

New York City Transit

**MTA New York City Transit
2007 Preliminary Budget
July Financial Plan 2007 – 2010**

MISSION STATEMENT

The mission of MTA New York City Transit is to provide customers with safe, reliable and convenient public transportation in a cost effective manner.

FINANCIAL OVERVIEW

MTA NYC Transit carries out its mission by providing effective and cost-efficient transportation services through:

- a subway system operating approximately 6,200 subway cars on 26 routes over 233 route miles and 660 miles of mainline track, serving 468 stations located in four of New York City's (City) boroughs;
- a bus system operating more than 4,400 buses on 207 local and 36 express routes for approximately 119 million miles per year; and
- Access-a-Ride, a paratransit service that operates throughout the City under private contract to serve persons whose disabilities preclude their use of bus and subway services.

The 2007 Preliminary Budget and projections for the year 2008-2010 include significant maintenance investments in the subway and bus fleets. These are required to insure fleet and service reliability, and to respond to increased maintenance material costs, which reflect the higher technological content of new cars and buses. Additional maintenance investments are planned for assets being brought on-line by capital projects and security initiatives.

Investments are also required to support bus service changes in the plan period. These include changes based on peak-hour loading guidelines, running time updates, recommendations of the ongoing Staten Island Task Force and depot construction activity. Increased costs are also anticipated for paratransit service, based on increasing annual CPI adjustments for eight primary paratransit carriers, and to support service expansion by two carriers.

A number of unfavorable re-estimates also contribute to increasing MTA NYC Transit's baseline cash deficit. The most significant of these are farebox revenues, energy prices (fuel and electric power) and health & welfare costs.

FINANCIAL OVERVIEW (continued)

The 2007 Preliminary Budget and projections for the year 2008-2010 also include significant organizational and operating efficiencies, which help to partly offset the cost of projected investments and re-estimates. These Programs to Eliminate the GAP (PEGs) serve to further agency goals by optimizing the use of agency resources, as MTA NYC Transit continues to make ongoing and extensive internal efforts to reduce non-critical spending and improve operating efficiencies.

2006 Mid-Year Forecast

MTA NYC Transit's 2006 Mid-Year Forecast includes total expenses before depreciation of \$5,871.2 million, consisting of \$5,064.5 million of non-reimbursable expenses and \$806.7 million of reimbursable expenses. Total revenues are projected to be \$3,814.6 million, of which \$3,007.9 million are operating revenues and \$806.7 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 47,980 (42,678 non-reimbursable positions and 5,302 reimbursable positions).

The 2006 baseline net cash deficit is projected to worsen by \$124.5 million from the 2006 Adopted Budget. Major unfavorable non-reimbursable changes include:

- The timing of \$61.3 million of transactions originally anticipated to occur in 2005 but deferred/rescheduled to 2006.
- Projected farebox revenue underruns of \$49.5 million due to lower-than-anticipated ridership growth, the January 2006 impact of the 2005 holiday bonus program (not budgeted) and the impact of the February 2006 snowstorm.
- Estimated increased energy (electric power and diesel/heating fuel) prices of \$15.3 million.
- Additional unscheduled overtime requirements of \$12.5 million for vacancy coverage and the impact of the February 2006 snowstorm.
- A projected increase in subway car maintenance material costs of \$9.5 million, based upon additional workscope requirements for the SMS (Scheduled Maintenance System) program and higher material costs for new cars owing to their higher technological content.

Partly offsetting the above unfavorable changes are health & welfare expense underruns of \$18.4 million due to lower rate increases than anticipated in the Adopted Budget.

Also included is a favorable NYCERS pension revaluation adjustment from recently-enacted legislation, which yields a favorable cash impact of \$120.1 million. Per MTA Policy Action, these funds will be deposited in a special fund earmarked GASB (Government Accounting Standards Board). Please refer to the MTA Consolidated section for further details.

Reimbursable expenses are projected to increase by \$11.6 million, due primarily to the rescheduling of material requirements from 2005. This increase is offset by a corresponding revenue reimbursement increase.

2006 Mid-Year Forecast (continued)

Total baseline positions are projected to increase by 213. Primary causes include prior year PEG implementation adjustments resulting in a reinstatement of 77 positions; additional service-related requirements for buses (35 positions); and paratransit-related increases (16 positions) for carrier contract renewals and new carrier procurements and management.

Programs to Eliminate the GAP (PEGs): 2006

The 2006 accelerated effect of the 2007 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described below, is projected to yield a deficit reduction of \$15.4 million.

2007 Preliminary Budget-Baseline

MTA NYC Transit's 2007 Preliminary Budget includes total expenses before depreciation of \$6,140.8 million, consisting of \$5,389.2 million of non-reimbursable expenses and \$751.6 million of reimbursable expenses. Total revenues are projected to be \$3,787.9 million, of which \$3,036.3 million are operating revenues and \$751.6 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 47,593, including 42,514 non-reimbursable positions and 5,079 reimbursable positions.

The 2007 baseline net cash deficit is projected to worsen by \$196.3 million from the February Financial Plan. The increase is driven primarily by unfavorable re-estimates of farebox revenues, energy prices and health & welfare costs; by required cost increases in programs to maintain the subway and bus fleets; by projected increases in bus and paratransit service; and by delays in implementing prior year Programs to Eliminate the Gap (PEGs). Details include:

- \$78.2 million of additional inflation-related costs, primarily due to projected changes in energy prices and health & welfare rates.
- Projected farebox revenue underruns of \$46.7 million due to lower-than-anticipated ridership growth.
- Projected increases in subway car maintenance costs of \$27.4 million, based upon additional SMS program requirements for R142, R142A and R68A cars, and on increased material costs driven in part by the higher technological content of the new car fleet.
- Prior year PEG adjustments resulting in additional costs of \$14.2 million. These adjustments include: not expanding "G" Line One Person Train Operation (OPTO) due to an arbitration decision; delays in implementation of the Automated Train Supervision (ATS) and Communications-Based Train Control (CBTC) systems; a three-month delay in the implementation of bus off-peak seated load guidelines; and a delay in implementing a disease management program.

2007 Preliminary Budget-Baseline (continued)

- An increase in paratransit costs of \$13.9 million, primarily to provide for projected CPI rate increases for eight paratransit carriers and for mobilization and increased fixed costs for two carriers that have agreed to increase their service fleet.
- A projected increase of \$6.2 million for additional bus depot maintenance material requirements driven by the higher maintenance costs needed to support new technology buses.
- \$5.4 million of bus service revisions, based upon peak-hour passenger loading guidelines, route running time updates, and Staten Island Task force recommendations.

Also included is a NYCERS pension revaluation adjustment from recently-enacted legislation, which yields a favorable cash impact of \$26.8 million. Per MTA Policy Action, these funds will be deposited in a special fund earmarked GASB (Government Accounting Standards Board). Please refer to the MTA Consolidated section for further details.

Reimbursable expenses are projected to increase by \$1.6 million. This increase is offset by a corresponding revenue reimbursement increase.

Total baseline positions are projected to increase by 503 due mostly to 169 additional positions to support maintenance requirements, 102 additional direct service positions, and 102 reinstated positions due to prior year PEG implementation adjustments.

Programs to Eliminate the GAP (PEGs): 2007

The 2007 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described below, are projected to yield a deficit reduction of \$39.1 million in 2007.

2008-2010 Projections

MTA NYC Transit's projections for 2008-2010 reflect total expenses before depreciation as follows: 2008=\$6,382.4 million, 2009=\$6,649.4 million and 2010=\$6,868.9 million. Non-reimbursable expenses before depreciation are projected as follows: 2008=\$5,616.5, 2009=\$5,882.9 million and 2010=\$6,087.8 million. Reimbursable expenses are projected as follows: 2008=\$765.9 million, 2009=\$766.4 million and 2010=\$781.1 million. Total revenues are projected as follows: 2008=\$3,848.7 million, 2009=\$3,873.9 million and 2010=\$3,913.9 million. Operating revenues are projected as follows: 2008=\$3,082.8 million, 2009=\$3,107.5 million and 2010=\$3,132.7 million. Capital reimbursements are projected as follows: 2008=\$765.9 million, 2009=\$766.4 million and 2010=\$781.1 million. Total full-time and full-time baseline equivalent positions are projected to be 47,686 in 2008, 47,652 in 2009 and 47,321 in 2010. Non-reimbursable positions are projected to be 42,694 in 2008, 42,799 in 2009 and 42,527 in 2010. Reimbursable positions are projected to be 4,992 in 2008, 4,853 in 2009 and 4,794 in 2010.

2008-2010 Projections (continued)

Baseline net cash deficits are projected to increase by \$253.2 million in 2008, \$332.1 million in 2009 and \$307.0 million in 2010 relative to the February Financial Plan. Major changes include:

- Projected farebox revenue underruns due to lower-than-anticipated ridership growth: 2008=\$46.9 million, 2009=\$44.1 million, 2010=\$46.3 million.
- Revised inflation forecasts for energy prices (fuel & power) and health & welfare rates: 2008=\$93.8 million, 2009=\$98.1 million, 2010=\$108.0 million.
- Increased NYCERS pension cash expenditures resulting from the 2006 expense revaluation: 2008=\$27.2 million, 2009=\$46.6 million, 2010=\$46.7 million.
- Projected increases in the SMS program of subway car maintenance based upon additional workscope requirements for the new R142 and R142A cars and higher than anticipated material costs driven in part by the cars' higher technological content: 2008=\$15.3 million, 2009=\$43.9 million, 2010=\$22.2 million.
- Installation of alternating current HVAC compressor motors on the R46 fleet to replace direct current motors that have become increasingly unreliable and difficult to maintain: 2008=\$5.0 million, 2009=\$14.1 million, 2010=\$6.4 million.
- Costs to dispose of 1,572 "B" division subway cars which will be replaced by new R160 cars: 2008=\$8.8 million, 2009=\$8.8 million, 2010=\$2.9 million.
- Bus service revisions, based upon peak-hour passenger loading guidelines, route running time updates and depot construction impacts: 2008=\$13.0 million, 2009=\$17.5 million, 2010=\$19.1 million.
- Additional bus shop requirements for scheduled overhauls and upgrades, including workscope and schedule changes: 2008=\$4.1 million, 2009=\$9.5 million, 2010=\$5.9 million.
- Projected increases for bus depot maintenance material requirements, driven by the higher maintenance costs needed to support new technology buses: 2008=\$7.7 million, 2009=\$9.2 million, 2010=\$10.7 million.
- Additional bus repairable unit requirements for radiators, transmissions and turbochargers: 2008=\$4.7 million, 2009=\$4.9 million, 2010=\$5.1 million.
- Projected increases in paratransit costs, primarily to provide for projected CPI rate increases for the eight primary carriers and for increased fixed costs for two carriers that have agreed to increase their service fleet: 2008=\$21.7 million, 2009=\$11.4 million, 2010=\$11.3 million.
- Implementation timing delays of prior-year PEGs: 2008=\$4.5 million, 2009=\$3.7 million, 2010=\$3.7 million.

Reimbursable expenses are projected to increase by \$3.7 million in 2008 and \$0.3 million in 2009, and to decrease by 1.7 million in 2010. These changes are offset by corresponding changes in reimbursements.

2008-2010 Projections (continued)

Total baseline positions are projected to increase by 548 in 2008, 783 in 2009 and 655 in 2010. These increases are due mostly to: 157 positions in 2008, 339 positions in 2009 and 205 positions in 2010 to support additional maintenance requirements; additional service-related requirements of 221 positions in 2008, 281 positions in 2009 and 280 positions in 2010; and reinstated positions due to prior-year PEG implementation adjustments of 47 positions in 2008, 2009 and 2010.

Programs to Eliminate the GAP (PEGs): 2008-2010

The 2007 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables, are described below. PEGs are projected to yield deficit reductions of \$50.0 million in 2008 and \$50.6 million annually in 2009 and 2010. Additionally, the Post-2006 Programs to Eliminate the GAP, carried forward from the February Financial Plan with adjustments for implementation timing, are projected to yield deficit reductions of \$11.4 million in 2008, and \$20.7 million annually in 2009 and 2010.

Major assumptions and reconciliations to the February Plan are addressed later in this section.

GAP CLOSING MEASURES

2007 Programs to Eliminate the Gap (PEGs) and Post-2006 PEGs Carried Forward From the February Financial Plan.

To help offset the deficit impact of required maintenance program costs and unfavorable re-estimates, MTA NYC Transit has developed programs resulting in significant cost savings and position reductions. These reductions are largely achieved through administrative actions and operating efficiencies, including subway service adjustments during off-peak periods.

2006 Mid-Year Forecast

In 2006, PEG savings are projected at \$15.4 million, including 6 position reductions. Major contributors include:

- The Department of Subways will maintain a 0.5% vacancy rate in its Rolling Stock & Maintenance of Way and Service Delivery divisions, yielding \$4.6 million in savings.
- New York State is expected to remit to NYC Transit \$3.7 million applicable to outstanding and past due Transit Adjudication Bureau (TAB) summons liabilities. The payments are deducted from violators' tax refunds through the New York State-Wide Offset Program.

2006 Mid-Year Forecast (continued)

- A contract renegotiation with the represented employee prescription benefit contractor is expected to result in savings of \$3.4 million.
- A reduction in planned data processing equipment “normal replacement” purchases will save \$1.5 million.
- It is projected that \$1.1 million can be saved by improving identification of currently discarded waste as being recyclable or salable as either scrap or surplus.

2007 Preliminary Budget

PEG savings in 2007 are projected to total \$39.1 million and to save 349 positions. Implementation of the Post-2006 Program savings included in the February Financial Plan – \$2.0 million with a reduction of 159 positions – has been rescheduled to 2008. The 2007 PEG savings primarily include:

- Improved employee availability, averaging a one-day reduction in absences per hourly employee annually, will generate savings of \$7.3 million and 132 positions NYCT-wide.
- The Department of Subways will maintain a 0.5% vacancy rate in its Rolling Stock & Maintenance of Way and Service Delivery divisions, yielding \$5.3 million in savings.
- Additional Workers’ Compensation recoveries, estimated at \$5.2 million, are to be achieved through a program to recover monies paid to injured claimants pursuant to the No-Fault law in connection with accidents where ultimate responsibility lies with a third party.
- Savings of \$5.0 million, including of 120 position reductions, will be achieved by operating subway service at policy headways during off-peak hours (midday, evenings and weekends).
- A contract renegotiation with the represented employee prescription benefit contractor is expected to result in savings of \$4.6 million.
- New York State payments to NYC Transit of \$2.0 million, applicable to outstanding and past due Transit Adjudication Bureau (TAB) summons liabilities, are expected to be deducted from violators’ tax refunds under the New York State-Wide Offset Program.
- A reduction in planned data processing equipment “normal replacement” purchases will save \$1.5 million.
- Bus depot maintenance staff reductions are expected to achieve \$1.3 million in savings and 18 position reductions.
- Rental savings of \$1.2 million is expected to result from the anticipated purchase of the Tiffany warehouse.
- Revenue processing and collection efficiencies will save \$1.1 million, including 10 positions.
- Subways administrative reductions are planned to save \$1.0 million and 10 positions.

2007 Preliminary Budget (continued)

- A reconfiguration of employee work programs in Subways' RTO Division will save 12 positions and \$0.9 million in support activities (e.g., switching, car wash), with no impact on passenger service.

2008-2010 Projections

Post-2007 Program savings, which are achieved through the implementation of One Person Train Operation (OPTO) planned on the "7", "J", "M" and "N" lines, are now projected to be \$11.4 million in 2008 and \$20.7 million each in 2009 and 2010. Position reductions are projected at 313 for each year.

The out-year values of 2007 PEG savings are projected as follows: \$50.0 million in 2008 and \$50.6 million in both 2009 and 2010, with position reductions of 354 in each year. Savings due to 2007 PEGs primarily include:

- For each projection year, \$18.6 million of savings and 120 position reductions will be achieved by operating subway service at policy headways during off-peak hours (midday, evenings and weekends).
- For each projection year, \$7.3 million of savings and 132 position reductions are projected from a one-day improvement in hourly employee availability.
- For each projection year, \$5.2 million of Workers' Compensation recoveries is estimated to be achieved through a program to recover monies paid to injured claimants pursuant to the No-Fault law in connection with accidents where ultimate responsibility lies with a third party.
- A contract renegotiation with the represented employee prescription benefit contractor is expected to result in savings of \$4.6 million each projection year.
- Rental savings of \$3.2 million for each projection year is expected to result from the anticipated purchase of the Tiffany warehouse.
- New York State payments to NYC Transit of \$2.0 million, applicable to outstanding and past due Transit Adjudication Bureau (TAB) summons liabilities, are expected to be deducted from violators' tax refunds under the New York State-wide Offset Program.
- Bus depot maintenance staff reductions are expected to achieve \$1.3 million in savings and 18 position reductions each projection year.
- Revenue processing and collection efficiencies will save \$1.1 million, including 10 positions for each projection year.
- Subways administrative reductions are planned to save \$1.0 million and 10 positions each projection year.
- A reconfiguration of employee work programs in Subways' RTO Division will save 12 positions and \$0.9 million in support activities (e.g., switching, car wash), with no impact on passenger service.

MTA New York City Transit
July Financial Plan 2007 - 2010
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2005 Actuals	2006 Mid-Year Forecast	2007 Preliminary Budget	2008	2009	2010
<u>Revenue</u>						
Farebox Revenue:						
Subway	\$1,856.978	\$1,934.702	\$1,956.085	\$1,977.073	\$1,982.936	\$1,987.816
Bus	\$761.838	\$778.749	\$784.274	\$789.431	\$791.789	\$793.957
Paratransit	\$7.109	\$8.393	\$9.652	\$11.100	\$12.764	\$14.679
Fare Media Liability	\$17.048	\$20.900	\$21.700	\$21.900	\$22.200	\$22.200
Total Farebox Revenue	\$2,642.973	\$2,742.744	\$2,771.711	\$2,799.504	\$2,809.689	\$2,818.652
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue:						
Fare Reimbursement	\$103.766	\$103.766	\$103.766	\$103.766	\$103.766	\$103.766
Paratransit Reimbursement	\$66.811	\$71.787	\$65.938	\$76.701	\$88.131	\$101.240
Other	\$94.024	\$89.652	\$94.920	\$102.830	\$105.875	\$109.075
Total Other Operating Revenue	\$264.601	\$265.205	\$264.624	\$283.297	\$297.772	\$314.081
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$2,907.574	\$3,007.949	\$3,036.335	\$3,082.801	\$3,107.461	\$3,132.733
<u>Expenses</u>						
Labor:						
Payroll	2,397.404	2,519.144	2,579.267	2,657.727	2,742.130	2,813.820
Overtime	227.738	215.165	203.376	208.427	216.918	225.202
Total Salaries & Wages	2,625.142	2,734.309	2,782.643	2,866.153	2,959.048	3,039.022
Health and Welfare	557.801	604.642	680.347	756.282	837.524	924.137
Pensions	456.753	515.120	602.578	616.811	615.266	611.045
Other Fringe Benefits	204.490	204.381	211.394	217.473	225.539	231.603
Total Fringe Benefits	1,219.044	1,324.143	1,494.318	1,590.567	1,678.329	1,766.785
Reimbursable Overhead	(148.440)	(162.193)	(157.130)	(159.943)	(157.752)	(160.736)
Total Labor Expenses	\$3,695.746	\$3,896.259	\$4,119.831	\$4,296.777	\$4,479.624	\$4,645.071
Non-Labor:						
Traction and Propulsion Power	137.418	146.730	157.684	157.765	157.812	157.812
Fuel for Buses and Trains	103.174	127.897	137.533	131.604	126.735	128.631
Insurance	29.837	34.963	43.103	48.480	52.579	59.462
Claims	51.616	71.080	73.036	75.044	77.100	79.050
Paratransit Service Contracts	158.177	190.897	228.065	265.885	304.875	355.258
Mtce. and Other Operating Contracts	176.504	186.988	211.649	218.803	230.632	228.017
Professional Service Contracts	89.015	96.675	97.645	101.439	110.564	112.416
Materials & Supplies	240.720	280.179	287.841	287.634	309.786	288.543
Other Business Expenses	33.853	32.832	32.826	33.050	33.241	33.492
Total Non-Labor Expenses	\$1,020.314	\$1,168.241	\$1,269.382	\$1,319.704	\$1,403.324	\$1,442.681
Other Expense Adjustments:						
Other	1.045	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$1.045	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$4,717.105	\$5,064.500	\$5,389.213	\$5,616.481	\$5,882.948	\$6,087.752
Depreciation	954.518	1,074.500	1,228.100	1,381.700	1,535.300	1,688.900
Total Expenses	\$5,671.623	\$6,139.000	\$6,617.313	\$6,998.181	\$7,418.248	\$7,776.652
Baseline Net Surplus/(Deficit)	(\$2,764.049)	(\$3,131.051)	(\$3,580.978)	(\$3,915.380)	(\$4,310.787)	(\$4,643.919)
2007 Program to Eliminate the Gap	0.000	15.419	39.114	50.004	50.554	50.554
Post-2006 Program to Eliminate the GAP	0.000	0.000	0.000	11.367	20.688	20.688
Net Surplus/(Deficit)	(\$2,764.049)	(\$3,115.632)	(\$3,541.864)	(\$3,854.009)	(\$4,239.545)	(\$4,572.677)

REIMBURSABLE

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MTA New York City Transit
July Financial Plan 2007 - 2010
Accrual Statement of Operations by Category
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

Revenue

	2005 Actuals	2006 Mid-Year Forecast	2007 Preliminary Budget	2008	2009	2010
Farebox Revenue:						
Subway	\$1,856.978	\$1,934.702	\$1,956.085	\$1,977.073	\$1,982.936	\$1,987.816
Bus	761.838	778.749	784.274	789.431	791.789	793.957
Paratransit	7.109	8.393	9.652	11.100	12.764	14.679
Fare Media Liability	17.048	20.900	21.700	21.900	22.200	22.200
Total Farebox Revenue	\$2,642.973	\$2,742.744	\$2,771.711	\$2,799.504	\$2,809.689	\$2,818.652
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	103.766	103.766	103.766	103.766	103.766	103.766
Paratransit Reimbursement	66.811	71.787	65.938	76.701	88.131	101.240
Other	94.024	89.652	94.920	102.830	105.875	109.075
Total Other Operating Revenue	264.601	265.205	264.624	283.297	297.772	314.081
Capital and Other Reimbursements	756.998	806.675	751.561	765.894	766.406	781.139
Total Revenue	\$3,664.572	\$3,814.624	\$3,787.896	\$3,848.695	\$3,873.867	\$3,913.872

Expenses

Labor:						
Payroll	2,722.870	2,866.668	2,916.852	3,000.345	3,086.199	3,164.034
Overtime	290.163	271.381	258.380	265.098	274.042	284.139
Total Salaries & Wages	3,013.033	3,138.049	3,175.231	3,265.443	3,360.240	3,448.173
Health and Welfare	575.701	626.335	701.287	779.607	863.311	952.650
Pensions	468.330	525.791	618.630	634.279	632.825	628.581
Other Fringe Benefits	284.393	286.452	291.613	298.673	306.234	313.386
Total Fringe Benefits	1,328.424	1,438.578	1,611.531	1,712.559	1,802.370	1,894.616
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$4,341.457	\$4,576.627	\$4,786.762	\$4,978.002	\$5,162.610	\$5,342.790

Non-Labor:

Traction and Propulsion Power	137.418	146.730	157.684	157.765	157.812	157.812
Fuel for Buses and Trains	103.177	127.897	137.533	131.604	126.735	128.631
Insurance	29.837	34.963	43.103	48.480	52.579	59.462
Claims	52.115	71.080	73.036	75.044	77.100	79.050
Paratransit Service Contracts	158.179	190.897	228.065	265.885	304.875	355.258
Mtce. and Other Operating Contracts	219.204	220.201	240.620	247.774	259.603	256.988
Professional Service Contracts	107.042	114.810	112.690	116.484	125.609	127.461
Materials & Supplies	288.249	352.625	325.941	325.774	346.677	325.435
Other Business Expenses	36.380	35.345	35.339	35.563	35.754	36.005
Total Non-Labor Expenses	\$1,131.601	\$1,294.548	\$1,354.011	\$1,404.373	\$1,486.744	\$1,526.102

Other Expense Adjustments:

Other	1.045	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$1.045	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

Total Expenses before

Depreciation	\$5,474.103	\$5,871.175	\$6,140.773	\$6,382.375	\$6,649.355	\$6,868.891
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Depreciation	954.518	1,074.500	1,228.100	1,381.700	1,535.300	1,688.900
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Total Expenses	\$6,428.621	\$6,945.675	\$7,368.873	\$7,764.075	\$8,184.655	\$8,557.791
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Baseline Net Surplus/(Deficit)	(\$2,764.049)	(\$3,131.051)	(\$3,580.978)	(\$3,915.380)	(\$4,310.787)	(\$4,643.919)
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2007 Program to Eliminate the Gap	0.000	15.419	39.114	50.004	50.554	50.554
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Post-2006 Program to Eliminate the GAP	0.000	0.000	0.000	11.367	20.688	20.688
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Net Surplus/(Deficit)	(\$2,764.049)	(\$3,115.632)	(\$3,541.864)	(\$3,854.009)	(\$4,239.545)	(\$4,572.677)
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MTA New York City Transit
July Financial Plan 2007 - 2010
Cash Receipts & Expenditures
(\$ in millions)

	2005 Actuals	2006 Mid-Year Forecast	2007 Preliminary Budget	2008	2009	2010
<u>Receipts</u>						
Farebox Revenue	\$2,679.300	\$2,740.091	\$2,780.811	\$2,808.304	\$2,815.189	\$2,822.052
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	103.800	103.766	103.766	103.766	103.766	103.766
Paratransit Reimbursement	66.500	68.922	65.815	76.636	88.088	101.185
Other	90.000	125.272	100.320	104.930	107.975	111.175
Total Other Operating Revenue	\$260.300	\$297.960	\$269.901	\$285.332	\$299.829	\$316.126
Capital and Other Reimbursements	751.900	804.548	758.023	757.901	761.292	773.061
Total Receipts	\$3,691.500	\$3,842.599	\$3,808.735	\$3,851.537	\$3,876.310	\$3,911.239
<u>Expenditures</u>						
Labor:						
Payroll	2,706.237	2,840.446	2,894.060	2,978.026	3,061.290	3,138.238
Overtime	290.163	271.373	257.468	264.272	273.017	283.060
Total Salaries & Wages	2,996.400	3,111.819	3,151.528	3,242.299	3,334.306	3,421.298
Health and Welfare	561.200	638.204	698.855	777.005	860.527	949.671
Pensions	298.900	551.282	573.958	613.457	634.918	630.947
Other Fringe Benefits	267.600	274.861	281.211	288.913	296.863	304.343
Total Fringe Benefits	1,127.700	1,464.347	1,554.025	1,679.375	1,792.308	1,884.961
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$4,124.100	\$4,576.166	\$4,705.553	\$4,921.674	\$5,126.615	\$5,306.259
Non-Labor:						
Traction and Propulsion Power	136.000	146.730	157.684	157.765	157.812	157.812
Fuel for Buses and Trains	100.400	129.351	137.533	131.604	126.735	128.631
Insurance	20.300	27.423	41.967	50.642	51.349	58.260
Claims	57.800	57.680	61.677	63.465	65.306	67.201
Paratransit Service Contracts	155.100	186.697	228.065	265.885	304.875	355.258
Mtce. and Other Operating Contracts	222.000	230.739	249.074	256.228	268.057	265.442
Professional Service Contracts	93.800	109.981	108.690	112.484	121.609	123.461
Materials & Supplies	287.800	350.399	323.941	323.774	344.677	323.435
Other Business Expenditures	35.400	35.345	35.339	35.563	35.754	36.005
Total Non-Labor Expenditures	\$1,108.600	\$1,274.345	\$1,343.970	\$1,397.410	\$1,476.174	\$1,515.505
Other Expenditure Adjustments:						
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$5,232.700	\$5,850.511	\$6,049.523	\$6,319.084	\$6,602.789	\$6,821.764
Baseline Net Cash Deficit	(\$1,541.200)	(\$2,007.912)	(\$2,240.788)	(\$2,467.547)	(\$2,726.479)	(\$2,910.524)
2007 Program to Eliminate the Gap						
Post-2006 Program to Eliminate the GAP	0.000	15.419	39.114	50.004	50.554	50.554
	0.000	0.000	0.000	11.367	20.688	20.688
Net Cash Deficit	(\$1,541.200)	(\$1,992.493)	(\$2,201.674)	(\$2,406.176)	(\$2,655.237)	(\$2,839.282)

MTA New York City Transit
July Financial Plan 2007 - 2010
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2005 Actuals	2006 Mid-Year Forecast	2007 Preliminary Budget	2008	2009	2010
<u>Receipts</u>						
Farebox Revenue	36.327	(2.653)	9.100	8.800	5.500	3.400
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	0.034	0.000	0.000	0.000	0.000	0.000
Paratransit Reimbursement	(0.311)	(2.865)	(0.123)	(0.065)	(0.043)	(0.055)
Other	(4.024)	35.620	5.400	2.100	2.100	2.100
Total Other Operating Revenue	(\$4.301)	\$32.755	\$5.277	\$2.035	\$2.057	\$2.045
Capital and Other Reimbursements	(5.098)	(2.127)	6.463	(7.993)	(5.115)	(8.078)
Total Receipt Adjustments	\$26.928	\$27.975	\$20.840	\$2.842	\$2.442	(\$2.633)
<u>Expenditures</u>						
Labor:						
Payroll	16.633	26.222	22.792	22.318	24.909	25.797
Overtime	0.000	0.008	0.912	0.825	1.025	1.078
Total Salaries & Wages	16.633	26.230	23.703	23.144	25.934	26.875
Health and Welfare	14.501	(11.869)	2.432	2.602	2.784	2.979
Pensions	169.430	(25.490)	44.672	20.822	(2.093)	(2.367)
Other Fringe Benefits	16.793	11.590	10.402	9.760	9.371	9.043
Total Fringe Benefits	200.724	(25.769)	57.506	33.184	10.062	9.655
Reimbursable Overhead						
Total Labor Expenditures	\$217.357	\$0.461	\$81.209	\$56.328	\$35.996	\$36.531
Non-Labor:						
Traction and Propulsion Power	1.418	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	2.777	(1.454)	0.000	0.000	0.000	0.000
Insurance	9.537	7.540	1.136	(2.162)	1.230	1.202
Claims	(5.685)	13.400	11.359	11.579	11.794	11.849
Paratransit Service Contracts	3.079	4.200	0.000	0.000	0.000	0.000
Mtce. and Other Operating Contracts	(2.796)	(10.538)	(8.454)	(8.454)	(8.454)	(8.454)
Professional Service Contracts	13.242	4.829	4.000	4.000	4.000	4.000
Materials & Supplies	0.449	2.226	2.000	2.000	2.000	2.000
Other Business Expenditures	0.980	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	\$23.001	\$20.203	\$10.041	\$6.963	\$10.570	\$10.597
Other Expenditure Adjustments:						
Other	1.045	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$1.045	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditure Adjustments	\$241.403	\$20.664	\$91.250	\$63.291	\$46.566	\$47.128
Total Cash Conversion Adjustments before Depreciation	\$268.331	\$48.639	\$112.090	\$66.133	\$49.008	\$44.495
Depreciation Adjustment	954.518	1,074.500	1,228.100	1,381.700	1,535.300	1,688.900
Baseline Total Cash Conversion Adj.	\$1,222.849	\$1,123.139	\$1,340.190	\$1,447.833	\$1,584.308	\$1,733.395
2007 Program to Eliminate the Gap	0.000	0.000	0.000	0.000	0.000	0.000
Post-2006 Program to Eliminate the GAP	0.000	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$1,222.849	\$1,123.139	\$1,340.190	\$1,447.833	\$1,584.308	\$1,733.395

MTA New York City Transit
July Financial Plan 2007-2010
Year-To-Year Major Changes by Category-Baseline Narrative

TOTAL REVENUES

Farebox Revenue

- Annual improvements in subway/bus farebox revenue are based largely on forecasted growth in NYC employment.
- Annual improvements in paratransit farebox revenue are based on an assumed annual ridership growth rate of 15%, consistent with current ridership growth.

Other Operating Revenue

- Annual revenue increases include contractually-capped increases in NYC reimbursements that serve to partially fund the annual growth in paratransit expenses.
- Annual increases in advertising revenues are based upon benefits from a new contract.
- 2007 includes a reduction from a very high 2006 paratransit urban tax revenue projection, which was based upon a very strong 2006 real estate market.

Capital and Other Reimbursements

- Accrued reimbursements are projected to decrease by \$55.1 million or 6.8% from 2006 to 2007, due to the anticipated completion of in-house capital construction and security projects.
- Changes in subsequent years are due to the timing of project requirements and to provide for reimbursement consistent with projected CPI increases in labor expenses and actuarial-based pension increases.

TOTAL EXPENSES

Payroll

- 2007-2010 includes primarily CPI-based rate increases as follows: 2007=2.56%, 2008=2.91%, 2009=3.07%, and 2010=3.20%.
- Reimbursable expenses decrease by \$9.9 million from 2006 to 2007, primarily due to the anticipated completion of in-house capital construction and security projects.

Overtime

- 2007-2010 payroll wage rate increase assumptions apply.
- The reduction from 2006 to 2007 reflects additional 2006 overtime requirements caused by vacancy coverage and adverse winter weather not anticipated to recur in 2007.

- Reimbursable expenses decrease by \$1.2 million from 2006 to 2007, primarily due to the anticipated completion of in-house capital construction and security projects.

Health & Welfare

- Inflation assumptions are as follows: 2007=14.78%, 2008 through 2010=10.68%.

Pension

- Year-to-year changes are affected by 2006 NYCERS revaluation adjustments from recently-enacted legislation and the MTA Policy Action to deposit in a GASB Fund in 2006 and 2007 cash savings from the revaluation adjustments. Please refer to the MTA Consolidated Section for more information.

Other Fringe Benefits

- Inflation assumptions are consistent with payroll rate increase assumptions.
- Reimbursable expenses decrease \$1.9 million from 2006 to 2007, consistent with reductions in reimbursable payroll and overtime.

Traction and Propulsion Power

- The plan reflects a projected New York Power Authority (NYPA) annual rate increase of 10.2% in 2007, with no additional increases from 2008 to 2010.

Fuel for Buses and Trains

- 2007-2010 inflation/(deflation) assumptions are based upon MTA estimates as follows: 2007=\$2.30 per gallon plus \$0.17 premium, 2008=(5.1)%, 2009=(4.9)% and 2010=No Change.

Insurance

- Inflation assumptions were provided by the MTA.

Claims

- The plan assumes annual inflation rate of 2.5% for 2007 through 2010.

Paratransit Service Contracts

- The primary driver of expense increases is projected annual ridership growth of 15%.
- Cost-per-trip inflation projections reflect carrier contracts, which provide for annual rate increases based on CPI.

Maintenance and Other Operating Contracts

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=1.58%, 2008=1.84%, 2009=1.73%, and 2010=1.77%.
- Facility power inflation assumptions are based on a projected New York Power Authority (NYPA) rate increase of 10.2% in 2007, with no additional increases from 2008 to 2010.
- Reimbursable expenses decrease by \$4.2 million from 2006 to 2007, primarily due to reduced capital project requirements.

Professional Service Contracts

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=1.58%, 2008=1.84%, 2009=1.73%, and 2010=1.77%.
- Reimbursable expenses decrease by \$3.1 million from 2006 to 2007, primarily due to reduced capital project requirements.

Materials and Supplies

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=3.04%, 2008=1.93%, 2009=1.23%, and 2010=0.77%.
- Non-reimbursable expense levels tend to fluctuate year-to-year, due to the timing of subway and bus fleet maintenance programs.
- Reimbursable expenses decrease by \$34.3 million from 2006 to 2007, primarily due to the anticipated completion of in-house capital construction and security projects and the rescheduling of expenses from 2005 to 2006, which will not recur in 2007.

Other Business Expenses

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=1.58%, 2008=1.84%, 2009=1.73%, and 2010=1.77%.

Depreciation

- Annual expense increases are due to projections of additional capital assets reaching beneficial use. Examples of these assets include subway station rehabilitations, track-work, new subway cars and buses.

TOTAL RECEIPTS

Farebox Receipts

- Annual improvements in subway/bus farebox revenue are based largely on forecasted growth in NYC employment.
- Annual improvements in paratransit farebox revenue are based on assumed annual ridership growth rate of 15%, consistent with current ridership growth.
- Includes cash adjustments for expired MetroCard values and the timing of counting and depositing of cash, which can cause some fluctuations in cash received from year to year.

Other Operating Receipts

- Annual revenue increases include contractually-capped increases in NYC reimbursements that serve to partially fund the annual growth in paratransit expenses.
- Annual increases in advertising revenues are based upon benefits from a new contract.
- 2007 includes a reduction from a very high level of 2006 paratransit urban tax revenue, which was based upon a very strong 2006 real estate market.
- 2006 includes non-recurring cash receipts representing draw-downs accumulated from prior years of interest income (\$7.8 million) and Transit Adjudication Bureau funds (\$16.3 million).

Capital and Other Reimbursements

- Accrued reimbursements are projected to decrease by \$55.1 million or 6.8% from 2006 to 2007, due to reduced reimbursable expenses .
- Changes in subsequent years are due to the timing of project requirements and to provide for reimbursement consistent with projected CPI increases in labor expenses and actuarial-based pension increases.
- Cash adjustments are reflected annually to recognize changes in the timing of receipts.

TOTAL EXPENDITURES

Payroll

- 2007-2010 includes CPI wage rate increases as follows: 2007=2.56%, 2008=2.91%, 2009=3.07%, and 2010=3.20%.
- Reimbursable expenses decrease by \$9.9 million from 2006 to 2007, primarily due to the anticipated completion of in-house capital construction and security projects.
- 2006 includes an unfavorable timing of payments from 2005 of \$11.7 million relating to the timing of wage contract settlements and a favorable timing of receipts of \$14.0 million relating to Taylor Law fines levied upon striking workers during the three-day transit strike in December 2005.

Overtime

- 2007-2010 payroll wage rate increase assumptions apply.
- The reduction from 2006 to 2007 is due primarily to additional 2006 overtime requirements caused by vacancy coverage and adverse winter weather not anticipated to recur in 2007.
- Reimbursable expenses decrease by \$1.2 million from 2006 to 2007, primarily due to the anticipated completion of in-house capital construction and security projects.

Health & Welfare

- Inflation assumptions are as follows: 2007=14.78%, 2008 through 2010=10.68%.
- 2006 includes an unfavorable timing of payments from 2005 of \$14.8 million.

Pension

- Year-to-year changes are affected by 2006 NYCERS revaluation adjustments from recently-enacted legislation and the MTA Policy Action to deposit 2006 and 2007 cash savings from the revaluation adjustments in a GASB Fund. Please refer to the MTA Consolidated Section for more information.
- 2006 includes an unfavorable timing of payments from 2005 of \$35.7 million.

Other Fringe Benefits

- Inflation assumptions are consistent with payroll rate increase assumptions.
- Reimbursable expenses decrease by \$1.9 million from 2006 to 2007, consistent with payroll and overtime changes.

Traction and Propulsion Power

- Reflects a projected New York Power Authority (NYPA) annual rate increase of 10.2% in 2007, with no additional increases from 2008 to 2010.

Fuel for Buses and Trains

- 2007-2010 price assumptions are based upon MTA estimates as follows: 2007=\$2.30 per gallon plus \$0.17 premium, 2008=(5.1)% deflation, 2009=(4.9)% deflation and no change in 2010.
- 2006 includes an unfavorable timing of payments from 2005 of \$1.5 million.

Insurance

- Inflation-adjusted assumptions were provided by the MTA.
- 2006 includes an unfavorable timing of payments from 2005 of \$12.8 million.

Claims

- Assumes annual inflation of 2.5% for 2007 through 2010.
- 2006 includes a favorable timing of payments from 2005 of \$3.7 million.

Paratransit Service Contracts

- The primary driver of expense increases is projected annual ridership growth of 15%.
- Cost-per-trip inflation projections reflect carrier contracts, which provide for annual rate increases based on CPI.

Maintenance and Other Operating Contracts

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=1.58%, 2008=1.84%, 2009=1.73%, and 2010=1.77%.
- Facility power estimates reflect a projected New York Power Authority (NYPA) rate increase of 10.2% in 2007, with no additional increases from 2008 to 2010.
- Reimbursable expenses decrease by \$4.2 million from 2006 to 2007, primarily due to a reduction in capital project requirements.
- 2006 includes an unfavorable timing of payments from 2005 of \$4.6 million.

Professional Service Contracts

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=1.58%, 2008=1.84%, 2009=1.73%, and 2010=1.77%.
- Reimbursable expenses decrease by \$3.1 million from 2006 to 2007, primarily due to a reduction in capital project requirements.
- 2006 includes an unfavorable timing of payments from 2005 of \$3.7 million.

Materials and Supplies

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=3.04%, 2008=1.93%, 2009=1.23%, and 2010=0.77%.
- Non-reimbursable expense levels fluctuate from year-to-year, due to the timing of subway and bus fleet maintenance programs.
- Reimbursable expenses decrease by \$34.3 million from 2006 to 2007, primarily due to the anticipated completion of in-house capital construction and security projects and the rescheduling of expenses from 2005 to 2006, which will not recur in 2007.

- 2006 includes an unfavorable timing of payments from 2005 of \$11.8 million.

Other Business Expenditures

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=1.58%, 2008=1.84%, 2009=1.73%, and 2010=1.77%.

MTA New York City Transit
July Financial Plan 2007 - 2010
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2006	2007	Change 2007-2006	2008	Change 2008-2007	2009	Change 2009-2008	2010	Change 2010-2009
Revenue									
Farebox Revenue:									
Subway	\$1,934.702	\$1,956.085	\$21.383	\$1,977.073	\$20.988	\$1,982.936	\$5.863	\$1,987.816	\$4.880
Bus	778.749	784.274	5.525	789.431	5.157	791.789	2.358	793.957	2.168
Paratransit	8.393	9.652	1.259	11.100	1.448	12.764	1.664	14.679	1.915
Fare Media Liability	20.900	21.700	0.800	21.900	0.200	22.200	0.300	22.200	0.000
Total Farebox Revenue	\$2,742.744	\$2,771.711	\$28.967	\$2,799.504	\$27.793	\$2,809.689	\$10.185	\$2,818.652	\$8.963
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:									
Fare Reimbursement	103.766	103.766	0.000	103.766	0.000	103.766	0.000	103.766	0.000
Paratransit Reimbursement	71.787	65.938	(5.849)	76.701	10.763	88.131	11.430	101.240	13.109
Other	89.652	94.920	5.268	102.830	7.910	105.875	3.045	109.075	3.200
Total Other Operating Revenue	265.205	264.624	(0.581)	283.297	18.673	297.772	14.475	314.081	16.309
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$3,007.949	\$3,036.335	\$28.386	\$3,082.801	\$46.466	\$3,107.461	\$24.660	\$3,132.733	\$25.272
Expenses									
Labor:									
Payroll	2,519.144	2,579.267	(60.123)	2,657.727	(78.460)	2,742.130	(84.404)	2,813.820	(71.690)
Overtime	215.165	203.376	11.789	208.427	(5.051)	216.918	(8.491)	225.202	(8.284)
Total Salaries & Wages	2,734.309	2,782.643	(48.334)	2,866.153	(83.511)	2,959.048	(92.895)	3,039.022	(79.974)
Health and Welfare	604.642	680.347	(75.705)	756.282	(75.936)	837.524	(81.242)	924.137	(86.613)
Pensions	515.120	602.578	(87.458)	616.811	(14.233)	615.266	1.545	611.045	4.220
Other Fringe Benefits	204.381	211.394	(7.013)	217.473	(6.080)	225.539	(8.066)	231.603	(6.063)
Total Fringe Benefits	1,324.143	1,494.318	(170.175)	1,590.567	(96.248)	1,678.329	(87.762)	1,766.785	(88.457)
Reimbursable Overhead	(162.193)	(157.130)	(5.063)	(159.943)	2.813	(157.752)	(2.190)	(160.736)	2.983
Total Labor Expenses	\$3,896.259	\$4,119.831	(\$223.572)	\$4,296.777	(\$176.946)	\$4,479.624	(\$182.847)	\$4,645.071	(\$165.447)
Non-Labor:									
Traction and Propulsion Power	146.730	157.684	(10.954)	157.765	(0.081)	157.812	(0.047)	157.812	0.000
Fuel for Buses and Trains	127.897	137.533	(9.636)	131.604	5.929	126.735	4.869	128.631	(1.896)
Insurance	34.963	43.103	(8.140)	48.480	(5.377)	52.579	(4.099)	59.462	(6.883)
Claims	71.080	73.036	(1.956)	75.044	(2.008)	77.100	(2.056)	79.050	(1.950)
Paratransit Service Contracts	190.897	228.065	(37.168)	265.885	(37.820)	304.875	(38.990)	355.258	(50.383)
Mtce. and Other Operating Contracts	186.988	211.649	(24.661)	218.803	(7.154)	230.632	(11.829)	228.017	2.615
Professional Service Contracts	96.675	97.645	(0.970)	101.439	(3.794)	110.564	(9.125)	112.416	(1.852)
Materials & Supplies	280.179	287.841	(7.662)	287.634	0.207	309.786	(22.152)	288.543	21.243
Other Business Expenses	32.832	32.826	0.006	33.050	(0.224)	33.241	(0.191)	33.492	(0.251)
Total Non-Labor Expenses	\$1,168.241	\$1,269.382	(\$101.141)	\$1,319.704	(\$50.322)	\$1,403.324	(\$83.620)	\$1,442.681	(\$39.357)
Other Expense Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
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	\$5,064.500	\$5,389.213	(\$324.713)	\$5,616.481	(\$227.269)	\$5,882.948	(\$266.467)	\$6,087.752	(\$204.804)
Depreciation	1,074.500	1,228.100	(153.600)	1,381.700	(153.600)	1,535.300	(153.600)	1,688.900	(153.600)
Total Expenses	\$6,139.000	\$6,617.313	(\$478.313)	\$6,998.181	(\$380.869)	\$7,418.248	(\$420.067)	\$7,776.652	(\$358.404)
Baseline Net Surplus/(Deficit)	(\$3,131.051)	(\$3,580.978)	(\$449.927)	(\$3,915.380)	(\$334.403)	(\$4,310.787)	(\$395.407)	(\$4,643.919)	(\$333.132)
2007 Program to Eliminate the Gap	15.419	39.114	23.695	50.004	10.890	50.554	0.550	50.554	0.000
Post-2006 Program to Eliminate the GAP	0.000	0.000	0.000	11.367	11.367	20.688	9.321	20.688	0.000
Net Surplus/(Deficit)	(\$3,115.632)	(\$3,541.864)	(\$426.232)	(\$3,854.009)	(\$312.146)	(\$4,239.545)	(\$385.536)	(\$4,572.677)	(\$333.132)

REIMBURSABLE

[illegible]

MTA New York City Transit
July Financial Plan 2007 - 2010
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	Favorable/(Unfavorable)								
	2006	2007	Change 2007-2006	2008	Change 2008-2007	2009	Change 2009-2008	2010	Change 2010-2009
Revenue									
Farebox Revenue:									
Subway	\$1,934.702	\$1,956.085	\$21.383	\$1,977.073	\$20.988	\$1,982.936	\$5.863	\$1,987.816	\$4.880
Bus	778.749	784.274	5.525	789.431	5.157	791.789	2.358	793.957	2.168
Paratransit	8.393	9.652	1.259	11.100	1.448	12.764	1.664	14.679	1.915
Fare Media Liability	20.900	21.700	0.800	21.900	0.200	22.200	0.300	22.200	0.000
Total Farebox Revenue	\$2,742.744	\$2,771.711	\$28.967	\$2,799.504	\$27.793	\$2,809.689	\$10.185	\$2,818.652	\$8.963
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:									
Fare Reimbursement	103.766	103.766	0.000	103.766	0.000	103.766	0.000	103.766	0.000
Paratransit Reimbursement	71.787	65.938	(5.849)	76.701	10.763	88.131	11.430	101.240	13.109
Other	89.652	94.920	5.268	102.830	7.910	105.875	3.045	109.075	3.200
Total Other Operating Revenue	265.205	264.624	(0.581)	283.297	18.673	297.772	14.475	314.081	16.309
Capital and Other Reimbursements	806.675	751.561	(55.114)	765.894	14.333	766.406	0.513	781.139	14.733
Total Revenue	\$3,814.624	\$3,787.896	(\$26.728)	\$3,848.695	\$60.799	\$3,873.867	\$25.173	\$3,913.872	\$40.005
Expenses									
Labor:									
Payroll	2,866.668	2,916.852	(50.184)	3,000.345	(83.493)	3,086.199	(85.854)	3,164.034	(77.836)
Overtime	271.381	258.380	13.001	265.098	(6.718)	274.042	(8.944)	284.139	(10.097)
Total Salaries & Wages	3,138.049	3,175.231	(37.182)	3,265.443	(90.211)	3,360.240	(94.798)	3,448.173	(87.933)
Health and Welfare	626.335	701.287	(74.953)	779.607	(78.320)	863.311	(83.704)	952.650	(89.339)
Pensions	525.791	618.630	(92.839)	634.279	(15.649)	632.825	1.454	628.581	4.245
Other Fringe Benefits	286.452	291.613	(5.162)	298.673	(7.060)	306.234	(7.561)	313.386	(7.152)
Total Fringe Benefits	1,438.578	1,611.531	(172.953)	1,712.559	(101.028)	1,802.370	(89.811)	1,894.616	(92.246)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$4,576.627	\$4,786.762	(\$210.135)	\$4,978.002	(\$191.239)	\$5,162.610	(\$184.609)	\$5,342.790	(\$180.179)
Non-Labor:									
Traction and Propulsion Power	146.730	157.684	(10.954)	157.765	(0.081)	157.812	(0.047)	157.812	0.000
Fuel for Buses and Trains	127.897	137.533	(9.636)	131.604	5.929	126.735	4.869	128.631	(1.896)
Insurance	34.963	43.103	(8.140)	48.480	(5.377)	52.579	(4.099)	59.462	(6.883)
Claims	71.080	73.036	(1.956)	75.044	(2.008)	77.100	(2.056)	79.050	(1.950)
Paratransit Service Contracts	190.897	228.065	(37.168)	265.885	(37.820)	304.875	(38.990)	355.258	(50.383)
Mtce. and Other Operating Contracts	220.201	240.620	(20.419)	247.774	(7.154)	259.603	(11.829)	256.988	2.615
Professional Service Contracts	114.810	112.690	2.120	116.484	(3.794)	125.609	(9.125)	127.461	(1.852)
Materials & Supplies	352.625	325.941	26.684	325.774	0.167	346.677	(20.903)	325.435	21.242
Other Business Expenses	35.345	35.339	0.006	35.563	(0.224)	35.754	(0.191)	36.005	(0.251)
Total Non-Labor Expenses	\$1,294.548	\$1,354.011	(\$59.463)	\$1,404.373	(\$50.362)	\$1,486.744	(\$82.371)	\$1,526.102	(\$39.358)
Other Expense Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
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	\$5,871.175	\$6,140.773	(\$269.598)	\$6,382.375	(\$241.601)	\$6,649.355	(\$266.980)	\$6,868.891	(\$219.537)
Depreciation	1,074.500	1,228.100	(153.600)	1,381.700	(153.600)	1,535.300	(153.600)	1,688.900	(153.600)
Total Expenses	\$6,945.675	\$7,368.873	(\$423.198)	\$7,764.075	(\$395.201)	\$8,184.655	(\$420.580)	\$8,557.791	(\$373.137)
Baseline Net Surplus/(Deficit)	(\$3,131.051)	(\$3,580.978)	(\$449.927)	(\$3,915.380)	(\$334.403)	(\$4,310.787)	(\$395.407)	(\$4,643.919)	(\$333.132)
2007 Program to Eliminate the Gap	15.419	39.114	23.695	50.004	10.890	50.554	0.550	50.554	0.000
Post-2006 Program to Eliminate the GAP	0.000	0.000	0.000	11.367	11.367	20.688	9.321	20.688	0.000
Net Surplus/(Deficit)	(\$3,115.632)	(\$3,541.864)	(\$426.232)	(\$3,854.009)	(\$312.146)	(\$4,239.545)	(\$385.536)	(\$4,572.677)	(\$333.132)

MTA New York City Transit
July Financial Plan 2007 - 2010
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

	Favorable/(Unfavorable)								
	2006	2007	Change 2007-2006	2008	Change 2008-2007	2009	Change 2009-2008	2010	Change 2010-2009
<u>Receipts</u>									
Farebox Revenue	\$2,740.091	\$2,780.811	\$40.720	\$2,808.304	\$27.493	\$2,815.189	\$6.885	\$2,822.052	\$6.863
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue:									
Fare Reimbursement	\$103.766	\$103.766	\$0.000	\$103.766	\$0.000	\$103.766	\$0.000	\$103.766	\$0.000
Paratransit Reimbursement	\$68.922	\$65.815	(\$3.107)	\$76.636	\$10.821	\$88.088	\$11.452	\$101.185	\$13.097
Other	\$125.272	\$100.320	(\$24.952)	\$104.930	\$4.610	\$107.975	\$3.045	\$111.175	\$3.200
Total Other Operating Revenue	\$297.960	\$269.901	(\$28.059)	\$285.332	\$15.431	\$299.829	\$14.497	\$316.126	\$16.297
Capital and Other Reimbursements	\$804.548	\$758.023	(\$46.524)	\$757.901	(\$0.123)	\$761.292	\$3.391	\$773.061	\$11.770
Total Receipts	\$3,842.599	\$3,808.735	(\$33.863)	\$3,851.537	\$42.801	\$3,876.310	\$24.773	\$3,911.239	\$34.930
<u>Expenditures</u>									
Labor:									
Payroll	2,840.446	2,894.060	(53.614)	2,978.026	(83.966)	3,061.290	(83.263)	3,138.238	(76.948)
Overtime	271.373	257.468	13.905	264.272	(6.804)	273.017	(8.744)	283.060	(10.043)
Total Salaries & Wages	3,111.819	3,151.528	(39.709)	3,242.299	(90.771)	3,334.306	(92.007)	3,421.298	(86.992)
Health and Welfare	638.204	698.855	(60.652)	777.005	(78.150)	860.527	(83.522)	949.671	(89.144)
Pensions	551.282	573.958	(22.677)	613.457	(39.498)	634.918	(21.462)	630.947	3.971
Other Fringe Benefits	274.861	281.211	(6.350)	288.913	(7.702)	296.863	(7.950)	304.343	(7.480)
Total Fringe Benefits	1,464.347	1,554.025	(89.678)	1,679.375	(125.350)	1,792.308	(112.933)	1,884.961	(92.653)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$4,576.166	\$4,705.553	(\$129.387)	\$4,921.674	(\$216.121)	\$5,126.615	(\$204.941)	\$5,306.259	(\$179.644)
Non-Labor:									
Traction and Propulsion Power	146.730	157.684	(10.954)	157.765	(0.081)	157.812	(0.047)	157.812	0.000
Fuel for Buses and Trains	129.351	137.533	(8.182)	131.604	5.929	126.735	4.869	128.631	(1.896)
Insurance	27.423	41.967	(14.544)	50.642	(8.675)	51.349	(0.707)	58.260	(6.911)
Claims	57.680	61.677	(3.997)	63.465	(1.788)	65.306	(1.841)	67.201	(1.895)
Paratransit Service Contracts	186.697	228.065	(41.368)	265.885	(37.820)	304.875	(38.990)	355.258	(50.383)
Mtce. and Other Operating Contracts	230.739	249.074	(18.335)	256.228	(7.154)	268.057	(11.829)	265.442	2.615
Professional Service Contracts	109.981	108.690	1.291	112.484	(3.794)	121.609	(9.125)	123.461	(1.852)
Materials & Supplies	350.399	323.941	26.458	323.774	0.167	344.677	(20.903)	323.435	21.242
Other Business Expenditures	35.345	35.339	0.006	35.563	(0.224)	35.754	(0.191)	36.005	(0.251)
Total Non-Labor Expenditures	\$1,274.345	\$1,343.970	(\$69.625)	\$1,397.410	(\$53.440)	\$1,476.174	(\$78.764)	\$1,515.505	(\$39.331)
Other Expenditure Adjustments:									
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$5,850.511	\$6,049.523	(\$199.012)	\$6,319.084	(\$269.561)	\$6,602.789	(\$283.705)	\$6,821.764	(\$218.975)
Baseline Net Cash Deficit	(\$2,007.912)	(\$2,240.788)	(\$232.875)	(\$2,467.547)	(\$226.760)	(\$2,726.479)	(\$258.932)	(\$2,910.524)	(\$184.045)
2007 Program to Eliminate the Gap	\$15.419	\$39.114	\$23.695	\$50.004	\$10.890	\$50.554	\$0.550	\$50.554	\$0.000
Post-2006 Program to Eliminate the GAP	\$0.000	\$0.000	\$0.000	\$11.367	\$11.367	\$20.688	\$9.321	\$20.688	\$0.000
Net Cash Deficit	(\$1,992.493)	(\$2,201.674)	(\$209.180)	(\$2,406.176)	(\$204.503)	(\$2,655.237)	(\$249.061)	(\$2,839.282)	(\$184.045)

MTA New York City Transit
July Financial Plan 2007 - 2010
Year-to-Year Changes by Category - Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	Favorable/(Unfavorable)								
	2006	2007	Change 2007-2006	2008	Change 2008-2007	2009	Change 2009-2008	2010	Change 2010-2009
<u>Receipts</u>									
Farebox Revenue	(\$2.653)	\$9.100	\$11.753	\$8.800	(\$0.300)	\$5.500	(\$3.300)	\$3.400	(\$2.100)
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue:									
Fare Reimbursement	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Paratransit Reimbursement	(\$2.865)	(\$0.123)	\$2.742	(\$0.065)	\$0.058	(\$0.043)	\$0.022	(\$0.055)	(\$0.012)
Other	\$35.620	\$5.400	(\$30.220)	\$2.100	(\$3.300)	\$2.100	\$0.000	\$2.100	\$0.000
Total Other Operating Revenue	\$32.755	\$5.277	(\$27.478)	\$2.035	(\$3.242)	\$2.057	\$0.022	\$2.045	(\$0.012)
Capital and Other Reimbursements	(\$2.127)	\$6.463	\$8.590	(\$7.993)	(\$14.456)	(\$5.115)	\$2.878	(\$8.078)	(\$2.963)
Total Receipt Adjustments	\$27.975	\$20.840	(\$7.135)	\$2.842	(\$17.998)	\$2.442	(\$0.400)	(\$2.633)	(\$5.075)
<u>Expenditures</u>									
Labor:									
Payroll	\$26.222	\$22.792	(\$3.430)	\$22.318	(\$0.473)	\$24.909	\$2.591	\$25.797	\$0.888
Overtime	\$0.008	\$0.912	\$0.903	\$0.825	(\$0.086)	\$1.025	\$0.200	\$1.078	\$0.054
Total Salaries & Wages	\$26.230	\$23.703	(\$2.527)	\$23.144	(\$0.559)	\$25.934	\$2.790	\$26.875	\$0.941
Health and Welfare	(\$11.869)	\$2.432	\$14.301	\$2.602	\$0.170	\$2.784	\$0.182	\$2.979	\$0.195
Pensions	(\$25.490)	\$44.672	\$70.162	\$20.822	(\$23.849)	(\$2.093)	(\$22.915)	(\$2.367)	(\$0.274)
Other Fringe Benefits	\$11.590	\$10.402	(\$1.188)	\$9.760	(\$0.642)	\$9.371	(\$0.389)	\$9.043	(\$0.328)
Total Fringe Benefits	(\$25.769)	\$57.506	\$83.275	\$33.184	(\$24.322)	\$10.062	(\$23.122)	\$9.655	(\$0.406)
Reimbursable Overhead	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Labor Expenditures	\$0.461	\$81.209	\$80.748	\$56.328	(\$24.881)	\$35.996	(\$20.332)	\$36.531	\$0.535
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	(\$1.454)	\$0.000	\$1.454	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	\$7.540	\$1.136	(\$6.404)	(\$2.162)	(\$3.298)	\$1.230	\$3.392	\$1.202	(\$0.028)
Claims	\$13.400	\$11.359	(\$2.041)	\$11.579	\$0.220	\$11.794	\$0.215	\$11.849	\$0.055
Paratransit Service Contracts	\$4.200	\$0.000	(\$4.200)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Mtce. and Other Operating Contracts	(\$10.538)	(\$8.454)	\$2.084	(\$8.454)	\$0.000	(\$8.454)	\$0.000	(\$8.454)	\$0.000
Professional Service Contracts	\$4.829	\$4.000	(\$0.829)	\$4.000	\$0.000	\$4.000	\$0.000	\$4.000	\$0.000
Materials & Supplies	\$2.226	\$2.000	(\$0.226)	\$2.000	\$0.000	\$2.000	\$0.000	\$2.000	\$0.000
Other Business Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Non-Labor Expenditures	\$20.203	\$10.041	(\$10.162)	\$6.963	(\$3.078)	\$10.570	\$3.607	\$10.597	\$0.027
Other Expenditure Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditure Adjustments	\$20.664	\$91.250	\$70.586	\$63.291	(\$27.959)	\$46.566	(\$16.725)	\$47.128	\$0.562
Total Cash Conversion Adjustments before Depreciation	\$48.639	\$112.090	\$63.451	\$66.133	(\$45.957)	\$49.008	(\$17.125)	\$44.495	(\$4.513)
Depreciation Adjustment	\$1,074.500	\$1,228.100	\$153.600	\$1,381.700	\$153.600	\$1,535.300	\$153.600	\$1,688.900	\$153.600
Baseline Total Cash Conversion Adj.	\$1,123.139	\$1,340.190	\$217.051	\$1,447.833	\$107.643	\$1,584.308	\$136.475	\$1,733.395	\$149.087
2007 Program to Eliminate the Gap	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Post-2006 Program to Eliminate the GAP	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments	\$1,123.139	\$1,340.190	\$217.051	\$1,447.833	\$107.643	\$1,584.308	\$136.475	\$1,733.395	\$149.087

**MTA New York City Transit
July Financial Plan 2007-2010
Summary of Major Plan-to-Plan Changes**

2006: July Financial Plan vs. February Financial Plan

Revenue Changes

Revenue changes from the February Financial Plan resulted in a reduction of \$23.4 million. Major changes include:

- Farebox revenue underruns of \$49.5 million due to lower-than-anticipated ridership growth, the January 2006 impact of the 2005 holiday bonus program (not budgeted), and the February snowstorm.
- A capital reimbursement increase of \$11.6 million due to an increase in reimbursable expense.
- Higher estimates of Urban Tax yields based upon a continuing strong local real estate market, resulting in a \$14.4 million projected increase in paratransit reimbursements.

Expense Changes

Expense changes from the February Financial Plan result in an increase in expenses of \$54.2 million. Major changes include:

- Expenses increase by \$20.3 million due to the timing of expenses originally anticipated to occur in 2005 but deferred/rescheduled to 2006.
- Increased energy (electric power and diesel/heating fuel) prices increase projected expenses by \$15.3 million.
- Additional unscheduled overtime requirements for vacancy coverage and the impact of the February 2006 snowstorm increase expenses by \$12.5 million.
- Reimbursable expenses increase by \$11.6 million due primarily to the timing of material expenses from year-end 2005 results to 2006.
- Subway car maintenance material costs increase by \$9.5 million due to a combination of workscope increases in the SMS (Scheduled Maintenance System) Program and higher material costs for new cars due to their high technological content.
- Similarly, an increase of \$6.2 million is projected for additional bus depot maintenance material requirements, driven by higher maintenance costs needed to support new technology buses.
- Additional costs of \$6.0 million for prior year PEGs (Programs to Eliminate the Gap) now included in the baseline. These adjustments include: not expanding One Person Train Operation (OPTO) on the "G" Line due to an arbitration decision, and delays in implementing Automated Train Supervision (ATS), Communications-Based Train Control (CBTC), and a Disease Management Program.

2006: July Financial Plan vs. February Financial Plan (continued)

- Recently-enacted legislation has resulted in a favorable NYCERS pension revaluation yielding accrued expense savings of \$149.2 million. The 2006 cash impact of these savings, \$120.1 million, will be deposited as an MTA Policy Action in a special GASB (Government Accounting Standards Board) fund. Please refer to the MTA Consolidated section for further information.

Cash Adjustments

Cash adjustments were unfavorable by \$46.9 million. Major changes include:

- Net unfavorable timing of \$39.4 million of cash transactions originally anticipated to occur in 2005 but deferred/rescheduled to 2006. The net value includes \$59.4 million of unfavorable expenditure timing, primarily pension and health and welfare payments, offset in part by \$20.0 million of favorable operating revenue timing.
- Unfavorable cash timing of \$29.0 million resulting from the NYCERS pension revaluation adjustment enabled by recent legislation. The unfavorable cash timing results from the difference between MTA's fiscal year (January-December) and the City's (July-June). Favorable timing changes ensue in subsequent years.
- A favorable \$19.9 million due to the re-estimate of the timing of insurance expenditures.

2007-2010: July Financial Plan vs. February Financial Plan

Revenue Changes

Revenue changes from the February Financial Plan result in reductions of \$40.5 million in 2007, \$29.9 million in 2008, \$26.6 million in 2009, and \$27.8 million in 2010. Major changes include:

- Farebox revenue reductions of \$46.7 million in 2007, \$46.9 million in 2008, \$44.1 million in 2009 and \$46.3 million in 2010, due to lower projected ridership growth than in the February Plan.
- Advertising revenues are projected to increase by \$5.0 million in 2007, \$12.5 million in 2008, \$15.7 million in 2009, and \$18.5 million in 2010, the result of a new advertising contract.
- Capital reimbursements are projected to increase by \$1.6 million in 2007, \$3.7 million in 2008 and \$0.3 million in 2009, and to decrease by \$1.7 million in 2010, based on reestimates of reimbursable expenses during the same years.

2007-2010: July Financial Plan vs. February Financial Plan (continued)

Expense Changes

Expense changes from the February Financial Plan result in expense increases of \$200.1 million in 2007, \$244.3 million in 2008, \$308.0 million in 2009 and \$282.3 million in 2010. A discussion of major changes follows:

- Revised inflation forecasts for energy prices (fuel and power) and health & welfare rates result in increases of \$78.2 million in 2007, \$93.8 million in 2008, \$98.1 million in 2009, and \$108.0 million in 2010.
- Recently enacted-legislation resulted in a favorable NYCERS pension revaluation in 2006, and increased projected expenses in subsequent years: \$10.3 million in 2007, \$46.7 million in 2008, \$46.5 million in 2009 and \$46.7 million in 2010.
- In 2007, an MTA Policy Action will deposit the 2007 cash savings due to the revaluation, \$26.8 million, into a GASB (Government Accounting Standards Board) fund. Please refer to the MTA Consolidated section for further information.
- Paratransit costs are increasing, primarily due to higher CPI rate increases for the 8 primary carriers, and due to mobilization and fixed costs for two carriers that have agreed to increase their service fleet. Projected increases total \$13.9 million in 2007, \$21.7 million in 2008, \$11.4 million in 2009, and \$11.3 million in 2010.
- Bus service revisions, based upon peak-hour passenger loading guidelines, route running time updates, recommendations of The Staten Island Task Force, and depot construction impacts, yield costs of \$5.4 million in 2007, \$13.0 million in 2008, \$17.5 million in 2009 and \$19.1 million in 2010.
- SMS costs will increase by \$27.4 million in 2007 due to additional workscope requirements on the R142, R142A and R68A cars and higher than anticipated material costs reflecting the increased technological content of the new cars. Similar increases will result in subsequent years: \$15.3 million in 2008, \$43.9 million in 2009, and \$22.2 million in 2010.
- Alternating current HVAC compressor motors are required for the R46 fleet, to replace existing direct current motors, which have become increasingly unreliable and difficult to maintain. Projected costs are \$5.0 million in 2008, \$14.1 million in 2009, and \$6.4 million in 2010.
- Costs to dispose of 1,572 "B" division cars, which will be replaced by new R160 cars are projected to be \$4.5 million in 2007, \$8.8 million in 2008, \$8.8 million in 2009, and \$2.9 million in 2010.
- Additional bus shop maintenance requirements, including scheduling changes for bus overhauls and upgrades, are projected to be \$0.6 million in 2007, \$4.1 million in 2008, \$9.5 million in 2009 and \$5.9 million in 2010.
- Increased bus depot maintenance material requirements are projected, driven by the higher maintenance costs needed to support new technology buses: \$6.2 million in 2007, \$7.7 million in 2008, \$9.2 million in 2009 and \$10.7 million in 2010.

2007-2010: July Financial Plan vs. February Financial Plan (continued)

- Additional bus repairable unit requirements for radiators, transmissions and turbochargers are projected to increase expenses by \$5.0 million in 2007, \$4.7 million in 2008, \$4.9 million in 2009 and \$5.1 million in 2010.
- Prior year PEG adjustments result in additional costs of \$14.2 million in 2007, \$4.5 million in 2008, \$3.7 million in 2009 and \$3.7 million in 2010. These adjustments include: delays in implementing Automated Train Supervision (ATS) and Communications-Based Train Control (CBTC) systems; a three-month delay in the implementation of bus off-peak seated load guidelines; not expanding “G” line One Person Train Operation (OPTO) due to an arbitration decision, and a delay in implementing a Disease Management Program.

Cash Adjustments

Cash adjustments are projected to be favorable by \$44.3 million in 2007, \$21.0 million in 2008, \$2.6 million in 2009 and \$3.0 million in 2010. The major cash adjustments represent favorable NYCERS pension revaluation adjustments of \$37.1 million in 2007 and \$19.5 million in 2008 arising from recently-enacted legislation.

MTA New York City Transit
July Financial Plan 2007 - 2010
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE					
	2006	2007	2008	2009	2010
Baseline 2006 February Financial Plan - Cash Deficit	(\$1,885.424)	(\$2,048.876)	(\$2,206.787)	(\$2,388.552)	(\$2,595.027)
Baseline Changes					
Revenue					
Farebox Revenue	(\$49.451)	(\$46.704)	(\$46.897)	(\$44.070)	(\$46.310)
Other Operating Revenue	\$14.414	\$4.560	\$13.270	\$17.103	\$20.252
Capital and Other Reimbursement	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Revenue Changes	(\$35.037)	(\$42.144)	(\$33.627)	(\$26.967)	(\$26.058)
Expenses					
Labor:					
Payroll	(\$22.791)	(\$38.070)	(\$36.397)	(\$58.616)	(\$55.655)
Overtime	(\$16.315)	(\$1.727)	(\$3.020)	(\$5.064)	(\$5.908)
Health and Welfare	\$20.273	(\$4.090)	(\$17.024)	(\$31.337)	(\$43.487)
Pensions	\$28.189	(\$40.692)	(\$50.359)	(\$51.607)	(\$48.498)
Other Fringe Benefits	(\$2.254)	(\$2.717)	(\$2.729)	(\$5.504)	(\$5.534)
Reimbursable Overhead	\$1.109	\$1.168	\$1.783	\$0.641	(\$0.764)
Total Labor Expense Changes	\$8.211	(\$86.127)	(\$107.746)	(\$151.486)	(\$159.846)
Non-Labor:					
Traction and Propulsion Power	(\$5.789)	(\$17.044)	(\$16.427)	(\$13.999)	(\$12.017)
Fuel for Buses and Trains	(\$11.959)	(\$34.193)	(\$34.743)	(\$29.283)	(\$30.289)
Insurance	(\$0.404)	(\$4.089)	(\$6.183)	(\$6.155)	(\$6.512)
Claims	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Paratransit Service Contracts	\$1.432	(\$4.776)	(\$5.586)	(\$0.905)	\$0.244
Maintenance and Other Operating Contracts	\$3.674	(\$16.564)	(\$25.425)	(\$28.260)	(\$21.205)
Professional Service Contracts	(\$7.036)	(\$9.075)	(\$10.080)	(\$16.566)	(\$15.266)
Materials & Supplies	(\$30.217)	(\$26.516)	(\$34.386)	(\$61.132)	(\$39.206)
Other Business Expenses	(\$0.462)	(\$0.051)	\$0.014	\$0.067	\$0.133
Total Non-Labor Expense Changes	(\$50.761)	(\$112.308)	(\$132.816)	(\$156.233)	(\$124.118)
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	(\$42.550)	(\$198.435)	(\$240.562)	(\$307.719)	(\$283.964)
Cash Adjustment Changes					
Revenue	\$23.914	\$3.265	(\$0.016)	(\$0.001)	(\$0.055)
Expense	(\$66.688)	\$38.939	\$21.438	\$1.875	\$2.658
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Adjustment Changes	(\$42.774)	\$42.204	\$21.422	\$1.874	\$2.603
Total Baseline Changes	(\$120.361)	(\$198.374)	(\$252.767)	(\$332.813)	(\$307.420)
Baseline 2006 July Financial Plan - Cash Deficit	(\$2,005.785)	(\$2,247.250)	(\$2,459.554)	(\$2,721.365)	(\$2,902.447)

MTA New York City Transit
July Financial Plan 2007 - 2010
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	2006	2007	2008	2009	2010
Baseline 2006 February Financial Plan - Cash Deficit	\$1.991	\$4.399	(\$7.555)	(\$5.815)	(\$8.493)
Baseline Changes					
Revenue					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Capital and Other Reimbursement	\$11.638	\$1.646	\$3.722	\$0.328	(\$1.695)
Total Revenue Changes	\$11.638	\$1.646	\$3.722	\$0.328	(\$1.695)
Expenses					
Labor:					
Payroll	(\$2.668)	(\$1.655)	(\$1.692)	\$0.277	\$2.565
Overtime	(\$0.593)	\$0.137	\$0.022	(\$0.011)	(\$0.012)
Health and Welfare	(\$1.856)	\$0.845	\$0.520	\$0.309	\$0.045
Pensions	\$3.595	(\$1.291)	(\$2.186)	(\$2.206)	(\$2.143)
Other Fringe Benefits	\$1.155	(\$0.458)	(\$0.508)	\$0.039	(\$1.642)
Reimbursable Overhead	(\$1.109)	(\$1.168)	(\$1.783)	(\$0.641)	\$0.764
Total Labor Expense Changes	(\$1.476)	(\$3.590)	(\$5.627)	(\$2.233)	(\$0.422)
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
Insurance	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
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	\$2.794	\$0.877	\$0.877	\$0.877	\$0.877
Professional Service Contracts	(\$0.678)	\$1.027	\$1.027	\$1.027	\$1.027
Materials & Supplies	(\$12.278)	\$0.040	\$0.001	\$0.001	\$0.213
Other Business Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Non-Labor Expense Changes	(\$10.162)	\$1.944	\$1.905	\$1.905	\$2.117
Total Expense Changes	(\$11.638)	(\$1.646)	(\$3.722)	(\$0.328)	\$1.695
Cash Adjustment Changes					
Capital Reimbursement Timing	(\$4.118)	\$2.064	(\$0.438)	\$0.700	\$0.415
Total Cash Adjustment Changes	(\$4.118)	\$2.064	(\$0.438)	\$0.700	\$0.415
Total Baseline Changes	(\$4.118)	\$2.064	(\$0.438)	\$0.700	\$0.415
Baseline 2006 July Financial Plan - Cash Deficit	(\$2.127)	\$6.463	(\$7.993)	(\$5.115)	(\$8.078)

MTA New York City Transit
July Financial Plan 2007 - 2010
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE					
	2006	2007	2008	2009	2010
Baseline 2006 February Financial Plan - Cash Deficit	(\$1,883.433)	(\$2,044.477)	(\$2,214.342)	(\$2,394.367)	(\$2,603.520)
Baseline Changes					
Revenue					
Farebox Revenue	(\$49.451)	(\$46.704)	(\$46.897)	(\$44.070)	(\$46.310)
Other Operating Revenue	\$14.414	\$4.560	\$13.270	\$17.103	\$20.252
Capital and Other Reimbursement	\$11.638	\$1.646	\$3.722	\$0.328	(\$1.695)
Total Revenue Changes	(\$23.399)	(\$40.498)	(\$29.905)	(\$26.639)	(\$27.753)
Expenses					
Labor:					
Payroll	(\$25.459)	(\$39.725)	(\$38.089)	(\$58.340)	(\$53.089)
Overtime	(\$16.908)	(\$1.590)	(\$2.998)	(\$5.075)	(\$5.920)
Health and Welfare	\$18.416	(\$3.244)	(\$16.504)	(\$31.028)	(\$43.443)
Pensions	\$31.785	(\$41.983)	(\$52.545)	(\$53.812)	(\$50.642)
Other Fringe Benefits	(\$1.099)	(\$3.174)	(\$3.237)	(\$5.465)	(\$7.175)
Reimbursable Overhead	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Labor Expense Changes	\$6.735	(\$89.716)	(\$113.373)	(\$153.719)	(\$160.269)
Non-Labor:					
Traction and Propulsion Power	(\$5.789)	(\$17.044)	(\$16.427)	(\$13.999)	(\$12.017)
Fuel for Buses and Trains	(\$11.959)	(\$34.193)	(\$34.743)	(\$29.283)	(\$30.289)
Insurance	(\$0.404)	(\$4.089)	(\$6.183)	(\$6.155)	(\$6.512)
Claims	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Paratransit Service Contracts	\$1.432	(\$4.776)	(\$5.586)	(\$0.905)	\$0.244
Maintenance and Other Operating Contracts	\$6.468	(\$15.687)	(\$24.548)	(\$27.383)	(\$20.328)
Professional Service Contracts	(\$7.714)	(\$8.048)	(\$9.053)	(\$15.539)	(\$14.239)
Materials & Supplies	(\$42.495)	(\$26.476)	(\$34.385)	(\$61.131)	(\$38.993)
Other Business Expenses	(\$0.462)	(\$0.051)	\$0.014	\$0.067	\$0.133
Total Non-Labor Expense Changes	(\$60.923)	(\$110.364)	(\$130.911)	(\$154.328)	(\$122.001)
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	(\$54.188)	(\$200.080)	(\$244.284)	(\$308.048)	(\$282.269)
Cash Adjustment Changes					
Revenue	\$23.914	\$3.265	(\$0.016)	(\$0.001)	(\$0.055)
Expense	(\$66.688)	\$38.939	\$21.438	\$1.875	\$2.658
Capital Reimbursement Timing	(\$4.118)	\$2.064	(\$0.438)	\$0.700	\$0.415
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Adjustment Changes	(\$46.892)	\$44.268	\$20.984	\$2.574	\$3.018
Total Baseline Changes	(\$124.479)	(\$196.311)	(\$253.205)	(\$332.112)	(\$307.004)
Baseline 2006 July Financial Plan - Cash Deficit	(\$2,007.912)	(\$2,240.788)	(\$2,467.547)	(\$2,726.479)	(\$2,910.524)

MTA New York City Transit
July Financial Plan 2007 - 2010
Summary of Major Changes (Programmatic) Between Financial Plans
(\$ in millions)

TOTAL NON-REIMBURSABLE AND REIMBURSABLE

	2006	2007	2008	2009	2010
2006 February Financial Plan - Operating Cash Income/(Deficit)	(\$1,883.433)	(\$2,044.477)	(\$2,214.342)	(\$2,394.367)	(\$2,603.520)
Baseline Changes:					
Revenue					
Farebox Revenue Re-estimate	(49.451)	(46.704)	(46.897)	(44.070)	(46.310)
Advertising Revenue-Re-estimate	0.000	4.990	12.500	15.730	18.530
Paratransit Urban Tax-Re-estimate	14.374	(0.430)	0.770	1.373	1.722
Capital Reimbursement Revision	11.638	1.646	3.722	0.328	(1.695)
Other Changes	0.040	0.000	0.000	0.000	0.000
Sub-Total Revenue Changes	(\$23.399)	(\$40.498)	(\$29.905)	(\$26.639)	(\$27.753)
Expense					
<u>Inflation-Related Changes:</u>					
Inflation Re-estimate - Energy (Bus Fuel, Electric Power)	(15.271)	(60.189)	(59.107)	(47.945)	(45.200)
Health & Welfare Rates	18.370	(11.006)	(25.595)	(38.195)	(53.080)
Property/Liability Insurance	(0.833)	(4.616)	(4.802)	(4.204)	(4.561)
Other Than Personal Services	0.000	(1.934)	(3.318)	(2.785)	(1.115)
Inflation Related to Changes Below	<u>0.000</u>	<u>(0.423)</u>	<u>(0.992)</u>	<u>(4.991)</u>	<u>(4.019)</u>
Sub-Total Inflation-Related Changes	2.266	(78.168)	(93.814)	(98.120)	(107.975)
2005 Year End Results Timing	(20.258)	0.000	0.000	0.000	0.000
NYCERS Pension Revaluation From Recently-Enacted Legislation	149.152	(10.269)	(46.724)	(46.456)	(46.703)
MTA Designated GASB Fund From Pension Reval.Cash Savings	(120.111)	(26.832)	0.000	0.000	0.000
Subway Service Plan Adjustments	0.000	(0.216)	(1.751)	(4.019)	(4.019)
Bus Service Plan Requirements	(0.714)	(5.357)	(12.972)	(17.522)	(19.123)
Paratransit Additional Costs	(5.107)	(13.867)	(21.664)	(11.424)	(11.271)
Subways Scheduled Maintenance System Revision	(9.500)	(27.392)	(15.263)	(43.923)	(22.203)
R46 Car HVAC Compressor Motor Replacement	0.000	0.000	(4.999)	(14.083)	(6.408)
Subway Car Scrapping Program	0.000	(4.471)	(8.837)	(8.837)	(2.948)
Bus Shop Plan Revision	(2.100)	(0.553)	(4.053)	(9.474)	(5.941)
Bus Depot Repairable Unit Requirements	(5.300)	(5.000)	(4.700)	(4.900)	(5.100)
Bus Depot Maintenance Material Requirements	(6.200)	(6.200)	(7.700)	(9.200)	(10.700)
Safety and Security New Needs	(1.375)	(1.345)	(1.645)	(2.575)	(2.675)
Administrative Requirements	(0.648)	(3.265)	(3.085)	(8.238)	(6.559)
2006 Overtime Re-estimate	(12.528)	0.000	0.000	0.000	0.000
Labor Re-estimates-ATU and Operating Engineers	(3.406)	(5.177)	(6.200)	(6.039)	(5.854)
Grand Avenue Bus Depot and Shop Service Support	0.000	4.230	(2.483)	(2.607)	(2.607)
Charleston Bus Depot Service Support	0.000	0.000	3.464	(1.790)	(1.790)
Changes To Prior Year PEGs-Implementation Timing	(5.962)	(14.228)	(4.489)	(3.673)	(3.673)
Consolidated Maintenance Management System Implementation	0.000	0.000	(2.925)	(3.000)	(3.000)
Subway Station Painting Program	0.000	0.000	0.000	(6.200)	(6.200)
All Other Non-reimbursable Changes	(0.759)	(0.325)	(0.722)	(5.639)	(9.215)
Reimbursable Expense Revision	(11.638)	(1.646)	(3.722)	(0.328)	1.695
Sub-Total Expense Changes	(\$54.188)	(\$200.081)	(\$244.284)	(\$308.047)	(\$282.269)
Cash Adjustments:					
Revenue					
2005 Year End Results Operating Revenue Timing	20.022	0.000	0.000	0.000	0.000
2005 Year End Results-Capital Reimbursement Timing	(1.600)	0.000	0.000	0.000	0.000
Interest Income Re-estimate	6.600	3.300	0.000	0.000	0.000
Paratransit Urban Tax Revenue Timing	(2.705)	(0.035)	(0.016)	(0.001)	(0.055)
Capital Reimbursement Timing	(2.518)	2.064	(0.438)	0.700	0.415
Expense					
2005 Year End Results Expenditure Timing	(59.457)	0.000	0.000	0.000	0.000
NYCERS Pension Revaluation Cash Timing	(29.042)	37.101	19.478	(0.144)	0.000
Insurance Re-estimate-Payment Timing	19.859	1.531	1.738	0.982	1.868
Retroactive Salary & Wage Timing	0.902	0.000	0.000	0.000	0.000
Other Cash Adjustments	1.047	0.307	0.222	1.037	0.790
Sub-Total Cash Adjustment Changes	(\$46.892)	\$44.268	\$20.984	\$2.574	\$3.018
Total Baseline Changes	(\$124.479)	(\$196.311)	(\$253.205)	(\$332.112)	(\$307.004)
2006 July Financial Plan - Operating Cash Income/(Deficit)	(\$2,007.912)	(\$2,240.788)	(\$2,467.547)	(\$2,726.479)	(\$2,910.524)

**MTA New York City Transit
July Financial Plan 2007-2010
Summary of Major Plan-to-Plan Changes**

Ridership (Utilization)

Relative to the February Financial Plan, baseline ridership decreases by 21.455 million in 2006, 21.864 million in 2007, 22.120 million in 2008, 19.944 million in 2009 and 21.676 in 2010, primarily due to lower ridership growth than anticipated in the February Plan.

MTA New York City Transit
July Financial Plan 2007 - 2010
Ridership/Traffic Volume (Utilization)
(in millions)

	2005 Actuals	2006 Mid-Year Forecast	2007 Preliminary Budget	2008	2009	2010
Subway	1,449.109	1,487.754	1,503.186	1,518.617	1,522.928	1,526.516
Bus	736.493	744.522	747.914	751.979	754.020	755.896
Paratransit	4.663	5.296	6.091	7.005	8.055	9.264
Baseline Total Ridership	2,190.265	2,237.572	2,257.191	2,277.601	2,285.003	2,291.676
Impact of: PEG Program	0.000	0.000	(0.287)	(1.077)	(1.077)	(1.077)
Total Ridership	2,190.265	2,237.572	2,256.904	2,276.524	2,283.926	2,290.599

MTA New York City Transit
July Financial Plan 2007 - 2010
Summary of PEGs
(\$ in millions)

	Favorable/(Unfavorable)									
	2006		2007		2008		2009		2010	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
LIST of PROGRAMS										
Administration:										
Asset Recovery Increase	(2)	\$1.074	(2)	\$0.379	(2)	\$0.479	(2)	\$1.029	(2)	\$1.029
Corporate Communications Admin Reduction				\$0.175	2	\$0.294	2	\$0.294	2	\$0.294
EMD/Electrical Managerial/Supervisory Efficiencies			3	\$0.345	3	\$0.345	3	\$0.345	3	\$0.345
Health & Welfare Mgmt - Drug Cost Reduction		\$3.438		\$4.602		\$4.602		\$4.602		\$4.602
Operations Planning Position Reductions			2	\$0.208	2	\$0.208	2	\$0.208	2	\$0.208
PC Normal Replacement Reduction		\$1.500		\$1.500						
Subways Administrative Reductions			10	\$0.978	10	\$0.978	10	\$0.978	10	\$0.978
TAB Revenue Collection - StateWide Offset Program		\$3.735		\$1.960		\$1.960		\$1.960		\$1.960
Workers' Compensation Recoveries		\$0.800		\$5.170		\$5.170		\$5.170		\$5.170
Sub-Total Administration	(2)	\$10.547	13	\$15.317	15	\$14.036	15	\$14.586	15	\$14.586
Customer Convenience & Amenities:										
Reduce Bus Map Printing				\$0.107		\$0.107		\$0.107		\$0.107
Reduce Hours at Part-Time Booths					25	\$1.563	25	\$1.563	25	\$1.563
Reduce Telephone Info-Line Hours			1	\$0.098	3	\$0.294	3	\$0.294	3	\$0.294
Sub-Total Customer Convenience & Amenities		\$0.000	1	\$0.205	28	\$1.964	28	\$1.964	28	\$1.964
Direct Service:										
Subway Off-Peak Policy Headways			120	\$4.961	120	\$18.625	120	\$18.625	120	\$18.625
Sub-Total Service		\$0.000	120	\$4.961	120	\$18.625	120	\$18.625	120	\$18.625

MTA New York City Transit
July Financial Plan 2007 - 2010
Summary of PEGs
(\$ in millions)

	Favorable/(Unfavorable)									
	2006		2007		2008		2009		2010	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
LIST of PROGRAMS										
Service Support:										
Improve Availability by 1 day - Service Divisions			89	\$4.879	89	\$4.879	89	\$4.879	89	\$4.879
Reduce RTO Non-Road Positions			12	\$0.907	12	\$0.907	12	\$0.907	12	\$0.907
Revenue Processing and Collections Efficiencies	8	\$0.230	10	\$1.101	10	\$1.101	10	\$1.101	10	\$1.101
Subways Service Delivery Vacancy Savings		\$1.535		\$1.680						
Sub-Total Service Support	8	\$1.765	111	\$8.567	111	\$6.887	111	\$6.887	111	\$6.887
Maintenance:										
AFC Back Office Tool Repair Savings			1	\$0.084	1	\$0.084	1	\$0.084	1	\$0.084
CCTV Preventive Maintenance Interval Extension			7	\$0.553	7	\$0.553	7	\$0.553	7	\$0.553
Central Electronics Shop Delivery Staff Reduction			2	\$0.158	2	\$0.158	2	\$0.158	2	\$0.158
Depot Maintenance Staff Reduction			18	\$1.338	18	\$1.338	18	\$1.338	18	\$1.338
Electronics Mtce Div Materials/Supplies Reduction				\$0.250		\$0.250		\$0.250		\$0.250
Improve Availability by 1 day - Mtce/Other Divisions			43	\$2.377	43	\$2.377	43	\$2.377	43	\$2.377
Keene Equipment Maintenance Coverage			1	\$0.078	1	\$0.078	1	\$0.078	1	\$0.078
MVM SMS Cycle Savings			2	\$0.158	2	\$0.158	2	\$0.158	2	\$0.158
Substation Preventive Maintenance Interval Extension			4	\$0.275	4	\$0.275	4	\$0.275	4	\$0.275
Subways MOW/Rolling Stock Vacancy Savings		\$3.107		\$3.582						
Tiffany Warehouse Rent Savings				\$1.211		\$3.221		\$3.221		\$3.221
Sub-Total Maintenance		\$3.107	78	\$10.064	78	\$8.492	78	\$8.492	78	\$8.492
Revenue Enhancements:										
Sub-Total Revenue Enhancements		0.000		0.000		0.000		0.000		0.000

MTA New York City Transit
July Financial Plan 2007 - 2010
Summary of PEGs
(\$ in millions)

	Favorable/(Unfavorable)									
	2006		2007		2008		2009		2010	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
LIST of PROGRAMS										
Other:										
Sub-Total Other		\$0.000		\$0.000		\$0.000		\$0.000		\$0.000
Total PEGs	6	\$15.419	323	\$39.114	352	\$50.004	352	\$50.554	352	\$50.554

¹ Reflects the impact of amendments on year-end positions. Excludes Full-Time Equivalents (FTE's).

MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)

PEG Category:

Administration

Program:

Asset Recovery Increase

Background Details:

The objective of this initiative is to increase the ability to identify additional items currently dumped as waste that could be recycled, sold as scrap, or sold as surplus.

PEG Description/Implementation Plan:

Two additional positions will be added to the Asset Recovery efforts starting in July 2006. The investment in these positions is expected to increase revenue from surplus sales and scrap.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$1.074	\$0.379	\$0.479	\$1.029	\$1.029
Total Reduction in Positions Required	(2)	(2)	(2)	(2)	(2)
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Administration

Program:

Corporate Communications Administrative Reductions

Background Details:

(1) Reduce newspaper advertising of service diversions, (2) MetroCard Claims Savings, and (3) OTPS savings.

PEG Description/Implementation Plan:

(1) Marketing will continue to use in-system advertising and the MTA/NYCT website to provide customers with service diversion information. (2) With the introduction of technological improvements in the MetroCard claims process, two full-time PTE positions can be eliminated in 2008. (3) A savings of \$20,000 in DP Material and a savings of \$10,000 in Specialized Equipment can be achieved starting in 2007.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.175	\$0.294	\$0.294	\$0.294
 Total Reduction in Positions Required	 0	 0	 2	 2	 2
 Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
 Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Administration

Program:

EMD/Electrical Manager/Supervisory Efficiencies

Background Details:

This proposal eliminates 1 superintendent and 1 Level II supervisor in Electrical Maintenance, and 1 superintendent in the Electronics Maintenance Network Operations Unit, effective January 1, 2007.

PEG Description/Implementation Plan:

This proposal provides for managerial and supervisory efficiency through increased span of control. One manager and one superintendent will be eliminated from the Capital Cable Operations group and the coordination of logistics, GO's, etc., will be absorbed by existing staff. In addition, one superintendent position in Network Operations will be eliminated.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.345	\$0.345	\$0.345	\$0.345
 Total Reduction in Positions Required	 0	 3	 3	 3	 3
 Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Administration

Program:

Health & Welfare Management - Drug Cost Reduction

Background Details:

Negotiations will be initiated with PharmaCare, the prescription benefit manager that provides drug coverage to represented employees, to reduce costs to NYCT.

PEG Description/Implementation Plan:

Negotiations will focus on increasing NYCT's current discount off brand and generic drugs and to reduce drug dispensing fees.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$3.438	\$4.602	\$4.602	\$4.602	\$4.602
Total Reduction in Positions Required	0	0	0	0	0
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Administration

Program:

Operations Planning Position Reductions

Background Details:

A two position reduction is being taken in Operations Planning based on anticipated vacancies.

PEG Description/Implementation Plan:

Process/Productivity improvements in Operations Analysis and Bus Service Planning will reduce staffing requirements by one head in each unit. These positions will not be rehired.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.208	\$0.208	\$0.208	\$0.208
Total Reduction in Positions Required	0	2	2	2	2
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Administration

Program:

PC Normal Replacement Reduction

Background Details:

Reduce the budget allocation in 2006 and 2007 for normal replacement of data processing equipment.

PEG Description/Implementation Plan:

Due to data processing equipment purchased through various employee relocations, normal replacement can be reduced in the near-term by \$1.5M each in 2006 and 2007.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$1.500	\$1.500	\$0.000	\$0.000	\$0.000
Total Reduction in Positions Required	0	0	0	0	0
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Administration

Program:

Subways Administrative Reduction

Background Details:

As part of an ongoing effort to streamline administrative operations, the Department of Subways will eliminate an additional 10 administrative positions from various divisions.

PEG Description/Implementation Plan:

Beginning January 2007 the Department of Subways will eliminate administrative jobs in the following divisions: Operations Support - 2 positions, Rapid Transit Operations - 2 positions, Maintenance of Way - 4 positions, and Stations - 2 positions.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.978	\$0.978	\$0.978	\$0.978
Total Reduction in Positions Required	0	10	10	10	10
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Administration

Program:

TAB Revenue Collection - StateWide Offset Program

Background Details:

The Transit Adjudication Bureau began utilizing a state law enacted in the 1990's named "State-Wide Offset Program" which allows agencies to recover monies due (in NYCT's case, for unpaid TAB summonses) from state tax refunds payable to individuals against whom there are judgments.

PEG Description/Implementation Plan:

Continued expansion of collections under this law. The year 2005 included recoveries for the years 2002-2004 and 1994 and 1995 and revenues increased from \$7.1 million to \$9.2 million. In 2006 the years 1996 and 1997 will be added. Through April 2006, \$4 million has been collected.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$3.735	\$1.960	\$1.960	\$1.960	\$1.960
Total Reduction in Positions Required	0	0	0	0	0
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Administration

Program:

Workers' Compensation Recoveries

Background Details:

Workers Compensation Recoveries (Loss Transfers/3rd Parties and NYS 15-8 Fund), and Reduction in Drug Costs

PEG Description/Implementation Plan:

Loss Transfer Recoveries is a program to recover monies paid to injured claimants pursuant to the No-Fault law in connection with accidents where ultimate responsibility lies with a third party. The 15-8 Recoveries is a Workers Compensation law that allows insurers and self-insured employers to seek the recovery of a portion of their statutory workers compensation and medical payments in situations where the employees' injuries are partially attributable to other pre-existing medical conditions. These conditions are known as "second injury" or "15-8". The Prescription Drug program in Workers Compensation provides prescription drugs for the treatment of claimants. This program seeks a reduction in the retail costs submitted by the pharmaceutical provider to an amount equal to the published Average Wholesale Price.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.800	\$5.170	\$5.170	\$5.170	\$5.170
Total Reduction in Positions Required	0	0	0	0	0
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Customer Convenience and Amenities

Program: Reduce Bus Map Printing

Background Details: Eliminate one planned "pocket " bus map printing annually.

PEG Description/Implementation Plan: This proposal is to reduce the number of scheduled annual print runs per borough by one (with the exception of Staten Island). The revised schedule would have the Manhattan map printed three times a year. The maps for the Bronx, Brooklyn and Queens would be printed twice a year. The printing of the Staten Island borough map would remain at twice a year.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.107	\$0.107	\$0.107	\$0.107
Total Reduction in Positions Required	0	0	0	0	0
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Customer Convenience and Amenities

Program: Reduce Hours at Part-Time Booths

Background Details:	In 2005 the Division of Stations began implementation of the Station Customer Assistance Program (SCAP) at 158 control areas. This program assigns the Station Agents outside of the booths and shifts their job from selling fare media to providing enhanced customer service.
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PEG Description/Implementation Plan:	This proposal will identify, between now and 2008, twenty five (25) station agent positions to be eliminated from various part-time booths during low volume periods, at locations automated as part of the Station Customer Assistance Program (SCAP). The locations will continue to be available to customers on a 24 x 7 basis, and all stations will retain 24 x 7 Station Agent coverage at their full-time booth(s).
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	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$1.563	\$1.563	\$1.563
 Total Reduction in Positions Required	0	0	25	25	25
 Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
 Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Customer Convenience and Amenities

Program: Reduce Telephone Info-Line Hours

Background Details:	In 2007, reduce MetroCard line operating hours, and reduce agent assisted Travel Information Center (TIC) telephone line operating hours in 2008.
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PEG Description/Implementation Plan:	In 2007, Customer Service will reduce the daily operating hours of the MetroCard Line by one hour to 7 am to 10 pm. In 2008, the daily operating hours will be reduced by one hour to 7 am to 9 pm. Customers will have the option of using the automated MetroCard information system. The agent assisted Travel Information Center (TIC) phone line is currently staffed from 6:00 am to 10:00 pm seven days a week. In 2008, agent assisted hours will be reduced to 7:00 am to 9:00 pm. By then, customers will have the option to obtain travel information on line by using NYC Transit's Trip Planner web-based travel itinerary service available on www.mta.info or by using the self-service voice enabled Travel Itinerary application in both English and Spanish. In 2008, both the MetroCard Line and the Travel Information Center (TIC) phone line will be staffed the same number of hours.
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	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.098	\$0.294	\$0.294	\$0.294
 Total Reduction in Positions Required	0	1	3	3	3
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Direct Service

Program:

Subway Off-Peak Policy Headways

Background Details:

This proposal is to operate subway service at policy headways during off-peak hours. The change will increase midday headways on 10 of 23 lines by 1-4 minutes, relative to current schedules. Midday service on all other lines and shuttles will remain unchanged. The change during late evenings and nights will increase headways on nine subway lines, generally in the 2-5 minute range. On weekends, the change will affect only Subdivision B service (lettered subway lines), as policy headways are currently in effect throughout Subdivision A (number lines) on weekends. Most Subdivision B lines will experience headway increases of 2-4 minutes during peak weekend periods. The resulting off-peak headways would be every 10 minutes middays and evenings, every 12-20 minutes late evenings and nights, every 10 minutes Saturdays, and every 12 minutes Sundays.

PEG Description/Implementation Plan:

Approximate implementation dates: June 1, 2007 for Subdivision "A" and December 1, 2007 for Subdivision "B." MTA Board approval will be required to relax off-peak loading guidelines, which currently call for a seated load at the peak load point.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$4.961	\$18.625	\$18.625	\$18.625
 Total Reduction in Positions Required	 0	 120	 120	 120	 120
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)		(0.011)	(0.026)	(0.026)	(0.026)
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Service Support

Program:

Improve Availability by 1 Day - Service Divisions

Background Details:

This program anticipates savings resulting from a one-day improvement in annual employee availability for service-related positions.

PEG Description/Implementation Plan:

This initiative will be implemented in conjunction with a New Need that establishes an Employee Availability Unit to work with operating departments and monitor employees with the worst time and attendance records. A one-day availability increase is projected for service-related positions. Since service and other similar fixed-post titles are formally budgeted based on employee availability, availability improvements will translate directly into reduced position requirements for absence coverage.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$4.879	\$4.879	\$4.879	\$4.879
 Total Reduction in Positions Required	 0	 89	 89	 89	 89
 Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Service Support

Program:

Reduce RTO Non-Road Positions

Background Details:

Reconfiguration of the work program to make more efficient use of Work As Assigned (WAA) time allows for efficiencies. This proposal allows for hourly efficiencies in Coney Island Yard Car Wash jobs, switching jobs in Subdivision "B", and shop transfer switching jobs in Subdivision "C".

PEG Description/Implementation Plan:

Through work program efficiencies, RTO will eliminate five car wash jobs and four switching jobs in Subdivision "B", as well as eliminate three switching jobs in Subdivision "C" used to transfer trains to and from various maintenance shops.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.907	\$0.907	\$0.907	\$0.907
Total Reduction in Positions Required	0	12	12	12	12
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Service Support

Program:

Revenue Processing and Collections Efficiencies

Background Details:

Reduce subway collections positions due to efficiencies at the new Consolidated Revenue Facility, reduce coin processing positions due to decreased coin revenue from depot collections, and reduce processing positions due to elimination of TransitChek vouchers. Also includes savings in fare media purchases due to unit price reductions.

PEG Description/Implementation Plan:

Reduction of five Collecting Agent (TA) positions can be realized effective 7/1/06 due to rerouting and efficiencies in subway collections as a result of relocation to the new Consolidated Revenue Facility. Reduction of one Cashier position can be realized effective 7/1/06 due to decreased volumes of coin revenue from depot collections. Reduction of two Cashier positions can be realized following the discontinued acceptance of TransitChek paper vouchers, scheduled for 12/31/06. Projected fare media savings reflects a decrease in the average unit price for MetroCard stock due to a larger number of qualified vendors and the addition of a domestic supplier.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.230	\$1.101	\$1.101	\$1.101	\$1.101
Total Reduction in Positions Required	8	10	10	10	10
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Service Support

Program:

Subways Service Delivery Vacancy Savings

Background Details:

The Department of Subways will maintain a vacancy level of 0.5% in 2006 and 2007 in the Service Delivery divisions as follows: Operations Support - 1 position; Rapid Transit Operations (RTO) - 5 positions; and Stations - 15 positions. These positions have not been removed from the budgeted quota.

PEG Description/Implementation Plan:

This proposal is to maintain base pay and fringe benefits vacancy savings associated with 21 positions in 2006 and 2007.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$1.535	\$1.680	\$0.000	\$0.000	\$0.000
Total Reduction in Positions Required	0	0	0	0	0
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Maintenance

Program:

AFC Back Office Tool Repair Savings

Background Details:

Transfer AFC back office small tool repairs to Bus Electronics Maintenance.

PEG Description/Implementation Plan:

AFC back office small tool repairs will be transferred from AFC to Bus Electronics Maintenance's machine shop, which will eliminate a Professional and Technical position.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.084	\$0.084	\$0.084	\$0.084
Total Reduction in Positions Required	0	1	1	1	1
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Maintenance

Program:

CCTV Preventive Maintenance Interval Extensions

Background Details:

Extend preventive maintenance interval for CCTV equipment.

PEG Description/Implementation Plan:

Through extension of the preventive maintenance (PM) intervals for CCTV equipment, 7 EEM hourly positions can be eliminated from the budget. Specifically, the PM cycle for 756 platform edge cameras and 26 crowd control cameras will be extended from one to two months. The impact of the new PM cycle on equipment reliability will be monitored.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.553	\$0.553	\$0.553	\$0.553
Total Reduction in Positions Required	0	7	7	7	7
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Maintenance

Program:

Central Electronics Shop Delivery Staff Reduction

Background Details:

Eliminate 2 CES positions assigned to PM shift pick-up & delivery.

PEG Description/Implementation Plan:

Based on an audit recommendation, elimination of the pick-up and delivery of electronics during the CES PM shift will allow for a reduction of 2 Electronic Specialist positions. Pick-up and delivery functions will continue during the day.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.158	\$0.158	\$0.158	\$0.158
Total Reduction in Positions Required	0	2	2	2	2
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Maintenance

Program:

Depot Maintenance Staff Reduction

Background Details:

This program reduces one bus maintainer position from each of the 18 depots, about a 1.5% reduction from the current base of 1,214 bus maintainers.

PEG Description/Implementation Plan:

Ongoing material and unit usage initiatives are expected to lead to efficiencies and reduced labor requirements. Under these initiatives, life cycle and economic analyses (including sourcing options) are being developed for critical units and material consumables, which should extend unit life and consumable replacement intervals; in doing so, labor requirements are expected to be reduced. The initiatives will minimize future increases in material requirements as well. This reduction will have no impact on maintenance or safety.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$1.338	\$1.338	\$1.338	\$1.338
 Total Reduction in Positions Required	 0	 18	 18	 18	 18
 Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
 Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Maintenance

Program:

Electronics Maintenance Division Materials and Supplies Reduction

Background Details:

Reduce the budget for maintenance material by \$250K annually.

PEG Description/Implementation Plan:

The \$250K annual maintenance materials savings can be achieved in Bus Electronics Maintenance and Network Operations.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.250	\$0.250	\$0.250	\$0.250
Total Reduction in Positions Required	0	0	0	0	0
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Maintenance

Program:

Improve Availability by 1 Day - Mtce/Other Divisions

Background Details:

This program anticipates savings resulting from a one-day improvement in annual employee availability for non-service positions, primarily maintenance-related.

PEG Description/Implementation Plan:

This initiative will be implemented in conjunction with a New Need that establishes an Employee Availability Unit to work with operating departments and monitor employees with the worst time and attendance records. A one-day availability increase is projected for non-service-related titles, which will translate into greater productivity and allow for position reductions.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$2.377	\$2.377	\$2.377	\$2.377
Total Reduction in Positions Required	0	43	43	43	43
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Maintenance

Program:

Keene Equipment Maintenance Coverage

Background Details:

Reduce Keene equipment maintenance coverage.

PEG Description/Implementation Plan:

Currently, Coin Retrieval Technicians provide weekend corrective maintenance coverage for all depot Keene revenue extraction machines from 4 pm to midnight. Bus service schedules are reduced during weekends, thereby requiring less Keene equipment service during that tour.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.078	\$0.078	\$0.078	\$0.078
Total Reduction in Positions Required	0	1	1	1	1
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Maintenance

Program:

MetroCard Vending Machine SMS Cycle Savings

Background Details:

Extend the MetroCard Vending Machine Scheduled Maintenance System component overhaul cycle.

PEG Description/Implementation Plan:

Twelve hourly positions were added to the budget in 2005 to establish an SMS program for high-maintenance MVM modules (Bill Handling Units, Farecard Transport Systems and Ticket Processing Units). This proposal extends the SMS cycle by about 20%, enabling the elimination of 2 of 10 Electronic Equipment Maintainer (EEM) shop positions. The 2006 SMS program goal is to overhaul 110 units per month. This proposal will reduce production to 92 overhauls per month.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.158	\$0.158	\$0.158	\$0.158
 Total Reduction in Positions Required	 0	 2	 2	 2	 2
 Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
 Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Maintenance

Program:

Substation Preventative Maintenance Interval Extension

Background Details:

MOW Electrical Engineering evaluated the current substation preventive maintenance inspection cycle of approximately 2 times per week. During each inspection visit, a team of 1 maintainer and 1 helper performs various equipment tests and completes minor repairs. Routine maintenance includes change-out of rectifier filters, wiping off steel dust from bus insulators and electrical equipment and clearing floor drains. Of the 215 substations in the system, 22 substations built after 1995 have significant protective devices installed that allow the preventive maintenance interval to be extended from 3 to 90 days.

PEG Description/Implementation Plan:

Extension of the preventative maintenance intervals at 22 substations from 3 to 90 days allows for a reduction of 4 hourly positions: 2 maintainers and 2 helpers.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.275	\$0.275	\$0.275	\$0.275
Total Reduction in Positions Required	0	4	4	4	4
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Maintenance

Program:

Subways MOW/Rolling Stock Vacancy Savings

Background Details:

The Department of Subways will maintain a vacancy level of 0.5% in 2006 and 2007 in the Rolling Stock & Maintenance of Way divisions as follows: Division of Car Equipment - 26 positions (23 positions in 2006); Infrastructure - 6 positions; Track - 9 positions; Electrical - 4 positions; and the Electronic Maintenance Division - 6 positions. These positions have not been removed from budgeted year-end quota.

PEG Description/Implementation Plan:

This proposal is to maintain base pay and fringe benefit savings associated with 48 positions in 2006 and 51 positions in 2007.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$3.107	\$3.582	\$0.000	\$0.000	\$0.000
 Total Reduction in Positions Required	0	0	0	0	0
 Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
 Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Maintenance

Program:

Tiffany Warehouse Rent Savings

Background Details:

Rental savings due to the anticipated purchase of the Tiffany Street Warehouse.

PEG Description/Implementation Plan:

Anticipated saving of rental expense for the Central Warehouse II at Tiffany, due to the purchase of the property.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$1.211	\$3.221	\$3.221	\$3.221
Total Reduction in Positions Required	0	0	0	0	0
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

MTA New York City Transit
July Financial Plan 2007 - 2010
Summary of Post-2007 PEGs
(\$ in millions)

		Favorable/(Unfavorable)									
		2006		2007		2008		2009		2010	
		Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
LIST of PROGRAMS											
OPTO #7 Line - Spring 08						89	\$3.921	89	\$5.882	89	\$5.882
OPTO J Line - Spring 2008						70	\$3.084	70	\$4.627	70	\$4.627
OPTO M Line - Weekdays, Spring 2008						44	\$1.938	44	\$2.908	44	\$2.908
OPTO N Line - Fall 08						110	\$2.424	110	\$7.271	110	\$7.271
Total Post-2007 PEGs			\$0.000		\$0.000	313	\$11.367	313	\$20.688	313	\$20.688

¹ Reflects the impact of amendments on year-end positions. Excludes Full-Time Equivalents (FTE's).

MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)

PEG Category: Service Support
Program: OPTO #7 Line - May 08

Background Details:	With the introduction of the R142/A cars on the Flushing line, an opportunity exists for implementation of One Person Train Operation (OPTO) in conjunction with other safety enhancements including CCTV's and Passenger Emergency Intercom (PEI) systems. This PEG was previously scheduled to begin in December 2007 and is now delayed until May 2008.

PEG Description/Implementation Plan:	Implementation of OPTO on the #7 line will result in a net reduction of 89 Conductor positions. This includes redeployment of 30 Conductors for platform duties. Implementation is scheduled for May 2008, contingent upon equipment availability and CCTV installation along the Flushing corridor.
---	--

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$3.921	\$5.882	\$5.882
Total Reduction in Positions Required	0	0	89	89	89
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Service Support
Program: OPTO J Line - Spring 08

Background Details:	With the introduction of the R160 cars on the Jamaica line, an opportunity exists for implementation of OPTO in conjunction with other safety enhancements such as CCTV and Passenger Emergency Intercom (PEI) systems. This PEG was previously scheduled to begin in September 2007, but is now projected for May 2008.

PEG Description/Implementation Plan:	Reduction of 70 Conductor positions on the J Line through the implementation of full-time One Person Train Operation. Scheduled implementation on May 1, 2008 dependent on availability of R160 cars.

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$3.084	\$4.627	\$4.627
Total Reduction in Positions Required	0	0	70	70	70
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)

PEG Category: Service Support
Program: OPTO M Line - Weekdays, Spring 2008

Background Details:	With the introduction of the R160 cars on the Myrtle Avenue line, an opportunity exists for implementation of One Person Train Operation (OPTO) in conjunction with other safety enhancements such as CCTV installation and Passenger Emergency Intercom (PEI) systems.

PEG Description/Implementation Plan:	This proposal allows for reduction of 44 Conductor positions on the M Line through the implementation of full-time One Person Train Operation. Implementation is scheduled for May 2008 dependent on availability of R160 cars.
---	---

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$1.938	\$2.908	\$2.908
 Total Reduction in Positions Required	0	0	44	44	44
 Current Vacancies					
 <i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
 Other (Identify Appropriate Indicator):					

MTA New York City Transit
July Financial Plan 2007 - 2010
Program to Eliminate the Gap Worksheet
(\$ in millions)

PEG Category: Service Support
Program: OPTO N Line - Fall 08

Background Details:	With the introduction of the R160 cars on the N line, an opportunity exists for implementation of OPTO in conjunction with other safety enhancements such as CCTV and Passenger Emergency Intercom (PEI) systems.

PEG Description/Implementation Plan:	Reduction of 110 Conductor positions on the N Line through the implementation of full-time One Person Train Operation. Scheduled implementation on September 1, 2008 dependent on availability of R160 cars.
---	--

	2006 Forecast	2007 Proposed Budget	2008	2009	2010
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$2.424	\$7.271	\$7.271
Total Reduction in Positions Required	0	0	110	110	110
Current Vacancies					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

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**MTA New York City Transit
July Financial Plan 2007-2010
Summary of Major Plan-to-Plan Changes**

POSITIONS

Total Non-reimbursable and Reimbursable Baseline Positions

2006: July Financial Plan vs. February Financial Plan

Total baseline positions are projected to increase by 213 and include prior-year PEG implementation adjustments resulting in a reinstatement of 77 positions, 35 additional positions in Buses for September service requirements, and 16 positions to support increased Paratransit procurement activity and to manage new Paratransit regional carriers.

2007-2010: July Financial Plan vs. February Financial Plan

Total baseline positions are projected to increase by 503 in 2007, 548 in 2008, 783 in 2009 and 655 in 2010. These increases include: 169 positions in 2007, 157 positions in 2008, 339 positions in 2009 and 205 positions in 2010 to support additional maintenance requirements; additional service-related requirements of 102 positions in 2007, 221 positions in 2008, 281 positions in 2009 and 280 positions in 2010; and reinstated positions due to prior-year PEG implementation adjustments, which total 102 positions in 2007 and 47 positions in 2008, 2009 and 2010.

MTA New York City Transit
July Financial Plan 2007-2011
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	2006		Mid- 2007 Preliminary		2008	2009	2010
	2005 Actuals	Year Forecast		Budget			
Administration							
Managers/Supervisors	760	816	819	816	815	813	
Professional, Technical, Clerical	1,464	1,438	1,425	1,425	1,441	1,441	
Operational Hourlies	33	33	33	33	33	33	
Total Administration	2,257	2,287	2,277	2,274	2,289	2,287	
Operations							
Managers/Supervisors	2,494	2,510	2,505	2,506	2,491	2,489	
Professional, Technical, Clerical	393	403	412	410	409	407	
Operational Hourlies	19,824	20,091	19,792	19,814	19,808	19,782	
Total Operations	22,711	23,004	22,709	22,730	22,708	22,678	
Maintenance							
Managers/Supervisors	3,629	3,681	3,654	3,658	3,651	3,623	
Professional, Technical, Clerical	1,157	1,205	1,169	1,158	1,139	1,128	
Operational Hourlies	15,238	15,708	15,723	15,807	15,800	15,541	
Total Maintenance	20,024	20,594	20,546	20,623	20,590	20,292	
Engineering/Capital							
Managers/Supervisors	331	344	344	344	344	344	
Professional, Technical, Clerical	1,154	1,173	1,173	1,173	1,173	1,173	
Operational Hourlies	2	2	2	2	2	2	
Total Engineering/Capital	1,487	1,519	1,519	1,519	1,519	1,519	
Public Safety							
Managers/Supervisors	108	103	92	91	88	87	
Professional, Technical, Clerical	81	79	63	62	61	61	
Operational Hourlies	404	394	387	387	397	397	
Total Public Safety	593	576	542	540	546	545	
Total NYCT							
Managers/Supervisors	7,322	7,454	7,414	7,415	7,389	7,356	
Professional, Technical, Clerical	4,249	4,298	4,242	4,228	4,223	4,210	
Operational Hourlies	35,501	36,228	35,937	36,043	36,040	35,755	
Total NYCT	47,072	47,980	47,593	47,686	47,652	47,321	
Baseline Total Positions	47,072	47,980	47,593	47,686	47,652	47,321	
Non-Reimbursable	41,770	42,678	42,514	42,694	42,799	42,527	
Reimbursable	5,302	5,302	5,079	4,992	4,853	4,794	
Total Full-Time	46,841	47,767	47,310	47,440	47,439	47,117	
Total Full-Time Equivalents	231	213	283	246	213	204	
Impact of:							
2007 Program to Eliminate the Gap		(6)	(349)	(354)	(354)	(354)	
Post - 2006 Programs to Eliminate the Gap			-	(313)	(313)	(313)	
Total Positions	47,072	47,974	47,244	47,019	46,985	46,654	
Non-Reimbursable	41,770	42,672	42,165	42,027	42,132	41,860	
Reimbursable	5,302	5,302	5,079	4,992	4,853	4,794	
Total Full-Time	46,841	47,761	46,962	46,775	46,774	46,452	
Total Full-Time Equivalents	231	213	282	244	211	202	

MTA NEW YORK CITY TRANSIT
July Financial Plan 2007-2011
TOTAL FULL-TIME POSITIONS and FULL-TIME EQUIVALENTS by FUNCTION and DEPARTMENT
NON-REIMBURSABLE and REIMBURSABLE

	2005 Actuals	2006 Year Forecast	2007 Preliminary Budget	2008	2009	2010
Administration						
Office of the EVP	20	28	27	26	26	24
Human Resources	484	487	482	482	482	482
Office of Management and Budget	33	34	34	34	34	34
Technology & Information Services	535	523	521	521	536	536
Materiel	263	265	264	264	264	264
Controller	236	235	235	235	235	235
Office of the President	5	5	5	5	5	5
Law	288	301	301	301	301	301
Corporate Communications	291	298	297	297	297	297
Non-Departmental	-	5	5	5	5	5
Labor Relations	102	106	106	104	104	104
Total Administration	2,257	2,287	2,277	2,274	2,289	2,287
Operations						
Subways Service Delivery	11,293	11,468	11,470	11,434	11,426	11,405
Buses	10,496	10,526	10,143	10,240	10,260	10,260
Paratransit	105	122	127	134	133	133
Operations Planning	394	409	490	443	410	401
Revenue Control	423	479	479	479	479	479
Total Operations	22,711	23,004	22,709	22,730	22,708	22,678
Maintenance						
Subways Service Delivery	2,700	2,870	2,898	2,888	2,823	2,835
Maintenance of Way & Rolling Stock	12,722	13,066	13,029	12,934	12,995	12,751
Buses	3,834	3,880	3,840	3,997	3,968	3,902
Revenue Control	131	133	133	133	133	133
Supply Logistics	550	555	555	580	580	580
System Safety	87	90	91	91	91	91
Total Maintenance	20,024	20,594	20,546	20,623	20,590	20,292
Engineering/Capital						
Capital Program Management	1,487	1,519	1,519	1,519	1,519	1,519
Total Engineering/Capital	1,487	1,519	1,519	1,519	1,519	1,519
Public Safety						
Subways Senior VP	593	576	542	540	546	545
Total Public Safety	593	576	542	540	546	545
Baseline Total Positions	47,072	47,980	47,593	47,686	47,652	47,321
Non-Reimbursable	41,770	42,678	42,514	42,694	42,799	42,527
Reimbursable	5,302	5,302	5,079	4,992	4,853	4,794
Total Full-Time	46,841	47,767	47,310	47,440	47,439	47,117
Total Full-Time Equivalents	231	213	283	246	213	204
Impact of:						
2007 Program to Eliminate the Gap	-	(6)	(349)	(354)	(354)	(354)
Post 2006 Program to Eliminate the Gap	-	-	-	(313)	(313)	(313)
Total Positions	47,072	47,974	47,244	47,019	46,985	46,654
Non-Reimbursable	41,770	42,672	42,165	42,027	42,132	41,860
Reimbursable	5,302	5,302	5,079	4,992	4,853	4,794
Total Full-Time	46,841	47,761	46,962	46,775	46,774	46,452
Total Full-Time Equivalents	231	213	282	244	211	202

Staten Island Railway

**MTA Staten Island Railway
2007 Preliminary Budget
July Financial Plan 2007 - 2010**

MISSION STATEMENT

The mission of MTA Staten Island Railway is to provide customers with safe, reliable, and convenient public transportation in a cost-effective manner.

FINANCIAL OVERVIEW

MTA Staten Island Railway carries out its mission by providing effective and cost-efficient transportation services through a heavy rail system operating 64 subway cars over 28.6 route miles and 14.3 miles of mainline track, serving 22 stations located on the south shore of Staten Island.

The 2007 Preliminary Budget and projections for the years 2008-2010 provide sufficient funding to maintain current service levels as well as to maintain MTA's commitment to safety and security. This is accomplished primarily through implementation of operational efficiencies that optimize the utilization of resources to achieve agency goals. Performance indicators including mean distance between failures and on time performance remain within targeted levels.

2006 Mid-Year Forecast

MTA Staten Island Railway's 2006 Mid-Year Forecast reflects total expenses before depreciation of \$28.168 million including \$26.886 million of non-reimbursable expenses and \$1.282 million of reimbursable expenses. Total revenues are projected to be \$6.813 million, of which \$5.531 million are operating revenues and \$1.282 million represent capital reimbursements. Total full-time positions are 281, including 275 non-reimbursable positions and 6 reimbursable positions. The above information excludes the effects of Programs to Eliminate the GAP (PEGs), which are presented separately in the attached financial tables.

Included in the July forecast for 2006 are unfavorable timing adjustments of \$0.102 million arising from 2005 year-end results and \$0.166 million of expenses related to the tear-down and evaluation of two R-44 subway cars in order to determine what additional fleet maintenance requirements will be necessary to maintain the safety and reliability of the 64-car fleet until anticipated replacement in 2014.

Major assumptions and reconciliations are discussed later in this section.

2007-2010 Projections

MTA Staten Island Railway's projections for 2007-2010 reflect total expenses before depreciation as follows: 2007=\$29.579 million, 2008=\$37.659 million, 2009=\$31.907 million, and 2010=\$33.088 million. Non-reimbursable expenses before depreciation are projected as follows: 2007=\$28.227 million, 2008=\$36.236 million, 2009=\$30.435 million, and 2010=\$31.541 million. Reimbursable expenses are projected as follows:

2007=\$1.352 million, 2008=\$1.423 million, 2009=\$1.472 million and 2010=\$1.547 million. Total revenues are projected as follows: 2007=\$6.924 million, 2008=\$7.335 million, 2009=\$7.395 million and 2010=\$7.476 million. Operating revenues are projected as follows: 2007=\$5.572 million, 2008=\$5.912 million, 2009=\$5.923 million and 2010=\$5.929 million. Capital reimbursements are projected as follows: 2007=\$1.352 million, 2008=\$1.423 million, 2009=\$1.472 million and 2010=\$1.547 million. Total full-time positions are projected to be 283 for each year 2007 through 2010. Non-reimbursable positions are projected to be 280 for each year 2007 through 2010. Reimbursable positions are projected to be 3 in each year 2007 through 2010. The above information excludes the effects of Programs to Eliminate the GAP, which are presented separately in the attached financial tables.

Included in the 2008 projection is an estimated \$7.0 million of fleet maintenance expenses that will be required to maintain the safety and reliability of the 64-car fleet until anticipated replacement in 2014.

The February Financial Plan included a PEG to implement One-Person Train Operations (OPTO), which was based upon an anticipated fleet replacement with OPTO-capable subway cars. Since fleet replacement has been rescheduled to 2014, OPTO cannot be implemented at this time.

Additionally, a proposed February Financial Plan PEG to implement a fleet reduction of twelve cars also cannot be undertaken at this time, as it has been determined that these cars will be needed for equipment float during the required 2008 fleet maintenance work and to support Staten Island Ferry schedule enhancements and off-peak subway car requirements. The effect of not implementing these two PEGs is lost savings of: \$0.2 million in 2007; \$1.2 million in 2008; \$2.3 million in 2009 and \$2.4 million in 2010.

A February Financial Plan baseline implementation to establish fare collection at the Tompkinsville Station is now planned for 1/1/08, which represents a one year delay and a loss of an estimated \$0.300 million of farebox revenue in 2007. This delay is due to additional time requirements for design and facility/equipment installations.

Major assumptions and reconciliations are discussed later in this section.

GAP CLOSING MEASURES

2007 Program to Eliminate the Gap (PEG) Action

The Authority implemented a new cab signal system in 2005. This new system, including the installation of 17 wayside relay buildings, required significantly higher electrical power requirements. This PEG reconfigures this system and results in an estimated reduction in power consumption of \$0.300 million for each year beginning in 2006. Positions are not affected by this operating efficiency.

MTA Staten Island Railway
July Financial Plan 2007 - 2010
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2005	2006	2007			
	Actuals	Mid-Year	Preliminary	2008	2009	2010
		Forecast	Budget			
<u>Revenue</u>						
Farebox Revenue	\$3.256	\$3.527	\$3.568	\$3.908	\$3.919	\$3.925
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	1.716	2.004	2.004	2.004	2.004	2.004
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$4.972	\$5.531	\$5.572	\$5.912	\$5.923	\$5.929
<u>Expenses</u>						
Labor:						
Payroll	\$14.647	\$14.276	\$14.862	\$15.324	\$15.822	\$16.328
Overtime	1.558	0.698	0.717	0.740	0.764	0.789
Health and Welfare	2.596	2.843	3.262	3.610	3.996	4.423
Pensions	2.133	1.718	1.777	1.721	1.951	1.951
Other Fringe Benefits	1.309	1.264	1.312	1.350	1.394	1.439
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$22.243	\$20.799	\$21.930	\$22.745	\$23.927	\$24.930
Non-Labor:						
Traction and Propulsion Power	\$1.843	\$1.846	\$2.024	\$2.024	\$2.024	\$2.024
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.168	0.339	0.371	0.496	0.449	0.493
Claims	0.228	0.236	0.242	0.248	0.255	0.261
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other						
Operating Contracts	1.837	2.406	2.363	9.400	2.436	2.472
Professional Service Contracts	0.331	0.321	0.329	0.337	0.346	0.354
Materials & Supplies	0.677	0.934	0.963	0.981	0.993	1.001
Other Business Expenses	0.009	0.005	0.005	0.005	0.005	0.006
Total Non-Labor Expenses	\$5.093	\$6.087	\$6.297	\$13.491	\$6.508	\$6.611
Other Expenses Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$27.336	\$26.886	\$28.227	\$36.236	\$30.435	\$31.541
Depreciation	7.074	10.337	10.337	10.337	10.337	10.337
Total Expenses	\$34.410	\$37.223	\$38.564	\$46.573	\$40.772	\$41.878
Baseline Net Surplus/(Deficit)	(\$29.438)	(\$31.692)	(\$32.992)	(\$40.661)	(\$34.849)	(\$35.949)
2007 PEG Program	0	0.300	0.300	0.300	0.300	0.300
Net Surplus/(Deficit)	(\$29.438)	(\$31.392)	(\$32.692)	(\$40.361)	(\$34.549)	(\$35.649)

REIMBURSABLE

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MTA Staten Island Railway
July Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2005 Actuals	2006 Mid-Year Forecast	2007 Preliminary Budget	2008	2009	2010
<u>Revenue</u>						
Farebox Revenue	\$3.256	\$3.527	\$3.568	\$3.908	\$3.919	\$3.925
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	1.716	2.004	2.004	2.004	2.004	2.004
Capital and Other Reimbursements	1.195	1.282	1.352	1.423	1.472	1.547
Total Revenue	\$6.167	\$6.813	\$6.924	\$7.335	\$7.395	\$7.476
<u>Expenses</u>						
Labor:						
Payroll	\$15.052	\$14.538	\$15.131	\$15.601	\$16.088	\$16.603
Overtime	1.913	1.294	1.330	1.371	1.415	1.461
Health and Welfare	2.854	3.125	3.586	3.969	4.393	4.863
Pensions	2.204	1.795	1.856	1.808	2.038	2.038
Other Fringe Benefits	1.363	1.329	1.379	1.419	1.465	1.512
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$23.386	\$22.081	\$23.282	\$24.168	\$25.399	\$26.477
Non-Labor:						
Traction and Propulsion Power	\$1.843	\$1.846	\$2.024	\$2.024	\$2.024	\$2.024
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.168	0.339	0.371	0.496	0.449	0.493
Claims	0.228	0.236	0.242	0.248	0.255	0.261
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other						
Operating Contracts	1.837	2.406	2.363	9.400	2.436	2.472
Professional Service Contracts	0.331	0.321	0.329	0.337	0.346	0.354
Materials & Supplies	0.729	0.934	0.963	0.981	0.993	1.001
Other Business Expenses	0.009	0.005	0.005	0.005	0.005	0.006
Total Non-Labor Expenses	\$5.145	\$6.087	\$6.297	\$13.491	\$6.508	\$6.611
Other Expenses Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$28.531	\$28.168	\$29.579	\$37.659	\$31.907	\$33.088
Depreciation	7.074	10.337	10.337	10.337	10.337	10.337
Total Expenses	\$35.605	\$38.505	\$39.916	\$47.996	\$42.244	\$43.425
Baseline Net Surplus/(Deficit)	(\$29.438)	(\$31.692)	(\$32.992)	(\$40.661)	(\$34.849)	(\$35.949)
2007 PEG Program	0.000	0.300	0.300	0.300	0.300	0.300
Net Surplus/(Deficit)	(\$29.438)	(\$31.392)	(\$32.692)	(\$40.361)	(\$34.549)	(\$35.649)

MTA Staten Island Railway
July Financial Plan 2007 - 2010
Cash Receipts & Expenditures
(\$ in millions)

	2005 Actuals	2006 Mid-Year Forecast	2007 Preliminary Budget	2008	2009	2010
<u>Receipts</u>						
Farebox Revenue	\$3.199	\$3.527	\$3.568	\$3.908	\$3.919	\$3.925
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	1.788	2.004	2.004	2.004	2.004	2.004
Capital and Other Reimbursements	1.278	1.276	1.345	1.423	1.472	1.547
Total Receipts	\$6.265	\$6.807	\$6.917	\$7.335	\$7.395	\$7.476
<u>Expenditures</u>						
Labor:						
Payroll	\$14.844	\$14.538	\$15.131	\$15.601	\$16.088	\$16.603
Overtime	1.929	1.294	1.330	1.371	1.415	1.461
Health and Welfare	2.991	3.125	3.586	3.969	4.393	4.863
Pensions	1.824	1.795	1.856	1.808	2.038	2.038
Other Fringe Benefits	1.739	1.329	1.379	1.419	1.465	1.512
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$23.327	\$22.081	\$23.282	\$24.168	\$25.399	\$26.477
Non-Labor:						
Traction and Propulsion Power	\$1.843	\$1.846	\$2.024	\$2.024	\$2.024	\$2.024
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.231	0.339	0.371	0.496	0.449	0.493
Claims	0.210	0.236	0.242	0.248	0.255	0.261
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.563	2.406	2.363	9.400	2.436	2.472
Professional Service Contracts	0.155	0.321	0.329	0.337	0.346	0.354
Materials & Supplies	0.753	0.934	0.963	0.981	0.993	1.001
Other Business Expenses	0.005	0.005	0.005	0.005	0.005	0.006
Total Non-Labor Expenditures	\$4.760	\$6.087	\$6.297	\$13.491	\$6.508	\$6.611
Other Expenditure Adjustments:						
Other	0.209	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.209	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$28.296	\$28.168	\$29.579	\$37.659	\$31.907	\$33.088
Baseline Net Cash Deficit	(22.031)	(21.361)	(22.662)	(30.324)	(24.512)	(25.612)
2007 PEG Program	0.000	0.300	0.300	0.300	0.300	0.300
Net Cash Deficit	(22.031)	(21.061)	(22.362)	(30.024)	(24.212)	(25.312)

MTA Staten Island Railway
July Financial Plan 2007 - 2010
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2005 Actuals	2006 Mid-Year Forecast	2007 Preliminary Budget	2008	2009	2010
<u>Receipts</u>						
Farebox Revenue	(\$0.057)	\$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	0.072	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	0.083	(0.006)	(0.007)	0.000	0.000	0.000
Total Receipt Adjustments	\$0.098	(\$0.006)	(\$0.007)	\$0.000	\$0.000	\$0.000
<u>Expenditures</u>						
Labor:						
Payroll	\$0.208	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	(0.016)	0.000	0.000	0.000	0.000	0.000
Health and Welfare	(0.137)	0.000	0.000	0.000	0.000	0.000
Pensions	0.380	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	(0.376)	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$0.059	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:						
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	(0.063)	0.000	0.000	0.000	0.000	0.000
Claims	0.018	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	0.274	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.176	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	(0.024)	0.000	0.000	0.000	0.000	0.000
Other Business Expenditures	0.004	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	\$0.385	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Expenditure Adjustments:						
Other	(0.209)	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	(\$0.209)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	\$0.333	(\$0.006)	(\$0.007)	\$0.000	\$0.000	\$0.000
Depreciation Adjustment	7.074	10.337	10.337	10.337	10.337	10.337
Baseline Total Cash Conversion Adjustments	\$7.407	\$10.331	\$10.330	\$10.337	\$10.337	\$10.337
2007 PEG Program	-	-	-	-	-	-
Total Cash Conversion Adjustments	\$7.407	\$10.331	\$10.330	\$10.337	\$10.337	\$10.337

**MTA Staten Island Railway
July Financial Plan 2007-2010
Year-Over-Year Changes by Category-Baseline Narrative**

TOTAL REVENUES

Farebox Revenue

- Farebox revenue improvements of: 2007=\$.041 million (1.2%), 2008=\$0.340 million (9.5%), 2009=\$.011 million (0.3%), and 2010=\$.006 million (0.2%) were due to projected increases in ridership, which are based primarily upon projected growth in NYC employment. The increase in 2008 over 2007 includes \$0.300 million relating to implementation of fare collection at the Tompkinsville Station.

Other Operating Revenue

- No changes.

Capital and Other Reimbursements

- Annual increases are projected from 2007 through 2010 to provide for reimbursement consistent with projected inflationary increases in labor expenses.

TOTAL EXPENSES

Payroll

- Includes projected CPI rate increases as follows: 2007=2.56%, 2008=2.91%, 2009=3.07%, and 2010=3.20%.

Overtime

- 2007-2010 payroll wage rate increase assumptions apply.

Health & Welfare

- Increases represent projected rate increases as follows: 2007=14.78%, 2008=10.68%, 2009=10.68%, and 2010=10.68%.

Pension

- Increases are consistent with February 2006 Plan assumptions.

Other Fringe Benefits

- Inflation assumptions are consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- Reflects a projected New York Power Authority (NYPA) annual rate increase of 10.2% in 2007, with no additional increases from 2008 through 2010.

Insurance

- 2007-2010 assumptions provided by MTA.

Claims

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=2.47%, 2008=2.57%, 2009=2.55%, and 2010=2.49%.

Maintenance and Other Operating Contracts

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=2.47%, 2008=2.57%, 2009=2.55%, and 2010=2.49%.
- Reflects projected New York Power Authority (NYPA) annual rate increase of 10.2% in 2007 for facility power, with no additional increases from 2008 through 2010.
- 2008 includes an estimated \$7.0 million of one-time fleet maintenance expenses to maintain the safety and reliability of the 64-car fleet until anticipated replacement in 2014.

Professional Service Contracts

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=2.47%, 2008=2.57%, 2009=2.55%, and 2010=2.49%.

Materials and Supplies

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=3.04%, 2008=1.93%, 2009=1.23%, and 2010=0.77%.

Other Business Expenses

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=2.47%, 2008=2.57%, 2009=2.55%, and 2010=2.49%.

Depreciation

- Annual expenses do not increase during the Financial Plan period, as no additional capital assets are projected to reach beneficial use.

TOTAL RECEIPTS**Farebox Receipts**

- Farebox revenue improvements of: 2007=\$.041 million (1.2%), 2008=\$0.340 million (9.5%), 2009=\$.011 million (0.3%), and 2010=\$.006 million (0.2%) were due to projected increases in ridership, which are based primarily upon projected growth in NYC employment. The increase in 2008 over 2007 includes \$0.300 million relating to implementation of fare collection at the Tompkinsville Station.

Other Operating Receipts

- No changes.

Capital and Other Reimbursements

- Annual increases are projected from 2007 through 2010 to provide for reimbursement consistent with projected inflationary increases in labor expenses.

TOTAL EXPENDITURES

Payroll

- Includes projected CPI rate increases as follows: 2007=2.56%, 2008=2.91%, 2009=3.07%, and 2010=3.20%.

Overtime

- 2007-2010 payroll wage rate increase assumptions apply.

Health & Welfare

- Increases represent projected rate increases as follows: 2007=14.78%, 2008=10.68%, 2009=10.68%, and 2010=10.68%.

Pension

- Increases are consistent with February 2006 Plan assumptions.

Other Fringe Benefits

- Inflation assumptions are consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- Reflects a projected New York Power Authority (NYPA) annual rate increase of 10.2% in 2007, with no additional increases from 2008 through 2010.

Insurance

- 2007-2010 assumptions provided by MTA.

Claims

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=2.47%, 2008=2.57%, 2009=2.55%, and 2010=2.49%.

Maintenance and Other Operating Contracts

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=2.47%, 2008=2.57%, 2009=2.55%, and 2010=2.49%.
- Reflects a projected New York Power Authority (NYPA) annual rate increase of 10.2% in 2007 for facility power, with no additional increases from 2008 through 2010.
- 2008 includes an estimated \$7.0 million of fleet maintenance expenses to maintain the safety and reliability of the 64-car fleet until anticipated replacement in 2014.

Professional Service Contracts

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=2.47%, 2008=2.57%, 2009=2.55%, and 2010=2.49%.

Materials and Supplies

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=3.04%, 2008=1.93%, 2009=1.23%, and 2010=0.77%.

Other Business Expenses

- 2007-2010 inflation assumptions are based upon Global Insight's estimates as follows: 2007=2.47%, 2008=2.57%, 2009=2.55%, and 2010=2.49%.

MTA Staten Island Railway
July Financial Plan 2007 - 2010
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	Favorable/(Unfavorable)								
	2006	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009
Revenue									
Farebox Revenue	\$3.527	\$3.568	\$0.041	\$3.908	\$0.340	\$3.919	\$0.011	\$3.925	\$0.006
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.004	2.004	0.000	2.004	0.000	2.004	0.000	2.004	0.000
Capital and Other Reimbursements	1.282	1.352	0.070	1.423	0.071	1.472	0.049	1.547	0.075
Total Revenue	\$6.813	\$6.924	\$0.111	\$7.335	\$0.411	\$7.395	\$0.060	\$7.476	\$0.081
Expenses									
Labor:									
Payroll	\$14.538	\$15.131	(\$0.593)	\$15.601	(\$0.470)	\$16.088	(\$0.487)	\$16.603	(\$0.515)
Overtime	1.294	1.330	(0.036)	1.371	(0.041)	1.415	(0.044)	1.461	(0.046)
Health and Welfare	3.125	3.586	(0.461)	3.969	(0.383)	4.393	(0.424)	4.863	(0.470)
Pensions	1.795	1.856	(0.061)	1.808	0.048	2.038	(0.230)	2.038	0.000
Other Fringe Benefits	1.329	1.379	(0.050)	1.419	(0.040)	1.465	(0.046)	1.512	(0.047)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$22.081	\$23.282	(\$1.201)	\$24.168	(\$0.886)	\$25.399	(\$1.231)	\$26.477	(\$1.078)
Non-Labor:									
Traction and Propulsion Power	\$1.846	\$2.024	(\$0.178)	\$2.024	\$0.000	\$2.024	\$0.000	\$2.024	\$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	0.339	0.371	(0.032)	0.496	(0.125)	0.449	0.047	0.493	(0.044)
Claims	0.236	0.242	(0.006)	0.248	(0.006)	0.255	(0.007)	0.261	(0.006)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other	2.406	2.363	0.043	9.400	(7.037)	2.436	6.964	2.472	(0.036)
Professional Service Contracts	0.321	0.329	(0.008)	0.337	(0.008)	0.346	(0.009)	0.354	(0.008)
Materials & Supplies	0.934	0.963	(0.029)	0.981	(0.018)	0.993	(0.012)	1.001	(0.008)
Other Business Expenses	0.005	0.005	0.000	0.005	0.000	0.005	0.000	0.006	(0.001)
Total Non-Labor Expenses	\$6.087	\$6.297	(\$0.210)	\$13.491	(\$7.194)	\$6.508	\$6.983	\$6.611	(\$0.103)
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$28.168	\$29.579	(\$1.411)	\$37.659	(\$8.080)	\$31.907	\$5.752	\$33.088	(\$1.181)
Depreciation	10.337	10.337	0.000	10.337	0.000	10.337	0.000	10.337	0.000
Total Expenses	\$38.505	\$39.916	(\$1.411)	\$47.996	(\$8.080)	\$42.244	\$5.752	\$43.425	(\$1.181)
Baseline Net Surplus/(Deficit)	(\$31.692)	(\$32.992)	(\$1.300)	(\$40.661)	(\$7.669)	(\$34.849)	\$5.812	(\$35.949)	(\$1.100)
2007 PEG Program	0.300	0.300	0.000	0.300	0.000	0.300	0.000	0.300	0.000
Net Surplus/(Deficit)	(\$31.392)	(\$32.692)	(\$1.300)	(\$40.361)	(\$7.669)	(\$34.549)	\$5.812	(\$35.649)	(\$1.100)

MTA Staten Island Railway
July Financial Plan 2007 - 2010
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

	Favorable/(Unfavorable)								
	2006	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009
Cash Receipts & Expenditures									
<u>Receipts</u>									
Farebox Revenue	\$3.527	\$3.568	\$0.041	\$3.908	\$0.340	\$3.919	\$0.011	\$3.925	\$0.006
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.004	2.004	0.000	2.004	0.000	2.004	0.000	2.004	0.000
Capital and Other Reimbursements	1.276	1.345	0.069	1.423	0.078	1.472	0.049	1.547	0.075
Total Receipts	\$6.807	\$6.917	\$0.110	\$7.335	\$0.418	\$7.395	\$0.060	\$7.476	\$0.081
<u>Expenditures</u>									
Labor:									
Payroll	\$14.538	\$15.131	(\$0.593)	\$15.601	(\$0.470)	\$16.088	(\$0.487)	\$16.603	(\$0.515)
Overtime	1.294	1.330	(0.036)	1.371	(0.041)	1.415	(0.044)	1.461	(0.046)
Health and Welfare	3.125	3.586	(0.461)	3.969	(0.383)	4.393	(0.424)	4.863	(0.470)
Pensions	1.795	1.856	(0.061)	1.808	0.048	2.038	(0.230)	2.038	0.000
Other Fringe Benefits	1.329	1.379	(0.050)	1.419	(0.040)	1.465	(0.046)	1.512	(0.047)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$22.081	\$23.282	(\$1.201)	\$24.168	(\$0.886)	\$25.399	(\$1.231)	\$26.477	(\$1.078)
Non-Labor:									
Traction and Propulsion Power	\$1.846	\$2.024	(\$0.178)	\$2.024	\$0.000	\$2.024	\$0.000	\$2.024	\$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	0.339	0.371	(0.032)	0.496	(0.125)	0.449	0.047	0.493	(0.044)
Claims	0.236	0.242	(0.006)	0.248	(0.006)	0.255	(0.007)	0.261	(0.006)
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	2.406	2.363	0.043	9.400	(7.037)	2.436	6.964	2.472	(0.036)
Professional Service Contracts	0.321	0.329	(0.008)	0.337	(0.008)	0.346	(0.009)	0.354	(0.008)
Materials & Supplies	0.934	0.963	(0.029)	0.981	(0.018)	0.993	(0.012)	1.001	(0.008)
Other Business Expenses	0.005	0.005	0.000	0.005	0.000	0.005	0.000	0.006	(0.001)
Total Non-Labor Expenditures	\$6.087	\$6.297	(\$0.210)	\$13.491	(\$7.194)	\$6.508	\$6.983	\$6.611	(\$0.103)
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$28.168	\$29.579	(\$1.411)	\$37.659	(\$8.080)	\$31.907	\$5.752	\$33.088	(\$1.181)
Baseline Net Cash Deficit	(\$21.361)	(\$22.662)	(\$1.301)	(\$30.324)	(\$7.662)	(\$24.512)	\$5.812	(\$25.612)	(\$1.100)
2007 PEG Program									
	0.300	0.300	0.000	0.300	0.000	0.300	0.000	0.300	0.000
Net Cash Deficit	(\$21.061)	(\$22.362)	(\$1.301)	(\$30.024)	(\$7.662)	(\$24.212)	\$5.812	(\$25.312)	(\$1.100)

**MTA Staten Island Railway
July Financial Plan 2007-2010
Summary of Plan to Plan Changes-Baseline Narrative**

2006: July Financial Plan vs. February Financial Plan

Revenue Re-estimates

- Farebox revenue is projected to increase by \$0.185 to reflect ridership growth resulting from the December 2005 transit strike.

Expense Re-estimates

- Maintenance and Other Operating Contracts expense is projected to increase by \$0.166 million representing the estimated cost of tear-down and evaluation of two (2) R-44 cars to determine fleet maintenance requirements to be performed in 2008.
- A re-estimate of Traction Power requirements results in a projected expense increase of \$0.100 million.
- Vacancy savings are estimated to reduce labor expenses by \$0.214 million.
- The timing of year-end 2005 results increases 2006 expenses by \$0.102 million.
- Inflation-related changes result in an expense reduction of \$0.052 million.

2007-2010: July Financial Plan vs. February Financial Plan

Revenue Re-estimates

- Ridership growth resulting from the December 2005 transit strike is projected to increase farebox revenue as follows: 2007=\$0.186 million; 2008=\$0.190 million; 2009=\$0.194 million and 2010=\$0.191 million.
- Farebox revenue is projected to decrease in 2007 by \$0.300 million, due to the one year delay in implementation of fare collection at the Tompkinsville Station.

Expense Re-estimates

- Maintenance and Other Operating Contracts expense is projected to increase by \$7.000 million in 2008 due to the estimated cost of required maintenance of the 64-car fleet to maintain its reliability and safety until anticipated replacement in 2014.
- A re-estimate of traction power requirements resulted in a projected expense increase of \$0.100 million for each year.
- The remaining changes in non-reimbursable expenses are primarily due to changes in inflation-related assumptions.

Positions

- Baseline positions have not changed from the February Financial Plan.
- PEG position reductions presented in the February Financial Plan will not be achieved as the One-Person Train Operation (OPTO) and Fleet Reduction PEGs will not be implemented at this time.

Ridership (Utilization)

- Increases in ridership from the February Financial Plan are due to additional ridership resulting from the December, 2005 transit strike.
- A ridership decrease in 2007 relative to the February Financial Plan is due to a one year delay in implementing fare collection at the Tompkinsville Station.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2007 - 2010
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2006	2007	2008	2009	2010
Baseline 2006 February Financial Plan - Operating Cash Income/(Deficit)	(\$21.437)	(\$21.934)	(\$22.733)	(\$23.962)	(\$24.971)
Baseline Changes					
Revenue					
Farebox Revenue	\$0.185	(\$0.114)	\$0.190	\$0.194	\$0.191
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	0.000	0.000	0.000	0.000	0.000
Total Revenue Changes	\$0.185	(\$0.114)	\$0.190	\$0.194	\$0.191
Expenses					
Labor:					
Payroll	\$0.193	\$0.000	\$0.000	\$0.000	(\$0.007)
Health and Welfare	0.113	(0.034)	(0.085)	(0.146)	(0.219)
Pensions	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.014	0.000	0.000	0.000	(0.020)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	\$0.320	(\$0.034)	(\$0.085)	(\$0.146)	(\$0.246)
Non-Labor:					
Traction and Propulsion Power	(\$0.100)	(\$0.283)	(\$0.275)	(\$0.247)	(\$0.223)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	(0.157)	(0.170)	(0.274)	(0.205)	(0.223)
Claims	(0.001)	(0.003)	(0.004)	(0.006)	(0.005)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(0.174)	(0.116)	(7.128)	(0.121)	(0.116)
Professional Service Contracts	(0.002)	(0.004)	(0.006)	(0.008)	(0.009)
Materials & Supplies	0.005	(0.004)	(0.009)	(0.011)	(0.010)
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	(\$.429)	(\$.580)	(\$7.696)	(\$.598)	(\$.586)
Total Expense Changes	(\$.109)	(\$.614)	(\$7.781)	(\$.744)	(\$.832)
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.076	(\$0.728)	(\$7.591)	(\$0.550)	(\$0.641)
Baseline 2006 July Financial Plan - Operating Cash Income/(Deficit)	(\$21.361)	(\$22.662)	(\$30.324)	(\$24.512)	(\$25.612)
2007 PEG Program	0.300	0.300	0.300	0.300	0.300
Net Cash Deficit	(\$21.061)	(\$22.362)	(\$30.024)	(\$24.212)	(\$25.312)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2007 - 2010
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2006	2007	2008	2009	2010
Baseline 2006 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	0.228	0.265	0.294	0.326	0.340
Total Revenue Changes	\$0.228	\$0.265	\$0.294	\$0.326	\$0.340
Expenses					
Labor:					
Payroll	0.000	0.000	0.000	0.000	0.021
Health and Welfare	(0.228)	(0.265)	(0.294)	(0.326)	(0.361)
Pensions	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$0.228)	(\$0.265)	(\$0.294)	(\$0.326)	(\$0.340)
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
Insurance	0.000	0.000	0.000	0.000	0.000
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	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	(\$0.228)	(\$0.265)	(\$0.294)	(\$0.326)	(\$0.340)
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2006 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
2007 PEG Program	-	-	-	-	-
Net Cash Deficit	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA STATEN ISLAND RAILWAY
July Financial Plan 2007 - 2010
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2006	2007	2008	2009	2010
Baseline 2006 February Financial Plan - Operating Cash Income/(Deficit)	(\$21.437)	(\$21.934)	(\$22.733)	(\$23.962)	(\$24.971)
Baseline Changes					
Revenue					
Farebox Revenue	\$.185	(\$.114)	\$.190	\$.194	\$.191
Other Operating Revenue	.000	.000	.000	.000	.000
Capital and Other Reimbursement	.228	.265	.294	.326	.340
Total Revenue Changes	\$.413	\$.151	\$.484	\$.520	\$.531
Expenses					
Labor:					
Payroll	\$.193	\$.000	\$.000	\$.000	\$.014
Health and Welfare	(.115)	(.299)	(.379)	(.472)	(.580)
Pensions	.000	.000	.000	.000	.000
Other Fringe Benefits	.014	.000	.000	.000	(.020)
Reimbursable Overhead	.000	.000	.000	.000	.000
Total Labor Expense Changes	\$.092	(\$.299)	(\$.379)	(\$.472)	(\$.586)
Non-Labor:					
Traction and Propulsion Power	(\$.100)	(\$.283)	(\$.275)	(\$.247)	(\$.223)
Fuel for Buses and Trains	.000	.000	.000	.000	.000
Insurance	(.157)	(.170)	(.274)	(.205)	(.223)
Claims	(.001)	(.003)	(.004)	(.006)	(.005)
Paratransit Service Contracts	.000	.000	.000	.000	.000
Maintenance and Other Operating Contracts	(.174)	(.116)	(7.128)	(.121)	(.116)
Professional Service Contracts	(.002)	(.004)	(.006)	(.008)	(.009)
Materials & Supplies	.005	(.004)	(.009)	(.011)	(.010)
Other Business Expenses	.000	.000	.000	.000	.000
Total Non-Labor Expense Changes	(\$.429)	(\$.580)	(\$7.696)	(\$.598)	(\$.586)
Total Expense Changes	(\$.337)	(\$.879)	(\$8.075)	(\$1.070)	(\$1.172)
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.076	(\$0.728)	(\$7.591)	(\$0.550)	(\$0.641)
Baseline 2006 July Financial Plan - Operating Cash Income/(Deficit)	(\$21.361)	(\$22.662)	(\$30.324)	(\$24.512)	(\$25.612)
2007 PEG Program	\$0.300	\$0.300	\$0.300	\$0.300	\$0.300
Net Cash Deficit	(\$21.061)	(\$22.362)	(\$30.024)	(\$24.212)	(\$25.312)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2007 - 2010
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2006	2007	2008	2009	2010
Baseline 2006 February Financial Plan - Operating Cash Income/(Deficit)	(\$21.437)	(\$21.934)	(\$22.733)	(\$23.962)	(\$24.971)
<i>Non-Reimbursable Major Changes</i>					
Revenue					
Fare Revenue Re-estimate Resulting From December 2005 Transit Strike	\$0.185	\$0.186	\$0.190	\$0.194	\$0.191
One Year Delay-Implementation of Fare Collection at Tompkinsville Station	0.000	(0.300)	0.000	0.000	0.000
Sub-Total Non-Reimbursable Revenue Changes	\$.185	(\$.114)	\$.190	\$.194	\$.191
Expenses					
Estimated Costs To Tear-Down/Assess Two R-44 Cars To Determine Fleet Maintenance Requirements To Be Performed in 2008	(0.166)	0.000	0.000	0.000	0.000
Estimated Fleet Maintenance Requirements	0.000	0.000	(7.000)	0.000	0.000
Year End 2005 Results Timing	(0.102)	0.000	0.000	0.000	0.000
Additional Traction Power Requirements	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)
Vacancy Savings	0.214	0.000	0.000	0.000	0.000
Inflationary Expense Increases	0.045	(0.514)	(0.681)	(0.644)	(0.732)
Sub-Total Non-Reimbursable Expense Changes	(\$.109)	(\$.614)	(\$7.781)	(\$.744)	(\$.832)
<i>Total Non-Reimbursable Major Changes</i>	\$.076	(\$.728)	(\$7.591)	(\$.550)	(\$.641)
<i>Reimbursable Major Changes</i>					
Revenue	0.228	0.265	0.294	0.326	0.340
Sub-Total Reimbursable Revenue Changes	\$0.228	\$0.265	\$0.294	\$0.326	\$0.340
Expenses	(0.228)	(0.265)	(0.294)	(0.326)	(0.340)
Sub-Total Reimbursable Expense Changes	(\$0.228)	(\$0.265)	(\$0.294)	(\$0.326)	(\$0.340)
<i>Total Reimbursable Major Changes</i>	\$.000	\$.000	\$.000	\$.000	\$.000
<i>Total Accrual Changes</i>	\$0.076	(\$0.728)	(\$7.591)	(\$0.550)	(\$0.641)
<i>Cash Adjustment Changes</i>					
<i>Total Cash Adjustment Changes</i>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Baseline Changes</i>	\$0.076	(\$0.728)	(\$7.591)	(\$0.550)	(\$0.641)
2007 PEG Program	\$0.300	\$0.300	\$0.300	\$0.300	\$0.300
2006 July Financial Plan - Operating Cash Income/(Deficit)	(\$21.061)	(\$22.362)	(\$30.024)	(\$24.212)	(\$25.312)

**MTA Staten Island Railway
July Financial Plan 2007 - 2010
Ridership/Traffic Volume (Utilization)
(in millions)**

	2005 Actuals	2006 Mid-Year Forecast	2007 Preliminary Budget	2008	2009	2010
Baseline Total Ridership	3.459	3.701	3.734	4.024	4.034	4.039
<i>Impact of:</i> 2007 PEG Program	0.000	0.000	0.000	0.000	0.000	0.000
Total Ridership	3.459	3.701	3.734	4.024	4.034	4.039

MTA Staten Island Railway
July Financial Plan 2007 - 2010
Summary of PEGs
(\$ in millions)

	Favorable/(Unfavorable)									
	2006		2007		2008		2009		2010	
	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
Customer Convenience & Amenities:										
Sub-Total Customer Convenience & Amenities	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Service:										
Reconfigured Signal System-reduced power consumption	0	0.300	0	0.300	0	0.300	0	0.300	0	0.300
Sub-Total Service	0	\$.300	0	\$.300	0	\$.300	0	\$.300	0	\$.300
Maintenance:										
Sub-Total Maintenance	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
Other:										
Sub-Total Other	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Total PEGs	0	\$.300	0	\$.300	0	\$.300	0	\$.300	0	\$.300

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

**MTA Staten Island Railway
July Financial Plan 2007 - 2010
PEG Worksheet**

PEG Category: Service

Program: Reconfigured Signal System-Reduced Power Consumption

Background Details:	The Authority implemented a new cab signal system in 2005. This new system includes the installation of 17 wayside relay buildings which requires additional electrical power. The reconfigured system projected to reduce power consumption.
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PEG Description and Implementation Plan:	Reconfigured Signal System projected to reduce power consumption.
PEG Implementation Date: 1/1/06	When will PEG savings begin?: 1/1/06

	2005	2006	2007	2008	2009	2010
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.300	\$0.300	\$0.300	\$0.300	\$0.300
<i>Total Reduction in Positions Required</i>	0	0	0	0	0	0
Current Level of Vacancies	0	0	0	0	0	0

Impact on Operations:
Ridership Per Week (in thousands)
Mean Distance Between Failure
On-Time Performance

Other
(Identify Appropriate Indicator)

List of Other Concerns:

MTA Staten Island Railway
July Financial Plan 2007 - 2010
Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2006 Mid-Year Forecast	2007 Preliminary Budget	2008	2009	2010
Administration					
Executive	11	11	11	11	11
General Office	13	13	13	13	13
Purchasing/Stores	7	7	7	7	7
Total Administration	31	31	31	31	31
Operations					
Transportation	94	94	94	94	94
Total Operations	94	94	94	94	94
Maintenance					
Mechanical	35	37	37	37	37
Car and Station Cleaning	20	20	20	20	20
Power/Signals	28	28	28	28	28
Maintenance of Way	49	49	49	49	49
Bridge and Buildings	22	22	22	22	22
Material Handling	2	2	2	2	2
Total Maintenance	156	158	158	158	158
Engineering/Capital					
None	0	0	0	0	0
Public Safety					
None	0	0	0	0	0
Baseline Total Positions	281	283	283	283	283
<i>Non-Reimbursable</i>	278	280	280	280	280
<i>Reimbursable</i>	3	3	3	3	3
<i>Total Full-Time</i>	281	283	283	283	283
<i>Total Full-Time-Equivalents</i>	0	0	0	0	0
Impact of:					
2007 Prog. to Elim. the Gap	0	0	0	0	0
Total Positions	281	283	283	283	283
<i>Non-Reimbursable</i>	278	280	280	280	280
<i>Reimbursable</i>	3	3	3	3	3
<i>Total Full-Time</i>	281	283	283	283	283

MTA Staten Island Railway
July Financial Plan 2007 - 2010
Total Full-Time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	2006 Mid-Year Forecast	2007 Preliminary Budget	2008	2009	2010
Administration					
Managers/Supervisors	14	14	14	14	14
Professional, Technical, Clerical	17	17	17	17	17
Operational Hourlies	-				
Total Administration	31	31	31	31	31
Operations					
Managers/Supervisors	7	7	7	7	7
Professional, Technical, Clerical	4	4	4	4	4
Operational Hourlies	83	83	83	83	83
Total Operations	94	94	94	94	94
Maintenance					
Managers/Supervisors	11	11	11	11	11
Professional, Technical, Clerical	3	3	3	3	3
Operational Hourlies	142	144	144	144	144
Total Maintenance	156	158	158	158	158
Engineering/Capital					
Managers/Supervisors					
Professional, Technical, Clerical					
Operational Hourlies					
Total Engineering/Capital	-	-	-	-	-
Public Safety					
Managers/Supervisors					
Professional, Technical, Clerical					
Operational Hourlies					
Total Public Safety	-	-	-	-	-
Total					
Managers/Supervisors	32	32	32	32	32
Professional, Technical, Clerical	24	24	24	24	24
Operational Hourlies	225	227	227	227	227
Total	281	283	283	283	283

MTA Bus Company

**MTA Bus Company
2007 Preliminary Budget
July Financial Plan 2007-2010**

Mission Statement

The MTA Bus Company (MTABC) is committed to providing a safe, reliable, convenient and efficient bus service throughout the boroughs of Queens, Bronx, Brooklyn and Manhattan, and parts of Yonkers and Western Nassau County.

Agency Overview

In September 2004, the MTA created the MTA Bus Company as a subsidiary of the authority in order to effectuate an agreement with the City of New York to consolidate the operations of seven private bus companies. The agreement was implemented as a result of the mutual desire of the MTA and the City of New York to improve the quality and efficiency of bus service formerly provided by private bus operations pursuant to franchises granted by the City. The agreement, which was approved by the MTA Board, provided for the City to pay MTABC the difference between the actual cost of operation of the bus routes and all revenues and subsidies received by MTABC and allocable to the operation of the bus routes. Thus, the current costs of MTABC operations are 100% reimbursable by the City.

The merger of the seven private bus companies into MTABC began on January 3, 2005 with the transfer of operations of the former Liberty Lines Express, Inc. The merger was completed on February 20, 2006 as Triboro Coach Corporation became the seventh and final private bus company to join the operations of the MTABC. When the mergers were completed, MTABC was operating 1,234 buses serving 400,000 riders daily. MTABC operates 47 local routes servicing the Bronx, Brooklyn and Queens, and 42 premium fare express routes between Manhattan and the Bronx, Brooklyn and Queens.

MTABC is committed to aggressively upgrading the overall service delivery of its bus operations through the replacement of an aged bus fleet, the institution of new maintenance practices and the establishment of a routinized service monitoring and adjustment program to facilitate positive service revisions within the transportation market.

During 2005 and 2006, MTABC introduced 317 new express buses into service, and an additional 158 express buses have been approved for purchase. When delivery of the 158 buses is completed in the first half of 2007, a total of 76% of

the express fleet will have been replaced since the mergers into MTABC commenced. In addition, the delivery of 284 new hybrid electric buses for local service will begin in late 2006. An option to purchase an additional 105 new hybrid electric buses is planned for the fourth quarter of 2006. When the new bus deliveries are completed, a total of 864 new buses or 70% of the fleet will have been replaced. The infusion of new buses into the MTABC fleet, in conjunction with the introduction of comprehensive maintenance programs designed to improve the reliability of the older buses inherited from the mergers, has allowed MTABC the opportunity to directly address a number of other critical areas: environmental initiatives, safety, security and skills training, the introduction of a centralized road operations unit to ensure consistent delivery of transportation services throughout MTABC depots, facility upgrades and improvements, service/route improvements and the development of a centralized administrative structure that relies on the foundation of a new information systems network. As a new subsidiary of the MTA, MTABC has been able to successfully partner and utilize the established services of other agencies within the MTA to provide technical expertise in numerous areas, including bus and electronics maintenance, voice and data networks, labor relations, human resources and medical services, to achieve its objectives.

Financial Overview

The 2007 Operating Budget proposal represents development of the first comprehensive budget for MTABC. In February 2006, when the last of the seven private bus companies was merged to MTA Bus, the total MTABC incumbent head count was just over 3,000 employees. In the past, the private companies did not prepare any formal annual budgets for headcount or non-personnel expenses. As a result of the uncertainty of the timing and inevitability of the mergers, the private companies delayed almost all hiring of critical transportation and maintenance positions for a period of one to two years. Therefore, by February 2006 when MTA Bus had integrated all seven companies, the vacancy levels in key operating titles (bus operator, mechanic and bus maintenance supervisor exceeded 200 positions. In addition, key staff performing important support activities did not join MTABC upon merger, opting to remain managing the other assets of their private employers. This further exacerbated MTABC's ability to streamline and organize key functions. Through a shared services arrangement, MTABC has begun the process of filling these critical operating vacancies in order to provide additional service and improve the maintenance reliability of the bus fleet.

The 2007 MTABC operating budget reflects the necessity of restoring headcount to baseline pre-merger levels and restructuring non-operating positions to better reflect the mandated business requirements of a public sector agency. Specific operational and maintenance goals for 2007 are being developed as

performance indicators of the individual depots are merged to reflect MTABC - wide data and statistics.

2007 Preliminary Budget – Baseline

In 2007, the first full year all seven private bus companies will be integrated into MTABC, the Bus Company's main objectives will be to focus on continued reliability improvements to the bus fleet, successfully introduce new buses into the fleet, address the condition and security of its facilities, enhance the quality and attractiveness of bus service, and upgrade the skills of its existing employees while introducing additional professional expertise into its operations. MTABC's 2007 Preliminary Budget includes total expenses before depreciation of \$375.6 million. Total revenues are projected to be \$134.9 million. Total baseline full-time positions are 3,310 (3,302 non-reimbursable and 8 reimbursable).

The major components of the 2007 MTABC Preliminary Budget are summarized as follows:

- Aggressive management action to fill critical operating vacancies in the bus operation (over 120 vacancies), mechanic (30), bus maintenance supervisor (30), and depot management (approximately 25).
- The reorganization of support activities and existing staff to address the need to perform many critical functions not previously handled prior to the establishment of MTABC: environmental, safety and code compliance, engineering, operations planning, budgets, labor relations, human resources, and security. Positions left vacant from the management of the former companies that did not join MTABC will be utilized to fill these gaps.
- A substantial reduction (38%) in the reliance and utilization of unscheduled overtime to meet service and maintenance levels.
- The continued centralization of a Road Operations unit to standardize the practices and monitoring of bus service within the MTABC service area.
- The establishment of a centralized Command Center to improve overall service coordination and monitor bus operations.
- Centralized control and accountability over material distribution and inventory activities.

- Expansion of popular service and information programs, in conjunction with improved schedule adjustments, to enhance the rider's transportation experience.
- The establishment of an engineering staff to manage the facilities projects funded through the MTABC's Capital Budget.

These assumptions will be monitored and revised accordingly as the MTABC organization structure, goals and processes are finalized and it is determined that MTABC resources are sufficient to meet MTA service standards and the expectations of the letter agreement with the City of New York.

Non-Labor

OTPS expenses have increased in 2007 by \$17.1 million over 2006 levels due to several key factors:

- Estimated payout for bus accident claims (\$3.0 million) – introduction of new bus models into fleet and a relatively high percentage of new bus operators.
- Fuel Costs (\$4.3 million) – price increases and expanded service levels.
- Security Contracts (\$0.8 million) – expansion of security guard coverage at all depots.
- Facility Maintenance and Environmental Remediation (\$2.3 million) – repairs of fuel tanks, depot abatements and rebuilds, asphalt and roof repairs, lift removal and emergency electrical/plumbing work.
- Additional materials to support enhanced bus maintenance levels (\$2.7 million)
- Phase-in of information systems projects for timekeeping, payroll, financial, fleet and facility maintenance applications (\$4.0 million)

2008 – 2010 Projections

The current 2008-2010 projections reflect no change in the number of quota positions from the baseline 2007 Preliminary Budget proposal. Salary and wage

projections reflect labor assumptions contained in the February 2006 financial plan of 2.56% in 2007, 2.91% in 2008, 3.07% in 2009 and 3.2% in 2010. Health and welfare expenses were increased at an annual rate of 10.68% for the 2008-2010 period in accordance with New York State Department of Civil Service guidance.

In 2008, the projected payout for bus accident claims increases by \$2.5 million over 2007 due to the increase in new buses placed in service. All other OTPS expense assumptions for the 2008-2010 period remain the same as 2007 levels with adjustments for inflation of 1.84% in 2008, 1.73% in 2009 and 1.77% in 2010 in accordance with Global Insight's CPI-U forecast.

Fuel expenses for 2007 assume the continuation in elevated prices, and costs assume wholesale price reductions of 5.1% in 2008 compared to 2007, and 4.9% in 2009 compared to 2008. 2010 assumes no change from 2009 fuel price levels.

Farebox revenue is projected to increase by 0.9% in 2007 over 2006 estimates, and increases of 1.2% in 2008, 0.3% in 2009 and 0.6% in 2010 over prior year revenue levels are forecasted. Ridership levels on local bus routes are projected to continue the gains experienced in 2006, while we project that express bus ridership levels will stabilize at current levels after the fall-off resulting from the post-merger fare increase. 2006 revenue improvements are attributable to MTABC initiatives to consistently meet service levels, provide enhanced service through selective route adjustments and the increased reliability of bus fareboxes.

MTA BUS COMPANY
July Financial Plan 2007 - 2010
Accrual Statement of Operations by Category
(\$ in millions)

Non-Reimbursable	2006	2007			
	Mid-Year	Preliminary	2008	2009	2010
	Forecast				
Operating Revenue					
Farebox Revenue	\$129.938	\$131.107	\$132.733	\$133.184	\$134.036
Toll Revenue	-	-	-	-	-
Other Operating Revenue	3.591	3.780	3.780	3.780	3.780
Capital and Other Reimbursements	-	-	-	-	-
Total Revenue	\$133.529	\$134.887	\$136.513	\$136.964	\$137.816
Operating Expenses					
<u>Labor:</u>					
Payroll	\$164.924	\$184.186	\$189.546	\$195.365	\$201.617
Overtime	29.014	18.019	18.543	19.113	19.724
Health and Welfare	22.000	32.289	35.738	39.555	43.779
Pensions	11.336	11.771	12.207	12.582	12.984
Other Fringe Benefits	13.488	15.620	15.989	16.480	17.008
Reimbursable Overhead	-	(0.539)	(0.526)	(0.526)	(0.526)
Total Labor Expenses	\$240.762	\$261.347	\$271.497	\$282.568	\$294.586
<u>Non-Labor:</u>					
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	24.989	29.314	28.278	27.031	27.192
Insurance	14.197	14.356	15.791	17.370	19.107
Claims	2.500	5.500	8.001	8.001	8.001
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	27.114	23.944	24.560	25.186	25.813
Professional Service Contracts	2.750	7.093	7.276	7.461	7.647
Materials & Supplies	25.464	33.943	34.816	35.703	36.592
Other Business Expenses	0.150	0.150	0.154	0.158	0.162
Total Non-Labor Expenses	\$97.164	\$114.301	\$118.874	\$120.910	\$124.515
<u>Other Expenses Adjustments:</u>					
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$337.926	\$375.647	\$390.372	\$403.478	\$419.100
Depreciation	13.750	30.075	36.290	38.830	41.548
Total Expenses	\$351.676	\$405.722	\$426.662	\$442.308	\$460.649
Baseline Surplus/(Deficit)	(\$218.147)	(\$270.835)	(\$290.149)	(\$305.344)	(\$322.832)
2007 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.000	0.000
Post 2007 Program to Eliminate the Gap (PEGs)	-	-	-	-	-
Net Surplus/(Deficit)	(\$218.147)	(\$270.835)	(\$290.149)	(\$305.344)	(\$322.832)

MTA BUS COMPANY
July Financial Plan 2007 - 2010
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE	2006 Mid-Year Forecast	2007 Preliminary	2008	2009	2010
Revenue					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-
Capital and Other Reimbursements	0.600	23.201	23.494	31.084	22.510
Total Revenue	\$0.600	\$23.201	\$23.494	\$31.084	\$22.510
Expenses					
<u>Labor:</u>					
Payroll	\$0.000	\$0.741	\$0.741	\$0.741	\$0.741
Overtime	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.000	0.000	0.000	0.000	0.000
Pensions	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.221	0.221	0.221	0.221
Reimbursable Overhead	-	0.539	0.539	0.539	0.539
Total Labor Expenses	\$0.000	\$1.501	\$1.501	\$1.501	\$1.501
<u>Non-Labor:</u>					
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-
Insurance	-	-	-	-	-
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	0.600	14.500	15.793	25.883	17.300
Professional Service Contracts	-	5.000	4.000	1.500	1.500
Materials & Supplies	-	2.200	2.200	2.200	2.200
Other Business Expenses	-	-	-	-	-
Total Non-Labor Expenses	\$0.600	\$21.700	\$21.993	\$29.583	\$21.000
<u>Other Expenses Adjustments:</u>					
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$0.600	\$23.201	\$23.494	\$31.084	\$22.501
Depreciation	-	-	-	-	-
Total Expenses	\$0.600	\$23.201	\$23.494	\$31.084	\$22.501
Net Surplus/(Deficit)	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.009

MTA BUS COMPANY
July Financial Plan 2007 - 2010
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE		2006	2007			
		Mid-Year	Preliminary	2008	2009	2010
		Forecast				
Revenue						
Farebox Revenue		\$129.938	\$131.107	\$132.733	\$133.184	\$134.036
Toll Revenue		-	-	-	-	-
Other Operating Revenue		3.591	3.780	3.780	3.780	3.780
Capital and Other Reimbursements		0.600	23.201	23.494	31.084	22.510
Total Revenue		\$134.129	\$158.088	\$160.007	\$168.048	\$160.326
Expenses						
<u>Labor:</u>						
Payroll		\$164.924	\$184.928	\$190.287	\$196.106	\$202.358
Overtime		29.014	18.019	18.543	19.113	19.724
Health and Welfare		22.000	32.289	35.738	39.555	43.779
Pensions		11.336	11.771	12.207	12.582	12.984
Other Fringe Benefits		13.488	15.841	16.210	16.701	17.228
Reimbursable Overhead		-	-	0.013	0.013	0.013
Total Labor Expenses		\$240.762	\$262.848	\$272.998	\$284.069	\$296.087
<u>Non-Labor:</u>						
Traction and Propulsion Power		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains		24.989	29.314	28.278	27.031	27.192
Insurance		14.197	14.356	15.791	17.370	19.107
Claims		2.500	5.500	8.001	8.001	8.001
Paratransit Service Contracts		-	-	-	-	-
Maintenance and Other Operating Contracts		27.714	38.444	40.353	51.069	43.113
Professional Service Contracts		2.750	12.093	11.276	8.961	9.147
Materials & Supplies		25.464	36.143	37.016	37.903	38.792
Other Business Expenses		0.150	0.150	0.154	0.158	0.162
Total Non-Labor Expenses		\$97.764	\$136.001	\$140.867	\$150.493	\$145.515
<u>Other Expenses Adjustments:</u>						
Other		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation		\$338.526	\$398.848	\$413.865	\$434.562	\$441.601
Depreciation		13.750	30.075	36.290	38.830	41.548
Total Expenses		\$352.276	\$428.923	\$450.155	\$473.392	\$483.150
Baseline Surplus/(Deficit)		(\$218.147)	(\$270.835)	(\$290.149)	(\$305.344)	(\$322.823)
2007 Program to Eliminate the Gap (PEGs)		0.000	0.000	0.000	0.000	0.000
Post 2007 Program to Eliminate the Gap (PEGs)		-	-	-	-	-
Net Surplus/(Deficit)		(\$218.147)	(\$270.835)	(\$290.149)	(\$305.344)	(\$322.823)

MTA BUS COMPANY
July Financial Plan 2007 - 2010
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES					
	2006 Mid-Year Forecast	2007 Preliminary	2008	2009	2010
Receipts					
Farebox Revenue	\$129.938	\$131.107	\$132.733	\$133.184	\$134.036
Vehicle Toll Revenue	-	-	-	-	-
Other Operating Revenue	3.591	3.780	3.780	3.780	3.780
Capital and Other Reimbursements	0.600	23.201	23.494	31.084	22.510
Total Receipts	\$134.129	\$158.088	\$160.007	\$168.048	\$160.326
Expenditures					
<u>Labor:</u>					
Payroll	\$164.924	\$184.928	\$190.287	\$196.106	\$202.358
Overtime	29.014	18.019	18.543	19.113	19.724
Health and Welfare	22.000	32.289	35.738	39.555	43.779
Pensions	11.336	11.771	12.207	12.582	12.984
Other Fringe Benefits	13.488	15.841	16.210	16.701	17.228
Reimbursable Overhead	-	-	0.013	0.013	0.013
Total Labor Expenditures	\$240.762	\$262.848	\$272.998	\$284.069	\$296.087
<u>Non-Labor:</u>					
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	24.989	29.314	28.278	27.031	27.192
Insurance	14.197	14.356	15.791	17.370	19.107
Claims	2.500	5.500	8.001	8.001	8.001
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	27.714	38.444	40.353	51.069	43.113
Professional Service Contracts	2.750	12.093	11.276	8.961	9.147
Materials & Supplies	25.464	36.143	37.016	37.903	38.792
Other Business Expenses	0.150	0.150	0.154	0.158	0.162
Total Non-Labor Expenditures	\$97.764	\$136.001	\$140.867	\$150.493	\$145.515
<u>Other Expenditure Adjustments:</u>					
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$338.526	\$398.848	\$413.865	\$434.562	\$441.601
Baseline Cash Deficit	(\$204.397)	(\$240.760)	(\$253.859)	(\$266.514)	(\$281.275)
2007 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.000	0.000
Post 2007 Program to Eliminate the Gap (PEGs)	-	-	-	-	-
Net Cash Deficit	(\$204.397)	(\$240.760)	(\$253.859)	(\$266.514)	(\$281.275)

MTA BUS COMPANY
July Financial Plan 2007 - 2010
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS					
	2006	2007			
	Mid-Year	Preliminary	2008	2009	2010
	Forecast				
Receipts					
Farebox Revenue	\$0.000	\$0.000	\$0.000	(\$0.000)	\$0.000
Vehicle Toll Revenue	-	-	-	-	-
Other Operating Revenue	-	(0.000)	(0.000)	(0.000)	(0.000)
Capital and Other Reimbursements	0.000	(0.000)	(0.000)	(0.000)	(0.000)
Total Receipts	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)	(\$0.000)
Expenditures					
<u>Labor:</u>					
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Pensions	-	-	-	-	-
Other Fringe Benefits	-	(0.000)	(0.000)	-	-
Reimbursable Overhead	-	-	0.000	0.000	0.000
Total Labor Expenditures	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>					
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-
Insurance	-	-	-	-	-
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-
Materials & Supplies	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-
Total Non-Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expenditures Adjustments:</u>					
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditures Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)	(\$0.000)
Depreciation Adjustment	13.750	30.075	36.290	38.830	41.548
Baseline Total Cash Conversion Adjustments	\$13.750	\$30.075	\$36.290	\$38.830	\$41.548
2007 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.000	0.000
Post 2007 Program to Eliminate the Gap (PEGs)	-	-	-	-	-
Total Cash Conversion Adjustments	\$13.750	\$30.075	\$36.290	\$38.830	\$41.548

MTA BUS COMPANY
July Financial Plan 2007 - 2010
Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2006 Mid-Year Forecast	2007 Preliminary Budget	2008	2009	2010
Administration					
Office of the EVP	2	2	2	2	2
Human Resources	3	3	3	3	3
Office of Management and Budget	6	6	6	6	6
Technology & Information Services	12	12	12	12	12
Materiel	22	22	22	22	22
Controller	47	47	47	47	47
Office of the President	2	2	2	2	2
System Safety Administration	3	3	3	3	3
Law	17	17	17	17	17
Corporate Communications	7	7	7	7	7
Labor Relations	2	2	2	2	2
Total Administration	123	123	123	123	123
Operations					
Buses	2,127	2,127	2,127	2,127	2,127
Operations Planning	11	11	11	11	11
Revenue Control	7	7	7	7	7
Total Operations	2,145	2,145	2,145	2,145	2,145
Maintenance					
Buses	951	951	951	951	951
Supply Logistics	64	64	64	64	64
Total Maintenance	1,015	1,015	1,015	1,015	1,015
Engineering/Capital					
Capital Program Management	19	19	19	19	19
Public Safety					
Office of the Senior Vice President	8	8	8	8	8
Total Baseline Positions	3,310	3,310	3,310	3,310	3,310
Non-Reimbursable	3,302	3,302	3,302	3,302	3,302
Reimbursable	8	8	8	8	8
Total Full-Time	3,310	3,310	3,310	3,310	3,310
Total Full-Time Equivalents	-	-	-	-	-
<hr/>					
Impact of:					
2007 Program to Eliminate the Gap	0	0	0	0	0
Post 2007 Program to Eliminate the Gap	0	0	0	0	0
Total Positions	3,310	3,310	3,310	3,310	3,310
Non-Reimbursable	3,302	3,302	3,302	3,302	3,302
Reimbursable	8	8	8	8	8
Total Full-Time	3,310	3,310	3,310	3,310	3,310
Total Full-Time Equivalents	-	-	-	-	-

MTA BUS COMPANY
July Financial Plan 2007-2010
Total Full-Time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	2006		2007		2008	2009	2010
	Mid-Year	Forecast	Preliminary	Budget			
Administration							
Managers/Supervisors	37		37		37		37
Professional, Technical, Clerical	86		86		86		86
Operational Hourlies	0		0		0		0
Total Administration	123		123		123		123
Operations							
Managers/Supervisors	271		271		271		271
Professional, Technical, Clerical	51		51		51		51
Operational Hourlies	1,823		1,823		1,823		1,823
Total Operations	2,145		2,145		2,145		2,145
Maintenance							
Managers/Supervisors	150		150		150		150
Professional, Technical, Clerical	18		18		18		18
Operational Hourlies	847		847		847		847
Total Maintenance	1,015		1,015		1,015		1,015
Engineering/Capital							
Managers/Supervisors	14		14		14		14
Professional, Technical, Clerical	5		5		5		5
Operational Hourlies	0		0		0		0
Total Engineering/Capital	19		19		19		19
Public Safety							
Managers/Supervisors	4		4		4		4
Professional, Technical, Clerical	0		0		0		0
Operational Hourlies	4		4		4		4
Total Public Safety	8		8		8		8
Total Baseline Positions							
Managers/Supervisors	476		476		476		476
Professional, Technical, Clerical	160		160		160		160
Operational Hourlies	2,674		2,674		2,674		2,674
Total Baseline Positions	3,310		3,310		3,310		3,310