

**MTA STATEN ISLAND RAILWAY**

**Metropolitan Transportation Authority**  
**MTA Staten Island Railway**  
**Reconciliation of 2004 Preliminary Budget with Revised 2003 Budget**  
**(\$ in thousands)**

	Variance: favorable / (unfavorable)		
	2003	2004	Two-Year Total
<b>Net Operating Cash Deficit - Approved March 2003 Plan</b>	<b>(\$20,590)</b>	<b>(\$20,213)</b>	<b>(\$40,803)</b>
<i>Eliminate Unspecified PEG for 2004 - March 2003 Plan</i>	\$0	\$0	\$0
<b>Adjusted Operating Cash Deficit - March 2003 Plan</b>	<b>(\$20,590)</b>	<b>(\$20,213)</b>	<b>(\$40,803)</b>
2004 Unspecified PEG Now Identified	\$0	\$0	\$0
Additional Operating PEG	<u>0</u>	<u>234</u>	<u>234</u>
<b>Total Operating PEG</b>	<b>\$0</b>	<b>\$234</b>	<b>\$234</b>
Passenger Revenues	(\$91)	(\$55)	(\$146)
Pension Costs	0	(216)	(216)
New Needs	<u>0</u>	<u>(234)</u>	<u>(234)</u>
<b>Total New Needs and Other Adjustments</b>	<b>(\$91)</b>	<b>(\$505)</b>	<b>(\$596)</b>
<b>Baseline Operating Cash Deficit - July 2003 Plan</b>	<b>(\$20,681)</b>	<b>(\$20,484)</b>	<b>(\$41,165)</b>
<i>variance: compared with Approved March 2003 Plan</i>	(\$91)	(\$271)	(\$362)

**MTA Staten Island Railway  
2004 Preliminary Budget  
Statement of Operations\***

(\$ - Millions)	<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	3.3	3.2	(0.1)	3.5	3.4	(0.1)
Fare Reimbursement	1.1	1.1	0.0	1.3	1.3	0.0
Other Operating Revenue	0.6	0.6	0.0	0.6	0.6	0.0
Total Operating Revenue	5.0	4.9	(0.1)	5.4	5.3	(0.1)
Capital Reimbursements	1.4	1.4	0.0	0.7	0.8	0.1
<b>Total Revenues</b>	<b>6.4</b>	<b>6.3</b>	<b>(0.1)</b>	<b>6.1</b>	<b>6.1</b>	<b>0.0</b>
<b>Expenses:</b>						
Salaries & Wages	16.1	16.1	0.0	16.4	16.2	(0.2)
Fringe Benefits	4.8	4.8	0.0	4.9	5.3	0.4
Labor	20.9	20.9	0.0	21.3	21.5	0.2
Electric Power	1.9	1.9	0.0	1.9	1.9	0.0
Maintenance Materials	0.8	0.8	0.0	0.8	0.8	0.0
Rentals & Miscellaneous	1.5	1.5	0.0	1.4	1.4	0.0
Public Liability	0.3	0.3	0.0	0.3	0.3	0.0
Total Operating Expenses	25.4	25.4	0.0	25.7	25.9	0.2
Capital Reimbursable Expenses	1.4	1.4	0.0	0.7	0.8	0.1
<b>Total Expenses</b>	<b>26.8</b>	<b>26.8</b>	<b>0.0</b>	<b>26.4</b>	<b>26.7</b>	<b>0.3</b>
<b>Nonreimbursable Balance</b>	<b>(20.4)</b>	<b>(20.5)</b>	<b>(0.1)</b>	<b>(20.3)</b>	<b>(20.6)</b>	<b>(0.3)</b>
Cash Flow Adjustments	(0.2)	(0.2)	0.0	0.1	0.1	0.0
<b>Net Operating Cash Deficit</b>	<b>(20.6)</b>	<b>(20.7)</b>	<b>(0.1)</b>	<b>(20.2)</b>	<b>(20.5)</b>	<b>(0.3)</b>

\*Excluding Subsidies

**MTA Staten Island Railway  
2004 Preliminary Budget  
Cash Receipts and Expenditures\***

<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>Receipts:</b>						
Operating Receipts	4.8	4.7	(0.1)	5.3	5.2	(0.1)
Capital Reimbursements	1.4	1.4	0.0	0.9	0.9	0.0
<b>Total Receipts</b>	<b>6.2</b>	<b>6.1</b>	<b>(0.1)</b>	<b>6.2</b>	<b>6.1</b>	<b>(0.1)</b>
<b>Expenditures:</b>						
Salaries & Wages	17.1	17.1	0.0	16.8	16.7	(0.1)
Fringe Benefits	5.2	5.2	0.0	5.1	5.5	0.4
Labor	22.3	22.3	0.0	21.9	22.2	0.3
Electric Power	1.9	1.9	0.0	1.9	1.9	0.0
Maintenance Materials	0.8	0.8	0.0	0.9	0.8	(0.1)
Rentals & Miscellaneous	1.5	1.5	0.0	1.4	1.4	0.0
Public Liability	0.3	0.3	0.0	0.3	0.3	0.0
<b>Total Expenditures</b>	<b>26.8</b>	<b>26.8</b>	<b>0.0</b>	<b>26.4</b>	<b>26.6</b>	<b>0.2</b>
<b>Net Operating Cash Deficit</b>	<b>(20.6)</b>	<b>(20.7)</b>	<b>(0.1)</b>	<b>(20.2)</b>	<b>(20.5)</b>	<b>(0.3)</b>

\*Excluding Subsidies

**MTA Staten Island Railway**  
**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>						
Operating Revenue	(0.2)	(0.2)	0.0	0.0	0.0	0.0
Capital Reimbursements	0.0	0.0	0.0	0.1	0.1	0.0
<b>Total Revenues</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>
<b>Total Expenses</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Cash Flow Adjustments</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>

\*Excluding Subsidies

**MTA Staten Island Railway  
2004 Preliminary Budget  
Statement of Operations\***

<i>(\$ - Millions)</i>	<b>2002 Actual</b>	<b>2003 Mid Year Forecast</b>	<b>Variance More/ (Less)</b>	<b>2004 Preliminary Budget</b>	<b>Variance More/ (Less)</b>
<b>Revenues:</b>					
Passenger Revenue	3.0	3.2	0.2	3.4	0.2
Fare Reimbursement	0.9	1.1	0.2	1.3	0.2
Other Operating Revenue	0.6	0.6	0.0	0.6	0.0
Total Operating Revenue	4.5	4.9	0.4	5.3	0.4
Capital Reimbursements	1.2	1.4	0.2	0.8	(0.6)
<b>Total Revenues</b>	<b>5.7</b>	<b>6.3</b>	<b>0.6</b>	<b>6.1</b>	<b>(0.2)</b>
<b>Expenses:</b>					
Salaries & Wages	15.8	16.1	0.3	16.2	0.1
Fringe Benefits	4.9	4.8	(0.1)	5.3	0.5
Labor	20.7	20.9	0.2	21.5	0.6
Electric Power	1.9	1.9	0.0	1.9	0.0
Maintenance Materials	0.8	0.8	0.0	0.8	0.0
Rentals & Miscellaneous	1.4	1.5	0.1	1.4	(0.1)
Public Liability	0.3	0.3	0.0	0.3	0.0
Total Operating Expenses	25.1	25.4	0.3	25.9	0.5
Capital Reimbursable Expenses	1.2	1.4	0.2	0.8	(0.6)
<b>Total Expenses</b>	<b>26.3</b>	<b>26.8</b>	<b>0.5</b>	<b>26.7</b>	<b>(0.1)</b>
<b>Nonreimbursable Balance</b>	<b>(20.6)</b>	<b>(20.5)</b>	<b>0.1</b>	<b>(20.6)</b>	<b>(0.1)</b>
Cash Flow Adjustments	(0.9)	(0.2)	0.7	0.1	0.3
<b>Net Operating Cash Deficit</b>	<b>(21.5)</b>	<b>(20.7)</b>	<b>0.8</b>	<b>(20.5)</b>	<b>0.2</b>

\*Excluding Subsidies

**MTA Staten Island Railway  
2004 Preliminary Budget  
Cash Receipts and Expenditures\***

<i>(\$ - Millions)</i>	<b>2002 Actual</b>	<b>2003 Mid Year Forecast</b>	<b>Variance More/ (Less)</b>	<b>2004 Preliminary Budget</b>	<b>Variance More/ (Less)</b>
<b>Receipts:</b>					
Operating Receipts	4.5	4.7	0.2	5.2	0.5
Capital Reimbursements	1.3	1.4	0.1	0.9	(0.5)
<b>Total Receipts</b>	<b>5.8</b>	<b>6.1</b>	<b>0.3</b>	<b>6.1</b>	<b>0.0</b>
<b>Expenditures:</b>					
Salaries & Wages	17.1	17.1	0.0	16.7	(0.4)
Fringe Benefits	5.2	5.2	0.0	5.5	0.3
Labor	22.3	22.3	0.0	22.2	(0.1)
Electric Power	1.9	1.9	0.0	1.9	0.0
Maintenance Materials	0.8	0.8	0.0	0.8	0.0
Rentals & Miscellaneous	1.8	1.5	(0.3)	1.4	(0.1)
Public Liability	0.5	0.3	(0.2)	0.3	0.0
<b>Total Expenditures</b>	<b>27.3</b>	<b>26.8</b>	<b>(0.5)</b>	<b>26.6</b>	<b>(0.2)</b>
<b>Net Operating Cash Deficit</b>	<b>(21.5)</b>	<b>(20.7)</b>	<b>0.8</b>	<b>(20.5)</b>	<b>0.2</b>

\*Excluding Subsidies

**MTA Staten Island Railway  
2004 Preliminary Budget  
Cash Flow Adjustments\***

<i>(\$ - Millions)</i>	<b>2002 Actual</b>	<b>2003 Mid Year Forecast</b>	<b>Variance More/ (Less)</b>	<b>2004 Preliminary Budget</b>	<b>Variance More/ (Less)</b>
<b>Revenues:</b>					
Operating Revenue	0.0	(0.2)	(0.2)	0.0	0.2
Capital Reimbursements	0.1	0.0	(0.1)	0.1	0.1
<b>Total Revenues</b>	<b>0.1</b>	<b>(0.2)</b>	<b>(0.3)</b>	<b>0.1</b>	<b>0.3</b>
<b>Total Expenses</b>	<b>(1.0)</b>	<b>0.0</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Cash Flow Adjustments</b>	<b>(0.9)</b>	<b>(0.2)</b>	<b>0.7</b>	<b>0.1</b>	<b>0.3</b>

\*Excluding Subsidies



**MTA Staten Island Railway  
2004 Preliminary Budget  
Ridership and Revenue**

**Ridership (Thousands)**

	<b>Base Non-Student Trips</b>	<b>Change From Prior Year</b>	<b>Average Fare</b>	<b>Students</b>	<b>Trips</b>	<b><u>Grand Total</u> Change/ Prior Year</b>
2003	2,838.2	-4.9%	\$1.12	610.7	3,448.9	-4.1%
2004	2,863.0	0.9%	\$1.20	610.7	3,473.7	0.7%

**Revenue (\$ Thousands)**

	<b>Passenger Revenue</b>	<b>Student Reimbursement</b>	<b>Senior Reimbursement</b>	<b>Total</b>
2003	\$3,186.1	\$1,106.9	\$33.7	\$4,326.7
2004	\$3,421.7	\$1,221.4	\$33.7	\$4,676.8

**2004 Preliminary Budget Passenger Revenue Compared to Revised 2003 Budget**

	<b>Revised 2003 Budget</b>	<b>2004 Preliminary Budget</b>	<b><u>Change From Revised Budget</u></b>	
			<b>\$</b>	<b>%</b>
2003	\$3,277.1	\$3,186.1	-\$91.0	-2.8%
2004	\$3,476.4	\$3,421.7	-\$54.7	-1.6%

**Components of Revenue Change**

<b><u>Revenue Change from Revised 2003 Budget</u></b>			
<b><u>Period</u></b>	<b><u>(\$ Thousands)</u></b>	<b><u>%</u></b>	<b><u>Primary Reason for Variance</u></b>
2003			
Jan-Apr	-\$49.0	-5.3%	Ridership was 5.5% below Revised Budget
May 1-3	-\$2.0	-8.4%	Ridership was 8.7% below Revised Budget
May 4-31*	-\$4.0	-1.5%	Ridership was 1.6% below Revised Budget, partially offset by positive net revenue impact from use of old passes/bonus.
Jun-Dec	-\$36.0	-1.6%	Assumes continuation of May 4-31 ridership variance; with the average fare close to Revised 2003 Budget average.
<b>2003 Total</b>	<b>-\$91.0</b>	<b>-2.8%</b>	

2004 Preliminary Budget assumes no economic growth, continuation of May 4 - Dec 2003 ridership variance from the Revised 2003 Budget, and average fare close to the Revised 2003 Budget.

\* The Revised 2003 Budget assumed a 2.5% ridership decrease due to the fare increase. The lower May ridership variance from the Revised 2003 Budget may be due in part to customers shifting from express bus to SIR due to the \$4.00 express bus fare.

**MTA Staten Island Railway  
2004 Preliminary Budget  
Program Details/Major Expense Assumptions**

- **Pension Contribution** – The January 1, 2003 draft Actuarial Valuation (received in June, 2003), established the employer contribution rate at 10.26% of payroll. This factor was applied to the 2004 Preliminary Budget to yield an increase of \$216,000 in Pension expenses.
- **Salaries and Wages** – The Signal Modernization Program was originally planned for completion at the end of 2003. Three (3) positions in support of that program were budgeted to be returned to operating positions in 2004. However, the program completion has been delayed and this support will be required for one additional year. Consequently, the 2004 Preliminary Budget was reduced by \$167,000 to restore the reimbursable support to the Signals Program along with corresponding fringe costs of \$67,000.
- **Inflators** – The 2004 Preliminary Budget increased by \$209,000 to reflect economic and demographic forecasts provided by the MTA.

Salaries & Wages	\$ 34	3.0% to 3.22%
H & W	208	2.6% to 12.0%
Taxes	3	3.0% to 3.22%
Power	(16)	0.8% to 0.0%
Material	(6)	1.84% to 1.22%
R&M	(14)	2.6% to 1.54% <sup>1</sup>
	<u>\$ 209</u>	

**MTA Staten Island Railway**  
**Cash Reconciliation of 2004 Preliminary Budget with Revised 2003 Budget**

<i>(\$ - thousands)-Changes Better/(Worse)</i>	<u>2003</u>	<u>2004</u>	<u>Total</u>
<b>Net Operating Cash Deficit - Revised 2003 Budget</b>	<b>(\$20,590)</b>	<b>(\$20,213)</b>	<b>(\$40,803)</b>
Redeployment of 3 Positions to Reimbursable in Support of Signals Modernization Program Continuation	0	234	234
Capital Reimbursements/Expenditures Net	0	(25)	(25)
Net Impact Due To Change in Inflation Assumption	0	(209)	(209)
Passenger Revenue Re-estimate	(91)	(55)	(146)
Pension Revaluation	0	(216)	(216)
<b>Total Changes</b>	<b>(91)</b>	<b>(271)</b>	<b>(362)</b>
<b>Net Operating Cash Deficit - 2004 Preliminary Budget</b>	<b><u>(20,681)</u></b>	<b><u>(20,484)</u></b>	<b><u>(41,165)</u></b>

**MTA Staten Island Railway  
2004 Preliminary Budget  
Headcount**

<u>Department</u>	<u>2003 Mid Year Forecast</u>	<u>2004 Preliminary Budget</u>
<b>Maintenance</b>		
Signals/Power:		
- Signals	11	11
- Power	11	11
Maintenance of Way:		
- Track	33	33
- 3rd Rail	9	9
- Non Revenue Shop	7	7
Buildings and Bridges	24	24
<b>Operations</b>		
Cleaning	22	22
Mechanical	37	37
Transportation	99	99
<b>Other</b>		
Executive	14	14
General Office	13	13
Police	24	24
Purchase/Stores	9	9
<b>Total</b>	<b>313</b>	<b>313</b>

This page has been intentionally left blank.