	(67.4)	\$82.148	\$80.931	\$1.217	1.5
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	\$267.569	\$251.680	\$15.889	5.9	\$55.160	\$71.359	(\$16.199)	(29.4)	\$322.729	\$323.038	(\$0.310)	(0.1)
Depreciation	\$56.813	\$55.383	1.430	2.5	\$0.000	\$0.000	\$0.000	-	\$56.813	\$55.383	\$1.430	2.5
Other Post Employment Benefits	15.078	14.370	0.708	4.7	0.000	0.000	0.000	-	15.078	14.370	0.708	4.7
GASB 68 Pension Expense Adjustment	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Environmental Remediation	0.333	0.333	0.000	0.0	0.000	0.000	0.000	-	0.333	0.333	0.000	0.0
Total Expenses	\$339.794	\$321.766	\$18.027	5.3	\$55.160	\$71.359	(\$16.199)	(29.4)	\$394.954	\$393.125	\$1.829	0.5
Net Surplus/(Deficit)	(\$22.138)	(\$205.092)	\$17.045	7.7	\$0.000	\$0.000	\$0.000	-	(\$22.138)	(\$205.092)	\$17.045	7.7
<i>Cash Conversion Adjustments</i>												
Depreciation	\$56.813	\$55.383	(\$1.430)	(2.5)	\$0.000	\$0.000	\$0.000	-	56.813	\$55.383	(\$1.430)	(2.5)
Operating/Capital	(0.866)	(0.922)	(0.056)	(6.4)	0.000	0.000	0.000	-	(0.866)	(0.922)	(0.056)	(6.4)
Other Cash Adjustments	3.483	28.287	24.804	*	0.000	0.000	0.000	-	3.483	28.287	24.804	*
Total Cash Conversion Adjustments	\$59.430	\$82.748	\$23.318	39.2	\$0.000	\$0.000	\$0.000	-	\$59.430	\$82.748	\$23.318	39.2
Net Cash Surplus/(Deficit)	(\$162.708)	(\$122.344)	\$40.364	24.8	\$0.000	\$0.000	\$0.000	-	(\$162.708)	(\$122.344)	\$40.364	24.8

Results are based on the preliminary close of the general ledger and are subject to review and adjustment. Please note that the current months' actuals do not include post-close adjustments, which will be captured in the subsequent month's YTD results.

**MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN ADOPTED BUDGET AND ACTUAL: ACCRUAL BASIS
(\$ in millions)**

Generic Revenue or Expense Category	Non Reimb. Or Reimb.	February 2018		Reason for Variance	Year-to-Date February 2018		Reason for Variance
		Favorable/ (Unfavorable) Variance			Favorable/ (Unfavorable) Variance		
		\$	%		\$	%	
Revenue							
Farebox Revenue	Non Reimb.	0.424	0.8	Higher ridership \$0.532, partially offset by lower yield per passenger \$(0.108).	0.152	0.1	Higher ridership \$0.293, partially offset by lower yield per passenger \$(0.141).
Other Operating Revenue	Non Reimb.	0.203	6.7	Primarily due to higher rental and special services revenue, partially offset by lower advertising revenue.	(1.134)	(18.7)	Primarily due to lower advertising revenue, partially offset by higher rental and special services revenue.
Capital & Other Reimbursements	Reimb.	9.801	37.0	Timing of capital project activity and interagency reimbursements.	16.199	29.4	Timing of capital project activity and interagency reimbursements.
Expenses							
Payroll	Non Reimb.	2.719	6.4	Primarily vacant positions.	5.928	6.5	Primarily vacant positions.
	Reimb.	(0.495)	(4.9)	Primarily due to timing of project activity.	(0.189)	(0.9)	Primarily due to timing of project activity.
Overtime	Non Reimb.	0.983	8.3	Primarily due to lower weather-related overtime, partially offset by higher vacancy/absentee coverage and maintenance overtime.	(0.396)	(1.6)	Primarily due higher to vacancy/absentee coverage and maintenance overtime, partially offset by lower weather-related expenses.
	Reimb.	(2.397)	(99.6)	Over-run attributed to timing of Main Line Double Track phase 2 improvements, East Side Access, East Rail Yard, Hicksville Station Improvements and Annual Track program.	(3.779)	(78.3)	Over-run attributed to timing of Main Line Double Track phase 2 improvements, East Side Access, East Rail Yard, Hicksville Station Improvements and Annual Track program.
Health and Welfare	Non Reimb.	1.177	11.4	Vacant positions.	2.385	11.7	Vacant positions.
	Reimb.	(0.521)	(24.5)	Primarily due to timing of project activity.	(0.893)	(20.1)	Primarily due to timing of project activity.
OPEB Current Payment	Non Reimb.	1.156	18.2	Fewer retirees/beneficiaries.	2.414	19.0	Fewer retirees/beneficiaries.
Pensions	Non Reimb.	0.438	3.9	Total pension is on plan. However the estimated percentage of pension allocated to reimbursable was under-estimated.	0.541	2.4	Total pension is on plan. However the estimated percentage of pension allocated to reimbursable was under-estimated.
	Reimb.	(0.438)	(12.7)	Total pension is on plan. However the estimated percentage of pension allocated to reimbursable was under-estimated.	(0.541)	(7.5)	Total pension is on plan. However the estimated percentage of pension allocated to reimbursable was under-estimated.

**MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN ADOPTED BUDGET AND ACTUAL: ACCRUAL BASIS
(\$ in millions)**

Generic Revenue or Expense Category	February 2018				Year-to-Date February 2018			
	Non Reimb. Or Reimb.	Favorable/ (Unfavorable) Variance		Reason for Variance	Favorable/ (Unfavorable) Variance		Reason for Variance	
		\$	%		\$	%		
Other Fringe Benefits	Non Reimb.	(1.245)	(9.7)	Higher FELA indemnity reserves, partially offset by lower Railroad Retirement Taxes.	(5.867)	(21.9)	Higher FELA indemnity reserves.	
	Reimb.	(0.672)	(30.9)	Primarily due to timing of project activity.	(1.129)	(24.8)	Primarily due to timing of project activity.	
Reimbursable Overhead	Non Reimb.	2.240	*	Primarily due to timing of project activity.	3.908	93.0	Primarily due to timing of project activity.	
	Reimb.	(2.240)	*	Primarily due to timing of project activity.	(3.908)	(93.0)	Primarily due to timing of project activity.	
Electric Power	Non Reimb.	1.221	16.7	Primarily lower rates and lower consumption.	1.674	10.9	Primarily lower rates and lower consumption.	
	Reimb.	(0.143)	-		(0.186)	-		
Fuel	Non Reimb.	(0.036)	(2.6)	Higher consumption, partially offset by lower rates and the timing of payments.	(0.408)	(13.7)	Higher rates for revenue and non-revenue vehicles and the timing of payments.	
Insurance	Non Reimb.	0.057	3.2	Lower liability insurance, partially offset by higher property insurance.	0.119	3.4	Lower liability insurance, partially offset by higher property insurance.	
	Reimb.	0.033	5.0	Force Account Insurance associated with project activity.	0.185	13.2	Force Account Insurance associated with project activity.	
Claims	Non Reimb.	(0.827)	*	Increase in non-employee reserves.	(0.511)	(70.1)	Increase in non-employee reserves.	
Maintenance & Other Operating Contracts	Non Reimb.	(2.196)	(31.2)	Timing of prior year accruals not reversed out for Penn Station and West Side Yard cleaning, uniforms, Elevator/Escalator maintenance and security services, partially offset by timing of vegetation management and Engineering maintenance & repairs.	(2.451)	(18.4)	Timing of prior year accruals not reversed out for Penn Station and West Side Yard cleaning, security services, uniforms, Elevator/Escalator maintenance and Equipment/Vehicle rentals, partially offset by timing of vegetation management and Engineering maintenance & repairs.	
	Reimb.	(1.161)	(99.6)	Primarily due to timing of project activity.	(1.113)	(47.0)	Primarily due to timing of project activity.	

**MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN ADOPTED BUDGET AND ACTUAL: ACCRUAL BASIS
(\$ in millions)**

Generic Revenue or Expense Category	Non Reimb. Or Reimb.	February 2018		Reason for Variance	Year-to-Date February 2018		Reason for Variance
		Favorable/ (Unfavorable) Variance			Favorable/ (Unfavorable) Variance		
		\$	%		\$	%	
Professional Service Contracts	Non Reimb.	(2.296)	(81.3)	Primarily timing of payments/activities for MTA Chargebacks, Enterprise Asset Management, medical services and various advertising and other professional service contracts.	(1.240)	(22.8)	Primarily timing of payments/activities for MTA Chargebacks, Enterprise Asset Management, medical services and various advertising and other professional service contracts.
	Reimb.	(0.355)	*		Primarily due to timing of project activity.	(0.952)	
Materials & Supplies	Non Reimb.	4.440	30.2	Primarily timing of modifications and Reliability Centered Maintenance activity for revenue fleet.	9.184	31.3	Primarily timing of fleet modification initiatives, cameras, M7 observer seat, 15 year diesel propulsion and other initiatives under the Reliability Centered Maintenance (RCM) program.
	Reimb.	(1.334)	(57.4)		Primarily due to timing of project activity.	(3.720)	
Other Business Expenses	Non Reimb.	0.083	5.6	Primarily due to the timing of bad debt reserves and lower debit/credit card fees, partially offset by timing of invoices for printing timetables.	0.610	20.8	Primarily higher restitution of property damages and timing of bad debt reserves, partially offset by timing of invoices for printing timetables and higher debit/credit card fees.
	Reimb.	(0.076)	*		Primarily due to timing of project activity.	0.026	
Depreciation	Non Reimb.	0.715	2.5	Based on certain capital assets being fully depreciated.	1.430	2.5	Based on certain capital assets being fully depreciated.
Other Post Employment Benefits	Non Reimb.	0.405	5.4	Latest actuarial estimates.	0.708	4.7	Latest actuarial estimates.
GASB 68 Pension Expense Adj.	Non Reimb.	0.000	-		0.000	-	
Environmental Remediation	Non Reimb.	0.000	0.0		0.000	0.0	

Table 4

MTA LONG ISLAND RAIL ROAD								
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET								
CASH RECEIPTS and EXPENDITURES								
February 2018								
(\$ in millions)								
	Month				Year-to-Date			
	Budget	Actual	Favorable (Unfavorable)	Percent	Budget	Actual	Favorable (Unfavorable)	Percent
Receipts								
Farebox Revenue	\$56.660	\$56.476	(\$0.184)	(0.3)	\$114.585	\$116.695	\$2.110	1.8
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	1.952	8.940	6.988	*	3.952	10.510	6.558	*
Capital & Other Reimbursements	19.252	15.585	(3.667)	(19.0)	43.627	55.703	12.076	27.7
Total Receipts	\$77.864	\$81.001	\$3.137	4.0	\$162.164	\$182.908	\$20.744	12.8
Expenditures								
<i>Labor:</i>								
Payroll	\$52.093	\$50.839	\$1.254	2.4	\$104.256	\$101.291	\$2.965	2.8
Overtime	14.279	14.170	0.109	0.8	28.023	28.951	(0.928)	(3.3)
Health and Welfare	12.442	11.768	0.674	5.4	24.794	22.915	1.879	7.6
OPEB Current Payment	6.342	5.184	1.158	18.3	12.684	10.184	2.500	19.7
Pensions	14.787	14.768	0.019	0.1	29.574	28.921	0.653	2.2
Other Fringe Benefits	14.641	13.481	1.160	7.9	29.883	28.762	1.121	3.8
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	\$114.584	\$110.210	\$4.374	3.8	\$229.214	\$221.025	\$8.189	3.6
<i>Non-Labor:</i>								
Electric Power	\$7.310	\$7.349	(\$0.039)	(0.5)	\$15.324	\$14.821	\$0.503	3.3
Fuel	1.391	2.431	(1.040)	(74.8)	2.989	3.200	(0.211)	(7.1)
Insurance	0.000	1.569	(1.569)	-	9.816	5.084	4.732	48.2
Claims	0.146	0.273	(0.127)	(86.8)	0.292	0.370	(0.078)	(26.8)
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	8.209	8.425	(0.216)	(2.6)	15.676	13.841	1.835	11.7
Professional Service Contracts	1.793	3.411	(1.618)	(90.2)	5.389	6.654	(1.265)	(23.5)
Materials & Supplies	22.992	15.834	7.158	31.1	39.723	33.358	6.365	16.0
Other Business Expenses	1.736	1.631	0.105	6.1	3.449	3.078	0.371	10.7
Total Non-Labor Expenditures	\$43.577	\$40.923	\$2.654	6.1	\$92.658	\$80.408	\$12.250	13.2
<i>Other Expenditure Adjustments:</i>								
Other	\$1.500	\$1.325	\$0.175	11.6	\$3.000	\$2.826	\$0.174	5.8
Total Other Expenditure Adjustments	\$1.500	\$1.325	\$0.175	11.6	\$3.000	\$2.826	\$0.174	5.8
Total Expenditures	\$159.661	\$152.458	\$7.203	4.5	\$324.872	\$304.258	\$20.614	6.3
Cash Timing and Availability Adjustment	0.000	(1.028)	(1.028)	-	0.000	(0.994)	(0.994)	-
Net Cash Deficit (excludes opening balance)	(\$81.797)	(\$72.485)	\$9.312	11.4	(\$162.708)	(\$122.344)	\$40.364	24.8
Subsidies								
MTA	81.797	62.421	(19.376)	(23.7)	162.708	122.344	(40.364)	(24.8)

**MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN FEBRUARY BUDGET AND ACTUAL CASH BASIS**

Table 5

Generic Revenue or Expense Category	February 2018			Year-to-Date as of February 28, 2018		
	Favorable/ (Unfavorable) Variance		Reason for Variance	Favorable/ (Unfavorable) Variance		Reason for Variance
	\$	%		\$	%	
Receipts						
Farebox Revenue	(0.184)	(0.3)	Lower advance sales impact \$(0.352), lower MetroCard/AirTrain sales \$(0.256) and lower yields \$(0.108), partially offset by higher ridership \$0.532.	2.110	1.8	Higher advance sales impact \$2.392 and higher ridership \$0.293, partially offset by lower MetroCard/AirTrain sales \$(0.434) and lower yields \$(0.141).
Other Operating Revenue	6.988	*	Primarily due to the timing of rental receipts, a full year payment for PSEG Power, Pole and Wire was paid in February, and unbudgeted special services receipts.	6.558	*	Primarily due to the timing of rental receipts and unbudgeted special services receipts.
Capital and Other Reimbursements	(3.667)	(19.0)	Timing of activity and reimbursement for capital and other reimbursements.	12.076	27.7	Timing of activity and reimbursement for capital and other reimbursements.
Expenditures						
Labor:						
Payroll	1.254	2.4	Primarily due to vacant positions, partially offset by the timing of intercompany reimbursements.	2.965	2.8	Primarily due to vacant positions, partially offset by the timing of prior year Retroactive Wage Adjustment payments.
Overtime	0.109	0.8	Primarily due to lower weather-related emergencies and timing of overtime payments, partially offset by higher project overtime and higher vacancy/absentee coverage.	(0.928)	(3.3)	Primarily due to higher project overtime and higher vacancy/absentee coverage, partially offset by lower weather-related emergencies and the timing of overtime payments.
Health and Welfare	0.674	5.4	Primarily due to vacant positions and intercompany reimbursements.	1.879	7.6	Primarily due to vacant positions and intercompany reimbursements.
OPEB Current Payment	1.158	18.3	Primarily due to fewer retirees/beneficiaries.	2.500	19.7	Primarily due to fewer retirees/beneficiaries.
Pensions	0.019	0.1	Due to intercompany reimbursements.	0.653	2.2	Due to intercompany reimbursements.

**MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN FEBRUARY BUDGET AND ACTUAL CASH BASIS**

Table 5

Generic Revenue or Expense Category	February 2018			Year-to-Date as of February 28, 2018		
	Favorable/ (Unfavorable) Variance		Reason for Variance	Favorable/ (Unfavorable) Variance		Reason for Variance
	\$	%		\$	%	
Receipts						
Other Fringe Benefits	1.160	7.9	Primarily due to the timing of FELA payments and lower Railroad Retirement Tax payments, partially offset by higher payments for meals.	1.121	3.8	Primarily due to the timing of FELA payments and lower Railroad Retirement Tax payments, partially offset by higher payments for meals.
Non-Labor:						
Electric Power	(0.039)	(0.5)		0.503	3.3	Primarily due to lower consumption and lower rates.
Fuel	(1.040)	(74.8)	Primarily due to the timing of payments.	(0.211)	(7.1)	Primarily due to the timing of payments, higher revenue and non-revenue vehicle diesel fuel rates and heating fuel consumption, partially offset by lower heating fuel rates.
Insurance	(1.569)	-	Timing of insurance premium payments.	4.732	48.2	Timing of insurance premium payments and lower station liability and force account insurance installment payments.
Claims	(0.127)	(86.8)	Timing of payment for claims.	(0.078)	(26.8)	Timing of payment for claims.
Maintenance and Other Operating Contracts	(0.216)	(2.6)	Timing of payments.	1.835	11.7	Timing of payments.
Professional Service Contracts	(1.618)	(90.2)	Primarily the payment of prior year MTA Procurement and Real Estate Chargeback services.	(1.265)	(23.5)	Primarily the timing of prior year MTA Chargeback and other consulting services.
Materials and Supplies	7.158	31.1	Primarily the timing of program, production plan, and operating funded capital material and supplies.	6.365	16.0	Primarily the timing of program, production plan, and operating funded capital material and supplies.
Other Business Expenses	0.105	6.1	Primarily the timing of payments, partially offset by higher credit/debit card fees payments.	0.371	10.7	Primarily the timing of payments, partially offset by higher credit/debit card fees payments.
Other Expenditure Adjustments	0.175	11.6	Lower MetroCard/AirTrain pass through payments.	0.174	5.8	Lower MetroCard/AirTrain pass through payments.

Table 6

MTA LONG ISLAND RAIL ROAD								
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET								
CASH CONVERSION (CASH FLOW ADJUSTMENTS)								
February 2018								
(\$ in millions)								
	Month				Year-to-Date			
	Budget	Actual	Variance	Percent	Budget	Actual	Variance	Percent
Receipts								
Farebox Revenue	\$1.500	\$0.892	(\$0.607)	(40.5)	\$3.000	\$4.958	\$1.958	65.3
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	(1.061)	5.723	6.785	*	(2.119)	5.574	7.693	*
Capital & Other Reimbursements	(7.210)	(20.678)	(13.468)	*	(11.533)	(15.656)	(4.123)	(35.7)
Total Receipts	(\$6.772)	(\$14.062)	(\$7.291)	*	(\$10.652)	(\$5.125)	\$5.527	51.9
Expenditures								
<i>Labor:</i>								
Payroll	\$0.551	(\$0.419)	(\$0.970)	*	\$8.818	\$6.044	(\$2.774)	(31.5)
Overtime	0.000	1.524	1.524	*	1.037	4.284	3.247	*
Health and Welfare	0.000	0.019	0.018	*	0.000	0.387	0.387	*
OPEB Current Payment	0.000	0.002	0.002	*	0.001	0.086	0.085	*
Pensions	0.000	0.019	0.019	*	0.000	0.653	0.653	*
Other Fringe Benefits	0.338	3.415	3.077	*	1.511	9.628	8.118	*
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	\$0.890	\$4.561	\$3.671	*	\$11.367	\$21.083	\$9.716	85.5
<i>Non-Labor:</i>								
Electric Power	\$0.000	(\$1.117)	(\$1.117)	*	\$0.000	(\$0.985)	(\$0.985)	*
Fuel	(0.000)	(1.005)	(1.004)	*	(0.001)	0.196	0.197	*
Insurance	2.427	0.768	(1.659)	(68.4)	(4.887)	(0.460)	4.428	90.6
Claims	0.218	0.918	0.700	*	0.436	0.869	0.432	99.1
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	(0.001)	3.140	3.140	*	(0.001)	5.397	5.398	*
Professional Service Contracts	1.077	2.111	1.034	95.9	0.134	1.060	0.927	*
Materials & Supplies	(5.971)	(1.919)	4.052	67.9	(5.740)	(4.839)	0.901	15.7
Other Business Expenses	(0.230)	(0.132)	0.098	42.6	(0.451)	(0.716)	(0.265)	(58.8)
Total Non-Labor Expenditures	(\$2.480)	\$2.765	\$5.244	*	(\$10.510)	\$0.523	\$11.033	*
<i>Other Expenditure Adjustments:</i>								
Other	(\$1.500)	(\$1.325)	\$0.175	11.6	(\$3.000)	(\$2.826)	\$0.174	5.8
Total Other Expenditure Adjustments	(\$1.500)	(\$1.325)	\$0.175	11.6	(\$3.000)	(\$2.826)	\$0.174	5.8
Total Expenditures before Depreciation	(\$3.090)	\$6.000	\$9.090	*	(\$2.143)	\$18.780	\$20.923	*
Depreciation Adjustment	\$28.407	\$27.692	(\$0.715)	(2.5)	\$56.813	\$55.383	(\$1.430)	(2.5)
Other Post Employment Benefits	7.539	7.134	(0.405)	(5.4)	15.078	14.370	(0.708)	(4.7)
GASB 68 Pension Expense Adjustment	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Environmental Remediation	0.167	0.167	0.000	0.0	0.333	0.333	0.000	0.0
Total Expenditures	\$33.023	\$40.992	\$7.969	24.1	\$70.082	\$88.867	\$18.785	26.8
Cash Timing and Availability Adjustment	0.000	(1.028)	(1.028)	-	0.000	(0.994)	(0.994)	-
Total Cash Conversion Adjustments	\$26.251	\$25.902	(\$0.350)	(1.3)	\$59.430	\$82.748	\$23.318	39.2

MTA LONG ISLAND RAIL ROAD
2018 February Financial Plan
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

	February 2018						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	41,309	\$2.598	40,137	\$2.552	1,173 2.8%	\$0.046 1.8%	89,744	\$5.621	90,609	\$5.689	(866) -1.0%	(\$0.068) -1.2%
<u>Unscheduled Service</u>	7,620	\$0.503	6,731	\$0.439	889 11.7%	\$0.064 12.7%	16,034	\$1.059	15,022	\$0.976	1,013 6.3%	\$0.084 7.9%
<u>Programmatic/Routine Maintenance</u>	56,725	\$3.327	60,586	\$3.555	(3,861) -6.8%	(\$0.229) -6.9%	112,559	\$6.602	113,961	\$6.703	(1,402) -1.2%	(\$0.100) -1.5%
<u>Unscheduled Maintenance</u>	560	\$0.034	2,598	\$0.157	(2,038) *	(\$0.123) *	1,205	\$0.073	5,298	\$0.319	(4,093) *	(\$0.246) *
<u>Vacancy/Absentee Coverage</u>	36,980	\$2.218	54,210	\$3.278	(17,230) -46.6%	(\$1.060) -47.8%	68,683	\$4.084	107,651	\$6.518	(38,967) -56.7%	(\$2.434) -59.6%
<u>Weather Emergencies</u>	54,530	\$3.066	10,211	\$0.584	44,319 81.3%	\$2.482 81.0%	116,036	\$6.546	68,767	\$4.179	47,269 40.7%	\$2.367 36.2%
<u>Safety/Security/Law Enforcement</u> ²	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	0 0.0%	\$0.000 0.0%
<u>Other</u> ³	2,301	\$0.126	1,566	\$0.324	735 31.9%	(\$0.198) *	4,602	\$0.252	4,362	\$0.249	240 5.2%	\$0.003 1.1%
NON-REIMBURSABLE OVERTIME	200,026	\$11.872	176,039	\$10.889	23,987 12.0%	\$0.983 8.3%	408,863	\$24.237	405,670	\$24.633	3,193 0.8%	(\$0.396) -1.6%
REIMBURSABLE OVERTIME	40,965	\$2.408	76,866	\$4.805	(35,901) -87.6%	(\$2.397) -99.6%	82,234	\$4.824	133,679	\$8.603	(51,446) -62.6%	(\$3.779) -78.3%
TOTAL OVERTIME	240,991	\$14.279	252,905	\$15.694	(11,915) -4.9%	(\$1.415) -9.9%	491,097	\$29.060	539,349	\$33.235	(48,252) -9.8%	(\$4.175) -14.4%

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
2018 February Financial Plan
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

	February 2018			February Year-to-Date		
	Var. - Fav./(Unfav)		Explanations	Var. - Fav./(Unfav)		Explanations
	Hours	\$		Hours	\$	
NON-REIMBURSABLE OVERTIME						
<u>Scheduled Service</u>	1,173	\$0.046	Fewer employees earned Holiday overtime pay within the Stations department, partially offset by higher Crew Book tours, Winter Amtrak SOGR overtime and additional collectors to cover Holiday assignments within Transportation	(866)	(\$0.068)	Increased Crew Books tours, Winter Amtrak SOGR and additional collectors to cover Holiday assignments within Transportation. Holiday overtime within Equipment, partially offset by lower Holiday overtime within Stations department.
	2.8%	1.8%		-1.0%	-1.2%	
<u>Unscheduled Service</u>	889	\$0.064	Less operational support required to fulfill on time performance.	1,013	\$0.084	Less operational support required to fulfill on time performance.
	11.7%	12.7%		6.3%	7.9%	
<u>Programmatic/Routine Maintenance</u>	(3,861)	(\$0.229)	Additional track night time emergency crew and the installation of hydraulic bumper block along the Main line, West Hempstead, Far Rockaway branches and Winter Amtrak SOGR overtime within Engineering.	(1,402)	(\$0.100)	Additional track night time emergency crew, lay rail-bolts joints maintenance, installation of hydraulic bumper block along the Main line, West Hempstead, Far Rockaway branches and Winter Amtrak SOGR overtime within Engineering, partially offset by lower maintenance efforts within the Equipment department due to less running repair and delayed camera installation.
	-6.8%	-6.9%		-1.2%	-1.5%	
<u>Unscheduled Maintenance</u>	(2,038)	(\$0.123)	5th Avenue Montauk crossing emergency track work, School Street crossing emergency rehabilitation and broken rail mitigation along the Main line and Port Washington branches.	(4,093)	(\$0.246)	Unfavorable performance driven by highway crossing emergency track rehabilitation (Montauk, Westbury, School Street) and broken rail mitigation along the Main Line and Port Washington branches within the Engineering department.
	*	*		*	*	
<u>Vacancy/Absentee Coverage</u>	(17,230)	(\$1.060)	Open jobs & lower availability within the Equipment Department and lower availability in Engine Service & Train Service.	(38,967)	(\$2.434)	Open jobs & lower availability within the Equipment Department and lower availability in Engine and Train Service.
	-46.6%	-47.8%		-56.7%	-59.6%	
<u>Weather Emergencies</u>	44,319	\$2.482	Favorable weather conditions.	47,269	\$2.367	Favorable weather conditions.
	81.3%	81.0%		40.7%	36.2%	
<u>Safety/Security/Law Enforcement</u>						
<u>Other</u>	735	(\$0.198)	Unfavorable due to variance between actual and forecasted wage rates.	240	\$0.003	
	31.9%	*		5.2%	1.1%	
NON-REIMBURSABLE OVERTIME	23,987	\$0.983		3,193	(\$0.396)	
	12.0%	8.3%		0.8%	-1.6%	
REIMBURSABLE OVERTIME	(35,901)	(\$2.397)	Over-run attributed to Main Line Double Track phase 2 improvements, East Side Access, East Rail Yard, Hicksville Station Improvements and Annual Track program.	(51,446)	(\$3.779)	Over-run attributed to Main Line Double Track phase 2 improvements, East Side Access, East Rail Yard, Hicksville Station Improvements and Annual Track program.
	-87.6%	-99.6%		-62.6%	-78.3%	
TOTAL OVERTIME	(11,915)	(\$1.415)		(48,252)	(\$4.175)	
	-4.9%	-9.9%		-9.8%	-14.4%	

METROPOLITAN TRANSPORTATION AUTHORITY - LONG ISLAND RAIL ROAD
2018 Overtime Reporting
Overtime Legend

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 - 2018 ADOPTED BUDGET
 TOTAL POSITIONS BY FUNCTION AND DEPARTMENT
 NON-REIMBURSABLE/REIMBURSABLE AND FULL-TIME/FULL-TIME EQUIVALENTS
 END-of-MONTH FEBRUARY 2018

	Budget	Actual	Favorable/ (Unfavorable) Variance
Administration			
Executive VP	2	2	0
Enterprise Asset Management	7	5	2
Sr. Vice President - Engineering	2	1	1
Labor Relations	19	17	2
Procurement & Logistics (excl. Stores)	76	67	9
Human Resources	35	34	1
Sr VP Administration	2	2	0
Strategic Investments	18	17	1
President	4	3	1
VP & CFO	4	2	2
Information Technology	0	0	0
Controller	44	42	2
Management & Budget	21	17	4
BPM, Controls & Compliance	7	6	1
Market Dev. & Public Affairs	71	70	1
Gen. Counsel & Secretary	33	33	0
Diversity Management	3	3	0
Security	13	10	3
System Safety	37	33	4
Training	68	66	2
Service Planning	26	25	1
Rolling Stock Programs	17	10	7
Sr Vice President - Operations	2	2	0
Total Administration	511	467	44
Operations			
Transportation Services - Train Operations	2,215	2,292	(77)
Customer Services	303	295	8
Total Operations	2,518	2,587	(69)
Maintenance			
Engineering	2,051	2,008	43
Equipment	2,196	2,102	94
Procurement (Stores)	97	98	(1)
Total Maintenance	4,344	4,208	136
Engineering/Capital			
Department of Program Management	156	134	22
Special Projects/East Side Access	46	40	6
Positive Train Control	12	11	1
Total Engineering/Capital	214	185	29
Baseline Total Positions	7,587	7,447	140
<i>Non-Reimbursable</i>	6,313	6,179	134
<i>Reimbursable</i>	1,274	1,268	6
Total Full-Time	7,587	7,447	140
Total Full-Time-Equivalents			

Note: Totals may not add due to rounding

**MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
FULL-TIME POSITIONS and FULL-TIME EQUIVALENTS
NON-REIMBURSABLE and REIMBURSABLE
END-of-MONTH FEBRUARY 2018**

Explanation of Variances
NON-REIMBURSABLE POSITIONS - Favorable 134 positions due to the vacancies in Maintenance of Equipment and Engineering, partially offset by unfavorable positions in Train Operations.
REIMBURSABLE POSITIONS - Favorable 6 positions primarily due to the timing of project activity in the Maintenance of Equipment department and Department of Program Management, partially offset by unfavorable positions in Train Operations.

**MTA LONG ISLAND RAIL ROAD
 FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
 TOTAL FULL-TIME POSITIONS and FULL-TIME EQUIVALENTS by FUNCTION and OCCUPATION
 END-of-MONTH FEBRUARY 2018**

	Budget	Actual	Favorable/ (Unfavorable) Variance
Administration			
Managers/Supervisors	259	241	18
Professional, Technical, Clerical	147	116	31
Operational Hourlies	106	110	(4)
Total Administration	511	467	44
Operations			
Managers/Supervisors	299	300	(1)
Professional, Technical, Clerical	96	91	5
Operational Hourlies	2,123	2,196	(73)
Total Operations	2,518	2,587	(69)
Maintenance			
Managers/Supervisors	813	723	90
Professional, Technical, Clerical	296	259	37
Operational Hourlies	3,235	3,226	9
Total Maintenance	4,344	4,208	136
Engineering/Capital			
Managers/Supervisors	145	130	15
Professional, Technical, Clerical	69	55	14
Operational Hourlies	0	0	0
Total Engineering/Capital	214	185	29
Total Positions			
Managers/Supervisors	1,516	1,394	122
Professional, Technical, Clerical	608	521	87
Operational Hourlies	5,464	5,532	(68)
Total Positions	7,587	7,447	140

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
RIDERSHIP
(In Millions)

	FEBRUARY 2018							FEBRUARY YEAR TO DATE 2018						
	Month			Variance				YTD			Variance			
	Adopted Budget	Actual 2018	Adjusted* 2017	Adopted Budget		Adjusted* 2017		Adopted Budget	Actual 2018	Adjusted* 2017	Adopted Budget		Adjusted* 2017	
			#	%	#	%				#	%	#	%	
RIDERSHIP														
Monthly	3.750	3.722	3.805	(0.028)	-0.7%	(0.083)	-2.2%	7.840	7.782	7.961	(0.059)	-0.7%	(0.179)	-2.2%
Weekly	0.137	0.122	0.114	(0.015)	-10.6%	0.008	7.2%	0.275	0.258	0.249	(0.017)	-6.2%	0.009	3.7%
Total Commutation	3.887	3.844	3.919	(0.043)	-1.1%	(0.075)	-1.9%	8.116	8.040	8.210	(0.076)	-0.9%	(0.169)	-2.1%
One-Way Full Fare	0.597	0.621	0.589	0.023	3.9%	0.031	5.3%	1.213	1.240	1.227	0.028	2.3%	0.013	1.1%
One-Way Off-Peak	1.196	1.234	1.245	0.038	3.2%	(0.011)	-0.9%	2.522	2.524	2.628	0.002	0.1%	(0.104)	-3.9%
All Other	0.734	0.777	0.769	0.043	5.9%	0.008	1.1%	1.474	1.555	1.585	0.081	5.5%	(0.029)	-1.9%
Total Non-Commutation	2.527	2.632	2.603	0.104	4.1%	0.029	1.1%	5.209	5.319	5.439	0.111	2.1%	(0.120)	-2.2%
Total	6.414	6.476	6.522	0.062	1.0%	(0.046)	-0.7%	13.324	13.359	13.648	0.035	0.3%	(0.289)	-2.1%

*Prior year adjusted to reflect current year calendar.

**MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
MONTHLY PERFORMANCE INDICATORS
February 2018**

		<u>MONTH</u>			<u>VARIANCE</u>	
		<u>Actual 2018</u>	<u>Adopted Budget</u>	<u>Actual 2017</u>	<u>vs. Budget</u>	<u>vs. 2017</u>
Farebox Operating Ratio	Standard ⁽¹⁾	45.4%	42.3%	43.8%	3.1%	1.6%
	Adjusted ⁽²⁾	52.2%	48.8%	51.5%	3.3%	0.6%
Cost Per Passenger	Standard ⁽¹⁾	\$18.96	\$20.35	\$18.92	\$1.39	(\$0.04)
	Adjusted ⁽²⁾	\$17.41	\$18.58	\$17.24	\$1.17	(\$0.17)
Passenger Revenue/Passenger ⁽³⁾		\$8.61	\$8.60	\$8.29	\$0.01	\$0.32
		<u>YEAR-TO-DATE</u>			<u>VARIANCE</u>	
		<u>Actual 2018</u>	<u>Adopted Budget</u>	<u>Actual 2017</u>	<u>vs. Budget</u>	<u>vs. 2017</u>
Farebox Operating Ratio	Standard ⁽¹⁾	44.4%	41.6%	45.5%	2.8%	-1.1%
	Adjusted ⁽²⁾	50.2%	47.9%	52.6%	2.3%	-2.4%
Cost Per Passenger	Standard ⁽¹⁾	\$18.91	\$20.15	\$17.97	\$1.24	(\$0.94)
	Adjusted ⁽²⁾	\$17.41	\$18.45	\$16.39	\$1.03	(\$1.02)
Passenger Revenue/Passenger ⁽³⁾		\$8.39	\$8.37	\$8.18	\$0.02	\$0.21

(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 2018

**FEBRUARY 2018 RIDERSHIP & REVENUE REPORT
MTA LONG ISLAND RAIL ROAD**

EXECUTIVE SUMMARY

February Ridership and Revenue (millions)

	February 2018	% Change vs. 2017
Total Rail Ridership	6.476	-0.7% ▼
Commutation Ridership	3.844	-1.9% ▼
Non-Commutation Ridership	2.632	1.1% ▲
Rail Revenue	\$55.6	3.2% ▲

Key Factors Impacting February Ridership

- Factors contributing to the Non-Commutation ridership growth may include: less snowfall this February compared to last year, ridership gains during President's Day (possibly related to an event at MSG) and ridership gains shown by train counts to/from the Barclays Center (for Islanders/Nets games).

Year-to-Date through February Ridership and Revenue (millions)

	February 2018	% Change vs. 2017	Comparison to Budget
Total Rail Ridership	13.359	-2.1% ▼	0.3% ▲
Commutation Ridership	8.040	-2.1% ▼	-0.9% ▼
Non-Commutation Ridership	5.319	-2.2% ▼	2.1% ▲
Rail Revenue	\$111.7	1.7% ▲	0.1% ▲

**MTA LONG ISLAND RAIL ROAD
RIDERSHIP SUMMARY
FEBRUARY 2018**

TICKET TYPE/SERVICE	FEBRUARY 2018	FEBRUARY 2017	CHANGE VS. 2017	
			NUMBER	PERCENT
COMMUTATION RIDERSHIP	3,844,285	3,919,217	(74,932)	-1.9%
NON-COMMUTATION RIDERSHIP	2,631,966	2,603,182	28,784	1.1%
TOTAL RIDERSHIP	6,476,251	6,522,399	(46,148)	-0.7%

**MTA LONG ISLAND RAIL ROAD
RIDERSHIP SUMMARY
2018 YEAR-TO-DATE**

TICKET TYPE/SERVICE	FEBRUARY 2018	FEBRUARY 2017	CHANGE VS. 2017	
			NUMBER	PERCENT
COMMUTATION RIDERSHIP	8,040,010	8,209,503	(169,493)	-2.1%
NON-COMMUTATION RIDERSHIP	5,319,189	5,438,930	(119,741)	-2.2%
TOTAL RIDERSHIP	13,359,199	13,648,433	(289,234)	-2.1%

* 2017 ridership numbers were adjusted using 2018 factors.

**MTA LONG ISLAND RAIL ROAD
REVENUE SUMMARY
FEBRUARY 2018**

REVENUE	FEBRUARY 2018	FEBRUARY 2017	CHANGE VS. 2017	
			AMOUNT	PERCENT
COMMUTATION REVENUE	\$31,119,513	\$30,582,304	\$537,209	1.8%
NON-COMMUTATION REVENUE	\$24,464,479	\$23,258,290	\$1,206,189	5.2%
TOTAL REVENUE	\$55,583,991	\$53,840,594	\$1,743,398	3.2%

**MTA LONG ISLAND RAIL ROAD
REVENUE SUMMARY
2018 YEAR-TO-DATE**

REVENUE	FEBRUARY 2018	FEBRUARY 2017	CHANGE VS. 2017	
			AMOUNT	PERCENT
COMMUTATION REVENUE	\$62,135,865	\$61,062,351	\$1,073,514	1.8%
NON-COMMUTATION REVENUE	\$49,601,477	\$48,825,814	\$775,663	1.6%
TOTAL REVENUE	\$111,737,342	\$109,888,165	\$1,849,177	1.7%



Long Island Rail Road

CAPITAL PROGRAM REPORT

**LONG ISLAND RAIL ROAD
CAPITAL PROGRAM HIGHLIGHTS & UPDATES
MARCH 2018**

HIGHLIGHTS

L70301WD: 2018 ANNUAL TRACK PROGRAM

Milestone: Construction Start [F/A Construction \$35,485,874]

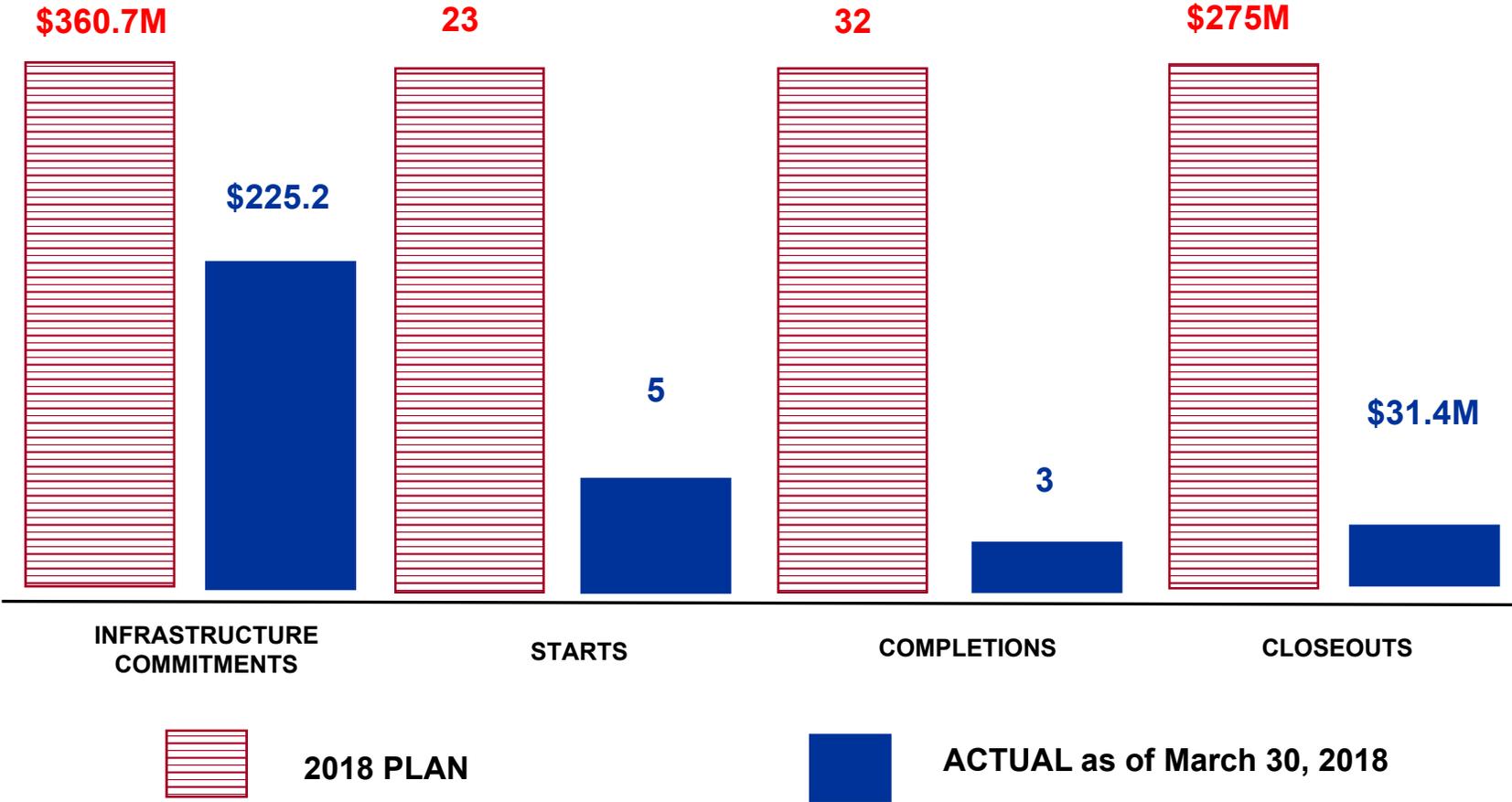
Project Budget: \$64.00M

The LIRR Annual Track Program for 2018 addresses the cyclical needs of the track structure through replacement of track components to maintain a state of good repair throughout the system. The planned major component renewals and replacements include 60,000 LF of continuous welded rail [CWR], 19,300 mechanized ties and 16,500 concrete ties, 14 grade crossings, surfacing of 41 interlocking switches, 60 miles of track surfacing, and 11 switch installations. The cyclical renewal of the track infrastructure facilitates the railroad's efforts to provide reliable service and supports on-time performance.

SMALL BUSINESS MENTOR PROGRAM

- The total number of current ongoing projects in the construction phase is eight.

2018 LIRR Capital Program Goals





Metro-North Railroad

Operations Report



Metro-North Railroad

March 2018 Highlights: Operations Report

March service delivery was very challenging and operated below goal at 91.3% as we experienced two significant winter Nor'easter Storms. During the significant storms we kept our customers safe and informed as their journeys were being delayed.

Winter Storm Riley arrived on Friday March 2nd bringing strong 40-60 MPH wind gusts and dumping over a foot of snow across the area. We experienced multiple tree down throughout the day with the greatest impacts on the upper Harlem Line. Due to multiple trees down during the PM Rush, Harlem Line Service was suspended between North White Plains and Wassaic 6PM thru 11PM. We provided normal service starting on Saturday the 3rd.

Only five days later, Winter Storm Quinn arrived on Wednesday March 7th and again brought strong 40-60 MPH wind gusts and dumped another 1-2 feet of snow across the area. We started the day operating a reduced weekday schedule and experienced downed trees during the day. Starting at 5:30 PM conditions quickly deteriorated as the winds knocked down multiple trees resulting in a complete loss of signal power on the NHL between South Norwalk and New Haven; Service was suspended across all three lines by 7PM. Due to significant damage sustained across our entire region we operated a reduced Holiday Schedule on Thursday and were not able to provide Danbury or New Canaan Branch service as we continued to perform repairs.

On Friday March 9th we provided a full weekday Schedule across all lines and branches. Unfortunately, as we continued repairs to downed power lines on the Harlem Line between Croton Falls and Brewster, poles that were weakened by the two storms failed and blocked both tracks. This forced us to again suspend train service starting at 3PM between Goldens Bridge and Southeast. We established alternate bussing thru the affected area starting at 5PM that continued through the weekend. We cleared and secured the tracks by Sunday night and resumed train service at 8PM on the 11th followed by normal service during the week.

To affect repairs to damaged power poles and cabling between Croton Falls and Brewster we provided alternate weekend bus service on the 18th, 24th, 25th and 31st.

West of Hudson Service also operated below goal at 89.8% due to the weather and 9 trains (0.9%) were cancelled due to lack of Engineers.

John Kesich
Senior Vice President
Operations

Performance Summary			2018 Data			2017 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%	91.3%	93.2%	95.4%	95.6%	
		AM Peak	93.0%	89.9%	91.1%	94.8%	94.7%	
		AM Reverse Peak	93.0%	93.7%	95.3%	97.5%	96.9%	
		PM Peak	93.0%	89.9%	92.3%	97.3%	96.0%	
		Total Peak	93.0%	90.5%	92.2%	96.2%	95.6%	
		Off Peak Weekday	93.0%	90.6%	92.3%	95.7%	94.8%	
		Weekend	93.0%	93.7%	96.4%	93.3%	96.8%	
		Hudson Line	Overall	93.0%	93.1%	93.8%	95.8%	96.1%
			AM Peak	93.0%	87.9%	90.6%	94.4%	94.4%
			AM Reverse Peak	93.0%	97.8%	98.1%	96.5%	97.0%
			PM Peak	93.0%	93.8%	93.5%	99.2%	97.4%
			Total Peak	93.0%	91.7%	92.8%	96.6%	95.9%
			Off Peak Weekday	93.0%	91.7%	92.3%	96.5%	95.7%
			Weekend	93.0%	97.6%	97.9%	93.1%	97.1%
		Harlem Line	Overall	93.0%	89.4%	93.0%	94.8%	95.6%
			AM Peak	93.0%	92.1%	91.7%	95.4%	96.1%
			AM Reverse Peak	93.0%	91.2%	92.5%	97.0%	96.9%
			PM Peak	93.0%	86.3%	91.2%	95.1%	94.9%
			Total Peak	93.0%	89.6%	91.6%	95.6%	95.7%
			Off Peak Weekday	93.0%	89.9%	93.2%	95.0%	94.6%
			Weekend	93.0%	88.3%	94.9%	93.0%	97.0%
		New Haven Line	Overall	93.0%	91.6%	93.1%	95.6%	95.2%
			AM Peak	93.0%	89.5%	90.8%	94.6%	93.8%
			AM Reverse Peak	93.0%	93.8%	96.3%	98.4%	96.9%
			PM Peak	93.0%	90.2%	92.4%	97.8%	96.1%
			Total Peak	93.0%	90.4%	92.3%	96.5%	95.2%
			Off Peak Weekday	93.0%	90.4%	91.7%	95.9%	94.5%
		Weekend	93.0%	95.3%	96.6%	93.6%	96.5%	
Operating Statistics	Trains Scheduled		19,243	56,194	19,292	56,116		
	Avg. Delay per Late Train (min) <small>excluding trains cancelled or terminated</small>		14.2	14.7	11.3	11.9		
	Trains Over 15 min. Late <small>excluding trains cancelled or terminated</small>		2,300	394	911	149		
	Trains Canceled		230	155	273	43		
	Trains Terminated		230	70	105	24		
	Percent of Scheduled Trips Completed		99.8%	98.8%	99.3%	99.7%		
Consist Compliance	System	Overall	99.0%	99.0%	99.0%	99.0%		
<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>		AM Peak	98.0%	97.7%	97.8%	98.1%		
		AM Reverse Peak	99.5%	100.0%	100.0%	99.8%		
		PM Peak	98.0%	97.3%	97.4%	97.9%		
		Total Peak	98.0%	97.9%	98.0%	98.3%		
		Off Peak Weekday	99.5%	99.5%	99.5%	99.5%		
		Weekend	99.5%	99.8%	99.8%	99.4%		
		Hudson Line	AM Peak	99.5%	99.9%	99.7%		
			PM Peak	99.5%	97.6%	98.4%		
		Harlem Line	AM Peak	98.5%	96.0%	96.7%		
			PM Peak	98.5%	98.1%	98.3%		
		New Haven Line	AM Peak	97.5%	97.6%	97.4%		
			PM Peak	97.5%	96.5%	95.9%		
						96.8%		
						97.2%		
						96.5%		
					96.2%			

SYSTEM Category of Delay

Delay Minutes / Delay Threshold	% Total	February	2018 Data		2017 Data		YTD 2018 Vs 2017
			March	YTD thru March	March	YTD thru March	
Engineering (Scheduled)	8.1%	115	281	622	150	496	126
Engineering (Unscheduled)	28.6%	481	989	3,052	288	969	2,084
Maintenance of Equipment	9.6%	191	333	1,111	197	786	325
Transportation	4.0%	65	138	258	32	172	87
Capital Projects	0.9%	42	33	83	0	5	78
Weather and Environmental	35.6%	10	1,231	1,970	536	1,425	545
Police	6.0%	103	209	554	105	262	291
Customers	3.6%	60	123	253	70	188	65
Other	3.4%	299	116	489	182	316	173
3rd Party Operations	0.0%	2	2	7	0	0	7
TOTAL	100.0%	1,366	3,454	8,398	1,558	4,619	3,780

HUDSON LINE	% Total	February	March	YTD thru March	March	YTD thru March	YTD 2018 Vs 2017
Engineering	20.6%	176	122	1,129	59	229	900
Maintenance of Equipment	13.8%	85	82	293	82	249	44
Transportation	6.4%	21	38	71	3	29	42
Capital Projects	4.2%	34	25	67	0	0	67
Weather and Environmental	41.5%	1	246	346	171	392	-46
Police	3.2%	29	19	63	39	66	-3
Customers	5.6%	14	33	55	21	44	11
Other	4.4%	44	26	76	12	25	51
3rd Party Operations	0.3%	0	2	3	0	0	3
TOTAL	100.0%	404	593	2,103	387	1,034	1,069

HARLEM LINE	% Total	February	March	YTD thru March	March	YTD thru March	YTD 2018 Vs 2017
Engineering	48.4%	138	654	1,288	175	403	885
Maintenance of Equipment	5.5%	43	74	322	34	208	114
Transportation	4.2%	7	57	78	14	46	32
Capital Projects	0.2%	6	3	10	0	0	10
Weather and Environmental	35.4%	5	479	722	227	493	229
Police	2.7%	15	36	154	40	92	62
Customers	2.1%	14	28	74	16	47	27
Other	1.6%	64	21	94	85	120	-26
3rd Party Operations	0.0%	0	0	0	0	0	0
TOTAL	100.0%	292	1,352	2,742	591	1,409	1,333

NEW HAVEN LINE	% Total	February	March	YTD thru March	March	YTD thru March	YTD 2018 Vs 2017
Engineering	32.8%	282	494	1,257	203	832	425
Maintenance of Equipment	11.7%	62	176	496	82	328	168
Transportation	2.9%	36	44	109	15	97	12
Capital Projects	0.3%	2	4	6	0	5	1
Weather and Environmental	33.6%	4	506	902	138	540	362
Police	10.1%	59	153	336	26	104	232
Customers	4.1%	31	62	124	32	98	26
Other	4.6%	191	69	319	84	171	148
3rd Party Operations	0.0%	2	0	4	0	0	4
TOTAL	100.0%	669	1,508	3,553	580	2,175	1,378



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

Date	Day	DESCRIPTION OF EVENT	Number of Late Trains														
			AM Peak			AM Reverse			PM Peak			Off Peak			TOTAL		
			L	C	T	L	C	T	L	C	T	L	C	T	Late	Cxld	Term
03/02	Fri	Train 1352 was disabled on track 4 at Williams Bridge due to brakes.	1	0	0	0	0	0	22	0	0	1	0	0	24	0	0
03/02	Fri	Service impacted due to Winter Storm Riley.	0	0	0	1	0	0	74	18	16	128	37	4	203	55	20
03/05	Mon	Train 816 was terminated at 125th Street Station account unable to take power.	43	0	0	6	0	0	0	0	0	1	0	0	50	0	0
03/05	Mon	Train 666 disabled due to 3rd rail shoe damage at Chappaqua.	0	0	0	0	0	0	21	0	2	14	0	0	35	0	2
03/06	Tue	Medical assistance provided to unresponsive customer on train 1321 at 125th Street.	24	0	0	1	0	0	0	0	0	1	0	0	26	0	0
03/06	Tue	An unattended bag was left on train 1326 at 125th Street Station.	0	0	0	0	0	0	1	0	0	10	2	0	11	2	0
03/06	Tue	A truck struck the Mamaroneck Avenue bridge at MP 20.37.	11	0	0	1	0	0	0	0	0	1	0	0	13	0	0
03/07	Wed	Service impacted due to Winter Storm Quinn.	0	0	0	0	0	0	13	31	18	11	19	6	24	50	24
03/08	Thu	Reduced Service operated and impacted due to Winter Storm Quinn.	0	0	0	0	0	0	0	0	0	66	3	0	66	3	0
03/08	Thu	Train 9645 struck a deer on track 1 north of Roaring Brook Road.	0	0	0	0	0	0	0	0	0	12	0	1	12	0	1
03/09	Fri	Multiple power poles down across tracks between Croton Falls and Brewster; residual from Winter Storm Quinn.	0	0	0	0	0	0	13	8	0	35	8	2	48	16	2
03/09	Fri	Signal Power Cable damage at CP266 resulting from Winter Storm Quinn.	19	0	0	6	0	0	0	0	0	8	0	0	33	0	0
03/13	Tue	Track circuit down on track 3 at CP25.	1	0	0	4	0	0	0	0	0	8	0	0	13	0	0
03/13	Tue	Broken rail on track 4 north of Williams Bridge Station.	68	0	0	9	0	0	0	0	0	3	0	0	80	0	0
03/21	Wed	Track circuit down on track 3 at CP25.	0	0	3	3	0	0	0	0	0	8	0	0	11	0	3

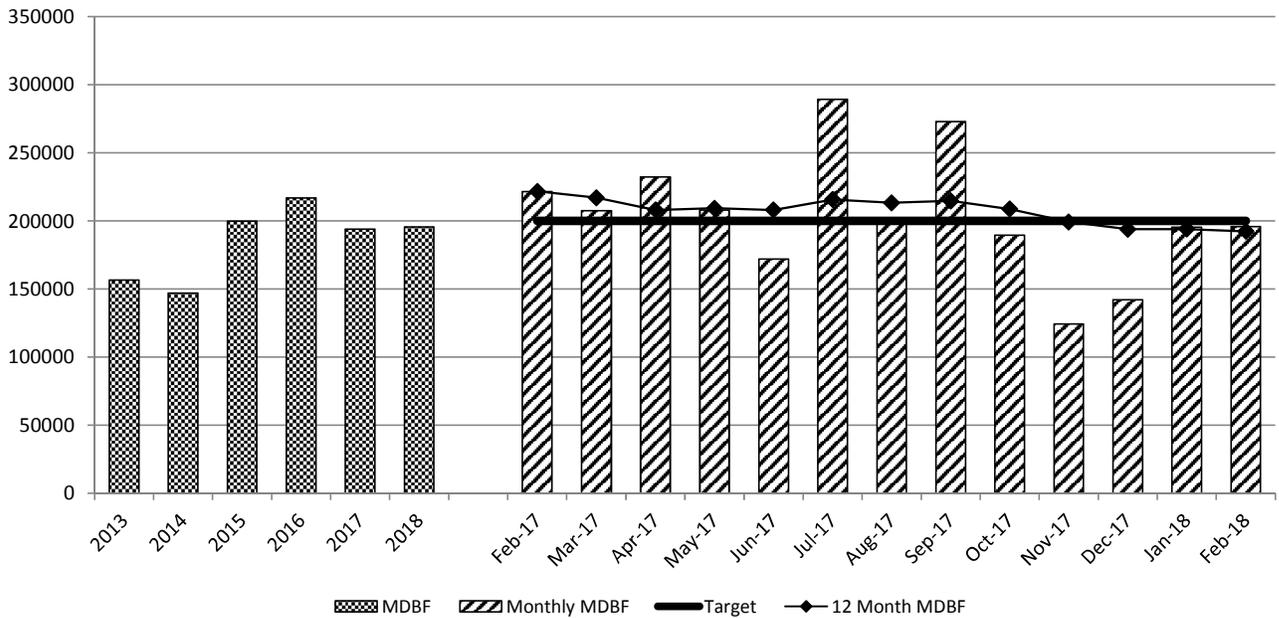
EVENTS RESULTING IN 10 or MORE LATE (L), CANCELED (C) or TERMINATED (T) TRAINS

Date	Day	DESCRIPTION OF EVENT	Number of Late Trains														
			AM Peak			AM Reverse			PM Peak			Off Peak			TOTAL		
			L	C	T	L	C	T	L	C	T	L	C	T	Late	Cxld	Term
03/21	Wed	Service impacted due to Winter Storm Toby.	1	0	0	0	0	0	5	0	1	8	0	0	14	0	1
03/22	Thu	Residual impacts due to Winter Storm Toby.	3	0	0	2	0	0	0	0	0	13	2	0	18	2	0
TOTAL FOR MONTH			171	0	3	33	0	0	149	57	37	328	71	13	681	128	53
															862		

			2018 Data						2017 Data		
	Equip-ment Type	Total Fleet Size	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	M2	36	20,000	68,039	2	1	171,092	33,322	38,183	2	28,723
	M8	405	350,000	259,080	7	9	285,293	293,485	382,684	6	373,044
	M3	138	120,000	90,281	3	3	78,318	101,558	70,765	4	74,541
	M7	334	440,000	618,378	4	3	556,327	346,610	257,474	7	223,488
	Coach	209	260,000	442,909	6	3	311,002	328,640	328,577	4	345,704
	P-32	31	27,000	15,672	7	11	17,517	22,413	57,456	3	45,350
	BL-20	12	13,000	42,499	3	1	27,729	25,654	36,364	1	38,264
	Fleet	1165	200,000	195,786	32	31	195,595	192,295	221,514	27	206,455
	M2/8		260,000	239,976	9	10	278,949	239,864	296,559	8	277,399
	M3/7		300,000	354,329	7	6	317,322	259,582	189,580	11	175,825
Diesel/Coach		110,000	102,908	16	15	98,487	115,545	190,380	8	178,053	

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 2013 - 2018



West of Hudson Performance Summary			2018 Data			2017 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	95.5%	89.8%	91.8%	91.9%	93.9%
		AM Peak	95.5%	85.4%	88.7%	91.5%	92.4%
		PM Peak	95.5%	93.3%	92.4%	96.3%	93.3%
		Total Peak	95.5%	89.2%	90.5%	93.8%	92.8%
		Off Peak Weekday	95.5%	91.7%	92.1%	93.5%	94.9%
		Weekend	95.5%	87.2%	93.1%	86.1%	93.6%
	Pascack Line	Overall	96.5%	91.9%	94.5%	94.3%	95.6%
	Valley Line	AM Peak	96.5%	89.4%	92.7%	96.4%	96.0%
		PM Peak	96.5%	95.0%	96.4%	99.3%	95.7%
		Total Peak	96.5%	92.0%	94.4%	97.8%	95.9%
		Off Peak Weekday	96.5%	93.8%	94.5%	95.7%	96.0%
		Weekend	96.5%	89.0%	94.4%	87.3%	94.5%
	Port Jervis Line	Overall	95.0%	86.4%	87.9%	88.6%	91.5%
		AM Peak	95.0%	79.8%	83.3%	84.9%	87.5%
		PM Peak	95.0%	91.2%	87.6%	92.9%	90.6%
		Total Peak	95.0%	85.5%	85.5%	88.9%	89.0%
		Off Peak Weekday	95.0%	88.5%	88.6%	90.5%	93.2%
		Weekend	95.0%	83.5%	90.7%	83.9%	92.1%
Operating Statistics	Trains Scheduled		1,640	4,899	1,711	4,945	
	Avg. Delay per Late Train (min) <small>excluding trains cancelled or terminated</small>		20.2	21.0	25.7	23.4	
	Trains Over 15 min. Late <small>excluding trains cancelled or terminated</small>	300	59	159	67	135	
	Trains Canceled	60	36	53	14	24	
	Trains Terminated	60	7	17	9	17	
	Percent of Scheduled Trips Completed		99.4%	97.4%	98.6%	98.7%	99.2%

WEST OF HUDSON
EVENTS RESULTING IN 5 or MORE LATE (L), CANCELED (C) or TERMINATED (T) TRAINS

Date	Day	DESCRIPTION OF EVENT	Number of Late Trains														
			AM Peak			PM Peak			Off Peak			Weekend			TOTAL		
			L	C	T	L	C	T	L	C	T	L	C	T	Late	Cxld Term	
03/07	Wed	Service impacted due to Winter Storm Quinn.	0	0	0	0	0	0	0	0	0	4	4	3	4	4	3
03/08	Thu	Service impacted due to Winter Storm Quinn.	2	6	0	0	1	0	2	4	0	0	0	0	4	11	0
03/13	Tue	PJL Signal failure from MP 42 to MP 45 Harriman.	3	0	0	1	0	0	5	0	0	0	0	0	9	0	0
03/15	Thu	PJL Tr# 44 terminated at Harriman due to EPIC Brake failure on Cab Car 6710.	4	0	1	0	0	0	0	2	0	0	0	0	4	2	1
03/17	Sat	Heavy travel due to St. Patrick's Day.	0	0	0	0	0	0	1	0	0	6	0	0	7	0	0
TOTAL FOR MONTH			9	6	1	1	1	0	8	6	0	10	4	3	28	17	4
												49					



MARCH 2018 STANDEE REPORT

East of Hudson

			MAR 2017	YTD 2017	MAR 2018	YTD 2018
Daily Average	Hudson Line	Program Standees	0	0	0	0
		Add'l Standees	9	4	9	17
		Total Standees	9	4	9	17
AM Peak	Harlem Line	Program Standees	0	0	0	0
		Add'l Standees	32	48	97	118
		Total Standees	32	48	97	118
	New Haven Line	Program Standees	0	0	0	0
		Add'l Standees	19	29	30	68
		Total Standees	19	29	30	68
EAST OF HUDSON TOTAL - AM PEAK			61	81	136	203
Daily Average	Hudson Line	Program Standees	0	0	0	0
		Add'l Standees	0	6	2	6
		Total Standees	0	6	2	6
PM Peak	Harlem Line	Program Standees	0	0	0	0
		Add'l Standees	19	35	16	30
		Total Standees	19	35	16	30
	New Haven Line	Program Standees	0	0	0	0
		Add'l Standees	76	107	110	127
		Total Standees	76	107	110	127
EAST OF HUDSON TOTAL - PM PEAK			95	148	128	164

West of Hudson

			MAR 2017	YTD 2017	MAR 2018	YTD 2018
Daily Average	Port Jervis Line	Program Standees	0	0	0	0
		Add'l Standees	0	0	0	0
		Total Standees	0	0	0	0
AM Peak	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

* Consist compliance and Standee Reporting for the West of Hudson PM Peak trains is currently unavailable .

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 reported as consist compliance less than 100%.

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.

Operations Planning and Analysis/jc

ELEVATOR AND ESCALATOR OPERATING REPORT
FOR MONTH OF March 2018

Elevator Availability	2018		2017	
	March	Year to Date	March	Year to Date
Grand Central Terminal	93.75%	93.75%	93.75%	96.06%
Harlem	99.18%	99.68%	99.93%	99.98%
Hudson	99.13%	99.69%	100.00%	100.00%
New Haven	98.85%	99.62%	100.00%	99.92%
Overall Average	97.72%	98.18%	98.42%	98.99%

GCT Availability for March 2018 is impacted by the NE-1 Elevator being Out of Service due to East Side Access construction since February 2017.

Escalator Availability	2018		2017	
	March	Year to Date	March	Year to Date
Grand Central Terminal	99.75%	95.75%	100.00%	98.58%
White Plains	100.00%	100.00%	100.00%	100.00%
Overall Average	99.88%	97.88%	100.00%	99.29%



Metro-North Railroad

Finance Report



Metro-North Railroad

February 2018 Highlights: Financial Report

The purpose of this report is to provide the February 2018 financial results, on an accrual basis. The accrual basis is presented on a non-reimbursable and reimbursable account basis. These results are compared to the Adopted Budget (budget).

Summary of Non-Reimbursable Year-to-Date (YTD) February 2018 Financial Results

Ridership and accrual results, versus budget, are summarized as follows:

- Ridership of 13.0 million was 0.2 million (1.8%) below budget, of which East of Hudson ridership of 12.8 million was 0.2 million (1.8%) below budget, and West of Hudson ridership of 0.3 million was 0.0 million (1.0%) below budget.
- Farebox revenue of \$111.8 million was \$0.9 million (0.8%) below budget, primarily due to adverse weather in January, particularly Winter Storm Grayson partially offset by a higher yield per passenger.
- Operating expenses of \$216.1 million was \$5.8 million (2.6%) below budget. The primary component of the favorable variance reflects a combined \$6.8 million (25.2%) of less than expected discretionary contractual spending in the Maintenance and Other Operating Contracts and Professional Services categories. Labor expenses were flat to budget.

Financial results for Year-to-Date (YTD) February 2018 are presented in the table below and compared to the budget.

Category	February 2018 Year-to-Date Results			
	Adopted Budget	Actual	Variance Favorable / (Unfavorable)	
in \$ millions	\$	\$	\$	%
Farebox Revenue	112.7	111.8	(0.9)	(0.8)
Total Expenses before Non-Cash Liability Adjustments	221.9	216.1	5.8	2.6
Net Cash Deficit*	(101.1)	(72.4)	28.8	28.5

* Excludes Subsidies

Kim Porcelain
Vice President
Finance & Info Systems

NON-REIMBURSABLE and REIMBURSABLE SUMMARY

February 2018 YTD Net Deficit (Non-Reimbursable and Reimbursable) of \$142.6 million was \$3.8 million or 2.6% favorable vs. the Adopted Budget. The month of February Net Deficit (Non-Reimbursable and Reimbursable) of \$67.8 million was \$4.0 million or 5.6% favorable vs. the Adopted Budget.

Major drivers of the February 2018 YTD favorable result of \$3.8 million include lower Non-Reimbursable Expenses of \$8.6 million mainly due to favorable maintenance contracts and professional services (\$6.8 million) and lower electric power rates (\$1.1 million). Partly offsetting these favorable expense results were unfavorable Non-Reimbursable Revenues of \$4.8 million due to lower other operating revenue (\$3.9 million) resulting from a reimbursement delay related to the rescheduling of the New York State Grade Crossing Project (\$3.9 million) and lower farebox revenue (\$0.9 million).

February 2018 YTD Reimbursable results (Capital and Other Reimbursements) of \$28.1 million was \$12.5 million favorable vs. the Adopted Budget primarily due to timing for several capital projects including Positive Train Control, Waterbury Brand Cab Signal, Signal Replacement from Greenwich to South Norwalk, Turnouts Mainline High Speed, C-30 Track Program, and the Power Infrastructure Restoration.

REVENUE/RIDERSHIP

- **Farebox Revenue** – YTD was \$0.9 million unfavorable vs. the Adopted Budget (0.8%) primarily due to adverse weather in January, particularly Winter Storm Grayson partially offset by a higher yield per passenger. For the month, revenue was \$0.1 million favorable vs. the Adopted Budget.
 - YTD Ridership of 13.0 million was 1.8% unfavorable vs. the Adopted Budget and 1.2% unfavorable when compared to YTD 2017. February ridership of 6.2 million was flat vs. the Adopted Budget and 0.8% unfavorable compared to 2017.
 - YTD East of Hudson Ridership of 12.8 million was 1.8% unfavorable vs. the Adopted Budget and 1.2% unfavorable compared to YTD 2017. East of Hudson ridership for February of 6.1 million was 0.9% unfavorable vs. the Adopted Budget and 0.2% unfavorable compared to 2017.
 - YTD commutation ridership of 7.7 million was 1.0% unfavorable vs. the Adopted Budget and 1.0% unfavorable vs. YTD 2017. February commutation ridership of 3.6 million was 1.0% unfavorable vs. the Adopted Budget and 2017, respectively.
 - YTD non-commutation ridership of 5.1 million was 3.0% unfavorable vs. the Adopted Budget and 1.5% unfavorable vs. YTD 2017. February non-commutation ridership of 2.5 million was 0.6% unfavorable vs. the Adopted Budget and 0.9% favorable vs. 2017.
 - YTD West of Hudson Ridership of 0.3 million was 1.0% unfavorable vs. the Adopted Budget and 1.5% unfavorable vs. YTD 2017. February ridership of 0.1 million was 3.4% favorable vs. the Adopted Budget and 4.6% favorable when compared to 2017.
- **Other Operating Revenue** – YTD was \$3.9 million (29.0%) unfavorable vs. the Adopted Budget due to a reimbursement delay related to the rescheduling of the New York State Grade Crossing Project. For the month, revenue was \$1.6 million unfavorable vs. the Adopted Budget.
- **Capital and Other Reimbursements** – YTD was \$12.5 million unfavorable vs. the Adopted Budget due to scheduling and timing changes noted above. For the month, reimbursements were \$3.9 million unfavorable vs. the Adopted Budget.

TOTAL EXPENSES (Non-Reimbursable and Reimbursable)

Total Expenses – YTD expenses of \$292.1 million were \$21.1 million or 6.7% favorable vs. the Adopted Budget. For the month, expenses of \$142.1 million were \$9.4 million or 6.2% favorable vs. the Adopted Budget.

Labor Expenses (including fringes and overhead recoveries) of \$180.9 million YTD were \$0.6 million unfavorable vs. the Adopted Budget. For the month, expenses of \$85.4 million were \$0.3 million favorable vs. the Adopted Budget.

- **Payroll** – YTD was \$0.3 million unfavorable vs. the Adopted Budget due to higher holiday pay expenses for represented employees. For the month, expenses were \$0.1 million favorable vs. the Adopted Budget.
- **Overtime** – YTD was \$1.7 million unfavorable vs. the Adopted Budget due to timing differences related to payroll and calendar cutoff dates. For the month, Overtime was \$1.1 million unfavorable vs. the Adopted Budget.

Non-Labor Expenses of \$63.3 million YTD were \$18.8 million favorable vs. the Adopted Budget. For the month, expenses of \$32.8 million were favorable by \$7.6 million compared to the Adopted Budget.

- **Electric Power** – Lower rates yielded favorable YTD results of \$1.1 million vs. the Adopted Budget. For the month, expenses were \$0.4 million favorable vs. the Adopted Budget.
- **Fuel** – YTD expenses were \$0.5 million unfavorable vs. the Adopted Budget due to a higher diesel fuel price per gallon. For the month, expenses were \$0.2 million unfavorable when compared to the Adopted Budget.
- **Maintenance & Other Operating Contracts** – YTD was \$5.5 million favorable vs. the Adopted Budget primarily due to lower than anticipated Non-Reimbursable expenses for maintenance services, lower GCT utilities costs resulting from more efficient chiller equipment implemented in conjunction with NYPA as well as lower various Reimbursable project activity. For the month, expenses were \$2.6 million favorable compared to the Adopted Budget.
- **Professional Services** – YTD was \$10.8 million favorable vs. the Adopted Budget primarily due to lower Reimbursable project activity (Positive Train Control) as well as lower than anticipated Non-Reimbursable expenses for engineering and consulting services and legal fees. For the month, expenses were favorable by \$4.6 million compared to the Adopted Budget.
- **Materials & Supplies** – YTD was \$1.0 million favorable vs. the Adopted Budget primarily due to lower various Reimbursable project activity partially offset by higher Non-Reimbursable expenses for rolling stock parts and supplies for reliability centered maintenance programs projects and running repairs. For the month, expenses were \$0.1 million favorable vs. the Adopted Budget.
- **Other Business Expenses** – YTD expenses were \$0.9 million favorable vs. the Adopted Budget primarily due to lower Non-Reimbursable expenses due to lower subsidy payments to NJT for West of Hudson operations and lower than anticipated expenses for travel and other miscellaneous expenses. For the month, expenses were \$0.4 million favorable compared to the Adopted Budget.

Depreciation and Other Non-Cash Liability Adjustments were \$2.9 million favorable vs. the YTD Adopted Budget primarily due to the timing of the capitalization of assets. For the month, expenses were \$1.4 million favorable vs. the Adopted Budget.

CASH DEFICIT SUMMARY

February YTD Net Cash Deficit of \$72.4 million was \$28.8 million or 28.5% favorable to the Adopted Budget. This is mainly due to revised milestone scheduling of Operating Capital Projects (NYS Grade Crossing Improvements, 525 North Broadway Space Consolidation, Track Geometry Car, GP35 Locomotive Overhaul, Cameras and Audio for Non-M8 Fleet and Bridge Monitor Installation).

FINANCIAL PERFORMANCE MEASURES

February YTD performance indicators primarily reflect favorable overall expenses vs. the Adopted Budget:

- Adjusted Farebox Operating Ratio of 59.7% was 6.2% favorable vs. the Adopted Budget.
- Adjusted Cost per Passenger of \$15.82 was \$2.19 favorable to the Adopted Budget.
- Revenue per Passenger of \$8.60 was \$0.09 favorable vs. the Adopted Budget.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
February 2018
(\$ in millions)

SCHEDULE I - A

	Nonreimbursable				Reimbursable				Total			
	Adopted Budget	Favorable (Unfavorable)			Adopted Budget	Favorable (Unfavorable)			Adopted Budget	Favorable (Unfavorable)		
		Actual	Variance	Percent		Actual	Variance	Percent		Actual	Variance	Percent
Revenue												
Farebox Revenue	\$54.873	\$55.000	\$0.128	0.2	\$0.000	\$0.000	\$0.000	-	\$54.873	\$55.000	\$0.128	0.2
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	6.297	4.655	(1.643)	(26.1)	0.000	0.000	0.000	-	6.297	4.655	(1.643)	(26.1)
<i>Capital & Other Reimbursements:</i>												
MTA	0.000	0.000	0.000	-	10.646	8.579	(2.067)	(19.4)	10.646	8.579	(2.067)	(19.4)
CDOT	0.000	0.000	0.000	-	7.285	5.321	(1.964)	(27.0)	7.285	5.321	(1.964)	(27.0)
Other	0.000	0.000	0.000	-	0.594	0.736	0.142	23.9	0.594	0.736	0.142	23.9
Total Capital and Other Reimbursements	0.000	0.000	0.000	-	18.525	14.637	(3.888)	(21.0)	18.525	14.637	(3.888)	(21.0)
Total Revenue/Receipts	\$61.170	\$59.655	(\$1.515)	(2.5)	\$18.525	\$14.637	(\$3.888)	(21.0)	\$79.695	\$74.291	(\$5.403)	(6.8)
Expenses												
<i>Labor:</i>												
Payroll	\$39.790	\$39.694	\$0.096	0.2	\$3.582	\$3.534	\$0.049	1.4	\$43.372	\$43.228	\$0.144	0.3
Overtime	8.119	9.062	(0.942)	(11.6)	1.603	1.804	(0.201)	(12.5)	9.723	10.866	(1.143)	(11.8)
Health and Welfare	8.765	7.952	0.813	9.3	1.225	1.503	(0.278)	(22.7)	9.991	9.456	0.535	5.4
OPEB Current Payment	2.750	3.004	(0.254)	(9.3)	0.000	0.000	0.000	-	2.750	3.004	(0.254)	(9.3)
Pensions	8.094	7.659	0.436	5.4	0.866	0.998	(0.132)	(15.2)	8.960	8.656	0.304	3.4
Other Fringe Benefits	10.240	9.128	1.112	10.9	0.881	1.127	(0.246)	(27.9)	11.121	10.255	0.866	7.8
Reimbursable Overhead	(3.814)	(4.404)	0.590	15.5	3.568	4.292	(0.725)	(20.3)	(0.246)	(0.112)	(0.134)	(54.5)
Total Labor	\$73.945	\$72.095	\$1.850	2.5	\$11.726	\$13.258	(\$1.532)	(13.1)	\$85.670	\$85.353	\$0.318	0.4
<i>Non-Labor:</i>												
Electric Power	\$7.248	\$6.868	\$0.380	5.2	\$0.000	\$0.000	\$0.000	-	\$7.248	\$6.868	\$0.380	5.2
Fuel	1.766	2.010	(0.244)	(13.8)	0.000	0.000	0.000	-	1.766	2.010	(0.244)	(13.8)
Insurance	1.486	1.425	0.060	4.0	0.227	0.449	(0.222)	(97.9)	1.712	1.874	(0.162)	(9.4)
Claims	0.098	0.050	0.047	48.7	0.000	0.000	0.000	-	0.098	0.050	0.047	48.7
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	9.278	8.373	0.905	9.8	0.590	(1.110)	1.700	*	9.868	7.263	2.605	26.4
Professional Service Contracts	3.568	2.752	0.816	22.9	3.920	0.185	3.735	95.3	7.488	2.937	4.551	60.8
Materials & Supplies	8.060	8.205	(0.145)	(1.8)	2.043	1.817	0.225	11.0	10.102	10.022	0.080	0.8
Other Business Expenses	2.137	1.735	0.403	18.8	0.020	0.037	(0.018)	(88.9)	2.157	1.772	0.385	17.8
Total Non-Labor	\$33.641	\$31.418	\$2.223	6.6	\$6.799	\$1.378	\$5.421	79.7	\$40.440	\$32.796	\$7.643	18.9
<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 Adj.	\$107.585	\$103.512	\$4.073	3.8	\$18.525	\$14.637	\$3.888	21.0	\$126.110	\$118.149	\$7.961	6.3
Depreciation	20.542	19.102	1.440	7.0	0.000	0.000	0.000	-	20.542	19.102	1.440	7.0
OPEB Obligation	4.833	4.833	0.000	0.0	0.000	0.000	0.000	-	4.833	4.833	0.000	0.0
GASB68 Pension Adjustment	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Environmental Remediation	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Expenses	\$132.961	\$127.447	\$5.513	4.1	\$18.525	\$14.637	\$3.888	21.0	\$151.485	\$142.084	\$9.401	6.2
Net Surplus/(Deficit)	(\$71.791)	(\$67.793)	\$3.998	5.6	\$0.000	\$0.000	\$0.000	-	(\$71.791)	(\$67.793)	\$3.998	5.6
<i>Cash Conversion Adjustments:</i>												
Depreciation	20.542	19.102	(1.440)	(7.0)	0.000	0.000	0.000	-	20.542	19.102	(1.440)	(7.0)
Operating/Capital	(10.474)	(1.435)	9.039	86.3	0.000	0.000	0.000	-	(10.474)	(1.435)	9.039	86.3
Other Cash Adjustments	13.680	3.697	(9.983)	(73.0)	0.000	0.000	0.000	-	13.680	3.697	(9.983)	(73.0)
Total Cash Conversion Adjustments	\$23.748	\$21.364	(\$2.384)	(10.0)	\$0.000	\$0.000	\$0.000	-	\$23.748	\$21.364	(\$2.384)	(10.0)
Net Cash Surplus/(Deficit)	(\$48.043)	(\$46.429)	\$1.614	3.4	\$0.000	\$0.000	\$0.000	-	(\$48.043)	(\$46.429)	\$1.614	3.4

Notes:
-- Results are based on the preliminary close of the general ledger and are subject to review and adjustment. Please note that the current months' actuals do not include post-close adjustments, which will be captured in the subsequent month's YTD results.
-- Differences are due to rounding.
* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
February Year-To-Date
(\$ in millions)

SCHEDULE I - B

	Nonreimbursable				Reimbursable				Total			
	Adopted Budget	Favorable (Unfavorable)			Adopted Budget	Favorable (Unfavorable)			Adopted Budget	Favorable (Unfavorable)		
		Actual	Variance	Percent		Actual	Variance	Percent		Actual	Variance	Percent
Revenue												
Farebox Revenue	\$112.748	\$111.845	(\$0.903)	(0.8)	\$0.000	\$0.000	\$0.000	-	\$112.748	\$111.845	(\$0.903)	(0.8)
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	13.442	9.544	(3.898)	(29.0)	0.000	0.000	0.000	-	13.442	9.544	(3.898)	(29.0)
<i>Capital & Other Reimbursements:</i>												
MTA	0.000	0.000	0.000	-	22.175	17.562	(4.613)	(20.8)	22.175	17.562	(4.613)	(20.8)
CDOT	0.000	0.000	0.000	-	17.179	8.946	(8.233)	(47.9)	17.179	8.946	(8.233)	(47.9)
Other	0.000	0.000	0.000	-	1.184	1.580	0.396	33.5	1.184	1.580	0.396	33.5
Total Capital and Other Reimbursements	0.000	0.000	0.000	-	40.539	28.089	(12.450)	(30.7)	40.539	28.089	(12.450)	(30.7)
Total Revenue/Receipts	\$126.191	\$121.390	(\$4.801)	(3.8)	\$40.539	\$28.089	(\$12.450)	(30.7)	\$166.729	\$149.479	(\$17.250)	(10.3)
Expenses												
<i>Labor:</i>												
Payroll	\$84.661	\$85.395	(\$0.734)	(0.9)	\$7.446	\$7.054	\$0.392	5.3	\$92.107	\$92.448	(\$0.342)	(0.4)
Overtime	16.707	18.342	(1.635)	(9.8)	3.310	3.399	(0.089)	(2.7)	20.017	21.741	(1.724)	(8.6)
Health and Welfare	18.985	18.168	0.817	4.3	2.543	2.648	(0.104)	(4.1)	21.528	20.816	0.713	3.3
OPEB Current Payment	5.500	5.878	(0.378)	(6.9)	0.000	0.000	0.000	-	5.500	5.878	(0.378)	(6.9)
Pensions	17.179	16.823	0.357	2.1	1.797	1.803	(0.006)	(0.3)	18.976	18.625	0.351	1.8
Other Fringe Benefits	20.932	19.575	1.358	6.5	1.929	2.002	(0.073)	(9.5)	22.761	21.577	1.185	5.2
Reimbursable Overhead	(8.008)	(8.157)	0.149	1.9	7.473	7.987	(0.514)	(6.9)	(0.534)	(0.169)	(0.365)	(68.3)
Total Labor	\$155.957	\$156.025	(\$0.067)	(0.0)	\$24.398	\$24.892	(\$0.494)	(2.0)	\$180.355	\$180.916	(\$0.561)	(0.3)
<i>Non-Labor:</i>												
Electric Power	\$14.578	\$13.487	\$1.091	7.5	\$0.000	\$0.000	\$0.000	-	\$14.578	\$13.487	\$1.091	7.5
Fuel	3.502	3.988	(0.486)	(13.9)	0.000	0.000	0.000	-	3.502	3.988	(0.486)	(13.9)
Insurance	2.971	2.848	0.123	4.1	0.466	0.706	(0.240)	(51.4)	3.437	3.554	(0.117)	(3.4)
Claims	0.190	0.056	0.134	70.4	0.000	0.000	0.000	-	0.190	0.056	0.134	70.4
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	18.779	15.315	3.464	18.4	1.246	(0.806)	2.051	*	20.025	14.509	5.515	27.5
Professional Service Contracts	7.983	4.693	3.290	41.2	7.840	0.374	7.466	95.2	15.823	5.067	10.756	68.0
Materials & Supplies	13.165	15.898	(2.733)	(20.8)	6.549	2.849	3.701	56.5	19.715	18.747	0.967	4.9
Other Business Expenses	4.750	3.800	0.950	20.0	0.040	0.074	(0.035)	(87.8)	4.790	3.874	0.916	19.1
Total Non-Labor	\$65.919	\$60.086	\$5.833	8.8	\$16.141	\$3.197	\$12.943	80.2	\$82.059	\$63.283	\$18.776	22.9
<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.	\$221.876	\$216.110	\$5.766	2.6	\$40.539	\$28.089	\$12.450	30.7	\$262.415	\$244.199	\$18.215	6.9
Depreciation	41.084	38.214	2.871	7.0	0.000	0.000	0.000	-	41.084	38.214	2.871	7.0
OPEB Obligation	9.667	9.667	0.000	0.0	0.000	0.000	0.000	-	9.667	9.667	0.000	0.0
GASB68 Pension Adjustment	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Environmental Remediation	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Expenses	\$272.627	\$263.991	\$8.636	3.2	\$40.539	\$28.089	\$12.450	30.7	\$313.166	\$292.080	\$21.086	6.7
Net Surplus/(Deficit)	(\$146.436)	(\$142.601)	\$3.836	2.6	\$0.000	\$0.000	\$0.000	-	(\$146.436)	(\$142.601)	\$3.836	2.6
<i>Cash Conversion Adjustments:</i>												
Depreciation	41.084	38.214	(2.871)	(7.0)	0.000	0.000	0.000	-	41.084	38.214	(2.871)	(7.0)
Operating/Capital	(28.234)	(1.625)	26.609	94.2	0.000	0.000	0.000	-	(28.234)	(1.625)	26.609	94.2
Other Cash Adjustments	32.436	33.651	1.215	3.7	0.000	0.000	0.000	-	32.436	33.651	1.215	3.7
Total Cash Conversion Adjustments	\$45.287	\$70.240	\$24.953	55.1	\$0.000	\$0.000	\$0.000	-	\$45.287	\$70.240	\$24.953	55.1
Net Cash Surplus/(Deficit)	(\$101.150)	(\$72.361)	\$28.789	28.5	\$0.000	\$0.000	\$0.000	-	(\$101.150)	(\$72.361)	\$28.789	28.5

Notes:

-- Results are based on the preliminary close of the general ledger and are subject to review and adjustment. Please note that the current months' actuals do not include post-close adjustments, which will be captured in the subsequent month's YTD results.

-- Differences are due to rounding.

* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
 ACCRUAL STATEMENT OF OPERATIONS BY CATEGORY
 EXPLANATION OF VARIANCE BETWEEN ADOPTED BUDGET AND ACTUAL RESULTS
 FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
 FEBRUARY 2018
 (\$ 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		
		\$	%		\$	%			
FAREBOX REVENUE	Non-Reimb	\$0.128	0.2%	Change in mix of tickets purchased with increased volume of higher priced non-commutation tickets due to colder weather.	(\$0.903)	(0.8%)	Primarily due to adverse weather in January, particularly Winter Storm Grayson partially offset by a higher yield per passenger.		
OTHER OPERATING REVENUE	Non-Reimb	(\$1.643)	(26.1%)	Primarily reflects a reimbursement delay related to the rescheduling of the New York State Grade Crossing Project.	(\$3.898)	(29.0%)	Primarily reflects a reimbursement delay related to the rescheduling of the New York State Grade Crossing Project.		
CAPITAL AND OTHER REIMBURSEMENTS	Reimb	(\$3.888)	(21.0%)	Lower reimbursements reflect scheduling and timing changes in capital project expenditures.	(\$12.450)	(30.7%)	Lower reimbursements reflect scheduling and timing changes in capital project expenditures.		
PAYROLL	Non-Reimb	\$0.096	0.2%	Primarily due to preliminary impact of the hiring restrictions.	(\$0.734)	(0.9%)	Primarily due to higher holiday pay for represented employees as well as the reallocation of forces to operations coverage due to the rescheduling of capital projects.		
	Reimb	\$0.049	1.4%	Reflects lower monthly activity in the Enhanced Station Initiative offset by the Cos Cob Bridge Mitre Rail Replacement.	\$0.392	5.3%	Reflects lower yearly activity in the Harlem & Hudson Line Power Improvement project.		
OVERTIME	Non-Reimb	(\$0.942)	(11.6%)	See overtime tables.	(\$1.635)	(9.8%)	See overtime tables.		
	Reimb	(\$0.201)	(12.5%)	See overtime tables.	(\$0.089)	(2.7%)	See overtime tables.		
HEALTH AND WELFARE	Non-Reimb	\$0.813	9.3%	Primarily reflects lower than budgeted rates partially offset by higher payroll costs.	\$0.817	4.3%	Primarily reflects lower than budgeted rates partially offset by higher payroll costs.		
	Reimb	(\$0.278)	(22.7%)	Reflects higher monthly project activity driven by the Cyclical Track Program.	(\$0.104)	(4.1%)	Reflects higher YTD activity in the Harlem and Hudson Line Power project.		
OPEB CURRENT PAYMENT	Non-Reimb	(\$0.254)	(9.3%)	Reflects additional retirees.	(\$0.378)	(6.9%)	Reflects additional retirees.		
PENSIONS	Non-Reimb	\$0.436	5.4%	Primarily reflects lower than budgeted rates.	\$0.357	2.1%	Primarily reflects lower than budgeted rates.		
	Reimb	(\$0.132)	(15.2%)	Reflects higher monthly project activity driven by the new Cyclical Track Program.	(\$0.006)	(0.3%)	Reflects higher yearly project activity driven by the West of Hudson Capacity Improvement.		
OTHER FRINGE BENEFITS	Non-Reimb	\$1.112	10.9%	Primarily due to lower employee claims combined with lower than budgeted rates.	\$1.358	6.5%	Primarily due to lower employee claims.		
	Reimb	(\$0.246)	(27.9%)	Reflects higher monthly project activity driven by the Cyclical Track Program.	(\$0.173)	(9.5%)	Reflects higher yearly project activity driven by the Cyclical Track Program.		

MTA METRO-NORTH RAILROAD
ACCUAL STATEMENT OF OPERATIONS BY CATEGORY
EXPLANATION OF VARIANCE BETWEEN ADOPTED BUDGET AND ACTUAL RESULTS
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
FEBRUARY 2018
(\$ 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	\$0.590	15.5%	The non-reimbursable and reimbursable variances reflect higher activity on the following projects: Cyclical Track Program, M-8 New Haven Line Purchase and the Cos Cob Bridge Mitre Rail Replacement	\$0.149	1.9%	The non-reimbursable and reimbursable variances reflect lower activity on the Cyclical Track Program.
	Reimb	(\$0.725)	(20.3%)		(\$0.514)	(6.9%)	
ELECTRIC POWER	Non-Reimb	\$0.380	5.2%	Primarily due to lower rates.	\$1.091	7.5%	Primarily due to lower rates.
FUEL	Non-Reimb	(\$0.244)	(13.8%)	Reflects higher diesel fuel price per gallon.	(\$0.486)	(13.9%)	Reflects higher diesel fuel price per gallon.
INSURANCE	Non-Reimb	\$0.060	4.0%	Reflects lower insurance premiums.	\$0.123	4.1%	Reflects lower insurance premiums.
	Reimb	(\$0.222)	(97.9%)	Reflects higher activity in the current Turnouts Mainline High Speed Project.	(\$0.240)	(51.4%)	Reflects higher yearly activity in the Cyclical Track Program and the GCT Turnouts Switch Renewal Program.
CLAIMS	Non-Reimb	\$0.047	48.7%	Primarily due to lower claims expense.	\$0.134	70.4%	Primarily due to lower claims expense.
MAINTENANCE AND OTHER OPERATING CONTRACTS	Non-Reimb	\$0.905	9.8%	Primarily reflects lower than anticipated maintenance contracts as well as GCT utilities expense resulting from efficient chiller equipment implemented in conjunction with NYPA.	\$3.464	18.4%	Primarily reflects lower than anticipated maintenance contracts as well as GCT utilities expense resulting from efficient chiller equipment implemented in conjunction with NYPA.
	Reimb	\$1.700	*	Reflects higher monthly activity for the Harlem & Hudson Line Power Improvement, the Transformer Rehabilitation program and the Right of Way Restoration project.	\$2.051	*	Reflects lower yearly activity in the Harlem & Hudson Line Power Improvement project, the Transformer Rehabilitation project, the Environmental Remediation project and the Right of Way Restoration project.
PROFESSIONAL SERVICE CONTRACTS	Non-Reimb	\$0.816	22.9%	Primarily reflects lower than anticipated expenses for engineering and consulting services as well as Legal Fees.	\$3.290	41.2%	Primarily reflects lower than anticipated expenses for engineering and consulting services as well as Legal Fees.
	Reimb	\$3.735	95.3%	Reflects lower monthly activity for Positive Train Control, Signal Replacement from Greenwich to South Norwalk and the Harmon Shop Improvements.	\$7.466	95.2%	Reflects lower yearly activity for Positive Train Control, Signal Replacement from Greenwich to South Norwalk, the Cameras and Audio for M-8 Fleet and the Waterbury Branch Cab Signal.

MTA METRO-NORTH RAILROAD
 ACCRUAL STATEMENT OF OPERATIONS BY CATEGORY
 EXPLANATION OF VARIANCE BETWEEN ADOPTED BUDGET AND ACTUAL RESULTS
 FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
 FEBRUARY 2018
 (\$ 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	(\$0.145)	(1.8%)		(\$2.733)	(20.8%)	Higher expenses for rolling stock parts and supplies for reliability centered maintenance programs, projects and running repairs.
	Reimb	\$0.225	11.0%	Reflects lower monthly activity for the new Turnouts Mainline High Speed project.	\$3.701	56.5%	Reflects lower yearly activity in the Waterbury Branch Cab Signal, Turnouts Mainline High Speed Project, C-30 Track Program and the Power Infrastructure Restoration.
OTHER BUSINESS EXPENSES	Non-Reimb	\$0.403	18.8%	Reflects lower subsidy payment to NJT for West of Hudson operations and lower expense for travel and other miscellaneous expenses.	\$0.950	20.0%	Reflects lower subsidy payment to NJT for West of Hudson operations and lower expense for travel and other miscellaneous expenses.
	Reimb	(\$0.018)	(88.9%)	Reflects higher monthly activity in the I&C Harlem and Hudson Line Project	(\$0.035)	(87.8%)	Reflects higher yearly activity for the Croton Harmon Peekskill Improvement project.
DEPRECIATION	Non-Reimb	\$1.440	7.0%	Reflects lower capitalization of assets than budgeted due to timing differences in project completions and assets reaching beneficial use.	\$2.871	7.0%	Reflects lower capitalization of assets than budgeted due to timing differences in project completions and assets reaching beneficial use.
OPERATING CAPITAL	Non-Reimb	\$9.039	86.3%	Driven by the following project activity: 525 North Broadway Space Consolidation, Cameras and Audio for M-8 Fleet, GCT 7B Renovation, Catenary Maintenance Vehicles, Power Control Scada, Hot Box Detector System and the GCT Escalators Replacement.	\$26.609	94.2%	Driven by the following project activity: 525 North Broadway Space Consolidation, NYS Grade Crossing Improvement, Cameras and Audio for M-8 Fleet, Track Geometry Car, GP Locomotive Overhaul, GCT 7B Renovation, Bridge Monitor Installation, NYS Beacon Line Empire Trail, Power Control Scada, Hot Box Detector System and the Mott Haven Security Improvement.

* Variance exceeds 100%.

MTA Metro-North Railroad
February Financial Plan - 2018 Adopted Budget
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

	February						Year To Date(February)					
	Adopted Budget		Actual		Var. - Fav/(Unfav)		Adopted Budget		Actual		Var. - Fav/(Unfav)	
	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
NON-REIMBURSABLE OVERTIME												
<u>Scheduled Service</u> ¹	44,705	\$ 3.153	44,008	\$ 2.623	697	\$0.530	98,672	\$ 6.759	114,552	\$ 6.776	(15,880)	(\$0.016)
					1.6%	16.8%					-16.1%	-0.2%
<u>Unscheduled Service</u>	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -
<u>Programmatic/Routine Maintenance</u>	44,636	\$ 2.598	44,904	\$ 2.544	(268)	\$0.054	81,659	\$ 4.749	91,113	\$ 5.150	(9,454)	(\$0.401)
					-0.6%	2.1%					-11.6%	-8.4%
<u>Unscheduled Maintenance</u>	776	\$ 0.043	1	\$ 0.000	775	\$0.042	1,311	\$ 0.072	1	\$ 0.000	1,310	\$0.072
					99.9%	99.9%					100.0%	100.0%
<u>Vacancy/Absentee Coverage</u> ²	25,787	\$ 1.421	22,893	\$ 1.205	2,894	\$0.216	45,619	\$ 2.515	48,160	\$ 2.534	(2,541)	(\$0.019)
					11.2%	15.2%					-5.6%	-0.8%
<u>Weather Emergencies</u>	15,096	\$ 0.905	15,965	\$ 0.886	(869)	\$0.019	42,806	\$ 2.612	51,550	\$ 2.809	(8,744)	(\$0.198)
					-5.8%	2.1%					-20.4%	-7.6%
<u>Safety/Security/Law Enforcement</u> ³	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -
<u>Other</u>	(2)	\$ (0.000)	29	\$ 1.804	(31)	(\$1.804)	11	\$ 0.000	51	\$ 1.074	(40)	(\$1.074)
Subtotal	130,998	\$ 8.119	127,800	\$ 9.062	3,198	(\$0.942)	270,077	\$ 16.707	305,426	\$ 18.342	(35,349)	(\$1.635)
					2.4%	-11.6%					-13.1%	-9.8%
REIMBURSABLE OVERTIME	26,276	\$ 1.603	30,558	\$ 1.804	(4,282)	(\$0.201)	54,174	\$ 3.310	59,367	\$ 3.399	(5,193)	(\$0.089)
					-16.3%	-12.5%					-9.6%	-2.7%
TOTAL OVERTIME	157,274	\$ 9.723	158,358	\$ 10.866	(1,084)	(\$1.143)	324,251	\$ 20.017	364,793	\$ 21.741	(40,542)	(\$1.724)
					-0.7%	-11.8%					-12.5%	-8.6%

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.

Also reflects timing differences related to payroll and calendar cutoff dates.

**MTA Metro-North Railroad
February Financial Plan - 2018 Adopted Budget
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)**

	February			Year To Date(February)		
	Var. - Fav./(Unfav)		Explanations	Var. - Fav./(Unfav)		Explanations
	Hours	\$		Hours	\$	
NON-REIMBURSABLE OVERTIME						
<u>Scheduled Service</u> ¹	697	\$0.530	Lower than anticipated relief day coverage.	(15,880)	(\$0.016)	
	1.6%	16.8%		-16.1%	-0.2%	
<u>Unscheduled Service</u>	0	\$ -		0	\$ -	
<u>Programmatic/Routine Maintenance</u>	(268)	\$0.054		(9,454)	(\$0.401)	Increased infrastructure and facility maintenance in Maintenance of Way due to very cold winter weather.
	-0.6%	2.1%		-11.6%	-8.4%	
<u>Unscheduled Maintenance</u>	775	\$0.042		1,310	\$0.072	
	99.9%	99.9%		100.0%	100.0%	
<u>Vacancy/Absentee Coverage</u> ²	2,894	\$0.216	Slightly lower vacation, sick and vacancy coverage requirements.	(2,541)	(\$0.019)	
	11.2%	15.2%		-5.6%	-0.8%	
<u>Weather Emergencies</u>	(869)	\$0.019		(8,744)	(\$0.198)	Reflects impact of Winter Storm Grayson.
	-5.8%	2.1%		-20.4%	-7.6%	
<u>Safety/Security/Law Enforcement</u> ³	0	\$ -		0	\$ -	
<u>Other</u>	(31)	(\$1.804)	Reflects timing differences related to payroll and calendar cutoff dates.	(40)	(\$1.074)	Reflects timing differences related to payroll and calendar cutoff dates.
Subtotal	3,198	(\$0.942)		(35,349)	(\$1.635)	
	2.4%	-11.6%		-13.1%	-9.8%	
REIMBURSABLE OVERTIME	(4,282)	(\$0.201)	Reflects higher monthly activity in the C-29 Track Program, the Danbury Dock Yard project and the MNR Technology Move.	(5,193)	(\$0.089)	Reflects higher yearly activity in the Bronx Stations Capacity Improvement project.
	-16.3%	-12.5%		-9.6%	-2.7%	
TOTAL OVERTIME	(1,084)	(\$1.143)		(40,542)	(\$1.724)	

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

MTA METRO-NORTH RAILROAD
2018 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 - 2018 ADOPTED BUDGET
CASH RECEIPTS AND EXPENDITURES
(\$ in millions)

SCHEDULE III

	February 2018				Year-to-Date			
	Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent
Receipts								
Farebox Receipts	\$53.928	\$53.200	(\$0.728)	(1.4)	\$110.990	\$112.194	\$1.204	1.1
Toll Receipts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Receipts	7.680	6.671	(1.009)	(13.1)	17.122	13.567	(3.555)	(20.8)
<i>Capital & Other Reimbursements:</i>								
MTA	14.342	8.909	(5.433)	(37.9)	29.518	15.612	(13.906)	(47.1)
CDOT	7.285	4.267	(3.018)	(41.4)	17.179	21.779	4.600	26.8
Other	0.594	0.721	0.127	21.4	1.184	3.013	1.829	*
Total Capital and Other Reimbursements	22.221	13.897	(8.324)	(37.5)	47.881	40.404	(7.477)	(15.6)
Total Receipts	\$83.829	\$73.768	(\$10.061)	(12.0)	\$175.994	\$166.165	(\$9.829)	(5.6)
Expenditures								
<i>Labor:</i>								
Payroll	\$44.249	\$41.963	\$2.286	5.2	\$86.339	\$85.704	\$0.635	0.7
Overtime	9.766	8.953	0.813	8.3	18.408	20.972	(2.564)	(13.9)
Health and Welfare	10.319	10.999	(0.680)	(6.6)	22.196	21.930	0.266	1.2
OPEB Current Payment	2.750	3.367	(0.617)	(22.4)	5.500	6.312	(0.812)	(14.8)
Pensions	9.005	9.830	(0.825)	(9.2)	19.074	19.676	(0.602)	(3.2)
Other Fringe Benefits	10.266	10.333	(0.067)	(0.7)	19.758	22.627	(2.869)	(14.5)
GASB Account	0.013	0.000	0.013	100.0	0.027	0.000	0.027	100.0
Reimbursable Overhead	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Labor	\$86.368	\$85.445	\$0.923	1.1	\$171.301	\$177.221	(\$5.920)	(3.5)
<i>Non-Labor:</i>								
Electric Power	\$7.406	\$5.536	\$1.870	25.3	\$14.895	\$8.464	\$6.431	43.2
Traction Power	5.838	4.013	1.825	31.3	11.718	5.334	6.384	54.5
Non-Traction Power	1.568	1.523	0.045	2.9	3.177	3.130	0.047	1.5
Fuel	1.727	3.405	(1.678)	(97.1)	3.424	5.064	(1.640)	(47.9)
Revenue Vehicle Fuel	1.142	2.186	(1.044)	(91.5)	2.265	3.593	(1.328)	(58.6)
Non-Revenue Fuel	0.586	1.219	(0.633)	*	1.159	1.471	(0.312)	(26.9)
Insurance	0.250	0.000	0.250	100.0	6.655	0.000	6.655	100.0
Claims	0.098	0.125	(0.027)	(28.1)	0.190	0.017	0.173	91.1
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	14.202	7.869	6.333	44.6	24.631	15.586	9.045	36.7
Professional Service Contracts	7.759	2.629	5.130	66.1	20.669	4.353	16.316	78.9
Materials & Supplies	10.588	11.555	(0.967)	(9.1)	26.665	20.813	5.852	21.9
Other Business Expenditures	3.475	3.633	(0.158)	(4.5)	8.713	7.008	1.705	19.6
Total Non-Labor	\$45.504	\$34.752	\$10.752	23.6	\$105.843	\$61.305	\$44.538	42.1
<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	\$131.872	\$120.197	\$11.675	8.9	\$277.144	\$238.526	\$38.618	13.9
Net Cash Deficit (excludes Opening Cash Balance)	(\$48.043)	(\$46.429)	\$1.614	3.4	(\$101.150)	(\$72.361)	\$28.789	28.5
Subsidies								
MTA	36.657	21.620	(15.037)	(41.0)	77.586	58.641	(18.945)	(24.4)
CDOT	11.386	12.345	0.959	8.4	23.564	28.964	5.400	22.9
Total Subsidies	\$48.043	\$33.965	(\$14.078)	(29.3)	\$101.150	\$87.605	(\$13.545)	(13.4)
Cash Timing and Availability Adjustment	\$0.000	\$1.070	\$1.070	-	\$0.000	(\$6.813)	(\$6.813)	-

-- Results are preliminary and subject to audit review.
-- Differences are due to rounding.
* Variance exceeds 100%.

**MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED 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, 2018		
	Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
	\$	%		\$	%	
OTHER OPERATING REVENUE	(1.009)	(13.1%)	Primarily reflects a reimbursement delay related to the rescheduling of the New York State Grade Crossing Project partially offset by timing of Station Revenue.	(3.555)	(20.8%)	Primarily reflects a reimbursement delay related to the rescheduling of the New York State Grade Crossing Project, timing of advertising receipts and Station Revenue partially offset by higher GCT Revenues.
CAPITAL AND OTHER REIMBURSEMENTS:						
MTA	(5.433)	(37.9%)	Delay in receipts for work performed combined with lower capital related project activity.	(13.906)	(47.1%)	Delay in receipts for work performed combined with lower capital related project activity.
CDOT	(3.018)	(41.4%)	Lower capital related project activity combined with delay in receipts for work performed.	4.600	26.8%	Higher cash receipts relating to capital related work performed partially offset by lower capital related project activity.
OTHER	0.127	21.4%	Higher reimbursable related project activity partially offset by delay in receipts for work performed.	1.829	*	Higher reimbursable related project activity combined with higher cash receipts than budgeted.
PAYROLL	2.286	5.2%	Primarily reflects timing differences related to payroll and calendar cutoff dates.	0.635	0.7%	
OVERTIME	0.813	8.3%	Reflects timing differences related to payroll and calendar cutoff dates.	(2.564)	(13.9%)	Reflects timing differences related to payroll and calendar cutoff dates, higher than anticipated holiday related overtime, facility maintenance and infrastructure repair work, slightly higher vacation, sick and vacancy coverage requirements as well as the impact of Winter Storm Grayson.
HEALTH & WELFARE	(0.680)	(6.6%)	Timing of payments for health insurance premiums.	0.266	1.2%	
OPEB CURRENT PAYMENT	(0.617)	(22.4%)	Reflects higher than budgeted number of retirees receiving healthcare premiums.	(0.812)	(14.8%)	Reflects higher than budgeted number of retirees receiving healthcare premiums.
PENSIONS	(0.825)	(9.2%)	Timing of payments.	(0.602)	(3.2%)	
OTHER FRINGE BENEFITS	(0.067)	(0.7%)		(2.869)	(14.5%)	Higher payroll taxes than budgeted partially offset by lower FELA claims.
GASB ACCOUNT	0.013	100.0%	GASB Cash Contributions were suspended. 2018 July Financial Plan will be updated.	0.027	100.0%	GASB Cash Contributions were suspended. 2018 July Financial Plan will be updated.
ELECTRIC POWER	1.870	25.3%	Timing of invoices paid combined with lower rates.	6.431	43.2%	Prepayment of January electric power made in December 2017 combined with delay in payments made.
FUEL	(1.678)	(97.1%)	Timing of invoices paid combined with higher diesel fuel market prices.	(1.640)	(47.9%)	Timing of invoices paid combined with higher diesel fuel market prices.

**MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED 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, 2018		
	Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
	\$	%		\$	%	
INSURANCE	0.250	100.0%	No payments made in February for insurance premiums.	6.655	100.0%	No YTD payments made for insurance premiums.
CLAIMS	(0.027)	(28.1%)	Timing of passenger injury settlements.	0.173	91.1%	Timing of passenger injury settlements.
MAINTENANCE & OTHER OPERATING CONTRACTS	6.333	44.6%	Delay in start of 525 North Broadway Space Consolidation, GCT 7B Renovation and Hot Box Detector - WILD System.	9.045	36.7%	Delay in start of Operating Capital Projects (525 North Broadway Space Consolidation, GP 35 Locomotive Overhaul and GCT 7B Restoration) combined with lower than budgeted expenses for various maintenance contracts.
PROFESSIONAL SERVICE CONTRACTS	5.130	66.1%	Primarily due to revised milestone scheduling of Capital Related Projects (Positive Train Control, Camera's/Audio for Fleet, Signal Replacement - Greenwich to South Norwalk and Power Control Scada Upgrade) combined with lower expenses for engineering and consulting services.	16.316	78.9%	Primarily due to revised milestone scheduling of Capital Related Projects (Positive Train Control, 525 North Broadway Space Consolidation, Camera's/Audio for Fleet, Track Geometry Car and New York State Beacon Line) combined with lower expenses for engineering and consulting services.
MATERIALS & SUPPLIES	(0.967)	(9.1%)	Materials placed into inventory partially offset by revised milestone scheduling of Capital Related Projects (Catenary Maintenance Vehicles, Power Infrastructure Restoration, GCT Turnouts Switch Renewal and Turnouts - Mainline High Speed).	5.852	21.9%	Primarily due to revised milestone scheduling of Capital Related Projects (New York State Grade Crossing Improvement and Waterbury Branch Cab Signaling) partially offset by materials placed into inventory.
OTHER BUSINESS EXPENSES	(0.158)	(4.5%)		1.705	19.6%	Lower Non-Operating Purchases combined with lower New Jersey Transit Subsidy.
MTA SUBSIDY RECEIPTS	(15.037)	(41.0%)	Available cash balance combined with lower net cash deficit and higher CDOT Subsidy.	(18.945)	(24.4%)	Lower cash deficit and higher CDOT Subsidy partially offset by available cash balance.
CDOT SUBSIDY RECEIPTS	0.959	8.4%	Higher share of prior months deficit than budgeted.	5.400	22.9%	Higher share of prior months deficit than forecasted combined with payment of Administrative Assets.

* Variance exceeds 100%

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
CASH CONVERSION (CASH FLOW ADJUSTMENT)
(\$ in millions)

	February 2018				Year-to-Date			
	Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent
Receipts								
Farebox Revenue	(\$0.944)	(\$1.800)	(\$0.856)	(90.7)	(\$1.758)	\$0.349	\$2.107	*
Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	1.383	2.016	0.634	45.8	3.680	4.023	0.342	9.3
<i>Capital & Other Reimbursements:</i>								
MTA	3.696	0.330	(3.366)	(91.1)	7.342	(1.950)	(9.292)	*
CDOT	0.000	(1.054)	(1.054)	-	0.000	12.833	12.833	-
Other	0.000	(0.015)	(0.015)	-	0.000	1.433	1.433	-
Total Capital and Other Reimbursements	3.696	(0.740)	(4.436)	*	7.342	12.315	4.973	67.7
Total Revenue/Receipts	\$4.135	(\$0.523)	(\$4.658)	*	\$9.264	\$16.686	\$7.422	80.1
Expenditures								
<i>Labor:</i>								
Payroll	(\$0.877)	\$1.265	\$2.142	*	\$5.768	\$6.744	\$0.977	16.9
Overtime	(0.043)	1.913	1.956	*	1.610	0.769	(0.841)	(52.2)
Health and Welfare	(0.328)	(1.543)	(1.215)	*	(0.668)	(1.114)	(0.447)	(66.9)
OPEB Current Payment	0.000	(0.363)	0.000	-	0.000	(0.434)	(0.434)	-
Pensions	(0.045)	(1.174)	(1.129)	*	(0.098)	(1.051)	(0.953)	*
Other Fringe Benefits	0.855	(0.078)	(0.933)	*	3.004	(1.050)	(4.054)	*
GASB Account	(0.013)	0.000	0.013	100.0	(0.027)	0.000	0.027	100.0
Reimbursable Overhead	(0.246)	(0.112)	0.134	54.5	(0.534)	(0.169)	0.365	68.3
Total Labor	(\$0.698)	(\$0.092)	\$0.606	86.8	\$9.055	\$3.695	(\$5.359)	(59.2)
<i>Non-Labor:</i>								
Electric Power	(\$0.158)	\$1.332	\$1.490	*	(\$0.317)	\$5.023	\$5.340	*
Fuel	0.039	(1.395)	(1.434)	*	0.078	(1.076)	(1.154)	*
Insurance	1.463	1.874	0.412	28.1	(3.218)	3.554	6.773	*
Claims	0.000	(0.075)	(0.075)	-	0.000	0.039	0.039	-
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	(4.334)	(0.606)	3.727	86.0	(4.606)	(1.077)	3.529	76.6
Professional Service Contracts	(0.271)	0.308	0.579	*	(4.846)	0.714	5.560	*
Materials & Supplies	(0.486)	(1.533)	(1.048)	*	(6.951)	(2.066)	4.885	70.3
Other Business Expenses	(1.318)	(1.861)	(0.543)	(41.2)	(3.924)	(3.134)	0.790	20.1
Total Non-Labor	(\$5.065)	(\$1.956)	\$3.109	61.4	(\$23.783)	\$1.978	\$25.761	*
<i>Other Adjustments:</i>								
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 Adjs.	(\$5.762)	(\$2.048)	\$3.714	64.5	(\$14.729)	\$5.673	\$20.402	*
Depreciation	20.542	19.102	(1.440)	(7.0)	41.084	38.214	(2.871)	(7.0)
OPEB Obligation	4.833	4.833	(0.000)	0.0	9.667	9.667	(0.000)	0.0
GASB68 Pension Adjustment	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Environmental Remediation	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Expenditures Adjustments	\$19.613	\$21.887	\$2.274	11.6	\$36.022	\$53.554	\$17.531	48.7
Total Cash Conversion Adjustments	\$23.748	\$21.364	(\$2.384)	(10.0)	\$45.287	\$70.240	\$24.953	55.1

Notes:

-- Results are based on the preliminary close of the general ledger and are subject to review and adjustment. Please note that the current months' actuals do not include post-close adjustments, which will be captured in the subsequent month's YTD results.

-- Differences are due to rounding.

* Variance exceeds 100%.

**MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
RIDERSHIP/UTILIZATION
FEBRUARY 2018
(in millions)**

	MONTH			VARIANCE Fav/(Unfav)				YTD			VARIANCE Fav/(Unfav)			
	ADOPTED ^(A) BUDGET		2017 ^(B)	ADOPTED BUDGET		2017		ADOPTED ^(A) BUDGET		2017 ^(B)	ADOPTED BUDGET		2017	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
FAREBOX REVENUE														
<i>Harlem Line - Commutation</i>	9.108	9.285	8.976	0.178	2.0%	0.309	3.4%	18.266	18.606	18.003	0.340	1.9%	0.603	3.4%
<i>Harlem Line - Non-Commutation</i>	6.819	6.912	6.648	0.092	1.4%	0.264	4.0%	14.451	14.336	14.087	(0.115)	-0.8%	0.249	1.8%
TOTAL HARLEM LINE	\$15.927	\$16.197	\$15.624	\$0.270	1.7%	\$0.573	3.7%	\$32.716	\$32.942	\$32.090	\$0.226	0.7%	\$0.853	2.7%
<i>Hudson Line - Commutation</i>	5.973	6.104	5.894	0.131	2.2%	0.210	3.6%	11.960	12.188	11.803	0.228	1.9%	0.385	3.3%
<i>Hudson Line - Non-Commutation</i>	5.511	5.528	5.366	0.017	0.3%	0.162	3.0%	11.497	11.418	11.195	(0.079)	-0.7%	0.223	2.0%
TOTAL HUDSON LINE	\$11.483	\$11.632	\$11.260	\$0.149	1.3%	\$0.372	3.3%	\$23.457	\$23.606	\$22.998	\$0.149	0.6%	\$0.608	2.6%
<i>New Haven Line - Commutation</i>	13.438	12.951	12.892	(0.486)	-3.6%	0.059	0.5%	27.053	26.098	25.955	(0.956)	-3.5%	0.142	0.5%
<i>New Haven Line - Non-Commutation</i>	12.860	13.131	12.698	0.272	2.1%	0.433	3.4%	27.162	26.941	26.821	(0.221)	-0.8%	0.120	0.4%
TOTAL NEW HAVEN LINE	\$26.297	\$26.083	\$25.591	(\$0.215)	-0.8%	\$0.492	1.9%	\$54.215	\$53.038	\$52.776	(\$1.177)	-2.2%	\$0.262	0.5%
All Lines - Commutation	28.518	28.341	27.763	(0.177)	-0.6%	0.578	2.1%	57.279	56.891	55.761	(0.388)	-0.7%	1.130	2.0%
All Lines - Non-Commutation	25.190	25.571	24.712	0.381	1.5%	0.859	3.5%	53.110	52.695	52.103	(0.415)	-0.8%	0.592	1.1%
TOTAL EAST OF HUDSON LINES	\$53.708	\$53.912	\$52.475	\$0.204	0.4%	\$1.437	2.7%	\$110.389	\$109.586	\$107.864	(\$0.803)	-0.7%	\$1.722	1.6%
West of Hudson^(C)	\$1.100	\$1.088	\$1.085	(0.012)	-1.1%	0.003	0.3%	\$2.258	\$2.259	\$2.233	0.002	0.1%	0.027	1.2%
TOTAL FAREBOX REVENUE	\$54.808	\$55.000	\$53.560	\$0.192	0.4%	\$1.441	2.7%	\$112.646	\$111.845	\$110.097	(\$0.801)	-0.7%	\$1.749	1.6%
RIDERSHIP														
<i>Harlem Line - Commutation</i>	1.274	1.270	1.272	(0.004)	-0.3%	(0.002)	-0.2%	2.675	2.666	2.671	(0.009)	-0.3%	(0.005)	-0.2%
<i>Harlem Line - Non-Commutation</i>	0.779	0.760	0.765	(0.018)	-2.4%	(0.005)	-0.6%	1.643	1.571	1.614	(0.071)	-4.3%	(0.042)	-2.6%
TOTAL HARLEM LINE	2.053	2.030	2.037	(0.023)	-1.1%	(0.007)	-0.3%	4.317	4.237	4.284	(0.081)	-1.9%	(0.047)	-1.1%
<i>Hudson Line - Commutation</i>	0.712	0.711	0.712	(0.002)	-0.2%	(0.001)	-0.1%	1.494	1.487	1.492	(0.006)	-0.4%	(0.005)	-0.3%
<i>Hudson Line - Non-Commutation</i>	0.504	0.491	0.495	(0.014)	-2.7%	(0.004)	-0.8%	1.054	1.011	1.034	(0.043)	-4.1%	(0.023)	-2.2%
TOTAL HUDSON LINE	1.217	1.201	1.206	(0.015)	-1.3%	(0.005)	-0.4%	2.548	2.498	2.526	(0.049)	-1.9%	(0.028)	-1.1%
<i>New Haven Line - Commutation</i>	1.690	1.658	1.691	(0.032)	-1.9%	(0.033)	-2.0%	3.564	3.500	3.567	(0.064)	-1.8%	(0.067)	-1.9%
<i>New Haven Line - Non-Commutation</i>	1.213	1.231	1.200	0.018	1.5%	0.031	2.5%	2.565	2.523	2.538	(0.042)	-1.6%	(0.015)	-0.6%
TOTAL NEW HAVEN LINE	2.903	2.889	2.891	(0.014)	-0.5%	(0.003)	-0.1%	6.129	6.023	6.105	(0.106)	-1.7%	(0.082)	-1.3%
Total Ridership East of Hudson	3.677	3.638	3.675	(0.038)	-1.0%	(0.037)	-1.0%	7.732	7.653	7.730	(0.080)	-1.0%	(0.077)	-1.0%
All Lines - Commutation	2.496	2.482	2.460	(0.014)	-0.6%	0.022	0.9%	5.262	5.106	5.186	(0.156)	-3.0%	(0.080)	-1.5%
All Lines - Non-Commutation	6.173	6.120	6.135	(0.053)	-0.9%	(0.015)	-0.2%	12.994	12.758	12.915	(0.236)	-1.8%	(0.157)	-1.2%
TOTAL EAST OF HUDSON LINES	6.173	6.120	6.135	(0.053)	-0.9%	(0.015)	-0.2%	12.994	12.758	12.915	(0.236)	-1.8%	(0.157)	-1.2%
West of Hudson^(C)	0.122	0.126	0.120	0.004	3.4%	0.005	4.6%	0.255	0.252	0.256	(0.003)	-1.0%	(0.004)	-1.5%
TOTAL EAST & WEST OF HUDSON LINES	6.294	6.246	6.255	(0.048)	-0.8%	(0.009)	-0.1%	13.249	13.011	13.171	(0.238)	-1.8%	(0.161)	-1.2%

^(A) The Budgeted Month-to-Date and Year-to-Date Ridership and Farebox Revenue values have been revised to reflect information received after the submission of the 12-month allocation data published in the 2018 February Financial Plan.

^(B) 2017 Ridership figures have been restated to simulate the 2018 calendar.

^(C) West of Hudson current year actuals are preliminary and prior year actuals are stated as received from New Jersey Transit.

**MTA METRO-NORTH RAILROAD
2018 ADOPTED BUDGET VS. ACTUALS
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
February 28, 2018**

<u>Department</u>	Adopted Budget	Actual	Favorable (Unfavorable) Variance	Notes
Administration				
President	4	2	2	
Labor Relations	18	17	1	
Safety	57	54	3	
Security	26	22	4	
Office of the Executive VP	10	9	1	
Corporate & Public Affairs	20	19	1	
Customer Service	64	66	(2)	
Legal	18	14	4	A
Claims	14	12	2	
Environmental Compliance & Svce	8	6	2	
Human Resources	53	49	4	A
Training	83	82	1	
Employee Relations & Diversity	6	5	1	
VP Planning	2	2	-	
Operations Planning & Analysis	21	20	1	
Capital Planning & Programming	17	12	5	A
Long Range Planning	8	8	-	
VP Finance & Info Systems	7	4	3	
Controller	83	74	9	A
Budget	23	18	5	A
Procurement & Material Management	38	24	14	A
Total Administration	580	519	61	
Operations				
Operations Administration	74	66	8	
Transportation	1,631	1,612	19	A
Customer Service	283	277	6	
Metro-North West	38	25	13	A
Total Operations	2,025	1,980	46	
Maintenance				
Maintenance of Equipment	1,665	1,673	(8)	B
Maintenance of Way	2,224	2,119	105	A
Procurement & Material Mgmt	128	119	9	
Total Maintenance	4,016	3,910	106	
Engineering/Capital				
Construction Management	42	39	3	
Engineering & Design	83	71	12	A
Total Engineering/Capital	125	110	15	
Total Positions	6,746	6,519	228	
Non-Reimbursable	6,101	5,934	167	
Reimbursable	645	584	61	
Total Full-Time	6,745	6,518	228	
Total Full-Time-Equivalents (of part-time positions)	1	1	-	

Notes

- (A) Variance reflects delayed and internal hiring of vacant positions.
(B) Variance reflects lower attrition than planned.

MTA METRO-NORTH RAILROAD
2018 ADOPTED BUDGET VS. ACTUALS
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
February 28, 2018

FUNCTION/OCCUPATION	Adopted Budget	Actual	Favorable (Unfavorable) Variance
Administration			
Managers/Supervisors	199	180	19
Professional, Technical, Clerical	381	339	42
Operational Hourlies	-	-	-
Total Administration	580	519	61
Operations			
Managers/Supervisors	261	232	29
Professional, Technical, Clerical	185	175	10
Operational Hourlies	1,580	1,573	7
Total Operations	2,025	1,980	46
Maintenance			
Managers/Supervisors	604	629	(25)
Professional, Technical, Clerical	542	501	42
Operational Hourlies	2,870	2,781	90
Total Maintenance	4,016	3,910	106
Engineering/Capital			
Managers/Supervisors	48	45	3
Professional, Technical, Clerical	77	65	12
Operational Hourlies	-	-	-
Total Engineering/Capital	125	110	15
Public Safety			
Managers/Supervisors	-	-	-
Professional, Technical, Clerical	-	-	-
Operational Hourlies	-	-	-
Total Public Safety	-	-	-
Total Positions			
Managers/Supervisors	1,111	1,086	26
Professional, Technical, Clerical	1,185	1,079	105
Operational Hourlies	4,450	4,354	97
Total Positions	6,746	6,519	228

**MTA METRO-NORTH RAILROAD
2018 ADOPTED BUDGET VS. ACTUALS
February 28, 2018**

<u>Agency-wide (Non-Reimbursable and Reimbursable)</u>	<u>Adopted Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Explanation of Variances</u>
<i>Functional Classification:</i>				
Operations	2,025	1,980	46	Primarily reflects delayed and internal hiring of vacant positions.
Maintenance	4,016	3,910	106	Reflects delayed and internal hiring of vacant positions partially offset by lower attrition than planned.
Administration	580	519	61	Vacancies reflects delayed and internal hiring of positions primarily in the Procurement, Controllers, Capital Planning & Programming, Budget, Human Resources, Legal and Safety departments.
Engineering / Capital	125	110	15	
Total Agency-wide Headcount	6,746	6,519	228	
Non-Reimbursable	6,101	5,934	167	
Reimbursable	645	584	61	

**MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2018 ADOPTED BUDGET
MONTHLY PERFORMANCE INDICATORS ^(A)
FEBRUARY 2018**

	MONTH			VARIANCE	
	Fav/(Unfav)				
	BUDGET	2018	2017	BUDGET	2017
Farebox Operating Ratio					
Standard ^(B)	47.8%	54.0%	54.9%	6.3%	-0.9%
Adjusted ^(C)	55.1%	61.0%	61.7%	5.9%	-0.6%
Cost per Passenger					
Standard ^(B)	\$18.25	\$16.30	\$15.58	\$1.95	(\$0.72)
Adjusted ^(C)	\$17.84	\$15.84	\$15.19	\$2.00	(\$0.65)
Passenger Revenue/Passenger	\$8.72	\$8.81	\$8.55	\$0.09	\$0.25
	YEAR-TO-DATE			VARIANCE	
	Fav/(Unfav)				
	BUDGET	2018	2017	BUDGET	2017
Farebox Operating Ratio					
Standard ^(B)	46.3%	52.9%	54.7%	6.7%	-1.8%
Adjusted ^(C)	53.5%	59.7%	62.1%	6.2%	-2.4%
Cost per Passenger					
Standard ^(B)	\$18.40	\$16.25	\$15.48	\$2.15	(\$0.76)
Adjusted ^(C)	\$18.01	\$15.82	\$15.08	\$2.19	(\$0.73)
Passenger Revenue/Passenger	\$8.51	\$8.60	\$8.47	\$0.09	\$0.12

(A) Monthly Performance Indicators include both East and West of Hudson revenue and expenses.

(B) 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, Business Service Center and IT costs.

(C) 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.



Metro-North Railroad

Ridership Report



Metro-North Railroad

March 2018 Highlights: Ridership Report

February 2018 vs. 2017

- East of Hudson ridership decreased 0.2% vs. February 2017 and was 0.9% below Budget
 - Commutation ridership decreased 1.0%
 - Non-Commutation ridership increased 0.9%
- East of Hudson ridership by line:
 - Hudson Line ridership decreased 0.4%
 - Harlem Line ridership decreased 0.3%
 - New Haven Line ridership decreased 0.1%
- Non-Commutation ridership results were mixed with the New Haven Line increasing by 2.5%, while the Hudson and Harlem line were down 0.8% and 0.6% respectively.
- The New Haven Line increases in the non-commutation market were due to higher intermediate travel +3.6% and higher to/from Manhattan ridership of +2.2% over last year. Approximately a third of these intermediate rides were made with the UPASS ticket.

2018 vs. 2017 YTD

- Total YTD rail ridership is 1.2% below 2017 and 1.8% below Budget
 - YTD Commutation ridership is 1.0% below 2017
 - YTD Non-Commutation ridership is 1.6% below 2017

Michael Shiffer
Vice President
Planning

**FEBRUARY 2018 RIDERSHIP & REVENUE REPORT
MTA METRO-NORTH RAILROAD**

RIDERSHIP SUMMARY

February Ridership and Revenue (millions)

	February 2018	% Change vs. 2017
Total Rail Ridership	6.246	-0.1% ▼
Commutation Ridership	3.711	-0.9% ▼
Non-Commutation Ridership	2.535	+1.0% ▲
Connecting Service Ridership	0.041	-3.0% ▼
Total MNR System Ridership	6.287	-0.2% ▼
Rail Revenue	\$55.0	+2.7% ▲

Year-to-Date to February Ridership and Revenue (millions)

	YTD 2018	% Change vs. 2017	Comparison to Budget
Total Rail Ridership	13.011	-1.2% ▼	-1.8% ▼
Commutation Ridership	7.799	-1.0% ▼	-1.0% ▼
Non-Commutation Ridership	5.212	-1.6% ▼	-2.9% ▼
Connecting Service Ridership	0.087	-6.6% ▼	-6.9% ▼
Total MNR System Ridership	13.098	-1.3% ▼	-1.8% ▼
Rail Revenue	\$111.8	+1.6% ▲	-0.7% ▼

FEBRUARY RAIL RIDERSHIP (1)

• February's Total Rail Ridership was 0.1% below 2017 and 0.8% below budget.

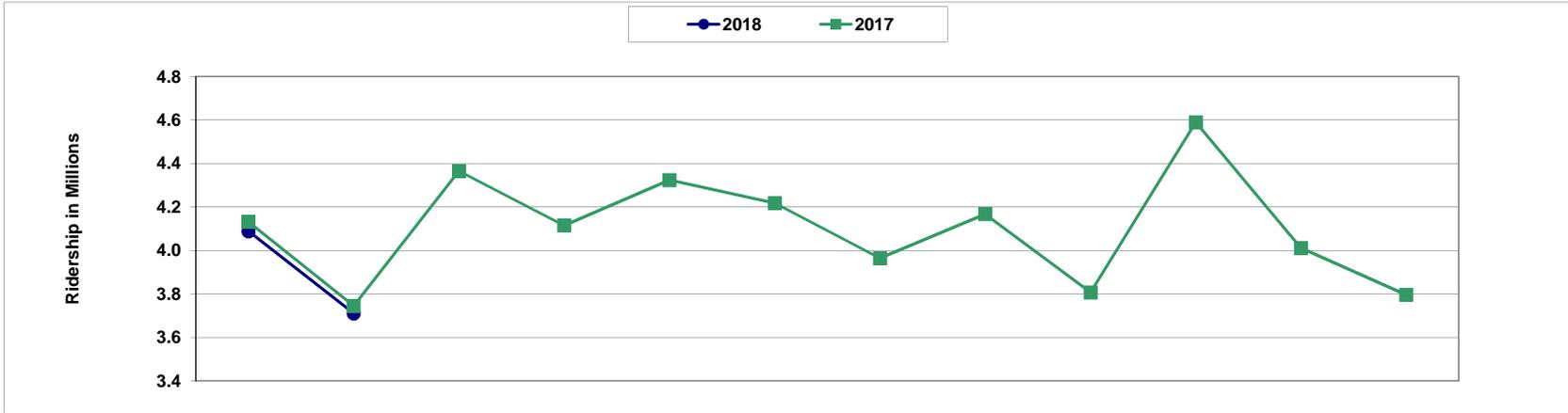


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2018	6.8	6.2											13.0
2017	6.9	6.3	7.1	7.2	7.5	7.5	7.4	7.5	6.9	7.9	7.3	7.2	13.2
PCT CHG.	-2.2%	-0.1%											-1.2%

1) Includes East and West of Hudson.

FEBRUARY RAIL COMMUTATION RIDERSHIP (1)

• February's Rail Commutation Ridership was 0.9% below 2017 and 1.0% below budget.

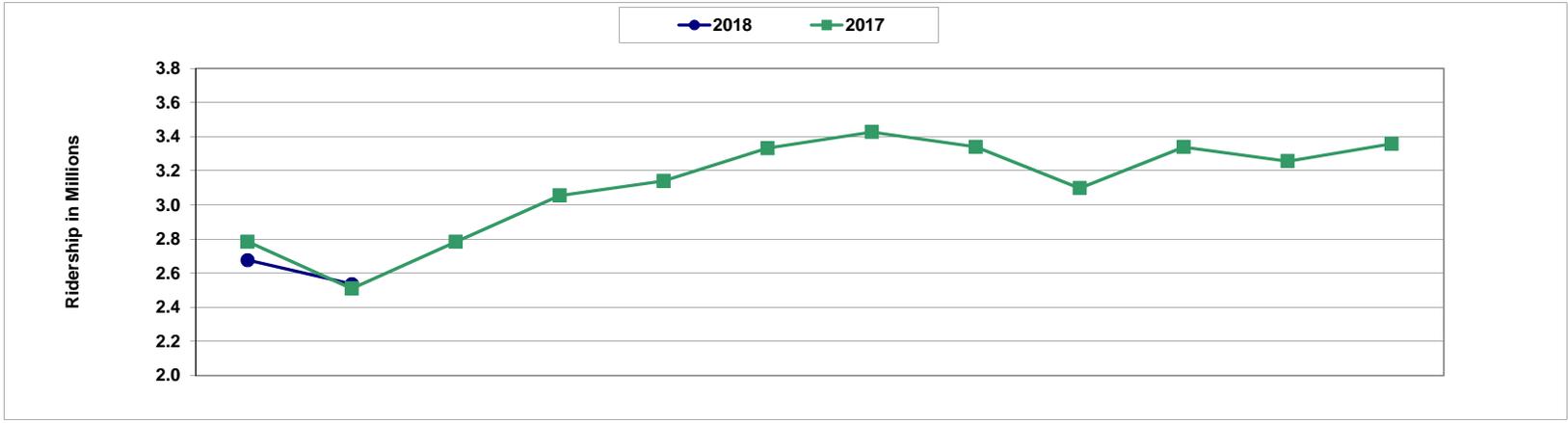


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2018	4.1	3.7											7.8
2017	4.1	3.7	4.4	4.1	4.3	4.2	4.0	4.2	3.8	4.6	4.0	3.8	7.9
PCT CHG.	-1.1%	-0.9%											-1.0%

1) Includes East and West of Hudson.

FEBRUARY RAIL NON-COMMUTATION RIDERSHIP (1)

• February's Rail Non-Commutation Ridership was 1.0% above 2017 and 0.5% below budget.

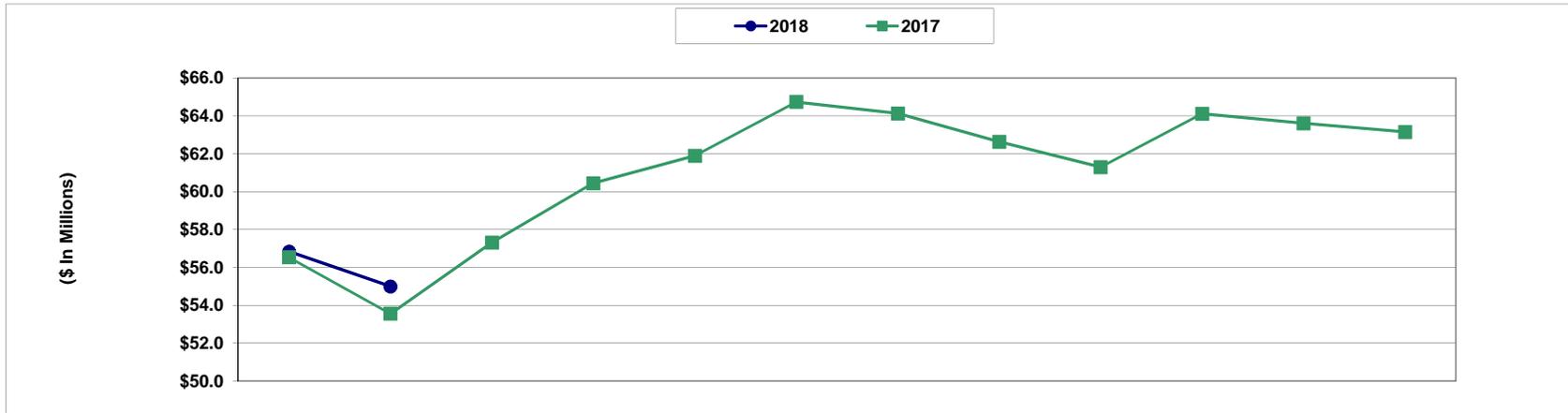


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2018	2.7	2.5											5.2
2017	2.8	2.5	2.8	3.1	3.1	3.3	3.4	3.3	3.1	3.3	3.3	3.4	5.3
PCT CHG.	-3.9%	1.0%											-1.6%

1) Includes East and West of Hudson.

FEBRUARY RAIL REVENUE (1)

• February's Total Rail Revenue was 2.7% above 2017 and 0.4% above budget.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2018	\$56.8	\$55.0											\$111.8
2017	\$56.5	\$53.6	\$57.3	\$60.4	\$61.9	\$64.7	\$64.1	\$62.6	\$61.3	\$64.1	\$63.6	\$63.2	\$110.1
PCT CHG.	0.5%	2.7%											1.6%

1) Includes East and West of Hudson.

**MTA METRO-NORTH RAILROAD
RIDERSHIP SUMMARY
FEBRUARY 2018**

TICKET TYPE/SERVICE	FEBRUARY 2018	FEBRUARY 2018	VARIANCE VS. BUDGET		FEBRUARY 2017	CHANGE FROM 2017	
	ACTUAL	BUDGET	AMOUNT	PERCENT	RESTATE (1)	AMOUNT	PERCENT
RAIL COMMUTATION RIDERSHIP							
East of Hudson	3,638,263	3,676,510	(38,247)	-1.0%	3,674,962	(36,699)	-1.0%
West of Hudson	72,386	70,480	1,906	2.7%	70,343	2,043	2.9%
Total Rail Commutation Ridership	3,710,649	3,746,990	(36,341)	-1.0%	3,745,305	(34,656)	-0.9%
RAIL NON-COMMUTATION RIDERSHIP							
East of Hudson	2,481,761	2,496,020	(14,259)	-0.6%	2,459,828	21,933	0.9%
West of Hudson	53,599	51,329	2,270	4.4%	50,152	3,447	6.9%
Total Rail Non-Commutation Ridership	2,535,360	2,547,349	(11,989)	-0.5%	2,509,980	25,380	1.0%
TOTAL RAIL RIDERSHIP							
East of Hudson	6,120,024	6,172,530	(52,506)	-0.9%	6,134,790	(14,766)	-0.2%
West of Hudson (2)	125,985	121,809	4,176	3.4%	120,495	5,490	4.6%
TOTAL RAIL RIDERSHIP	6,246,009	6,294,339	(48,330)	-0.8%	6,255,285	(9,276)	-0.1%
CONNECTING SERVICES RIDERSHIP (3)(4)	41,131	42,550	(1,419)	-3.3%	42,395	(1,264)	-3.0%
TOTAL MNR SYSTEM RIDERSHIP	6,287,140	6,336,889	(49,749)	-0.8%	6,297,680	(10,540)	-0.2%

Notes:

- 1) 2017 ridership figures have been restated to eliminate calendar impacts on ridership.
- 2) West of Hudson ridership figures are preliminary.
- 3) Includes Hudson Rail Link, Haverstraw-Ossining Ferry and Newburgh-Beacon Ferry.
- 4) Due to icing of the Hudson River in February both Haverstraw-Ossining and Newburgh-Beacon Ferries provided substitute bussing.

MTA METRO-NORTH RAILROAD
RIDERSHIP SUMMARY
2018 YEAR-TO-DATE

TICKET TYPE/SERVICE	2018	2018	VARIANCE VS.		2017	CHANGE FROM 2017	
	YTD ACTUAL	YTD BUDGET	BUDGET		YTD RESTATE (1)	AMOUNT	PERCENT
			AMOUNT	PERCENT			
RAIL COMMUTATION RIDERSHIP							
East of Hudson	7,652,605	7,732,420	(79,815)	-1.0%	7,729,511	(76,906)	-1.0%
West of Hudson	146,257	147,788	(1,531)	-1.0%	147,500	(1,243)	-0.8%
Total Rail Commutation Ridership	7,798,862	7,880,208	(81,346)	-1.0%	7,877,011	(78,149)	-1.0%
RAIL NON-COMMUTATION RIDERSHIP							
East of Hudson	5,105,834	5,261,816	(155,982)	-3.0%	5,185,743	(79,909)	-1.5%
West of Hudson	105,974	107,092	(1,118)	-1.0%	108,559	(2,585)	-2.4%
Total Rail Non-Commutation Ridership	5,211,808	5,368,908	(157,100)	-2.9%	5,294,302	(82,494)	-1.6%
TOTAL RAIL RIDERSHIP							
East of Hudson	12,758,439	12,994,236	(235,797)	-1.8%	12,915,254	(156,815)	-1.2%
West of Hudson	252,231	254,880	(2,649)	-1.0%	256,059	(3,828)	-1.5%
TOTAL RAIL RIDERSHIP	13,010,670	13,249,116	(238,446)	-1.8%	13,171,313	(160,643)	-1.2%
CONNECTING SERVICES RIDERSHIP (2)	87,034	93,524	(6,490)	-6.9%	93,187	(6,153)	-6.6%
TOTAL MNR SYSTEM RIDERSHIP	13,097,704	13,342,640	(244,936)	-1.8%	13,264,500	(166,796)	-1.3%

Notes:

- 1) 2017 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
Feb-18

LINE	FEBRUARY 2018 ACTUAL	FEBRUARY 2017 RESTATE ⁽¹⁾	CHANGE FROM 2017	
			AMOUNT	PERCENT
EAST OF HUDSON				
Harlem Line	2,030,072	2,036,882	(6,810)	-0.3%
Hudson Line	1,201,364	1,206,479	(5,115)	-0.4%
New Haven Line	2,888,588	2,891,429	(2,841)	-0.1%
Total East of Hudson	6,120,024	6,134,790	(14,766)	-0.2%
WEST OF HUDSON				
Port Jervis Line	71,091	71,338	(247)	-0.3%
Pascack Valley Line	54,894	49,157	5,737	11.7%
Total West of Hudson (2)	125,985	120,495	5,490	4.6%
TOTAL RAIL RIDERSHIP	6,246,009	6,255,285	(9,276)	-0.1%
CONNECTING SERVICES PROVIDED BY METRO-NORTH CONTRACTORS				
Hudson Rail Link	31,026	30,314	712	2.3%
Haverstraw-Ossining Ferry (3)	7,709	8,040	(331)	-4.1%
Newburgh-Beacon Ferry (3)	2,396	4,041	(1,645)	-40.7%
Total Connecting Services	41,131	42,395	(1,264)	-3.0%
TOTAL MNR SYSTEM	6,287,140	6,297,680	(10,540)	-0.2%

Notes:

- 1) 2017 ridership figures have been restated to eliminate calendar impacts on ridership.
- 2) West of Hudson ridership figures are preliminary.
- 3) Due to icing of the Hudson River in February both Haverstraw-Ossining and Newburgh-Beacon Ferries provided substitute bussing.

**MTA METRO-NORTH RAILROAD
RIDERSHIP BY LINE
2018 YEAR-TO-DATE**

TICKET TYPE/SERVICE	2018 YTD ACTUAL	2017 YTD RESTATE ⁽¹⁾	CHANGE FROM 2017	
			AMOUNT	PERCENT
EAST OF HUDSON				
Harlem Line	4,236,774	4,284,202	(47,428)	-1.1%
Hudson Line	2,498,466	2,526,139	(27,673)	-1.1%
New Haven Line	6,023,199	6,104,913	(81,714)	-1.3%
Total East of Hudson	12,758,439	12,915,254	(156,815)	-1.2%
WEST OF HUDSON				
Port Jervis Line	147,664	151,934	(4,270)	-2.8%
Pascack Valley Line	104,567	104,125	442	0.4%
Total West of Hudson	252,231	256,059	(3,828)	-1.5%
TOTAL RAIL RIDERSHIP	13,010,670	13,171,313	(160,643)	-1.2%
CONNECTING SERVICES PROVIDED BY METRO-NORTH CONTRACTORS				
Hudson Rail Link	66,788	65,897	891	1.4%
Haverstraw-Ossining Ferry	15,396	18,635	(3,239)	-17.4%
Newburgh-Beacon Ferry	4,850	8,655	(3,805)	-44.0%
Total Connecting Services	87,034	93,187	(6,153)	-6.6%
TOTAL MNR SYSTEM	13,097,704	13,264,500	(166,796)	-1.3%

Notes:

1) 2017 ridership figures have been restated to eliminate calendar impacts on ridership.



Metro-North Railroad

Capital Program Report



Metro-North Railroad

March 2018 Highlights: Capital Program Status Report

The purpose of the Capital Program Status Report is to provide a monthly and year-to-date overview of the progress of Metro-North’s Capital Program including a brief discussion of the current month’s project highlights. The report focuses primarily on providing a summary of achievements regarding design and construction awards, project completions and contract closeouts. The point of contact for the report is John Kennard, Vice President, Capital Program Management.

In the month of March, Metro-North awarded project tasks totaling \$85.3 million, including the Harlem Line Express Cable Installation; Construction Management Services for the Harmon Shop Replacement, Phase V, Stage 2; Engineering/Design services for the replacement/rehabilitation of five (5) West of Hudson undergrade bridges and 13 single track undergrade bridges. Also, Metro-North substantially completed projects totaling \$3.4 million including Rolling Stock Specification Development and installation of Bridge Walkways.

Metro-North’s performance against its 2018 Capital Project Goal was:

(\$ in Millions)

	<u>Annual Planned</u>	<u>Planned thru 3/31</u>	<u>Achieved thru 3/31</u>	<u>% thru 3/31</u>
Design Awards*	\$4.5	\$2.1	\$4.3	204
Construction Awards*	\$535.1	\$108.5	\$106.0	98
Substantial Completions	\$463.5	\$2.5	\$3.4	136
Closeouts*	\$14.5	\$0.0	\$0.0	0

*Does not include support costs

John Kennard
Vice President
Capital Programs

CAPITAL PROGRAM

HIGHLIGHTS

March 31, 2018

ROLLING STOCK

M-8 Procurement Option

Total Program Budget \$1.4B (MNR portion of Project Budget for additional Cars - \$92M)

Metro-North, in partnership with Connecticut Department of Transportation, executed an agreement with the manufacturer in January 2017 to purchase 60 additional M-8 cars for the New Haven Line, with an option for an additional 34 cars. The new cars will begin to arrive in the fourth quarter 2019. These cars will be fully interoperable and benefit from parts compatibility, reducing operating and future procurement costs with the 405 M-8 cars already purchased.

GRAND CENTRAL TERMINAL (GCT)

GCT Utilities (fire suppression system upgrade at lower level of Trainshed and utility tunnels, and replacement of 49th St. existing fire pump)

Total Project Budget - \$44.7M

Lower Level – Continued installation of fire hose valve cabinets and fire standpipe at various locations across lower level tracks.

Pipe Tunnel – Continued installation of pipes, heat tracing conduits and cables at 48th Street Tunnel and insulation of fire standpipe in the West Tunnel.

Upper Level – Continued fire standpipe and jacket insulation at the loop track and Track 200.

Overall project completion is anticipated in January 2019.

GCT Leaks Remediation Phase II

Total Project Budget - \$33.2M

Installation of architectural panels and restoration continues at 45th Street Bridge. Overall project completion is anticipated in May 2018.

Grand Central Terminal Public Address and Visual Information Systems Replacements

Total Project Budget - \$59.5M

The purpose of this project is to replace, update and consolidate the existing Public Address (PA) and Visual Information Systems (VIS) in order to provide improved information to Metro-North customers. The project is divided into three GCT contracts (PA/VIS, Cable Plant and Big Boards & Gate Boards) which are critical to the implementation of the global Customer Service Initiative (CSI) Project. Preliminary quality, safety and baseline schedule submissions are underway. Commenced concept development for Real Time Train Database System and preliminary design for PA/VIS. Completed preliminary design and site surveys are ongoing at Room CSER 7C and various other locations at GCT to advance design

development for the new Cable Plant. Completed site surveys and commenced design development for Information/Big Boards.

STATIONS/PARKING/FACILITIES

Harlem-125th Street Improvements

Total Project Budget - \$3.7M

- *Replace historic stairways located on the south side of 125th Street (Small Business Mentoring Program Tier II) – Continued installation of the new steel for the west stair. The replacement of the east stair will commence upon the west stair's completion which is expected in June 2018.*
- *Exterior lighting improvements & art work on the viaduct (Small Business Mentoring Program Tier I) – Completed installation of new exterior station lights. Commenced with removal of the existing lighting on the Park Avenue Viaduct in preparation for a mock-up of the new art work lighting scheduled for April 2018.*

CSI Outlying Stations Public Announcement/Visual Information and Surveillance/Access Control Systems

Total Project Budget - \$80.8M

The CSI Project will enhance the customers' experience and improve operations with a system-wide upgrade of the public address, visual information and video surveillance/access control systems at twenty (20) MNR stations and facilities throughout New York. This project also includes upgrades to elevator monitoring, providing network connectivity for new and existing equipment and real-time data improvements. A new PAVIS system will be deployed with redundant central control systems to ensure a high state of reliability.

Scope clarification for all three packages continues. Planning to begin site surveys of the MNR node houses (48 VDC power plants at various locations) continued. Completed field office procurement on the New Haven Line. Commenced preliminary design development of video, access control and security systems and continued site surveys for planning the installation of fiber optic, PAVIS and security systems.

Station Improvements at Harlem-125th Street, Riverdale, Crestwood, White Plains and Port Chester

Total Project Budget - \$135.2M

The purpose of the Station Improvements Project is to develop and improve station aesthetics, introduce new technology, and develop sustainability initiatives. A key focus will be to transform and elevate the customer experience at the White Plains Station, Metro-North's third busiest station. White Plains Station improvements will include a renovated and expanded waiting room including new bathrooms, upgraded HVAC, Wi-Fi, charging stations, benches, a new heated side platform, new island platform canopy, and entrance enhancements at Main St., Hamilton Ave., Mott St. Tunnel and the main entrance. The Crestwood, Port Chester and Riverdale Stations will receive a new canopy and waiting plaza and improvements in station overpasses (Riverdale and Crestwood). Harlem-125th Street will receive station house and platform improvements, as well as, an enhanced lighting installation under the viaduct.

A Design-Build contract for the phased implementation of these improvements was executed in December 2017. The design portion of the contract has commenced with various design packages under review by key stakeholders.

- White Plains Station – Abatement and painting of Main Street Bridge is ongoing and scheduled for completion in April 2018.
- Port Chester Station – Lidar survey has commenced in Port Chester Station.

There are various interim milestone completion dates at each station, with overall project completion in December 2020.

POWER

Power, C&S Infrastructure Restoration Phase I & II – Sandy (Design-Build)

Total Project Budget - \$301.9M

- *Phase I* – Replace and restore to a state of good repair the power and communication and signal (C&S) equipment and infrastructure that were destroyed, damaged and/or compromised by Super Storm Sandy on over 16 miles of railroad along the Hudson Line from CP19 (Greystone) to CP35 (Croton-Harmon). Under Track 4 continuous outage from CP25(Tarrytown) to CP19 (Greystone), continued to install: medium voltage signal power precast ductbank and trough, C&S conduits, 40" trough at interlocking locations, sectionalizing switches, laterals and track crossing work, reactors, positive and negative feeder work at different substations and snowmelter conduits. In the out-of-outage work area (outside the track limits for a power outage), continued to install communication and signal power conduits and laterals for snowmelters and switches; performed test pit excavation work to locate existing underground utility; and performed work on platform, trough, and conduits. The following is also underway: removal and replacement of existing 3rd rail setups, performing cable pulls for C&S as well as communication fiber testing.
- *Phase II* – Replace and restore to a state of good repair the power and C&S equipment and infrastructure that were destroyed, damaged and/or compromised by Super Storm Sandy on over 14 miles of railroad along the Hudson Line from CP5 (Bronx) to CP19 (Greystone). Work will include replacement of C&S cable, fiber optic cable, equipment and components, with significant work that is at-grade as well as in and around the track bed adjacent to the Hudson River. Continued utility mark-outs, test pit excavations and borings. 90% design review by key stakeholders continues.

Overall project completion of Phase I and II is anticipated in the first quarter of 2021.

Power Infrastructure Restoration – Substations – Sandy

Total Project Budget - \$44.4M

- *Tarrytown* – Continued punch list work required for Con-Ed energization and general housekeeping, maintenance and protection of traffic and soil erosion control.

- *Croton-Harmon* – Continued with punch list work and general housekeeping, maintenance and protection of traffic and soil erosion control.
- *Riverdale* – Continued crew quarters work such as conduit installation and wire pulling, sheetrock installation for interior and exterior walls, terminations at fire alarm panel, installation of smoke detector, installation of door framing and installation of light fixtures. Continued general housekeeping, maintenance and protection of traffic and soil erosion control.

Substantial completion for the three substations is forecasted for June 2018. As this project is tied to the Harlem & Hudson Lines Power Improvements (Brewster Substation noted below), the overall project completion is anticipated in the third quarter 2018.

Harlem & Hudson Lines Power Improvements

Total Project Budget - \$43.8M

- *Construction of 86th Street Substation and 110th Street Negative Return Reactors*
 - *110th St.* (replacement of negative return reactors in the substation under the viaduct) – Operating as of July 2016.
 - *86th St.* – Demolition and removal of equipment on the east and west platforms continue. At the west platform continued with: installation of 15KV switchgear building foundation at the west platform. At the east platform continued with: excavation for new column footings and DC equipment trench at the east platform. Completed installation of Con-Ed low voltage service at east platform. Completed energization of new signal power transformers at west platform.

AC and DC Switchgear equipment are currently in storage. Set-up of AC switchgear equipment is planned for the second quarter 2018 with the DC switchgear equipment to follow in the third quarter 2018. Overall project completion in early 2019.

- *The Brewster Substation* – Continued installation of 15KV ductbank and fencing. Placed concrete for north stairs landing. Continued testing of AC/DC switchgear, transformer, fire alarm system, automatic transfer switch, HVAC and ventilation system. Continued installation of chain link fence and guardrail, vault inspections, patching and caulking of support beams and soil erosion control measures. Construction of a point of entry to connect to the power for New York State Electric and Gas is ongoing. The Brewster Substation is anticipated for completion in the third quarter 2018.

Substation Replacement Bridge - 23

Total Project Budget - \$63.2M

- *Mount Vernon East* – Fabrication of signal substation is complete. Final Factory Acceptance Testing (FAT) for the signal station was successfully conducted and delivery is scheduled for April 2018. Punch list work for catenary bridge 23X at the site is complete with final testing and commissioning to continue pending further discussion with New York Power Authority (NYPA) on pull box (PB-1) work.

- *Catenary work between Mount Vernon and New Rochelle* – Catenary system overhead wire FT-3 and FT-4 installation is complete. Further testing and commissioning to continue pending installation of pull box (PB-1) referenced above.
- *New Rochelle* – Controls and relay work to commence in the second quarter 2018 with connecting the overhead wires FT-3 and FT-4 to the New Rochelle substation. Discussions with NYPA to continue for completing pull box PB-1 work.

Overall project completion is anticipated in the fourth quarter 2018.

TRACK AND STRUCTURES

Inspection and Load Rating of Select Undergrade Bridges in New York State

Total Inspection & Load Rating Project Budget - \$9.9M

The field inspection phase of the bridges continues and is near completion. Associated Inspection and Load Rating reports continue to be submitted and reviewed by key stakeholders.

Project completion is anticipated in March 2019.

Design-Build of Prospect Hill Road Bridge (Southeast Station)

Total Prospect Hill Road Bridge Project Budget - \$12.4M

The design portion of the contract continues with various design packages under review by key stakeholders. The structural steel fabrication for the deck girders is scheduled for delivery and installation in April 2018. The east and west abutment and center pier pile driving is complete and preparation for concrete placement is underway. Prospect Hill Road Bridge is anticipated to open for vehicular traffic by year end 2018.

Overhead Bridge Program – Select Bridges East of Hudson

Total Overhead Bridge Program Budget - \$20.2M

14th Avenue Bridge, Mt. Vernon, NY (Design-Build contract) – Various design packages are under review by key stakeholders. Utility relocation work has been completed. Installation of foundation post, conduits and junction boxes / pull boxes for relocation of the signal cable along Track Nos. 3 and 4 is scheduled for completion in April 2018. Cable installation is scheduled to commence in April. The bridge will be closed to vehicular traffic in mid-May 2018 until the work is complete, which is scheduled for February 2019.

Harlem River Lift-Bridge Security Upgrades

Harlem River Lift-Bridge Electronic Security System and Security Enhancement
Budget - \$16.3M

Construction submittal phase is underway. Site construction has commenced. Bronx communication shed foundation is complete. Manhattan communication shed foundation is scheduled for completion in April 2018, and the lead abatement is scheduled to commence on the Bronx tower in April 2018.

Harlem River Lift-Bridge Power Cable Tie

Harlem River Lift-Bridge Security Upgrade Budget - \$2M

The Harlem River Lift Bridge Electronic Power Cable Tie contract was awarded in December 2017. The contract is to furnish and install a new Bronx-Manhattan power cable tie system to provide back-up power between the two sides of the Harlem River Lift Bridge. The new power cable shall be installed in the existing duct bank / manhole system of the existing micro tunnel that spans across the Harlem River. Construction submittal phase is underway. Site construction is scheduled to commence in April 2018.

COMMUNICATIONS AND SIGNAL

Positive Train Control (PTC)

Total Project Budget - \$476.1M

Subsystem designs being finalized. On-Board and office software is in development. FAT for sub-system level software for On-Board and Office continues. Surveys and Federal Communications Commission (FCC) / Tribal applications continue for communication site locations, with 98% of all sites approved by the FCC. Civil Speed Enforcement (CSE) is available on all lines for use by Amtrak, freight and MNR Advanced Civil Speed Enforcement System equipped rolling stock for revenue service. Installation and testing of PTC transponders are complete for Pilot 2 (Hudson Line CP 25 to 35) and is ongoing for Pilot 1 (New Haven Line CP 255 to CP 274). Wayside subsystem deliveries and installations continue on all lines. All M7A on-board PTC equipment installation has been completed. M3A on-board PTC hardware installations are ongoing. Third party contract work for communications infrastructure installation is ongoing. Training of employees continues. Interoperability discussions with Amtrak and Freight carriers continue. The project is on schedule to meet the FRA requirements of December 31, 2018.

West of Hudson Signal Improvements

Total Project Budget - \$67.6M

The purpose of this project is to install a new 100 Hz Cab Signal system replacing the existing antiquated system on the Port Jervis Line between Suffern, NY (MP 31.3) and Sparrowbush, NY (MP 89.9), with the work divided into five segments. MNR forces are continuing to work on installations in preparation for a series of cut overs. The first signal cut over took place in April 2017 from CP-Sterling to Suffern. The second cut over from CP-Sterling to CP-Harriman was complete in March 2018. The next cut over from CP-Harriman to CP-Valley is scheduled for June 2018.

SHOPS AND YARDS

Harmon Shop Improvements

Total Project Budget - \$315.6M

Phase V, Stage I Design-Build

- *Consist Shop Facility/Building 6 (CSF)* – Continued interior mechanical, electrical & plumbing related installation including duct work, plumbing, fire suppression, insulation, conduit installation and wire pulling for various systems, equipment/panel boards, interior partitions, doors & windows hardware, kitchen cabinet installation, flooring materials,

bathroom accessories, car top wiring for passenger & freight elevators and installation of lightning protection for roof top units RTUs & parapets, bug/stinger system and other industrial equipment. Continued painting exposed electric conduit, compressed air piping, foundation wall and steel columns.

- *EMU (Electric Multiple Unit) Annex Building* – Continued interior installation such as: masonry walls, interior duct work, plumbing, fire suppression, seismic control for gas line, conduits and wiring for PA system, voice & data lines, lighting controls, bathroom accessories, equipment/panel boards, bridge and gantry cranes & workstations, metal stairs, control panel wiring and pre-testing for passenger and freight elevators, wiring of switchgear and panels inside the electrical room and other industrial equipment installation. Continued painting of exposed electric conduits and compressed air lines.
- *Yard Utilities and Miscellaneous* – Continued installation of underground utilities at CSF and EMU Annex.

Overall, Phase V, Stage 1 construction completion is anticipated in June 2018.

Phase V, Stage II Preliminary Design

Procurement process is underway with design-build proposals received and under review, on schedule to award in July 2018.

2018 MNR Capital Program Goals

As of March 31, 2018

In Millions

