

MNR

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

MISSION STATEMENT

The mission of MTA Metro-North Railroad is to preserve and enhance the quality of life and economic health of the region we serve through the efficient provision of transportation service of the highest quality.

DESCRIPTION OF SERVICES

MTA Metro-North Railroad provides passenger rail service to five suburban counties in New York State (Westchester, Putnam, Dutchess, Rockland, and Orange), two in Connecticut (Fairfield and New Haven), and two urban counties in New York City (Bronx and Manhattan). East of Hudson train service extends 85 miles from Manhattan, with terminals to the northeast in New Haven, Waterbury, Danbury, and New Canaan on the New Haven Line; to the north in Wassaic on the Harlem Line, and Poughkeepsie on the Hudson Line. The Harlem, Hudson, and New Haven Lines converge and terminate at Grand Central Terminal in Manhattan. West of the Hudson River the Pascack Valley Line extends to Spring Valley, New York and the Port Jervis Line 95 miles from Hoboken at the border of New York and Pennsylvania. Both lines terminate in Hoboken, New Jersey. Service on the New Haven line is provided by Metro-North pursuant to a contract between the Connecticut Department of Transportation (ConnDOT) and Metro-North/MTA. Service on the Port Jervis and Pascack Valley Lines is operated by New Jersey Transit under contract to Metro-North. The railroad carried 72 million customers in 2003 over 385 route miles, to and from 121 stations, operating 598 trains on an average weekday East of Hudson, and 35 trains on an average weekday West of the Hudson.

FINANCIAL OVERVIEW

Each year within Metro-North's planning process, issues impacting the performance of the railroad are reviewed and initiatives developed to support the achievement of corporate safety, maintenance, customer service, and efficiency objectives. Consequently, operating resource estimates included in each budget are based on the consideration of factors which affect all aspects of the railroad including current operating trends, projected changes in costs, new initiatives/business decisions which affect service quantity, quality or efficiency, and the impacts of capital improvements on operating expenditures. Each of these factors is also carefully reviewed in the context of funding availability from MTA and ConnDOT, the agencies subsidizing Metro-North.

Metro-North's budget resource requirements reflected in the November Financial Plan 2005-2008 are reduced from its adopted budget plan to meet a cost reduction target set by MTA to close a projected funding gap. These reductions were achieved through savings generated by lower than projected cost trends as well as program deferrals and

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

eliminations. In Metro-North's case, these reductions had to be realized net of higher than projected costs (e.g. overtime and lower than projected overhead recovery) and lower than projected passenger revenue on both East and West of Hudson service lines. In addition, Metro-North identified a number of "Programs to Eliminate the Gap" (PEGs) that are listed separately below the "Baseline Net Cash Surplus/(Deficit)" for each year, and described and quantified in detail further in this document.

2005 PROPOSED BUDGET

The 2005 Proposed Non-Reimbursable Budget reflects revenue projections totaling \$448.6 million, and expenses, including depreciation, of \$930.5 million that generate an operating deficit of \$481.9 million. Cash adjustments of \$183.1 million reduce that amount to a cash deficit of \$298.8 million, of which \$244.4 million represents MTA share and \$54.4 million ConnDOT share. The 2005 Reimbursable revenues and expenses total \$173.4 million.

The Non-Reimbursable revenue projections reflect the average 5.5% Connecticut fare increase on the New Haven Line authorized to take effect January 2005. PEGs totaling \$15.9 million have been identified for 2005. The resulting 2005 cash deficit would decrease to \$282.9 million, of which \$231.2 million would represent MTA share and \$51.7 million ConnDOT share. Notwithstanding PEG reductions, the 2005 Proposed Budget reflects a continuation of current train service levels and maintains MTA's commitment to safety and security. Major assumptions reflected in the 2005 Proposed Budget and reconciliation to the mid-year, July Plan are furnished later in this document.

2006-2008 PROJECTIONS

The Non-Reimbursable revenue projections total \$456.9 million in 2006, \$462.6 million in 2007, and \$467.4 million in 2008. Non-Reimbursable expense projections, including depreciation, total \$971.5 million in 2006, \$1,001.5 million in 2007, and \$1,034.7 million in 2008. These revenue and expense projections generate an operating deficit of \$514.5 million in 2006, \$538.9 million in 2007, and \$567.3 million in 2008. Cash adjustments of \$186.9 million in 2006, \$192.8 million in 2007, and \$195.1 million in 2008 reduce the amounts to a cash deficit projection of \$327.6 million in 2006, \$346.1 million in 2007, and \$372.1 million in 2008. MTA share of the cash deficit totals \$268.1 million in 2006, \$278.9 million in 2007, and \$299.3 million in 2008, while ConnDOT share totals \$59.5 million, \$67.3 million, and \$72.9 million, respectively. The Reimbursable revenues and expenses total \$178.6 million in 2006, \$182.8 million in 2007, and \$177.9 million in 2008.

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

Major assumptions reflected in the 2006-2008 projections and reconciliation to the mid-year July Plan for 2006 and 2007 are furnished later in this document. PEGs for 2006 total \$35.4 million, \$33.8 million for 2007 and \$22.6 for 2008.

GAP CLOSING MEASURES

2005 PEG ACTIONS

As mentioned previously, PEGs totaling \$15.9 million have been identified for 2005. The initiatives listed to begin in 2004 and 2005 met selection criteria that first deferred improvements then increased parking fees and commissary prices, and last reduced existing programs/efforts. These were sequenced to first affect programs that are administrative in nature and /or address customer convenience and amenities (including cleanliness) followed by maintenance and other programs. The PEGs listed for 2005 will affect 180 positions: the deferral of 96 position additions, and the abolishment of 89 current positions.

2006 PEG ACTIONS

The value of PEGs listed for 2006 totals \$35.4 million. This amount, in addition to PEGs continued from 2005, include the closure of most NYS ticket offices (only GCT and 5 NYS stations will have staffed ticket offices), increase in East of Hudson-NYS loading standard (more riders will stand), and NYS peak service (East and West of Hudson) as well as West of Hudson weekend service reductions. Additional cost savings from these measures net of projected loss in revenue totals \$10.1 million. The amount also includes \$8.5 million in as of yet unspecified PEGs. The specified PEGs listed for 2006 will involve the elimination of 71 more positions (total of 251: 164 existing and 87 new).

2007-2008 PROJECTIONS

The value of PEGs listed for 2007 totals \$33.8 million. Of that amount, \$6.4 million is unspecified. The value of PEGs currently listed for 2008 totals \$22.6 million; specific reductions of \$24.9 million exceed the targeted reduction by \$2.3 million.

MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2003 Actuals	2004 November Forecast	2005 Final Proposed Budget	2006	2007	2008
<u>Revenue</u>						
Farebox Revenue	\$378.093	\$406.722	\$418.500	\$425.955	\$431.043	\$435.328
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	30.895	29.656	30.178	30.981	31.523	32.103
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$408.988	\$436.378	\$448.678	\$456.936	\$462.566	\$467.431
<u>Expenses</u>						
Labor:						
Payroll	\$306.752	\$320.720	\$336.912	\$348.073	\$356.099	\$364.175
Overtime	38.686	40.359	41.511	43.124	43.759	45.008
Health and Welfare	56.339	59.542	68.302	74.767	81.341	88.326
Pensions	23.698	26.039	27.560	28.958	30.212	31.503
Other Fringe Benefits	63.682	65.860	68.880	71.363	73.155	75.027
Reimbursable Overhead	(36.643)	(35.240)	(39.174)	(39.773)	(40.333)	(40.577)
Total Labor Expenses	\$452.514	\$477.280	\$503.991	\$526.512	\$544.233	\$563.462
Non-Labor:						
Traction and Propulsion Power	\$35.992	\$37.424	\$40.910	\$43.609	\$44.542	\$45.655
Fuel for Buses and Trains	6.248	6.764	7.417	7.526	7.696	7.947
Insurance	7.104	10.355	11.486	12.795	14.296	16.010
Claims	10.245	15.371	15.110	15.925	15.925	15.925
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other						
Operating Contracts	52.120	65.526	75.722	78.604	77.640	78.711
Professional Service Contracts	21.903	22.823	23.402	24.841	25.308	25.845
Materials & Supplies	56.328	56.952	58.405	57.841	58.538	59.460
Other Business Expenses	9.465	9.964	10.177	9.826	13.336	14.686
Total Non-Labor Expenses	\$199.405	\$225.179	\$242.629	\$250.967	\$257.281	\$264.239
Other Expenses Adjustments:						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$651.919	\$702.459	\$746.620	\$777.479	\$801.514	\$827.701
Depreciation	145.819	161.183	183.910	194.000	200.000	207.000
Total Expenses	\$797.738	\$863.642	\$930.530	\$971.479	\$1,001.514	\$1,034.701
Baseline Net Surplus/(Deficit)	(\$388.750)	(\$427.264)	(\$481.852)	(\$514.543)	(\$538.948)	(\$567.270)
Cash Conversion Adjustments:						
Depreciation	145.819	161.183	183.910	194.000	200.000	207.000
Operating/Capital	(10.317)	(17.633)	(11.311)	(12.848)	(12.500)	(12.000)
Other Cash Adjustments	(3.304)	18.228	10.472	5.763	5.318	0.145
Total Cash Conversion Adjustments	\$132.198	\$161.778	\$183.071	\$186.915	\$192.818	\$195.145
Baseline Net Cash Surplus/(Deficit)	(\$256.552)	(\$265.486)	(\$298.781)	(\$327.628)	(\$346.130)	(\$372.125)
2005 Program to Eliminate the Gap						
	-	0.904	15.869	17.576	17.623	14.619
2006 Program to Eliminate the Gap						
	-	-	-	9.312	9.784	10.296
Unspecified PEGS						
	-	-	-	8.504	6.403	(2.329)
Net Surplus/(Deficit)	\$ (256.552)	(\$264.582)	(\$282.912)	(\$292.235)	(\$312.319)	(\$349.540)

MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE

	2003 Actuals	2004 November Forecast	2005 Final Proposed Budget	2006	2007	2008
<u>Revenue</u>						
Farebox Revenue	-	-	-	-	-	-
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	138.563	134.424	173.434	178.555	182.751	177.886
Total Revenue	\$138.563	\$134.424	\$173.434	\$178.555	\$182.751	\$177.886
<u>Expenses</u>						
Labor:						
Payroll	\$32.402	\$32.556	\$36.182	\$38.011	\$38.635	\$39.063
Overtime	13.008	10.005	10.874	11.001	11.233	11.247
Health and Welfare	5.815	6.549	7.929	8.815	9.535	10.199
Pensions	3.678	3.263	3.791	3.979	4.109	4.232
Other Fringe Benefits	8.483	7.368	8.114	8.515	8.683	8.778
Reimbursable Overhead	36.193	36.630	38.575	39.150	39.698	39.929
Total Labor Expenses	\$99.579	\$96.370	\$105.466	\$109.470	\$111.894	\$113.447
Non-Labor:						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	3.935	3.475	6.568	7.247	7.971	8.766
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other						
Operating Contracts	5.721	4.777	4.349	5.766	5.872	8.671
Professional Service Contracts	1.212	8.938	28.981	21.284	22.463	13.783
Materials & Supplies	21.672	20.731	27.584	34.422	34.147	32.779
Other Business Expenses	6.445	0.133	0.486	0.367	0.405	0.439
Total Non-Labor Expenses	\$38.984	\$38.054	\$67.968	\$69.085	\$70.857	\$64.439
Other Expenses Adjustments:						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$138.563	\$134.424	\$173.434	\$178.555	\$182.751	\$177.886
Depreciation	-	-	-	-	-	-
Total Expenses	\$138.563	\$134.424	\$173.434	\$178.555	\$182.751	\$177.886
Baseline Net Surplus/(Deficit)	\$0.000	(\$0.000)	\$0.000	\$0.000	(\$0.000)	\$0.000
<u>Cash Conversion Adjustments:</u>						
Depreciation	-	-	-	-	-	-
Operating/Capital	-	-	-	-	-	-
Other Cash Adjustments	-	-	-	-	-	-
Total Cash Conversion Adjustments	-	-	-	-	-	-
Net Baseline NetCash Surplus/(Deficit)	\$0.000	(\$0.000)	\$0.000	\$0.000	(\$0.000)	\$0.000
2005 Program to Eliminate the Gap	-	-	-	-	-	-
2006 Program to Eliminate the Gap	-	-	-	-	-	-
Unspecified PEGS	-	-	-	-	-	-
Net Surplus/(Deficit)	\$0.000	(\$0.000)	\$0.000	\$0.000	(\$0.000)	\$0.000

MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Accrual Statement of Operations by Category
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2003 Actuals	2004 November Forecast	2005 Final Proposed Budget	2006	2007	2008
Revenue						
Farebox Revenue	\$378.093	\$406.722	\$418.500	\$425.955	\$431.043	\$435.328
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	30.895	29.656	30.178	30.981	31.523	32.103
Capital and Other Reimbursements	138.563	134.424	173.434	178.555	182.751	177.886
Total Revenue	\$547.551	\$570.802	\$622.112	\$635.491	\$645.317	\$645.317
Expenses						
Labor:						
Payroll	\$339.154	\$353.276	\$373.094	\$386.084	\$394.734	\$403.238
Overtime	51.694	50.364	52.385	54.125	54.992	56.255
Health and Welfare	62.154	66.091	76.231	83.582	90.876	98.525
Pensions	27.376	29.302	31.351	32.937	34.321	35.735
Other Fringe Benefits	72.165	73.228	76.995	79.878	81.838	83.805
Reimbursable Overhead	(0.450)	1.390	(0.599)	(0.623)	(0.635)	(0.648)
Total Labor Expenses	\$552.093	\$573.650	\$609.457	\$635.982	\$656.127	\$676.909
Non-Labor:						
Traction and Propulsion Power	\$35.992	\$37.424	\$40.910	\$43.609	\$44.542	\$45.655
Fuel for Buses and Trains	6.248	6.764	7.417	7.526	7.696	7.947
Insurance	11.039	13.830	18.054	20.042	22.267	24.776
Claims	10.245	15.371	15.110	15.925	15.925	15.925
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other	57.841	70.303	80.071	84.370	83.512	87.382
Professional Service Contracts	23.115	31.761	52.383	46.125	47.771	39.628
Materials & Supplies	78.000	77.683	85.989	92.263	92.685	92.239
Other Business Expenses	15.910	10.097	10.663	10.193	13.741	15.126
Total Non-Labor Expenses	\$238.389	\$263.233	\$310.597	\$320.053	\$328.138	\$328.678
Other Expenses Adjustments:						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$790.482	\$836.883	\$920.054	\$956.035	\$984.265	\$1,005.587
Depreciation	145.819	161.183	183.910	194.000	200.000	207.000
Total Expenses	\$936.301	\$998.066	\$1,103.964	\$1,150.035	\$1,184.265	\$1,212.587
Baseline Net Surplus/(Deficit)	(\$388.750)	(\$427.264)	(\$481.852)	(\$514.543)	(\$538.948)	(\$567.270)
Cash Conversion Adjustments:						
Depreciation	145.819	161.183	183.910	194.000	200.000	207.000
Operating/Capital	(10.317)	(17.633)	(11.311)	(12.848)	(12.500)	(12.000)
Other Cash Adjustments	(3.304)	18.228	10.472	5.763	5.318	0.145
Total Cash Conversion Adjustments	\$132.198	\$161.778	\$183.071	\$186.915	\$192.818	\$195.145
Baseline Net Cash Surplus/(Deficit)	(\$256.552)	(\$265.486)	(\$298.781)	(\$327.628)	(\$346.130)	(\$372.125)
2005 Program to Eliminate the Gap	-	0.904	15.869	17.576	17.623	14.619
2006 Program to Eliminate the Gap	-	-	-	9.312	9.784	10.296
Unspecified PEGS	-	-	-	8.504	6.403	(2.329)
Net Surplus/(Deficit)	(\$256.552)	(\$264.582)	(\$282.912)	(\$292.235)	(\$312.319)	(\$349.540)

**MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Cash Receipts & Expenditures
(\$ in millions)**

	2003 Actuals	2004 November Forecast	2005 Final Proposed Budget	2006	2007	2008
<u>Receipts</u>						
Farebox Revenue	\$386.290	\$414.833	\$426.748	\$434.055	\$439.143	\$443.378
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	48.086	48.975	44.668	45.221	45.638	46.218
Capital and Other Reimbursements	138.966	132.936	171.002	177.129	182.121	177.008
Total Receipts	\$573.342	\$596.744	\$642.418	\$656.405	\$666.902	\$666.604
<u>Expenditures</u>						
Labor:						
Payroll	\$339.220	\$332.349	\$369.118	\$372.544	\$382.481	\$394.037
Overtime	51.455	50.539	52.595	54.341	55.213	56.480
Health and Welfare	61.139	68.460	78.795	86.172	93.407	101.123
Pensions	25.761	38.599	22.287	43.501	45.525	46.775
Other Fringe Benefits	77.935	71.108	78.638	79.733	81.688	84.903
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$555.510	\$561.055	\$601.433	\$636.291	\$658.314	\$683.318
Non-Labor:						
Traction and Propulsion Power	\$35.921	\$37.424	\$40.910	\$43.609	\$44.542	\$45.655
Fuel for Buses and Trains	6.248	6.764	7.417	7.526	7.696	7.947
Insurance	11.650	13.685	18.674	19.940	22.179	25.419
Claims	11.966	14.071	13.071	12.071	12.071	12.071
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	70.658	86.525	92.198	96.171	85.678	98.560
Professional Service Contracts	26.575	36.607	55.697	51.145	52.272	43.435
Materials & Supplies	89.153	83.259	91.312	97.673	98.205	97.884
Other Business Expenses	18.540	23.744	20.487	19.607	32.075	24.440
Total Non-Labor Expenditures	\$270.711	\$302.079	\$339.766	\$347.742	\$354.718	\$355.411
Other Expenditure Adjustments:						
Other	3.673	-	-	-	-	-
Total Other Expenditure Adjustments	\$3.673	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$829.894	\$863.134	\$941.199	\$984.033	\$1,013.032	\$1,038.729
Baseline Net Surplus/(Deficit)	(\$256.552)	(\$266.390)	(\$298.781)	(\$327.628)	(\$346.130)	(\$372.125)
<u>Subsidies</u>						
MTA	(195.506)	(214.196)	(244.424)	(268.096)	(278.819)	(299.264)
CDOT	(61.046)	(51.290)	(54.357)	(59.532)	(67.311)	(72.861)
Total Subsidies	(\$256.552)	(\$265.486)	(\$298.781)	(\$327.628)	(\$346.130)	(\$372.125)
2005 Program to Eliminate the Gap	-	0.904	15.869	17.576	17.623	14.619
2006 Program to Eliminate the Gap	-	-	-	9.312	9.784	10.296
Unspecified PEGS	-	-	-	8.504	6.403	(2.329)
Net Cash Deficit	(\$256.552)	(\$265.486)	(\$282.912)	(\$292.235)	(\$312.319)	(\$349.540)
<u>Subsidies</u>						
MTA	(195.506)	(213.529)	(231.218)	(238.069)	(249.758)	(278.217)
CDOT	(61.046)	(51.053)	(51.694)	(54.166)	(62.561)	(71.323)
Total Subsidies	(\$256.552)	(\$264.582)	(\$282.912)	(\$292.235)	(\$312.319)	(\$349.540)

MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2003 Actuals	2004 November Forecast	2005 Final Proposed Budget	2006	2007	2008
<u>Receipts</u>						
Farebox Revenue	\$8.197	\$8.111	\$8.248	\$8.100	\$8.100	\$8.050
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	17.191	19.319	14.490	14.240	14.115	14.115
Capital and Other Reimbursements	0.403	(1.488)	(2.432)	(1.426)	(0.630)	(0.878)
Total Receipt Adjustments	\$25.791	\$25.942	\$20.306	\$20.914	\$21.585	\$21.287
<u>Expenditures</u>						
Labor:						
Payroll	(\$0.066)	\$20.927	\$3.976	\$13.540	\$12.253	\$9.201
Overtime	0.239	(0.175)	(0.210)	(0.216)	(0.221)	(0.225)
Health and Welfare	1.015	(2.369)	(2.564)	(2.590)	(2.531)	(2.598)
Pensions	1.615	(9.297)	9.064	(10.564)	(11.204)	(11.040)
Other Fringe Benefits	(5.770)	2.120	(1.644)	0.145	0.150	(1.098)
Reimbursable Overhead	(0.450)	1.390	(0.599)	(0.623)	(0.635)	(0.648)
Total Labor Expenditures	(\$3.417)	\$12.595	\$8.024	(\$0.309)	(\$2.187)	(\$6.409)
Non-Labor:						
Traction and Propulsion Power	\$0.071	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	(0.611)	0.145	(0.620)	0.102	0.088	(0.643)
Claims	(1.721)	1.300	2.039	3.854	3.854	3.854
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(12.817)	(16.222)	(12.127)	(11.801)	(2.166)	(11.178)
Professional Service Contracts	(3.460)	(4.846)	(3.314)	(5.020)	(4.501)	(3.807)
Materials & Supplies	(11.153)	(5.576)	(5.323)	(5.410)	(5.520)	(5.645)
Other Business Expenditures	(2.630)	(13.647)	(9.824)	(9.414)	(18.334)	(9.315)
Total Non-Labor Expenditures	(\$32.322)	(\$38.846)	(\$29.169)	(\$27.690)	(\$26.580)	(\$26.733)
Other Expenditure Adjustments:						
Other	(3.673)	-	-	-	-	-
Total Other Expenditure Adjustments	(\$3.673)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	(\$13.621)	(\$0.309)	(\$0.839)	(\$7.085)	(\$7.182)	(\$11.855)
Depreciation Adjustment	145.819	161.183	183.910	194.000	200.000	207.000
Baseline Total Cash Conversion Adjustments	\$132.198	\$160.874	\$183.071	\$186.915	\$192.818	\$195.145
2005 Program to Eliminate the Gap	-	-	-	-	-	-
2006 Program to Eliminate the Gap	-	-	-	-	-	-
Unspecified PEGS	-	-	-	-	-	-
Total Cash Conversion Adjustments	\$132.198	\$160.874	\$183.071	\$186.915	\$192.818	\$195.145

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

YEAR-TO-YEAR CHANGES BY CATEGORY – ACCRUAL (TOTAL)

FARE BOX REVENUE

Non-Reimbursable

- Projected ridership growth of 0.7% in 2005, 1.6% in 2006, 1.0% in 2007, and 1.0% in 2008 together with an average 5.5% Connecticut fare increase effective January 2005 is responsible for higher Fare Box Revenue.

Reimbursable

- Not applicable

OTHER OPERATING REVENUE

Non-Reimbursable

- 2004-2005 reflects the withdrawal of all outside buildings from the GCT power grid.
- 2005 reflects the impact of additional West of Hudson parking fees and contractually based advertising revenue increases.
- 2006-2008 primarily incorporates CPI increases of 1.5%, 1.8%, and 2.1%, respectively.

Reimbursable

- Not applicable

CAPITAL AND OTHER REIMBURSEMENTS

Non-Reimbursable

- Not applicable

Reimbursable

- Capital project cost reimbursements in each year of the financial plan are based on recouping 100% of accrued project expenditures. 2004 and 2005 accrued expenditures (and receipts) are based on the latest projection of capital project activity. 2006-2008 accrued expenditures (and receipts) are based on a continuation of 2005 budgeted project cost levels adjusted for expenditure changes for the Shell-at-Grade and M2 Critical System Replacement projects
- 2005-2008 increases in reimbursements reflect the impact of inflation.

PAYROLL

Non-Reimbursable

- Non-Agreement salaries in 2004 include a cost of living increase of 3.0% and a merit increase effective April 2004. Non Agreement salaries in 2005 include a CPI based increase of 2.0%, the carry over effect of merit increases received in the latter part of 2004, and equity adjustments required for compression differentials with agreement employees.

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

- 2006 - 2008 Non Agreement wages include CPI based increases of 1.3%, 2.0%, and 2.1% respectively.
- 2004 - 2006 Agreement wages include an annual wage increase of 3.0% based on pending patterned labor settlements.
- 2007 and 2008 Non Agreement and Agreement wages include CPI based wage increases of 2.0% and 2.1% respectively.
- 2005 includes additional labor resources primarily for:
 - Customer Service Amenities improvements with additional car cleaning, E-cleaning and maintenance at Highbridge Yard (\$.8 million) as well as GCT platform cleaning (\$.2 million).
 - Maintenance force increases in GCT, West of Hudson and along the right-of-way (\$.7 million).
 - Service increases primarily on the Harlem line due to new third track (\$.6 million).
 - Security upgrades to signal and information systems and on-going testing and inspection of life safety devices (\$.6 million)
 - Administrative oversight to strengthen quality assurance functions in key operations groups (\$1.1 million).
- 2006 - 2008 additional labor costs are added for on-going safety improvements to systems and facilities and service increases on all lines.

Reimbursable

- Non-Agreement salaries in 2004 include a cost of living increase of 3.0% and merit increase effective April 2004. Non-Agreement salaries in 2005 include a CPI based increase of 2.0% and the carry over effect of merit increases received in the latter part of 2004.
- 2006 - 2008 Non Agreement wages include CPI based increases of 1.3%, 2.0%, and 2.1% respectively.
- 2004 - 2006 Agreement wages include an annual wage increase of 3.0% based on pending patterned labor settlements.
- 2007 and 2008 Non Agreement and Agreement wages include CPI based wage increases of 2.0% and 2.1% respectively.
- 2005 includes an increase staffing for the M2 Critical System Replacement and Shell-at-Grade projects.

OVERTIME

Non-Reimbursable

- 2005-2006 costs include annual wage increases of 3.0%.
- 2007 and 2008 include CPI-based wage increases of 2.0% and 2.1%, respectively.
- 2005-2008 includes additional on-board coverage requirements due to increases in service levels on all lines.

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

Reimbursable

- 2005-2006 costs include annual wage increases of 3.0%.
- 2007 and 2008 include CPI based wage increases of 2.0% and 2.1%, respectively.

HEALTH AND WELFARE

Non-Reimbursable

- Projected inflationary increases of 14.2% in 2005, and 12.9% in 2006, 9.3% for 2007 and 9.3% in 2008.
- 2005-2008 include the non-reimbursable share of cost reductions associated with escalating levels of agreement employee premium contributions estimated at \$.374 million in 2005, \$.643 million in 2006, \$.927 million in 2007 and \$1.227 million in 2008.
- Other Cost adjustments for 2005-2008 are the result of changes in staffing levels associated with the programmatic changes that are incorporated into each year of the financial plan for Maintenance Improvements, Service Plan Enhancements, Customer Service Amenities, Security, and Administration

Reimbursable

- Projected inflationary increases of 14.2% in 2005, and 12.9% in 2006, 9.3% for 2007 and 9.3% in 2008.
- 2005-2008 include the non-reimbursable share of cost reductions associated with escalating levels of agreement employee premium contributions estimated at \$.374 million in 2005, \$.643 million in 2006, \$.927 million in 2007 and \$1.227 million in 2008.

PENSIONS

Non-Reimbursable

- Agreement pension cost increases in 2005-2008 are based on projected patterned wage increases of 3% each year for 2005-2006, and CPI-based wage increases for 2007-2008.
- 2005-2006 agreement pension costs incorporate an effective employer contribution rate of 6% of payroll costs; employer contribution rate increases by 0.2% in 2007 and 2008.
- 2005-2008 management pension costs reflect the non-reimbursable share of a \$0.3 million annual cost increase.

Reimbursable

- Agreement pension cost increases in 2005-2008 are based on projected patterned wage increases of 3% each year for 2005-2006, and CPI-based wage increases for 2007-2008.
- 2005-2006 agreement pension costs incorporate an effective employer contribution rate of 6% of payroll costs; employer contribution rate increases by 0.2% in 2007 and 2008.

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

- 2005-2008 management pension costs reflect the non-reimbursable share of a \$0.3 million annual cost increase.

OTHER FRINGE BENEFITS

Non-Reimbursable

- Railroad Retirement tax rates for Tier I and II remain constant for 2005-2008 at 7.65% and 13.1%, respectively.
- Maximum earnings level for Tier I are estimated at \$90,537 in 2005, \$93,253 in 2006, \$96,051 in 2007, and \$98,932 in 2008.
- Maximum earnings level for Tier II are estimated at \$67,053 in 2005, \$69,065 in 2006, \$71,137 in 2007, and \$73,271 in 2008
- Other cost adjustments reflect inflationary salary increase and changes in staffing levels.

Reimbursable

- Railroad Retirement tax rates for Tier I and II remain constant for 2005-2008 at 7.65% and 13.1%, respectively.
- Maximum earnings levels for Tier I are estimated at \$90,537 in 2005, \$93,253 in 2006, \$96,051 in 2007, and \$98,932 in 2008.
- Maximum earnings levels for Tier II are estimated at \$67,053 in 2005, \$69,065 in 2006, \$71,137 in 2007, and \$73,271 in 2008.

REIMBURSABLE OVERHEAD

Non-Reimbursable

- Overhead costs for 2004 and 2005 are based on a percentage share of direct labor costs charged to reimbursable projects. 2006-2008 direct labor costs are based on the continuation of 2005 budget levels, adjusted for changes in the M2 Critical System Replacement project.
- The increase in 2005 overhead costs reflects the impact of wage increases and an increase in budgeted project costs.
- 2006-2008 increases in overheads reflect the impact of wage increases on direct labor project costs and changes in the M2 Critical System Replacement project.

Reimbursable

- Overhead costs for 2004 and 2005 are based on a percentage share of direct labor costs charged to reimbursable projects. 2006-2008 direct labor costs are based on the continuation of 2005 budget levels, adjusted for changes in the M2 Critical System Replacement project.
- The increase in 2005 overhead costs reflects the impact of wage increases and an increase in budgeted project costs.
- 2006-2008 increases in overheads reflect the impact of wage increases on direct labor project costs and changes in the M2 Critical System Replacement project

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

TRACTION AND PROPULSION POWER

Non-Reimbursable

- 2005 costs include a \$2.1 million provision for power cost increases.
- CPI increases in 2006-2008 of 1.5%, 1.8% and 2.1% respectively.
- 2005-2008 incorporates the net effect of new car procurements and retirements.
- Service Plan enhancements increase costs by \$.4 million in 2005 and 2006 with the completion of the Harlem third track, by \$.1 million in 2007 and by \$.2 million in 2008.

Reimbursable

- No Cost

FUEL FOR BUSES AND TRAINS

Non-Reimbursable

- 2005 costs reflect increases based on current prices and consumption trends.
- CPI increases in 2006-2008 of 1.5%, 1.8%, 2.1%, respectively.
- Equipment Replacement Plan introduction of new coaches and locomotives.
- 2005-2008 Service Plan enhancements increase costs by \$.1 million annually.

Reimbursable

- No Cost

INSURANCE

Non-Reimbursable

- Increases in 2005-2008 reflect revised insurance premium estimates.

Reimbursable

- Increases in 2005-2008 reflect revised insurance premium estimates.

CLAIMS

Non-Reimbursable

- 2005 and 2006 include consultant fees for Employee Safety Training.

Reimbursable

- No Cost

MAINTENANCE AND OTHER CONTRACTS

Non-Reimbursable

- CPI increases in 2005-2008 of 2.0%, 1.5%, 1.8% and 2.1%, respectively.
- Equipment maintenance programs increase 2005 costs by \$6.2 million and 2006 costs by \$1.5 million for the Genesis and West of Hudson Locomotive Remanufacture and Comet 3 Overhaul programs. In 2007 costs are reduced by \$2.6 million with the completion of these programs and a decrease in car disposal costs, offset by preventative maintenance improvement provisions.

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

- 2005 includes lower costs for GCT electric charges due to the withdrawal of outside buildings from power grid (\$.7 million), offset by an increase in Port Jervis line lease charges (\$1.5 million). The costs also reflect a provision for power cost increase (\$.8 million), office space renovations (\$1.0 million), financial system maintenance costs (\$.6 million) and outlying facility security costs (\$.8 million).
- 2006 includes additional outlying facility security costs (\$.8 million, offset by decreasing fees for DuPont safety training (\$.8 million).

Reimbursable

- CPI increases in 2005-2008 of 2.0%, 1.5%, 1.8% and 2.1%, respectively.

PROFESSIONAL SERVICE CONTRACTS

Non-Reimbursable

- CPI increases in 2005-2008 of 2.0%, 1.5%, 1.8% and 2.1%, respectively.
- Reduction in Insurance charge-back starting in 2004 (\$.6 million) and MTA Consolidated service charges starting in 2005 (\$1.3 million).
- Restoration of 2004 reduction in Advertising provision in 2006 (\$.8 million).

Reimbursable

- CPI increases in 2005-2008 of 2.0%, 1.5%, 1.8% and 2.1%, respectively, and expenditure adjustments for the Shell-at-Grade project.

MATERIAL AND SUPPLIES

Non-Reimbursable

- CPI increases in 2005-2008 of 2.0%, 1.5%, 1.8% and 2.1%, respectively.
- Elimination of M1 Rehabilitation Project costs in 2004 and 2005.
- 2005 includes cost savings from the completion of the FL9 Overhaul (\$.9 million), the M4/M6 inverter conversion program (\$.5 million), and the M3 HVAC control replacement program.
- 2005-2008 includes the impact of equipment procurements and retirements

Reimbursable

- CPI increases in 2005-2008 of 2.0%, 1.5%, 1.8% and 2.1%, respectively.
- 2005 includes an increase in material costs for the M2 Critical System Replacement project

OTHER BUSINESS EXPENSES

Non-Reimbursable

- CPI increases in 2005-2008 of 2.0%, 1.5%, 1.8% and 2.1%, respectively.
- 2007 and 2008 include provisions for maintenance initiatives (\$2.5 million in 2007 and \$2.5 million in 2008).

Reimbursable

- CPI increases in 2005-2008 of 2.0%, 1.5%, 1.8% and 2.1%, respectively.

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

DEPRECIATION

Non-Reimbursable

- Increase is primarily due to purchase of new equipment (M7s).

Reimbursable

- No Cost

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

YEAR-TO-YEAR CHANGES BY CATEGORY – CASH (TOTAL)

FARE BOX REVENUE

Non-Reimbursable

- Projected ridership growth of 0.7% in 2005, 1.6% in 2006, 1.0% in 2007, and 1.0% in 2008 together with an average 5.5% Connecticut fare increase effective January 2005 is responsible for higher Fare Box Revenue.

Reimbursable

- Not applicable

Cash

- 2004-2008 cash adjustments include receipts from the sale of MetroCards, Westchester County bus fares, and special event promotions, partially offset by credit card fees associated with the purchase of passenger tickets.

OTHER OPERATING REVENUE

Non-Reimbursable

- 2004-2005 reflects the withdrawal of all outside buildings from the GCT power grid.
- 2005 reflects the impact of additional West of Hudson parking fees and contractually based advertising revenue increases.
- 2006-2008 primarily incorporates CPI increase of 1.5%, 1.8%, and 2.1%, respectively.

Reimbursable

- Not applicable

Cash

- 2004 cash adjustments include a projected \$3.7 million reimbursement for September 11, 2001 revenue loss. 2004-2008 adjustments include the reclassification of Amtrak and other railroad reimbursements (from the Maintenance and Other Operating Contracts category), reimbursements from CDOT for station facilities and unitickets, the MTA for electricity charges, payments by former employees for health insurance coverage, reimbursements for claims settlements, scrap sale receipts, and other miscellaneous items.

CAPITAL AND OTHER REIMBURSEMENTS

Non-Reimbursable

- Not applicable

Reimbursable

- Capital project cost reimbursements in each year of the financial plan are based on recouping 100% of accrued project expenditures. 2004 and 2005 accrued expenditures (and receipts) are based the latest projection of capital project

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

activity. 2006-2008 accrued expenditures (and receipts) are based on a continuation of 2005 budgeted project cost levels adjusted for expenditure changes for the Shell-at-Grade and M2 Critical System Replacement projects

- 2006-2008 increases in reimbursements reflect the impact of inflation.

PAYROLL

Non-Reimbursable

- Non-Agreement salaries in 2004 include a cost of living increase of 3.0% and a merit increase effective April 2004. Non Agreement salaries in 2005 include a CPI based increase of 2.0%, the carry over effect of merit increases received in the latter part of 2004, and equity adjustments required for compression differentials with agreement employees.
- 2006 - 2008 Non Agreement wages include CPI based increases of 1.3%, 2.0%, and 2.1% respectively.
- 2004 - 2006 Agreement wages include an annual wage increase of 3.0% based on pending patterned labor settlements.
- 2007 and 2008 Non Agreement and Agreement wages include CPI based wage increases of 2.0% and 2.1% respectively.
- 2005 includes additional labor resources primarily for:
 - Customer Service Amenities improvements with additional car cleaning, E-cleaning and maintenance at Highbridge Yard (\$.8 million) as well as GCT platform cleaning (\$.2 million).
 - Maintenance force increases in GCT, West of Hudson and along the right-of-way (\$.7 million).
 - Service increases primarily on the Harlem line due to new third track (\$.6 million).
 - Security upgrades to signal and information systems and on-going testing and inspection of life safety devices (\$.6 million)
 - Administrative oversight to strengthen quality assurance functions in key operations groups (\$1.1 million).
- 2006 - 2008 additional labor costs are added for on-going safety improvements to systems and facilities and service increases on all lines.

Reimbursable

- Non-Agreement salaries in 2004 include a cost of living increase of 3.0% and a merit increase effective April 2004. Non Agreement salaries in 2005 include a CPI based increase of 2.0%, the carry over effect of merit increases received in the latter part of 2004, and equity adjustments required for compression differentials with agreement employees.
- 2006 - 2008 Non Agreement wages include CPI based increases of 1.3%, 2.0%, and 2.1% respectively.

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

- 2004 - 2006 Agreement wages include an annual wage increase of 3.0% based on pending patterned labor settlements.
- 2005 includes an increase staffing for the M2 Critical System Replacement project
- 2007 and 2008 Non Agreement and Agreement wages include CPI based wage increases of 2.0% and 2.1% respectively.

Cash

- Cash includes payments of \$1.4 million in 2004 and \$9.6 million in 2005 (excluding fringe) for prior period accrued RWA for unsettled unions. 2004-2008 cash adjustments also include differences between expense accruals and cash disbursements for the number of days paid, vacation and sick day provisions, employee health club memberships, agreement employee allowance for tools and safety shoes, employee contribution to health care coverage, and agreement employee contributions to the Defined Benefit Pension Plan.

OVERTIME

Non-Reimbursable

- 2005-2006 costs include annual wage increases of 3.0%.
- 2007 and 2008 include CPI-based wage increases of 2.0% and 2.1%, respectively.
- 2005-2008 includes additional on-board coverage requirements due to increases in service levels on all lines.

Reimbursable

- 2005-2006 costs include annual wage increases of 3.0%.
- 2007 and 2008 include CPI based wage increases of 2.0% and 2.1%, respectively.

HEALTH AND WELFARE

Non-Reimbursable

- Projected inflationary increases of 14.2% in 2005, and 12.9% in 2006, 9.3% for 2007 and 9.3% in 2008.
- 2005-2008 include the non-reimbursable share of cost reductions associated with escalating levels of agreement employee premium contributions estimated at \$.374 million in 2005, \$.643 million in 2006, \$.927 million in 2007 and \$1.227 million in 2008.
- Other Cost adjustments for 2005-2008 are the result of changes in staffing levels associated with the programmatic changes that are incorporated into each year of the financial plan for Maintenance Improvements, Service Plan Enhancements, Customer Service Amenities, Security, and Administration.

Reimbursable

- Projected inflationary increases of 14.2% in 2005, and 12.9% in 2006, 9.3% for 2007 and 9.3% in 2008.

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

- 2005-2008 include the reimbursable share of cost reductions associated with escalating levels of agreement employee premium contributions estimated at \$.374 million in 2005, \$.643 million in 2006, \$.927 million in 2007 and \$1.227 million in 2008.

Cash

- 2004-2008 cash adjustments include current and former employee contributions toward health insurance costs.

PENSIONS

Non-Reimbursable

- Agreement pension cost increases in 2005-2008 are based on projected patterned wage increases of 3% each year for 2005-2006, and CPI-based wage increases for 2007-2008.
- 2005-2006 agreement pension costs incorporate an effective employer contribution rate of 6% of payroll costs; employer contribution rate increases by 0.2% in 2007 and 2008.
- 2005-2008 management pension costs reflect the non-reimbursable share of a \$0.3 million annual cost increase.

Reimbursable

- Agreement pension cost increases in 2005-2008 are based on projected patterned wage increases of 3% each year for 2005-2006, and CPI-based wage increases for 2007-2008.
- 2005-2006 agreement pension costs incorporate an effective employer contribution rate of 6% of payroll costs; employer contribution rate increases by 0.2% in 2007 and 2008.
- 2005-2008 management pension costs reflect the reimbursable share of a \$0.3 million annual cost increase.

Cash

- 2004-2008 adjustments include difference between expense accruals and cash disbursements, and agreement employee contribution to the Defined Benefit Pension Plan. 2005 reflects a \$20 million cash reduction due to the prepayment of pension costs (paid in 2003).

OTHER FRINGE BENEFITS

Non-Reimbursable

- Railroad Retirement tax rates for Tier I and II remain constant for 2005-2008 at 7.65% and 13.1%, respectively.
- Maximum earnings level for Tier I are estimated at \$90,537 in 2005, \$93,253 in 2006, \$96,051 in 2007, and \$98,932 in 2008.
- Maximum earnings level for Tier II are estimated at \$67,053 in 2005, \$69,065 in 2006, \$71,137 in 2007, and \$73,271 in 2008

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

- Other cost adjustments reflect inflationary salary increase and changes in staffing levels.

Reimbursable

- Railroad Retirement tax rates for Tier I and II remain constant for 2005-2008 at 7.65% and 13.1%, respectively.
- Maximum earnings level for Tier I are estimated at \$90,537 in 2005, \$93,253 in 2006, \$96,051 in 2007, and \$98,932 in 2008.
- Maximum earnings level for Tier II are estimated at \$67,053 in 2005, \$69,065 in 2006, \$71,137 in 2007, and \$73,271 in 2008
- Other cost adjustments reflect inflationary salary increase and changes in staffing levels.

Cash

- 2004 – 2005 include adjustments for railroad retirement taxes related to RWA settlements.

REIMBURSABLE OVERHEAD

Non-Reimbursable

- Overhead costs for 2004 and 2005 are based on a percentage share of direct labor costs charged to reimbursable projects. 2006-2008 direct labor costs are based on the continuation of 2005 budget levels, adjusted for changes in the M2 Critical System Replacement project.
- The increase in 2005 overhead costs reflects the impact of wage increases and an increase in budgeted project costs.
- 2006-2008 increases in overheads reflect the impact of wage increases on direct labor project costs and changes in the M2 Critical System Replacement project.

Reimbursable

- Overhead costs for 2004 and 2005 are based on a percentage share of direct labor costs charged to reimbursable projects. 2006-2008 direct labor costs are based on the continuation of 2005 budget levels, adjusted for changes in the M2 Critical System Replacement project.
- The increase in 2005 overhead costs reflects the impact of wage increases and an increase in budgeted project costs.
- 2006-2008 increases in overheads reflect the impact of wage increases on direct labor project costs and changes in the M2 Critical System Replacement project.

TRACTION AND PROPULSION POWER

Non-Reimbursable

- In addition to CPI increases in 2005-2008 of 2.0%, 2.2%, 2.6% and 2.8%, respectively, costs include a \$2.1 million provision for power cost increases.
- 2005-2008 incorporates the net effect of new car procurements and retirements.

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

- Service Plan enhancements increase costs by \$.4 million in 2005 and 2006 with the completion of the Harlem third track, by \$.1 million in 2007 and by \$.2 million in 2008.

Reimbursable

- No Cost

FUEL FOR BUSES AND TRAINS

Non-Reimbursable

- 2005 costs reflect increases based on current prices and consumption trends.
- CPI increases in 2006-2008 of 1.5%, 1.8%, 2.1%, respectively.
- Equipment Replacement Plan introduction of new coaches and locomotives.
- 2005-2008 Service Plan enhancements increase costs by \$.1 million annually.

Reimbursable

- No Cost

INSURANCE

Non-Reimbursable

- Increases in 2005-2008 reflect revised insurance premium estimates

Reimbursable

- Increases in 2005-2008 reflect revised insurance premium estimates

Cash

- 2005 reflects increase in force account payments as well payment of Bioterrorism insurance (Renewed every three years).

CLAIMS

Non-Reimbursable

- 2005 and 2006 include consultant fees for Employee Safety Training.

Reimbursable

- No Cost

Cash

- 2004 payments reflect settlement of prior period New Haven Line accident claim.

MAINTENANCE AND OTHER CONTRACTS

Non-Reimbursable

- CPI increases in 2005-2008 of 2.0%, 1.5%, 1.8% and 2.1%, respectively.
- Equipment maintenance programs increase 2005 costs by \$6.2 million and 2006 costs by \$1.5 million for the Genesis and West of Hudson Locomotive Remanufacture and Comet 3 Overhaul programs. In 2007 costs are reduced by \$2.6 million with the completion of these programs and a decrease in car disposal costs, offset by preventative maintenance improvement provisions.

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

- 2005 includes lower costs for GCT electric charges due to the withdrawal of outside buildings from power grid (\$.7 million), offset by an increase in Port Jervis line lease charges (\$1.5 million). The costs also reflect a provision for power cost increase (\$.8 million), office space renovations (\$1.0 million), financial system maintenance costs (\$.6 million) and outlying facility security costs (\$.8 million).
- 2006 includes additional outlying facility security costs (\$.8 million, offset by decreasing fees for DuPont safety training (\$.8 million).

Reimbursable

- CPI increases in 2005-2008 of 2.0%, 1.5%, 1.8% and 2.1%, respectively.

Cash

- 2004 cash adjustments include payment of prior period accruals for damaged equipment, West of Hudson subsidy costs, and GCT management fees, partially offset by 2004 accrued costs for miscellaneous services paid in 2005.

PROFESSIONAL SERVICE CONTRACTS

Non-Reimbursable

- CPI increases in 2005-2008 of 2.0%, 1.5%, 1.8% and 2.1%, respectively.
- Reduction in Insurance charge-back starting in 2004 (\$.6 million) and MTA Consolidated service charges starting in 2005 (\$1.3 million).
- Restoration of 2004 reduction in Advertising provision in 2006 (\$.8 million).

Reimbursable

- CPI increases in 2005-2008 of 2.0%, 1.5%, 1.8% and 2.1%, respectively, and expenditure adjustments for the Shell-at-Grade project.

MATERIAL AND SUPPLIES

Non-Reimbursable

- CPI increases in 2005-2008 of 2.0%, 1.5%, 1.8% and 2.1%, respectively.
- Elimination of M1 Rehabilitation Project costs in 2004 and 2005.
- 2005 includes cost savings from the completion of the FL9 Overhaul (\$.9 million), the M4/M6 inverter conversion program (\$.5 million), and the M3 HVAC control replacement program.
- 2005-2008 includes the impact of equipment procurements and retirements

Reimbursable

- CPI increases in 2005-2008 of 2.0%, 1.5%, 1.8% and 2.1%, respectively.
- 2005 includes an increase in material costs for the M2 Critical System Replacement project

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

OTHER BUSINESS EXPENSES

Non-Reimbursable

- CPI increases in 2005-2008 of 2.0%, 1.5%, 1.8% and 2.1%, respectively.
- 2007 and 2008 include provisions for maintenance initiatives (\$1.0 million in 2007 and \$2.0 million in 2008).

Reimbursable

- CPI increases in 2005-2008 of 2.0%, 1.5%, 1.8% and 2.1%, respectively.

Cash

- 2004 cash adjustments include a one-time MTA reclassification associated with prior period administrative assets.

DEPRECIATION

Non-Reimbursable

- Increase is primarily due to purchase of new equipment (M7s).

Reimbursable

- No Cost

MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	Favorable/(Unfavorable)								
	2004	2005	Change 2005 - 2004	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007
Revenue									
Farebox Revenue	\$406.722	\$418.500	\$11.778	\$425.955	\$7.455	\$431.043	\$5.088	\$435.328	\$4.285
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	29.656	30.178	0.522	30.981	0.803	31.523	0.542	32.103	0.580
Capital and Other Reimbursements	134.424	173.434	39.010	178.555	5.121	182.751	4.196	177.886	(4.865)
Total Revenue	\$570.802	\$622.112	\$51.310	\$635.491	\$13.379	\$645.317	\$9.826	\$645.317	(\$0.000)
Expenses									
Labor:									
Payroll	\$353.276	\$373.094	(\$19.818)	\$386.084	(\$12.990)	\$394.734	(\$8.650)	\$403.238	(\$8.504)
Overtime	50.364	52.385	(2.021)	54.125	(1.740)	54.992	(0.868)	56.255	(1.263)
Health and Welfare	66.091	76.231	(10.141)	83.582	(7.351)	90.876	(7.294)	98.525	(7.648)
Pensions	29.302	31.351	(2.049)	32.937	(1.585)	34.321	(1.385)	35.735	(1.414)
Other Fringe Benefits	73.228	76.995	(3.767)	79.878	(2.883)	81.838	(1.960)	83.805	(1.967)
Reimbursable Overhead	1.390	(0.599)	1.989	(0.623)	0.024	(0.635)	0.012	(0.648)	0.013
Total Labor Expenses	\$573.650	\$609.457	(\$35.807)	\$635.982	(\$26.525)	\$656.127	(\$20.145)	\$676.909	(\$20.782)
Non-Labor:									
Traction and Propulsion Power	\$37.424	\$40.910	(\$3.486)	\$43.609	(\$2.699)	\$44.542	(\$0.933)	\$45.655	(\$1.113)
Fuel for Buses and Trains	6.764	7.417	(0.653)	7.526	(0.109)	7.696	(0.170)	7.947	(0.251)
Insurance	13.830	18.054	(4.224)	20.042	(1.988)	22.267	(2.225)	24.776	(2.509)
Claims	15.371	15.110	0.261	15.925	(0.815)	15.925	-	15.925	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other	70.303	80.071	(9.768)	84.370	(4.299)	83.512	0.858	87.382	(3.871)
Professional Service Contracts	31.761	52.383	(20.622)	46.125	6.258	47.771	(1.646)	39.628	8.143
Materials & Supplies	77.683	85.989	(8.306)	92.263	(6.274)	92.685	(0.423)	92.239	0.446
Other Business Expenses	10.097	10.663	(0.566)	10.193	0.470	13.741	(3.548)	15.126	(1.385)
Total Non-Labor Expenses	\$263.233	\$310.597	(\$47.364)	\$320.053	(\$9.455)	\$328.138	(\$8.086)	\$328.678	(\$0.540)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$836.883	\$920.054	(\$83.171)	\$956.035	(\$35.980)	\$984.265	(\$28.230)	\$1,005.587	(\$21.322)
Depreciation	161.183	183.910	(22.727)	194.000	(10.090)	200.000	(6.000)	207.000	(7.000)
Total Expenses	\$998.066	\$1,103.964	(\$105.898)	\$1,150.035	(\$46.070)	\$1,184.265	(\$34.230)	\$1,212.587	(\$28.322)
Baseline Net Surplus/(Deficit)	(\$427.264)	(\$481.852)	(\$54.588)	(\$514.543)	(\$32.691)	(\$538.948)	(\$24.405)	(\$567.270)	(\$28.322)
2005 Program to Eliminate the Gap	0.904	15.869	14.965	17.576	1.708	17.623	0.047	14.619	(3.005)
2006 Program to Eliminate the Gap	-	-	-	9.312	9.312	9.784	0.472	10.296	0.511
Unspecified PEGS	-	-	-	8.504	8.504	6.403	(2.101)	(2.329)	(8.732)
Net Surplus/(Deficit)	(\$426.360)	(\$465.983)	(\$39.623)	(\$479.150)	(\$13.167)	(\$505.137)	(\$25.987)	(\$544.685)	(\$39.548)

MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

	Favorable/(Unfavorable)								
	2004	2005	Change 2005 - 2004	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007
Cash Receipts & Expenditures									
<u>Receipts</u>									
Farebox Revenue	\$414.833	\$426.748	\$11.915	\$434.055	\$7.307	\$439.143	\$5.088	\$443.378	\$4.235
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	48.975	44.668	(4.307)	45.221	0.553	45.638	0.417	46.218	0.580
Capital and Other Reimbursements	132.936	171.002	38.066	177.129	6.127	182.121	4.992	177.008	(5.113)
Total Receipts	\$596.744	\$642.418	\$45.674	\$656.405	\$13.987	\$666.902	\$10.497	\$666.604	(\$0.298)
<u>Expenditures</u>									
Labor:									
Payroll	\$332.349	\$369.118	(\$36.769)	\$372.544	(\$3.426)	\$382.481	(\$9.937)	\$394.037	(\$11.556)
Overtime	50.539	52.595	(2.056)	54.341	(1.746)	55.213	(0.872)	56.480	(1.267)
Health and Welfare	68.460	78.795	(10.335)	86.172	(7.377)	93.407	(7.235)	101.123	(7.716)
Pensions	38.599	22.287	16.312	43.501	(21.214)	45.525	(2.024)	46.775	(1.250)
Other Fringe Benefits	71.108	78.638	(7.530)	79.733	(1.095)	81.688	(1.955)	84.903	(3.215)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenditures	561.055	601.433	(40.378)	636.291	(34.858)	658.314	(22.023)	683.318	(25.004)
Non-Labor:									
Traction and Propulsion Power	\$37.424	\$40.910	(\$3.486)	\$43.609	(\$2.699)	\$44.542	(\$0.933)	\$45.655	(\$1.113)
fuel for Buses and Trains	6.764	7.417	(0.653)	7.520	(0.109)	7.696	(0.176)	7.947	(0.251)
Insurance	13.685	18.674	(4.989)	19.940	(1.266)	22.179	(2.239)	25.419	(3.240)
Claims	14.071	13.071	1.000	12.071	1.000	12.071	-	12.071	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other	-	-	-	-	-	-	-	-	-
Operating Contracts	86.525	92.198	(5.673)	96.171	(3.973)	85.678	10.493	98.560	(12.882)
Professional Service Contracts	36.607	55.697	(19.090)	51.145	4.552	52.272	(1.126)	43.435	8.837
Materials & Supplies	83.259	91.312	(8.053)	97.673	(6.361)	98.205	(0.532)	97.884	0.321
Other Business Expenses	23.744	20.487	3.257	19.607	0.880	32.075	(12.468)	24.440	7.635
Total Non-Labor Expenditures	\$ 302.079	\$ 339.766	\$ (37.687)	\$ 347.742	\$ (7.976)	\$ 354.718	\$ (6.975)	\$ 355.411	\$ (0.693)
Other Expenditure Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$863.134	\$941.199	(\$78.065)	\$984.033	(\$42.834)	\$1,013.032	(\$28.999)	\$1,038.729	(\$25.697)
Baseline Net Cash Deficit	(\$266.390)	(\$298.781)	(\$32.391)	(\$327.628)	(\$28.847)	(\$346.130)	(\$18.502)	(\$372.125)	(\$25.995)
2005 Program to Eliminate the Gap									
2006 Program to Eliminate the Gap	0.904	15.869	14.965	17.576	1.708	17.623	0.047	14.619	(3.005)
Unspecified PEGS	-	-	-	9.312	9.312	9.784	0.472	10.296	0.511
	-	-	-	8.504	8.504	6.403	(2.101)	(2.329)	(8.732)
Net Cash Deficit	(\$265.486)	(\$282.912)	(\$17.426)	(\$292.235)	(\$9.323)	(\$312.319)	(\$20.084)	(\$349.540)	(\$37.221)

MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Ridership/Traffic Volume (Utilization)
(in millions)

	2003 Actuals	2004 November Forecast	2005 Final Proposed Budget	2006	2007	2008
<u>Farebox Revenue</u>						
Harlem Line	\$111.545	\$118.338	\$120.363	\$123.077	\$125.129	\$126.753
Hudson Line	77.870	83.276	85.157	87.853	89.782	91.158
New Haven Line	188.678	205.108	212.98	215.025	216.132	217.417
Total Farebox Revenue	\$378.093	\$406.722	\$418.500	\$425.955	\$431.043	\$435.328
<i>Impact of:</i>						
2005 Program to Eliminate the Gap	0.000	0.000	(1.200)	(1.200)	(1.200)	(1.200)
2006 Program to Eliminate the Gap	0.000	0.000	0.000	(5.227)	(5.227)	(5.227)
Total Revenue	\$378.093	\$406.722	\$417.300	\$419.528	\$424.616	\$428.901
<u>Ridership</u>						
Harlem Line	24.004	24.322	24.662	25.146	25.491	25.811
Hudson Line	13.739	13.873	14.128	14.517	14.786	15.015
New Haven Line	32.759	33.151	33.049	33.313	33.460	33.678
Baseline Total Ridership	70.502	71.346	71.839	72.976	73.737	74.504
<i>Impact of:</i>						
2005 Program to Eliminate the Gap	0.000	0.000	(0.166)	(0.166)	(0.166)	(0.166)
2006 Program to Eliminate the Gap	0.000	0.000	0.000	(1.423)	(1.423)	(1.423)
Total Ridership	70.502	71.346	71.673	71.387	72.148	72.915

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

CHANGES TO THE JULY FINANCIAL PLAN 2004- 2008

Revisions to Metro-North's financial plan for the 2004-2008 period reflect adjustments resulting from evolving economic conditions, changing cost assumptions and a series of program deferrals that contribute toward cost reduction mandates while limiting to the extent possible adverse impact to Metro-North's current service levels and performance standards.

2004: November Financial Plan Vs. July Financial Plan

In the November Financial Plan subsidy requirements for non-reimbursable operations are \$23.3 million lower than the July Plan. Timing adjustments between accrued and cash expenditures account for \$16.8 million of this change primarily due to the deferral of retroactive wage settlement provisions to 2005 (\$13.2 million). Operating expense reductions of \$7.4 million account for the remaining decrease in subsidy requirements due to lower material and propulsion costs related to timing differences in acquisition of new rolling stock (\$3.5 million), the rescheduling of the West of Hudson locomotive remanufacture program (\$2.2 million), and lower maintenance contract and professional service fees (\$2.8 million), offset by higher labor costs for service coverage requirements.

Reimbursable project costs (and receipts) were \$8.5 million below the July Plan. In addition to inclement weather conditions during the first quarter, which reduced overall project activity levels, lower costs reflect changes to project schedules. They include rescheduling of expenditures for East Side Access, M2 Critical System Replacement, Shell-at-Grade and several Communication and Signal projects.

2005: November Financial Plan Vs. July Financial Plan

In the July Financial Plan 2005 subsidy requirements for non-reimbursable operations are \$22.0 million higher than the July plan. These increases are primarily due to timing differences as a result of anticipated retroactive wage settlements for 2003 and 2004 that are expected to be paid in 2005 (\$13.5 million), the start-up of the West of Hudson locomotive remanufacture that was rescheduled from 2004 (\$2.2 million) and a higher number of paid versus accrued days (\$1.9 million). Other expenditure increases are due to higher insurance premiums (\$.9 million), an increase in labor costs due to fewer vacancies and higher overtime service coverage (\$1.8 million), and lower cost recoveries from Amtrak (\$.9 million). Subsidy requirements were favorably impacted by a decrease in inflation (\$4.0 million).

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

Reimbursable project costs (and receipts) were \$15.9 million higher than the July Plan reflecting a higher general level of capital project activity as well as increases for East Side Access, M2 Critical System Replacement, and the Shell-at-Grade project.

2006 November Financial Plan Vs. July Financial Plan

In the November Financial Plan 2006 subsidy requirements for non-reimbursable operations are on-target to the July plan. Lower inflation (\$6.5 million) and fringe benefit costs (\$1.8 million) are offset by higher insurance costs (\$2.0 million), an increase in labor costs due to fewer vacancies and higher overtime service coverage (\$2.7 million), increased propulsion costs (\$1.5 million), lower Amtrak cost recoveries (\$1.0 million) and other miscellaneous fees and service costs.

Reimbursable project costs (and receipts) were \$22.0 million higher than the July plan reflecting the continuation of 2005 project expenditure levels and an increase in expenditures for the Shell-at-Grade and M2 Critical System Replacement projects.

2007 November Financial Plan Vs. July Financial Plan

In the November Financial Plan 2007 subsidy requirements for non-reimbursable operations are \$2.0 million higher than the July Plan. This increase is due to higher insurance costs (\$3.2 million), an increase in labor costs due to fewer vacancies and higher overtime service coverage (\$3.3 million), increased propulsion and material costs related to changes in equipment plan acquisition schedules (\$3.5 million), lower Amtrak cost recoveries (\$1.0 million), and an increase in the provision for rolling stock preventive maintenance (\$3.5 million) and other miscellaneous fees and service costs. Offsetting these increases were lower inflation (\$10.1 million), reduced fringe benefit costs (\$3.2 million), and higher overhead recovery credits (\$2.8 million).

Reimbursable project costs (and receipts) were \$23.4 million higher than the July plan reflecting the continuation of 2005 project expenditure levels and an increase in expenditures for the Shell-at-Grade and M2 Critical System Replacement projects.

2008 November Financial Plan Vs. July Financial Plan

In the November Financial Plan 2008 subsidy requirements for non-reimbursable operations are \$2.0 million higher than the July Plan. This increase is due to higher insurance costs (\$4.6 million), an increase in labor costs due to fewer vacancies and higher overtime service coverage (\$3.3 million), increased propulsion and material costs related to changes in equipment plan acquisition schedules (\$6.9 million), lower Amtrak cost recoveries (\$1.0 million), and an increase in the provision for rolling stock

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

preventive maintenance (\$3.5 million) and other miscellaneous fees and service costs. Offsetting these increases were lower inflation (\$14.0 million), reduced fringe benefit costs (\$5.1 million) and higher overhead recovery credits (\$1.7 million).

Reimbursable project costs (and receipts) were \$22.0 million higher than the July plan reflecting the continuation of 2005 project expenditure levels and an increase in expenditures for the Shell-at-Grade and M2 Critical System Replacement projects.

**MTA METRO-NORTH RAILROAD
2005 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2005-2008**

POSITION ASSUMPTIONS

NON-REIMBURSABLE POSITIONS

- Positions are stated as of December 31 of each year and reflect the estimated number of paid employees. Consequently, position totals incorporate existing vacancy and turnover estimates.
- Annual staffing levels include the impact of program deferrals, eliminations, or re-estimates, consistent with the associated cost changes incorporated into the financial plan.

REIMBURSABLE POSITIONS

- Positions are stated as of December 31 of each year and reflect employees estimated to be paid. Consequently, position totals incorporate existing vacancy and turnover estimates.
- 2004 staffing levels reflect changes in project requirements.
- 2006-2008 staffing levels assume a continuation of 2005 project activity levels.

RIDERSHIP/UTILIZATION PROJECTIONS

- Ridership projections are developed primarily by the application of line segment ridership forecasting models that incorporate the impact of economic and demographic factors and government-supported mass transit initiatives. In addition, internal programs that affect service, customer awareness, and access to Metro-North are also incorporated into ridership forecasts.
- The current financial plan assumes lower customer growth levels from both East and West of Hudson operations due to the unfavorable job market in New York City that reflects a sluggish economy and the reduced employment opportunities in lower Manhattan since the events of 9/11.
- The 2004 revised forecast maintains mid-year July Plan levels that reflects East of Hudson Service ridership that is 1.2% lower than the adopted (February Plan) budget, but still 1.2% higher than 2003 actual results. In 2005, 2006, 2007 and 2008, ridership is projected to grow 0.7%, 1.6%, 1.0% and 1.0%, respectively.

MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Summary of Changes Between Financial Plans by Category
(\$ in millions)

	2004	2005	2006	2007	2008
NON-REIMBURSABLE					
2004 July Financial Plan - Baseline Net Cash Income/(Deficit)	(\$288.763)	(\$276.764)	(\$327.716)	(\$344.137)	(\$370.079)
Baseline Changes (List):					
Revenue					
Increase in GCT Rent and Utility Revenue	\$.090	\$.000	(\$.116)	(\$.218)	(\$.339)
Sub-Total Revenue Changes	\$.090	\$.000	(\$.116)	(\$.218)	(\$.339)
Expenses					
Reduction in Management Wage Rates	\$.000	\$.336	\$ 1.578	\$ 2.050	\$ 2.619
Reduce NA Turnover Vacancies in 2005	\$.290	(\$.580)	(\$.580)	(\$.580)	(\$.580)
Add 4 Junior Engineer Positions (labor only)	\$.000	(\$.164)	(\$.164)	(\$.164)	(\$.164)
Reduction in Agreement Wage Rates (CPI based)	\$.000	\$.000	\$.000	\$ 1.711	\$ 3.961
Lower Vacancy and Step Discounts	(\$.798)	(\$ 1.449)	(\$ 1.449)	(\$ 1.449)	(\$ 1.449)
Reduction/Deferral in Operations Positions Requirements	\$.000	\$.412	\$.053	\$.053	\$.053
Higher Overtime Requirements	(\$.931)	(\$ 1.235)	(\$ 1.235)	(\$ 1.235)	(\$ 1.235)
T&E Service Coverage Requirements	(\$.461)	\$.433	\$.433	\$.433	\$.433
Change in Baseline H&W Costs (2003 Actual Results)	\$ 1.211	\$ 1.148	\$.832	\$ 1.368	\$ 2.360
Change in Pension Costs	(\$.105)	(\$.054)	\$.021	\$.175	\$.391
Change in Railroad Retirement Rates and Earnings Max	(\$.461)	\$.663	\$.980	\$ 1.667	\$ 2.351
Change in Reimbursable Overhead	(\$ 1.365)	\$.269	\$ 2.727	\$ 2.826	\$ 1.671
Non Payroll Inflation Change (CPI based)	\$.000	\$ 3.455	\$ 4.955	\$ 6.320	\$ 7.388
Increase in Propulsion for Equipment Plan	\$.896	\$.000	(\$.965)	(\$ 2.209)	(\$ 4.355)
Provision for Diesel Fuel price increase	\$.252	(\$.500)	(\$.500)	(\$.500)	(\$.500)
Change in Insurance	(\$.008)	(\$.932)	(\$ 2.009)	(\$ 3.230)	(\$ 4.634)
Change in Claims Accruals	(\$.626)	\$.000	\$.000	\$.000	\$.000
Change in GCT Utility Withdrawal Costs	\$.178	(\$.762)	(\$.762)	(\$.762)	(\$.762)
Rescheduling of West of Hudson Locomotive Remanufacture	\$ 2.170	(\$ 2.170)	\$.000	\$.000	\$.000
Increase Snow Removal provision (West of Hudson)	\$.000	(\$.180)	(\$.180)	(\$.180)	(\$.180)
Increase provision for Preventive Maintenance Program	\$.000	\$.000	\$.000	(\$ 3.500)	(\$ 3.500)
Shoreline East Facility provision	\$.000	(\$.600)	(\$.600)	(\$.600)	(\$.600)
Other Operating Contracts Increases	\$ 1.117	(\$.467)	(\$.674)	(\$.513)	(\$.524)
Re-estimate of Amtrak Cost Recoveries	\$.000	(\$.800)	(\$ 1.000)	(\$ 1.000)	(\$ 1.000)
Reduction in Miscellaneous Professional Services	\$ 1.742	(\$.310)	\$.246	\$.319	\$.406
Increased Medical Services Fees	(\$.386)	(\$.386)	(\$.386)	(\$.386)	(\$.386)
Change in Materials & Supplies Requirement primarily for revised	\$ 2.384	(\$ 2.163)	(\$.514)	(\$ 1.336)	(\$ 2.523)
Reductions in Other Business Expenses	\$.407	(\$.461)	(\$.461)	(\$.461)	(\$.461)
Increased Legal Fees	\$.000	(\$.325)	\$.000	\$.000	\$.000
Increased Provision for Management Initiatives	\$.000	\$.000	\$.000	(\$ 1.500)	(\$ 1.500)
Depreciation	\$ 1.248	(\$ 3.910)	(\$ 7.000)	(\$ 8.000)	(\$ 10.000)
All Other Changes	(\$.393)	(\$.164)	(\$.364)	(\$.313)	(\$.249)
Sub-Total Expense Changes	\$ 6.361	(\$ 10.896)	(\$ 7.018)	(\$ 10.996)	(\$ 12.969)
Cash Adjustments:					
Revenue	\$.000	\$.000	\$.000	\$.000	\$.000
Expense					
Operating Capital	\$.363	(\$.386)	\$.000	\$.000	\$.000
Retroactive Wage Provision Settlement	\$ 13.196	(\$ 13.539)	\$.000	\$.000	\$.000
Depeciation	(\$ 1.248)	\$ 3.910	\$ 7.000	\$ 8.000	\$ 10.000
Claims Accrual	\$ 2.426	\$.299	\$ 1.118	\$.999	\$.999
Timing Difference in Force Account Receipts	\$ 1.279	\$.714	(\$ 4.597)	(\$.241)	\$.891
Difference in Accrued vs Paid Payroll	\$.000	(\$ 1.912)	\$.000	\$.000	\$.000
Other	\$.810	(\$.208)	\$ 3.701	\$.463	(\$.629)
Sub-Total Cash Adjustment Changes	\$ 16.826	(\$ 11.122)	\$ 7.222	\$ 9.221	\$ 11.261
Total Baseline Changes	\$ 23.277	(\$ 22.018)	\$.088	(\$ 1.993)	(\$ 2.047)

MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Summary of Changes Between Financial Plans by Category
(\$ in millions)

	2004	2005	2006	2007	2008
2004 November Financial Plan - Base Line Net Cash Income/(Deficit)	(\$265.486)	(\$298.782)	(\$327.628)	(\$346.130)	(\$372.126)
July Financial Plan - Program to Eliminate the Gap	\$.904	\$15.869	\$36.637	\$33.505	\$22.422
<i>PEG & Unspecified PEG Changes (List):</i>					
2005 Program to Eliminate the Gap	\$.000	\$.000	\$.000	\$.000	\$.000
2006 Program to Eliminate the Gap	\$.000	\$.000	\$.000	\$.000	\$.000
Unspecified PEGS	\$.000	\$.000	(\$1.244)	\$.306	\$.162
Sub-Total PEG	\$.000	\$.000	(\$1.244)	\$.306	\$.162
November Financial Plan - Program to Eliminate the Gap	\$.904	\$15.869	\$35.393	\$33.811	\$22.584
2004 November Financial Plan - Net Cash Income/(Deficit)	(\$264.582)	(\$282.913)	(\$292.235)	(\$312.319)	(\$349.542)

MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Summary of Changes Between Financial Plans by Category
(\$ in millions)

	2004	2005	2006	2007	2008
REIMBURSABLE					
2004 July Financial Plan - Base Line Net Cash Income/(Deficit)	\$.000	\$.000	\$.000	\$.000	\$.000
<i>Baseline Changes (List):</i>					
Revenue					
Changes in Capital Project Activity Levels	(\$8.501)	\$15.931	\$21.997	\$23.438	\$13.192
Sub-Total Revenue Changes	(\$8.501)	\$15.931	\$21.997	\$23.438	\$13.192
Expenses					
Changes in Capital Project Activity Levels	\$8.501	(\$15.931)	(\$21.997)	(\$23.438)	(\$13.192)
Sub-Total Expense Changes	\$8.501	(\$15.931)	(\$21.997)	(\$23.438)	(\$13.192)
Cash Adjustments:					
Revenue	\$.000	\$.000	\$.000	\$.000	\$.000
Expense	\$.000	\$.000	\$.000	\$.000	\$.000
Sub-Total Cash Adjustment Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Total Baseline Changes	(\$0.000)	\$0.000	\$0.000	(\$0.000)	\$0.000
2004 November Financial Plan - Baseline Net Cash Income/(Deficit)	(\$0.000)	\$0.000	\$0.000	(\$0.000)	\$0.000
July Financial Plan - Program to Eliminate the Gap					
<i>PEG & Unspecified PEG Changes (List):</i>					
2005 Program to Eliminate the Gap	\$.000	\$.000	\$.000	\$.000	\$.000
2006 Program to Eliminate the Gap	\$.000	\$.000	\$.000	\$.000	\$.000
Unspecified PEGS	\$.000	\$.000	\$.000	\$.000	\$.000
Sub-Total PEG	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
November Financial Plan - Program to Eliminate the Gap	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
2004 November Financial Plan - Net Cash Income/(Deficit)	(\$0.000)	\$0.000	\$0.000	(\$0.000)	\$0.000

MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Summary of Changes Between Financial Plans by Category
(\$ in millions)

	2004	2005	2006	2007	2008
NON-REIMBURSABLE and REIMBURSABLE					
2004 July Financial Plan - Baseline Net Cash Income/(Deficit)	(\$288.763)	(\$276.764)	(\$327.716)	(\$344.137)	(\$370.079)
Baseline Changes (List):					
Revenue					
Increase in GCT Rent and Utility Revenue	\$.090	\$.000	(\$.116)	(\$.218)	(\$.339)
Changes in Capital Project Activity Levels	(\$8.501)	\$15.931	\$21.997	\$23.438	\$13.192
Sub-Total Revenue Changes	(\$8.411)	\$15.931	\$21.881	\$23.220	\$12.853
Expenses					
Reduction in Management Wage Rates	\$.000	\$.336	\$1.578	\$2.050	\$2.619
Reduce NA Turnover Vacancies in 2005	\$.290	(\$.580)	(\$.580)	(\$.580)	(\$.580)
Add 4 Junior Engineer Positions (labor only)	\$.000	(\$.164)	(\$.164)	(\$.164)	(\$.164)
Reduction in Agreement Wage Rates (CPI based)	\$.000	\$.000	\$.000	\$1.711	\$3.961
Lower Vacancy and Step Discounts	(\$.798)	(\$1.449)	(\$1.449)	(\$1.449)	(\$1.449)
Reduction/Deferral in Operations Positions Requirements	\$.000	\$.412	\$.053	\$.053	\$.053
Higher Overtime Requirements	(\$.931)	(\$1.235)	(\$1.235)	(\$1.235)	(\$1.235)
T&E Service Coverage Requirements	(\$.461)	\$.433	\$.433	\$.433	\$.433
Change in Baseline H&W Costs (2003 Actual Results)	\$1.211	\$1.148	\$.832	\$1.368	\$2.360
Change in Pension Costs	(\$.105)	(\$.054)	\$.021	\$.175	\$.391
Change in Railroad Retirement Rates and Earnings Max	(\$.461)	\$.663	\$.980	\$1.667	\$2.351
Change in Reimbursable Overhead	(\$1.365)	\$.269	\$2.727	\$2.826	\$1.671
Non Payroll Inflation Change (CPI based)	\$.000	\$3.455	\$4.955	\$6.320	\$7.388
Increase in Propulsion for Equipment Plan	\$.896	\$.000	(\$.965)	(\$2.209)	(\$4.355)
Provision for Diesel Fuel price increase	\$.252	(\$.500)	(\$.500)	(\$.500)	(\$.500)
Change in Insurance	(\$.008)	(\$.932)	(\$2.009)	(\$3.230)	(\$4.634)
Change in Claims Accruals	(\$.626)	\$.000	\$.000	\$.000	\$.000
Change in GCT Utility Withdrawal Costs	\$.178	(\$.762)	(\$.762)	(\$.762)	(\$.762)
Rescheduling of West of Hudson Locomotive Remanufacture	\$2.170	(\$2.170)	\$.000	\$.000	\$.000
Increase Snow Removal provision (West of Hudson)	\$.000	(\$.180)	(\$.180)	(\$.180)	(\$.180)
Increase provision for Preventive Maintenance Program	\$.000	\$.000	\$.000	(\$3.500)	(\$3.500)
Shoreline East Facility provision	\$.000	(\$.600)	(\$.600)	(\$.600)	(\$.600)
Other Operating Contracts Increases	\$1.117	(\$.467)	(\$.674)	(\$.513)	(\$.524)
Re-estimate of Amtrak Cost Recoveries	\$.000	(\$.800)	(\$1.000)	(\$1.000)	(\$1.000)
Reduction in Miscellaneous Professional Services	\$1.742	(\$.310)	\$.246	\$.319	\$.406
Increased Medical Services Fees	(\$.386)	(\$.386)	(\$.386)	(\$.386)	(\$.386)
Change in Materials & Supplies Requirement primarily for revised	\$2.384	(\$2.163)	(\$.514)	(\$1.336)	(\$2.523)
Reductions in Other Business Expenses	\$.407	(\$.461)	(\$.461)	(\$.461)	(\$.461)
Increased Legal Fees	\$.000	(\$.325)	\$.000	\$.000	\$.000
Increased Provision for Management Initiatives	\$.000	\$.000	\$.000	(\$1.500)	(\$1.500)
Depreciation	\$1.248	(\$3.910)	(\$7.000)	(\$8.000)	(\$10.000)
All Other Changes	(\$.393)	(\$.164)	(\$.364)	(\$.313)	(\$.249)
Changes in Capital Project Activity Levels	\$8.501	(\$15.931)	(\$21.997)	(\$23.438)	(\$13.192)
Sub-Total Expense Changes	\$14.862	(\$26.827)	(\$29.015)	(\$34.434)	(\$26.161)

MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Summary of Changes Between Financial Plans by Category
(\$ in millions)

	2004	2005	2006	2007	2008
Cash Adjustments:					
Revenue	\$.000	\$.000	\$.000	\$.000	\$.000
Expense					
Operating Capital	\$.363	(\$.386)	\$.000	\$.000	\$.000
Retroactive Wage Provision Settlement	\$13.196	(\$13.539)	\$.000	\$.000	\$.000
Depeciation	(\$1.248)	\$3.910	\$7.000	\$8.000	\$10.000
Claims Accrual	\$2.426	\$.299	\$1.118	\$.999	\$.999
Timing Difference in Force Account Receipts	\$1.279	\$.714	(\$4.597)	(\$.241)	\$.891
Difference in Accrued vs Paid Payroll	\$.000	(\$1.912)	\$.000	\$.000	\$.000
Other	\$.810	(\$.208)	\$3.701	\$.463	(\$.629)
Sub-Total Cash Adjustment Changes	\$16.826	(\$11.122)	\$7.222	\$9.221	\$11.261
Total Baseline Changes	\$23.277	(\$22.018)	\$.088	(\$1.993)	(\$2.047)
2004 November Financial Plan - Base Line Cash Net Income/(Deficit)	(\$265.486)	(\$298.782)	(\$327.628)	(\$346.130)	(\$372.126)
July Financial Plan - Program to Eliminate the Gap	\$.904	\$15.869	\$36.637	\$33.505	\$22.422
PEG & Unspecified PEG Changes (List):					
2005 Program to Eliminate the Gap	\$.000	\$.000	\$.000	\$.000	\$.000
2006 Program to Eliminate the Gap	\$.000	\$.000	\$.000	\$.000	\$.000
Unspecified PEGS	\$.000	\$.000	(\$1.244)	\$.306	\$.162
Sub-Total PEG	\$.000	\$.000	(\$1.244)	\$.306	\$.162
November Financial Plan - Program to Eliminate the Gap	\$.904	\$15.869	\$35.393	\$33.811	\$22.584
2004 November Financial Plan - Net Cash Income/(Deficit)	(\$264.582)	(\$282.913)	(\$292.235)	(\$312.319)	(\$349.542)

MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Summary of 2005 Program to Eliminate the Gap
(\$ in millions)

	Favorable/(Unfavorable)											
	2003 Actuals		2004		2005		2006		2007		2008	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
LIST of PROGRAMS												
ADMINISTRATION:												
IT- Evaluation Equipment & Technology	0	\$.000	0	\$.000	0	\$.102	0	\$.104	0	\$.000	0	\$.000
Office Space Renovation	0	\$.000	0	\$.000	0	\$ 1.020	0	\$ 1.042	0	\$.535	0	\$ (1.099)
Establish a Quality Assurance Group for Op. Services, GCT and Mof W	0	\$.000	0	\$.000	13	\$ 1.849	13	\$ 1.922	13	\$ 1.994	0	\$.000
Reduce Administrative Positions (20 Filled positions)	0	\$.000	0	\$.000	20	\$ 1.927	20	\$ 2.005	20	\$ 2.080	20	\$ 2.161
Sub-Total Administration	0	\$.000	0	\$.000	33	\$ 4.898	33	\$ 5.073	33	\$ 4.609	20	\$ 1.062
 CUSTOMER CONVENIENCE & AMENITIES												
Customer E-Mail	0	\$.000	1	\$.053	1	\$.111	1	\$.116	1	\$.120	1	\$.125
Close GCT North Weekends	0	\$.000	0	\$.000	8	\$.584	8	\$.608	8	\$.631	8	\$.656
Eliminate GCT North Station Master's Office	0	\$.000	0	\$.000	1	\$.147	1	\$.153	1	\$.159	1	\$.166
Platform Cleaning GCT	0	\$.000	0	\$.000	5	\$.442	5	\$.380	5	\$.395	5	\$.410
GCT Reduced Station Cleaning	0	\$.000	0	\$.000	8	\$.584	8	\$.608	8	\$.631	8	\$.656
Reduce Station E-Cleaning - NYS	0	\$.000	0	\$.000	7	\$.574	7	\$.611	7	\$.651	7	\$.693
Reduce Station Cleaning - NYS	0	\$.000	0	\$.000	17	\$ 1.199	17	\$ 1.248	17	\$ 1.295	17	\$ 1.345
Sub-Total Customer Convenience & Amenities	0	\$.000	1	\$.053	47	\$ 3.642	47	\$ 3.724	47	\$ 3.883	47	\$ 4.052
 SERVICE:												
Increase T&E Staff for Service Coverage	0	\$.000	0	\$.000	12	\$ 1.124	12	\$ 1.168	12	\$ 1.211	12	\$ 1.257
Service Plan 2004 and 2005	0	\$.000	5	\$.351	26	\$.665	26	\$ 2.228	26	\$ 2.345	26	\$ 2.472
Sub-Total Service	0	\$.000	5	\$.351	38	\$ 1.789	38	\$ 3.396	38	\$ 3.556	38	\$ 3.729

MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Summary of 2005 Program to Eliminate the Gap
(\$ in millions)

Favorable/(Unfavorable)												
2003 Actuals		2004		2005		2006		2007		2008		
Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	
MAINTENANCE:												
Additional Car Cleaning and Maintenance	0	\$.000	0	\$.000	21	\$1.333	21	\$1.386	21	\$1.439	21	\$1.495
Landmark Preservation Maintenance	0	\$.000	0	\$.500	0	\$.510	0	\$.521	0	\$.535	0	\$.550
Second Trick Periodic Inspection - M of E	0	\$.000	0	\$.000	4	\$.321	0	(\$.006)	0	\$.000	0	\$.000
Standard Engineer Track and Other Administrative Resources	0	\$.000	0	\$.000	4	\$.488	4	\$.508	4	\$.527	4	\$.547
Reduce Station Maintenance Forces	0	\$.000	0	\$.000	22	\$1.657	22	\$1.706	22	\$1.771	22	\$1.841
Sub-Total Maintenance	0	\$.000	0	\$.500	51	\$4.309	47	\$4.115	47	\$4.271	47	\$4.433
REVENUE ENHANCEMENTS:												
E of H Parking Fees Increase (Increase Revenue)	0	\$.000	0	\$.000	0	\$.160	0	\$.160	0	\$.160	0	\$.160
Increase Commissary Prices 5 Percent (increase revenues)	0	\$.000	0	\$.000	0	\$.100	0	\$.100	0	\$.100	0	\$.100
Sub-Total Revenue Enhancements	0	\$.000	0	\$.000	0	\$.260	0	\$.260	0	\$.260	0	\$.260
OTHER:												
Right of Way Fencing - New Program	0	\$.000	0	\$.000	2	\$.162	2	\$.169	2	\$.175	2	\$.182
H&H Interlocking Lighting	0	\$.000	0	\$.000	3	\$.371	3	\$.383	3	\$.396	3	\$.411
Security Plan - GCT Maint & Test Life Safety & Fire Alarm	0	\$.000	0	\$.000	6	\$.438	6	\$.456	6	\$.473	6	\$.492
Sub-Total Other	0	\$.000	0	\$.000	11	\$.970	11	\$1.008	11	\$1.045	11	\$1.084
Total PEGS	0	\$.000	6	\$.904	180	\$15.869	176	\$17.576	176	\$17.623	163	\$14.619
Unspecified Reductions	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Total Reductions	0	\$.000	6	\$.904	180	\$15.869	176	\$17.576	176	\$17.623	163	\$14.619

¹ Reflects the impact of amendments on year-end positions.

MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Summary of 2006 Program to Eliminate the Gap
(\$ in millions)

	Favorable/(Unfavorable)											
	2003 Actuals		2004		2005		2006		2007		2008	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
LIST of PROGRAMS												
ADMINISTRATION:												
Sub-Total Administration	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
CUSTOMER CONVENIENCE & AMENITIES												
Close Ticket Offices - NYS	0	\$.000	0	\$.000	0	\$.000	32	\$2.506	32	\$2.610	32	\$2.720
Sub-Total Customer Convenience & Amenities	0	\$.000	0	\$.000	0	\$.000	32	\$2.506	32	\$2.610	32	\$2.720
SERVICE:												
Increase East of Hudson Loading Standards - NYS	0	\$.000	0	\$.000	0	\$.000	14	\$1.570	14	\$1.683	14	\$1.806
Peak Svce Reductions - East of Hudson NYS	0	\$.000	0	\$.000	0	\$.000	29	\$3.131	29	\$3.331	29	\$3.549
West of Hudson Weekend Service Reductions (net Subsidy)	0	\$.000	0	\$.000	0	\$.000	0	\$.500	0	\$.513	0	\$.528
West of Hudson Weekday Service Reductions (net Subsidy)	0	\$.000	0	\$.000	0	\$.000	0	\$1.605	0	\$1.647	0	\$1.693
Sub-Total Service	0	\$.000	0	\$.000	0	\$.000	43	\$6.807	43	\$7.174	43	\$7.575

MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Summary of 2006 Program to Eliminate the Gap
(\$ in millions)

	Favorable/(Unfavorable)											
	2003 Actuals		2004		2005		2006		2007		2008	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
MAINTENANCE:												
Sub-Total Maintenance	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
REVENUE ENHANCEMENTS:												
Sub-Total Revenue Enhancements	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
OTHER:												
Sub-Total Other	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Total PEGS	0	\$.000	0	\$.000	0	\$.000	75	\$9.312	75	\$9.784	75	\$10.296
Unspecified Reductions	0	\$.000	0	\$.000	0	\$.000	0	\$8.504	0	\$6.403	0	(\$2.329)
Total Reductions	0	\$.000	0	\$.000	0	\$.000	75	\$17.816	75	\$16.187	75	\$7.967

¹ Reflects the impact of amendments on year-end positions.

MTA Metro-North Railroad
November Financial Plan 2005 - 2008
Total Non-Reimbursable - Reimbursable Positions at End-of-Year (1)
Full-Time Positions and Full Time Equivalents
(\$ in millions)

Departments	2004 November Forecast	2005 Final Proposed Budget	2006	2007	2008
President	6	6	6	6	6
Labor Relations	14	14	14	14	14
Safety	11	14	14	14	14
Corporate & Media Relations	15	15	15	15	15
Executive Division	46	49	49	49	49
Legal	16	16	16	16	16
Claims Services	23	23	23	23	23
Environmental Compliance & Serv	6	6	6	6	6
General Counsel	45	45	45	45	45
VP Human Resources	3	3	3	3	3
Human Resources	48	48	48	48	48
Training	31	31	31	31	31
Workforce Diversity	4	4	4	4	4
Human Resources & Diversity	86	86	86	86	86
VP Planning & Development	5	5	5	5	5
Operations Planning	13	13	13	13	13
Capital Planning	14	14	14	14	14
Business Development & Facilities	14	14	14	14	14
Marketing	11	11	11	11	11
Industrial Engineering	9	9	9	9	9
Planning/Development Division	66	66	66	66	66
Executive Vice President	1	1	1	1	1
Controller	130	130	130	130	130
Procurement & Material Mgmt	172	173	174	174	174
Information Technology	116	128	129	129	129
Budget	16	16	16	16	16
Customer Service (2)	65	66	67	68	68
Finance & Admin Division	500	514	517	518	518
Project Budget	14	14	14	14	14
Construction Management	40	40	42	42	42
Engineering & Design	62	62	62	62	62
Capital Division	116	116	118	118	118
VP Operations	37	50	50	50	50
GCT	342	359	367	375	375
Operations Services (3)	1,941	1,900	1,906	1,911	1,919
Maintenance of Equipment	1,129	1,267	1,269	1,269	1,269
Maintenance of Way	1,506	1,451	1,456	1,459	1,461
Operations Division	4,955	5,027	5,048	5,064	5,074
Metro-North West	32	32	32	32	32
Corporate	(25)	(45)	(45)	(45)	(45)
Baseline Total Positions	5,821	5,890	5,916	5,933	5,943
<i>Non-Reimbursable</i>	5,192	5,342	5,365	5,382	5,392
<i>Reimbursable</i>	629	548	551	551	551
<i>Total Full-Time</i>	5,816	5,885	5,911	5,928	5,938
<i>Total Full-Time-Equivalents</i>	5	5	5	5	5
Impact of:					
2005 Program to Eliminate the Gap	5	180	176	176	163
2006 Program to Eliminate the Gap		-	75	75	75
Total Positions	5,816	5,710	5,665	5,682	5,705
<i>Non-Reimbursable</i>	5,187	5,162	5,114	5,131	5,154
<i>Reimbursable</i>	629	548	551	551	551
<i>Total Full-Time</i>	5,811	5,705	5,660	5,677	5,700
<i>Total Full-Time-Equivalents</i>	5	5	5	5	5

(1) Reflects authorized positions reduced by vacancies.

(2) Includes 1 FTE for 2 part-time positions.

(3) Includes 4 FTEs for 9 part-time positions.