

MTA LONG ISLAND BUS

Metropolitan Transportation Authority
MTA Long Island Bus
Reconciliation of 2004 Preliminary Budget with Revised 2003 Budget
(\$ in thousands)

	<u>Variance: favorable / (unfavorable)</u>		
	<u>2003</u>	<u>2004</u>	<u>Two-Year Total</u>
Net Operating Cash Deficit - Approved March 2003 Plan	(\$57,533)	(\$59,091)	(\$116,624)
<i>Eliminate Unspecified PEG for 2004 - March 2003 Plan</i>	\$0	\$0	\$0
Adjusted Operating Cash Deficit - March 2003 Plan	(\$57,533)	(\$59,091)	(\$116,624)
2004 Unspecified PEG Now Identified	\$0	\$0	\$0
Additional Operating PEG	<u>3,501</u>	<u>968</u>	<u>4,469</u>
Total Operating PEG	\$3,501	\$968	\$4,469
New Needs	<u>(1,451)</u>	<u>(1,274)</u>	<u>(2,725)</u>
Baseline Operating Cash Deficit - July 2003 Plan	(\$55,483)	(\$59,397)	(\$114,880)
<i>variance: compared with Approved March 2003 Plan</i>	<i>\$2,050</i>	<i>(\$306)</i>	<i>\$1,744</i>

Attachment A

MTA LONG ISLAND BUS

Reconciliation Tables of the Revised 2003 Budget to the 2003 Mid-Year Forecast and
Revised 2004 Projection to the Preliminary 2004 Budget

Schedule A – 1	Operating Budget Summary
Schedule A – 2	Operating Statement
Schedule A – 3	Expenses Summary
Schedule A – 4	Cash Summary
Schedule A – 5	Cash Adjustments

**MTA LONG ISLAND BUS
CONSOLIDATED
OPERATING BUDGET SUMMARY**
(Dollars Stated In Thousands)

Schedule A-1

	Revised 2003 Budget	2003 Mid-Year Forecast	Variance More/(Less) Budget	Revised 2004 Projection	2004 Preliminary Budget	Variance More/(Less) Projection
Revenue	\$37,478	\$37,753	\$275	\$40,232	\$40,507	\$275
<u>Expenses</u>						
Operating Expenses	100,471	98,860	(1,611)	104,185	104,444	259
Capital Reimbursements	<u>(4,278)</u>	<u>(4,176)</u>	<u>102</u>	<u>(4,335)</u>	<u>(4,335)</u>	<u>0</u>
Net Expenses	<u>96,193</u>	<u>94,684</u>	<u>(1,509)</u>	<u>99,850</u>	<u>100,109</u>	<u>259</u>
Net Operating Deficit Before Subsidies and Adjustments	<u>(58,715)</u>	<u>(56,931)</u>	<u>1,784</u>	<u>(59,618)</u>	<u>(59,602)</u>	<u>16</u>
<u>Adjustments to Operating Deficit</u>						
Prior Year Cash Balance	1,670	1,670	0	0	0	0
Cash Adjustments	<u>(488)</u>	<u>(222)</u>	<u>266</u>	<u>527</u>	<u>205</u>	<u>(322)</u>
Total Adjustments	<u>1,182</u>	<u>1,448</u>	<u>266</u>	<u>527</u>	<u>205</u>	<u>(322)</u>
Net Cash Deficit Before Subsidies	<u><u>(\$57,533)</u></u>	<u><u>(\$55,483)</u></u>	<u><u>\$2,050</u></u>	<u><u>(\$59,091)</u></u>	<u><u>(\$59,397)</u></u>	<u><u>(\$306)</u></u>

**MTA LONG ISLAND BUS
CONSOLIDATED
OPERATING STATEMENT**
(Dollars Stated In Thousands)

Schedule A - 2

	Revised 2003 Budget	2003 Mid-Year Forecast	Variance More/(Less) Budget	Revised 2004 Projection	2004 Preliminary Budget	Variance More/(Less) Projection
<u>Revenue</u>						
Passenger Fixed Route	\$33,728	\$34,172	\$444	\$35,753	\$36,550	\$797
Passenger Paratransit	925	957	32	1,040	1,082	42
Advertising	961	961	0	1,101	1,101	0
All Other	196	158	(38)	197	193	(4)
Contract	1,668	1,505	(163)	2,141	1,581	(560)
Total Operating Revenue	37,478	37,753	275	40,232	40,507	275
<u>Departmental Expenses</u>						
President	372	364	(8)	384	393	9
Finance	2,287	2,117	(170)	2,358	2,348	(10)
Administration	3,264	3,252	(12)	3,365	3,547	182
Legal	6,459	6,299	(160)	5,630	5,794	164
Information Technology	2,868	2,721	(147)	2,957	2,974	17
Operations	75,814	74,880	(934)	78,803	79,028	225
Paratransit	9,407	9,227	(180)	10,688	10,360	(328)
Total Expenses	100,471	98,860	(1,611)	104,185	104,444	259
<u>Other Charges and Credits</u>						
Capital Reimbursement	(4,278)	(4,176)	102	(4,335)	(4,335)	0
Depreciation	0	0	0	0	0	0
Total Other Charges and Credits	(4,278)	(4,176)	102	(4,335)	(4,335)	0
Net Income (Loss) Before Subsidies	(\$58,715)	(\$56,931)	\$1,784	(\$59,618)	(\$59,602)	\$16

**MTA LONG ISLAND BUS
CONSOLIDATED
EXPENSE BUDGET SUMMARY
BY MAJOR ACCOUNT**
(Dollars Stated In Thousands)

Schedule A-3

	Revised 2003 Budget	2003 Mid-Year Forecast	Variance More/(Less) Budget	Revised 2004 Projection	2004 Preliminary Budget	Variance More/(Less) Projection
Labor	\$60,609	\$60,171	(\$438)	\$62,311	\$62,170	(\$141)
Fringe Benefits	18,340	16,488	(1,852)	20,187	20,495	308
SUBTOTAL LABOR & FRINGES	\$78,949	\$76,659	(\$2,290)	\$82,498	\$82,665	\$167
Professional Services	\$1,782	\$1,781	(\$1)	\$1,939	\$1,802	(\$137)
Maintenance Services	2,123	2,067	(56)	2,391	2,235	(156)
Operating Services	1,065	1,070	5	1,151	1,162	11
Fuel, Oil, and Lubricants	4,872	5,509	637	5,029	5,271	242
Material	4,042	3,974	(68)	4,145	4,116	(29)
Supplies	1,220	1,310	90	1,311	1,374	63
Tires	417	418	1	435	440	5
Utilities	1,836	1,922	86	2,012	1,888	(124)
Communications	299	297	(2)	315	306	(9)
Claims	3,320	3,380	60	2,450	2,625	175
Insurance	11	11	0	11	12	1
Leases and Rentals	104	103	(1)	109	107	(2)
Depreciation	0	0	0	0	0	0
Other	431	359	(72)	389	441	52
SUBTOTAL NON-COMPENSATION	\$21,522	\$22,201	\$679	\$21,687	\$21,779	\$92
OPERATING EXPENSES	\$100,471	\$98,860	(\$1,611)	\$104,185	\$104,444	\$259
CAPITAL REIMBURSEMENTS	(4,278)	(4,176)	102	(4,335)	(4,335)	0
NET OPERATING EXPENSES	\$96,193	\$94,684	(\$1,509)	\$99,850	\$100,109	\$259

**MTA LONG ISLAND BUS
CONSOLIDATED OPERATIONS
CASH BUDGET SUMMARY
BY MAJOR ACCOUNT
(Dollars Stated In Thousands)**

Schedule A-4

	Revised 2003 Budget	2003 Mid-Year Forecast	Variance More/(Less) Budget	Revised 2004 Projection	2004 Preliminary Budget	Variance More/(Less) Projection
<u>CASH RECEIPTS</u>						
<u>Operating</u>						
Passenger	\$34,247	\$34,686	\$439	\$36,400	\$37,237	\$837
Other	4,026	4,315	289	4,691	4,609	(82)
Reimbursable Expenses	4,384	4,282	(102)	4,325	4,325	0
Total Cash Receipts	42,657	43,283	626	45,416	46,171	755
<u>CASH DISBURSEMENTS</u>						
Payroll	60,208	59,753	(455)	61,588	61,451	(137)
Fringe Benefits	14,754	14,936	182	15,373	16,419	1,046
Pension	4,622	2,259	(2,363)	4,879	4,954	75
Workers Compensation	1,050	1,100	50	1,000	1,000	0
Insurance	11	13	2	13	14	1
Fuel and Lubricants	4,932	5,564	632	5,049	5,276	227
Material	4,100	4,017	(83)	4,154	4,140	(14)
Supplies	1,220	1,286	66	1,296	1,309	13
Communications	312	310	(2)	317	319	2
Utilities	1,791	1,878	87	2,018	1,894	(124)
Leases and Rentals	520	519	(1)	540	543	3
Claims	3,100	3,600	500	2,600	2,725	125
Purchased Services	4,595	4,468	(127)	5,034	4,777	(257)
MetroCard Sales	75	150	75	75	150	75
Other	570	583	13	571	597	26
Total Cash Disbursements	101,860	100,436	(1,424)	104,507	105,568	1,061
Net Increase/(Decrease) In Cash	(59,203)	(57,153)	2,050	(59,091)	(59,397)	(306)
Beginning Cash Balance	1,670	1,670	0	0	0	0
Cash Balance Before Subsidies	(\$57,533)	(\$55,483)	\$2,050	(\$59,091)	(\$59,397)	(\$306)

**MTA LONG ISLAND BUS
CONSOLIDATED OPERATIONS
CASH ADJUSTMENTS**
(Dollars Stated In Thousands)

Schedule A-5

	Revised 2003 Budget	2003 Mid -Year Forecast	Variance More/ (less) Budget	Revised 2004 Projection	2004 Preliminary Budget	Variance More/ (less) Projection
Accounts Recievable	\$88	\$118	\$30	\$36	\$179	\$143
Inventory	(99)	(79)	20	(50)	(50)	0
Prepayments	(3)	(3)	0	0	0	0
Fixed Assets - Depreciation	0	0	0	0	0	0
- Aquistitions	0	0	0	0	0	0
Accounts Payable	60	12	(48)	72	39	(33)
Wages	226	273	47	473	474	1
Fringe Benefits	42	72	30	45	119	74
Vacation and Sick	155	155	0	205	205	0
Accrued Expenses	(13)	27	40	10	0	(10)
NYS Pension	(1,020)	(429)	591	(49)	(674)	(625)
Legal	0	0	0	0	0	0
Injury and Damages	220	(220)	(440)	(150)	(100)	50
Workers Compensation	(138)	(140)	(2)	(65)	13	78
Other	(6)	(8)	(2)	0	0	0
Net Cash Adjustments	(\$488)	(\$222)	\$266	\$527	\$205	(\$322)

Attachment B

MTA LONG ISLAND BUS

Financial Plan Tables

2002 Actual
2003 Mid-Year Forecast
2004 Preliminary Budget

Schedule B – 1	Operating Budget Summary
Schedule B – 2	Operating Statement
Schedule B – 3	Expense Summary
Schedule B – 4	Cash Summary
Schedule B – 5	Cash Adjustments

**MTA LONG ISLAND BUS
CONSOLIDATED
OPERATING BUDGET SUMMARY**
(Dollars Stated In Thousands)

Schedule B-1

	2002 Actual	2003 Mid-Year Forecast	Variance More/ (less)	2004 Preliminary Budget	Variance More/ (less)
Revenue	\$33,705	\$37,753	\$4,048	\$40,507	\$2,754
<u>Expenses</u>					
Operating Expenses	91,601	98,860	7,259	104,444	5,584
Capital Reimbursements	<u>(4,171)</u>	<u>(4,176)</u>	<u>(5)</u>	<u>(4,335)</u>	<u>(159)</u>
Net Expenses	<u>87,430</u>	<u>94,684</u>	<u>7,254</u>	<u>100,109</u>	<u>5,425</u>
Net Operating Deficit Before Subsidies and Adjustments	<u>(53,725)</u>	<u>(56,931)</u>	<u>(3,206)</u>	<u>(59,602)</u>	<u>(2,671)</u>
<u>Adjustments to Operating Deficit</u>					
Prior Year Cash Balance	990	1,670	680	0	(1,670)
Cash Adjustments	<u>1,647</u>	<u>(222)</u>	<u>(1,869)</u>	<u>205</u>	<u>427</u>
Total Adjustments	<u>2,637</u>	<u>1,448</u>	<u>(1,189)</u>	<u>205</u>	<u>(1,243)</u>
Net Cash Deficit Before Subsidies	<u><u>(\$51,088)</u></u>	<u><u>(\$55,483)</u></u>	<u><u>(\$4,395)</u></u>	<u><u>(\$59,397)</u></u>	<u><u>(\$3,914)</u></u>

**MTA LONG ISLAND BUS
CONSOLIDATED
OPERATING STATEMENT**
(Dollars Stated In Thousands)

Schedule B-2

	2002 Actual	2003 Mid-Year Forecast	Variance More/ (less)	2004 Preliminary Budget	Variance More/ (less)
<u>Revenue</u>					
Passenger Fixed Route	\$29,994	\$34,172	\$4,178	\$36,550	\$2,378
Passenger Paratransit	770	957	187	1,082	125
Advertising	719	961	242	1,101	140
All Other	214	158	(56)	193	35
Contract	2,008	1,505	(503)	1,581	76
Total Operating Revenue	33,705	37,753	4,048	40,507	2,754
<u>Departmental Expenses</u>					
President	338	364	26	393	29
Finance	1,974	2,117	143	2,348	231
Administration	2,775	3,252	477	3,547	295
Legal	5,651	6,299	648	5,794	(505)
Information Technology	2,413	2,721	308	2,974	253
Operations	70,401	74,880	4,479	79,028	4,148
Paratransit	8,049	9,227	1,178	10,360	1,133
Total Expenses	91,601	98,860	7,259	104,444	5,584
<u>Other Charges and Credits</u>					
Capital Reimbursement	(4,171)	(4,176)	(5)	(4,335)	(159)
Depreciation	0	0	0	0	0
Total Other Charges and Credits	(4,171)	(4,176)	(5)	(4,335)	(159)
Net Income (Loss) Before Subsidies	(\$53,725)	(\$56,931)	(\$3,206)	(\$59,602)	(\$2,671)

**MTA LONG ISLAND BUS
CONSOLIDATED
EXPENSE BUDGET SUMMARY
BY MAJOR ACCOUNT**
(Dollars Stated In Thousands)

Schedule B-3

	2002 Actual	2003 Mid-Year Forecast	Variance More/ (less)	2004 Preliminary Budget	Variance More/ (less)
Labor	\$58,545	\$60,171	\$1,626	\$62,170	\$1,999
Fringe Benefits	13,951	\$16,488	2,537	20,495	4,007
SUBTOTAL LABOR & FRINGES	\$72,496	\$76,659	\$4,163	\$82,665	\$6,006
Professional Services	\$1,622	\$1,781	\$159	\$1,802	\$21
Maintenance Services	1,923	\$2,067	144	2,235	168
Operating Services	899	\$1,070	171	1,162	92
Fuel, Oil, and Lubricants	4,460	\$5,509	1,049	5,271	(238)
Material	3,670	\$3,974	304	4,116	142
Supplies	1,077	\$1,310	233	1,374	64
Tires	386	\$418	32	440	22
Utilities	1,672	\$1,922	250	1,888	(34)
Communications	285	\$297	12	306	9
Claims	2,676	\$3,380	704	2,625	(755)
Insurance	10	\$11	1	12	1
Leases and Rentals	88	\$103	15	107	4
Depreciation	0	\$0	0	0	0
Other	337	\$359	22	441	82
SUBTOTAL NON-COMPENSATION	\$19,105	\$22,201	\$3,096	\$21,779	(\$422)
OPERATING EXPENSES	\$91,601	\$98,860	\$7,259	\$104,444	\$5,584
CAPITAL REIMBURSEMENTS	(4,171)	(\$4,176)	(5)	(4,335)	(159)
NET OPERATING EXPENSES	\$87,430	\$94,684	\$7,254	\$100,109	\$5,425

**MTA LONG ISLAND BUS
CONSOLIDATED OPERATIONS
CASH BUDGET SUMMARY
BY MAJOR ACCOUNT
(Dollars Stated In Thousands)**

Schedule B-4

	2002 Actual	2003 Mid-Year Forecast	Variance More/ (less)	2004 Preliminary Budget	Variance More/ (less)
<u>CASH RECEIPTS</u>					
<u>Operating</u>					
Passenger	\$30,565	\$34,686	\$4,121	\$37,237	\$2,551
Other	4,660	4,315	(345)	4,609	294
Reimbursable Expenses	4,047	4,282	235	4,325	43
Total Cash Receipts	39,272	43,283	4,011	46,171	2,888
<u>CASH DISBURSEMENTS</u>					
Payroll	57,933	59,753	1,820	61,451	1,698
Fringe Benefits	13,763	14,936	1,173	16,419	1,483
Pension	493	2,259	1,766	4,954	2,695
Workers Compensation	1,169	1,100	(69)	1,000	(100)
Insurance	13	13	0	14	1
Fuel and Lubricants	4,374	5,564	1,190	5,276	(288)
Material	3,513	4,017	504	4,140	123
Supplies	1,178	1,286	108	1,309	23
Communications	246	310	64	319	9
Utilities	1,523	1,878	355	1,894	16
Leases and Rentals	469	519	50	543	24
Claims	1,989	3,600	1,611	2,725	(875)
Purchased Services	4,074	4,468	394	4,777	309
MetroCard Sales	80	150	70	150	0
Other	533	583	50	597	14
Total Cash Disbursements	91,350	100,436	9,086	105,568	5,132
Net Increase/(Decrease) In Cash	(52,078)	(57,153)	(5,075)	(59,397)	(2,244)
Beginning Cash Balance	990	1,670	680	0	(1,670)
Cash Balance Before Subsidies	(\$51,088)	(\$55,483)	(\$4,395)	(\$59,397)	(\$3,914)

**MTA LONG ISLAND BUS
CONSOLIDATED OPERATIONS
CASH ADJUSTMENTS**
(Dollars Stated In Thousands)

Schedule B-5

	2002 Actual	2003 Mid -Year Forecast	Variance More/ (less)	2004 Preliminary Budget	Variance More/ (less)
Accounts Recievable	\$47	\$118	\$71	\$179	\$61
Inventory	147	(79)	(226)	(50)	29
Prepayments	0	(3)	(3)	0	3
Fixed Assets - Depreciation	0	0	0	0	0
- Aquistitions	0	0	0	0	0
Accounts Payable	92	12	(80)	39	27
Wages	294	273	(21)	474	201
Fringe Benefits	25	72	47	119	47
Vacation and Sick	239	155	(84)	205	50
Accrued Expenses	233	27	(206)	0	(27)
NYS Pension	(66)	(429)	(363)	(674)	(245)
Legal	0	0	0	0	0
Injury and Damages	494	(220)	(714)	(100)	120
Workers Compensation	143	(140)	(283)	13	153
Other	(1)	(8)	(7)	0	8
Net Cash Adjustments	\$1,647	(\$222)	(\$1,869)	\$205	\$427

Attachment C

MTA LONG ISLAND BUS

Major Assumptions in the 2004 Preliminary Budget

Attachment C

Major Assumptions in the 2004 Preliminary Budget

Revenues

- Fixed route general growth projections are zero percent for 2003 and .25% for 2004.
- As a result of the fare increase, fixed route passenger revenues are expected to increase \$5.8 million over two years. Ridership loss of 1.3 million (4.8%) is expected over the same period.
- Fixed route services continue to expand with Community Solutions for Transportation (CST), Job Access/Reverse Commute (JARC) and Conjestion Mitigation/Air quality (CMAQ) grant funds. Passenger revenue from these services will increase approximately 1.2% per year for 2003 and 2004. Contract revenues in 2003 and 2004 reflect these service improvements.
- Paratransit revenues are expected to increase due to fare increase and growth projections of 12.0% in 2003 and 7.6% in 2004 are anticipated. Fleet is expanding by 5 vehicles in 2003 and 5 in 2004.

Expenses

- Labor provisions for represented personnel are consistent with the current labor settlement pattern, the regional CPI was used for non-represented employees.
- Fringe benefit CPI factors for 2003 and 2004 were 15% and 22%, respectively. The two predominant items that caused this large increase were pension and health costs. Health costs increased 11.5% in 2003 and are projected to increase from 13% to 17% in 2004, as determined by the State of New York, Department of Civil Service.
- Pension rate increases are determined by the New York State Employees Retirement System and were adjusted by the state comptroller (for 2003) are as follows:

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Rate	1.2%	4.9%	10.1%
Increase		325%	106%

- Fuel CPI projections for 2004 indicate a 6.86% reduction for fixed route and 10.99% reduction for paratransit.
- Utility CPI projections for 2004 indicate a 4.81% reduction for fixed route and .29% reduction for paratransit.
- Expenses for service expansions for fixed route and paratransit are included in the 2004 preliminary budget.

Attachment D

MTA LONG ISLAND BUS

Reconciliation of 2004 Preliminary Budget with Revised 2003 Budget
PEGs and New Needs

Schedule D – 1 Summary Table

MTA LONG ISLAND BUS

Schedule D - 1

Reconciliation of 2004 Preliminary Budget with Revised 2003 Budget
(In Thousands)

	Variance Favorable / (Unfavorable)		
	2003	2004	Two Year
Net Cash Deficit Before Subsidies - Revised 2003 Budget	<u>(\$57,533)</u>	<u>(\$59,091)</u>	<u>(\$116,624)</u>
<u>Reconciling Items:</u>			
<u>PEG's:</u>			
Effects of NYSERS pension rate reduction for 2003	2,363	(75)	2,288
Effects of lower than anticipated revenue losses due to fare increase	439	837	1,276
Effects of wage increase elimination for non-represented and other labor savings	455	137	592
Other net revenue and expense changes	244	69	313
Total PEG's	<u>3,501</u>	<u>968</u>	<u>4,469</u>
<u>New Needs:</u>			
Effects of economy on fuel and utilities	(719)	(103)	(822)
Effects of New York State health insurance premiums and other fringe benefits	(182)	(1,046)	(1,228)
Effects of higher claims and workers compensation	(550)	(125)	(675)
Total New Needs	<u>(1,451)</u>	<u>(1,274)</u>	<u>(2,725)</u>
Total Reconciling Items	<u>2,050</u>	<u>(306)</u>	<u>1,744</u>
Net Cash Deficit Before Subsidies - 2004 Preliminary Budget	<u>(\$55,483)</u>	<u>(\$59,397)</u>	<u>(\$114,880)</u>

Attachment E

MTA LONG ISLAND BUS

Headcount Tables 2003 and 2004

**MTA LONG ISLAND BUS
OPERATING BUDGET SUMMARY
HEADCOUNT 2003 AND 2004**

Attachment - E

Department	2003 Mid-Year Forecast	2004 Preliminary Budget
President	4	4
Administration	25	25
Finance	26	26
Legal	24	24
Information Technology	24	24
Operations	876	884
Sub-total Fixed Route Operations	979	987
Paratransit Operations	199	207
Total MTA LI Bus Headcount	1,178	1,194

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