

## **VIII. Agency Financial Plans**

# **Bridges and Tunnels**

**MTA Bridges and Tunnels**  
**2007 Final Proposed Budget**  
**November Financial Plan 2007–2010**

**MISSION STATEMENT/MAJOR HIGHLIGHTS**

MTA Bridges and Tunnels (B&T) operates seven bridges and two tunnels that form essential links for vehicular highway transportation in the New York City metropolitan region, while also providing significant financial support for mass transit. On an average day, more than 800,000 vehicles use the nine crossings, generating more than \$1.2 billion in annual toll revenue. With nearly two-thirds of this toll revenue dedicated to mass transit, B&T performs a unique and vital function on behalf of regional mobility.

B&T's mission is carried out through 14 different departments, including the Operations workforce that manages the facilities on a day-to-day basis, and the Engineering and Construction Department that is responsible for maintaining the structural integrity of the facilities. The Operations Department employs 70 percent of the workforce, with Engineering and Construction employing another 10 percent. Each of the other B&T departments perform a wide variety of critical functions in support of B&T's dual responsibilities of moving vehicles across its facilities efficiently and safely while providing essential financial assistance to the other MTA agencies.

MTA Bridges & Tunnels continues to be successful in achieving its primary goals in 2006. Total Support to Mass Transit for 2006 is now projected to be \$732.3 million, \$16.7 million higher than the July Forecast. Total revenue is projected to increase by \$6.1 million against the July plan, while expenses are expected to decrease by \$5.2 million. Since 1968, when B&T became part of the MTA, approximately \$14.8 billion has been provided to the MTA for support to mass transit.

Operationally, safety is the agency's first priority. Through August 2006, there were 38 employee lost time injuries, up slightly compared to the same period last year. Despite this year's increase however, employee injuries have decreased by more than 85% since the MTA All-Agency Safety Initiative began 10 years ago.

To enhance customer safety B&T continues to identify collision hot spots, re-evaluate and modify traffic patterns in construction zones, and improve roadway signage. Through August 2006, the collision rate was 5.42 per million vehicles, exceeding performance for the same period in 2005.

Customer satisfaction is also a key goal for B&T. In its most recent survey, B&T's customers rated their overall satisfaction at 7.0 out of 10 in 2005. This is consistent with B&T's historical performance, despite near record high traffic, a

toll increase and significant construction at several facilities. Overall satisfaction with the agency's E-ZPass system was 8.2, also consistent with historical performance.

A key factor driving customer satisfaction is the reduction in median queue time during peak periods. E-ZPass has enabled B&T to maintain low average peak hour queue times while managing much higher levels of traffic than existed prior to implementation of electronic toll collection. More than 74% of all weekday B&T traffic and 85% of all weekday truck traffic use E-ZPass. Through August 2006 these high market shares have played an important role in keeping median vehicle queue time at 10 seconds, which is 50% lower than B&T's 20-second goal.

Other highlights of the past year include the completion of the E-ZPass tag replacement program; the expansion of E-ZPass (in the fall of 2005) to Illinois, bringing the total number of organizations now using E-ZPass to 22 toll systems in 11 states and one border crossing; and a record level bridge painting budget of \$46 million.

## **FINANCIAL OVERVIEW**

B&T's Financial Plan, consistent with its strategic operating and financial goals, is projecting net income of \$4.2 billion for the next five years (2006-2010) before factoring in the Program to Eliminate the Gap (PEG).

There are no net headcount changes from the previous financial plan. B&T's pre-PEG headcount will be 1,822 in 2006. In 2007 and beyond, the pre-PEG headcount is expected to be 1,828 due to a net increase of six security-related positions.

For 2006, B&T projects a total of \$882.9 million in net income before factoring in the Program to Eliminate the Gap (PEG). This consists of \$1,273.0 million in revenue, offset by \$390.1 million in total expenses. Net income is \$11.3 million better than the July Forecast.

- In 2007, B&T projects a total of \$837.6 million in net income before factoring in the Program to Eliminate the Gap (PEG). This consists of \$1,265.2 million in total revenue offset by \$427.6 million in total expenses.
- In 2008, B&T estimates \$843.0 million in net income before factoring in the Program to Eliminate the Gap (PEG). This consists of \$1,267.2 million in total revenue offset by \$424.2 million in total expenses.
- In 2009, B&T projects a total of \$817.3 million in net income before factoring in the Program to Eliminate the Gap (PEG). This consists of \$1,264.2 million in total revenue offset by \$446.9 million in total expenses.

- In 2010, B&T projects a total of \$777.1 million in net income before factoring in the Program to Eliminate the Gap (PEG). This consists of \$1,263.3 million in total revenue offset by \$486.2 million in total expenses.

## **2006 November Forecast**

As noted, the \$882.9 million in net income projected in this Plan is generated through total revenues of \$1,273.0 million, offset by \$390.1 million in total expenses.

Total revenues are higher than the July Forecast by \$6.1 million due to increased toll revenues resulting predominately from higher commercial traffic volumes (\$0.9 million), additional income from non-toll revenue sources including higher parking receipts from the Battery Parking Garage (\$1.3 million), a one-time arbitrage refund (\$2.8), and greater returns on short-term investments (\$1.1 million).

Against the Adopted Budget, total revenues are \$33.0 million lower, due largely (as discussed in the July Plan) to a methodological change in funding B&T's ongoing security program. Security expenses are now built into B&T's baseline as opposed to being reimbursed by MTA Headquarters. This has no effect on B&T's security program. The other major revenue declines from the Adopted Budget are the New York State legislated repeal of the \$1 per month E-ZPass account fee, effective June 1, 2006 (\$7.6 million), and lower toll revenues due to weather impacts and higher gas prices (\$3.4 million). These unfavorable variances against the Adopted Budget are partially offset by modest gains in various other income sources totaling \$5.4 million.

Total expenses are composed of \$207.2 million in labor costs and \$182.9 million in non-labor expenses. Total expenses are \$5.2 million lower than the July Forecast due primarily to a \$6.2 million carryover from 2006 to 2007 of the transition/start-up costs associated with the expected award of a new contract for the E-ZPass Customer Service Center (CSC), and lower operating expenses of \$2.6 million related to the existing E-ZPass CSC contract. These reductions are offset by higher than anticipated bridge painting expenses (\$2.6 million) due to the acceleration of work at the Triborough Bridge and a re-estimate of overtime expenses (\$1.6 million). These activities will be discussed further in the Plan-to-Plan Summary of Changes.

Total expenses are \$16.0 million lower than the Adopted Budget. Non-labor expenses are \$26.3 million lower primarily due to the aforementioned timing of the new contract for the E-ZPass CSC and the lower operating costs associated with the current contract. These favorable expense variances are offset by increased overtime (\$2.0 million) due to higher than anticipated vacancies, and upward adjustments for pension benefits (\$3.5 million), worker's compensation (\$1.8 million), and bridge painting (\$2.6 million).

The total planned headcount of 1,822 in 2006 includes 49 capital reimbursable positions and remains unchanged from the July Mid-Year Forecast. There are no new proposed PEGs for 2006 in this Financial Plan.

Details regarding the reconciliation of the November Financial Plan to the July Financial Plan and the assumptions for traffic and headcount are discussed in the Plan-to-Plan Summary of Changes and the Other Assumptions sections

### **2007 Final Proposed Budget - Baseline**

In the 2007 Final Proposed Budget, a total of \$837.6 million is projected in net income for 2007 before factoring in the savings associated with PEGs. This consists of \$1,265.2 million in revenues, offset by \$427.6 million in expenses. Total operating expenses are composed of \$212.6 million in labor costs and \$215.0 million in non-labor expenses. The major expense variance against the July Plan is the rollover of the E-ZPass Customer Service Center transition/start-up costs from 2006 to 2007.

In 2007, the total baseline headcount will be 1,828, which includes 49 capital reimbursable positions. The 2007 Final Proposed Budget also includes 21 PEG headcount reductions below the line. These actions will be discussed later in this document, under Gap Closing Measures. No new needs are anticipated in this plan for 2007.

Details regarding the reconciliation of the November Forecast to the July Mid-Year Budget and the assumptions for traffic and headcount are discussed in the Plan-to-Plan Summary of Changes and the Other Assumptions sections.

### **2008-2010 Projections**

The 2008 projection for net income is \$843.0 million before factoring in the savings from PEGs. This consists of \$1,267.2 million in revenues, offset by \$424.2 million in expenses. Total operating expenses are comprised of \$223.8 million in labor costs and \$200.4 million in non-labor expenses.

In 2008, the total baseline headcount will be 1,828, which includes 49 capital reimbursable positions. Incorporating all of the PEGs proposed in the July Forecast will bring the total headcount to 1,808 in 2008. These actions are discussed later in this document under Gap Closing Measures. No new needs are anticipated at this time for 2008.

The 2009 and 2010 projections for net income are \$817.3 million and \$777.1 million, respectively, before factoring in the savings from PEGs. For 2009, this consists of \$1,264.2 million in revenues, offset by \$446.9 million in expenses. Total operating expenses are composed of \$234.8 million in labor costs and \$212.1 million in non-labor expenses. For 2010, net income consists of \$1,263.3 million in revenues, offset by \$486.2 million in expenses. The

expenses are composed of \$246.7 million in labor costs and \$239.5 million in non-labor expenses.

In 2009 and 2010, the total baseline headcount will remain at 1,828, including the 49 capital reimbursable positions. The 2009 and 2010 projections also include the PEGs proposed in the July Forecast, maintaining headcount at 1,808. These actions are discussed below under Gap Closing Measures.

Details for the reconciliations of the November Financial Plan to the July Financial are discussed in the Plan-to-Plan Summary of Changes, and the assumptions guiding traffic and headcount projections are discussed in the Other Assumptions section.

## **GAP CLOSING MEASURES**

There were no changes to the PEGs submitted in the July Mid-Year Forecast. The previously-submitted PEGs included the following actions:

### **2007 PEG Actions**

- There were two PEG actions proposed in previous years that will impact 2007. They are projected to reduce costs by \$0.053 million in 2007, annualized to \$0.087 in 2008. They include:
  - Reduction of one administrative position in the Payroll Department
  - Reduction of one administrative position in Accounts Payable
- There were five 2007 PEG actions proposed in the July Mid-Year Forecast. Two of the PEGs begin in the fourth quarter of 2006 and are projected to generate \$0.176 million in cost reductions in 2006. For 2007, these PEG actions amount to a total of \$1.113 million and will annualize to \$2.563 million in 2008. They include:
  - Field Supervision Scheduling Efficiencies
  - Reduce Field Supervision Overtime
  - Reduction of one administrative position in Human Resources
  - Reduction of telephone expenses
  - Net reduction of headcount in Operations (18 positions).

### **Post-2007 PEG Actions**

- One additional PEG action was proposed in the July Mid-Year Forecast, which will generate \$0.072 million in 2008:
  - Bringing roadway sweeping in-house (one additional headcount with OTPS offsets).

No new PEGs are scheduled to begin in 2009 to 2010.

Together, the PEG actions listed above are projected to generate expense reductions of \$0.176 million in 2006, \$1.166 million in 2007, \$2.722 million in 2008, \$2.734 million in 2009 and \$2.746 million in 2010.



**MTA BRIDGES & TUNNELS**  
**November Financial Plan 2007 - 2010**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE**

	2005	2006	2007			
	Actuals	November Forecast	Final Proposed Budget	2008	2009	2010
<b>Operating Revenue</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	1,204.944	1,234.903	1,236.873	1,239.595	1,236.127	1,234.706
Other Operating Revenue	23.100	16.627	7.027	7.917	7.999	8.078
Capital and Other Reimbursements	25.874	0.000	0.000	0.000	0.000	0.000
Investment Income	5.358	7.336	4.731	4.400	4.532	4.570
<b>Total Revenue</b>	<b>\$1,259.276</b>	<b>\$1,258.866</b>	<b>\$1,248.631</b>	<b>\$1,251.912</b>	<b>\$1,248.658</b>	<b>\$1,247.354</b>
<b>Operating Expenses</b>						
<u><b>Labor:</b></u>						
Payroll	\$105.575	\$111.660	\$115.544	\$121.625	\$126.447	\$131.642
Overtime	22.126	24.600	22.490	23.074	23.853	24.530
Health and Welfare	25.864	30.519	34.095	38.033	42.072	46.517
Pensions	9.895	17.500	17.282	17.919	18.434	18.917
Other Fringe Benefits	15.578	15.484	14.395	15.196	15.776	16.445
Reimbursable Overhead	(\$5.467)	(\$6.750)	(\$7.850)	(\$7.290)	(\$7.329)	(\$7.358)
<b>Total Labor Expenses</b>	<b>\$173.571</b>	<b>\$193.013</b>	<b>\$195.957</b>	<b>\$208.557</b>	<b>\$219.252</b>	<b>\$230.694</b>
<u><b>Non-Labor:</b></u>						
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	7.869	9.509	10.535	11.713	12.637	13.846
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	128.116	143.805	169.415	153.057	160.164	162.880
Professional Service Contracts	11.571	13.169	16.262	16.675	16.917	17.148
Materials & Supplies	21.409	14.280	16.548	16.598	20.005	43.245
Other Business Expenses	1.136	2.164	2.310	2.351	2.379	2.406
<b>Total Non-Labor Expenses</b>	<b>\$170.101</b>	<b>\$182.927</b>	<b>\$215.070</b>	<b>\$200.394</b>	<b>\$212.102</b>	<b>\$239.525</b>
<u><b>Other Expense Adjustments:</b></u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses Before Depreciation</b>	<b>\$343.672</b>	<b>\$375.941</b>	<b>\$411.027</b>	<b>\$408.951</b>	<b>\$431.355</b>	<b>\$470.219</b>
Add: Depreciation	\$49.800	\$50.200	\$56.500	\$61.200	\$66.700	\$72.000
<b>Total Expenses After Depreciation</b>	<b>\$393.472</b>	<b>\$426.141</b>	<b>\$467.527</b>	<b>\$470.151</b>	<b>\$498.055</b>	<b>\$542.219</b>
Less: Depreciation	\$49.800	\$50.200	\$56.500	\$61.200	\$66.700	\$72.000
<b>Total Expenses</b>	<b>\$343.672</b>	<b>\$375.941</b>	<b>\$411.027</b>	<b>\$408.951</b>	<b>\$431.355</b>	<b>\$470.219</b>
<b>Baseline Income/(Deficit)</b>	<b>\$915.604</b>	<b>\$882.925</b>	<b>\$837.605</b>	<b>\$842.961</b>	<b>\$817.303</b>	<b>\$777.135</b>
2007 Agency Program to Eliminate the Gap	\$0.000	\$0.176	\$1.166	\$2.650	\$2.663	\$2.676
Post 2007 Agency Program to Eliminate the Gap	\$0.000	\$0.000	\$0.000	\$0.072	\$0.071	\$0.071
<b>Net Income/(Deficit)</b>	<b>\$915.604</b>	<b>\$883.101</b>	<b>\$838.771</b>	<b>\$845.683</b>	<b>\$820.037</b>	<b>\$779.882</b>

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**MTA BRIDGES & TUNNELS**  
**November Financial Plan 2007 - 2010**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE / REIMBURSABLE**  
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	2005	2006	2007			
	Actuals	November Forecast	Final Proposed Budget	2008	2009	2010
<b>Revenue</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	1,204.944	1,234.903	1,236.873	1,239.595	1,236.127	1,234.706
Other Operating Revenue	23.100	16.627	7.027	7.917	7.999	8.078
Capital and Other Reimbursements	38.339	14.160	16.616	15.230	15.541	16.023
Investment Income	5.358	7.336	4.731	4.400	4.532	4.570
<b>Total Revenue</b>	<b>\$1,271.741</b>	<b>\$1,273.026</b>	<b>\$1,265.247</b>	<b>\$1,267.142</b>	<b>\$1,264.199</b>	<b>\$1,263.377</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$110.389	\$116.562	\$121.237	\$126.887	\$131.871	\$137.240
Overtime	22.126	24.718	22.777	23.192	23.903	24.665
Health and Welfare	27.023	31.800	35.586	39.400	43.585	48.192
Pensions	10.142	17.773	17.601	18.213	18.736	19.227
Other Fringe Benefits	16.334	16.320	15.371	16.095	16.699	17.392
Reimbursable Overhead	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Labor Expenses</b>	<b>\$186.014</b>	<b>\$207.173</b>	<b>\$212.573</b>	<b>\$223.787</b>	<b>\$234.793</b>	<b>\$246.717</b>
<b><u>Non-Labor:</u></b>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	7.869	9.509	10.535	11.713	12.637	13.846
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
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Other Business Expenses	1.136	2.164	2.310	2.351	2.379	2.406
<b>Total Non-Labor Expenses</b>	<b>\$170.123</b>	<b>\$182.927</b>	<b>\$215.070</b>	<b>\$200.394</b>	<b>\$212.102</b>	<b>\$239.525</b>
<b><u>Other Expense Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses Before Depreciation</b>	<b>\$356.137</b>	<b>\$390.101</b>	<b>\$427.643</b>	<b>\$424.181</b>	<b>\$446.896</b>	<b>\$486.242</b>
Add: Depreciation	\$49.800	\$50.200	\$56.500	\$61.200	\$66.700	\$72.000
<b>Total Expenses After Depreciation</b>	<b>\$405.937</b>	<b>\$440.301</b>	<b>\$484.143</b>	<b>\$485.381</b>	<b>\$513.596</b>	<b>\$558.242</b>
Less: Depreciation	\$49.800	\$50.200	\$56.500	\$61.200	\$66.700	\$72.000
<b>Total Expenses</b>	<b>\$356.137</b>	<b>\$390.101</b>	<b>\$427.643</b>	<b>\$424.181</b>	<b>\$446.896</b>	<b>\$486.242</b>
<b>Baseline Net Income/(Deficit)</b>	<b>\$915.604</b>	<b>\$882.925</b>	<b>\$837.605</b>	<b>\$842.961</b>	<b>\$817.303</b>	<b>\$777.135</b>
2007 Agency Program to Eliminate the Gap	\$0.000	\$0.176	\$1.166	\$2.650	\$2.663	\$2.676
Post 2007 Agency Program to Eliminate the Gap	\$0.000	\$0.000	\$0.000	\$0.072	\$0.071	\$0.071
<b>Net Income/(Deficit)</b>	<b>\$915.604</b>	<b>\$883.101</b>	<b>\$838.771</b>	<b>\$845.683</b>	<b>\$820.037</b>	<b>\$779.882</b>

**MTA BRIDGES & TUNNELS**  
**November Financial Plan 2007 - 2010**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE / REIMBURSABLE**  
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	2005 Actuals	2006 November Forecast	2007 Final Proposed Budget	2008	2009	2010
<b>Baseline Income/(Deficit)</b>	<b>\$915.604</b>	<b>\$882.925</b>	<b>\$837.605</b>	<b>\$842.961</b>	<b>\$817.303</b>	<b>\$777.135</b>
<u><b>Deductions from Income:</b></u>						
Less: Capitalized Assets	\$7.327	\$8.691	\$13.703	\$12.940	\$13.210	\$13.502
Reserves	\$15.326	\$13.193	\$13.417	\$13.667	\$13.953	\$14.261
<b>Adjusted Baseline Income/(Deficit)</b>	<b>\$892.951</b>	<b>\$861.041</b>	<b>\$810.485</b>	<b>\$816.354</b>	<b>\$790.140</b>	<b>\$749.372</b>
Less: Debt Service	\$435.900	\$452.443	\$467.040	\$480.266	\$498.434	\$515.800
<b>Income Available for Distribution</b>	<b>\$457.051</b>	<b>\$408.598</b>	<b>\$343.445</b>	<b>\$336.088</b>	<b>\$291.706</b>	<b>\$233.572</b>
<u><b>Distributable To:</b></u>						
MTA - Investment Income	\$5.358	\$7.336	\$4.731	\$4.400	\$4.532	\$4.570
MTA - Distributable Income	\$271.720	\$250.837	\$219.961	\$216.435	\$194.143	\$165.028
NYCT - Distributable Income	\$179.986	\$150.424	\$118.752	\$115.253	\$93.032	\$63.973
<b>Total Distributable Income:</b>	<b>\$457.064</b>	<b>\$408.598</b>	<b>\$343.445</b>	<b>\$336.088</b>	<b>\$291.706</b>	<b>\$233.572</b>
<u><b>Actual Cash Transfers:</b></u>						
MTA - Investment Income	\$1.368	\$5.358	\$7.336	\$4.731	\$4.400	\$4.532
MTA - Transfers	\$288.305	\$261.230	\$223.049	\$216.788	\$196.372	\$167.940
NYCT - Transfers	\$188.977	\$154.784	\$121.920	\$115.603	\$95.254	\$66.879
<b>Total Cash Transfers:</b>	<b>\$478.650</b>	<b>\$421.372</b>	<b>\$352.305</b>	<b>\$337.122</b>	<b>\$296.026</b>	<b>\$239.351</b>
<u><b>SUPPORT TO MASS TRANSIT:</b></u>						
Total Revenues	\$1,271.741	\$1,273.026	\$1,265.247	\$1,267.142	\$1,264.199	\$1,263.377
Less: Net Operating Expenses	\$356.137	\$390.101	\$427.643	\$424.181	\$446.896	\$486.242
2007 Agency Program to Eliminate the Gap	\$0.000	\$0.176	\$1.166	\$2.650	\$2.663	\$2.676
Post 2007 Agency Program to Eliminate the Gap	\$0.000	\$0.000	\$0.000	\$0.072	\$0.071	\$0.071
<b>Net Operating Income:</b>	<b>\$915.604</b>	<b>\$883.101</b>	<b>\$838.771</b>	<b>\$845.683</b>	<b>\$820.037</b>	<b>\$779.882</b>
<u><b>Deductions from Operating Income:</b></u>						
B&T Debt Service	\$109.373	\$128.916	\$141.447	\$154.746	\$173.101	\$190.613
Capitalized Assets	\$7.327	\$8.691	\$13.703	\$12.940	\$13.210	\$13.502
Reserves	\$15.326	\$13.193	\$13.417	\$13.667	\$13.953	\$14.261
<b>Total Deductions from Operating Income:</b>	<b>\$132.026</b>	<b>\$150.800</b>	<b>\$168.567</b>	<b>\$181.353</b>	<b>\$200.264</b>	<b>\$218.376</b>
<b>Total Support to Mass Transit:</b>	<b>\$783.578</b>	<b>\$732.301</b>	<b>\$670.204</b>	<b>\$664.330</b>	<b>\$619.773</b>	<b>\$561.506</b>

**MTA Bridges and Tunnels**  
**November Financial Plan 2007-2010**  
**Year-to-Year Changes by Category - Accrual Basis**

**YEAR-TO-YEAR CHANGES: 2006-2010**

**Toll Revenue**

- Revenues are estimated to reach \$1,234.9 million in 2006 and \$1,236.9 million in 2007. The growth of \$2.0 million in 2007 is based on current traffic trends and economic forecasts provided by Global Insight.
- Toll revenues grow by \$2.7 million in 2008, primarily because of the additional day due to the leap year. The regular 365-day year in 2009, the economic projections for regional inflation, and a declining average toll due to expected increases in E-ZPass market share all contribute to a \$3.5 million drop in revenues in 2009. E-ZPass market share is forecast to grow modestly again in 2010, which reduces revenues further by \$1.4 million.
- Paid traffic is expected to reach 300.0 million vehicles in 2006, 301.0 million vehicles in 2007, 302.2 million in 2008, 301.8 million in 2009, and 302.0 million in 2010. These modest changes are based on the economic forecasts provided by Global Insight.

**Other Operating Revenue**

- Other Operating Revenue is projected at \$16.6 million in 2006 and is estimated to decrease by \$9.6 million in 2007 primarily due to the New York State legislated repeal of the \$1 per month E-ZPass account fee effective June 1, 2006 (\$7.9 million); lower lost tag fees associated with the Tag Swap Program (which will not occur because the program was completed in 2006) (\$0.7 million), and lower net income from the Battery Parking Garage (BPG) due to the need for additional equipment purchases (\$0.7 million).
- Total Other Operating Revenue increases by approximately by \$0.9 million in 2008, primarily due to fulfilling equipment needs at the BPG in 2007 and expected growth in parking receipts as economic conditions in Lower Manhattan continue to improve. Other Operating Revenue grows approximately \$0.1 million annually from 2009 on, reflecting continued net income growth at the BPG and various other miscellaneous sources.

**Capital and Other Reimbursements**

- Income from Capital and Other Reimbursements are projected to decrease by approximately \$2.5 million in 2007, increase by \$1.4 million in 2008, and decrease in 2009 and 2010 by \$0.3 million and \$0.5 million, respectively, due to adjustments in CPIU.

## **Investment Income**

- The investment income plan for 2006 through 2010 reflects earnings on estimated fund balances based on Global Insight's forecasts for short-term investment yields. The 2006 forecast also includes a one-time arbitrage refund of \$2.8 million. Investment income is estimated at \$7.3 million in 2006, \$4.7 million in 2007, \$4.4 million in 2008, \$4.5 million in 2009 and \$4.6 million in 2010.

## **Payroll**

- Expenses grow by \$4.7 million in 2007, \$5.7 million in 2008, \$5.0 million in 2009 and \$5.4 million in 2010, primarily due to CPIU and contractual step-up increases.
- Out-year CPIU increases are calculated slightly differently in this plan than in previous years in that there is a separation between represented and non-represented increases. Represented increases are as follows: 2.56% in 2007, 2.91% in 2008, 3.07% in 2009 and 3.20% in 2010. Non-represented personnel increases are 3.00% in 2007, 3.00% in 2008, 1.53% in 2009 and 1.84% in 2010, 2009 and 2010 based on Global Insight's forecasts for national inflation applied to salaries and overtime.

## **Overtime**

- In 2007, there is a decrease of \$1.9 million between 2006 and 2007 due primarily to lower anticipated vacancies offset by CPIU adjustments.
- In 2008, there is an increase of \$0.4 million due to CPIU.
- The year-over-year increases of \$0.7 million and \$0.8 million from 2008 to 2010 are primarily the result of CPIU adjustments.

## **Health and Welfare**

- The year-over-year increases from 2006 to 2010 are \$3.8 million, \$3.8 million, \$4.2 million and \$4.6 million. These increases are primarily due to a 10.68% CPIU for medical expenses that has been added to each year, based on estimates provided by the MTA.

## **Pensions**

- The 2006 to 2007 increases reflect the latest NYCERS estimates. The increases for 2008 to 2010 are due to CPIU.

## **Other Fringe Benefits**

- There is a decrease from 2006 to 2007 of \$0.9 million due to a one-time increase in the Worker's Compensation reserve in 2006. The year-over-year increases from 2007 to 2010 are \$0.7 million, \$0.6 million and \$0.7 million. These increases are due to the effect of CPIU inflators.

## **Insurance**

- Property and liability insurance expense increases range from \$0.9 million to \$1.2 million annually throughout the plan period based on MTA Risk Management's most recent estimates.

## **Maintenance and Other Operating Contracts**

- The 2007 expenses increased by \$25.6 million over 2006 primarily due to the carryover of the transition/start-up costs from 2006 resulting from the delay in award of the new contract for running the E-ZPass Customer Service Center (CSC) and other CSC operating expenses (\$20.4 million), additional bridge painting requirements (\$2.9 million), higher energy cost (\$0.8 million) and CPIU increases (\$2.6 million).
- In 2008, there is a decrease of \$16.4 million from 2007 primarily due to the completion of transitioning to a new vendor for the E-ZPass CSC contract in 2007 (\$17.1 million). This is offset primarily by CPIU increases (\$1.7 million).
- In 2009, expenses are \$7.1 million higher than 2008 primarily due to additional bridge painting requirements (\$3.5 million), E-ZPass CSC costs (\$0.6 million), E-ZPass credit card fees (\$0.4 million) and CPIU increases (\$2.4 million).
- In 2010, expenses are \$2.7 million higher than 2009 due to additional E-ZPass CSC costs (\$3.9 million) primarily for the new E-ZPass tag replacement program, growth in E-ZPass credit card fees (\$0.4 million) consistent with E-ZPass market share expectations, and CPIU increases of \$1.7 million. These are offset by lower bridge painting requirements (\$3.2 million).
- CPIU increases are 2.71% in 2007, 1.87% in 2008, 1.67% in 2009, and 1.57% in 2010, based on forecasts for national inflation provided by Global Insight.

## **Professional Service Contracts**

- For 2007, expenses are \$3.1 million higher than 2006 primarily due to re-estimates of general engineering services, legal services, bond insurance services fees and training services.
- In 2008, 2009 and 2010, expenses are higher as a result of CPIU increases.
- CPIU increases are 2.71% in 2007, 1.87% in 2008, 1.67% in 2009, and 1.57% in 2010, based on forecasts for national inflation provided by Global Insight.

## **Materials and Supplies**

- In 2007, expenses are \$2.3 million higher than 2006 primarily to cover the estimated inventory required to meet the tag needs associated with new and existing accounts (\$1.7 million), purchase of replacement vehicles (\$0.4 million), and CPIU increases (\$0.3 million).
- The 2008 expenses are \$0.1 million lower primarily for reduction of office equipment and other expenses, offset by increases from CPIU.
- For 2009 and 2010, the increase of \$3.4 million and \$23.2 million, respectively, is due to the commencement of the new E-ZPass tag replacement program in 2009 and 2010 and adjustments for CPIU increases.
- CPIU increases are 2.71% in 2007, 1.87% in 2008, 1.67% in 2009, and 1.57% in 2010, based on forecasts for national inflation provided by Global Insight.

## **Other Business Expenses**

- For 2007 through 2008, the higher expenses reflect CPIU increases.
- CPIU increases are 2.71% in 2007, 1.87% in 2008, 1.67% in 2009, and 1.57% in 2010, based on forecasts for national inflation provided by Global Insight.



**MTA BRIDGES AND TUNNELS**  
**November 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
<b>Revenue</b>									
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,234.903	1,236.873	1.970	1,239.595	2.722	1,236.127	(3.468)	1,234.706	(1.421)
Other Operating Revenue	16.627	7.027	(9.599)	7.917	0.890	7.999	0.082	8.078	0.079
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Investment Income	7.336	4.731	(2.605)	4.400	(0.331)	4.532	0.132	4.570	0.038
<b>Total Revenue</b>	<b>\$ 1,258.866</b>	<b>\$ 1,248.631</b>	<b>\$ (10.234)</b>	<b>\$ 1,251.912</b>	<b>\$ 3.281</b>	<b>\$ 1,248.658</b>	<b>\$ (3.254)</b>	<b>\$ 1,247.354</b>	<b>\$ (1.304)</b>
<b>Expenses</b>									
Labor:									
Payroll	\$ 111.660	\$ 115.544	\$ (3.884)	\$ 121.625	\$ (6.081)	\$ 126.447	\$ (4.822)	\$ 131.642	\$ (5.196)
Overtime	24.600	22.490	2.109	23.074	(0.584)	23.853	(0.779)	24.530	(0.677)
Health and Welfare	30.519	34.095	(3.576)	38.033	(3.938)	42.072	(4.039)	46.517	(4.445)
Pensions	17.500	17.282	0.218	17.919	(0.637)	18.434	(0.515)	18.917	(0.483)
Other Fringe Benefits	15.484	14.395	1.089	15.196	(0.801)	15.776	(0.580)	16.445	(0.669)
Reimbursable Overhead	(6.750)	(7.850)	1.100	(7.290)	(0.560)	(7.329)	0.039	(7.358)	0.029
<b>Total Labor Expenses</b>	<b>\$ 193.013</b>	<b>\$ 195.957</b>	<b>\$ (2.944)</b>	<b>\$ 208.557</b>	<b>\$ (12.600)</b>	<b>\$ 219.252</b>	<b>\$ (10.696)</b>	<b>\$ 230.694</b>	<b>\$ (11.441)</b>
Non-Labor:									
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	9.509	10.535	(1.026)	11.713	(1.178)	12.637	(0.924)	13.846	(1.209)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	143.805	169.415	(25.609)	153.057	16.357	160.164	(7.106)	162.880	(2.716)
Professional Service Contracts	13.169	16.262	(3.094)	16.675	(0.413)	16.917	(0.242)	17.148	(0.231)
Materials & Supplies	14.280	16.548	(2.267)	16.598	(0.050)	20.005	(3.408)	43.245	(23.239)
Other Business Expenses	2.164	2.310	(0.146)	2.351	(0.041)	2.379	(0.028)	2.406	(0.027)
<b>Total Non-Labor Expenses</b>	<b>\$ 182.927</b>	<b>\$ 215.070</b>	<b>\$ (32.142)</b>	<b>\$ 200.394</b>	<b>\$ 14.676</b>	<b>\$ 212.102</b>	<b>\$ (11.708)</b>	<b>\$ 239.525</b>	<b>\$ (27.423)</b>
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses before Depreciation</b>	<b>\$ 375.941</b>	<b>\$ 411.027</b>	<b>\$ (35.086)</b>	<b>\$ 408.951</b>	<b>\$ 2.076</b>	<b>\$ 431.355</b>	<b>\$ (22.404)</b>	<b>\$ 470.219</b>	<b>\$ (38.864)</b>
Add: Depreciation	50.200	56.500	(6.300)	61.200	(4.700)	66.700	(5.500)	72.000	(5.300)
<b>Total Expenses after Depreciation</b>	<b>\$ 426.141</b>	<b>\$ 467.527</b>	<b>\$ (28.786)</b>	<b>\$ 470.151</b>	<b>\$ 6.776</b>	<b>\$ 498.055</b>	<b>\$ (16.904)</b>	<b>\$ 542.219</b>	<b>\$ (33.564)</b>
Less: Depreciation	50.200	56.500	(6.300)	61.200	(4.700)	66.700	(5.500)	72.000	(5.300)
<b>Total Expenses</b>	<b>\$ 375.941</b>	<b>\$ 411.027</b>	<b>\$ (35.086)</b>	<b>\$ 408.951</b>	<b>\$ 2.076</b>	<b>\$ 431.355</b>	<b>\$ (22.404)</b>	<b>\$ 470.219</b>	<b>\$ (38.864)</b>
<b>Baseline Net Income/(Deficit)</b>	<b>\$ 882.925</b>	<b>\$ 837.605</b>	<b>\$ (45.320)</b>	<b>\$ 842.961</b>	<b>\$ 5.356</b>	<b>\$ 817.303</b>	<b>\$ (25.658)</b>	<b>\$ 777.135</b>	<b>\$ (40.169)</b>
2007 Program to Eliminate the Gap (PEG)	0.176	1.166	0.990	2.650	1.484	2.663	0.013	2.676	0.013
Post-2007 Program to Eliminate the Gap (PEG)	-	-	-	0.072	0.072	0.071	(0.001)	0.071	-
<b>Net Income/(Deficit)</b>	<b>\$ 883.101</b>	<b>\$ 838.771</b>	<b>\$ (44.330)</b>	<b>\$ 845.683</b>	<b>\$ 6.912</b>	<b>\$ 820.037</b>	<b>\$ (25.646)</b>	<b>\$ 779.882</b>	<b>\$ (40.156)</b>

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2007 - 2010**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**REIMBURSABLE**

	Favorable/(Unfavorable)								
	2006	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009
<b>Revenue</b>									
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	14.160	16.616	2.456	15.230	(1.386)	15.541	0.311	16.023	0.482
Investment Income	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$ 14.160</b>	<b>\$ 16.616</b>	<b>\$ 2.456</b>	<b>\$ 15.230</b>	<b>\$ (1.386)</b>	<b>\$ 15.541</b>	<b>\$ 0.311</b>	<b>\$ 16.023</b>	<b>\$ 0.482</b>
<b>Expenses</b>									
Labor:									
Payroll	\$ 4.902	\$ 5.693	\$ (0.791)	\$ 5.262	\$ 0.431	\$ 5.424	\$ (0.162)	\$ 5.598	\$ (0.174)
Overtime	0.118	0.287	(0.169)	0.118	0.169	0.050	0.068	0.135	(0.085)
Health and Welfare	1.281	1.491	(0.210)	1.367	0.124	1.513	(0.146)	1.675	(0.162)
Pensions	0.273	0.319	(0.046)	0.294	0.025	0.302	(0.008)	0.310	(0.008)
Other Fringe Benefits	0.836	0.976	(0.140)	0.899	0.077	0.923	(0.024)	0.947	(0.024)
Reimbursable Overhead	6.750	7.850	(1.100)	7.290	0.560	7.329	(0.039)	7.358	(0.029)
<b>Total Labor Expenses</b>	<b>\$ 14.160</b>	<b>\$ 16.616</b>	<b>\$ (2.456)</b>	<b>\$ 15.230</b>	<b>\$ 1.386</b>	<b>\$ 15.541</b>	<b>\$ (0.311)</b>	<b>\$ 16.023</b>	<b>\$ (0.482)</b>
Non-Labor:									
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-	-	-	-
Other Business Expenses	-	-	-	-	-	-	-	-	-
<b>Total Non-Labor Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses before Depreciation</b>	<b>\$ 14.160</b>	<b>\$ 16.616</b>	<b>\$ (2.456)</b>	<b>\$ 15.230</b>	<b>\$ 1.386</b>	<b>\$ 15.541</b>	<b>\$ (0.311)</b>	<b>\$ 16.023</b>	<b>\$ (0.482)</b>
Add: Depreciation	-	-	-	-	-	-	-	-	-
<b>Total Expenses after Depreciation</b>	<b>\$ 14.160</b>	<b>\$ 16.616</b>	<b>\$ (2.456)</b>	<b>\$ 15.230</b>	<b>\$ 1.386</b>	<b>\$ 15.541</b>	<b>\$ (0.311)</b>	<b>\$ 16.023</b>	<b>\$ (0.482)</b>
Less: Depreciation	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 14.160</b>	<b>\$ 16.616</b>	<b>\$ (2.456)</b>	<b>\$ 15.230</b>	<b>\$ 1.386</b>	<b>\$ 15.541</b>	<b>\$ (0.311)</b>	<b>\$ 16.023</b>	<b>\$ (0.482)</b>
<b>Baseline Net Income/(Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (0.000)</b>	<b>\$ -</b>	<b>\$ (0.000)</b>	<b>\$ -</b>	<b>\$ -</b>
2007 Program to Eliminate the Gap (PEG)	-	-	-	-	-	-	-	-	-
Post-2007 Program to Eliminate the Gap (PEG)	-	-	-	-	-	-	-	-	-
<b>Net Income/(Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (0.000)</b>	<b>\$ -</b>	<b>\$ (0.000)</b>	<b>\$ -</b>	<b>\$ -</b>

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2007 - 2010**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE and  
REIMBURSABLE (Page 1 of 2)**

	Favorable/(Unfavorable)								
	2006	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009
<b>Revenue</b>									
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,234.903	1,236.873	1.970	1,239.595	2.722	1,236.127	(3.468)	1,234.706	(1.421)
Other Operating Revenue	16.627	7.027	(9.599)	7.917	0.890	7.999	0.082	8.078	0.079
Capital and Other Reimbursements	14.160	16.616	2.456	15.230	(1.386)	15.541	0.311	16.023	0.482
Investment Income	7.336	4.731	(2.605)	4.400	(0.331)	4.532	0.132	4.570	0.038
<b>Total Revenue</b>	<b>\$ 1,273.026</b>	<b>\$ 1,265.247</b>	<b>\$ (7.778)</b>	<b>\$ 1,267.142</b>	<b>\$ 1.895</b>	<b>\$ 1,264.199</b>	<b>\$ (2.943)</b>	<b>\$ 1,263.377</b>	<b>\$ (0.822)</b>
<b>Expenses</b>									
<b>Labor:</b>									
Payroll	\$ 116.562	\$ 121.237	\$ (4.675)	\$ 126.887	\$ (5.650)	\$ 131.871	\$ (4.984)	\$ 137.240	\$ (5.370)
Overtime	24.718	22.777	1.940	23.192	(0.415)	23.903	(0.711)	24.665	(0.762)
Health and Welfare	31.800	35.586	(3.786)	39.400	(3.814)	43.585	(4.185)	48.192	(4.607)
Pensions	17.773	17.601	0.172	18.213	(0.612)	18.736	(0.523)	19.227	(0.491)
Other Fringe Benefits	16.320	15.371	0.949	16.095	(0.724)	16.699	(0.604)	17.392	(0.693)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$ 207.173</b>	<b>\$ 212.573</b>	<b>\$ (5.400)</b>	<b>\$ 223.787</b>	<b>\$ (11.214)</b>	<b>\$ 234.793</b>	<b>\$ (11.007)</b>	<b>\$ 246.717</b>	<b>\$ (11.923)</b>
<b>Non-Labor:</b>									
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	9.509	10.535	(1.026)	11.713	(1.178)	12.637	(0.924)	13.846	(1.209)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	143.805	169.415	(25.609)	153.057	16.357	160.164	(7.106)	162.880	(2.716)
Professional Service Contracts	13.169	16.262	(3.094)	16.675	(0.413)	16.917	(0.242)	17.148	(0.231)
Materials & Supplies	14.280	16.548	(2.267)	16.598	(0.050)	20.005	(3.408)	43.245	(23.239)
Other Business Expenses	2.164	2.310	(0.146)	<b>2.351</b>	(0.041)	2.379	(0.028)	2.406	(0.027)
<b>Total Non-Labor Expenses</b>	<b>\$ 182.927</b>	<b>\$ 215.070</b>	<b>\$ (32.142)</b>	<b>\$ 200.394</b>	<b>\$ 14.676</b>	<b>\$ 212.102</b>	<b>\$ (11.708)</b>	<b>\$ 239.525</b>	<b>\$ (27.423)</b>
<b>Other Expenses Adjustments:</b>									
Other	-	-	-	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses before Depreciation</b>	<b>\$ 390.101</b>	<b>\$ 427.643</b>	<b>\$ (37.542)</b>	<b>\$ 424.181</b>	<b>\$ 3.462</b>	<b>\$ 446.896</b>	<b>\$ (22.715)</b>	<b>\$ 486.242</b>	<b>\$ (39.346)</b>
Add: Depreciation	50.200	56.500	(6.300)	61.200	(4.700)	66.700	(5.500)	72.000	(5.300)
<b>Total Expenses after Depreciation</b>	<b>\$ 440.301</b>	<b>\$ 484.143</b>	<b>\$ (31.242)</b>	<b>\$ 485.381</b>	<b>\$ 8.162</b>	<b>\$ 513.596</b>	<b>\$ (17.215)</b>	<b>\$ 558.242</b>	<b>\$ (34.046)</b>
Less: Depreciation	50.200	56.500	(6.300)	61.200	(4.700)	66.700	(5.500)	72.000	(5.300)
<b>Total Expenses</b>	<b>\$ 390.101</b>	<b>\$ 427.643</b>	<b>\$ (37.542)</b>	<b>\$ 424.181</b>	<b>\$ 3.462</b>	<b>\$ 446.896</b>	<b>\$ (22.715)</b>	<b>\$ 486.242</b>	<b>\$ (39.346)</b>
<b>Baseline Net Income/(Deficit)</b>	<b>\$ 882.925</b>	<b>\$ 837.605</b>	<b>\$ (45.320)</b>	<b>\$ 842.961</b>	<b>\$ 5.356</b>	<b>\$ 817.303</b>	<b>\$ (25.658)</b>	<b>\$ 777.135</b>	<b>\$ (40.169)</b>
2007 Program to Eliminate the Gap (PEG)	0.176	1.166	0.990	2.650	1.484	2.663	0.013	2.676	0.013
Post-2007 Program to Eliminate the Gap (PEG)	-	-	-	0.072	0.072	0.071	(0.001)	0.071	-
<b>Net Income/(Deficit) with PEGs</b>	<b>\$ 883.101</b>	<b>\$ 838.771</b>	<b>\$ (44.330)</b>	<b>\$ 845.683</b>	<b>\$ 6.912</b>	<b>\$ 820.037</b>	<b>\$ (25.646)</b>	<b>\$ 779.882</b>	<b>\$ (40.156)</b>

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2007 - 2010**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE and  
REIMBURSABLE (Page 2 of 2)**

	Favorable/(Unfavorable)								
	2006	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009
<b>Baseline Net Income/(Deficit)</b>	<b>\$ 882.925</b>	<b>\$ 837.605</b>	<b>\$ (45.320)</b>	<b>\$ 842.961</b>	<b>\$ 5.356</b>	<b>\$ 817.303</b>	<b>\$ (25.658)</b>	<b>\$ 777.135</b>	<b>\$ (40.169)</b>
<u>Deductions from Income:</u>									
Less: Capitalized Assets	8.691	13.703	(5.012)	12.940	0.763	13.210	(0.270)	13.502	(0.292)
Reserves	13.193	13.417	(0.224)	13.667	(0.250)	13.953	(0.286)	14.261	(0.308)
<b>Adjusted Baseline Net Income/(Deficit)</b>	<b>\$ 861.041</b>	<b>\$ 810.485</b>	<b>\$ (50.556)</b>	<b>\$ 816.354</b>	<b>\$ 5.869</b>	<b>\$ 790.140</b>	<b>\$ (26.214)</b>	<b>\$ 749.372</b>	<b>\$ (40.769)</b>
Less: Debt Service	452.443	467.040	(14.597)	480.266	(13.226)	498.434	(18.168)	515.800	(17.366)
<b>Income Available for Distribution</b>	<b>\$ 408.598</b>	<b>\$ 343.445</b>	<b>\$ (65.153)</b>	<b>\$ 336.088</b>	<b>\$ (7.357)</b>	<b>\$ 291.706</b>	<b>\$ (44.382)</b>	<b>\$ 233.572</b>	<b>\$ (58.135)</b>
<b>Distributable To:</b>									
MTA - Investment Income	\$ 7.336	\$ 4.731	\$ (2.605)	\$ 4.400	\$ (0.331)	\$ 4.532	\$ 0.132	\$ 4.570	\$ 0.038
MTA - Distributable Income	250.837	219.961	(30.876)	216.435	(3.526)	194.143	(22.292)	165.028	(29.114)
NYCT - Distributable Income	150.424	118.752	(31.672)	115.253	(3.499)	93.032	(22.221)	63.973	(29.058)
<b>Total Distributable Income:</b>	<b>\$ 408.598</b>	<b>\$ 343.445</b>	<b>\$ (65.153)</b>	<b>\$ 336.088</b>	<b>\$ (7.357)</b>	<b>\$ 291.706</b>	<b>\$ (44.382)</b>	<b>\$ 233.572</b>	<b>\$ (58.135)</b>
<b>Actual Cash Transfers:</b>									
MTA - Investment Income	\$ 5.358	\$ 7.336	\$ 1.978	\$ 4.731	\$ (2.605)	\$ 4.400	\$ (0.331)	\$ 4.532	\$ 0.132
MTA - Transfers	261.230	223.049	38.181	216.788	6.261	196.372	20.416	167.940	28.432
NYCT - Transfers	154.784	121.920	32.865	115.603	6.317	95.254	20.349	66.879	28.375
<b>Total Cash Transfers:</b>	<b>\$ 421.372</b>	<b>\$ 352.305</b>	<b>\$ 73.024</b>	<b>\$ 337.122</b>	<b>\$ 9.973</b>	<b>\$ 296.026</b>	<b>\$ 40.434</b>	<b>\$ 239.351</b>	<b>\$ 56.939</b>
<b>SUPPORT TO MASS TRANSIT:</b>									
Total Revenues	\$ 1,273.026	\$ 1,265.247	\$ (7.778)	\$ 1,267.142	\$ 1.895	\$ 1,264.199	\$ (2.943)	\$ 1,263.377	\$ (0.822)
Less: Net Operating Expenses	390.101	427.643	37.542	424.181	(3.462)	446.896	22.715	486.242	39.346
Program to Eliminate the Gap	0.176	1.166	0.990	2.722	1.556	2.734	0.012	2.747	0.013
<b>Net Operating Income:</b>	<b>\$ 883.101</b>	<b>\$ 838.771</b>	<b>\$ (44.330)</b>	<b>\$ 845.683</b>	<b>\$ 6.912</b>	<b>\$ 820.037</b>	<b>\$ (25.646)</b>	<b>\$ 779.882</b>	<b>\$ (40.156)</b>
<b>Deductions from Operating Income:</b>									
B&T Debt Service	\$ 128.916	\$ 141.447	\$ (12.531)	\$ 154.746	\$ 13.299	\$ 173.101	\$ 18.355	\$ 190.613	\$ 17.512
Capitalized Assets	8.691	13.703	(5.012)	12.940	(0.763)	13.210	0.270	13.502	0.292
Reserves	13.193	13.417	(0.224)	13.667	0.250	13.953	0.286	14.261	0.308
<b>Total Deductions from Operating Inc:</b>	<b>\$ 150.800</b>	<b>\$ 168.567</b>	<b>\$ (17.767)</b>	<b>\$ 181.353</b>	<b>\$ 12.786</b>	<b>\$ 200.264</b>	<b>\$ 18.911</b>	<b>\$ 218.376</b>	<b>\$ 18.112</b>
<b>Total Support to Mass Transit:</b>	<b>\$ 732.301</b>	<b>\$ 670.204</b>	<b>\$ (62.097)</b>	<b>\$ 664.330</b>	<b>\$ (5.874)</b>	<b>\$ 619.773</b>	<b>\$ (44.557)</b>	<b>\$ 561.506</b>	<b>\$ (58.268)</b>

**MTA Bridges and Tunnels**  
**November Financial Plan 2007-2010**  
**Summary of Major Plan-to-Plan Changes**

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

**Revenues**

Revenue changes from the July Plan resulted in an increase of \$6.1 million. The major changes include:

- Increase in toll revenues stemming primarily from a higher average toll resulting from increased commercial traffic volumes (\$0.9 million).
- Increase in Other Operating Revenues (\$1.3 million) due to higher net income from the Battery Parking Garage (\$0.8 million), additional revenue from the \$1/month E-ZPass account fee (\$0.3 million) collected prior to the discontinuation of the fee on June 1, and higher E-ZPass Plus fees (\$0.2 million).
- Increase in Investment Income (\$3.9 million) based on Global Insight's higher short-term interest rate forecast applied to larger fund balance projections (\$1.1 million) and the receipt of a one-time IRS Arbitrage refund (\$2.8 million).

**Expenses**

Expense changes from the July Plan resulted in a net decrease of \$5.2 million due to lower non-labor expenses (\$9.0 million) offset by higher labor costs (\$3.8 million). The major variances include:

- Higher Overtime (\$1.6 million) due primarily to the re-estimate of expenses based on higher than anticipated vacancies (\$0.9 million), a re-estimate of Superior Officer overtime (\$0.5 million), and National Incident Management System (NIMS) training (\$0.2 million).
- Increase in Health & Welfare expenses (\$0.4 million) due to a re-estimate.
- Higher Other Fringe Benefits (\$1.7 million) due primarily to a re-estimate of the Workers Compensation reserve.
- Increase in Bridge Painting expenses (\$2.6 million) due to acceleration of work at the Triborough Bridge.
- Decrease of \$8.8 million for the E-ZPass Customer Service Center (CSC), primarily due to the carryover of transition/start-up costs from 2006 to 2007 resulting from the timing of the award of the new contract, and lower operating expenses for the existing CSC contract.
- Reduction in E-ZPass tag purchases resulting from a re-estimate of current inventory needs (\$1.0 million).
- Decrease in Major Maintenance expenses (\$0.9 million) primarily for revised estimates for projects relating to roadway and pothole repairs.
- Lower General Engineering Services (GES) expenses (\$0.4 million) due to revised estimates for construction material testing, miscellaneous design services, and other GES contracts.

## **2007-2010: November Financial Plan vs. July Financial Plan**

### **Revenues**

- Higher toll revenue based primarily on a higher estimated average toll in 2007, and lower toll revenue thereafter based on the revised employment and inflation forecasts provided by Global Insight.
  - \$1.3 million in 2007
  - (\$2.9) million in 2008
  - (\$5.1) million in 2009
  - (\$6.4) million in 2010
- Lower Other Operating Revenue in 2007 primarily due to lower net income at the Battery Parking Garage (BPG) stemming from the need for additional equipment purchases. Thereafter, higher revenue from the BPG due primarily to projected improvements in economic activity in lower Manhattan.
  - \$0.0 million in 2007
  - \$0.8 million in 2008
  - \$0.8 million in 2009
  - \$0.8 million in 2010
- Favorable re-estimates of investment income based on Global Insight's higher short-term interest rate forecast applied to larger fund balance projections.
  - \$1.3 million in 2007
  - \$1.1 million in 2008
  - \$1.0 million in 2009
  - \$1.0 million in 2010

### **Expenses**

Expense changes from the July Plan over the 2007 to 2010 period include:

- Increases in overtime (\$0.5 million) each year due primarily due to overtime re-estimates for Superior Officers.
- Decreases in Health & Welfare are due primarily to adjustments in medical expenses resulting from the timing of anticipated headcount changes and CPIU.
  - \$0.0 million in 2007
  - \$0.2 million in 2008
  - \$0.2 million in 2009
  - \$0.3 million in 2010
- Increases in Pension due to increases in CPIU
  - \$0.0 million in 2007
  - (\$0.1) million in 2008
  - (\$0.2) million in 2009
  - (\$0.2) million in 2010
- Carryover from 2006 to 2007 of E-ZPass Customer Service Center transition/start-up costs due to the timing of award of the new contract (\$6.2 million in 2007).

- Decrease in Bridge Painting expenses in 2009 and 2010 due to re-estimate of multi-year projects and revised engineering estimates.
  - \$0.0 million in 2007
  - \$0.0 million in 2008
  - \$0.6 million in 2009
  - \$2.0 million in 2010
- Increase in 2 Broadway operating expenses due to the implementation of a centralized guard monitoring system.
  - (\$0.1) million in 2007
  - (\$0.1) million in 2008
  - (\$0.1) million in 2009
  - (\$0.1) million in 2010
- Higher professional services expenses due primarily to a re-estimate of MTA Data Center costs, temporary office help and other expenses.
  - (\$0.3) million in 2007
  - (\$0.2) million in 2008
  - (\$0.2) million in 2009
  - (\$0.2) million in 2010
- Higher costs for CPIU for OTPS categories.
  - (\$1.4) million in 2007
  - (\$1.5) million in 2008
  - (\$2.1) million in 2009
  - (\$2.1) million in 2010

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2007 - 2010**  
**Summary of Changes Between Financial Plans by Generic Category**  
(\$ in millions)

**NON-REIMBURSABLE**

	2006	2007	2008	2009	2010
<b>Baseline 2006 July Financial Plan - Net Income/(Deficit)</b>	<b>\$871.624</b>	<b>\$844.263</b>	<b>\$846.520</b>	<b>\$822.599</b>	<b>\$781.833</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Vehicle Toll Revenue	0.947	1.307	(2.852)	(5.064)	(6.408)
Other Operating Revenue	1.291	0.014	0.812	0.792	0.761
Other Reimbursements	0.000	0.000	0.000	0.000	0.000
Investment Income	3.838	1.255	1.062	1.048	1.028
<b>Total Revenue Changes</b>	<b>6.076</b>	<b>2.576</b>	<b>(0.978)</b>	<b>(3.224)</b>	<b>(4.619)</b>
<b>Expenses</b>					
<i>Labor:</i>					
Payroll	(0.100)	0.006	(0.404)	0.106	0.578
Overtime	(1.639)	(0.485)	(0.466)	(0.479)	(0.490)
Health and Welfare	(0.368)	0.046	0.193	0.237	0.309
Pensions	(0.000)	(0.012)	(0.116)	(0.165)	(0.173)
Fringe Benefits	(1.677)	(0.032)	(0.010)	0.048	0.042
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expense Changes</b>	<b>(3.783)</b>	<b>(0.477)</b>	<b>(0.803)</b>	<b>(0.254)</b>	<b>0.266</b>
<i>Non-Labor:</i>					
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	0.110	(0.006)	(0.006)	(0.006)	(0.004)
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	7.323	(8.149)	(1.274)	(1.292)	0.115
Professional Service Contracts	0.394	(0.441)	(0.420)	(0.419)	(0.396)
Materials & Supplies	1.115	(0.164)	(0.067)	(0.092)	(0.053)
Other Business Expenses	0.067	0.003	(0.011)	(0.010)	(0.007)
<b>Total Non-Labor Expense Changes</b>	<b>9.008</b>	<b>(8.757)</b>	<b>(1.777)</b>	<b>(1.819)</b>	<b>(0.345)</b>
<b>Total Expense Changes</b>	<b>\$5.225</b>	<b>(\$9.234)</b>	<b>(\$2.581)</b>	<b>(\$2.073)</b>	<b>(\$0.079)</b>
<b>Cash Adjustment Changes</b>					
<i>None</i>					
<b>Sub-Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$11.300</b>	<b>(\$6.658)</b>	<b>(\$3.558)</b>	<b>(\$5.297)</b>	<b>(\$4.699)</b>
<b>Baseline 2006 November Financial Plan - Net Income</b>	<b>\$882.925</b>	<b>\$837.605</b>	<b>\$842.961</b>	<b>\$817.303</b>	<b>\$777.135</b>



**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2007 - 2010**  
**Summary of Changes Between Financial Plans by Generic Category**  
(\$ in millions)

**REIMBURSABLE**

	2006	2007	2008	2009	2010
<b>Baseline 2006 July Financial Plan - Net Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Vehicle Toll 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 Reimbursements	0.000	0.000	0.000	0.000	0.000
Investment Income	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue Changes</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Expenses</b>					
<i>Labor:</i>					
Payroll	0.000	0.000	0.000	0.000	0.000
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
Fringe Benefits	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expense Changes</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<i>Non-Labor:</i>					
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
<b>Total Non-Labor Expense Changes</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Cash Adjustment Changes</b>					
<i>None</i>					
<b>Sub-Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline 2006 November Financial Plan - Net Income</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2007 - 2010**  
**Summary of Changes Between Financial Plans by Generic Category**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

	2006	2007	2008	2009	2010
<b>Baseline 2006 July Financial Plan - Net Income/(Deficit)</b>	<b>\$871.624</b>	<b>\$844.263</b>	<b>\$846.520</b>	<b>\$822.599</b>	<b>\$781.833</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Vehicle Toll Revenue	0.947	1.307	(2.852)	(5.064)	(6.408)
Other Operating Revenue	1.291	0.014	0.812	0.792	0.761
Capital & Other Reimbursements	0.000	0.000	0.000	0.000	0.000
Investment Income	3.838	1.255	1.062	1.048	1.028
<b>Total Revenue Changes</b>	<b>\$6.076</b>	<b>\$2.576</b>	<b>(\$ .978)</b>	<b>(\$3.224)</b>	<b>(\$4.619)</b>
<b>Expenses</b>					
<i>Labor:</i>					
Payroll	(0.100)	0.006	(0.404)	0.106	0.578
Overtime	(1.639)	(0.485)	(0.466)	(0.479)	(0.490)
Health and Welfare	(0.368)	0.046	0.193	0.237	0.309
Pensions	(0.000)	(0.012)	(0.116)	(0.165)	(0.173)
Fringe Benefits	(1.677)	(0.032)	(0.010)	0.048	0.042
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expense Changes</b>	<b>(3.783)</b>	<b>(0.477)</b>	<b>(0.803)</b>	<b>(0.254)</b>	<b>0.266</b>
<i>Non-Labor:</i>					
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	0.110	(0.006)	(0.006)	(0.006)	(0.004)
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	7.323	(8.149)	(1.274)	(1.292)	0.115
Professional Service Contracts	0.394	(0.441)	(0.420)	(0.419)	(0.396)
Materials & Supplies	1.115	(0.164)	(0.067)	(0.092)	(0.053)
Other Business Expenses	0.067	0.003	(0.011)	(0.010)	(0.007)
<b>Total Non-Labor Expense Changes</b>	<b>9.008</b>	<b>(8.757)</b>	<b>(1.777)</b>	<b>(1.819)</b>	<b>(0.345)</b>
<b>Total Expense Changes</b>	<b>\$5.225</b>	<b>(\$9.234)</b>	<b>(\$2.581)</b>	<b>(\$2.073)</b>	<b>(\$ .079)</b>
<b>Cash Adjustment Changes</b>					
<i>None</i>					
<b>Sub-Total Cash Adjustment Changes</b>	<b>\$ .000</b>	<b>\$ .000</b>	<b>\$ .000</b>	<b>\$ .000</b>	<b>\$ .000</b>
<b>Total Baseline Changes</b>	<b>\$11.300</b>	<b>(\$6.658)</b>	<b>(\$3.558)</b>	<b>(\$5.297)</b>	<b>(\$4.699)</b>
<b>Baseline 2006 November Financial Plan - Net Income</b>	<b>\$882.925</b>	<b>\$837.605</b>	<b>\$842.961</b>	<b>\$817.303</b>	<b>\$777.135</b>

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2007 - 2010**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

	2006	2007	2008	2009	2010
<b>Baseline 2006 July Financial Plan - Net Income/(Deficit)</b>	<b>\$871.624</b>	<b>\$844.263</b>	<b>\$846.520</b>	<b>\$822.599</b>	<b>\$781.833</b>
<b><i>Non-Reimbursable Major Changes</i></b>					
<b>Revenue</b>					
<i>Vehicle Toll Revenue</i>	0.947	1.307	(2.852)	(5.064)	(6.408)
<i>Other Operating Revenue</i>	1.291	0.014	0.812	0.792	0.761
<i>Investment Income</i>	3.838	1.255	1.062	1.048	1.028
<b>Sub-Total Non-Reimbursable Revenue Changes</b>	<b>\$6.076</b>	<b>\$2.576</b>	<b>(\$0.978)</b>	<b>(\$3.224)</b>	<b>(\$4.619)</b>
<b>Expenses</b>					
<i>Bridge Painting</i>	(2.641)	0.000	0.000	0.600	2.000
<i>Major Maintenance</i>	0.896	(0.746)	0.000	0.000	0.000
<i>E-ZPass Customer Service Center</i>	8.757	(6.200)	0.000	0.000	0.000
<i>Reduction in Purchase of E-ZPass Tags</i>	1.000	0.000	0.000	0.000	0.000
<i>2 Broadway Operating Expenses</i>	(0.024)	(0.124)	(0.124)	(0.124)	(0.124)
<i>Other Expenses</i>	(2.763)	(2.164)	(2.457)	(2.549)	(1.956)
<b>Sub-Total Non-Reimbursable Expense Changes</b>	<b>\$5.225</b>	<b>(\$9.234)</b>	<b>(\$2.581)</b>	<b>(\$2.073)</b>	<b>(\$0.079)</b>
<b>Total Non-Reimbursable Major Changes</b>	<b>\$11.300</b>	<b>(\$6.658)</b>	<b>(\$3.559)</b>	<b>(\$5.297)</b>	<b>(\$4.699)</b>
<b><i>Reimbursable Major Changes</i></b>					
<b>Revenue</b>					
<i>Reimbursable Revenue Changes</i>	-	-	-	-	-
<b>Sub-Total Reimbursable Revenue Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Expenses</b>					
<i>Reimbursable Expense Changes</i>	-	-	-	-	-
<b>Sub-Total Reimbursable Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Reimbursable Major Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Accrual Changes</b>	<b>\$11.300</b>	<b>(\$6.658)</b>	<b>(\$3.559)</b>	<b>(\$5.297)</b>	<b>(\$4.699)</b>
<b>Cash Adjustment Changes</b>					
<i>None</i>					
<b>Sub-Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$11.300</b>	<b>(\$6.658)</b>	<b>(\$3.559)</b>	<b>(\$5.297)</b>	<b>(\$4.699)</b>
<b>Baseline 2006 November Financial Plan - Net Income</b>	<b>\$882.925</b>	<b>\$837.605</b>	<b>\$842.961</b>	<b>\$817.303</b>	<b>\$777.135</b>

**MTA Bridges and Tunnels  
2007 Final Proposed Budget  
November Financial Plan 2007- 2010**

**OTHER ASSUMPTIONS**

**Ridership/Traffic Volume (Utilization)**

Paid traffic volume is projected to reach 300.0 million vehicles in 2006, 0.05% less than the July Mid-Year Forecast level of 300.1 million vehicles. The estimated decline is based on current traffic trends, which have been influenced by weather and higher fuel prices.

The traffic estimates from 2007 through 2010 incorporate the current forecasts for regional employment and inflation provided by Global Insight. Volumes grow by 0.3% in 2007 and 0.4% in 2008, which is a leap year, and subsequently traffic declines by 0.1% in 2009. Volume growth resumes in 2010 at 0.1%.

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2007 - 2010**  
**Ridership/Traffic Volume (Utilization)**  
(in millions)

	<b>2005 Actuals</b>	<b>2006 November Forecast</b>	<b>2007 Final Proposed Budget</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Baseline Total Toll Revenue</b>	\$1,204.944	\$1,234.903	\$1,236.873	\$1,239.595	\$1,236.127	\$1,234.706
<i>Impact of:</i>						
PEG Program	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Toll Revenue</b>	\$1,204.944	\$1,234.903	\$1,236.873	\$1,239.595	\$1,236.127	\$1,234.706
 <b>Baseline Total Traffic</b>	 300.385	 300.004	 300.994	 302.171	 301.841	 302.010
<i>Impact of:</i>						
PEG Program	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Traffic</b>	300.385	300.004	300.994	302.171	301.841	302.010

Bridges and Tunnels  
November Plan 2007-2010  
Summary of 2007 Program to Eliminate the Gap(PEGs)  
(\$ in millions)

		2006		2007		2008		2009		2010	
		<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
<b>Administration</b>											
Field Supervision Scheduling Efficiencies		0	0.008	0	0.031	0	0.031	0	0.031	0	0.032
Reduce Field Supervision Overtime		0	0.168	0	0.670	0	0.673	0	0.674	0	0.676
Reduction in Telephone Expenses		0	0.000	0	0.030	0	0.060	0	0.060	0	0.060
Reduction of an administrative position in the Payroll		0	0.000	1	0.011	1	0.045	1	0.045	1	0.045
Reduction of one administrative position in Accounts		0	0.000	1	0.042	1	0.042	1	0.042	1	0.042
Reduction of one administrative position in Human Resources		0	0.000	1	0.015	1	0.058	1	0.058	1	0.058
Sub-Total	Administration	0	\$ 0.176	3	\$ 0.799	3	\$ 0.909	3	\$ 0.910	3	\$ 0.913
<b>Other</b>											
Net reduction of headcount in the Operations Department		0	0.000	18	0.367	18	1.741	18	1.753	18	1.763
Sub-Total	Other	0	\$ 0.000	18	\$ 0.367	18	\$ 1.741	18	\$ 1.753	18	\$ 1.763
Total Programs		0	\$ 0.176	21	\$ 1.166	21	\$ 2.650	21	\$ 2.663	21	\$ 2.676

Bridges and Tunnels

November Plan 2007-2010

Summary of 2007 Program to Eliminate the Gap(PEGs)

(\$ in Millions)

Business Unit	BRTUN	Financial Plan Category	PEG	Implementation Date	10/1/2006
Budget Reference	FINAL06	Category	Administration	Savings Date	10/1/2006
PEG / New Need ID	0000000012	Current Budget Year	2006	Status	Open
				Agency Status	Pending

Program:

Field Supervision Scheduling Efficiencies

Design and Implementation Plan

Contingent upon the approval and implementation of the new SOBA contract, there will be a decrease of three Lieutenants and an increase of three Sergeants. The headcount changes will result in a savings in salary.

Background Details

Labor negotiations with B&T's Superior Officers Union (SOBA) has led to a proposal to decrease three Lieutenants in the Operations Department and increase the number of Sergeants by the same number. This switch can take place because the proposed settlement would create scheduling efficiencies which will enable the number of Lieutenants to decrease; the additional Sergeants will then be utilized to decrease overtime, particularly for weekend coverage.

				2006	2007	2008	2009	2010
Total Headcount	BRTUN	0000000012	FINAL06	0	0	0	0	0
Financial Impact	BRTUN	0000000012	FINAL06	\$ 0.008	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.032

Bridges and Tunnels

November Plan 2007-2010

Summary of 2007 Program to Eliminate the Gap(PEGs)

(\$ in Millions)

Business Unit	BRTUN	Financial Plan Category	PEG	Implementation Date	10/1/2006
Budget Reference	FINAL06	Category	Administration	Savings Date	10/1/2006
PEG / New Need ID	0000000013	Current Budget Year	2006	Status	Open
				Agency Status	Pending

Program:

Reduce Field Supervision Overtime

Design and Implementation Plan

Contingent upon the approval and implementation of the new SOBA contract, Lieutenant and Sergeant weekend security and weekend SOD overtime will be reduced by approximately 16,000 hours. This will be offset by straight-time increases.

Background Details

Labor negotiations with B&T's Superior Officer's Union (SOBA) have led to a scheduling change proposal that will affect weekend security coverage. Under the proposal, Lieutenant and Sergeants would work 12 hour, rather than 8 hours shifts. While this will increase straight-time costs, there will be a significant reduction in overtime, particularly for weekend security and for Special Operations Division (SOD) weekend overtime expenses, resulting in a net savings. Overall security coverage will not be diminished.

				2006	2007	2008	2009	2010
Total Headcount								
Financial Impact	BRTUN	0000000013	FINAL06	\$ 0.168	\$ 0.670	\$ 0.673	\$ 0.674	\$ 0.676



Bridges and Tunnels

November Plan 2007-2010

Summary of 2007 Program to Eliminate the Gap(PEGs)

(\$ in Millions)

Business Unit	BRTUN	Financial Plan Category	PEG	Implementation Date	7/1/2007
Budget Reference	FINAL06	Category	Administration	Savings Date	7/1/2007
PEG / New Need ID	0000000001	Current Budget Year	2006	Status	Open
				Agency Status	Pending

Program:

Reduction in Telephone Expenses

Design and Implementation Plan

The new technology is expected to be in place by July 1, 2007.

Background Details

New local and wide-area network technology, called a Transparent LAN Service (TLS), will enable telephone expenses to be reduced by replacing current Asynchronous Transfer Mode (ATM) lines with TLS lines for data transfer (internet, intranet, etc.) among all of B&T's facilities. This system is faster, has greater capacity, and is less expensive than the current service, thus reducing telecommunications expenses.

				2006	2007	2008	2009	2010
Total Headcount								
Financial Impact	BRTUN	0000000001	FINAL06	\$ 0.000	\$ 0.030	\$ 0.060	\$ 0.060	\$ 0.060

Bridges and Tunnels

November Plan 2007-2010

Summary of 2007 Program to Eliminate the Gap(PEGs)

(\$ in Millions)

Business Unit	BRTUN	Financial Plan Category	PEG	Implementation Date	10/1/2007
Budget Reference	FINAL06	Category	Administration	Savings Date	10/1/2007
PEG / New Need ID	0000000018	Current Budget Year	2006	Status	Open
				Agency Status	Pending

Program:

Reduction of an administrative position in the Payroll Department

Design and Implementation Plan

Elimination of an administrative position in the Payroll Department due to expected efficiencies resulting from the implementation of the Kronos system in the second half of 2006.

Background Details

Elimination of a position in the Payroll Department in 2007 due to expected efficiencies brought about by the implementation of the Kronos system (scheduled for the second half of 2006). Kronos is expected to automate some of the current manually-performed payroll operations.

				2006	2007	2008	2009	2010
Total Headcount	BRTUN	0000000018	FINAL06	0	1	1	1	1
Financial Impact	BRTUN	0000000018	FINAL06	\$ 0.000	\$ 0.011	\$ 0.045	\$ 0.045	\$ 0.045

Bridges and Tunnels

November Plan 2007-2010

Summary of 2007 Program to Eliminate the Gap(PEGs)

(\$ in Millions)

Business Unit	BRTUN	Financial Plan Category	PEG	Implementation Date	1/1/2007
Budget Reference	FINAL06	Category	Administration	Savings Date	1/1/2007
PEG / New Need ID	0000000017	Current Budget Year	2006	Status	Open
				Agency Status	Pending

Program:

Reduction of one administrative position in Accounts Payable

Design and Implementation Plan

B&T proposes the reduction of one position in Accounts Payable in 2007

Background Details

Elimination of an accounts payable position. It is expected that current payment voucher trends, as a result of the Procurement Credit Card, will result in a reduction in capital vouchers and an anticipated reduction in invoices due to new administrative budget controls. This will allow the agency to reduce one of eight Accounts Payable positions.

				2006	2007	2008	2009	2010
Total Headcount	BRTUN	0000000017	FINAL06	0	1	1	1	1
Financial Impact	BRTUN	0000000017	FINAL06	\$ 0.000	\$ 0.042	\$ 0.042	\$ 0.042	\$ 0.042

Bridges and Tunnels

November Plan 2007-2010

Summary of 2007 Program to Eliminate the Gap(PEGs)

(\$ in Millions)

Business Unit	BRTUN	Financial Plan Category	PEG	Implementation Date	10/1/2007
Budget Reference	FINAL06	Category	Administration	Savings Date	10/1/2007
PEG / New Need ID	0000000010	Current Budget Year	2006	Status	Open
				Agency Status	Pending

Program:

Reduction of one administrative position in Human Resources

Design and Implementation Plan

The elimination of one administrative position in the Time & Leave Unit in Human Resources is projected due to efficiencies realized by the implementation of the new automated system.

Background Details

A new automated Time & Leave System (Kronos) is expected to be implemented in 2007, creating efficiencies in the agency. By automating some of the tasks that are currently performed manually, an administrative position in the Human Resources Department can be eliminated.

				2006	2007	2008	2009	2010
Total Headcount	BRTUN	0000000010	FINAL06	0	1	1	1	1
Financial Impact	BRTUN	0000000010	FINAL06	\$ 0.000	\$ 0.015	\$ 0.058	\$ 0.058	\$ 0.058

Bridges and Tunnels  
November Plan 2007-2010  
Summary of 2007 Program to Eliminate the Gap(PEGs)  
(\$ in Millions)

<b>Business Unit</b>	BRTUN	<b>Financial Plan Category</b>	PEG	<b>Implementation Date</b>	7/1/2007
<b>Budget Reference</b>	FINAL06	<b>Category</b>	Other	<b>Savings Date</b>	7/1/2007
<b>PEG / New Need ID</b>	0000000014	<b>Current Budget Year</b>	2006	<b>Status</b>	Open
				<b>Agency Status</b>	Pending

**Program:** Net reduction of headcount in the Operations Department

Design and Implementation Plan With the activation of the new system funded through the capital program, a net savings of twelve Bridge and Tunnel Officers and six Sergeants with applicable overtime can be achieved. Before this initiative goes into effect, a new security response pla

Background Details As a result of the September 11th terrorist attacks, interim security measures were put in to place pending the development and implementation of capital enhancements, including the deployment of electronic security systems. Beginning in 2007 B&T will deploy cameras, intrusion detection devises and alarms that will enable the elimination, through attrition, of 18 net positions (12 Bridge and Tunnel Officers and 6 Sergeants) without any diminishment in security coverage.

				2006	2007	2008	2009	2010
<b>Total Headcount</b>	BRTUN	0000000014	FINAL06	0	18	18	18	18
<b>Financial Impact</b>	BRTUN	0000000014	FINAL06	\$ 0.000	\$ 0.367	\$ 1.741	\$ 1.753	\$ 1.763

Bridges and Tunnels  
November Plan 2007-2010  
Summary of Post 2007 PEGs  
(\$ in millions)

		2006		2007		2008		2009		2010	
		<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
<b>Maintenance</b>											
In-House Roadway Sweeping		0	0.000	0	0.000	(1)	0.072	(1)	0.071	(1)	0.071
Sub-Total	Maintenance	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>(1)</u>	<u>\$ 0.072</u>	<u>(1)</u>	<u>\$ 0.071</u>	<u>(1)</u>	<u>\$ 0.071</u>
Total Programs		<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>(1)</u>	<u>\$ 0.072</u>	<u>(1)</u>	<u>\$ 0.071</u>	<u>(1)</u>	<u>\$ 0.071</u>

Bridges and Tunnels

November Plan 2007-2010

Summary of Post 2007 PEGs

(\$ in Millions)

Business Unit	BRTUN	Financial Plan Category	Post PEG	Implementation Date	1/1/2008
Budget Reference	FINAL06	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000011	Current Budget Year	2006	Status	Open
				Agency Status	Pending

Program:

In-House Roadway Sweeping

Design and Implementation Plan

A person will be hired and a sweeper purchased by January 2008. The initiative cannot start sooner because of the lead time required for the sweeper, which must be specially equipped. If successful, the initiative may be expanded to other facilities.

Background Details

Currently, B&T outsources roadway sweeping services. By bringing this task in-house and performing roadway sweeping for the Verrazano Narrows Bridge, Marine Parkway and Cross Bay Bridge facilities using Central Maintenance personnel and their own sweeper, road cleaning costs will be reduced. These three facilities were chosen due primarily to their proximity to one another.

				2006	2007	2008	2009	2010
Total Headcount	BRTUN	0000000011	FINAL06	0	0	(1)	(1)	(1)
Financial Impact	BRTUN	0000000011	FINAL06	\$ 0.000	\$ 0.000	\$ 0.072	\$ 0.071	\$ 0.071

**MTA Bridges and Tunnels  
2007 Final Proposed Budget  
November Financial Plan 2007-2010**

**OTHER ASSUMPTIONS**

**Positions**

The authorized headcount for the 2006 Final Proposed Budget is 1,822 and is unchanged from the 2006 July Plan. This includes 2006 PEGs to eliminate two positions: one position in Revenue Management due to efficiencies in the revenue auditing process and one in the Payroll Department due to efficiencies in the payroll process.

In 2007, the baseline headcount is 1,828. There is an addition of six positions for Internal Security personnel for the centralized Security Center, which will oversee new electronic access controls, CCTV and alarms that have recently been installed. This is offset by 2007 PEGs proposed in previous years, which include the elimination of two additional positions: an administrative position in the Payroll Department due to efficiencies to be realized with the implementation of the Kronos automated timecard system and one from the Accounts Payable unit due to the decline in numbers of capital vouchers and invoices brought about by new administrative budget controls. Additional 2007 PEGs, which were proposed in the July Plan, will eliminate an additional administrative position in Human Resources and a net of 18 positions in Operations through attrition to bring the total headcount to 1,807 in 2007. As discussed in the July Plan, as a result of the September 11<sup>th</sup> terrorist attacks, interim security measures were put in place pending the development and implementation of capital enhancements, including the deployment of electronic security systems. Beginning in 2007, B&T will deploy cameras, intrusion detection services and alarms that will enable the elimination of the 18 positions (12 Bridge and Tunnel Officers and 6 Sergeants) without any diminishment in security coverage.

In 2008, there is the addition of a Maintainer position with an OTPS offset associated with a Post-2007 PEG to bring roadway sweeping in-house at one facility, bringing the total headcount to 1,808.

From 2009 to 2010, the number of positions remain constant.



**MTA BRIDGES & TUNNELS**  
**November Financial Plan 2007 - 2010**  
**Non-Reimbursable - Reimbursable Positions by Function and Department**  
**Full-Time Positions and Full Time Equivalents**

FUNCTION/DEPARTMENT	2005 Actuals	2006 November Forecast	2007 Final Proposed Budget	2008	2009	2010
<b>Administration</b>						
Executive	2	3	3	3	3	3
Law	9	10	10	10	10	10
CFO <sup>(1)</sup>	36	37	37	37	37	37
Labor Relations	5	5	5	5	5	5
Procurement & Materials	41	42	42	42	42	42
Staff Services <sup>(2)</sup>	43	48	48	48	48	48
EEO	1	1	1	1	1	1
<b>Total Administration</b>	<b>137</b>	<b>146</b>	<b>146</b>	<b>146</b>	<b>146</b>	<b>146</b>
<b>Operations</b>						
Revenue Management	45	46	46	46	46	46
Operations (Non-Security)	729	752	752	752	752	752
<b>Total Operations</b>	<b>774</b>	<b>798</b>	<b>798</b>	<b>798</b>	<b>798</b>	<b>798</b>
<b>Maintenance</b>						
Maintenance	99	110	110	110	110	110
Operations - Maintainers	188	173	173	173	173	173
Procurement & Materials	13	14	14	14	14	14
Technology	55	58	58	58	58	58
Internal Security - Tech Svcs	36	36	36	36	36	36
<b>Total Maintenance</b>	<b>391</b>	<b>391</b>	<b>391</b>	<b>391</b>	<b>391</b>	<b>391</b>
<b>Engineering/Capital</b>						
Engineering & Construction	155	171	171	171	171	171
Health & Safety	9	10	10	10	10	10
Planning & Budget Capital	9	9	9	9	9	9
<b>Total Engineering/Capital</b>	<b>173</b>	<b>190</b>	<b>190</b>	<b>190</b>	<b>190</b>	<b>190</b>
<b>Public Safety</b>						
Operations (Security)	261	261	261	261	261	261
Internal Security - Operations	34	36	42	42	42	42
<b>Total Public Safety</b>	<b>295</b>	<b>297</b>	<b>303</b>	<b>303</b>	<b>303</b>	<b>303</b>
<b>Total Baseline Positions</b>	<b>1,770</b>	<b>1,822</b>	<b>1,828</b>	<b>1,828</b>	<b>1,828</b>	<b>1,828</b>
<i>Non-Reimbursable</i>	1,725	1,773	1,779	1,779	1,779	1,779
<i>Reimbursable</i>	45	49	49	49	49	49
<i>Total Full-Time</i>	1,770	1,822	1,828	1,828	1,828	1,828
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-
<hr/>						
Impact of:						
2007 Program to Eliminate the Gap	-	0	(21)	(21)	(21)	(21)
Post 2007 Program to Eliminate the Gap	-	0	0	1	1	1
<b>Total Positions</b>	<b>1,770</b>	<b>1,822</b>	<b>1,807</b>	<b>1,808</b>	<b>1,808</b>	<b>1,808</b>
<i>Non-Reimbursable</i>	1,725	1,773	1,758	1,759	1,759	1,759
<i>Reimbursable</i>	45	49	49	49	49	49
<i>Total Full-Time</i>	1,770	1,822	1,807	1,808	1,808	1,808
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

<sup>(1)</sup> includes Accounts Payable, Accounting, Payroll and Operating Budget staff.

<sup>(2)</sup> includes Human Resources and Administration staff.

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2007 - 2010**  
**Full-time Positions and Full-time Equivalents by Function and Occupational Group**

FUNCTION/OCCUPATIONAL GROUP		2006 November Forecast	2007 Final Proposed Budget	2008	2009	2010
<b>Administration</b>						
	Managers/Supervisors	42	42	42	42	42
	Professional, Technical, Clerical	104	104	104	104	104
	Operational Hourlies	-	-	-	-	-
	<b>Total Administration</b>	146	146	146	146	146
<b>Operations</b>						
	Managers/Supervisors	55	55	55	55	55
	Professional, Technical, Clerical	56	56	56	56	56
	Operational Hourlies <sup>(1)</sup>	687	687	687	687	687
	<b>Total Operations</b>	798	798	798	798	798
<b>Maintenance</b>						
	Managers/Supervisors	29	29	29	29	29
	Professional, Technical, Clerical	59	59	59	59	59
	Operational Hourlies <sup>(1)</sup>	303	303	303	303	303
	<b>Total Maintenance</b>	391	391	391	391	391
<b>Engineering/Capital</b>						
	Managers/Supervisors	38	38	38	38	38
	Professional, Technical, Clerical	152	152	152	152	152
	Operational Hourlies	-	-	-	-	-
	<b>Total Engineering/Capital</b>	190	190	190	190	190
<b>Public Safety</b>						
	Managers/Supervisors	11	12	12	12	12
	Professional, Technical, Clerical	27	32	32	32	32
	Operational Hourlies <sup>(1)</sup>	259	259	259	259	259
	<b>Total Public Safety</b>	297	303	303	303	303

<sup>(1)</sup> includes Accounts Payable, Accounting, Payroll and Operating Budget staff.

# **Capital Construction Company**

**MTA Capital Construction Company  
2007 Final Proposed Budget  
November Financial Plan 2007-2010**

Mission Statement

The mission of the MTA Capital Construction Company (MTACC) is to serve the mobility needs of customers of the Metropolitan Transportation Authority (MTA) for the 21<sup>st</sup> Century by planning, designing, and building projects that expand the reach and capacity of the MTA network to serve the changing transportation needs of its customers in a timely, creative and cost-effective manner.

MTACC is responsible for managing all activities associated with the design and construction of East Side Access, the Second Avenue Subway, #7 Line Extension, Lower Manhattan Fulton Transit Center, the new South Ferry station complex, and system-wide capital security projects. All MTACC costs are 100% reimbursable from the MTA Capital Program.

Highlights

In 2006 MTACC began final design on the Second Avenue Subway project (SAS), started tunnel construction on the East Side Access project (ESA), anticipates finalizing a Full Funding Grant Agreement and an early systems work agreement from the Federal Transit Administration for ESA and SAS respectively, and will begin awarding contracts for the No. 7 Line Extension. In addition, MTACC continued the implementation of projects funded from the system-wide security capital program.

Financial Overview

In order to respond to the large volume of construction being managed by MTACC, as well as the intense oversight by multiple parties, MTACC continues to refine its organization and staffing requirements. MTACC continues to utilize dedicated resources to efficiently address the challenges related to the planning, design, construction, regulatory framework, and community participation requirements of large complex capital projects. MTACC is committed to quality and safety in the work place and at the construction sites.

It is the goal of MTACC to minimize the number of full-time employees in order to maintain a cost efficient program management structure. MTACC continues to draw from the expertise and support services available in other MTA agencies to support design and construction management. Currently, both MTA NYCT and MTA Headquarters are providing many support services. This budget proposal assumes that many of these services will continue to be provided.

## 2006 November Forecast

MTACC's 2006 November Forecast remains the same as the 2006 Mid-Year Forecast. Year end costs are projected at \$20.796 million. This reflects a 22% decrease from the February 2006 Adopted Budget. Labor costs are projected at \$12.835 million reflecting a year end staffing level of 96. This is 33% lower than the Adopted Budget which projected a staffing level of 150 employees by year end. MTACC has deferred some hiring to await the start of major construction. As this construction is now underway or anticipated to begin in the next few months, MTACC has begun to recruit additional staff. In some areas these recruiting efforts have not been successful to date. MTACC is working with the MTA to develop strategies to recruit staff with the experience and technical skills required for these complex construction projects.

The November Forecast for Non-labor estimated costs remain unchanged from the Mid-Year Forecast. These costs are projected at \$7.961 million, a 3.8% increase over the Adopted Budget. This is due to a re-estimate of insurance and professional service costs.

## 2007 Final Proposed Budget - Baseline

In 2007 MTACC's main objective will be to continue major construction and design of the MTA's system expansion projects. By 2007 all system expansion projects will be in construction, with over \$3 billion in construction commitments planned by year's end. To accomplish this, MTACC projects 2007 costs at \$34.301 million, an increase of 64.9% over the 2006 Forecast, and a year end headcount of 150.

Labor and fringe expenses are projected at \$21.584 million, a 68% increase over the November 2006 Forecast. Labor costs increase due to the projected hiring of an additional 54 employees by year end 2007. Staff includes 53 MTACC positions who support the system expansion projects and cannot charge directly to a specific project; 45 for the East Side Access project; 13 for the Second Avenue Subway project; 22 for the Lower Manhattan projects; and 17 for Security projects.

Non-Labor costs are projected at \$12.717 million, a 59.7% increase from projected year-end 2006 levels. This increase is for the provision of company-wide construction support from specialty contractors, oversight agencies, legal support, environmental and archeological resources and miscellaneous project related costs. Such expenditures are non-project specific or may not be eligible for reimbursement by the Federal Transit Administration and will be funded through MTACC Administration. Remaining funds have been budgeted for engineering and legal services, reimbursement of NYCT for administrative support staff and services, lease of the 8<sup>th</sup> floor at 2 Broadway and other project office costs such as communications and supplies.

Major assumptions and reconciliations to the July Financial Plan are discussed later.

## 2008 - 2010 Projections

During this time period MTACC will be managing multiple construction sites and billions of dollars in construction contracts. The Lower Manhattan projects should be drawing to completion.

MTACC costs for 2008 are projected to decrease by 1.1% in 2008 and increase by 2.5% and 3.4% in 2009 and 2010, respectively. Once achieving a year-end staffing level of 150 employees in 2007, staffing remains constant through 2010.

Labor costs peak in 2008 reflecting the first year of full staffing, increasing by 16.0% from 2007. In 2009 and 2010 labor costs remain constant and increase only by inflation. Non-labor expenses decrease by 30.3% in 2008 from the 2007 projected level. This decrease reflects a reduction in professional services. Non-labor expenses remain constant in 2009 and 2010 with relatively no change in these years.

Major assumptions and reconciliations to the July Financial Plan are discussed later.

[illegible]

[illegible]



**MTA Capital Construction Company**  
**November 2006 Financial Plan 2007-2010**  
**Year-to-Year Changes by Category - Reimbursable**

Revenue

Capital and Other Reimbursements

- Monies are made available in the MTA's Capital Program and are drawn down as expenditures are incurred, therefore revenues will always equal expenditures.
- All MTACC expenses are reimbursable from the MTA Capital Program.
- Costs will be reimbursed from specific capital projects to the extent possible in accordance with how the resources are utilized.

Expenses

Payroll

- 2006 Payroll costs are unchanged from the July Financial Plan.
- 2006 payroll costs reflect a projected year-end staffing level of 96.
- Costs are based on 2006 annualized projected salaries.
- Staffing is projected to increase to 150 by year end 2007 and remain constant in 2008, 2009 and 2010.
- Payroll costs are escalated from the prior year's base salary by 3.00%, in 2007 and 2008 and 1.53%, 1.84% in 2009 and 2010, respectively.

Other Fringe Benefits

- Benefits and pension costs in 2006 are unchanged from the July Financial Plan.
- Health and Welfare costs have been inflated by 9.48% in 2006, 14.78% in 2007, and 10.68% in 2008 through 2010.
- Pensions have been escalated by 2.56%, 2.91%, 3.07% and 3.20% in 2007 through 2010 respectively.
- Other benefits have been escalated by 2.91%, 1.62%, 1.53% and 1.84% in 2007 through 2010 respectively.

Insurance

- 2006 includes insurance expenses for the All-Agency Protective Liability Program for the South Ferry project.
- 2006 costs remain the same as the July Plan.

- 2007 through 2010 costs are based on revised 2006 projections. Costs are escalated by 10% each year in 2007 through 2010.

#### Professional Service Contracts

- 2006 costs remain unchanged from the July Financial Plan.
- Costs are escalated by 2.91%, 1.62%, 1.53% and 1.84% in 2007 through 2010 respectively.
- In 2007, costs increase by 127.0% for the provision of company-wide construction support from specialty contractors, oversight agencies, legal support, environmental and archeological resources and miscellaneous project related costs. Such expenditures are non-project specific or may not be eligible for reimbursement by the Federal Transit Administration and will be funded through MTACC Administration. Also included are costs for independent engineering and independent compliance monitor expenses in support of the capital projects
- Projected management consulting contractual costs are reduced significantly in 2008 resulting in an overall decrease in professional services of approximately 43.6%. Due to a decrease in real estate support projections, costs decrease by 4.2% in 2009 and remain constant in 2010.

#### Materials and Supplies

- 2006 Material and Supplies costs remain unchanged from the July Financial Plan.
- 2007 costs decrease slightly from 2006, by 4.2%. 2008 through 2010 costs are based on 2007 projections and are escalated by 2.91%, 1.62%, 1.53% and 1.84%, respectively.

#### Other Business Expenses

- 2006 continues to assume procurement of telephones, printers, copiers, miscellaneous office furniture and computer equipment for staff. Additional expenditures include automotive purchases, establishing an MTACC intranet and 2 Broadway 8<sup>th</sup> floor lease.
- Costs decrease by 12.9% in 2007 because major procurements such as automobile, intranet printers, copiers, and the majority of computer hardware will be procured in 2006.
- Costs remain fairly constant in 2008, 2009 and 2010.
- 2007 through 2010 costs are escalated by 2.91%, 1.62%, 1.53% and 1.84%, respectively.

**MTA CAPITAL CONSTRUCTION**  
**November Financial Plan 2007 - 2010**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**REIMBURSABLE**

	Favorable/(Unfavorable)								
	2006	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009
<b><u>Revenue</u></b>									
Farebox Revenue	\$0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	20.796	34.302	13.506	33.919	(0.383)	34.775	0.856	35.951	1.176
<b>Total Revenue</b>	<b>\$20.796</b>	<b>\$34.302</b>	<b>\$13.506</b>	<b>\$33.919</b>	<b>(\$0.383)</b>	<b>\$34.775</b>	<b>\$0.856</b>	<b>\$35.951</b>	<b>\$1.176</b>
<b><u>Expenses</u></b>									
Labor:									
Payroll	\$7.453	\$13.307	(5.854)	\$15.390	(2.083)	\$15.626	(0.235)	\$15.913	(0.288)
Overtime	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	1.336	2.561	(1.225)	3.256	(0.695)	3.658	(0.403)	4.124	(0.465)
Pensions	1.072	1.897	(0.824)	2.247	(0.351)	2.352	(0.104)	2.472	(0.120)
Other Fringe Benefits	2.974	3.820	(0.846)	4.160	(0.340)	4.289	(0.128)	4.448	(0.159)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$12.835</b>	<b>\$21.585</b>	<b>(\$8.750)</b>	<b>\$25.054</b>	<b>(\$3.469)</b>	<b>\$25.925</b>	<b>(\$0.871)</b>	<b>\$26.957</b>	<b>(\$1.032)</b>
Non-Labor:									
Traction and Propulsion Power	\$0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.912	1.003	(0.091)	1.104	(0.100)	1.214	(0.110)	1.336	(0.121)
Claims	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	3.973	9.028	(5.055)	5.095	3.934	4.883	0.212	4.896	(0.013)
Materials & Supplies	0.084	0.080	0.004	0.081	(0.001)	0.083	(0.001)	0.084	(0.002)
Other Business Expenses	2.992	2.605	0.387	2.586	0.020	2.671	(0.085)	2.679	(0.008)
<b>Total Non-Labor Expenses</b>	<b>\$7.961</b>	<b>\$12.717</b>	<b>(\$4.756)</b>	<b>\$8.865</b>	<b>\$3.852</b>	<b>\$8.850</b>	<b>\$0.015</b>	<b>\$8.994</b>	<b>(\$0.144)</b>
Other Expenses Adjustments:									
Other	\$0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$20.796</b>	<b>\$34.302</b>	<b>(\$13.506)</b>	<b>\$33.919</b>	<b>\$0.383</b>	<b>\$34.775</b>	<b>(\$0.856)</b>	<b>\$35.951</b>	<b>(\$1.176)</b>
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$20.796</b>	<b>\$34.302</b>	<b>(\$13.506)</b>	<b>\$33.919</b>	<b>\$0.383</b>	<b>\$34.775</b>	<b>(\$0.856)</b>	<b>\$35.951</b>	<b>(\$1.176)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Program to Eliminate the Gap									
<b>Net Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA Capital Construction**  
**November Financial Plan 2007 - 2010**  
**Year-to-Year Changes by Category - Cash Basis**  
(\$ in millions)

**CASH RECEIPTS & EXPENDITURES**

	Favorable/(Unfavorable)								
	2006	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009
<b><u>Receipts</u></b>									
Farebox Revenue									
Vehicle Toll Revenue									
Other Operating Revenue									
Capital and Other Reimbursements	20.796	34.302	13.506	33.919	(0.383)	34.775	0.856	35.951	1.176
<b>Total Receipts</b>	<b>\$20.796</b>	<b>\$34.302</b>	<b>\$13.506</b>	<b>\$33.919</b>	<b>(\$0.383)</b>	<b>\$34.775</b>	<b>\$0.856</b>	<b>\$35.951</b>	<b>\$1.176</b>
<b><u>Expenditures</u></b>									
Labor:									
Payroll	\$7.453	\$13.307	(\$5.854)	\$15.390	(\$2.083)	\$15.626	(\$0.235)	\$15.913	(\$0.288)
Overtime									
Health and Welfare	1.336	2.561	(1.225)	3.256	(0.695)	3.658	(0.403)	4.124	(0.465)
Pensions	1.072	1.897	(0.824)	2.247	(0.351)	2.352	(0.104)	2.472	(0.120)
Other Fringe Benefits	2.974	3.820	(0.846)	4.160	(0.340)	4.289	(0.128)	4.448	(0.159)
Reimbursable Overhead									
<b>Total Labor Expenditures</b>	<b>\$12.835</b>	<b>\$21.585</b>	<b>(\$8.750)</b>	<b>\$25.054</b>	<b>(\$3.469)</b>	<b>\$25.925</b>	<b>(\$0.871)</b>	<b>\$26.957</b>	<b>(\$1.032)</b>
Non-Labor:									
Traction and Propulsion Power									
Fuel for Buses and Trains									
Insurance	0.912	1.003	(0.091)	1.104	(0.100)	1.214	(0.110)	1.336	(0.121)
Claims									
Paratransit Service Contracts									
Maintenance and Other Operating Contracts									
Professional Service Contracts	3.973	9.028	(5.055)	5.095	3.934	4.883	0.212	4.896	(0.013)
Materials & Supplies	0.084	0.080	0.004	0.081	(0.001)	0.083	(0.001)	0.084	(0.002)
Other Business Expenses	2.992	2.605	0.387	2.586	0.020	2.671	(0.085)	2.679	(0.008)
<b>Total Non-Labor Expenditures</b>	<b>\$7.961</b>	<b>\$12.717</b>	<b>(\$4.756)</b>	<b>\$8.865</b>	<b>\$3.852</b>	<b>\$8.850</b>	<b>\$0.015</b>	<b>\$8.994</b>	<b>(\$0.144)</b>
Other Expenditure Adjustments:									
Other									
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$20.796</b>	<b>\$34.302</b>	<b>(\$13.506)</b>	<b>\$33.919</b>	<b>\$0.383</b>	<b>\$34.775</b>	<b>(\$0.856)</b>	<b>\$35.951</b>	<b>(\$1.176)</b>
<b>Baseline Net Cash Deficit</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
PEG Program									
<b>Net Cash Deficit</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA Capital Construction Company  
November Financial Plan 2007- 2010  
Summary of Major Plan-to-Plan Changes**

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

The November Financial Plan remains the same as the July Financial Plan.

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

Projections for 2007 are increased by \$5.355 million, 18.50% from the July Financial Plan. MTACC costs reflect anticipated progress in major construction of capital projects and full staff levels of 150 by year end. Labor expenses are increased by \$.346 million (1.63%). Non-labor expenditures are increased by \$5.01 million, a 65% increase, due to additional costs for company-wide construction support from specialty contractors, oversight agencies, legal support, environmental and archeological resources and miscellaneous project related costs.

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

Projections for 2008 are \$2.813 million, 9.04% higher than the July Financial Plan. Although staffing remains constant at 150 employees, labor costs increase slightly by 2.26% (\$.555 million) and reflect the first year of full staffing. Non-labor costs increase by \$2.258 million, 34.18%, for company-wide construction support.

**2009: November Financial Plan vs. July Financial Plan**

The 2009 July Financial Plan assumes a full staff level of 150. Costs are projected at \$2.369 million, 7.31% higher than the July Financial Plan. Labor costs remain fairly the same with a slight increase of \$.123 million. Non-labor costs increase by \$2.246 million, 34% due to continued expenditures for company-wide construction support.

**2010: November Financial Plan vs. July Financial Plan**

Staffing remains constant at 150 employees. Costs remain fairly constant, projected at \$.199 million lower than the July Financial Plan.

**MTA CAPITAL CONSTRUCTION**  
**November Financial Plan 2007 - 2010**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

<b>REIMBURSABLE</b>					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Baseline 2006 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><i>Baseline Changes</i></b>					
<b>Revenue</b>					
Farebox Revenue					
Vehicle Toll Revenue					
Capital and Other Reimbursement	0.000	5.355	2.813	2.369	(0.199)
<b><i>Total Revenue Changes</i></b>	<b>\$0.000</b>	<b>\$5.355</b>	<b>\$2.813</b>	<b>\$2.369</b>	<b>(\$0.199)</b>
<b>Expenses</b>					
<b><i>Labor:</i></b>					
Payroll	\$0.000	(\$0.230)	(\$0.406)	(\$0.181)	\$0.025
Health and Welfare	0.000	(0.041)	(0.080)	(0.036)	0.014
Pensions	0.000	(0.032)	(0.057)	(0.025)	0.006
Other Fringe Benefits	0.000	(0.043)	(0.011)	0.119	0.247
Reimbursable Overhead					
<b><i>Total Labor Expense Changes</i></b>	<b>\$0.000</b>	<b>(\$0.346)</b>	<b>(\$0.555)</b>	<b>(\$0.123)</b>	<b>\$0.292</b>
<b><i>Non-Labor:</i></b>					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance	0.000	0.000	0.000	0.000	0.000
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Professional Service Contracts	0.000	(4.999)	(2.272)	(2.285)	(0.150)
Materials & Supplies	0.000	(0.000)	0.001	0.001	0.002
Other Business Expenses	0.000	(0.011)	0.013	0.038	0.055
<b><i>Total Non-Labor Expense Changes</i></b>	<b>\$0.000</b>	<b>(\$5.010)</b>	<b>(\$2.258)</b>	<b>(\$2.246)</b>	<b>(\$0.093)</b>
<b>Total Expense Changes</b>	<b>\$0.000</b>	<b>(\$5.355)</b>	<b>(\$2.813)</b>	<b>(\$2.369)</b>	<b>\$0.199</b>
<b><i>Cash Adjustment Changes</i></b>					
<b><i>Total Cash Adjustment Changes</i></b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>
<b>Baseline 2006 November Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>

**MTA Capital Construction Company  
2007 Final Proposed Budget  
November Financial Plan 2007 – 2010**

**Other Assumptions: Positions**

All MTACC costs are reimbursable from the MTA Capital Program. The November Financial Plan projects 2006 year end staffing of 96. Staffing levels reach 150 in 2007 and remain constant at that level.

The 2007 Year-End Staffing level includes 53 MTACC administrative positions and 97 project positions implementing East Side Access, Second Avenue Subway, Lower Manhattan, No. 7 Line and the system-wide security program.

**MTA CAPITAL CONSTRUCTION**  
**November Financial Plan 2007- 2010**  
**Non-Reimbursable - Reimbursable Positions at End-of-Year**  
**Full-Time Positions and Full Time Equivalents**

<b>FUNCTION/DEPARTMENT</b>	<b>2005 Actuals</b>	<b>2006 November Forecast</b>	<b>2007 Final Proposed Budget</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Administration</b>						
MTACC	16	30	52	52	52	52
<b>Engineering/Capital</b>						
MTACC	1	1	1	1	1	1
East Side Access	23	32	45	45	45	45
Security	2	5	13	13	13	13
Second Avenue Subway	2	16	22	22	22	22
Lower Manhattan Project	7	12	17	17	17	17
<b>Total Engineering/Capital</b>	<b>35</b>	<b>66</b>	<b>98</b>	<b>98</b>	<b>98</b>	<b>98</b>
<b>Total Baseline Positions</b>	<b>51</b>	<b>96</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>
<i>Non-Reimbursable</i>	-	-	-	-	-	-
<i>Reimbursable</i>	51	96	150	150	150	150
<i>Total Full-Time</i>	51	96	150	150	150	150
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-



**MTA CAPITAL CONSTRUCTION**  
**November Financial Plan 2007- 2010**  
**Total Full-time Positions and Full-time Equivalents by Function and Occupational Group**

FUNCTION/OCCUPATIONAL GROUP		2006 November Forecast	2007 Final Proposed Budget	2008	2009	2010
<b>Administration</b>						
	Managers/Supervisors	-	-	-	-	-
	Professional, Technical, Clerical	30	52	52	52	52
	Operational Hourlies	-	-	-	-	-
	<b>Total Administration</b>	30	52	52	52	52
<b>Operations</b>						
	Managers/Supervisors					
	Professional, Technical, Clerical					
	Operational Hourlies <sup>(1)</sup>					
	<b>Total Operations</b>	-	-	-	-	-
<b>Maintenance</b>						
	Managers/Supervisors					
	Professional, Technical, Clerical					
	Operational Hourlies <sup>(1)</sup>					
	<b>Total Maintenance</b>	-	-	-	-	-
<b>Engineering/Capital</b>						
	Managers/Supervisors	-	-	-	-	-
	Professional, Technical, Clerical	66	98	98	98	98
	Operational Hourlies	-	-	-	-	-
	<b>Total Engineering/Capital</b>	66	98	98	98	98
<b>Public Safety</b>						
	Managers/Supervisors					
	Professional, Technical, Clerical					
	Operational Hourlies <sup>(1)</sup>					
	<b>Total Public Safety</b>	-	-	-	-	-
<b>Total Baseline Positions</b>						
	Managers/Supervisors	-	-	-	-	-
	Professional, Technical, Clerical	96	150	150	150	150
	Operational Hourlies	-	-	-	-	-
	<b>Total Baseline Positions</b>	96	150	150	150	150

**Long Island Bus**

# **MTA Long Island Bus 2007 Final Proposed Budget November Financial Plan 2007 - 2010**

## **MISSION STATEMENT**

MTA Long Island Bus (LI Bus) is committed to providing a safe, reliable, convenient and efficient transit bus service throughout Nassau, eastern Queens and western Suffolk counties.

## **AGENCY OVERVIEW**

LI Bus operates 333 fixed route buses serving 96 communities, 47 Long Island Rail Road stations, 5 New York City Transit subway stations, shopping centers, colleges, museums, parks, theaters and beaches throughout our area. In a cooperative effort, various departments monitor and analyze route statistics, customer and operator feedback in order to adjust service, given the financial and rolling stock limitations. Total 2005 ridership was 31.2 million, a 2.8% increase over 2004 and as of year to date August 2006, this positive trend is continuing with an increase of 4.8% over 2005.

The Able-Ride Paratransit program that began in 1995, offers curb-to-curb transportation for eligible customers who, because of their disabilities, are unable to use the fixed route bus system. This service also experienced record levels of ridership during 2005. Demand for this service continues to grow and is 9.8% over the year to date 2005 numbers. Currently, there are 86 Able-Ride buses in service.

LI Bus continues to be at the forefront in implementing new technologies to enhance the safety and reliability of our fleet and convenience to our customers. With capital funding, LI Bus is continuing to enhance its physical and technological infrastructure to maximize efficiency and longevity.

The safety of customers, personnel, the fleet, and facilities is a priority and as such, we are continuously assessing and enhancing the electronic surveillance systems, physical structures and safety awareness training of all employees.

## **FINANCIAL OVERVIEW**

The July Plan included some modest service increases to support increases in ridership on certain routes. Unfortunately, Nassau County has not provided sufficient subsidy levels to continue these service increases and they will terminate in March of 2007. In fact, Nassau County's \$10.5 million annual subsidy contribution in this Plan approximates the 2000 level and is roughly half of the \$21.7 million contribution it made in 2000. Since that time, expenses (especially paratransit costs) have increased significantly.

Other initiatives in support of operations and security were funded relative to the available resources. LI Bus continues to seek efficiencies from its administrative and

support units and to initiate internal programs to promote and monitor this Agency objective.

LI Bus also participates in the MTA wide cost savings programs (Programs to Eliminate Gap) and is on-track to meeting its 2006 PEG.

LI Bus is also actively seeking Capital funding sources to facilitate the replacement of fixed route and demand response buses as well as the maintenance and improvements to equipment and facilities.

Given these challenges, LI Bus's management will continue to promote a cost containment culture and to monitor internal controllable expenses while maximizing subsidies and other revenue sources to effectively meet our current service and safety commitments.

## **2006 November Forecast**

The 2006 November forecast (2006 base year) total operating expenses of \$122.7 million. The net change over the July Plan is an increase of \$2.4 million due mainly to increased Workers Compensation (\$.8 million), Insurance (\$.3 million), Pattern Labor Provision (\$.3 million) and Claims Reserve (\$1.0 million) requirements.

A recent workers compensation case has necessitated an increase in case reserves in 2006.

The development of individual Claims cases has created the need to increase reserve amounts in 2006.

Participation in the All Agency excessive liability insurance plan requires additional funds to pay past and current premiums.

The full year 2006 revenue forecast was increased by \$.2 million, reflecting the favorable variances from July and August. These gains were credited to better average fares rather than an overall gain in ridership. Ridership projections are therefore unchanged based on modest August year to date gains against the July Plan.

There were no changes in CPI assumptions. LI Bus has removed the PEG items from its baseline and is on target to meet the additional savings.

## **2007 – Final Proposed Budget - Baseline**

Baseline expenses changed by \$.4 million over the July Plan, while revenue increased by \$.2 million.

Labor expenses were affected by a number of factors including: additional service hours in support of July service enhancements (these terminate in March of 2007), additional labor hours necessary to comply with State mandates regarding the use of Ultra Low

Sulfur Diesel, and lower Health & Welfare costs. Also included in the November Plan was a Pattern Bargaining Provision.

Favorable Pension rates provided modest savings, while the addition to the 2006 baseline for Workers Compensation (Other Fringe Benefits), had an inflationary effect on the 2007 – 2010 net numbers.

A new contract to maintain the AVL (Automatic Vehicle Locator) system was required and added \$.3 million to the line item. All other changes to non-labor items were reflective of rates and associated effects of the service increase initiatives.

Based on the new energy rate guidelines, the forecasted rates were lowered producing savings compared to the July plan. Approximately \$.8 million worth of energy costs savings were included in the 2007 plan.

Most of the changes to the baseline for the 2007 – 2010 period have a direct relationship to the changes in the 2006 base as affected by the November Plan requirements.

The 2006 farebox revenue base was adjusted upwards in both Plans to reflect current favorable trends. From the new November base, Fixed Route and Paratransit ridership is projected to increase 0.5% annually with a corollary increase in farebox revenue.

## **2008 – 2010 Projections**

Changes to the projections for the 2008 – 2010 plan period reflect changes to the 2006 and 2007 baseline and the consequent effect of applying the guideline CPI's to those numbers.

Ridership and Farebox revenue is forecasted to increase by .5% in each of the plan years. There are no additional confirmed capital reimbursements or operating revenue sources, therefore, amounts remained unchanged from the July Plan.

Changes in labor related expenses reflect the removal of July service enhancements, the inclusion of a Pattern Labor Provision and lower Health & Welfare costs.

Fuel and utilities annual baseline changes reflect the 2006 November Plan issued rate guidelines.

All other non-labor and non-energy related changes pertain to CPI and contract-related rate change.

**MTA LONG ISLAND BUS**  
**November Financial Plan 2007- 2010**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE**

	2005	2006	2007			
	<u>Actuals</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Operating Revenue</b>						
Farebox Revenue	\$39.118	\$39.560	\$39.758	\$39.957	\$40.156	\$40.357
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	5.322	3.699	3.199	2.549	2.454	2.207
Capital and Other Reimbursements	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$44.440</b>	<b>\$43.259</b>	<b>\$42.957</b>	<b>\$42.506</b>	<b>\$42.610</b>	<b>\$42.564</b>
<b>Operating Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$56.354	\$59.465	\$61.038	\$62.724	\$64.650	\$66.763
Overtime	6.018	5.130	5.256	5.399	5.565	5.744
Health and Welfare	10.379	11.726	12.891	14.243	15.764	17.448
Pensions	5.161	5.466	5.426	5.576	5.747	5.935
Other Fringe Benefits	6.088	7.314	7.039	7.246	7.468	7.710
Pattern Labor Provision	0.000	0.278	1.528	1.936	1.939	1.942
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$84.000</b>	<b>\$89.379</b>	<b>\$93.178</b>	<b>\$97.124</b>	<b>\$101.133</b>	<b>\$105.542</b>
<b><u>Non-Labor:</u></b>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	9.327	10.324	11.246	11.524	11.258	11.266
Insurance	0.354	0.843	0.417	0.454	0.497	0.539
Claims	3.991	3.845	3.428	3.483	3.537	3.602
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	6.977	7.866	8.404	8.534	8.695	8.904
Professional Service Contracts	1.700	1.869	1.941	1.973	2.003	2.040
Materials & Supplies	1.673	2.488	2.834	2.934	3.029	3.146
Other Business Expenses	0.222	0.395	0.406	0.413	0.419	0.427
<b>Total Non-Labor Expenses</b>	<b>\$24.244</b>	<b>\$27.630</b>	<b>\$28.676</b>	<b>\$29.315</b>	<b>\$29.438</b>	<b>\$29.924</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other	-	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$108.244</b>	<b>\$117.009</b>	<b>\$121.854</b>	<b>\$126.439</b>	<b>\$130.571</b>	<b>\$135.466</b>
Depreciation	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$108.244</b>	<b>\$117.009</b>	<b>\$121.854</b>	<b>\$126.439</b>	<b>\$130.571</b>	<b>\$135.466</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$63.804)</b>	<b>(\$73.750)</b>	<b>(\$78.897)</b>	<b>(\$83.933)</b>	<b>(\$87.961)</b>	<b>(\$92.902)</b>
2007 Program to Eliminate the Gap (PEGs)	-	0.000	0.092	0.096	0.101	0.105
Post 2007 Program to Eliminate the Gap (PEGs)	-	0.000	0.000	0.000	0.000	0.000
<b>Net Surplus/(Deficit)</b>	<b>(\$63.804)</b>	<b>(\$73.750)</b>	<b>(\$78.805)</b>	<b>(\$83.837)</b>	<b>(\$87.860)</b>	<b>(\$92.797)</b>

## REIMBURSABLE

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**MTA LONG ISLAND BUS**  
**November Financial Plan 2007- 2010**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE / REIMBURSABLE**

	2005	2006	2007			
	Actuals	November Forecast	Final Proposed Budget	2008	2009	2010
<b>Revenue</b>						
Farebox Revenue	\$39.118	\$39.560	\$39.758	\$39.957	\$40.156	\$40.357
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	5.322	3.699	3.199	2.549	2.454	2.207
Capital and Other Reimbursements	5.355	5.680	5.910	6.110	6.331	6.524
<b>Total Revenue</b>	<b>\$49.795</b>	<b>\$48.939</b>	<b>\$48.867</b>	<b>\$48.616</b>	<b>\$48.941</b>	<b>\$49.088</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$56.989	\$60.318	\$61.913	\$63.624	\$65.578	\$67.677
Overtime	6.018	5.130	5.256	5.399	5.565	5.744
Health and Welfare	11.615	13.120	14.491	16.014	17.724	19.617
Pensions	5.262	5.537	5.498	5.650	5.823	6.010
Other Fringe Benefits	6.171	7.376	7.102	7.311	7.535	7.776
Pattern Labor Provision	0.000	0.278	1.528	1.936	1.939	1.942
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$86.055</b>	<b>\$91.759</b>	<b>\$95.788</b>	<b>\$99.934</b>	<b>\$104.164</b>	<b>\$108.766</b>
<b><u>Non-Labor:</u></b>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	9.327	10.324	11.246	11.524	11.258	11.266
Insurance	0.354	0.843	0.417	0.454	0.497	0.539
Claims	3.991	3.845	3.428	3.483	3.537	3.602
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	6.977	7.866	8.404	8.534	8.695	8.904
Professional Service Contracts	1.700	1.869	1.941	1.973	2.003	2.040
Materials & Supplies	4.973	5.788	6.134	6.234	6.329	6.446
Other Business Expenses	0.222	0.395	0.406	0.413	0.419	0.427
<b>Total Non-Labor Expenses</b>	<b>\$27.544</b>	<b>\$30.930</b>	<b>\$31.976</b>	<b>\$32.615</b>	<b>\$32.738</b>	<b>\$33.224</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$113.599</b>	<b>\$122.689</b>	<b>\$127.764</b>	<b>\$132.549</b>	<b>\$136.902</b>	<b>\$141.990</b>
Depreciation	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$113.599</b>	<b>\$122.689</b>	<b>\$127.764</b>	<b>\$132.549</b>	<b>\$136.902</b>	<b>\$141.990</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$63.804)</b>	<b>(\$73.750)</b>	<b>(\$78.897)</b>	<b>(\$83.933)</b>	<b>(\$87.961)</b>	<b>(\$92.902)</b>
2007 Program to Eliminate the Gap (PEGs)	-	0.000	0.092	0.096	0.101	0.105
Post 2007 Program to Eliminate the Gap (PEGs)	-	0.000	0.000	0.000	0.000	0.000
<b>Net Surplus/(Deficit)</b>	<b>(\$63.804)</b>	<b>(\$73.750)</b>	<b>(\$78.805)</b>	<b>(\$83.837)</b>	<b>(\$87.860)</b>	<b>(\$92.797)</b>



**MTA LONG ISLAND BUS**  
**November Financial Plan 2007- 2010**  
**Cash Receipts & Expenditures**  
(\$ in millions)

**CASH RECEIPTS AND EXPENDITURES**

	2005	2006	2007			
	Actuals	November Forecast	Final Proposed Budget	2008	2009	2010
<b>Receipts</b>						
Farebox Revenue	\$38.321	\$39.120	\$39.658	\$39.794	\$40.756	\$40.247
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	5.131	3.748	3.249	2.599	2.504	2.257
Capital and Other Reimbursements	5.321	5.576	5.728	5.909	6.106	6.274
<b>Total Receipts</b>	<b>\$48.773</b>	<b>\$48.444</b>	<b>\$48.635</b>	<b>\$48.302</b>	<b>\$49.366</b>	<b>\$48.778</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$57.347	\$60.048	\$61.579	\$63.287	\$67.690	\$67.337
Overtime	5.945	5.100	5.225	5.366	5.746	5.708
Health and Welfare	11.783	13.079	14.446	15.966	17.667	19.542
Pensions	5.806	5.388	5.357	5.485	5.644	5.820
Other Fringe Benefits	6.148	7.340	7.066	7.274	7.775	7.738
Pattern Labor Provision	0.000	0.278	1.528	1.936	1.939	1.942
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$87.029</b>	<b>\$91.233</b>	<b>\$95.201</b>	<b>\$99.314</b>	<b>\$106.461</b>	<b>\$108.087</b>
<b><u>Non-Labor:</u></b>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	9.046	10.175	11.096	11.374	11.108	11.116
Insurance	0.000	1.199	0.353	0.597	0.415	0.467
Claims	4.026	3.000	3.382	3.435	3.486	3.548
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	7.243	7.646	8.334	8.464	8.625	8.834
Professional Service Contracts	1.424	1.813	1.883	1.914	1.943	1.975
Materials & Supplies	4.544	5.739	6.083	6.182	6.275	6.389
Other Business Expenses	0.581	0.375	0.386	0.392	0.398	0.405
<b>Total Non-Labor Expenditures</b>	<b>\$26.864</b>	<b>\$29.947</b>	<b>\$31.517</b>	<b>\$32.358</b>	<b>\$32.250</b>	<b>\$32.734</b>
<b><u>Other Expenditure Adjustments:</u></b>						
Other	-	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$113.893</b>	<b>\$121.180</b>	<b>\$126.718</b>	<b>\$131.672</b>	<b>\$138.711</b>	<b>\$140.821</b>
<b>Baseline Cash Deficit</b>	<b>(\$65.120)</b>	<b>(\$72.736)</b>	<b>(\$78.083)</b>	<b>(\$83.370)</b>	<b>(\$89.345)</b>	<b>(\$92.043)</b>
2007 Program to Eliminate the Gap (PEGs)	-	0.000	0.092	0.096	0.101	0.105
Post 2007 Program to Eliminate the Gap (PEGs)	-	0.000	0.000	0.000	0.000	0.000
<b>Net Cash Deficit</b>	<b>(\$65.120)</b>	<b>(\$72.736)</b>	<b>(\$77.991)</b>	<b>(\$83.274)</b>	<b>(\$89.244)</b>	<b>(\$91.938)</b>

**MTA LONG ISLAND BUS**  
**November Financial Plan 2007 - 2010**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

**CASH FLOW ADJUSTMENTS**

	2005 Actuals	2006 November Forecast	2007 Final Proposed Budget	2008	2009	2010
<b>Receipts</b>						
Farebox Revenue	(\$0.797)	(\$0.440)	(\$0.100)	(\$0.163)	\$0.600	(\$0.110)
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	(0.191)	0.049	0.050	0.050	0.050	0.050
Capital and Other Reimbursements	(0.034)	(0.104)	(0.182)	(0.201)	(0.225)	(0.250)
<b>Total Receipts</b>	<b>(\$1.022)</b>	<b>(\$0.495)</b>	<b>(\$0.232)</b>	<b>(\$0.314)</b>	<b>\$0.425</b>	<b>(\$0.310)</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	(\$0.358)	\$0.270	\$0.334	\$0.337	(\$2.112)	\$0.340
Overtime	0.073	0.030	0.031	0.033	(0.181)	0.036
Health and Welfare	(0.168)	0.041	0.045	0.048	0.057	0.075
Pensions	(0.544)	0.149	0.141	0.165	0.179	0.190
Other Fringe Benefits	0.023	0.036	0.036	0.037	(0.240)	0.038
Pattern Labor Provision	0.000	0.000	0.000	0.000	0.000	(0.000)
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>(\$0.974)</b>	<b>\$0.526</b>	<b>\$0.587</b>	<b>\$0.620</b>	<b>(\$2.297)</b>	<b>\$0.679</b>
<b><u>Non-Labor:</u></b>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.281	0.149	0.150	0.150	0.150	0.150
Insurance	0.354	(0.356)	0.064	(0.143)	0.082	0.072
Claims	(0.035)	0.845	0.046	0.048	0.051	0.054
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(0.266)	0.220	0.070	0.070	0.070	0.070
Professional Service Contracts	0.276	0.056	0.058	0.059	0.060	0.065
Materials & Supplies	0.429	0.049	0.051	0.052	0.054	0.057
Other Business Expenditures	(0.359)	0.020	0.020	0.021	0.021	0.022
<b>Total Non-Labor Expenditures</b>	<b>\$0.680</b>	<b>\$0.983</b>	<b>\$0.459</b>	<b>\$0.257</b>	<b>\$0.488</b>	<b>\$0.490</b>
<b><u>Other Expenditures Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditures Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Cash Conversion Adjustments before Depreciation</b>	<b>(\$1.316)</b>	<b>\$1.014</b>	<b>\$0.814</b>	<b>\$0.563</b>	<b>(\$1.384)</b>	<b>\$0.859</b>
Depreciation Adjustment	-	-	-	-	-	-
<b>Baseline Total Cash Conversion Adjustments</b>	<b>(\$1.316)</b>	<b>\$1.014</b>	<b>\$0.814</b>	<b>\$0.563</b>	<b>(\$1.384)</b>	<b>\$0.859</b>
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)	-	0.000	0.000	0.000	0.000	0.000
<b>Total Cash Conversion Adjustments</b>	<b>(\$1.316)</b>	<b>\$1.014</b>	<b>\$0.814</b>	<b>\$0.563</b>	<b>(\$1.384)</b>	<b>\$0.859</b>

**MTA Long Island Bus  
November Financial Plan 2007 – 2010  
Year-To-Year Changes By Category**

**1. REVENUE**

- **Farebox:**
  - **2006 – 2007:** An additional \$.198 million in farebox revenue is projected in 2007 based on a .5% increase in ridership over 2006. This number includes adjustments made in the July and November Plans to reflect revenue generated by the increased ridership in 2005 and year to date August 2006.
  - **2007 – 2010:** An annual growth rate of .5% is forecasted for the 2007 – 2010 period.
- **Other Operating Revenue**
  - **2006 – 2010:** While advertising revenue is forecasted to increase modestly each year, operating grants are expected to decline. The annual variances reflect the impact of lower grant receipts.
- **Capital & Other Reimbursements**
  - **2006 – 2010:** Annual changes are due to CPI factors affecting labor expenses for reimbursable employees.

**2. LABOR EXPENSES**

- **Payroll/Overtime:**
  - **2006 – 2007:** The year-to-year variance is attributable to various factors including guideline CPI inflators and one (1) additional position in 2007 to support safety programs.
  - **2007 – 2010:** Year to-year variances were due to the removal of service enhancement expenses beyond March 2007 and the application of CPI inflators on the prior year's base. In addition, there is an extra pay period in 2009 and the appropriate cash was added to the relevant line items.

- **Health & Welfare**

- **2006 – 2007:** Health insurance rates in 2007 were adjusted down from 14.78% to 10% over the 2006 base. This generated a \$1.4 million change between years.
- **2007 – 2010:** Rates are expected to increase slightly over these plan years and annual increases are projected at 10.68%. The changes therefore reflect the compounding of this factor in each year.

- **Pension**

- **2006 – 2010:** The current CPI inflators, starting with 2.91% in 2007, were applied to the 2006 base. The 2007 base expense was lowered in the November Plan resulting in small savings in each year.

- **Other Fringe**

- **2006 – 2007:** Recent increases in Workers Compensation reserves created the need for additional funding in 2006 and 2007. The change between years is therefore a combination of the baseline addition and CPI inflators on the other line items.
- **2007 – 2010:** The guideline CPI inflators were applied to the 2007 adjusted base generating the associated variances in the 2008 – 2010 plan period.

- **Pattern Labor Provision**

- **2006 – 2010:** The pattern labor provision assumes a settlement of 3% in 2006, 4% in 2007, and 3.5% in 2008. The provision then reverts back to the CPI inflators reflected in 2009 and 2010. The estimates used in this line reflect the differences between inflators used in other labor categories and the pattern rates.

## **2. NON LABOR EXPENSES**

- **Fuel:**

- **2006 – 2007:** Fuel rate hikes during the 2006 – 2007 period created many challenges in regards to formulating accurate forecasts. Adjustments were made in each review period but the optimistic forecasts were not realized for the first eight months of 2006. There has been some relief as of September, but a sustained lowering of rates is needed to offset the significant year to date deficit generated from the prior months higher rates. Versus the

July Plan, lower rates are forecasted for 2007 thereby reducing the unfavorable (\$.9 million) change shown between years.

- **2007 – 2010:** There are no significant service enhancements scheduled, therefore mileage and fuel usage is not projected to increase significantly. As such, the increases shown in these years are the net results of applying the guideline rates to each specific fuel type. However, new Federal and State requirement to use Ultra Low Sulfur Diesel (ULSD) in all revenue and non-revenue vehicles, carries an added premium and will have an impact on the cost of diesel fuel.

- **Insurance**

- **2006 – 2010:** Excess liability insurance premiums for prior years are included in the 2006 and 2007 requirements. Additional funds are needed to support this cash outlay in 2006 and 2007.

- **Claims**

- **2006 – 2010:** The status and liability factor surrounding claim cases dictates the level of reserves needed to satisfy auditor recommendations. Current cases warranted an increase in such reserves and the \$.4 million change between 2006 and 2007 reflects part of this assessment. This line item requires frequent analysis and will continue to be dynamic in nature.

- **Maintenance & Other Operating Contracts**

- **2006 – 2010:** The need to purchase maintenance contracts in support of the Automatic Vehicle Locator (AVL) system required an additional \$.4 million split between 2006 and 2007 years. Included in the net change between the outer years, is the removal of the Service Enhancement expenses beyond March 2007. These items along with the cumulative effect of CPI inflation factors, account for the variances shown between each year. The inclusion of utilities in this category will continue to impact variance levels.

- **Professional Service Contracts**

- **2006 – 2010:** The recommended CPI inflators were applied to the 2006 baseline and rolled out to the other years in the plan period. There is still concern that major line items such as Security Services, Medical Services and MetroCard transaction fees, will

continue to increase beyond the approved CPI's. Annual changes however reflect the impact of the current inflator factors.

- **Material & Supplies**

- **2006 – 2010:** Annual changes were mainly due to the application of guideline CPI inflators in each year of the plan. Current delays in bus replacements, the resultant increases in material usage and the higher than CPI increase in prices will have to be addressed in future forecasts.

- **Other Business Expenses**

- **2006 – 2010:** All annual changes are due to the application of guideline CPI inflators in the respective plan years.

**MTA Long Island Bus**  
**November 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
<b>Revenue</b>									
Farebox Revenue	\$39.560	\$39.758	\$0.198	\$39.957	\$0.199	\$40.156	\$0.199	\$40.357	\$0.201
Vehicle Toll Revenue									
Other Operating Revenue	3.699	3.199	(0.500)	2.549	(0.650)	2.454	(0.095)	2.207	(0.247)
Capital and Other Reimbursements	5.680	5.910	0.230	6.110	0.200	6.331	0.221	6.524	0.193
<b>Total Revenue</b>	<b>\$48.939</b>	<b>\$48.867</b>	<b>(\$0.072)</b>	<b>\$48.616</b>	<b>(\$0.251)</b>	<b>\$48.941</b>	<b>\$0.325</b>	<b>\$49.088</b>	<b>\$0.147</b>
<b>Expenses</b>									
<b>Labor:</b>									
Payroll	\$60.318	\$61.913	(\$1.595)	\$63.624	(\$1.711)	\$65.578	(\$1.954)	\$67.677	(\$2.099)
Overtime	5.130	5.256	(0.126)	5.399	(0.143)	5.565	(0.166)	5.744	(0.179)
Health and Welfare	13.120	14.491	(1.371)	16.014	(1.523)	17.724	(1.710)	19.617	(1.893)
Pensions	5.537	5.498	0.039	5.650	(0.152)	5.823	(0.173)	6.010	(0.187)
Other Fringe Benefits	7.376	7.102	0.274	7.311	(0.209)	7.535	(0.224)	7.776	(0.241)
Pattern Labor Provision	0.278	1.528	(1.250)	1.936	(0.408)	1.939	(0.003)	1.942	(0.003)
Reimbursable Overhead									
<b>Total Labor Expenses</b>	<b>\$91.759</b>	<b>\$95.788</b>	<b>(\$4.029)</b>	<b>\$99.934</b>	<b>(\$4.146)</b>	<b>\$104.164</b>	<b>(\$4.230)</b>	<b>\$108.766</b>	<b>(\$4.602)</b>
<b>Non-Labor:</b>									
Traction and Propulsion Power									
Fuel for Buses and Trains	\$10.324	\$11.246	(\$0.922)	\$11.524	(\$0.278)	\$11.258	\$0.266	\$11.266	(\$0.008)
Insurance	0.843	0.417	0.426	0.454	(0.037)	0.497	(0.043)	0.539	(0.042)
Claims	3.845	3.428	0.417	3.483	(0.055)	3.537	(0.054)	3.602	(0.065)
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	7.866	8.404	(0.538)	8.534	(0.130)	8.695	(0.161)	8.904	(0.209)
Professional Service Contracts	1.869	1.941	(0.072)	1.973	(0.032)	2.003	(0.030)	2.040	(0.037)
Materials & Supplies	5.788	6.134	(0.346)	6.234	(0.100)	6.329	(0.095)	6.446	(0.117)
Other Business Expenses	0.395	0.406	(0.011)	0.413	(0.007)	0.419	(0.006)	0.427	(0.008)
<b>Total Non-Labor Expenses</b>	<b>\$30.930</b>	<b>\$31.976</b>	<b>(\$1.046)</b>	<b>\$32.615</b>	<b>(\$0.639)</b>	<b>\$32.738</b>	<b>(\$0.123)</b>	<b>\$33.224</b>	<b>(\$0.486)</b>
<b>Other Expenses Adjustments:</b>									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$122.689</b>	<b>\$127.764</b>	<b>(\$5.075)</b>	<b>\$132.549</b>	<b>(\$4.785)</b>	<b>\$136.902</b>	<b>(\$4.353)</b>	<b>\$141.990</b>	<b>(\$5.088)</b>
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$122.689</b>	<b>\$127.764</b>	<b>(\$5.075)</b>	<b>\$132.549</b>	<b>(\$4.785)</b>	<b>\$136.902</b>	<b>(\$4.353)</b>	<b>\$141.990</b>	<b>(\$5.088)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$73.750)</b>	<b>(\$78.897)</b>	<b>(\$5.147)</b>	<b>(\$83.933)</b>	<b>(\$5.036)</b>	<b>(\$87.961)</b>	<b>(\$4.028)</b>	<b>(\$92.902)</b>	<b>(\$4.941)</b>
2007 Agency Program to Eliminate the Gap	0.000	0.092	\$0.092	\$0.096	\$0.004	\$0.101	\$0.005	\$0.105	\$0.004
Post-2007 Agency Program to Elim. the Gap									
<b>Net Surplus/(Deficit)</b>	<b>(\$73.750)</b>	<b>(\$78.805)</b>	<b>(\$5.055)</b>	<b>(\$83.837)</b>	<b>(\$5.032)</b>	<b>(\$87.860)</b>	<b>(\$4.023)</b>	<b>(\$92.797)</b>	<b>(\$4.937)</b>

**MTA Long Island Bus**  
**November Financial Plan 2007- 2010**  
**Year-to-Year Changes by Category - Cash Basis**  
(\$ in millions)

**CASH RECEIPTS & EXPENDITURES**

	Favorable/(Unfavorable)								
	2006	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009
<b><u>Receipts</u></b>									
Farebox Revenue	\$39.120	\$39.658	\$0.538	\$39.794	\$0.136	\$40.756	\$0.962	\$40.247	(\$0.509)
Vehicle Toll Revenue			0.000		0.000		0.000		0.000
Other Operating Revenue	3.748	3.249	(0.499)	2.599	(0.650)	2.504	(0.095)	2.257	(0.247)
Capital and Other Reimbursements	5.576	5.728	0.152	5.909	0.181	6.106	0.197	6.274	0.168
<b>Total Receipts</b>	<b>\$48.444</b>	<b>\$48.635</b>	<b>\$0.191</b>	<b>\$48.302</b>	<b>(\$0.333)</b>	<b>\$49.366</b>	<b>\$1.064</b>	<b>\$48.778</b>	<b>(\$0.588)</b>
<b><u>Expenditures</u></b>									
Labor:									
Payroll	\$60.048	\$61.579	(\$1.531)	\$63.287	(\$1.708)	\$67.690	(\$4.403)	\$67.337	\$0.353
Overtime	5.100	5.225	(0.125)	5.366	(0.141)	5.746	(0.380)	5.708	0.038
Health and Welfare	13.079	14.446	(1.367)	15.966	(1.520)	17.667	(1.701)	19.542	(1.875)
Pensions	5.388	5.357	0.031	5.485	(0.128)	5.644	(0.159)	5.820	(0.176)
Other Fringe Benefits	7.340	7.066	0.274	7.274	(0.208)	7.775	(0.501)	7.738	0.037
Pattern Labor Provision	0.278	1.528	(1.250)	1.936	(0.408)	1.939	(0.003)	1.942	(0.003)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$91.233</b>	<b>\$95.201</b>	<b>(\$3.968)</b>	<b>\$99.314</b>	<b>(\$4.113)</b>	<b>\$106.461</b>	<b>(\$7.147)</b>	<b>\$108.087</b>	<b>(\$1.626)</b>
Non-Labor:									
Traction and Propulsion Power									
Fuel for Buses and Trains	\$10.175	\$11.096	(\$0.921)	\$11.374	(\$0.278)	\$11.108	\$0.266	\$11.116	(\$0.008)
Insurance	1.199	0.353	0.846	0.597	(0.244)	0.415	0.182	0.467	(0.052)
Claims	3.000	3.382	(0.382)	3.435	(0.053)	3.486	(0.051)	3.548	(0.062)
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	7.646	8.334	(0.688)	8.464	(0.130)	8.625	(0.161)	8.834	(0.209)
Professional Service Contracts	1.813	1.883	(0.070)	1.914	(0.031)	1.943	(0.029)	1.975	(0.032)
Materials & Supplies	5.739	6.083	(0.344)	6.182	(0.099)	6.275	(0.093)	6.389	(0.114)
Other Business Expenses	0.375	0.386	(0.011)	0.392	(0.006)	0.398	(0.006)	0.405	(0.007)
<b>Total Non-Labor Expenditures</b>	<b>\$29.947</b>	<b>\$31.517</b>	<b>(\$1.570)</b>	<b>\$32.358</b>	<b>(\$0.841)</b>	<b>\$32.250</b>	<b>\$0.108</b>	<b>\$32.734</b>	<b>(\$0.484)</b>
Other Expenditure Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$121.180</b>	<b>\$126.718</b>	<b>(\$5.538)</b>	<b>\$131.672</b>	<b>(\$4.954)</b>	<b>\$138.711</b>	<b>(\$7.039)</b>	<b>\$140.821</b>	<b>(\$2.110)</b>
<b>Baseline Net Cash Deficit</b>	<b>(\$72.736)</b>	<b>(\$78.083)</b>	<b>(\$5.347)</b>	<b>(\$83.370)</b>	<b>(\$5.287)</b>	<b>(\$89.345)</b>	<b>(\$5.975)</b>	<b>(\$92.043)</b>	<b>(\$2.698)</b>
2007 Agency Program to Eliminate the Gap	0.000	0.092	\$0.092	0.096	\$0.004	0.101	\$0.005	0.105	\$0.004
Post-2007 Agency Program to Elim. the Gap									
<b>Net Cash Deficit</b>	<b>(\$72.736)</b>	<b>(\$77.991)</b>	<b>(\$5.255)</b>	<b>(\$83.274)</b>	<b>(\$5.283)</b>	<b>(\$89.244)</b>	<b>(\$5.970)</b>	<b>(\$91.938)</b>	<b>(\$2.694)</b>



**MTA Long Island Bus  
November Financial Plan 2007 - 2010  
Summary of Major Plan-to-Plan Changes**

**1. REVENUE**

- **Farebox:**
  - Whereas, ridership/revenue gains over 2005 remain impressive, year to date September 2006 only has a gain of 1.0% and 1.8% for fixed route and paratransit respectively, when compared to the July plan. This is because of the inclusion of the 2005 through May 2006 gains in the July Plan. An additional \$.2 million was however included in the November Plan to account for the favorable variance experienced in July and August of 2006. An annual growth rate of .5% was used in the out years.
- **Other Operating Revenue**
  - There were no changes in this category.
- **Capital & Other Reimbursements**
  - There were no changes in this category.

**2. LABOR EXPENSES**

- **Payroll/Overtime:**
  - CPI inflators were used in compliance with MTA guidelines. Labor hours were added in the first quarter of 2007 in order to fund service enhancements from July in the current winter service plan. This is unfunded beyond March 2007 and a total of four (4) Bus Operator expenses were not included in the remaining nine months. One (1) Safety Coordinator position in support of increased service and expanded safety mandates was included.
- **Health & Welfare**
  - Health insurance rates for 2007 were lowered from the July Plan. Projected rates in 2007 were reduced from 14.78% to 10% while the 10.68% increase for 2008 through 2010 was unchanged.

- **Pension**

- Adjustments were made to reflect favorable actual rates and resulted in small annual savings over the July Plan.

- **Other Fringe Benefits**

- Workers Compensation payments and reserve amounts have increased significantly since the July Plan. An additional \$.75 million was included in 2006 to offset the negative variance to budget. The application of guideline CPI inflators and the adjustment to the 2006 baseline, produced a ripple effect and explains the variances in the outer years.

- **Pattern Labor Provision**

- The LI Bus pattern labor provision is included in the November Plan. In July this provision was incorporated into the MTA Consolidated Plan.

### **3. NON-LABOR EXPENSES**

- **Fuel:**

- There were no changes from the July Plan in 2006 in that the anticipated favorable rates in the last quarter of the year, is needed to partially offset the negative variances of the prior eight months. Lower guideline rates produced savings of \$.76 million, \$.43 million, \$.11 million and \$.29 million for the 2007 – 2010 plan period.

- **Insurance**

- The past due premiums and future participation in the all agency excess liability insurance plan remains unfunded and requires the addition of \$.28 million in 2006. This accounts for the change between plans.

- **Claims**

- The periodic analyses of active claim cases provide the basis for adjustments to the reserve amounts. An additional \$1.0 million in 2006 and \$.2 million in 2007 were added to partially meet reserve requirements.

- **Maintenance & Other Operating Contracts**

- A new contract to facilitate the maintenance of LI Bus's Automatic Vehicle Locator (AVL) system was negotiated and will be effective November 2006. An additional \$.35 million was split between 2006 and 2007 to fund this need. Expenses related to service enhancements beyond March 2007 were removed. The application of guideline CPI inflators to the new baseline, utility and fuel items, produced the listed variance between plans.

- **Professional Service Contracts**

- The minor changes between plans are a result of the new CPI inflation assumptions.

- **Material & Supplies**

- There was a \$.18 million maintenance components to the additional service scheduled for 2007. This was included in the 2007 baseline and the guideline CPI inflators applied. This accounts for the changes shown in the 2007 – 2010 plan period.

- **Other Business Expenses**

- Minor changes due to new guideline CPI inflation assumptions.

**MTA LONG ISLAND BUS**  
**November Financial Plan 2007 - 2010**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

<b>NON-REIMBURSABLE</b>					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$0.200	\$0.201	\$0.201	\$0.201	\$0.202
Vehicle Toll 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	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue Changes</b>	<b>\$0.200</b>	<b>\$0.201</b>	<b>\$0.201</b>	<b>\$0.201</b>	<b>\$0.202</b>
<b>Expenses</b>					
<b>Labor:</b>					
Payroll	\$0.000	\$0.186	\$0.282	\$0.291	\$0.256
Overtime	0.000	0.025	0.035	0.036	0.037
Health and Welfare	0.000	0.626	0.718	0.794	0.878
Pensions	0.000	0.202	0.216	0.222	0.225
Other Fringe Benefits	(0.750)	(0.281)	(0.291)	(0.300)	(0.313)
Pattern Labor Provision	(0.278)	(1.528)	(1.936)	(1.939)	(1.942)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expense Changes</b>	<b>(\$1.028)</b>	<b>(\$0.771)</b>	<b>(\$0.976)</b>	<b>(\$0.895)</b>	<b>(\$0.859)</b>
<b>Non-Labor:</b>					
Traction and Propulsion Power					
Fuel for Buses and Trains	\$0.000	\$0.766	\$0.431	\$0.110	\$0.297
Insurance	(0.282)	0.003	0.004	0.004	0.003
Claims	(1.000)	(0.210)	(0.180)	(0.442)	(0.408)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(0.059)	(0.102)	(0.047)	(0.131)	(0.167)
Professional Service Contracts	0.000	(0.026)	(0.009)	0.011	0.025
Materials & Supplies	0.000	(0.092)	(0.036)	0.027	0.068
Other Business Expenses	0.000	(0.001)	0.002	0.007	0.009
<b>Total Non-Labor Expense Changes</b>	<b>(\$1.341)</b>	<b>\$0.338</b>	<b>\$0.165</b>	<b>(\$0.414)</b>	<b>(\$0.173)</b>
<b>Total Expense Changes</b>	<b>(\$2.369)</b>	<b>(\$0.433)</b>	<b>(\$0.811)</b>	<b>(\$1.310)</b>	<b>(\$1.032)</b>
<b>Total Baseline Changes</b>	<b>(\$2.169)</b>	<b>(\$0.232)</b>	<b>(\$0.610)</b>	<b>(\$1.108)</b>	<b>(\$0.830)</b>

**MTA Long Island Bus**  
**November Financial Plan 2007 - 2010**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

REIMBURSABLE					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll 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	0.000	0.000	0.000	0.000	(0.000)
<b>Total Revenue Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>
<b>Expenses</b>					
<b>Labor:</b>					
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	0.000	0.000	0.000	0.000	0.000
Health and Welfare	(0.000)	(0.000)	0.000	0.001	0.000
Pensions	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000
Pattern Labor Provision	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expense Changes</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.001</b>	<b>\$0.000</b>
<b>Non-Labor:</b>					
Traction and Propulsion Power					
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
<b>Total Non-Labor Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expense Changes</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.001</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.001</b>	<b>(\$0.000)</b>

**MTA Long Island Bus**  
**November Financial Plan 2007 - 2010**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

<b>NON-REIMBURSABLE and REIMBURSABLE</b>					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Baseline 2006 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$71.365)</b>	<b>(\$78.117)</b>	<b>(\$82.761)</b>	<b>(\$89.222)</b>	<b>(\$91.575)</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$0.200	\$0.201	\$0.201	\$0.201	\$0.202
Vehicle Toll 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	0.000	0.000	0.000	0.000	(0.000)
<b>Total Revenue Changes</b>	<b>\$0.200</b>	<b>\$0.201</b>	<b>\$0.201</b>	<b>\$0.201</b>	<b>\$0.202</b>
Vehicle Toll Revenue					
Other Operating Revenue					
<b>Expenses</b>					
<b>Labor:</b>					
Payroll	\$0.000	\$0.186	\$0.282	\$0.291	\$0.256
Overtime	0.000	0.025	0.035	0.036	0.037
Health and Welfare	(0.000)	0.626	0.718	0.795	0.878
Pensions	0.000	0.202	0.216	0.222	0.225
Other Fringe Benefits	(0.750)	(0.281)	(0.291)	(0.300)	(0.313)
Pattern Labor Provision	(0.278)	(1.528)	(1.936)	(1.939)	(1.942)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expense Changes</b>	<b>(\$1.028)</b>	<b>(\$0.771)</b>	<b>(\$0.976)</b>	<b>(\$0.895)</b>	<b>(\$0.859)</b>
<b>Non-Labor:</b>					
Traction and Propulsion Power					
Fuel for Buses and Trains	0.000	0.766	0.431	0.110	0.297
Insurance	(0.282)	0.003	0.004	0.004	0.003
Claims	(1.000)	(0.210)	(0.180)	(0.442)	(0.408)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(0.059)	(0.102)	(0.047)	(0.131)	(0.167)
Professional Service Contracts	0.000	(0.026)	(0.009)	0.011	0.025
Materials & Supplies	0.000	(0.092)	(0.036)	0.027	0.068
Other Business Expenses	0.000	(0.001)	0.002	0.007	0.009
<b>Total Non-Labor Expense Changes</b>	<b>(\$1.341)</b>	<b>\$0.338</b>	<b>\$0.165</b>	<b>(\$0.414)</b>	<b>(\$0.173)</b>
<b>Total Expense Changes</b>	<b>(\$2.369)</b>	<b>(\$0.433)</b>	<b>(\$0.811)</b>	<b>(\$1.309)</b>	<b>(\$1.032)</b>
<b>Cash Adjustment Changes</b>					
Farebox Revenue	(\$0.000)	\$0.350	\$0.300	\$1.064	\$0.457
Vehicle Toll 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	(0.000)	(0.000)	(0.000)	(0.000)	0.000
Payroll	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000
Overtime	0.000	(0.000)	(0.000)	0.000	0.000
Health and Welfare	0.000	0.000	(0.001)	0.000	(0.000)
Pensions	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	(0.000)	0.000
Pattern Labor Provision	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	(0.002)	0.064	(0.143)	0.082	0.072
Claims	0.800	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)	(0.148)	(0.154)	(0.161)	(0.167)
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)
Rounding		(0.001)	(0.001)		
<b>Total Cash Adjustment Changes</b>	<b>\$0.798</b>	<b>\$0.265</b>	<b>\$0.001</b>	<b>\$0.985</b>	<b>\$0.362</b>
<b>Total Baseline Changes</b>	<b>(\$1.371)</b>	<b>\$0.033</b>	<b>(\$0.609)</b>	<b>(\$0.122)</b>	<b>(\$0.468)</b>
<b>Baseline 2006 November Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$72.736)</b>	<b>(\$78.084)</b>	<b>(\$83.370)</b>	<b>(\$89.344)</b>	<b>(\$92.043)</b>

**MTA LONG ISLAND BUS**  
**November Financial Plan 2007 - 2010**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

<b>NON-REIMBURSABLE and REIMBURSABLE</b>					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Baseline 2006 July Financial Plan - Net Operating Income	\$48.739	\$48.666	\$48.415	\$48.740	\$48.886
<i>Non-Reimbursable Major Changes</i>					
Revenue	\$0.200	\$0.201	\$0.201	\$0.201	\$0.202
Sub-Total Non-Reimbursable Revenue Changes	\$0.200	\$0.201	\$0.201	\$0.201	\$0.202
Expenses	(\$2.369)	(\$0.433)	(\$0.811)	(\$1.310)	(\$1.032)
Sub-Total Non-Reimbursable Expense Changes	(\$2.369)	(\$0.433)	(\$0.811)	(\$1.310)	(\$1.032)
<i>Total Non-Reimbursable Major Changes</i>	<u>(\$2.169)</u>	<u>(\$0.232)</u>	<u>(\$0.610)</u>	<u>(\$1.108)</u>	<u>(\$0.830)</u>
<i>Reimbursable Major Changes</i>					
Revenue	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.000)
Sub-Total Reimbursable Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.000)
Expenses					
Sub-Total Reimbursable Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Reimbursable Major Changes</i>	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>	<u>(\$0.000)</u>
Total Accrual Changes	(\$2.169)	(\$0.231)	(\$0.610)	(\$1.108)	(\$0.830)
Cash Adjustment Changes	<u>\$0.798</u>	<u>\$0.266</u>	<u>\$0.002</u>	<u>\$0.985</u>	<u>\$0.362</u>
Total Cash Adjustment Changes	\$1.371	(\$0.034)	\$0.608	\$0.123	\$0.468
<i>Total Baseline Changes</i>	<u>\$0.200</u>	<u>\$0.201</u>	<u>\$0.201</u>	<u>\$0.201</u>	<u>\$0.202</u>
Baseline 2006 November Financial Plan - Net Operating Income	\$48.939	\$48.867	\$48.616	\$48.941	\$49.088

**MTA Long Island Bus  
2007 Final Proposed Budget  
November Financial Plan 2007 - 2010**

**Other Assumptions: Utilization**

**Fixed Route Ridership:**

The phenomenal ridership increase during 2005 is continuing in 2006. As of year to date August, the fixed route system carried 21.1 million riders, 4.3% more than 2005 and .5% over the midyear plan. Weekend ridership has shown the largest increase over 2005 with 5.6% and 4.2% jumps for Saturday and Sunday ridership respectively.

The July Plan was adjusted to reflect the 2005 and year to date May 2006 gains. Most of the 2005 increase occurred during the September to December period and will provide a higher comparative target for 2006 actuals. The marginal .5% year to date variance to the July plan supports this assumption and influenced the decision to leave the numbers unchanged. Full year 2006 ridership is forecasted to be 31.5 million.

Annual increases are projected at .5% over the plan period.

**Revenue:**

Fixed route revenue is 4.7% above 2005 for year to date August 2006 but only 1% over the July Plan. Again, the July Plan reflects gains realized in current results, however \$.2 million was added to the November Plan, reflecting the favorable variance for July and August 2006. Average fares are close to plan and full year 2006 revenue is forecasted at \$38.5 million.

The projected revenue in the 2007 – 2010 period is reflective of the .5% annual increase in riders.

**Para-Transit (Demand Response)**

**Ridership:**

Demand response ridership continues to show significant increases over 2005 and is currently 9.8% higher as of year to date August 2006. A more modest increase of 1.5% is seen when compared to the July Plan. If this trend continues, additional resources will be needed to sustain the quality of service we now deliver.



Full year 2006 ridership is forecasted to be .34 million with a .5% increase over the 2007 – 2010 plan period.

**Revenue:**

Paratransit farebox revenue for year to date August 2006 shows an 10.4% increase over 2005 and is 1.8% higher than the July plan. Full year revenue is projected to be \$1.059 million. With a .5% annual increase projected for the 2007- 2010 plan period.

**MTA Long Island Bus  
November Financial Plan 2007 - 2010  
Ridership/Traffic Volume (Utilization)  
(in millions)**

	<b>2006 November Forecast</b>	<b>2007 Final Proposed Budget</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b><u>Baseline</u></b>					
<b>Fixed Route</b>	31.501	31.659	31.817	31.976	32.136
<b>Paratransit</b>	0.341	0.343	0.344	0.346	0.348
<b>Baseline Total Ridership</b>	<b>31.842</b>	<b>32.001</b>	<b>32.161</b>	<b>32.322</b>	<b>32.484</b>
<i>Impact of: PEG Program</i>					
<b>Total Ridership</b>	<b>31.842</b>	<b>32.001</b>	<b>32.161</b>	<b>32.322</b>	<b>32.484</b>

**FARE-BOX REVENUE**

<b><u>Baseline</u></b>					
Fixed Route	\$38.501	\$38.693	\$38.885	\$39.079	\$39.274
Paratransit	\$1.059	\$1.065	\$1.072	\$1.077	\$1.083
<b>Baseline Total Revenue</b>	<b>\$39.560</b>	<b>\$39.758</b>	<b>\$39.957</b>	<b>\$40.156</b>	<b>\$40.357</b>
<i>Impact of: PEG Program</i>					
<b>Total Revenue</b>	<b>\$39.560</b>	<b>\$39.758</b>	<b>\$39.957</b>	<b>\$40.156</b>	<b>\$40.357</b>

Long Island Bus  
November Plan 2007-2010  
Summary of 2007 Program to Eliminate the Gap(PEGs)  
(\$ in millions)

		2006		2007		2008		2009		2010	
		<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
<b>Administration</b>											
Improve Employee availability		0	0.000	0	0.092	0	0.096	0	0.101	0	0.105
Sub-Total	Administration	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.092</u>	<u>0</u>	<u>\$ 0.096</u>	<u>0</u>	<u>\$ 0.101</u>	<u>0</u>	<u>\$ 0.105</u>
Total Programs		<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.092</u>	<u>0</u>	<u>\$ 0.096</u>	<u>0</u>	<u>\$ 0.101</u>	<u>0</u>	<u>\$ 0.105</u>

Long Island Bus

November Plan 2007-2010

Summary of 2007 Program to Eliminate the Gap(PEGs)

(\$ in Millions)

Business Unit	LIBUS	Financial Plan Category	PEG	Implementation Date	1/1/2007
Budget Reference	FINAL06	Category	Administration	Savings Date	1/1/2007
PEG / New Need ID	0000000002	Current Budget Year	2006	Status	Open
				Agency Status	Ready

Program:

Improve Employee availability

Design and Implementation Plan

By implementing goals and programs associated with tracking , mitigating and counseling incidences of controllable absences.

Background Details

Improve Employee availability by half a day for represented employees.

				2006	2007	2008	2009	2010
Total Headcount								
Financial Impact	LIBUS	0000000002	FINAL06	\$ 0.000	\$ 0.092	\$ 0.096	\$ 0.101	\$ 0.105

**MTA Long Island Bus  
2007 Final Proposed Budget  
November Financial Plan 2007 - 2010**

**Other Assumptions: Positions**

In response to the increased service requirements, a total of four (4) bus operators were added to the July Plan. However, full-year funding for these service enhancements has not been identified. The end-of-year 2007-2010 bus operator headcount was therefore reduced by four (4) positions when compared to the July Plan.

One safety specialist position was included in 2007 to enhance LI Bus's ability to analyze, implement and monitor the various safety initiatives that are required.

The nine positions in support of the plan period PEG program were removed from the budgeted numbers.

**MTA LONG ISLAND BUS**  
**November Financial Plan 2007- 2010**  
**Non-Reimbursable - Reimbursable Positions by Function and Department**  
**Full-Time Positions and Full Time Equivalents**

FUNCTION/DEPARTMENT	2005 Actuals	2006 November Forecast	2007 Final Proposed Budget	2008	2009	2010
<b>Administration</b>						
Administration - All Other	31	33	33	33	33	33
Administration - Safety	9	11	11	11	11	11
Finance	21	21	21	21	21	21
Legal	9	9	9	9	9	9
IT	20	22	22	22	22	22
<b>Total Administration</b>	<b>90</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>
<b>Operations</b>						
Admin (F/R)	22	24	24	24	24	24
Admin (Para)	4	4	4	4	4	4
Bus stops	2	2	2	2	2	2
Scheduling (F/R)	3	3	3	3	3	3
Scheduling (Para)	13	13	13	13	13	13
Reservationists (Para)	12	12	12	12	12	12
TIC	9	9	9	9	9	9
Dipatchers	41	43	43	43	43	43
Bus Operators (F/R)	528	540	532	532	532	532
Bus Operators (Para)	123	131	131	131	131	131
<b>Total Operations</b>	<b>757</b>	<b>781</b>	<b>773</b>	<b>773</b>	<b>773</b>	<b>773</b>
<b>Maintenance</b>						
Admin	12	12	12	12	12	12
Line Supervisors	17	19	19	19	19	19
Mechanics (F/R)	123	123	123	123	123	123
Mechanics (Para)	2	3	3	3	3	3
Mech. Helpers/Cleaners (F/R)	65	68	68	68	68	68
Cleaners (Para)	5	7	7	7	7	7
Storeroom	12	12	12	12	12	12
P & E (F/R)	9	10	10	10	10	10
P & E ( Para)	0	1	1	1	1	1
Farebox	6	6	6	6	6	6
<b>Total Maintenance</b>	<b>251</b>	<b>261</b>	<b>261</b>	<b>261</b>	<b>261</b>	<b>261</b>
<b>Engineering/Capital</b>						
Engineers	1	2	2	2	2	2
Capital	13	14	14	14	14	14
<b>Total Engineering/Capital</b>	<b>14</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>Public Safety</b>						
Security	3	3	3	3	3	3
<b>Total Baseline Positions</b>	<b>1,115</b>	<b>1,157</b>	<b>1,149</b>	<b>1,149</b>	<b>1,149</b>	<b>1,149</b>
<i>Non-Reimbursable</i>	1,102	1,143	1,135	1,135	1,135	1,135
<i>Reimbursable</i>	13	14	14	14	14	14
<i>Total Full-Time</i>	1,008	1,048	1,040	1,040	1,040	1,040
<i>Total Full-Time Equivalents</i>	107	109	109	109	109	109
<hr/>						
Impact of:						
2007 Program to Eliminate the Gap (PEGs)	-	0	0	0	0	0
Post 2007 Program to Eliminate the Gap (PEGs)	-	0	0	0	0	0
<b>Total Positions</b>	1,115	1,157	1,149	1,149	1,149	1,149
<i>Non-Reimbursable</i>	1,102	1,143	1,135	1,135	1,135	1,135
<i>Reimbursable</i>	13	14	14	14	14	14
<i>Total Full-Time</i>	1,008	1,048	1,040	1,040	1,040	1,040
<i>Total Full-Time Equivalents</i>	107	109	109	109	109	109

**MTA LONG ISLAND BUS**  
**November 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 November Forecast	2007 Final Proposed Budget	2008	2009	2010
<b>Administration</b>						
	Managers/Supervisors	42	42	42	42	42
	Professional, Technical, Clerical	54	54	54	54	54
	Operational Hourlies	-	-	-	-	-
	<b>Total Administration</b>	96	96	96	96	96
<b>Operations</b>						
	Managers/Supervisors	64	64	64	64	64
	Professional, Technical, Clerical	44	44	44	44	44
	Operational Hourlies	673	665	665	665	665
	<b>Total Operations</b>	781	773	773	773	773
<b>Maintenance</b>						
	Managers/Supervisors	27	27	27	27	27
	Professional, Technical, Clerical	4	4	4	4	4
	Operational Hourlies	230	230	230	230	230
	<b>Total Maintenance</b>	261	261	261	261	261
<b>Engineering/Capital</b>						
	Managers/Supervisors	7	7	7	7	7
	Professional, Technical, Clerical	9	9	9	9	9
	Operational Hourlies	-	-	-	-	-
	<b>Total Engineering/Capital</b>	16	16	16	16	16
<b>Public Safety</b>						
	Managers/Supervisors	1	1	1	1	1
	Professional, Technical, Clerical	2	2	2	2	2
	Operational Hourlies	-	-	-	-	-
	<b>Total Public Safety</b>	3	3	3	3	3
<b>Total Baseline Positions</b>						
	Managers/Supervisors	141	141	141	141	141
	Professional, Technical, Clerical	113	113	113	113	113
	Operational Hourlies	903	895	895	895	895
	<b>Total Baseline Positions</b>	1,157	1,149	1,149	1,149	1,149

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