

**MTA NEW YORK CITY TRANSIT**

**Metropolitan Transportation Authority**  
**MTA New York City Transit**  
**Reconciliation of 2004 Preliminary Budget with Revised 2003 Budget**  
(\$ in millions)

	Variance: favorable / (unfavorable)		
	2003	2004	Two-Year Total
<b>Net Operating Cash Deficit - Approved March 2003 Plan</b>	<b>(\$1,504.4)</b>	<b>(\$1,236.7)</b>	<b>(\$2,741.1)</b>
<i>Eliminate Unspecified PEG for 2004 - March 2003 Plan</i>	\$0.0	(\$66.5)	(\$66.5)
<b>Adjusted Operating Cash Deficit - March 2003 Plan</b>	<b>(\$1,504.4)</b>	<b>(\$1,303.2)</b>	<b>(\$2,807.6)</b>
2004 Unspecified PEG Now Identified	\$0.0	\$66.5	\$66.5
Additional Operating PEG	<u>41.3</u>	<u>21.5</u>	<u>62.8</u>
<b>Total Operating PEG</b>	<b>\$41.3</b>	<b>\$88.0</b>	<b>\$129.3</b>
Passenger Revenues	(\$28.9)	(\$31.6)	(\$60.5)
Pension Costs	(4.0)	(25.6)	(29.6)
Paratransit Revenue (Impact of Urban Tax)	0.4	0.7	1.1
Use of Reserves	0.0	5.0	5.0
New Needs	<u>(35.9)</u>	<u>(47.2)</u>	<u>(83.1)</u>
<b>Total New Needs and Other Adjustments</b>	<b>(\$68.4)</b>	<b>(\$98.7)</b>	<b>(\$167.1)</b>
<b>Baseline Operating Cash Deficit - July 2003 Plan</b>	<b>(\$1,531.5)</b>	<b>(\$1,313.9)</b>	<b>(\$2,845.4)</b>
<i>variance: compared with Approved March 2003 Plan</i>	(\$27.1)	(\$77.2)	(\$104.3)

**MTA New York City Transit**  
**2004 Preliminary Budget**  
**Cash Reconciliation with Revised 2003 Budget**  
**\$ - millions**

	Variance: Favorable/(Unfavorable)		
	2003 Operating Cash Deficit	2004 Operating Cash Deficit	Total Operating Cash Deficit
<b>March 2003 Revised Budget</b>	<b>(1,504.4)</b>	<b>(1,236.7)</b>	<b>(2,741.1)</b>
Eliminate Unspecified PEG's	0.0	(66.5)	(66.5)
<b>Adjusted March 2003 Plan</b>	<b>(1,504.4)</b>	<b>(1,303.2)</b>	<b>(2,807.6)</b>
<b>PEG Adjustments:</b>			
Department of Subways Reorganization	0.0	12.1	12.1
Administrative Reductions:			
Subways/Buses	6.9	14.8	21.7
Other Departments	12.9	14.4	27.3
Revised Inflaters	0.0	4.6	4.6
Car Equipment Program Changes	0.0	14.4	14.4
Bus Fuel Re-estimate	(0.3)	3.7	3.4
MetroCard Balance Protection Re-estimate	1.0	3.2	4.2
Excess Employee Costs	1.7	(14.9)	(13.2)
Cleaner Savings	0.0	5.3	5.3
Reimbursable Budget Change Impact	2.3	3.8	6.1
All Other PEGs	16.8	26.6	43.4
<b>Total PEGs</b>	<b>41.3</b>	<b>88.0</b>	<b>129.3</b>
<b>New Needs:</b>			
Flagging Requirement	(8.2)	(12.9)	(21.1)
MVM Maintenance and Servicing	(2.0)	(4.0)	(6.0)
Change in Employee Average Rates	(4.0)	(4.2)	(8.2)
Manhattan Bridge Service and Support	0.0	(2.5)	(2.5)
Electric Power Re-estimate	(4.6)	(1.4)	(6.0)
MetroCard Card Stock Costs	(1.7)	(1.8)	(3.5)
Capital Overhead Rate Change	(1.6)	(1.7)	(3.3)
All Other New Needs	(13.8)	(18.7)	(32.5)
<b>Total New Needs</b>	<b>(35.9)</b>	<b>(47.2)</b>	<b>(83.1)</b>
<b>Net PEGs/New Needs</b>	<b>5.4</b>	<b>40.8</b>	<b>46.2</b>
<b>Other Adjustments:</b>			
Passenger Revenue	(28.9)	(31.6)	(60.5)
Pension	(4.0)	(25.6)	(29.6)
Paratransit Revenue (Urban Tax Impact)	0.4	0.7	1.1
Contingency Reserve (Use Of Reserves)	0.0	5.0	5.0
<b>Total Other Adjustments</b>	<b>(32.5)</b>	<b>(51.5)</b>	<b>(84.0)</b>
<b>Baseline Operating Cash Deficit (July 2003 Plan)</b>	<b>(1,531.5)</b>	<b>(1,313.9)</b>	<b>(2,845.4)</b>
<b>Variance vs. 2003 Revised Budget</b>	<b>(27.1)</b>	<b>(77.2)</b>	<b>(104.3)</b>

**MTA New York City Transit**  
**2004 Preliminary Budget**  
**Statement of Operations\***

(\$ - Millions)	Revised 2003 Budget	2003 Mid-Year Forecast	Variance More/ (Less)	Revised 2004 Projection	2004 Preliminary Budget	Variance More/ (Less)
<b>Revenues:</b>						
Subway	1,697.1	1,668.4	(28.7)	1,827.0	1,794.2	(32.8)
Bus	701.3	702.6	1.3	748.6	749.8	1.2
Passenger Revenue	2,398.4	2,371.0	(27.4)	2,575.6	2,544.0	(31.6)
Sr. Citizen Reimbursement	13.8	13.8	0.0	13.8	13.8	0.0
School Fare Reimbursement	90.0	90.0	0.0	90.0	90.0	0.0
Paratransit	34.3	34.7	0.4	39.6	40.3	0.7
Other Operating Revenue	61.1	59.8	(1.3)	64.0	65.1	1.1
Total Operating Revenue	2,597.6	2,569.3	(28.3)	2,783.0	2,753.2	(29.8)
Police Reimbursement	4.6	5.1	0.5	4.4	4.9	0.5
Capital and Other Reimbursements	759.6	768.1	8.5	683.5	698.0	14.5
<b>Total Revenues</b>	<b>3,361.8</b>	<b>3,342.5</b>	<b>(19.3)</b>	<b>3,470.9</b>	<b>3,456.1</b>	<b>(14.8)</b>
<b>Expenses:</b>						
Salaries & Wages	2,479.2	2,477.8	(1.4)	2,501.2	2,485.5	(15.7)
Fringe Benefits	914.7	917.2	2.5	987.4	1,030.3	42.9
Reimbursable Overhead	<u>(149.9)</u>	<u>(150.2)</u>	<u>(0.3)</u>	<u>(133.4)</u>	<u>(135.9)</u>	<u>(2.5)</u>
Labor	3,244.0	3,244.8	0.8	3,355.2	3,379.9	24.7
Maintenance Materials	185.8	191.7	5.9	179.4	168.9	(10.5)
Rentals & Miscellaneous	285.8	278.5	(7.3)	301.5	296.9	(4.6)
Electric Power	147.0	151.5	4.5	145.4	146.8	1.4
Diesel Fuel	51.2	51.8	0.6	47.4	44.0	(3.4)
Public Liability	73.8	73.8	0.0	75.7	75.7	0.0
Paratransit	153.9	152.6	(1.3)	193.2	192.8	(0.4)
Sub-Total Operating Expenses	4,141.5	4,144.7	3.2	4,297.8	4,305.0	7.2
Contingency Reserve/General Reserve	0.0	0.0	0.0	25.0	20.0	(5.0)
Additional Agency PEG	0.0	0.0	0.0	(66.5)	0.0	66.5
Total Operating Expenses	4,141.5	4,144.7	3.2	4,256.3	4,325.0	68.7
Police Expenses	4.6	5.1	0.5	4.4	4.9	0.5
Capital and Other Reimbursable Expenses	759.6	768.1	8.5	683.5	698.0	14.5
<b>Total Expenses</b>	<b>4,905.7</b>	<b>4,917.9</b>	<b>12.2</b>	<b>4,944.2</b>	<b>5,027.9</b>	<b>83.7</b>
<b>Operating Balance</b>	<b>(1,543.9)</b>	<b>(1,575.4)</b>	<b>(31.5)</b>	<b>(1,473.3)</b>	<b>(1,571.8)</b>	<b>(98.5)</b>
Cash Flow Adjustments	39.5	43.9	4.4	236.6	257.9	21.3
<b>Net Operating Cash Deficit</b>	<b>(1,504.4)</b>	<b>(1,531.5)</b>	<b>(27.1)</b>	<b>(1,236.7)</b>	<b>(1,313.9)</b>	<b>(77.2)</b>

*\*Excluding Subsidies and Debt Service*

**MTA New York City Transit**  
**2004 Preliminary Budget**  
**Cash Receipts and Expenditures\***

(\$ - Millions)	Revised 2003 Budget	2003 Mid-Year Forecast	Variance More/ (Less)	Revised 2004 Projection	2004 Preliminary Budget	Variance More/ (Less)
<b>Receipts:</b>						
Passenger Revenue	2,415.3	2,386.4	(28.9)	2,581.2	2,549.6	(31.6)
Senior Citizen Reimbursement	13.8	13.8	0.0	13.8	13.8	0.0
School Fare Reimbursement	90.0	90.0	0.0	90.0	90.0	0.0
Paratransit	34.3	34.7	0.4	39.6	40.3	0.7
Other Operating Revenue	65.3	64.1	(1.2)	123.4	124.5	1.1
Total Operating Revenue	2,618.7	2,589.0	(29.7)	2,848.0	2,818.2	(29.8)
Police Reimbursement	3.3	3.6	0.3	4.5	5.0	0.5
Capital and Other Reimbursements	819.1	825.9	6.8	691.5	705.2	13.7
<b>Total Receipts</b>	<b>3,441.1</b>	<b>3,418.5</b>	<b>(22.6)</b>	<b>3,544.0</b>	<b>3,528.4</b>	<b>(15.6)</b>
<b>Expenditures:</b>						
Salaries & Wages	2,973.4	2,975.0	1.6	2,858.5	2,849.5	(9.0)
Fringe Benefits	<u>916.0</u>	<u>920.2</u>	<u>4.2</u>	<u>1,006.2</u>	<u>1,031.2</u>	<u>25.0</u>
Labor	3,889.4	3,895.2	5.8	3,864.7	3,880.7	16.0
Maintenance Materials	244.4	242.7	(1.7)	219.8	207.1	(12.7)
Rentals & Miscellaneous	493.6	488.8	(4.8)	483.4	482.3	(1.1)
Electric Power	147.8	152.4	4.6	146.2	147.6	1.4
Diesel Fuel	52.3	52.8	0.5	47.4	44.0	(3.4)
Public Liability	61.4	61.5	0.1	60.7	60.6	(0.1)
Contingency Reserve/General Reserve	0.0	0.0	0.0	25.0	20.0	(5.0)
Additional Agency PEG	0.0	0.0	0.0	(66.5)	0.0	66.5
<b>Total Expenditures</b>	<b>4,888.9</b>	<b>4,893.4</b>	<b>4.5</b>	<b>4,780.7</b>	<b>4,842.3</b>	<b>61.6</b>
Inter-Agency Loan	(56.6)	(56.6)	0.0	0.0	0.0	0.0
<b>Net Operating Cash Deficit</b>	<b>(1,504.4)</b>	<b>(1,531.5)</b>	<b>(27.1)</b>	<b>(1,236.7)</b>	<b>(1,313.9)</b>	<b>(77.2)</b>

*\*Excluding Subsidies and Debt Service*

**MTA New York City Transit**  
**2004 Preliminary Budget**  
**Cash Flow Adjustments\***

<i>(\$ - Millions)</i>	<b>Revised 2003 Budget</b>	<b>2003 Mid-Year Forecast</b>	<b>Variance More/ (Less)</b>	<b>Revised 2004 Projection</b>	<b>2004 Preliminary Budget</b>	<b>Variance More/ (Less)</b>
<b>Revenues:</b>						
Passenger Revenue	16.9	15.4	(1.5)	5.6	5.6	0.0
Senior Citizen Reimbursement	0.0	0.0	0.0	0.0	0.0	0.0
School Fare Reimbursement	0.0	0.0	0.0	0.0	0.0	0.0
Paratransit	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	4.2	4.3	0.1	59.4	59.4	0.0
Total Operating Revenue	21.1	19.7	(1.4)	65.0	65.0	0.0
Police Reimbursement	(1.2)	(1.5)	(0.3)	0.1	0.1	0.0
Capital and Other Reimbursements	59.4	57.8	(1.6)	8.0	7.2	(0.8)
<b>Total Revenues</b>	<b>79.3</b>	<b>76.0</b>	<b>(3.3)</b>	<b>73.1</b>	<b>72.3</b>	<b>(0.8)</b>
<b>Expenses:</b>						
Salaries & Wages	(94.0)	(94.9)	(0.9)	18.1	17.3	(0.8)
Fringe Benefits	<u>92.1</u>	<u>91.4</u>	<u>(0.7)</u>	<u>73.1</u>	<u>94.8</u>	<u>21.7</u>
Labor	(1.9)	(3.5)	(1.6)	91.2	112.1	20.9
Maintenance Materials	5.7	15.2	9.5	5.4	8.9	3.5
Rentals & Miscellaneous	1.8	1.6	(0.2)	51.8	49.5	(2.3)
Electric Power	0.0	0.0	0.0	0.0	0.0	0.0
Diesel Fuel	(1.1)	(1.1)	0.0	0.0	0.0	0.0
Public Liability	12.3	12.3	0.0	15.1	15.1	0.0
<b>Total Expenses</b>	<b>16.8</b>	<b>24.5</b>	<b>7.7</b>	<b>163.5</b>	<b>185.6</b>	<b>22.1</b>
Inter-Agency Loan	(56.6)	(56.6)	0.0	0.0	0.0	0.0
<b>Total Cash Flow Adjustments</b>	<b>39.5</b>	<b>43.9</b>	<b>4.4</b>	<b>236.6</b>	<b>257.9</b>	<b>21.3</b>

*\*Excluding Subsidies and Debt Service*

**MTA New York City Transit**  
**2004 Preliminary Budget**  
**Statement of Operations\***

(\$ - Millions)	2002 Actuals	2003 Mid Year Forecast	Variance More/ (Less)	2004 Preliminary Budget	Variance More/ (Less)
<b>Revenues:</b>					
Subway	1,506.1	1,668.4	162.3	1,794.2	125.8
Bus	631.2	702.6	71.4	749.8	47.2
Passenger Revenue	2,137.3	2,371.0	233.7	2,544.0	173.0
Senior Citizen Reimbursement	13.8	13.8	0.0	13.8	0.0
School Fare Reimbursement	90.0	90.0	0.0	90.0	0.0
Paratransit	32.0	34.7	2.7	40.3	5.6
Other Operating Revenue	60.4	59.8	(0.6)	65.1	5.3
Total Operating Revenue	2,333.5	2,569.3	235.8	2,753.2	183.9
Police Reimbursement	4.4	5.1	0.7	4.9	(0.2)
Capital and Other Reimbursements	766.0	768.1	2.1	698.0	(70.1)
<b>Total Revenues</b>	<b>3,103.9</b>	<b>3,342.5</b>	<b>238.6</b>	<b>3,456.1</b>	<b>113.6</b>
<b>Expenses:</b>					
Salaries & Wages	2,428.1	2,477.8	49.7	2,485.5	7.7
Fringe Benefits	771.4	917.2	145.8	1,030.3	113.1
Reimbursable Overhead	(165.7)	(150.2)	15.5	(135.9)	14.3
Labor	3,033.8	3,244.8	211.0	3,379.9	135.1
Maintenance Materials	193.2	191.7	(1.5)	168.9	(22.8)
Rentals & Miscellaneous	270.4	278.5	8.1	296.9	18.4
Electric Power	148.6	151.5	2.9	146.8	(4.7)
Diesel Fuel	44.1	51.8	7.7	44.0	(7.8)
Public Liability	73.3	73.8	0.5	75.7	1.9
Paratransit	129.9	152.6	22.7	192.8	40.2
Sub-Total Operating Expenses	3,893.3	4,144.7	251.4	4,305.0	160.3
Contingency Reserve/General Reserve	0.0	0.0	0.0	20.0	20.0
Total Operating Expenses	3,893.3	4,144.7	251.4	4,325.0	180.3
Police Expenses	4.4	5.1	0.7	4.9	(0.2)
Capital and Other Reimbursable Expenses	766.0	768.1	2.1	698.0	(70.1)
<b>Total Expenses</b>	<b>4,663.7</b>	<b>4,917.9</b>	<b>254.2</b>	<b>5,027.9</b>	<b>110.0</b>
<b>Operating Balance</b>	<b>(1,559.8)</b>	<b>(1,575.4)</b>	<b>(15.6)</b>	<b>(1,571.8)</b>	<b>3.6</b>
Cash Flow Adjustments	220.6	43.9	(176.7)	257.9	214.0
<b>Net Operating Cash Deficit</b>	<b>(1,339.2)</b>	<b>(1,531.5)</b>	<b>(192.3)</b>	<b>(1,313.9)</b>	<b>217.6</b>

\*Excluding Subsidies and Debt Service.

**MTA New York City Transit**  
**2004 Preliminary Budget**  
**Cash Receipts and Expenditures\***

(\$ - Millions)	<u>2002 Actuals</u>	<u>2003 Mid Year Forecast</u>	<u>Variance More/ (Less)</u>	<u>2004 Preliminary Budget</u>	<u>Variance More/ (Less)</u>
<b>Receipts:</b>					
Passenger Revenue	2,155.2	2,386.4	231.2	2,549.6	163.2
Senior Citizen Reimbursement	13.8	13.8	0.0	13.8	0.0
School Fare Reimbursement	90.0	90.0	0.0	90.0	0.0
Paratransit	31.6	34.7	3.1	40.3	5.6
Other Operating Revenue	100.6	64.1	(36.5)	124.5	60.4
Total Operating Revenue	2,391.2	2,589.0	197.8	2,818.2	229.2
Police Reimbursement	4.2	3.6	(0.6)	5.0	1.4
Capital and Other Reimbursements	745.5	825.9	80.4	705.2	(120.7)
<b>Total Receipts</b>	<b>3,140.9</b>	<b>3,418.5</b>	<b>277.6</b>	<b>3,528.4</b>	<b>109.9</b>
<b>Expenditures:</b>					
Salaries & Wages	2,811.7	2,975.0	163.3	2,849.5	(125.5)
Fringe Benefits	<u>795.4</u>	<u>920.2</u>	<u>124.8</u>	<u>1,031.2</u>	<u>111.0</u>
Labor	3,607.1	3,895.2	288.1	3,880.7	(14.5)
Maintenance Materials	253.1	242.7	(10.4)	207.1	(35.6)
Rentals & Miscellaneous	466.2	488.8	22.6	482.3	(6.5)
Electric Power	148.7	152.4	3.7	147.6	(4.8)
Diesel Fuel	43.7	52.8	9.1	44.0	(8.8)
Public Liability	63.3	61.5	(1.8)	60.6	(0.9)
Contingency Reserve/General Reserve	0.0	0.0	0.0	20.0	20.0
Stabilization Fund	(45.4)	0.0	45.4	0.0	0.0
<b>Total Expenditures</b>	<b>4,536.7</b>	<b>4,893.4</b>	<b>356.7</b>	<b>4,842.3</b>	<b>(51.1)</b>
Inter-Agency Loan	56.6	(56.6)	(113.2)	0.0	56.6
<b>Net Operating Cash Deficit</b>	<b>(1,339.2)</b>	<b>(1,531.5)</b>	<b>(192.3)</b>	<b>(1,313.9)</b>	<b>217.6</b>

*\*Excluding Subsidies and Debt Service.*



**MTA New York City Transit**  
**2004 Preliminary Budget**  
**Cash Flow Adjustments\***

(\$ - Millions)	<u>2002 Actuals</u>	<u>2003 Mid Year Forecast</u>	<u>Variance More/ (Less)</u>	<u>2004 Preliminary Budget</u>	<u>Variance More/ (Less)</u>
<b>Revenues:</b>					
Passenger Revenue	17.9	15.4	(2.5)	5.6	(9.8)
Senior Citizen Reimbursement	0.0	0.0	0.0	0.0	0.0
School Fare Reimbursement	0.0	0.0	0.0	0.0	0.0
Paratransit	(0.4)	0.0	0.4	0.0	0.0
Other Operating Revenue	40.2	4.3	(35.9)	59.4	55.1
Total Operating Revenue	57.7	19.7	(38.0)	65.0	45.3
Police Reimbursement	(0.2)	(1.5)	(1.3)	0.1	1.6
Capital and Other Reimbursements	(20.5)	57.8	78.3	7.2	(50.6)
<b>Total Revenues</b>	<b>37.0</b>	<b>76.0</b>	<b>39.0</b>	<b>72.3</b>	<b>(3.7)</b>
<b>Expenses:</b>					
Salaries & Wages	27.2	(94.9)	(122.1)	17.3	112.2
Fringe Benefits	<u>62.0</u>	<u>91.4</u>	<u>29.4</u>	<u>94.8</u>	<u>3.4</u>
Labor	89.2	(3.5)	(92.7)	112.1	115.6
Maintenance Materials	(5.7)	15.2	20.9	8.9	(6.3)
Rentals & Miscellaneous	(14.2)	1.6	15.8	49.5	47.9
Electric Power	0.7	0.0	(0.7)	0.0	0.0
Diesel Fuel	1.1	(1.1)	(2.2)	0.0	1.1
Public Liability	10.5	12.3	1.8	15.1	2.8
Stabilization Fund	45.4	0.0	(45.4)	0.0	0.0
<b>Total Expenses</b>	<b>127.0</b>	<b>24.5</b>	<b>(102.5)</b>	<b>185.6</b>	<b>161.1</b>
Inter-Agency Loan	56.6	(56.6)	(113.2)	0.0	56.6
<b>Total Cash Flow Adjustments</b>	<b>220.6</b>	<b>43.9</b>	<b>(176.7)</b>	<b>257.9</b>	<b>214.0</b>

*\*Excluding Subsidies and Debt Service.*

# **MTA New York City Transit 2004 Preliminary Budget Ridership and Revenue Assumptions**

## **2003 Forecast**

- Preliminary results were available through May 2003.
- Through April, ridership was 0.6% below budget and revenue was 0.5% below budget.
- Total May ridership was 0.1% above budget. Ridership after the fare increase (May 4-31) was also 0.1% above budget, due to lower than expected ridership loss from the fare increase (-2.0% actual compared to budgeted -3.8%), offset by 0.4% loss from rainy weather in May and 1.3% negative impact from all other factors, principally the underlying trend.
- The May 4-31 ridership variance from budget is projected to continue for the remainder of the year, except for the weather impact, which is only assumed for June. As a result ridership is projected to be 0.1% above budget in June, 0.5% above budget from July to December, and 0.1% above budget for the full year.
- May revenue was 1.8% below budget. May 4-31 revenue was 1.9% below budget, with 0.5% revenue loss due to the use of old fare media and 0.5% revenue loss due to rainy weather. Customer switching to Bonus MetroCard and 30-day Unlimited Ride Passes has had a positive impact on ridership levels, while at the same time reducing the average fare paid per trip. This switching – where customer look for the least expensive option for their travel behavior – has been greater than projected.
- The forecast for the rest of the year assumes continuation of the 1.9% increase over budget due to lower than expected ridership loss, offset by revenue losses of 1.7% due to lower average fares, 1.5% due to other factors, and 0.5% due to weather in June. As a result revenue is projected to be 1.8% below budget in June, 1.3% below budget from July to December, and 1.1% below budget for the whole year.

## **2004 Preliminary Budget**

- 2004 Ridership is projected to be 0.3% above the March projection for 2004. A 1.8% positive variance due to lower than expected ridership loss is projected to be mostly offset by 1.3% negative impact from the underlying trend and 0.2% decrease due to a lower forecast of economic growth in 2004.
- 2004 Revenue is projected to be 1.2% below the March projection for 2004. The move to discounted media is expected to result in a 1.9% positive revenue variance due to lower than expected ridership loss and a decline of 1.4% due to lower average fares. Also, impacting results are a 1.5% reduction due to the underlying trend and 0.2% reduction due to the lower economic growth forecast.

**MTA New York City Transit**  
**2004 Preliminary Budget**  
**Ridership and Passenger Revenue Change from 2003 Revised Budget**  
**Total (Subway & Bus)**  
**(millions)**

	<u>Jan-Apr</u>		<u>May-June</u>		<u>July-Dec</u>		<u>Total</u>			
	<u>Ridership</u>	<u>Revenue</u>	<u>Ridership</u>	<u>Revenue</u>	<u>Ridership</u>	<u>Revenue</u>	<u>Ridership</u>		<u>Revenue</u>	
	<u>Amount</u>	<u>% Change</u>	<u>Amount</u>	<u>% Change</u>	<u>Amount</u>	<u>% Change</u>	<u>Amount</u>	<u>% Change</u>	<u>Amount</u>	<u>% Change</u>
<b>2003</b>										
<b>Revised Budget</b>	<b>710.8</b>	<b>\$687.5</b>	<b>358.5</b>	<b>\$427.1</b>	<b>1,042.7</b>	<b>\$1,283.8</b>	<b>2,112.0</b>		<b>\$2,398.4</b>	
Fare Increase Impacts										
Smaller Ridership Loss			6.0	\$7.7	18.8	\$24.0	24.8	1.2%	\$31.7	1.3%
Lower Average Fare				(\$6.3)		(\$21.5)	0.0	0.0%	(\$27.8)	-1.2%
Use of Old Fare Media				(\$1.0)			0.0	0.0%	(\$1.0)	0.0%
Weather			(1.4)	(\$2.0)			(1.4)	-0.1%	(\$2.0)	-0.1%
<u>All Other (underlying trend)</u>	<u>(4.1)</u>	<u>(\$3.7)</u>	<u>(4.1)</u>	<u>(\$6.0)</u>	<u>(13.4)</u>	<u>(\$18.6)</u>	<u>(21.6)</u>	<u>-1.0%</u>	<u>(\$28.3)</u>	<u>-1.2%</u>
<b>TOTAL CHANGES</b>	<b>(4.1)</b>	<b>(\$3.7)</b>	<b>0.5</b>	<b>(\$7.6)</b>	<b>5.4</b>	<b>(\$16.1)</b>	<b>1.8</b>	<b>0.1%</b>	<b>(\$27.4)</b>	<b>-1.1%</b>
<b>FORECAST</b>	<b>706.7</b>	<b>\$683.8</b>	<b>359.0</b>	<b>\$419.5</b>	<b>1,048.1</b>	<b>\$1,267.7</b>	<b>2,113.8</b>		<b>\$2,371.0</b>	
<b>2004</b>										
<b>Projection</b>							<b>2,116.6</b>		<b>\$2,575.6</b>	
Fare Increase Impacts										
Smaller Ridership Loss							38.0	1.8%	\$48.2	1.9%
Lower Average Fare							0.0	0.0%	(\$35.6)	-1.4%
Economic Growth							(4.3)	-0.2%	(\$5.5)	-0.2%
<u>All Other (underlying trend)</u>							<u>(27.9)</u>	<u>-1.3%</u>	<u>(\$38.7)</u>	<u>-1.5%</u>
<b>TOTAL CHANGES</b>							<b>5.8</b>	<b>0.3%</b>	<b>(\$31.6)</b>	<b>-1.2%</b>
<b>PRELIMINARY BUDGET TOTAL</b>							<b>2,122.4</b>		<b>\$2,544.0</b>	

# MTA New York City Transit 2004 Preliminary Operating Budget Proposal

## May Fare Increase Impacts

Non-Student Ridership Loss	Estimated		Net Revenue Increase (excl. old fare media)	Estimated	
	Expected	Actual		Expected	Actual
Subway	-2.9%	-1.3%	Subway	21.3%	21.9%
Bus	-6.6%	-3.9%	Bus	18.2%	18.4%
Total	-4.1%	-2.2%	Total	20.4%	20.9%

## Non-Student Average Fare

	<u>Subway</u>	<u>Bus</u>	<u>Total</u>
<u>2003 Annual</u>			
2003 Budget	\$1.28	\$1.07	\$1.21
2003 Forecast	\$1.27	\$1.05	\$1.20
<u>July-December 2003</u>			
2003 Budget	\$1.37	\$1.16	\$1.30
2003 Forecast	\$1.36	\$1.12	\$1.28
2004 Projection	\$1.37	\$1.15	\$1.30
2004 Preliminary Budget	\$1.35	\$1.12	\$1.28

## Market Share Assumptions

	7-Day	30-Day	1-day	Bonus	Regular	Single-Ride Tickets	Cash/ Token	Total
2003 Budget	29.3%	15.8%	5.2%	27.4%	12.4%	1.9%	8.1%	100.0%
2003 Forecast	28.8%	17.3%	3.4%	26.7%	13.8%	1.6%	8.5%	100.0%
2004 Projection	29.0%	16.7%	4.8%	29.2%	12.9%	2.4%	5.0%	100.0%
2004 Preliminary Budget	29.0%	18.8%	2.3%	27.8%	14.1%	2.1%	5.9%	100.0%

**MTA New York City Transit  
2004 Preliminary Budget  
Major Operating Expense Assumptions**

2004 Operating Expenses are projected at \$4,305.0 million, a net increase of \$160.3 million or 3.9 percent above the 2003 Mid Year Forecast level.

Included in this net increase are the following factors:

- Pension costs are projected to increase by \$108.8 million based upon current actuarial data. This significant increase is driven by recent legislative changes and lower investment returns.
- Expense inflation and net contractual wage and fringe benefit increases of \$52.4 million are principally due to wage rate increases of 3.0 percent and projected health & welfare increases of 12.0 percent. These increases are based upon the current TWU contract. This category includes the non-recurrence of \$37.6 million of 2003 lump-sum bonus payments in lieu of wage increases and \$44.5 million of non-cash expenses representing the assumption of the TWU Health Benefit Trust liabilities.
- Paratransit expenses are budgeted to increase by \$39.9 million or 26.1 percent. This significant increase is required to continue to meet a projected 15 percent ridership growth and the legally-mandated "zero denial rate."
- Net expense reductions of \$40.8 million largely represent the 2004 Preliminary Budget's "Program to Eliminate the Gap." These reductions are primarily in administration and other areas that do not jeopardize maintenance or reliability standards, or the safety and security of our passengers and employees.

**MTA New York City Transit**  
**2004 Preliminary Operating Budget Proposal**  
**Pension Summary**  
(\$ - millions)

	2003 Budget		2004 Prelim. Budget		2004 Prelim. Budget M/(L) Than 2003 Budget	
	2003	2004	2003	2004	2003	2004
<b>Expenses:</b>						
NYCERS	66.5	121.6	60.2	169.0	(6.3)	47.4
OA Pension	125.7	132.6	135.3	134.8	9.6	2.2
Total Expenses	192.2	254.2	195.5	303.8	3.3	49.6
<b>CFA:</b>						
NYCERS	(29.5)	(28.5)	(28.9)	(52.7)	0.6	(24.2)
OA Pension	(25.9)	(42.7)	(25.8)	(42.5)	0.1	0.2
Total Expenses	(55.4)	(71.2)	(54.7)	(95.2)	0.7	(24.0)
<b>Cash:</b>						
NYCERS	37.0	93.1	31.3	116.3	(5.7)	23.2
OA Pension	99.8	89.9	109.5	92.3	9.7	2.4
Total Expenses	136.8	183.0	140.8	208.6	4.0	25.6

**Forecast Sources/Assumptions:**

**NYCERS**

Office of the Actuary Projection, 6/16/03, Appendix II

Based on FY03 Valuation, recog of COLA liability over 10 years rather than 5,  
actual invest results for FY02 forecast Invest results for FY03 of 0%.

Also, headcount changes to 12/03, TWU contract wage increases.

**OA Pension**

Milliman Forecast Model (5/5/03), Baseline Scenario (#6)

Based on 2002 Valuation, actual 2002 invest results, actual 2002 new entrants  
actual 2002 COLA, actual 2002 wage increase (TWU contract thereafter).

Also, actual Dec 02 wage base, headcount changes to 12/03.

**MTA New York City Transit  
2004 Preliminary Operating Budget Proposal  
Technical Adjustments**

**Revised OTPS Inflation**

	Prev (9/02)	Inflated	Inflation Cost		Curr (5/03)	Inflated	Inflation Cost		More/(Less)			
	Inflator	Amount	Increment	Cum	Inflator	Cum	Amount	Increment	Cum	Inflator	Increment	Cum
<u>Material</u>												
2003		185,844				1.0000	185,844					
2004	1.0163	188,873	3,029	3,029	1.0122	1.0122	188,111	2,267	2,267	-0.41%	(762)	(762)
<u>R&amp;M Excl Paratransit</u>												
2003		280,469				1.0000	280,469					
2004	1.0290	288,603	8,134	8,134	1.0154	1.0154	284,788	4,319	4,319	-1.36%	(3,814)	(3,814)
<u>Total Infl</u>												
2003		738,277					738,277					
2004		751,285	13,008	13,008			746,709	8,432	8,432		(4,576)	(4,576)

**MTA New York City Transit**  
**Preliminary 2004 Operating Budget Proposal**

**Program to Eliminate the Gap (PEG) and New Needs**  
**Two-Year Total (2003 and 2004)**  
(\$ in millions)

<b>Program to Eliminate the GAP</b>								
	<b>Administration</b>	<b>Customer Convenience</b>	<b>Maintenance</b>	<b>Safety/Security</b>	<b>Direct Service</b>	<b>Service Support</b>	<b>Total Service</b>	<b>Agency Total</b>
Subways	25.809	9.520	27.031	0.000	0.000	5.821	5.821	68.181
Buses (including Paratransit)	7.985	1.619	3.500	0.000	3.413	3.045	6.458	19.562
MetroCard Operations	3.807	4.721	0.176	0.057	0.000	2.652	2.652	11.413
Executive Vice President	10.614	0.000	0.000	0.000	0.000	0.000	0.000	10.614
Telecommunications and Information Services	11.265	0.000	0.770	0.000	0.000	0.000	0.000	12.035
Law	1.024	0.000	0.000	0.000	0.000	0.000	0.000	1.024
Labor Relations	0.400	0.000	0.000	0.000	0.000	0.000	0.000	0.400
System Safety	0.265	0.000	0.000	0.000	0.000	0.000	0.000	0.265
Non-Departmental	18.983	0.000	(13.179)	0.000	0.000	0.000	0.000	5.804
<b>Total</b>	<b>\$80.152</b>	<b>\$15.860</b>	<b>\$18.298</b>	<b>\$0.057</b>	<b>\$3.413</b>	<b>\$11.518</b>	<b>\$14.931</b>	<b>\$129.298</b>
<i>% of Total</i>	<i>62.0%</i>	<i>12.3%</i>	<i>14.2%</i>	<i>0.0%</i>	<i>2.6%</i>	<i>8.9%</i>	<i>11.5%</i>	<i>100.0%</i>

<b>New Needs</b>								
	<b>Administration</b>	<b>Customer Convenience</b>	<b>Maintenance</b>	<b>Safety/Security</b>	<b>Direct Service</b>	<b>Service Support</b>	<b>Total Service</b>	<b>Agency Total</b>
Subways	(0.124)	0.000	(2.541)	(22.654)	(6.000)	(5.716)	(11.716)	(37.035)
Buses (including Paratransit)	(0.680)	0.000	(4.805)	0.000	(2.079)	(1.016)	(3.095)	(8.580)
MetroCard Operations	(0.191)	(0.693)	(3.933)	0.000	0.000	(5.803)	(5.803)	(10.620)
Executive Vice President	(0.231)	0.000	(0.598)	(0.578)	0.000	(0.540)	(0.540)	(1.947)
Telecommunications and Information Services	(2.791)	(0.308)	(0.981)	0.000	0.000	(1.835)	(1.835)	(5.915)
Law	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Labor Relations	(0.776)	0.000	0.000	0.000	0.000	0.000	0.000	(0.776)
System Safety	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Non-Departmental	(17.709)	0.000	0.000	0.000	(0.517)	0.000	(0.517)	(18.226)
<b>Total</b>	<b>(\$22.502)</b>	<b>(\$1.001)</b>	<b>(\$12.858)</b>	<b>(\$23.232)</b>	<b>(\$8.596)</b>	<b>(\$14.910)</b>	<b>(\$23.506)</b>	<b>(\$83.099)</b>
<i>% of Total</i>	<i>27.1%</i>	<i>1.2%</i>	<i>15.5%</i>	<i>28.0%</i>	<i>10.3%</i>	<i>17.9%</i>	<i>28.3%</i>	<i>100.0%</i>



**MTA New York City Transit**  
**2004 Preliminary Operating Budget Proposal**

**Program to Eliminate the Gap (PEG) and New Needs**  
**Two-Year Total**  
**2004 End-of-Year Positions**

<b>Program to Eliminate the GAP</b>							
	<b>Administration</b>	<b>Customer Convenience</b>	<b>Maintenance</b>	<b>Safety/Security</b>	<b>Direct Service</b>	<b>Service Support</b>	<b>Agency Total</b>
Subways	198	84	316	0	0	76	674
Buses (including Paratransit)	48	30	7	0	0	42	127
MetroCard Operations	3	(3)	4	0	0	0	4
Executive Vice President	15	0	0	0	0	0	15
Telecommunications and Information Services	15	0	0	0	0	0	15
Law	3	0	0	0	0	0	3
Labor Relations	6	0	0	0	0	0	6
System Safety	2	0	0	0	0	0	2
Non-Departmental	0	0	0	0	0	0	0
<b>Total</b>	<b>290</b>	<b>111</b>	<b>327</b>	<b>0</b>	<b>0</b>	<b>118</b>	<b>846</b>

<b>New Needs</b>							
	<b>Administration</b>	<b>Customer Convenience</b>	<b>Maintenance</b>	<b>Safety/Security</b>	<b>Direct Service</b>	<b>Service Support</b>	<b>Agency Total</b>
Subways	0	0	(19)	(211)	0	(35)	(265)
Buses (including Paratransit)	0	0	(1)	0	0	0	(1)
MetroCard Operations	1	1	(47)	0	0	(10)	(55)
Executive Vice President	0	0	(3)	0	0	0	(3)
Telecommunications and Information Services	0	(2)	0	0	0	(13)	(15)
Law	0	0	0	0	0	0	0
Labor Relations	(4)	0	0	0	0	0	(4)
System Safety	0	0	0	0	0	0	0
Non-Departmental	4	0	0	0	0	0	4
<b>Total</b>	<b>1</b>	<b>(1)</b>	<b>(70)</b>	<b>(211)</b>	<b>0</b>	<b>(58)</b>	<b>(339)</b>

**MTA New York City Transit**  
**2004 Preliminary Operating Budget Proposal**

**Program to Eliminate the Gap (PEG)**  
**(\$ in thousands)**

		2003 Mid-Year Forecast and 2004 Preliminary Budget favorable / (unfavorable)			
Dept./Div.	Description	2003		2004	
		EOY Positions	\$000	EOY Positions	\$000
<b>Administration:</b>					
Subways	Administrative Reduction			35	2,501
Subways	DP/Normal Replacement Savings		320		
RTO	1/4-Day Availability Improvement			8	492
RTO	Eliminate 1 Stillwell Manager	1	33	1	110
RTO	Eliminate TCS (Timekeeping System) Disaster Recover	3	85	3	186
RTO	Subdivision 'B' - Rent Savings				200
MOW	180 Livingston Sreet/2 Broadway				200
MOW	Infrastructure Reorganization			49	4,039
MOW	MOW Engineering Reductions			5	367
MOW	Rentals & Miscellaneous (R&M) Reductions				765
MOW	Reclassification of Reimbursable Expenses			4	547
MOW	Signals/Electrical Reorganization			11	1,182
MOW	Track Reorganization			33	2,929
Car Equipment	AC Compressor Motors Savings				536
Car Equipment	Administrative Reductions			4	270
Car Equipment	Capital Wheel Purchase		1,290		1,778
Car Equipment	Expand Maintenance Supervisor I Span of Control			25	2,116
Car Equipment	Non-Inventory Maintenance Materiel		1,880		1,000
Stations	Managerial and Supervisory Vacancies - 2003		1,191		
Stations	Reduce Field Managers and Supervisors			20	1,792
Buses	Administrative Reorganization			39	3,825
Buses	Amsterdam Closure (2003-4)	27	530		1,072
Buses	Housekeeping Cleaner Reduction			9	476
Paratransit	Fuel Tax and Call Center Dispatcher Savings		1,559		523
Ops Planning	Eliminate Administrative Manager Quota	1	96	1	106
Ops Planning	Reduce 63rd Street Traffic Checks		261		
Ops Planning	Reduce Passenger Environmental Survey Frequency				1,138
System Safety	Eliminate 2 Clerical Positions			2	218
System Safety	Salary/Wage Underruns - 2003		47		
Law	Position Reductions/Downgrades			3	366
Law	R&M Savings				658
Executive VP	Other Than Personal Services (OTPS) Reduction		100		103
HR	Employee Activity Fund Savings				45
HR	Opt-Out Program for Transit Workers Union HBT				526
HR	Reduce 4 Managers, 2 Professional/Technical/Engineer Positions			6	571
HR	Track Safety Training - Vendor Reimbursement				21
HR	Unemployment Claims Processing			(1)	372
OMB	Reduce Professional/Technical/Engineer Position			1	88
OMB	Salary & Wage Underrun		116		(54)
MCO	Administrative Reductions			2	381
MCO	New Revenue Facilities - OTPS Savings				382
MCO	Reduce Funpass Commissions				886
MCO	Reduce General Advertising		700		700
MCO	Reduce High Production Encoding Machine (HPEM) Maintenance				89
MCO	Reduce Outside Printing				100
MCO	Reduce Retail Sales Support			1	69
MCO	Reduce Targeted Advertising		250		250
TIS	Administrative Efficiencies			7	533
TIS	Leased Telephone Equipment Savings		1,500		1,500
TIS	Managerial Efficiencies			8	983
TIS	Nortel Router Maintenance				122
TIS	Real Estate Budget Adjustment		2,353		607
TIS	Subways Master Plan Revision		1,250		(255)
TIS	Telephone Bill Savings		600		
TIS	Vacancy Savings Provision		2,072		
Non-Departmental	Eliminate Reserves		5,900		
Labor Relations	Position Reductions			6	375
Labor Relations	R&M Savings				25

**MTA New York City Transit**  
**2004 Preliminary Operating Budget Proposal**

**Program to Eliminate the Gap (PEG)**  
(\$ in thousands)

		2003 Mid-Year Forecast and 2004 Preliminary Budget favorable / (unfavorable)			
Dept./Div.	Description	2003		2004	
		EOY Positions	\$000	EOY Positions	\$000
Materiel	Copier Cost Savings		850		494
Materiel	Other R&M Savings		122		122
Materiel	Redbird Barging Savings		397		
Materiel	Refuse & Recycling Savings		348		348
Materiel	Salary & Wage Underrun		300		
Materiel	Uniforms Savings				750
Supply Logistics	Tiffany Rent/Utilities Re-Estimate		1,158		1,158
Controller	Eliminate Clerical Positions			2	109
Controller	Eliminate Vacancies			6	454
Controller	Salary & Wage Underrun		425		
Controller	Title Realignment				90
NYCT-Wide	Impact of Reimbursable Changes		2,329		3,754
NYCT-Wide	Military Leave Reforecast		2,100		
NYCT-Wide	Payroll/FICA Cash Flow Adjustment		1,300		(1,000)
NYCT-Wide	Revised Inflatons				4,600
<b>Total</b>		<b>32</b>	<b>\$31,462</b>	<b>290</b>	<b>\$48,690</b>
<b><u>Customer Convenience:</u></b>					
Sr.VP-Subways	Reduce Work Experience Program (WEP) Program			1	79
RTO	Platform Controller Reduction	21	182	21	1,205
Car Equipment	Cleaner Reduction - Full Attrition				1,640
Car Equipment	Reduce WEP Program Support			3	309
Stations	Cleaner Reduction - Full Attrition				2,083
Stations	Close Booth (station redesign and rehabilitation) - Howard Beach	5	43	5	290
Stations	Close Booth (station redesign and rehabilitation) - Myrtle Ave			3	87
Stations	Defer Customer Relations Workshop (CRW) Training '04 to '05	15	395	22	1,274
Stations	Delay Cleaner Increase-Rehabilitated Stations				312
Stations	Reduce 2 Graffiti Teams - 1 Yr			4	268
Stations	Reduce Elevator Operators			22	1,146
Stations	Reduce WEP Program			3	207
Buses	Cleaner Reduction Rapid Wash			30	1,619
MCO	MetroCard Balance Protection		1,000	(11)	3,192
MCO	MetroCard Mobile Sales Savings			2	218
MCO	Travel Information Center - Eliminate Nights			6	311
<b>Total</b>		<b>41</b>	<b>\$1,620</b>	<b>111</b>	<b>\$14,240</b>

**MTA New York City Transit**  
**2004 Preliminary Operating Budget Proposal**

**Program to Eliminate the Gap (PEG)**  
**(\$ in thousands)**

**2003 Mid-Year Forecast and 2004 Preliminary Budget**  
*favorable / (unfavorable)*

Dept./Div.	Description	2003		2004	
		EOY Positions	\$000	EOY Positions	\$000
<b><u>Maintenance:</u></b>					
RTO	Eliminate 3 Conductors - Painting Support			3	184
MOW	Elevator & Escalator (E&E) Maintenance - Eliminate Scheduled Increase			16	630
MOW	Eliminate Fiberglass Walkway Program			21	1,276
MOW	Eliminate Insulated Joints Preventive Maintenance			8	512
MOW	Extend Signal Maintenance Cycles			43	2,849
MOW	Increase Signal work order backlog			19	1,235
MOW	Power Operations and Electrical Maintenance Reduction			30	1,908
MOW	Reduce Container Plates Replacement			7	432
MOW	Reduce Intensive Trackbed Cleaning			14	901
MOW	Reduce Stationary Engineers & High Pressure Plant Tenders (HPPTs)			10	673
MOW	Reduce Third Rail Tube Cleaning			7	485
MOW	Reduce Track Yellow Defect Program			12	768
MOW	Token Booth Air Conditioners				143
Car Equipment	Car Floor Program Revision			41	6,484
Car Equipment	Reduce Unscheduled Repair Position			40	2,765
Car Equipment	Scheduled Maintenance System (SMS) Program Revision			35	5,116
Stations	Defer Emergency Exit Painting			2	134
Stations	Reduce Rubbing Board Painting			4	268
Stations	Reduce Stairway Riser Painting			4	268
Buses	Bus Stop Painting		300		300
Buses	Buses Base Shop Program Revision		2,206	(38)	(4,593)
Buses	Clean Fuel - Additional Buses			18	1,281
Buses	CRT Pilot Grant		657		343
Buses	Engine Change Reduction (75)			6	2,226
Buses	Heavy Scheduled Operations (HSO) Vendor Costs				(1,619)
Buses	MCI HSO Only Savings			21	2,826
Buses	Seat Conversions		(27)		
Buses	Tarrytown HSO/Relines		(400)		
MCO	Bus Revenue Maintenance Savings			4	176
TIS	Electronics Maintenance Division (EMD) OTPS Reduction		260		510
NYCT-Wide	Excess Employee Costs		1,721		(14,900)
Total			\$4,717	327	\$13,581
<b><u>Safety/Security:</u></b>					
MCO	Reduce Contracted Security				57
Total			\$0		\$57
<b><u>Service:</u></b>					
Buses	Bus Fuel Re-estimate		(318)		3,731
Total - Direct Service			(\$318)		\$3,731
RTO	Eliminate Transportation Supervision System (TSS) Investments	11	439	34	2,416
RTO	Eliminate 1 Assistant Train Dispatcher Job	1	11	1	74
RTO	Eliminate 1 Yard Dispatcher Job - Subdivision 'B'	1	12	1	81
RTO	Eliminate Revenue Collection Train Operator			5	171
RTO	Tower Operator Efficiencies	7	68	7	452
RTO	Yard & Station Switching Efficiencies	14	144	14	953
Car Equipment	Restructure Rail Car Inspector Yard Coverage			14	1,000
Buses	2004 Road Dispatcher Reduction			21	1,661
Buses	Road Control Reductions			4	317
Buses	Shifting / Bus Moves			17	1,067
MCO	Station Automation Reforecast	(17)	3,152		(500)
Total - Service Support		17	\$3,826	118	\$7,692
Total - All Service (both Direct and Support)		17	\$3,508	118	\$11,423
GRAND TOTAL - Operating PEG		90	\$41,307	846	\$87,991

**MTA New York City Transit  
2004 Preliminary Operating Budget Proposal**

**Explanations of Program to Eliminate the Gap Detail**

<u>Category</u>	<u>Dept/Div</u>	<u>Description</u>	<u>Change from March Budget: Better/(Worse)</u>				<u>Comments</u>
			<u>2003</u>	<u>\$000</u>	<u>2004</u>	<u>\$000</u>	
<u>EOY Pos</u>					<u>EOY Pos</u>		
<b><u>I. Program to Eliminate the Gap - Initiatives Valued at \$2M+ (including related items)</u></b>							
<b><u>Subways Management and Supervision Reorganization</u></b>							
Administration	MOW	Infrastructure Reorganization			49	4,039	Reorganization of Division of Infrastructure to increase span of control - merging responsibility centers with similar functions
Administration	MOW	Signals/Electrical Reorg			11	1,182	Reorganization/consolidation of the Signals and Electrical Divisions. Results in the elimination of 8 Mgrs and 3 Supervisory positions.
Administration	MOW	Track Reorganization			33	2,929	Reorganize Track Division to increase span of control - includes merging responsibility centers with similar functions.
Administration	Car Equipment	Expand MS I Span of Control			25	2,116	Increase the span of control for Maintenance Supervisors conducting inspections of the fleet.
Administration	Stations	Reduce Field Managers and Supv			20	1,792	Reorganization of zones resulted in reduction of field Managers and Supervisors.
		<b>SUBTOTAL</b>			<b>138</b>	<b>12,058</b>	
<b><u>Administrative Reductions - Subways and Buses</u></b>							
Administration	Subways	Administrative Staff Reduction			35	2,501	Administrative positions will be reduced throughout the Dept. of Subways
Administration	Subways	DP/Normal Replacement Savings		320			Savings from not replacing DP equipment in Subways.
Administration	RTO	1/4 Day Availability Improvemt			8	492	Improvements in employee availability for Train Operators, Conductors and Tower Operators.
Administration	RTO	Eliminate 1 Stillwell Manager	1	33	1	110	Major portion (phase 2) of the Stillwell Av Rehab will be completed in spring of '04, thus a Manager can be eliminated.
Administration	RTO	Eliminate TCS Disaster Recover	3	85	3	186	RTO has not experienced major problems with TCS timekeeping system thus they are eliminating the support positions.
Administration	RTO	Subdiv B Rent Savings				200	Rent adjustment for new facility due to the consolidation of SubDivision B (Assistant Chief Transportation Officer, Crew & Timekeeping Offices) and SubDivision C (construction flagging).
Administration	MOW	180 Livingston St				200	Rent savings.
Administration	MOW	MOW Engineering Reductions			5	367	Reduction of 5 positions (3 PTE's and 2 hourlies), in part due to consolidation of workload.
Administration	MOW	R&M Reductions				765	Reduced contract maintenance and real estate rental budgets.
Administration	MOW	Reclassification of Reimb Expenses			4	547	Conversion of 4 positions that support the Capital Pogram in MOW from NonReim to Reimb status. In addition, SubDiv C OTPS is converted to Reimb in RTO.

**MTA New York City Transit  
2004 Preliminary Operating Budget Proposal**

**Explanations of Program to Eliminate the Gap Detail**

<u>Change from March Budget: Better/(Worse)</u>						
<u>Category</u>	<u>Dept/Div</u>	<u>Description</u>	<u>2003</u>		<u>2004</u>	
			<u>EOY Pos</u>	<u>\$000</u>	<u>EOY Pos</u>	<u>\$000</u>
Administration	Car	AC Compressor Motors Savings			536	AC compressor motors unit price savings
Administration	Equipment					
Administration	Car	Administrative Reductions			4	270
Administration	Equipment					
Administration	Car	Capital Wheel Purchase		1,290		1,778
Administration	Equipment					
Administration	Car	Non-Inventory Maintenance Mat'l		1,880		1,000
Administration	Equipment					
Administration	Stations	Mgr'l and Supv'ry Vacancies - 2003		1,191		
Administration	Buses	Admin Reorg			39	3,825
Administration	Buses	Amsterdam Closure (2003-4)	27	530		1,072
Administration	Buses	Housekeeping Cleaner Reduc			9	476
Administration	Paratransit	Fuel Tax and Command Center Dispatcher Savings		1,559		523
SUBTOTAL			31	6,888	108	14,848

**MTA New York City Transit  
2004 Preliminary Operating Budget Proposal**

**Explanations of Program to Eliminate the Gap Detail**

Change from March Budget: Better/(Worse)							
Category	Dept/Div	Description	2003	2004	EOY Pos	Comments	
			EOY Pos	\$000			\$000
Administrative Reductions - Other Departments							
Administration	Ops	Elim Admin Mgr Quota	1	96	1	106	Eliminated managerial position
	Planning						
Administration	Ops	Elim Assoc Analyst					Administrative reduction
	Planning						
Administration	Ops	Reduce 63St Traffic Checks		261			Completed studies of passenger travel trends earlier than planned because sufficient information has been attained.
	Planning						
Administration	Ops	Reduce PES Frequency				1,138	Reduce frequency of Passenger Environmental Survey from 4 annually to twice a year.
	Planning						
Administration	Sys Safety	Eliminate 2 Clerical Positions			2	218	Administrative reduction in investigative units
Administration	Sys Safety	Salary/Wage Underruns - 2003		47			Savings based on 2003 underruns.
Administration	Law	Position Reductions/Downgrades			3	366	Administrative reduction and title downgrades.
Administration	Law	R&M Savings				658	Reduced budget expenditures for OTPS including: \$235K - processing of worker compensation medical invoices will be assumed in-house; \$300K - lower projection of outside counsel usage.
Administration	Executive VP	OTPS Reduction		100		103	Reduction of various OTPS accounts.
Administration	HR	Employee Activity Fund Savings				45	Reduced discretionary funding for extra curricular employee activities.
Administration	HR	Opt-Out Pgm for TWU HBT				526	Now that NYCT has responsibility for administering TWU health benefits, anticipated increased enrollement of represented titles with spousal coverage in the 'benefit opt-out' program.
Administration	HR	Reduce 4 Mgrs, 2 PTE's			6	571	Administrative reduction - 4 managers from operations training and employment services and 2 PTE's from employment services and occupational health.
Administration	HR	Track Safety Training - Vendor Reimb				21	Implement policy to charge vendors for track safety training costs.
Administration	HR	Unemployment Claims Processing			(1)	372	Eliminate vendor and assume processing of unemployment insurance claims in-house.
Administration	OMB	S&W Underrun/Reduce PTE Position		116	1	34	2003: Projected salary and wage underrun. 2004: Administrative reduction - 1 analyst position
Administration	MCO	Administrative Reductions			2	381	Eliminate a managerial and clerical position from the Customer Information and Communications Support Unit, as well as miscellaneous OTPS (i.e., furniture, office supplies).
Administration	MCO	New Revenue Facil - OTPS Savings				382	Combining three Revenue facilities into the new Maspeth site allows reduction in rent and parking OTPS.

**MTA New York City Transit  
2004 Preliminary Operating Budget Proposal**

**Explanations of Program to Eliminate the Gap Detail**

<u>Category</u>	<u>Dept/Div</u>	<u>Description</u>	<u>Change from March Budget: Better/(Worse)</u>				<u>Comments</u>
			<u>2003</u>	<u>2004</u>	<u>EOY Pos</u>	<u>\$000</u>	
Administration	MCO	Reduce Funpass Commissions				886	Merchants currently receive a 5% commission for selling Funpasses. Lowering the commission rate to 3% would put the Funpass on par with other MetroCards sold by vendors.
Administration	MCO	Reduce General Advertising		700		700	Reduction in general advertising (encompassing both print and radio/TV advertising) designed to promote NYC mass transit ridership and MetroCard use.
Administration	MCO	Reduce HPEM Maintenance				89	NYC Transit Revenue Processing Unit will now be able to provide most of the preventive maintenance and remedial repair services on NYC Transit's 16 HPEM units.
Administration	MCO	Reduce Outside Printing				100	Reduction in miscellaneous outside printing (including brochures, guides and timetables), as well continued effort to bring printing in-house allows this expense to be reduced.
Administration	MCO	Reduce Retail Sales Support			1	69	Elimination of 1 position which supports the Retail Sales Program (i.e., solicit merchants, provide application processing).
Administration	MCO	Reduce Targeted Advertising		250		250	Eliminate newspaper advertising of weekend service diversion information.
Administration	TIS	Administrative Efficiencies			7	533	Eliminate PT&E and clerical positions in Finance and EMD because of organizational realignments.
Administration	TIS	Leased Telephone Equip Savings		1,500		1,500	In 2002, TIS performed an analysis of leased telephone equipment. As a result, a significant portion of the monthly leased items were discontinued or leased for reduced rates.
Administration	TIS	Managerial Efficiencies			8	983	Organizational realignments allowed the elimination of eight managerial positions.
Administration	TIS	Nortel Router Maintenance				122	Savings due to change in contracted maintenance support.
Administration	TIS	Real Estate Budget Adjustment		2,353		607	Surplus funds above budget identified in real estate account.
Administration	TIS	Subways Master Plan Revision		1,250		(255)	Savings due to a reduction in scope and assessment of liquidated damages.
Administration	TIS	Telephone Bill Savings		600			Savings due to credits from prior year bills.
Administration	TIS	Vacancy Savings Provision		2,072			Savings due to vacancies.
Administration	Labor Relations	Position Reductions			6	375	Elimination of three PT&E positions, two clerical positions, and one operating supervisor position.
Administration	Labor Relations	R&M Savings				25	Reduce OTPS associated with the Employee Recognition Program.



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**Explanations of Program to Eliminate the Gap Detail**

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			<u>2003</u>	<u>2004</u>	<u>EOY Pos</u>	<u>\$000</u>	
Administration	Materiel	Copier Cost Savings		850		494	Savings in the various photocopier accounts result from the reduced rates available via the all-agency contract, and accounting for usage when replacing the machines.
Administration	Materiel	Other R&M Savings		122		122	Savings in advertising fees (reduction and consolidation of ads) and postage (E-bids allow vendors to download bid packages via the internet).
Administration	Materiel	Redbird Barging Savings		397			Savings due to fewer cars being reefed in 2003 than had been originally planned, combined with lower transportation costs.
Administration	Materiel	Refuse & Recycling Savings		348		348	Savings due to contract rates being lower than originally projected.
Administration	Materiel	Salary & Wage Underrun		300			Savings taken in 2003 as a result of vacancy savings.
Administration	Materiel	Uniforms Savings				750	Savings are the result of lower garment prices.
Administration	Supply	Tiffany Rent/Utilities Re-Estimate		1,158		1,158	Elimination of utility expense for Tiffany Warehouse. Funding is provided elsewhere in NYC Transit budget for this.
Administration	Logistics						
Administration	Controller	Elim Clerical Positions			2	109	Reduction of two clerical positions in treasury and timekeeping.
Administration	Controller	Eliminate Vacancies			6	454	Eliminate 6 positions currently vacant in payroll, operations accounting and disbursement sections.
Administration	Controller	Salary & Wage Underrun		425			Savings taken in 2003 as a result of vacancy savings.
Administration	Controller	Title Realignment				90	Realignment of various budgeted titles with actual incumbent titles.
SUBTOTAL			1	12,945	44	14,430	

**MTA New York City Transit  
2004 Preliminary Operating Budget Proposal**

**Explanations of Program to Eliminate the Gap Detail**

Change from March Budget: Better/(Worse)								
Category	Dept/Div	Description	2003	2004	EOY Pos	EOY Pos		
			EOY Pos	\$000			\$000	
Comments								
<b>Cleaner Reductions - Subways and Buses</b>								
Cust Convenience	Car	Cleaner Reduction - Full Attrition			1,640	Reduction in cleaners at various terminals & lay-up locations by maintaining full attrition -- vacancies		
Cust Convenience	Equipment							
Cust Convenience	Stations	Cleaner Reduction - Full Attrition			2,083	Reduction in Cleaners at various stations by maintaining full attrition -- vacancies		
Cust Convenience	Buses	Cleaner Reduction Rapid Wash			30	1,619	Reduction of 30 bus cleaners resulting from modified exterior bus cleaning schedule.	
SUBTOTAL					30	5,342		
<b>Individual Initiatives Valued at \$2M+ (by Category)</b>								
Administration	NYCT-Wide	Impact of Reimbursable Changes			2,329	3,754	Increase in reimbursable overhead resulting from reimbursable budget changes.	
Administration	NYCT-Wide	Revised Inflators				4,600	Impact of updated OTPS inflators for 2004 and out.	
Cust Convenience	MCO	MetroCard Balance Protection			1,000	(11)	3,192	Savings taken against initial reserve as a result of reassessing programmatic needs.
Maintenance	MOW	Extend Signal Mtce Cycles				43	2,849	Extend Signal maintenance cycles by 25% - on the 30, 60, or 90 day maintenance cycles of selected equipment including stop equipment, junction boxes, automatic transfer switches and other allied equipment.
Maintenance	Car	Car Floor Program Revision				41	6,484	Savings from workscope modifications for the R62A and R68 car classes.
Maintenance	Equipment							
Maintenance	Car	Reduce Unscheduled Repair Pos				40	2,765	Reduce the number of Car Inspectors (dedicated to unscheduled repairs) from all maintenance shops with new car fleets, and from the Overhaul Shops.
Maintenance	Equipment							
Maintenance	Car	SMS Program Revision				35	5,116	Revision to the retirement date of the R44's will result in savings to their SMS workscope.
Maintenance	Equipment							
Maintenance	NYCT-Wide	Excess Employee Costs				1,721	(14,900)	Budget reserve to cover payroll costs of employees made excess due to budget reductions. In 2003, excess costs are projected to underrun budgeted reserve, resulting in net savings.
Service - Direct	Buses	Bus Fuel Re-estimate				(318)	3,731	Adjustment in bus fuel costs due to new inflation assumptions.
Service - Support	RTO	Elim TSS Investments	11	439	34	2,416		Elimination of the scheduled increase in Train Service Supervisors since past investments have achieved desired supervision levels.
SUBTOTAL			11	5,171	182	20,007		
TOTAL - Initiatives Valued at \$2M+			43	25,004	502	66,685		

**MTA New York City Transit  
2004 Preliminary Operating Budget Proposal**

**Explanations of Program to Eliminate the Gap Detail**

<u>Category</u>	<u>Dept/Div</u>	<u>Description</u>	<u>Change from March Budget: Better/(Worse)</u>				<u>Comments</u>
			<u>2003</u>	<u>2004</u>	<u>EOY Pos</u>	<u>\$000</u>	
			<u>EOY Pos</u>	<u>\$000</u>	<u>EOY Pos</u>	<u>\$000</u>	
<b><u>II. Program to Eliminate the Gap - Other Initiatives by Category</u></b>							
<b><u>Administration</u></b>							
Administration	Non-Dept'l	Eliminate Reserves		5,900			Eliminate 2003 contingency reserves.
Administration	NYCT-Wide	Military Leave Reforecast		2,100			Employee availability savings due to less usage than expected.
Administration	NYCT-Wide	Payroll/FICA Cash Flow Adjustment		1,300		(1,000)	Timing adjustment.
		SUBTOTAL		9,300		(1,000)	
<b><u>Customer Convenience</u></b>							
Cust Convenience	Sr.VP-Subways	Reduce WEP Program			1	79	Reduce WEP Staffing by 1 Assc Analyst due to anticipated level of WEP participants (total 500 participants).
Cust Convenience	RTO	Platform Controller Reduction	21	182	21	1,205	Reduce 21 Platform Conductor jobs (4 from Subdivision "A" and 17 from Subdivision "B").
Cust Convenience	Car Equipment	Reduce WEP Program Support			3	309	Reduction reflects sizing for 250 WEP program workforce (current number of participants provided by NYC).
Cust Convenience	Stations	Defer CRW Training '04 to '05	15	395	22	1,274	The 2 day Customer Relations Workshop is being deferred to 2005 and 2006.
Cust Convenience	Stations	Reduce Elevator Operators			22	1,146	Reduce Elevator Operators at 5 Stations in Manhattan. One elevator at each station will retain 24x7 elevator operator coverage.
Cust Convenience	Stations	Delay Cleaner Increase-Rehab'd Sta's				312	Postponement of investment until 2005.
Cust Convenience	Stations	Close Booth - Howard Beach	5	43	5	290	Reconstruction of Howard Beach station due to AirTrain resulted in consolidation of booths and the elimination of booth N182A.
Cust Convenience	Stations	Reduce 2 Graffiti Teams - 1 Yr			4	268	Reduce 2 Graffiti Removal Teams.
Cust Convenience	Stations	Reduce WEP Program			3	207	Reduction reflects sizing for 250 WEP program workforce (current number of participants provided by NYC).
Cust Convenience	Stations	Close Booth - Myrtle Ave			3	87	Close P/T Booth - Myrtle Ave H026 due to scheduled station rehabilitation work. July '04 - Dec '05.
Cust Convenience	MCO	Travel Info Center - Elim Nights			6	311	Reducing Travel and Information Center operating hours from 24 hours per day to 6AM - 10PM allows 6 positions to be eliminated. Majority of calls are received between these hours, so customer impact is expected to be minimal.
Cust Convenience	MCO	MetroCard Mobile Sales Savings			2	218	Elimination of one MetroCard bus and one MetroCard van allows one managerial position and one bus operator position to be eliminated.
		SUBTOTAL	41	620	92	5,706	

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			<u>2003</u>	<u>2004</u>	<u>EOY Pos</u>	<u>\$000</u>	
<b>Maintenance</b>							
Maintenance	RTO	Eliminate 3 CR - Painting Support		3	184		Elimination of 3 Conductor positions that support station painting jobs in MOW.
Maintenance	MOW	Pwr Ops and Elec Mtce Reduction		30	1,908		Reduction of various substation, cable and emergency crews. Emergency and service disruptions will continue to receive full priority and impact will be minimal.
Maintenance	MOW	Elim Fiberglass Walkway Pgm		21	1,276		Any further degradation in wooden walkways will be replaced with wood (instead of fiberglass) until they are replaced through the Capital Program.
Maintenance	MOW	Reduce Signal Work Order Resources		19	1,235		Reduce positions assigned to address low-priority signal work orders.
Maintenance	MOW	Reduce Intensive Trackbed Cleaning		14	901		Reduce the intensive trackbed cleaning program by 67%. Track will rely on the efficiency and reliability of the Vacuum Train to reduce the impact of not scraping in wet areas. Infrastructure's drain clearing efforts also provide benefits in preventing standing water that results in mud buildup. Track will maintain a crew of 7 to provide cleaning coverage in the most difficult areas.
Maintenance	MOW	Reduce Track Yellow Defect Pgm		12	768		Eliminate 2 of 4 dedicated gangs from the Track Yellow Defect Backlog Elimination Program. The annual backlog repair goal for these gangs will be reduced from 600 to 300.
Maintenance	MOW	Reduce Stationary Eng's & HPPT's		10	673		Reduce the number of people assigned to Stationary Engineering mobile gangs by 4 Stationary Engineers and 6 High Pressure Plant Tenders. The inspection cycles will be reduced from 3 times/day to twice daily. This should have no impact on equipment operations.
Maintenance	MOW	E&E Mtce - Elim Scheduled Increase		16	630		Maintain existing 2004 Elevator & Escalator maintenance support - eliminate increment of 16 positions.
Maintenance	MOW	Elim IJ's Preventive Maintenance		8	512		Elimination of program, begun in 2002, to perform preventive maintenance on track insulated joints. No quantifiable reduction in delays has been documented as a result of this work.
Maintenance	MOW	Reduce Third Rail Tube Cleaning		7	485		3rd rail tube cleaning cycle will be reduced from twice to once/year. In addition, the improved reliability and efficiency of the vacuum train will mitigate the impact of the reduced cleaning cycle. Cleanliness will be monitored. If additional cleaning is required, it will be provided.

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			<u>EOY Pos</u>	<u>\$000</u>				
Maintenance	MOW	Reduce Container Plates Repl'mt			7	432	50% reduction of container plates gangs. Areas will be prioritized - container plates located in wet areas and where base corroded rail is found will be addressed. Container plates in dry areas do not present a problem and do not need to be replaced.	
Maintenance	MOW	Token Booth Air Conditioners				143	Reduce purchase of replacement token booth air conditioners.	
Maintenance	Stations	Reduce Rubbing Board Painting			4	268	Reduce rubbing board painting by 50% for 1 year.	
Maintenance	Stations	Reduce Stairway Riser Painting			4	268	Reduce stairway riser painting for 1 year.	
Maintenance	Stations	Defer Emerg Exit Painting			2	134	Defer emergency exit painting for 1 year.	
Maintenance	Buses	Clean Fuel - Additional Buses			18	1,281	Savings in increased maintenance and fuel costs due to delivery delays of CNG and hybrid buses.	
Maintenance	Buses	CRT Pilot Grant				343	Reimbursement for CRT demonstrations performed by Buses for the NYS Dept of Environmental Conservation	
Maintenance	Buses	Bus Stop Painting				300	Savings from continuing the bus bus stop painting program at reduced levels.	
Maintenance	Buses	Seat Conversions				(27)	Labor associated with changing seat cushions to hard seats on MCI buses.	
Maintenance	Buses	Buses Base Shop Program Revision			(38)	(4,593)	Base shop program revision incorporating revised scopes and cycle changes for various upgrade and overhaul programs. Net cost increase in 2004 is more than offset by savings in 2003 and anticipated outyear savings.	
Maintenance	Buses	Engine Change Reduction (75)			6	2,226	Savings associated with revised engine change scope - from 150 to 75.	
Maintenance	Buses	MCI GOH Savings/ Vendor HSO's			21	1,207	Savings primarily from deferring general overhauls on MCI buses until 2006 (excluding heavy scheduled operation portion of workscope, which cannot be deferred).	
Maintenance	MCO	Bus Revenue Maintenance Savings			4	176	Reconfiguration of depot bus fleet in the eight Manhattan and Bronx depots will provide more evenly distributed fleet assignments, and allow a reduction of two Revenue Equipment Maintainers and two Maintenance Supervisors.	
Maintenance	TIS	Electronics Mtce Division OTPS Reduction				510	Savings taken in various EMD R&M and MM accounts.	
SUBTOTAL						2,996	168	11,267

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			<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	
			<u>EOY Pos</u>	<u>\$000</u>	<u>EOY Pos</u>	<u>\$000</u>	
<b><u>Safety/Security</u></b>							
Safety/Security	MCO	Reduce Contracted Security				57	A review of security operations allows the elimination of security position at Jay Street.
		SUBTOTAL				57	
<b><u>Service - Support</u></b>							
Service - Support	RTO	Yard & Station Switching Effic	14	144	14	953	Reduction of 14 Train Operator Switching jobs due to work program efficiencies.
Service - Support	RTO	Tower Operator Efficiencies	7	68	7	452	Reduction of 7 Tower Operators through work program efficiencies.
Service - Support	RTO	Eliminate Rev Collect TO			5	171	Effective July '04 revenue collection will be done by armored trucks; as a result RTO can eliminate Train Operators on revenue trains.
Service - Support	RTO	Eliminate 1 YD Job Sub B	1	12	1	81	Work Program efficiencies will allow elimination of 1 Yard Dispatcher job at Coney Island Yard.
Service - Support	RTO	Eliminate 1 ATD Job	1	11	1	74	Eliminate 1 Assistant Train Dispatcher job at Grand Central due to enhanced Lexington Ave management procedures.
Service - Support	Car Equipment	Restructure RCI Yard Coverage			14	1,000	Restructure Road Car Inspector tours for pre-service inspections, maximizing yard assignments through staggered shifts during off-peak AM and PM rush hours, when the majority of trains are layed-up in yards.
Service - Support	Buses	2004 Road Dispatcher Reduction			21	1,661	Savings associated with the reduction of 21 road control dispatchers.
Service - Support	Buses	Shifting / Bus Moves			17	1,067	Represents a reduction of 1 shifter per depot with the exception of 100th Street.
Service - Support	Buses	Road Control Reductions			4	317	Savings associated with the reduction of 4 command center console dispatchers.
Service - Support	MCO	Station Automation Reforecast	(17)	3,152		(500)	Savings taken against initial reserve established for Station Automation Plan.
		SUBTOTAL	6	3,387	84	5,276	
		<b>TOTAL - Other Initiatives</b>	<b>47</b>	<b>16,303</b>	<b>344</b>	<b>21,306</b>	
<b>TOTAL PROGRAM TO ELIMINATE THE GAP</b>			<b>90</b>	<b>41,307</b>	<b>846</b>	<b>87,991</b>	

# MTA NYC TRANSIT

## 2004 PRELIMINARY OPERATING BUDGET PROPOSAL

### BUS FUEL COST RE-ESTIMATE

	2003 Re-Estimate	Inflator	2004 Prelim Budget
Annual Bus Miles	118,717,426		118,717,426
Less CNG Operation	7,503,595		9,324,004
<b>Total Diesel Bus Miles</b>	<b>111,213,831</b>		<b>109,393,422</b>
Average Miles per Gallon	2.59		2.59
DOB Bus Gallons	42,914,238		42,211,794
DOB Non-Bus Gallons	1,523,382		1,523,382
<b>Total DOB Gallons</b>	<b>44,437,620</b>		<b>43,735,176</b>
Non-DOB Gallons	1,294,764		1,294,764
<b>Total All Gallons</b>	<b>45,732,384</b>		<b>45,029,940</b>
Cost per Gallon	\$1.0324	0.8197	\$0.8462
<b>Total DOB Diesel Cost</b>	<b>\$45,999,386</b>		<b>\$37,008,838</b>
Total Non-DOB Diesel Cost	\$1,214,423		\$1,095,633
<b>Total Diesel Fuel Cost</b>	<b>\$47,213,809</b>		<b>\$38,104,471</b>
<b><u>CNG Service (Based on DOB Information)</u></b>			
CNG Buses Miles	7,503,595		9,324,004
Average Cost per Mile	\$0.5691	0.8197	\$0.47
CNG Annual Cost	<b>\$4,270,589</b>		\$4,349,609
<b>CNG Inflation</b>			<b>(\$784,444)</b>
CNG 2000 Cash Flow Adjust	\$0		
<b>Total CNG Accrued</b>	<b>\$4,320,000</b>		<b>\$4,349,609</b>
<b>Total Bus Fuel Costs - Base</b>	<b>\$51,533,809</b>		<b>\$42,454,080</b>
<b><u>Year 2004-2006 SBP - Program Elements in 2003 Module (6/10/03)(inflation in base above)</u></b>			
Clean Fuel Bus Plan - Additional Clean Fuel Buses(200)			\$1,666,000
2003 NR Platform Budget - Mtce			\$319,000
Stillwell Mtce & Shifting			<b>(\$78,000)</b>
Bus Svce Adj (Mtce) - F073	\$219,000		\$0
Total Program Elements	<u>\$219,000</u>		<u>\$1,907,000</u>
<b>Program Elements Inflation</b>			<b>(\$343,924)</b>
<b>NEW FORECAST</b>	<b>\$51,752,809</b>		<b>\$44,017,156</b>
2003 BUDGET	\$51,216,000		\$47,748,000
<b>Forecast M/(L) 2003 Budget</b>	<b>\$536,809</b>		<b>(\$3,730,844)</b>

**MTA New York City Transit**  
**2004 Preliminary Operating Budget Proposal**

**New Needs**  
(\$ in thousands)

		2003 Mid-Year Forecast and 2004 Preliminary Budget favorable / (unfavorable)			
Dept./Div.	Description	2003		2004	
		EOY Positions	\$000	EOY Positions	\$000
<b><u>Administration:</u></b>					
Sr.VP-Subways	NYCT Community Services		(50)		(69)
Stations	Title Swap - Signage/Lighting		(3)		(2)
Buses	Administer Extra OA Operator Pick		(235)		
Buses	Transit Workers Union MOU-Meal Allowance		(155)		(309)
Paratransit	Title Change		8		11
MCO	Photo Identification System		(40)	1	(76)
MCO	Revenue Processing Equipment Maintenance				(75)
TIS	Cubic Upgrade Support				(350)
TIS	E-mail upgrade		(1,300)		
TIS	RSMIS Rollout				(501)
TIS	Unified Timekeeping System (UTS) Development				(640)
Non-Dept'I	Kronos Funding				(2,500)
Non-Dept'I	Union Release Positions (transfer)	4	222	4	244
Labor Relations	Contract Settlement OTPS		(300)		
Labor Relations	Union Release Positions (transfer)	(4)	(226)	(4)	(250)
Materiel	Miscellaneous OTPS Cost Increases		(100)		(100)
Supply Logistics	Position Upgrade		(14)		(17)
NYCT-Wide	All Other Technical Adjustments		(484)		(200)
NYCT-Wide	Average Wage Rates		(4,000)		(4,200)
NYCT-Wide	Capital Expenditures/Reimbursements (net)		(1,800)		(700)
NYCT-Wide	Other Operating Revenue Re-Estimate		(1,200)		200
NYCT-Wide	Provision for Overhead Rate Change		(1,624)		(1,667)
Total			(\$11,301)	1	(\$11,201)
<b><u>Customer Convenience:</u></b>					
MCO	Additional TRIPS Funding				(82)
MCO	MetroCard Claims				(312)
MCO	Reduced Fare Investment	1	(174)	1	(125)
TIS	Reduced Fare Investment	(2)	(108)	(2)	(200)
Total		(1)	(\$282)	(1)	(\$719)
<b><u>Maintenance:</u></b>					
MOW	Capital Impact - HVAC / Rail Control Center (RCC)			(14)	(643)
MOW	Environmental Study-Consent Decree			(1)	(549)
MOW	Facility Contract Maintenance Costs				(1,082)
Stations	Increase Maintenance for Rehabilitated Stations			(4)	(267)
Buses	Air Compressor Intervention		(1,098)		(468)
Buses	Air Intake Modification - Articulated Buses				(549)
Buses	Bus Line Supervisor Bonus		(200)		(200)
Buses	Engine Repowering Requirements		(1,700)		
Buses	Line Supervisor/Unscheduled OverTime Swap	(1)	1	(1)	
Buses	Power Steering Hoses		(156)		
Buses	TWU MOU-P&E Differential		(167)		(268)
MCO	MetroCard Vending Machines (MVM) Maintenance Increase	(47)	(716)	(47)	(3,037)
MCO	Revenue Facility Maintenance				(180)
TIS	Electronics Maintenance Division Overtime		(350)		
TIS	MVM Bill Handler Unit Maintenance				(434)
TIS	MVM Bill Handler Units		(197)		
Supply Logistics	Reclassify Automated Fare Collection (AFC) Storeroom Positions	(3)	(219)	(3)	(379)
Total		(51)	(\$4,802)	(70)	(\$8,056)



**MTA New York City Transit**  
**2004 Preliminary Operating Budget Proposal**

**New Needs**  
(\$ in thousands)

		2003 Mid-Year Forecast and 2004 Preliminary Budget favorable / (unfavorable)			
Dept./Div.	Description	2003		2004	
		EOY Positions	\$000	EOY Positions	\$000
<b><u>Safety/Security:</u></b>					
Sr.VP-Subways	Transit Property Protection Agents (TPPA) Coverage - 100 Street Depot	(6)	(306)	(6)	(426)
Sr.VP-Subways	TPPA Coverage - 180 Livingston	(4)	(142)	(4)	(253)
RTO	New Flagging Call On Procedure	(6)	(253)	(6)	(549)
MOW	Fire Safety Director		(190)		(250)
MOW	Flagging Requirements			(178)	(11,188)
MOW	Signals Overtime-2003 Projection		(7,955)		
Stations	Flagging Requirements			(17)	(1,142)
Materiel	Safety Shoes - Increased Costs		(69)		(509)
Total		(16)	(\$8,915)	(211)	(\$14,317)
<b><u>Service:</u></b>					
MOW	Power Re-Estimate		(4,600)		(1,400)
Buses	2003 Bus Service Re-Estimate		(822)		640
Buses	TWU MOU-Headway Allowance		(442)		(1,455)
Non-Dept'l	Provision for Toll Increase		(199)		(318)
Total - Direct Service			(\$6,063)		(\$2,533)
RTO	Automated Train Supervision - Training 2004				(728)
RTO	Communication Based Train Control - Training 2004			(14)	(1,095)
RTO	Manhattan Bridge Re-Opening Support			(20)	(1,810)
RTO	RTO Average Hours		(1,000)		(1,000)
RTO	Unionport Tower Staff Adjustment			(1)	(83)
Buses	Grand Street Shuttle / M Shuttle				(60)
Buses	Orchard Beach Service Requirements		(259)		(267)
Buses	Stillwell - Maintenance & Shifting		(442)		12
Ops Planning	Rail Scheduling Software				(540)
MCO	Additional Card Stock Costs		(1,665)		(1,796)
MCO	Manhattan Bridge Re-Opening Customer Information				(643)
MCO	MVM Revenue Servicing	(10)	(126)	(10)	(573)
MCO	Projected Unscheduled Overtime		(1,000)		
TIS	Rail Control Center			(9)	(1,663)
TIS	SONET Telecommunications Staff			(4)	(172)
Total - Service Support		(10)	(\$4,492)	(58)	(\$10,418)
Total - All Service (both Direct and Support)		(10)	(\$10,555)	(58)	(\$12,951)
GRAND TOTAL - New Needs		(78)	(\$35,855)	(339)	(\$47,244)

**MTA New York City Transit  
2004 Preliminary Operating Budget Proposal**

**Explanations of New Needs Detail**

**Change from March Budget: Better/(Worse)**

<u>Category</u>	<u>Dept/Div</u>	<u>Description</u>	<u>2003</u> <u>EOY Pos</u>	<u>\$000</u>	<u>2004</u> <u>EOY Pos</u>	<u>\$000</u>	<u>Comments</u>
<u>I. New Needs Valued at \$1M+ (including related items)</u>							
<u>New Flagging Procedures</u>							
Safety/Security	MOW	Flagging Requirements			(178)	(11,188)	In order to increase worker safety, System Safety redefined flagging guidelines, and in many instances rules and procedures were modified to eliminate point to point flagging and replace it with full flagging, which requires additional resources to operate.
Safety/Security	Stations	Flagging Requirements			(17)	(1,142)	Same as for MOW above.
Safety/Security	MOW	Signals Overtime-2003 Projection		(7,955)			To cover vacancies and to provide for increased flagging requirements in 2003.
Safety/Security	RTO	New Flagging Call On Procedure	(6)	(253)	(6)	(549)	Additional Command Center staff are required to handle large volume of flagging calls resulting from the new flagging procedures.
SUBTOTAL			(6)	(8,208)	(201)	(12,879)	
<u>MVM Maintenance and Servicing</u>							
Maintenance	MCO	MVM Maintenance Increase	(47)	(716)	(47)	(3,037)	Increased MVM maintenance required due to increased volume of dollar bills and increased overall MVM utilization.
Service - Support	MCO	MVM Revenue Servicing	(10)	(126)	(10)	(573)	Increased MVM servicing and revenue collection required due to increased MVM utilization.
Maintenance	TIS	MVM Bill Handler Unit Maint				(434)	Staff required at Central Electronics Shop to support increased maintenance of MVM Bill Handler Units.
Maintenance	TIS	MVM Bill Handler Units		(197)			Same as above -- 2003 requirement.
Service - Support	MCO	Projected UOT Overrun		(1,000)			Projected overtime needed for various MCO functions in 2003: MVM revenue servicing, MVM maintenance, and station automation plan.
SUBTOTAL			(57)	(2,039)	(57)	(4,044)	
<u>Manhattan Bridge Service Restoration</u>							
Service - Support	RTO	Manh Bridge Re-Opening Support			(20)	(1,810)	Required support for service plan when both sides of the bridge are available for service including tower operation and supervision at several locations, and terminal operations at Whitehall Street for the "W".
Service - Support	MCO	Manh Bridge Re-Opening Cust Info				(643)	Funding for customer information dissemination to support major service changes resulting from Manhattan Bridge reopening.
Service - Support	Buses	Grand St Shuttle / M Shuttle				(60)	Retain dispatcher required to support the Grand St Shuttle until Manhattan Bridge reopening.
SUBTOTAL					(20)	(2,513)	

**MTA New York City Transit  
2004 Preliminary Operating Budget Proposal**

**Explanations of New Needs Detail**

**Change from March Budget: Better/(Worse)**

<b><u>Category</u></b>	<b><u>Dept/Div</u></b>	<b><u>Description</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>Comments</u></b>
<b><u>EOY Pos</u></b>	<b><u>\$000</u></b>	<b><u>EOY Pos</u></b>	<b><u>\$000</u></b>		
<b>Other New Needs Valued at \$1M+ (by category)</b>					
Administration	TIS	E-mail upgrade	(1,300)		Investment required for e-mail upgrade to ensure continued vendor support, which will end for current e-mail versions on 12/31/03.
Administration	Non-Dept'l	Kronos Funding		(2,500)	Current version of Kronos (time-keeping system) is no longer supported by vendor and must be maintained by in-house staff on a "crisis mode" basis. Investment needed to upgrade to new version.
Administration	NYCT-Wide	Average Wage Rates	(4,000)	(4,200)	Re-estimate based on updated separations and hiring data.
Administration	NYCT-Wide	Provision for Overhead Rate Change	(1,624)	(1,667)	Reflects new overhead rate to take effect July 2003.
Maintenance	MOW	Facility Contract Mtce Costs		(1,082)	Budget correction for price escalation of the Janitorial contract and to reflect actual unbudgeted expenditures for fire sprinkler, fuel tank, rolling steel doors, and facilities maintenance costs.
Maintenance	Buses	Engine Repowering Requirements	(1,700)		Funding to complete engine repowering for buses which were not funded by the capital program yet are required due to delivery delays of new buses and to be in compliance with the Governor's Clean Air mandate.
Service - Direct	MOW	Power Re-Estimate	(4,600)	(1,400)	Based on actual results through May 2003.
Service - Direct	Buses	TWU MOU-Headway Allowance	(442)	(1,455)	Impact of TWU agreement signed December 2002.
Service - Direct	Non-Dept'l	Prov for Toll Increase	(199)	(318)	Impact of MTA B&T toll increase on NYCT bus routes.
Service - Support	RTO	CBTC Training 2004		(14)	Required to train personnel in Subdivision B to operate new CBTC system on the "L" line. Required to support capital program investment.
Service - Support	RTO	RTO Average Hours	(1,000)	(1,000)	This reflects actual unbudgeted expenditures caused by RTO timekeeping system limitations.
Service - Support	MCO	Additional Card Stock Costs	(1,665)	(1,796)	Impact of the increased number of MetroCards sold since the fare hike.
Service - Support	TIS	Rail Control Center		(9)	TIS staff needed to test, accept and support mission critical systems at the new Rail Control Center.
		<b>SUBTOTAL</b>	<b>(16,530)</b>	<b>(23)</b>	<b>(18,176)</b>
		<b>SUBTOTAL \$1M+ NEW NEEDS</b>	<b>(63)</b>	<b>(26,777)</b>	<b>(301)</b>
				<b>(37,612)</b>	

**MTA New York City Transit  
2004 Preliminary Operating Budget Proposal**

**Explanations of New Needs Detail**

**Change from March Budget: Better/(Worse)**

<u>Category</u>	<u>Dept/Div</u>	<u>Description</u>	<u>EOY Pos</u>	<u>2003</u> <u>\$000</u>	<u>EOY Pos</u>	<u>2004</u> <u>\$000</u>	<u>Comments</u>
<u>II. Other New Needs by Category</u>							
<b>Administration</b>							
Administration	Sr.VP-Subways	NYCT Community Services		(50)		(69)	Increased contract costs for this MTA-mandated program.
Administration	Stations	Title Swap - Signage/Lighting		(3)		(2)	Title change required to support changes in signage and lighting work.
Administration	Buses	Administer Extra OA Operator Pick		(235)			Funding needed for a general OA pick to support the opening of West Farms and 100St Depots
Administration	Buses	TWU MOU-Meal Allowance		(155)		(309)	Impact of TWU agreement signed December 2002.
Administration	Paratransit	Title Change		8		11	Position downgrade.
Administration	MCO	Photo Identification System		(40)	1	(76)	Equipment needed for new Photo Identification Card system.
Administration	MCO	Revenue Processing Eqpmt Mtce				(75)	Funding required for post-warranty maintenance of 2 RPS currency counters.
Administration	TIS	Cubic Upgrade Support				(350)	Investment for required system upgrade.
Administration	TIS	RSMIS Rollout				(501)	Investment required to support RSMIS rollout and enhanced requirements.
Administration	TIS	UTS Development				(640)	Positions needed to support rollout of UTS in Dept. of Buses and to continue development of RTO modules.
Administration	Non-Dept'l	Union Release Positions (transfer)	4	222	4	244	Transfer from Non-Dept'l to Labor Relations. Per TWU agreement, positions were budgeted as of March.
Administration	Labor Relations	Contract Settlement OTPS		(300)			Miscellaneous costs associated with the new union contract.
Administration	Labor Relations	Union Release Positions (transfer)	(4)	(226)	(4)	(250)	See above.
Administration	Materiel	Misc OTPS Cost Increases		(100)		(100)	Investment for various OTPS cost increases.
Administration	Supply Logistics	Position Upgrade		(14)		(17)	Upgrade for field operations position.
Administration	NYCT-Wide	All Other Technical Adjustments		(484)		(200)	Miscellaneous technical items.
Administration	NYCT-Wide	Capital Expenditures/Reimb (net)		(1,800)		(700)	Based on revised 2003-2004 reimbursable projections.
Administration	NYCT-Wide	Other Operating Revenue Re-Est		(1,200)		200	Re-estimated based on updated actual results for advertising, interest and fare media expenses.
		SUBTOTAL		(4,377)	1	(2,834)	

**MTA New York City Transit  
2004 Preliminary Operating Budget Proposal**

**Explanations of New Needs Detail**

**Change from March Budget: Better/(Worse)**

Category	Dept/Div	Description	2003	2004	Comments		
			EOY Pos	\$000		EOY Pos	\$000
Customer Convenience							
Cust Convenience	MCO	Additional TRIPS Funding		(82)	System support required for new TRIPS system (provides travel information to customers).		
Cust Convenience	MCO	MetroCard Claims		(312)	Investment of 12 part-time staff needed to handle increased number of customer claims.		
Cust Convenience	MCO	Reduced Fare Investment	1	(174)	1	(125)	Investment for new Photo Identification Card system.
Cust Convenience	TIS	Reduced Fare Investment	(2)	(108)	(2)	(200)	Investment for system maintenance of new Photo Identification Card system.
		SUBTOTAL	(1)	(282)	(1)	(719)	
Maintenance							
Maintenance	MOW	Capital Impact - HVAC / RCC		(14)	(643)	New HVAC units installed through the Capital Program result in new maintenance requirements. New RCC (capital project) requires maintenance including janitorial and custodial services, heating fuel, natural gas, and building management system.	
Maintenance	MOW	Environmental Study-Consent Decree		(1)	(549)	As a result of a consent decree with the NYS DEC, NYC Transit must perform a drainage study at 23 Subways locations to determine if petroleum and hazardous substances are being discharged into the groundwater.	
Maintenance	Stations	Increase Mtce for Rehab'd Stations		(4)	(267)	Rehabilitated stations have additional fixtures and finishes (e.g. tiles, lighting, floors) that require additional maintenance. Previous investments were not made when these stations came on line and there is a growing backlog of work.	
Maintenance	Buses	Air Compressor Intervention		(1,098)	(468)	As part of Buses Shop savings program, bus upgrade cycles were lengthened from 3 to 4 or 5 years. However, air compressor life could not be extended, so they will be replaced via campaign on a 3 year cycle.	
Maintenance	Buses	Air Intake Mod - Artic Buses			(549)	A technical modification to the Shop program for the Artic Air Intake System required to protect the engine and turbo charger from excessive wear which could result in potential fire damage.	
Maintenance	Buses	Bus Line Supervisor Bonus		(200)	(200)	Bonuses for worker task time compliance.	
Maintenance	Buses	Line Supervisor/UOT Swap	(1)	1	(1)	Technical adjustment	
Maintenance	Buses	Power Steering Hoses		(156)		Increased failures of power steering hoses in 1997 New Flyer buses indicated that the hoses were reaching the end of their life cycle and required replacement.	
Maintenance	Buses	TWU MOU-P&E Differential		(167)	(268)	Impact of TWU agreement signed December 2002.	
Maintenance	MCO	Revenue Facility Mtce			(180)	Maintenance services needed for new revenue facility, due to open in 2004.	
Maintenance	TIS	EMD Overtime		(350)		Overtime needed in Electronics Maintenance Division due to security initiatives and increased Central Electronics Shop work.	
Maintenance	Supply Logistics	Reclassify AFC Storeroom Pos	(3)	(219)	(3)	(379)	Reclassification of 3 storeroom workers from reimbursable to non-reimbursable due to closeout of AFC capital projects.
		SUBTOTAL	(4)	(2,189)	(23)	(3,503)	

**MTA New York City Transit  
2004 Preliminary Operating Budget Proposal**

**Explanations of New Needs Detail**

**Change from March Budget: Better/(Worse)**

Category	Dept/Div	Description	2003	2004	EOY Pos	\$000	Comments
			EOY Pos	\$000			
Safety/Security							
Safety/Security	Sr.VP-Subways	TPPA Coverage - 100 St Depot	(6)	(306)	(6)	(426)	The reconstructed depot has two entrances/exits thus it requires one additional 24X7 post coverage.
Safety/Security	Sr.VP-Subways	TPPA Coverage - 180 Livingston	(4)	(142)	(4)	(253)	Due to relocation of the Employment Center from 1250 B'way and relocation of the Jay Street MAC to 180 Livingston, additional resources were required to provide the MAC with 24x7 security coverage.
Safety/Security	MOW	Fire Safety Director		(190)		(250)	Per building codes, coverage is required 24X7 at 370 Jay St, and 12X5 (6am - 6pm) at 130 Liv. This provides for coverage during off-hours (adequate coverage on day tour already).
Safety/Security	Materiel	Safety Shoes - Increased Costs		(69)		(509)	Higher unit costs and increased number of shoes ordered for Dept. of Buses.
		SUBTOTAL	(10)	(707)	(10)	(1,438)	
Service - Direct							
Service - Direct	Buses	2003 Bus Service Re-Estimate		(822)		640	Reflects actual schedules implemented.
		SUBTOTAL		(822)		640	
Service - Support							
Service - Support	RTO	ATS Training 2004				(728)	Required to train supervisory personnel to operate new ATS system throughout Subdivision A. Required to support capital program initiative.
Service - Support	RTO	Unionport Tower Staff Adj			(1)	(83)	This position is required to support Phase 2 of the White Plains Road signal modernization project.
Service - Support	Buses	Orchard Beach Service Req'mts		(259)		(267)	This is a recurring service to the Orchard beach community which had not been budgeted. This corrects the budget to reflect actual service.
Service - Support	Buses	Stillwell - Mtce & shifting		(442)		12	Maintenance and shifting allocation of resources based on increased shuttle service requirements for the Stillwell project.
Service - Support	Ops Planning	Rail Scheduling Software				(540)	Investment required to implement new HASTUS scheduling software for subway service.
Service - Support	TIS	SONET Telecommunications Staff			(4)	(172)	Investment needed for 24x7 coverage of SONET/ATM Operations Center.
		SUBTOTAL		(701)	(5)	(1,778)	
		SUBTOTAL OTHER NEW NEEDS	(15)	(9,078)	(38)	(9,632)	
		TOTAL NEW NEEDS	(78)	(35,855)	(339)	(47,244)	

**MTA NYC TRANSIT**  
**2003-2004 PRELIMINARY FINANCIAL PLAN**  
**POWER COST RE-ESTIMATE**  
(millions)

<b>MOW Power Account</b>	<b>Re-estimate 2003</b>	<b>Prelim Budget 2004</b>
2003 Non-reimbursable Power Base	145.437	145.437
<hr/>		
2003 SBP		
2003 Platform Budget	0.118	0.118
2003 Platform budget - Annual		(0.173)
2003 Weather Adjustment	1.385	
SBP Total	1.503	(0.055)
Inflation Assumption	0.000	0.000
<b>2003 BUDGET</b>	<b>146.940</b>	<b>145.382</b>
<hr/>		
<b><u>2003 BUDMOD CHANGES</u></b>		
2003 Platform Bud Mod	0.040	
<b>2003 BUDMOD</b>	<b>146.980</b>	<b>145.382</b>
<hr/>		
<b><u>2003 FORECAST CHANGES</u></b>		
Demand (partially Weather related)	1.100	
Weather	0.400	
WTC Credit to Reimbursable	(0.400)	
Price & Consumption	1.400	1.400
Correct Estimated Meter Readings	2.100	
<b>TOTAL FORECAST CHANGES - June 30, 2003</b>	<b>4.600</b>	<b>1.400</b>
<hr/>		
<b>TOTAL NEW FORECAST</b>	<b>151.580</b>	<b>146.782</b>
<hr/>		
<b>Forecast M/(L) 2003 Budget</b>	<b>4.640</b>	<b>1.400</b>

**MTA New York City Transit**  
**2004 Preliminary Operating Budget Proposal**  
**2003 MetroCard Stock Cost Forecast**

	NYCT Trips*	Avg # of Uses	# of MetroCards	Cost per Card	Cost
<u>7-Day Pass</u>					
Pre-Encoded	97,503,173	20.0	4,871,087		
TBT-Encoded/MVM	467,553,610	20.0	23,358,158		
Total 7-Day Pass	565,056,783		28,229,245	\$0.04536	\$1,280,479
<u>30-Day Pass</u>					
Pre-Encoded	7,873,133	69.3	113,600		
TBT-Encoded/MVM	312,265,539	69.3	4,505,604		
Total 30-Day Pass	320,138,671		4,619,203	\$0.04536	\$209,527
<u>Fun Pass</u>					
Pre-Encoded	17,688,645	4.2	4,217,727		
MVM Encoded	48,290,285	4.2	11,514,462		
Total Fun Pass	65,978,930		15,732,188	\$0.04536	\$713,612
Total Passes	951,174,384		48,580,637		\$2,203,618
<u>Bonus</u>					
Pre-Encoded	76,838,621	14.9	5,163,811		
TBT-Encoded/MVM	444,404,017	22.9	19,428,219		
Total Bonus	521,242,638		24,592,030	\$0.04536	\$1,115,494
<u>Regular Fare MetroCard</u>					
\$1.50/\$2.00 Pre-Encoded	27,592	1.1	24,350		
\$3.00/\$4.00 Pre-Encoded	22,778,484	2.3	10,051,011		
\$6.00 Pre-Encoded	5,340,759	4.6	1,153,917		
TBT-Encoded/MVM	207,242,374	4.1	50,950,013		
Total Regular Fare MetroCard	230,048,449		62,179,291	\$0.04536	\$2,820,453
NYCDOT/LIB/HRL			10,000,000	\$0.04536	\$453,600
Increase Disaster Recovery			6,000,000	\$0.04536	\$272,160
Utilize AirTrain Cards			(15,000,000)	\$0.04536	(\$680,400)
<b>Gold MetroCard Subtotal</b>	<b>1,702,465,471</b>		<b>136,351,957</b>		<b>\$6,184,925</b>
Single-Ride MetroCard	31,785,080	1.0	31,785,080	\$0.00945	\$300,369
<b>Subtotal</b>	<b>1,734,250,551</b>		<b>168,137,037</b>		<b>\$6,485,294</b>
Cash/Token	123,189,184				
<b>Total Subway and Bus</b>	<b>1,857,439,736</b>		<b>168,137,037</b>		<b>\$6,485,294</b>
Student MetroCard			3,500,000	\$0.04000	\$140,000
Board of Education Gold			300,000	\$0.04536	\$13,608
Elderly & Disabled			350,000	\$0.04536	\$15,876
Employee (EPIC) Pass			28,000	\$0.18000	\$5,040
Transit Bureau			15,000	\$0.04000	\$600
Access Passes**			15,000	\$0.04000	\$600
Triplex***			13,700,000	\$0.02890	\$395,930
<b>2003 Forecast</b>			<b>186,045,037</b>		<b>\$7,056,948</b>
<b>2003 Budget</b>					<b>\$5,392,000</b>
<b>Change</b>					<b>\$1,664,948</b>

\* Unlinked trips excluding students, senior/disabled & RR monthly joint tickets.

\*\* Building, mobility instructor, & temporary transportation passes

\*\*\* Includes RR and \$2.00 triplex cards.



**MTA New York City Transit**  
**2004 Preliminary Operating Budget Proposal**  
**2004 Stock Cost**

	<b>Trips*</b>	<b>Avg # of Uses</b>	<b># of MetroCards</b>	<b>Cost per Card</b>	<b>Cost</b>
<u>7-Day Pass</u>					
Pre-Encoded	98,758,409	20.0	4,933,797		
<u>TBT-Encoded/MVM</u>	<u>473,572,799</u>	<u>20.0</u>	<u>23,658,866</u>		
Total 7-Day Pass	572,331,208		28,592,663	\$0.04536	\$1,296,963
<u>30-Day Pass</u>					
Pre-Encoded	8,551,405	69.3	123,386		
<u>TBT-Encoded/MVM</u>	<u>339,167,275</u>	<u>69.3</u>	<u>4,893,763</u>		
Total 30-Day Pass	347,718,679		5,017,149	\$0.04536	\$227,578
<u>Fun Pass</u>					
Pre-Encoded	12,954,827	4.2	3,088,983		
<u>MVM Encoded</u>	<u>35,366,886</u>	<u>4.2</u>	<u>8,432,973</u>		
Total Fun Pass	48,321,713		11,521,956	\$0.04536	\$522,636
Total Passes	968,371,600		45,131,767		\$2,047,177
<u>Bonus</u>					
Pre-Encoded	82,444,595	14.5	5,687,758		
<u>TBT-Encoded/MVM</u>	<u>456,524,489</u>	<u>20.5</u>	<u>22,224,776</u>		
Total Bonus	538,969,084		27,912,534	\$0.04536	\$1,266,113
<u>Regular Fare MetroCard</u>					
\$2.00 Pre-Encoded	29,249	1.1	25,812		
\$4.00 Pre-Encoded	24,146,531	2.3	10,654,662		
<u>TBT-Encoded/MVM</u>	<u>214,027,572</u>	<u>3.5</u>	<u>61,372,878</u>		
Total Regular Fare MetroCard	238,203,351		72,053,353	\$0.04536	\$3,268,340
NYCDOT/LIB/HRL			10,000,000	\$0.04536	\$453,600
<b>Gold MetroCard Subtotal</b>	<b>1,745,544,036</b>		<b>155,097,654</b>		<b>\$7,035,230</b>
Single-Ride MetroCard	41,708,756	1.0	41,708,756	\$0.00945	\$394,148
<b>Subtotal</b>	<b>1,787,252,792</b>		<b>196,806,410</b>		<b>\$7,429,377</b>
Cash (Buses Only)	85,996,632				
<b>Total Subway and Bus</b>	<b>1,873,249,424</b>		<b>196,806,410</b>		<b>\$7,429,377</b>
Student MetroCard			3,500,000	\$0.04000	\$140,000
Board of Education Gold			300,000	\$0.02730	\$8,190
Elderly & Disabled			356,000	\$0.04536	\$16,148
Employee (EPIC) Pass			4,000	\$0.18000	\$720
Transit Bureau			15,000	\$0.04000	\$600
Access Passes**			15,000	\$0.04000	\$600
Triplex***			13,700,000	\$0.02890	\$395,930
<b>2004 Preliminary Budget</b>			<b>214,696,410</b>		<b>\$7,991,565</b>
<b>2004 Projection</b>					<b>\$6,195,565</b>
<b>Change</b>					<b>\$1,796,000</b>

\* Unlinked trips excluding students, senior/disabled & RR monthly joint tickets.

\*\* Building, mobility instructor, & temporary transportation passes

\*\*\* Includes RR and \$2.00 triplex cards.

**MTA New York City Transit  
2004 Preliminary Budget Proposal  
Technical Adjustments  
Overhead Rate Change**

Construction Rate changes from 130% to 128% effective July 2003. Return to 130% effective July 2004 (reflecting increased pension expense).

		Jul-Dec <u>2003</u>	Jan-Jun <u>2004</u>
Direct Labor		81,223	83,350
Change in Overhead	-2.0%	<u>-1,624</u>	<u>-1,667</u>

**MTA New York City Transit**  
**2004 Preliminary Budget**  
**Headcount (Authorized Positions)**

	<b>Non-Reimbursable</b>		<b>Reimbursable</b>		<b>Total</b>	
	<b>2003 Mid-Year Forecast</b>	<b>2004 Preliminary Budget</b>	<b>2003 Mid-Year Forecast</b>	<b>2004 Preliminary Budget</b>	<b>2003 Mid-Year Forecast</b>	<b>2004 Preliminary Budget</b>
<b>Subways</b>						
Senior Vice President	542	506	35	35	577	541
Rapid Transit Operations	6,896	6,872	1,012	936	7,908	7,808
Maintenance of Way	5,016	4,941	1,973	1,842	6,989	6,783
Car Equipment	4,727	4,524	319	231	5,046	4,755
Stations	6,183	6,160	171	122	6,354	6,282
Sub-total	23,364	23,003	3,510	3,166	26,874	26,169
<b>Buses</b>						
Buses Excluding Paratransit	14,124	14,055	182	88	14,306	14,143
Paratransit	104	104	-	-	104	104
Sub-total	14,228	14,159	182	88	14,410	14,247
<b>Exec. Vice President</b>						
Executive Vice President	18	18	2	1	20	19
Operations Planning	185	199	43	42	228	241
Human Resources	454	450	9	9	463	459
Office of Management & Budget	33	32	1	1	34	33
Materiel	159	159	104	103	263	262
Supply Logistics	586	570	-	-	586	570
Controller	189	181	59	59	248	240
Sub-total	1,624	1,609	218	215	1,842	1,824
President	20	20	-	-	20	20
System Safety	69	67	25	25	94	92
Law	246	243	37	37	283	280
MetroCard Operations	1,328	1,306	42	27	1,370	1,333
Telecommunications & Information Services	1,170	1,148	-	-	1,170	1,148
Labor Relations	108	102	2	2	110	104
Non-departmental	3	3	-	-	3	3
Capital Program Management	-	-	1,566	1,566	1,566	1,566
<b>Total</b>	<b>42,160</b>	<b>41,660</b>	<b>5,873</b>	<b>5,340</b>	<b>48,033</b>	<b>47,000</b>

**MTA New York City Transit  
Preliminary 2004 Budget Submission**

**Change in EOY Positions:  
2004 Budget more/(less) than 2003 Forecast  
Non-Reimbursable**

<u>Department</u>	<u>Total</u>	<u>Division</u>	<u>Total</u>	<u>Item Description</u>	<u>Positions</u>
Subways	(361)	SVP	(36)	Admin/Support Staff Reduction	(36)
		RTO	(24)	1/4 Day Availability Improvemt	(8)
				Capital Program Impacts	1
				CBTC/ATS/RCC	14
				Eliminate 3 CR Supp Painting	(3)
				Eliminate Rev Collect TO	(5)
				Manhattan Bridge	(23)
		MOW	(75)	Admin/Support Staff Reduction	(5)
				Apprentice Program	(12)
				Capital Program Impacts	(7)
				CBTC/ATS/RCC	14
				Container Plates Replacement	(7)
				Extend Sig Mtce Cycles	(43)
				Fiberglass Walkway Install	(21)
				Flagging Requirements	178
				IJ's Preventive Maintenance	(8)
				Incr Signal work order backlog	(19)
				Intensive Trackbed Cleaning	(14)
				Manhattan Bridge	(3)
				Meggering Test Squad	2
				MOW Management Reorganization	(93)
				Pwr Op and Elec Mtce Reduction	(30)
				Stationary Engineers & HPPT's	(10)
				Third Rail Tube Cleaning	(7)
				TWU and Other Mandates	22
				Yellow Defect Backlog Elmin	(12)
		DCE	(203)	145 St. Terminal Cleaning Supr	(1)
				Admin/Support Staff Reduction	(4)
				Admin/Support Staff Reduction	(3)
				Car Flooring	(88)
				Expand MS I Span of Control	(25)
				Install A/C Comp. on R46 Cars	2
				Reduce Unscheduled Repair Pos	(40)
				Restructure RCI Yard Coverage	(14)
				SMS	(94)
				Warranty Savings R142/A Rev4	64
		Stations	(23)	Admin/Support Staff Reduction	(23)
				Capital Program Impacts	(4)
				Clean Rehabilitated Stations	6
				Flagging Requirements	17
				Manhattan Bridge	(3)
				One-time Maintenance Deferrals	(14)
				Reduce Elevator Operators	(22)
				Rehabilitated Stations, Mtce.	4
				Stillwell Rehab	18
				Tunnel Lighting	(7)
				TWU and Other Mandates	5

**MTA New York City Transit  
Preliminary 2004 Budget Submission**

**Change in EOY Positions:  
2004 Budget more/(less) than 2003 Forecast  
Non-Reimbursable**

<u>Department</u>	<u>Total</u>	<u>Division</u>	<u>Total</u>	<u>Item Description</u>	<u>Positions</u>
Buses	(69)	Buses (excl Para)	(69)	Administrative Staff Reductions	(12)
				Depot Mtce and Support Reductions	(90)
				Shop Plan Adjustments	20
				TWU Contract Impacts	13
		Paratransit	0		
EVP	(15)	OEVP	0		
		Ops Planning	14	TWU/MOU	14
		Human Resources	(4)	Admin Staff Reductions	(5)
				TWU/MOU	1
		OMB	(1)	Admin Staff Reductions	(1)
		Materiel	0		
		Supply Logistics	(16)	Maintenance Savings	(16)
		Controller	(8)	Admin Staff Reduction	(8)
President					
System Safety	(2)			Admin Staff Reduction	(2)
Law	(3)			Admin Staff Reduction	(3)
MCO	(22)			Admin Staff Reduction	(20)
				Maintenance Savings	(4)
				Customer Service	2
TIS	(22)			Admin Staff Reduction	(22)
Labor Relations	(6)			Admin Staff Reduction	(6)
Non-Departmental					
CPM					
<b>NYCT Total</b>	<b>(500)</b>				

**MTA New York City Transit  
Preliminary 2004 Budget Submission**

**Change in EOY Positions:  
2004 Budget more/(less) than 2003 Forecast  
Reimbursable**

<u>Department</u>	<u>Total</u>	<u>Division</u>	<u>Total</u>	<u>Item Description</u>	<u>Positions</u>		
Subways	(344)	SVP	0		0		
		RTO	(76)	Stillwell Rehab	(76)		
		MOW	(131)	All Other	3		
				Cable Projects Support	(12)		
				Canarsie Pos/Neg Cable	(31)		
				Canarsie Yard	(8)		
				Critical Sig Safety Eng-Ph II	(7)		
				Jackson Avenue Switches	(16)		
				Jay Str Circuit Breaker House	(9)		
				LWP Signal Mod (T/E/S) Phase 2	(25)		
				Manh Bridge Elec/Signals Work	(10)		
				Misc - In-house construction	17		
				Nassau Loop Reconf/tion	(23)		
				Signal Mod-Flushing Line	(25)		
				Software-based Sig Sys-CBTC	(3)		
				Stillwell Terminal	(13)		
				Trade OT for Hdct - Cap	20		
				Underriver Tube Alarm	11		
				DCE	(88)	New Car Acceptance and Warranty	8
						Overhaul 21 Crane Cars	(10)
						P&T Staff - Shop Equipment	(2)
						Stillwell Rehab	(3)
						WARRANTY TA LABOR R142/A REV 4	(69)
		WARRANTY WORK FOR R143 / REV 3	(12)				
		Stations	(49)	Capital Prgm Support Reduction	(14)		
				Lighting Program Increase	40		
				Station Mezzanine Lighting	(18)		
				Tunnel Lighting - 6th Ave	(47)		
Tunnel Lighting CPM Support	(10)						
Buses	(94)	Buses (excl Para)	(94)	Stillwell Support	(58)		
				Clean Air Program	(36)		
		Paratransit	0				
EVP	(3)	OEVP	(1)		(1)		
		Ops Planning	(1)	Admin Staff Reduction	(1)		
		Human Resources	0				
		OMB	0				

**MTA New York City Transit  
Preliminary 2004 Budget Submission**

**Change in EOY Positions:  
2004 Budget more/(less) than 2003 Forecast  
Reimbursable**

<u>Department</u>	<u>Total</u>	<u>Division</u>	<u>Total</u>	<u>Item Description</u>	<u>Positions</u>
		Materiel	(1)	Admin Staff Reduction	(1)
		Supply Logistics	0		
		Controller	0		
President					
System Safety					
Law					
MCO	(15)		(15)	Admin Staff Reduction	(4)
				Customer Service	(11)
TIS	(77)		(77)	Admin Staff Reduction	(22)
				Maintenance Savings	(40)
				Customer Service	(15)
Labor Relations					
Non-Departmental					
CPM					
NYCT Total	(533)				

# MTA New York City Transit

## Subways - 24 Hour Terminal On-Time Performance (Weekday)

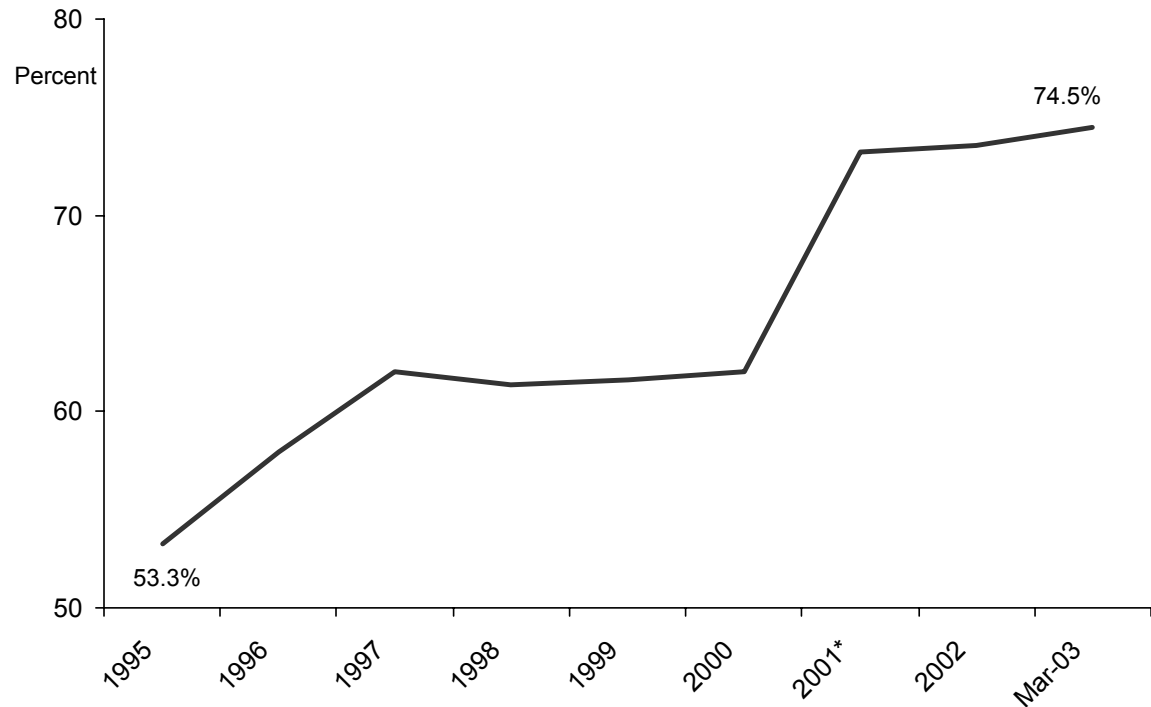


*24 Hour Terminal On-Time Performance has increased from 83.8 percent in 1989 to 96.3 percent in 2002. Through May 2003, On-Time Performance has further increased to 97.1 percent.*



# MTA New York City Transit

## Buses - Systemwide Enroute On-Time Performance

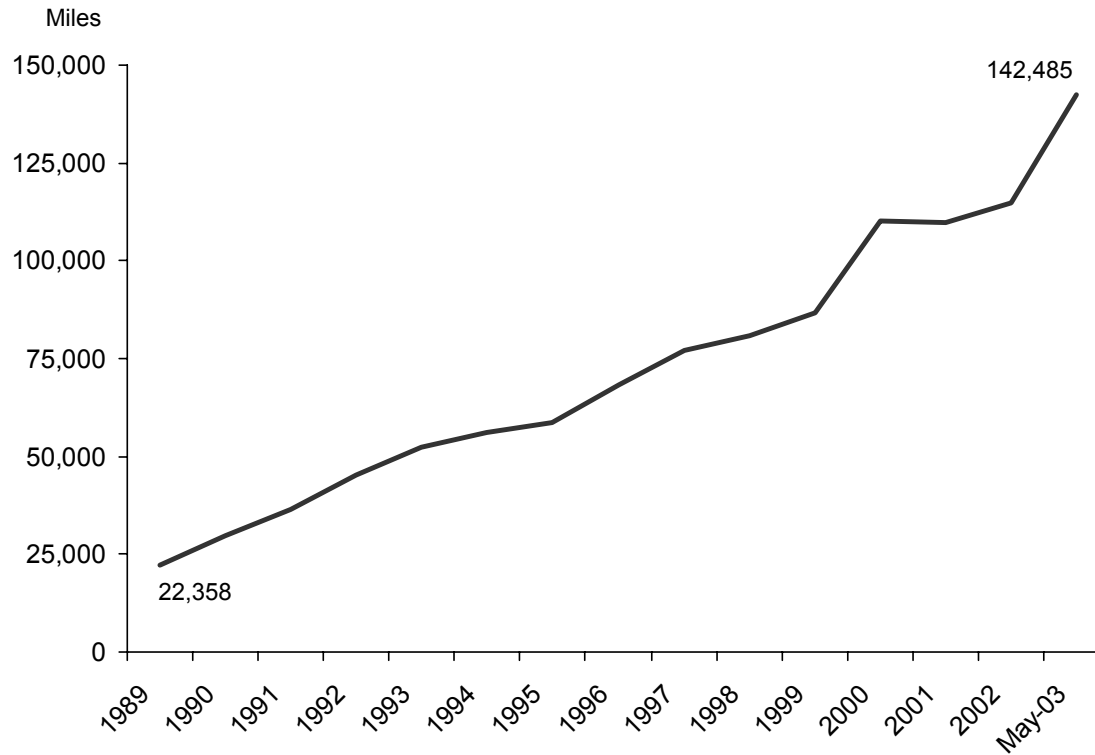


*Systemwide Enroute On-Time Performance increased from 53.3 percent in 1995 to 74.5 percent in the first quarter of 2003.*

**Note:** New On-Time Performance indicator (1 minute early to +5 minutes late as compliant) was fully reported starting from 2001. Previous 24-hour OTP indicator (0 to +5 minutes late is compliant) was reported from 1995 to 2000.

# MTA New York City Transit

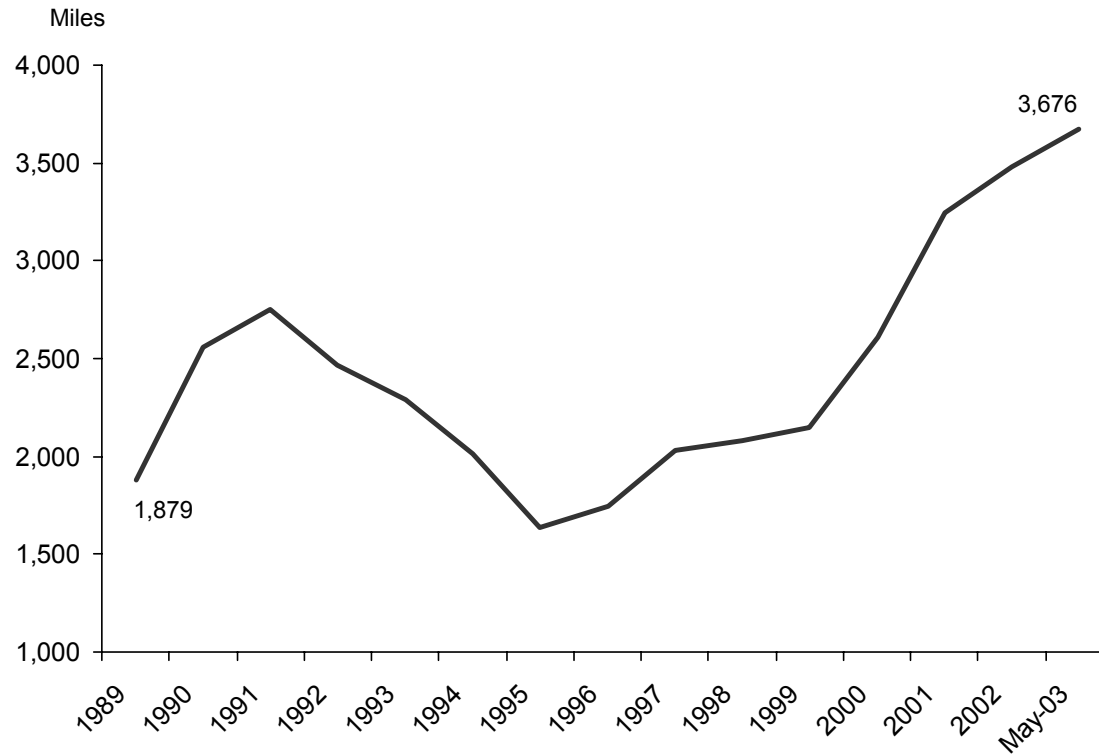
## Subways Mean Distance Between Failures



*Mean Distance Between Failures has expanded from 22,358 miles in 1989 to 142,485 miles through May 2003, an increase of 537 percent.*

## MTA New York City Transit

### Buses Mean Distance Between Failures



*Through year-to-date May, Mean Distance Between Failures was 3,676 miles, an increase of 1,797 miles (96 percent) from 1989*