

**MTA HQ**

**MTA HEADQUARTERS**  
**2005 Final Proposed Budget**  
**November Financial Plan for 2005-2008**

**Mission Statement**

The mission of Metropolitan Transportation Authority Headquarters is to maximize use of MTA Transportation services and facilities by its customers by providing support to the operating agencies in budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services.

**Financial Review**

An MTA Headquarters Baseline Net Deficit of \$252.078 million in the 2005 Final Proposed Budget is \$5.676 million higher than the July 2005 Preliminary Budget of \$246.402 million. Increased expenditures are primarily due to increased provisions for consultants to explore opportunities in financial shared services and energy reductions, and for higher support for subsidiaries. Compared to the 2004 November Forecast Baseline Deficit of \$244.872 million the 2005 Final Proposed Budget is \$9.206 million higher, again, mainly due to increased provisions to explore opportunities in financial shared services and energy reductions.

Compared to the 2005 Final Proposed Budget the Baseline Net Deficit decreases by \$3.450 million in 2006 to \$248.628 million mainly due to reduced support for subsidiaries and consulting expenditures partly offset by increases resulting from inflationary impacts on compensation. Thereafter, the Baseline deficit increases to \$254.982 million in 2007 and \$261.175 million in 2008, mainly due to the impacts of inflation.

Inflation rates used in the November Financial Plan were based on the CPI – Urban rate and were 1.93%, 1.24%, 1.94% and 2.09% in 2005, 2006, 2007 and 2008, respectively.

**Programmatic Review**

The Budget and Financial Management Division in 2005 will explore shared financial services opportunities within the MTA to provide reporting and other financial efficiencies. This will build on the great strides made in 2004 such as providing additional quarterly audited financial statements compared to Budget. The Budget and Financial Management Division continues to provide accurate, reliable and timely information to be used for MTA decision making and to enhance the public's understanding.

Budget and Financial Management with the Applications Development division will begin to implement its PeopleSoft Software integrated financial reporting and budgeting system to replace the current outdated suite of financial systems. The new financial applications systems, when implemented: will provide an easier interface with retained legacy systems; timely reporting; eliminate duplicate points of data entry; improve reporting capability; and improve cost and budgetary controls.

Besides initiatives taken by the Applications Development division, the Enterprise Information Technology Group (EITG) has identified telecommunications saving based upon staff relocations. It will continue its high level of support to desktop workstations, LAN/WAN and midrange servers, Internet/Intranet, e-mail as well as voice, data, audio/video communications support and disaster/business recovery services.

Facilities Management is responsible for the management and upkeep of such older facilities as 341, 345, and 347 Madison Avenue and the Data Center at 460 West 34<sup>th</sup> Street. Under new leadership the Administration Department has sought to bring about headcount reductions and maintenance and repairs savings without compromising the care of these facilities.

The Real Estate division will provide the necessary support to NYCT in property acquisition efforts needed to meet the Phase 1 requirements for the Second Avenue Subway construction project, as well as acquisition efforts related to East Side Access, 7 West, and the Fulton Street Transit Center.

The Public Safety Department, which includes the MTA Police, will improve visibility throughout the region with uniformed officers at critical locations in order to strengthen security posts by augmenting patrol capabilities and support units. Public Safety will also provide protection for the MTA infrastructure through programs promoting increased security at facilities but also including railroads, trains, buses, and bridges and tunnels.

### **Revenue Forecast**

Revenues of \$17.512 million in the 2005 Final Proposed Budget are unchanged from the 2005 Preliminary Budget and includes the three major sources of revenues: Rental Income, primarily from rents charged to Metro-North and other ground floor occupants of MTA Headquarters facilities; Data Center Revenues, primarily charges for use of the Data Center; Other, primarily for Transit Museum revenues related to both the Museum itself and its retail operations.

### **Expense Budget Highlights**

#### **New Needs**

There are no new needs proposed for MTA Headquarters in the 2005 Final Proposed Budget. However, as a result of a Phase I review of MTA-wide needs additional funds have been provided in the MTA Headquarters Budget in the amount of \$2.000 million to fund an MTA-wide Shared Services study. This study will promote efficiencies and reduce duplication of efforts primarily in the area of financial management. In addition, funds for other energy consulting studies have been provided totaling \$2.750 million in 2005.

## **Programs to Eliminate the Gap**

Programs to eliminate the gap in the 2005 Final Proposed Budget have already begun and are expected to reduce expenses by \$2.264 million beginning in 2004 and \$15.013 million in 2005. Thereafter these programs will result in expense reductions of \$17.655 million, \$18.167 million and \$18.750 million, in 2006, 2007 and 2008, respectively. Expense reductions in all departments were identified and include efficiencies brought about by the PeopleSoft initiative, and by the Enterprise Information Technology Group, Facilities Management, and the Transit Museum, to name a few. In addition, savings in Public Safety expenditures are achieved since many of the programs, begun since 9/11, have been completed and other non-MTA sources of funding are identified.

**MTA Headquarters**  
**November Financial Plan 2005 - 2008**  
**Accrual Statement of Operations by Category**  
**(\$ in millions)**

**NON-REIMBURSABLE**

	<b>2003 Actuals</b>	<b>2004 November Forecast</b>	<b>2005 Final Proposed Budget</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b><u>Revenue</u></b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue						
Other Operating Revenue	12.666	16.966	17.512	17.729	18.073	18.451
Capital and Other Reimbursements						
<b>Total Revenue</b>	<b>\$12.666</b>	<b>\$16.966</b>	<b>\$17.512</b>	<b>\$17.729</b>	<b>\$18.073</b>	<b>\$18.451</b>
<b><u>Expenses</u></b>						
Labor:						
Payroll	85.109	95.066	96.878	96.924	98.898	101.054
Overtime	13.218	12.334	12.590	14.085	14.358	14.658
Health and Welfare	12.043	13.124	13.958	15.072	16.291	17.609
Pensions	12.314	16.732	17.794	18.242	18.737	19.265
Actuarial Pension Reserve	0.000	25.000	25.000	25.000	25.000	25.000
Other Fringe Benefits	8.404	8.338	8.471	8.584	8.759	8.946
Reimbursable Overhead	(33.235)	(36.054)	(35.374)	(35.813)	(36.507)	(37.270)
<b>Total Labor Expenses</b>	<b>\$97.853</b>	<b>\$134.540</b>	<b>\$139.317</b>	<b>\$142.094</b>	<b>\$145.536</b>	<b>\$149.262</b>
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	2.349	2.802	3.106	3.415	3.754	4.128
Claims						
Paratransit Service Contracts						
Maintenance and Other						
Operating Contracts	14.008	22.062	27.116	27.500	28.067	28.683
Professional Service Contracts	54.258	36.699	41.906	39.798	40.094	41.014
Materials & Supplies	1.972	5.557	5.754	5.792	5.882	5.987
MTA Internal Subsidy	31.650	43.792	35.983	31.306	33.204	33.962
Other Business Expenses	2.624	3.111	3.133	3.177	3.243	3.315
<b>Total Non-Labor Expenses</b>	<b>\$106.861</b>	<b>\$114.023</b>	<b>\$116.998</b>	<b>\$110.988</b>	<b>\$114.244</b>	<b>\$117.089</b>
Other Expenses Adjustments:						
Other						
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$204.714</b>	<b>\$248.563</b>	<b>\$256.315</b>	<b>\$253.082</b>	<b>\$259.780</b>	<b>\$266.351</b>
Depreciation	12.838	13.275	13.275	13.275	13.275	13.275
<b>Total Expenses</b>	<b>\$217.552</b>	<b>\$261.838</b>	<b>\$269.590</b>	<b>\$266.357</b>	<b>\$273.055</b>	<b>\$279.626</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$204.886)</b>	<b>(\$244.872)</b>	<b>(\$252.078)</b>	<b>(\$248.628)</b>	<b>(\$254.982)</b>	<b>(\$261.175)</b>
2005 Program to Eliminate the Gap (PEGs)	0.000	2.264	15.013	17.656	18.167	18.750
2006 Program to Eliminate the Gap						
Unspecified PEGs						
<b>Net Surplus/(Deficit)</b>	<b>(\$204.886)</b>	<b>(\$242.608)</b>	<b>(\$237.065)</b>	<b>(\$230.972)</b>	<b>(\$236.815)</b>	<b>(\$242.425)</b>

## REIMBURSABLE

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**MTA Headquarters**  
**November Financial Plan 2005 - 2008**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE and  
REIMBURSABLE**

	<b>2003 Actuals</b>	<b>2004 November Forecast</b>	<b>2005 Final Proposed Budget</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b><u>Revenue</u></b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue						
Other Operating Revenue	12.666	16.966	17.512	17.729	18.073	18.451
Capital and Other Reimbursements	33.235	36.054	35.374	35.813	36.507	37.270
<b>Total Revenue</b>	<b>\$45.901</b>	<b>\$53.020</b>	<b>\$52.886</b>	<b>\$53.542</b>	<b>\$54.580</b>	<b>\$55.721</b>
<b><u>Expenses</u></b>						
Labor:						
Payroll	85.109	95.066	96.878	96.924	98.898	101.054
Overtime	13.218	12.334	12.590	14.085	14.358	14.658
Health and Welfare	12.043	13.124	13.958	15.072	16.291	17.609
Pensions	12.314	16.732	17.794	18.242	18.737	19.265
Actuarial Pension Reserve	0.000	25.000	25.000	25.000	25.000	25.000
Other Fringe Benefits	8.404	8.338	8.471	8.584	8.759	8.946
Reimbursable Overhead						
<b>Total Labor Expenses</b>	<b>\$131.088</b>	<b>\$170.594</b>	<b>\$174.691</b>	<b>\$177.907</b>	<b>\$182.043</b>	<b>\$186.532</b>
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	2.349	2.802	3.106	3.415	3.754	4.128
Claims						
Paratransit Service Contracts						
Maintenance and Other						
Operating Contracts	14.008	22.062	27.116	27.500	28.067	28.683
Professional Service Contracts	54.258	36.699	41.906	39.798	40.094	41.014
Materials & Supplies	1.972	5.557	5.754	5.792	5.882	5.987
MTA Internal Subsidy	31.650	43.792	35.983	31.306	33.204	33.962
Other Business Expenses	2.624	3.111	3.133	3.177	3.243	3.315
<b>Total Non-Labor Expenses</b>	<b>\$106.861</b>	<b>\$114.023</b>	<b>\$116.998</b>	<b>\$110.988</b>	<b>\$114.244</b>	<b>\$117.089</b>
Other Expenses Adjustments:						
Other						
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$237.949</b>	<b>\$284.617</b>	<b>\$291.689</b>	<b>\$288.895</b>	<b>\$296.287</b>	<b>\$303.621</b>
Depreciation	12.838	13.275	13.275	13.275	13.275	13.275
<b>Total Expenses</b>	<b>\$250.787</b>	<b>\$297.892</b>	<b>\$304.964</b>	<b>\$302.170</b>	<b>\$309.562</b>	<b>\$316.896</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$204.886)</b>	<b>(\$244.872)</b>	<b>(\$252.078)</b>	<b>(\$248.628)</b>	<b>(\$254.982)</b>	<b>(\$261.175)</b>
2005 Program to Eliminate the Gap (PEGs)		2.264	15.013	17.656	18.167	18.750
2006 Program to Eliminate the Gap						
Unspecified PEGs						
<b>Net Surplus/(Deficit)</b>	<b>(\$204.886)</b>	<b>(\$242.608)</b>	<b>(\$237.065)</b>	<b>(\$230.972)</b>	<b>(\$236.815)</b>	<b>(\$242.425)</b>

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

	<b>2003 Actuals</b>	<b>2004 November Forecast</b>	<b>2005 Final Proposed Budget</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b><u>Receipts</u></b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	\$12.666	\$16.966	\$17.512	\$17.729	\$18.073	\$18.451
Capital and Other Reimbursements	\$33.235	\$36.054	\$35.374	\$35.813	\$36.507	\$37.270
<b>Total Receipts</b>	<b>\$45.901</b>	<b>\$53.020</b>	<b>\$52.886</b>	<b>\$53.542</b>	<b>\$54.580</b>	<b>\$55.721</b>
<b><u>Expenditures</u></b>						
<b>Labor:</b>						
Payroll	\$85.109	\$94.246	\$96.453	\$96.499	\$98.473	\$100.629
Overtime	\$13.218	\$12.334	\$12.590	\$14.085	\$14.358	\$14.658
Health and Welfare	\$12.043	\$13.124	\$13.778	\$15.072	\$16.291	\$17.609
Pensions	\$12.314	\$10.188	\$17.800	\$18.161	\$18.608	\$19.124
Actuarial Pension Reserve	\$0.000	\$25.000	\$25.000	\$25.000	\$25.000	\$25.000
Other Fringe Benefits	\$8.404	\$8.338	\$8.360	\$8.584	\$8.759	\$8.946
Reimbursable Overhead	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Labor Expenditures</b>	<b>\$131.088</b>	<b>\$163.230</b>	<b>\$173.981</b>	<b>\$177.401</b>	<b>\$181.489</b>	<b>\$185.966</b>
<b>Non-Labor:</b>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	\$2.349	\$2.881	\$3.244	\$3.470	\$3.821	\$4.297
Claims	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Paratransit Service Contracts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Maintenance and Other Operating Contracts	\$14.008	\$22.062	\$27.116	\$27.500	\$28.067	\$28.683
Professional Service Contracts	\$54.258	\$36.969	\$42.650	\$40.098	\$40.394	\$41.314
Materials & Supplies	\$1.972	\$5.557	\$5.754	\$5.792	\$5.882	\$5.987
MTA Internal Subsidy	\$31.650	\$43.792	\$35.983	\$31.306	\$33.204	\$33.962
Other Business Expenses	\$2.624	\$3.111	\$3.133	\$3.177	\$3.243	\$3.315
<b>Total Non-Labor Expenditures</b>	<b>\$106.861</b>	<b>\$114.372</b>	<b>\$117.880</b>	<b>\$111.343</b>	<b>\$114.611</b>	<b>\$117.558</b>
Other Expenditure Adjustments:	\$6.971	\$19.554	\$26.154	\$20.779	\$20.779	\$20.779
Other	\$21.712	(\$7.458)	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$28.683</b>	<b>\$12.096</b>	<b>\$26.154</b>	<b>\$20.779</b>	<b>\$20.779</b>	<b>\$20.779</b>
<b>Total Expenditures</b>	<b>\$266.632</b>	<b>\$289.698</b>	<b>\$318.015</b>	<b>\$309.523</b>	<b>\$316.879</b>	<b>\$324.303</b>
<b>Baseline Net Cash Deficit</b>	<b>(\$220.731)</b>	<b>(\$236.678)</b>	<b>(\$265.129)</b>	<b>(\$255.981)</b>	<b>(\$262.299)</b>	<b>(\$268.582)</b>
2005 Program to Eliminate the Gap (PEGs)	\$0.000	\$2.264	\$15.013	\$17.656	\$18.167	\$18.750
2006 Program to Eliminate the Gap						
Unspecified PEGs						
<b>Net Cash Deficit</b>	<b>(\$220.731)</b>	<b>(\$234.414)</b>	<b>(\$250.116)</b>	<b>(\$238.325)</b>	<b>(\$244.132)</b>	<b>(\$249.832)</b>



**MTA Headquarters**  
**November Financial Plan 2005 - 2008**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

	<b>2003 Actuals</b>	<b>2004 November Forecast</b>	<b>2005 Final Proposed Budget</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b><u>Receipts</u></b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue						
Other Operating Revenue						
Capital and Other Reimbursements						
<b>Total Receipt Adjustments</b>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b><u>Expenditures</u></b>						
Labor:						
Payroll		0.820	0.425	0.425	0.425	0.425
Overtime						
Health and Welfare			0.180			
Pensions		6.544	(0.006)	0.081	0.129	0.141
Actuarial Pension Reserve						
Other Fringe Benefits			0.111			
Reimbursable Overhead						
<b>Total Labor Expenditures</b>	\$0.000	\$7.364	\$0.710	\$0.506	\$0.554	\$0.566
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance		(0.079)	(0.138)	(0.055)	(0.067)	(0.169)
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts						
Professional Service Contracts		(0.270)	(0.744)	(0.300)	(0.300)	(0.300)
Materials & Supplies						
MTA Internal Subsidy						
Other Business Expenditures						
<b>Total Non-Labor Expenditures</b>	\$0.000	(\$0.349)	(\$0.882)	(\$0.355)	(\$0.367)	(\$0.469)
Other Expenditure Adjustments:	(\$6.971)	(\$19.554)	(\$26.154)	(\$20.779)	(\$20.779)	(\$20.779)
Other	(21.712)	7.458				
<b>Total Other Expenditure Adjustments</b>	(\$28.683)	(\$12.096)	(\$26.154)	(\$20.779)	(\$20.779)	(\$20.779)
<b>Total Cash Conversion Adjustments before Depreciation</b>	(\$28.683)	(\$5.081)	(\$26.326)	(\$20.628)	(\$20.592)	(\$20.682)
<b>Depreciation Adjustment</b>	12.838	13.275	13.275	13.275	13.275	13.275
<b>Baseline Total Cash Conversion Adjustments</b>	(\$15.845)	\$8.194	(\$13.051)	(\$7.353)	(\$7.317)	(\$7.407)
2005 Program to Eliminate the Gap (PEGs)						
2006 Program to Eliminate the Gap						
Unspecified PEGs						
<b>Total Cash Conversion Adjustments</b>	(\$15.845)	\$8.194	(\$13.051)	(\$7.353)	(\$7.317)	(\$7.407)

**MTA Headquarters  
November Financial Plan 2005-2008  
Summary of Changes Between Years 2004-2008**

**2005 Final Proposed Budget Vs. 2004 November Forecast**

**Revenue:**

Revenues decrease by \$0.134 million from \$53.020 million in the 2004 November Forecast to \$52.886 million in the 2005 Final Proposed Budget primarily reflecting reduced charges to the Agencies from Risk Management that will be charged to the First Mutual Transportation Assurance Company.

**Expenses:**

Expenses are \$7.072 million higher in the 2005 Final Proposed Budget mainly due to increased provisions for consultants to explore opportunities in financial shared services and energy reductions, and full year annualized compensation, partly offset by reduced support for subsidiaries.

**2006 Forecast Vs. 2005 Final Proposed Budget**

**Revenue:**

Increased revenues of \$0.656 million in the 2006 Forecast primarily represents inflation impacts of 1.24% based on the CPI -U.

**Expenses:**

Expense reductions of \$2.794 million primarily reflect reduced support for subsidiaries and consulting expenses partly offset by inflation impacts of 1.24% based on the CPI - U.

**2007 Forecast Vs. 2006 Forecast**

**Revenue:**

Increased revenues of \$1.038 million in the 2007 Forecast primarily represents inflation impacts of 1.94% based on the CPI -U.

**Expenses:**

Expense increases of \$7.392 million primarily reflect inflation impacts of 1.94% based on the CPI - U.

**2008 Forecast Vs. 2007 Forecast**

**Revenue:**

Increased revenues of \$1.141 million in the 2008 Forecast primarily represents inflation impacts of 2.09% based on the CPI -U.

**Expenses:**

Expense increases of \$7.334 million primarily reflect inflation impacts of 2.09% based on the CPI - U.

**MTA Headquarters**  
**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
<b>Revenue</b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	\$0.000	0.000	\$0.000	0.000
Other Operating Revenue	16.966	17.512	0.546	17.729	0.217	\$18.073	0.344	\$18.451	0.378
Capital and Other Reimbursements	36.054	35.374	(0.680)	35.813	0.439	\$36.507	0.694	\$37.270	0.763
<b>Total Revenue</b>	<b>\$53.020</b>	<b>\$52.886</b>	<b>(\$0.134)</b>	<b>\$53.542</b>	<b>\$0.656</b>	<b>\$54.580</b>	<b>\$1.038</b>	<b>\$55.721</b>	<b>\$1.141</b>
<b>Expenses</b>									
Labor:									
Payroll	\$95.066	\$96.878	(\$1.812)	\$96.924	(\$0.046)	\$98.898	(\$1.974)	\$101.054	(\$2.156)
Overtime	12.334	12.590	(0.256)	14.085	(1.495)	\$14.358	(0.273)	\$14.658	(0.300)
Health and Welfare	13.124	13.958	(0.834)	15.072	(1.114)	\$16.291	(1.219)	\$17.609	(1.318)
Pensions	16.732	17.794	(1.062)	18.242	(0.448)	\$18.737	(0.495)	\$19.265	(0.528)
Actuarial Pension Reserve	25.000	25.000	0.000	25.000	0.000	\$25.000	0.000	\$25.000	0.000
Other Fringe Benefits	8.338	8.471	(0.133)	8.584	(0.113)	\$8.759	(0.175)	\$8.946	(0.187)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	\$0.000	0.000	\$0.000	0.000
<b>Total Labor Expenses</b>	<b>\$170.594</b>	<b>\$174.691</b>	<b>(\$4.097)</b>	<b>\$177.907</b>	<b>(\$3.216)</b>	<b>\$182.043</b>	<b>(\$4.136)</b>	<b>\$186.532</b>	<b>(\$4.489)</b>
Non-Labor:									
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	\$0.000	0.000	\$0.000	0.000
Insurance	2.802	3.106	(0.304)	3.415	(0.309)	\$3.754	(0.339)	\$4.128	(0.374)
Claims	0.000	0.000	0.000	0.000	0.000	\$0.000	0.000	\$0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	\$0.000	0.000	\$0.000	0.000
Maintenance and Other	22.062	27.116	(5.054)	27.500	(0.384)	\$28.067	(0.567)	\$28.683	(0.616)
Professional Service Contracts	36.699	41.906	(5.207)	39.798	2.108	\$40.094	(0.296)	\$41.014	(0.920)
Materials & Supplies	5.557	5.754	(0.197)	5.792	(0.038)	\$5.882	(0.090)	\$5.987	(0.105)
MTA Internal Subsidy	43.792	35.983	7.809	31.306	4.677	\$33.204	(1.898)	\$33.962	(0.758)
Other Business Expenses	3.111	3.133	(0.022)	3.177	(0.044)	\$3.243	(0.066)	\$3.315	(0.072)
<b>Total Non-Labor Expenses</b>	<b>\$114.023</b>	<b>\$116.998</b>	<b>(\$2.975)</b>	<b>\$110.988</b>	<b>\$6.010</b>	<b>\$114.244</b>	<b>(\$3.256)</b>	<b>\$117.089</b>	<b>(\$2.845)</b>
Other Expenses Adjustments:									
Other	0	0	0	0	0.000	\$0.000	0.000	\$0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>0.000</b>	<b>\$0.000</b>	<b>0.000</b>	<b>\$0.000</b>	<b>0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$284.617</b>	<b>\$291.689</b>	<b>(\$7.072)</b>	<b>\$288.895</b>	<b>\$2.794</b>	<b>\$296.287</b>	<b>(\$7.392)</b>	<b>\$303.621</b>	<b>(\$7.334)</b>
Depreciation	13.275	13.275	0.000	13.275	0.000	13.275	0.000	\$13.275	0.000
<b>Total Expenses</b>	<b>\$297.892</b>	<b>\$304.964</b>	<b>(\$7.072)</b>	<b>\$302.170</b>	<b>2.794</b>	<b>\$309.562</b>	<b>(7.392)</b>	<b>\$316.896</b>	<b>(7.334)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$244.872)</b>	<b>(\$252.078)</b>	<b>\$7.206</b>	<b>(\$248.628)</b>	<b>(3.450)</b>	<b>(\$254.982)</b>	<b>(6.354)</b>	<b>(\$261.175)</b>	<b>(6.193)</b>
2005 Program to Eliminate the Gap (PEGs)	\$2.264	\$15.013	\$12.749	\$17.656	2.643	18.167	0.511	\$18.750	0.583
2006 Program to Eliminate the Gap Unspecified PEGs									
<b>Net Surplus/(Deficit)</b>	<b>(\$242.608)</b>	<b>(\$237.065)</b>	<b>\$5.543</b>	<b>(\$230.972)</b>	<b>\$6.093</b>	<b>(\$236.815)</b>	<b>(\$5.843)</b>	<b>(\$242.425)</b>	<b>(\$5.610)</b>

**MTA Headquarters**  
**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
<b>Cash Receipts &amp; Expenditures</b>									
<b><u>Receipts</u></b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	16.966	17.512	0.546	17.729	0.217	18.073	0.344	18.451	0.378
Capital and Other Reimbursements	36.054	35.374	(0.680)	35.813	0.439	36.507	0.694	37.270	0.763
<b>Total Receipts</b>	<b>\$53.020</b>	<b>\$52.886</b>	<b>(\$0.134)</b>	<b>\$53.542</b>	<b>\$0.656</b>	<b>\$54.580</b>	<b>\$1.038</b>	<b>\$55.721</b>	<b>\$1.141</b>
<b><u>Expenditures</u></b>									
Labor:									
Payroll	\$94.246	\$96.453	(\$2.207)	\$96.499	(\$0.046)	\$98.473	(\$1.974)	\$100.629	(\$2.156)
Overtime	12.334	12.590	(0.256)	14.085	(1.495)	14.358	(0.273)	14.658	(0.300)
Health and Welfare	13.124	13.778	(0.654)	15.072	(1.294)	16.291	(1.219)	17.609	(1.318)
Pensions	10.188	17.800	(7.612)	18.161	(0.361)	18.608	(0.447)	19.124	(0.516)
Actuarial Pension Reserve	25.000	25.000	0.000	25.000	0.000	25.000	0.000	25.000	0.000
Other Fringe Benefits	8.338	8.360	(0.022)	8.584	(0.224)	8.759	(0.175)	8.946	(0.187)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$163.230</b>	<b>\$173.981</b>	<b>(\$10.751)</b>	<b>\$177.401</b>	<b>(\$3.420)</b>	<b>\$181.489</b>	<b>(\$4.088)</b>	<b>\$185.966</b>	<b>(\$4.477)</b>
Non-Labor:									
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Expected Energy Increases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	2.881	3.244	(0.363)	3.470	(0.226)	3.821	(0.351)	4.297	(0.476)
Claims	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other									
Operating Contracts	22.062	27.116	(5.054)	27.500	(0.384)	28.067	(0.567)	28.683	(0.616)
Professional Service Contracts	36.969	42.650	(5.681)	40.098	2.552	40.394	(0.296)	41.314	(0.920)
Materials & Supplies	5.557	5.754	(0.197)	5.792	(0.038)	5.882	(0.090)	5.987	(0.105)
MTA Internal Subsidy	43.792	35.983	7.809	31.306	4.677	33.204	(1.898)	33.962	(0.758)
Other Business Expenses	3.111	3.133	(0.022)	3.177	(0.044)	3.243	(0.066)	3.315	(0.072)
<b>Total Non-Labor Expenditures</b>	<b>\$114.372</b>	<b>\$117.880</b>	<b>(\$3.508)</b>	<b>\$111.343</b>	<b>\$6.537</b>	<b>\$114.611</b>	<b>(\$3.268)</b>	<b>\$117.558</b>	<b>(\$2.947)</b>
Other Expenditure Adjustments:	19.554	26.154	(6.600)	20.779	5.375	20.779	0.000	20.779	0.000
Other	(7.458)	0.000	(7.458)	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$12.096</b>	<b>\$26.154</b>	<b>(\$14.058)</b>	<b>\$20.779</b>	<b>\$5.375</b>	<b>\$20.779</b>	<b>\$0.000</b>	<b>\$20.779</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$289.698</b>	<b>\$318.015</b>	<b>(\$28.317)</b>	<b>\$309.523</b>	<b>\$8.492</b>	<b>\$316.879</b>	<b>(\$7.356)</b>	<b>\$324.303</b>	<b>(\$7.424)</b>
<b>Baseline Net Cash Deficit</b>	<b>(236.678)</b>	<b>(265.129)</b>	<b>(\$28.451)</b>	<b>(\$255.981)</b>	<b>\$9.148</b>	<b>(\$262.299)</b>	<b>(\$6.318)</b>	<b>(\$268.582)</b>	<b>(\$6.283)</b>
2005 Program to Eliminate the Gap (PEGs)	\$2.264	\$15.013	\$12.749	\$17.656	\$2.643	\$18.167	\$0.511	\$18.750	\$0.583
2006 Program to Eliminate the Gap									
Unspecified PEGs									
<b>Net Cash Deficit</b>	<b>(\$234.414)</b>	<b>(\$250.116)</b>	<b>(\$15.702)</b>	<b>(\$238.325)</b>	<b>\$11.791</b>	<b>(\$244.132)</b>	<b>(\$5.807)</b>	<b>(\$249.832)</b>	<b>(\$5.700)</b>

**MTA HEADQUARTERS**  
**November Financial Plan 2005-2008**  
**Summary of Changes Between Financial Plans 2004-2008**

The following explanations summarize the total differences between the July Financial Plan and the November Financial Plan:

**2004: November Financial Plan vs. July Financial Plan**

The Baseline Net Deficit in the 2004 November Financial Plan of \$244.872 million is lower than the July Plan of \$247.277 million, a decrease of \$2.405 million. Lower support for subsidiaries and the favorable impact of reduced insurance premiums are partly offset by the unfavorable impact of additional professional service contracts for MTA-wide energy studies.

**2005: November Financial Plan vs. July Financial Plan**

The Baseline Net Deficit in the 2005 November Financial Plan of \$252.078 million is higher than the July Plan of \$246.402 million, an increase of \$5.676 million. The higher deficit in the 2005 November Financial Plan is primarily due to the increased provisions for consultants to explore opportunities in financial shared services and energy conservation, and for higher support for subsidiaries.

**2006: November Financial Plan vs. July Financial Plan**

The Baseline Net Deficit for 2006 in the November Financial Plan of \$248.628 million is higher than the July Plan of \$252.362 million, a decrease of \$3.734 million.

**2007: November Financial Plan vs. July Financial Plan**

The Baseline Net Deficit for 2007 in the November Financial Plan of \$254.982 million is lower than the July Plan of \$259.113 million, a decrease of \$4.131 million. The lower deficit in the November Financial Plan is primarily due to inflation savings.

**2008: November Financial Plan vs. July Financial Plan**

The Baseline Net Deficit for 2008 in the November Financial Plan of \$261.175 million is lower than the July Plan of \$266.113 million, a decrease of \$4.938 million. The lower deficit in the November Financial Plan is primarily due to inflation savings.

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

**NON-REIMBURSABLE**

	2004	2005	2006	2007	2008
<b>2004 July Financial Plan - Baseline Net Cash Income/(Deficit)</b>	<b>(\$250.953)</b>	<b>(\$253.781)</b>	<b>(\$259.741)</b>	<b>(\$266.492)</b>	<b>(\$273.918)</b>
<b>Baseline Changes (List):</b>					
Revenue					
Other Operating Revenue	\$0.000	\$0.000	(\$0.168)	(\$0.284)	(\$0.422)
<b>Sub-Total Revenue Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.168)</b>	<b>(\$0.284)</b>	<b>(\$0.422)</b>
Expenses					
Labor:					
Payroll	0.000	1.444	2.178	2.710	3.383
Overtime	0.000	0.000	0.273	0.461	0.635
Health and Welfare	(0.667)	0.206	0.251	0.284	0.333
Pensions	(3.833)	(4.451)	(4.469)	(4.529)	(4.597)
Actuarial Pension Reserve	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.123	0.324	0.484	0.592
Reimbursable Overhead	0.000	(1.822)	(2.201)	(2.484)	(2.817)
Non-Labor:					
Traction and Propulsion Power	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Expected Energy Increases	0.000	0.000	0.000	0.000	0.000
Insurance	0.336	0.168	(0.068)	(0.321)	(0.598)
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.077	0.172	0.412	0.583	0.783
Professional Service Contracts	3.800	0.342	3.371	4.173	4.526
Materials & Supplies	(0.027)	(0.157)	(0.087)	(0.042)	0.010
MTA Internal Subsidy	2.769	(3.720)	3.871	3.028	3.447
Other Business Expenses	(0.050)	0.019	0.047	0.068	0.089
<b>Sub-Total Expense Changes</b>	<b>\$2.405</b>	<b>(\$7.676)</b>	<b>\$3.902</b>	<b>\$4.415</b>	<b>\$5.786</b>
Cash Adjustments:					
Revenue					
Expense					
Health and Welfare	0.000	0.180	0.000	0.000	0.000
Pensions	6.544	(0.006)	0.081	0.129	0.141
Other Fringe Benefits	0.000	0.111	0.000	0.000	0.000
Insurance	(0.079)	(0.138)	(0.055)	(0.067)	(0.169)
Professional Services Contracts	0.030	(0.444)	0.000	0.000	0.000
Other Expenditure Adjustments	5.375	(5.375)	0.000	0.000	0.000
<b>Sub-Total Cash Adjustment Changes</b>	<b>\$11.870</b>	<b>(\$5.672)</b>	<b>\$0.026</b>	<b>\$0.062</b>	<b>(\$0.028)</b>
<b>Total Baseline Changes</b>	<b>\$14.275</b>	<b>(\$13.348)</b>	<b>\$3.760</b>	<b>\$4.193</b>	<b>\$5.336</b>
<b>2004 November Financial Plan - Baseline Net Cash Income/(Deficit)</b>	<b>(\$236.678)</b>	<b>(\$267.129)</b>	<b>(\$255.981)</b>	<b>(\$262.299)</b>	<b>(\$268.582)</b>
July Financial Plan - Program to Eliminate the Gap	<b>\$2.264</b>	<b>\$15.013</b>	<b>\$17.655</b>	<b>\$18.167</b>	<b>\$18.750</b>
<b>Changes:</b>					
2005 PEG Changes (List)					
2006 PEG Changes (List)					
Unspecified PEG Changes					
Sub-Total PEG Changes	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
November Financial Plan - Program to Eliminate the Gap	<b>\$2.264</b>	<b>\$15.013</b>	<b>\$17.655</b>	<b>\$18.167</b>	<b>\$18.750</b>
<b>2004 November Financial Plan - Net Cash Income/(Deficit)</b>	<b>(\$234.414)</b>	<b>(\$252.116)</b>	<b>(\$238.326)</b>	<b>(\$244.132)</b>	<b>(\$249.832)</b>

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

REIMBURSABLE					
	2004	2005	2006	2007	2008
<b>2004 July Financial Plan - Baseline Net Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><i>Baseline Changes (List):</i></b>					
Revenue					
Capital and Other Reimbursements	\$ .000	(\$1.822)	(\$2.201)	(\$2.484)	(\$2.817)
Sub-Total Revenue Changes	\$ .000	(\$1.822)	(\$2.201)	(\$2.484)	(\$2.817)
Expenses					
Reimbursable Overhead	\$ .000	\$1.822	\$2.201	\$2.484	\$2.817
Sub-Total Expense Changes	\$ .000	\$1.822	\$2.201	\$2.484	\$2.817
Cash Adjustments:					
Revenue					
Expense					
Sub-Total Cash Adjustment Changes	\$ .000	\$ .000	\$ .000	\$ .000	\$ .000
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>2004 November Financial Plan - Baseline Net Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
July Financial Plan - Program to Eliminate the Gap	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Changes:</b>					
2005 PEG Changes (List)					
2006 PEG Changes (List)					
Unspecified PEG Changes					
Sub-Total PEG Changes	\$0.000 0	\$0.000 0	\$0.000 0	\$0.000	\$0.000
November Financial Plan - Program to Eliminate the Gap	\$0.000 0	\$0.000 0	\$0.000 0	\$0.000	\$0.000
<b>2004 November Financial Plan - Net Cash Income/(Deficit)</b>	<b>\$0.000 0</b>	<b>\$0.000 0</b>	<b>\$0.000 0</b>	<b>\$0.000</b>	<b>\$0.000</b>

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

**NON-REIMBURSABLE/  
REIMBURSABLE**

	2004	2005	2006	2007	2008
<b>2004 July Financial Plan - Baseline Net Cash Income/(Deficit)</b>	<b>(\$250.953)</b>	<b>(\$253.781)</b>	<b>(\$259.741)</b>	<b>(\$266.492)</b>	<b>(\$273.918)</b>
<b>Baseline Changes (List):</b>					
Revenue					
Other Operating Revenue	\$ .000	\$ .000	(\$ .168)	(\$ .284)	(\$ .422)
Capital and Other Reimbursements	0.000	(1.822)	(2.201)	(2.484)	(2.817)
<b>Sub-Total Revenue Changes</b>	<b>\$ .000</b>	<b>(\$1.822)</b>	<b>(\$2.369)</b>	<b>(\$2.768)</b>	<b>(\$3.239)</b>
Expenses					
Labor:					
Payroll	0.000	1.444	2.178	2.710	3.383
Overtime	0.000	0.000	0.273	0.461	0.635
Health and Welfare	(0.667)	0.206	0.251	0.284	0.333
Pensions	(3.833)	(4.451)	(4.469)	(4.529)	(4.597)
Actuarial Pension Reserve	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.123	0.324	0.484	0.592
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance	0.336	0.168	(0.068)	(0.321)	(0.598)
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts	0.077	0.172	0.412	0.583	0.783
Professional Service Contracts	3.800	0.342	3.371	4.173	4.526
Materials & Supplies	(0.027)	(0.157)	(0.087)	(0.042)	0.010
MTA Internal Subsidy	2.769	(3.720)	3.871	3.028	3.447
Other Business Expenses	(0.050)	0.019	0.047	0.068	0.089
<b>Sub-Total Expense Changes</b>	<b>\$2.405</b>	<b>(\$5.854)</b>	<b>\$6.103</b>	<b>\$6.899</b>	<b>\$8.603</b>
Cash Adjustments:					
Revenue					
Expense					
Health and Welfare	0.000	0.180	0.000	0.000	0.000
Pensions	6.544	(0.006)	0.081	0.129	0.141
Other Fringe Benefits	0.000	0.111	0.000	0.000	0.000
Insurance	(0.079)	(0.138)	(0.055)	(0.067)	(0.169)
Professional Services Contracts	0.030	(0.444)	0.000	0.000	0.000
Other Expenditure Adjustments	5.375	(5.375)	0.000	0.000	0.000
<b>Sub-Total Cash Adjustment Changes</b>	<b>\$11.870</b>	<b>(\$5.672)</b>	<b>\$ .026</b>	<b>\$ .062</b>	<b>(\$ .028)</b>
<b>Total Baseline Changes</b>	<b>\$14.275</b>	<b>(\$13.348)</b>	<b>\$3.760</b>	<b>\$4.193</b>	<b>\$5.336</b>
<b>2004 November Financial Plan - Baseline Net Cash Income/(Deficit)</b>	<b>(\$236.678)</b>	<b>(\$267.129)</b>	<b>(\$255.981)</b>	<b>(\$262.299)</b>	<b>(\$268.582)</b>
July Financial Plan - Program to Eliminate the Gap	<b>\$2.264</b>	<b>\$15.013</b>	<b>\$17.655</b>	<b>\$18.167</b>	<b>\$18.750</b>
<b>Changes:</b>					
2005 PEG Changes (List)					
2006 PEG Changes (List)					
Unspecified PEG Changes					
<b>Sub-Total PEG Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
November Financial Plan - Program to Eliminate the Gap	<b>\$2.264</b>	<b>\$15.013</b>	<b>\$17.655</b>	<b>\$18.167</b>	<b>\$18.750</b>
<b>2004 November Financial Plan - Net Cash Income/(Deficit)</b>	<b>(\$234.414)</b>	<b>(\$252.116)</b>	<b>(\$238.325)</b>	<b>(\$244.132)</b>	<b>(\$249.832)</b>



**MTA Headquarters**  
**November Financial Plan 2005 - 2008**  
**Summary of the Programs to Eliminate the Gap**  
**(\$ in millions)**

	Favorable/(Unfavorable)											
	2003 Actuals		2004		2005		2006		2007		2008	
	Positions1	Dollars	Positions1	Dollars	Positions1	Dollars	Positions1	Dollars	Positions1	Dollars	Positions1	Dollars
LIST of PROGRAMS												
Administration:												
EITG Reengineering					1	\$0.292	1	\$0.300	1	\$0.312	1	\$0.321
Real Estate Headcount Reduction and Reengineering					2	0.238	2	0.246	2	0.253	2	0.262
Facilities Management Efficiencies			3	0.930	3	0.451	3	0.465	3	0.480	3	0.494
Audit Services Succession Plan			2	0.146	2	0.150	2	0.156	2	0.160	2	0.166
PeopleSoft Efficiencies			3	0.594	3	0.438	4	0.500	4	0.517	4	0.534
Transit Museum Reductions					1	0.256	1	0.264	1	0.273	1	0.281
Overall MTAHQ cut			1	0.594	5	1.868	5	1.928	5	1.988	5	2.053
Sub-Total Administration	0	\$0.000	9	\$2.264	17	\$3.693	18	\$3.859	18	\$3.983	18	\$4.111
Customer Convenience & Amenities:												
Sub-Total Customer Convenience & Amenities	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Service:												
Sub-Total Service	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Maintenance:												
Sub-Total Maintenance	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Revenue Enhancement:												
Sub-Total Revenue Enhancement	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Other:												
Other			\$0.000		10.320		12.764		13.119		13.540	
MTA Police Overtime Reductions					1.000		1.032		1.065		1.099	
Sub-Total Other	0	\$0.000	\$0.000	\$0.000	0	\$11.320	0	\$13.796	0	\$14.184	0	\$14.639
Total PEGS	0	\$0.000	9	\$2.264	17	\$15.013	18	\$17.655	18	\$18.167	18	\$18.750

<sup>1</sup> Reflects the impact of amendments on year-end positions.


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

<b>Departments</b>	<b>2003 Actuals</b>	<b>2004 November Forecast</b>	<b>2005 Final Proposed Budget</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Executive Office	7	7	7	7	7	7
Administration	169	199	213	213	213	213
Audit	87	100	100	100	100	100
Budget and Financial Management	81	105	105	105	105	105
DED Corp. Affairs & Communications	43	53	53	53	53	53
Dir Communications/Press Secretary	4	4	4	4	4	4
DED General Counsel	74	77	77	77	77	77
Chief of Staff/Senior Policy Advisor	4	4	4	4	4	4
Special Proj Development/Planning	9	9	9	9	9	9
Finance	11	13	13	13	13	13
Labor Relations	27	32	32	32	32	32
PCAC	1	1	1	1	1	1
Safety Programs	0	0	0	0	0	0
Vending Fare Media	3	9	9	9	9	9
Corporate Account	33	31	17	17	17	17
<u>Public Safety</u>	<u>673</u>	<u>727</u>	<u>727</u>	<u>727</u>	<u>727</u>	<u>727</u>
<b>Baseline Total Positions</b>	<b>1,226</b>	<b>1,371</b>	<b>1,371</b>	<b>1,371</b>	<b>1,371</b>	<b>1,371</b>
Non-Reimbursable	1,174	1,320	1,334	1,334	1,334	1,334
Reimbursable	52	51	37	37	37	37
Total Full-Time	1,226	1,371	1,371	1,371	1,371	1,371
Total Full-Time Equivalents	0	0	0	0	0	0
Impact of:						
2005 Program to Eliminate the Gap (PEGs)	0	(9)	(17)	(18)	(18)	(18)
2006 Program to Eliminate the Gap	0	0	0	0	0	0
<b>Total Positions</b>	<b>1,226</b>	<b>1,362</b>	<b>1,354</b>	<b>1,353</b>	<b>1,353</b>	<b>1,353</b>
Non-Reimbursable	1,174	1,311	1,317	1,316	1,316	1,316
Reimbursable	52	51	37	37	37	37
Total Full-Time	1,226	1,362	1,354	1,353	1,353	1,353
Total Full-Time-Equivalents	0	0	0	0	0	0

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# Staff Summary

Page 1 of 2

Subject: 2005 Final Proposed Budget and 2004 Final Estimate
Department Office of the Inspector General
Department Head Name Matthew D. Sansverie
Department Head Signature 
Division Head Name

Date November 10, 2004
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Board	12/16	X		

Internal Approvals			
Order	Approval	Order	Approval
	Executive Director		Civil Rights
	Chief of Staff		Legal
	Budgets and Financial Mgmt.		Other

## Purpose:

To present for Board review and approval the MTA Inspector General's 2005 Final Proposed Budget and 2004 Final Estimate.

## Discussion:

During this year my office will successfully deliver over 55 investigative and audit reports to the MTA agencies, achieving for the third consecutive year, the highest output of any single year in its 20 year history. I have brought meaningful forensic assets to bear on the recurring instances of fraud and abuse by vendors perpetrated against the MTA resulting in the plea of guilty this year by nine individuals and restitution approaching 9 million dollars. In addition to supporting the District Attorney's Office, our Audit and Investigations groups continue providing monitoring services for the various New York City Transit contracts.

Unfortunately, the staffing commitment we have made to support the District Attorney's investigation into certain MTA vendors, and those other matters, has negatively affected our ability to execute other essential initiatives and responsibilities of this Office. Moreover, all of this increased investigative and audit activity occurs against the backdrop of a crisis in the public's perception of the MTA's accountability.

In 2004 we have undertaken the new initiative of providing background investigations for vendors seeking prequalification in the ESA project as well as undergoing significant adverse information reviews. That effort has required the services of 2 FTE's originally provided for in the ESA budget. This request clarifies these two positions as constituted in the OIG.

Additionally, as a result of intensive surveillance investigations undertaken at Croton Harmon yards, I recommended disciplinary action against some 46 employees of the night shift for time theft. The potential for widespread abuse has necessitated the establishment of a new Field Surveillance Unit for the continuing of these efforts and supporting ongoing investigations in this and similar veins.

This increase in staffing will result in greater cost savings to the MTA through the deterrence of fraud, waste and abuse. At the same time, your continued support of our efforts to root out corruption affecting the MTA will reassure the public that the MTA is truly committed to the transparency and accountability they demand and deserve.

Recommendation:

The MTA Board should approve the OIG 2005 budget and its 2004 estimated expenditures.



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