

MTA 2008 Final Proposed Budget November Financial Plan 2008 – 2011



November 2007



Metropolitan Transportation Authority

**MTA 2008 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2008-2011
VOLUME 2**

The MTA's November Plan is divided into two volumes. Volume 1 includes financial and headcount schedules supporting the complete MTA-Consolidated Financial Plan, including the baseline and the below-the-line Policy, Gap-Closing and Cash Management Actions. Volume 1 also includes descriptions of the below-the line actions as well as the Letter by the Executive Director and the required Executive Director Certification.

Volume 2 includes MTA-Consolidated financial and headcount schedules as well as narratives that support the baseline projections included in the 2008 Final Proposed Budget and the Financial Plan for 2008 through 2011. Also included are the Agency sections which incorporate descriptions of Agency Programs, supporting baseline tables and details regarding proposed Agency PEG's. Volume 2 also includes required information related to the MTA Capital Program.

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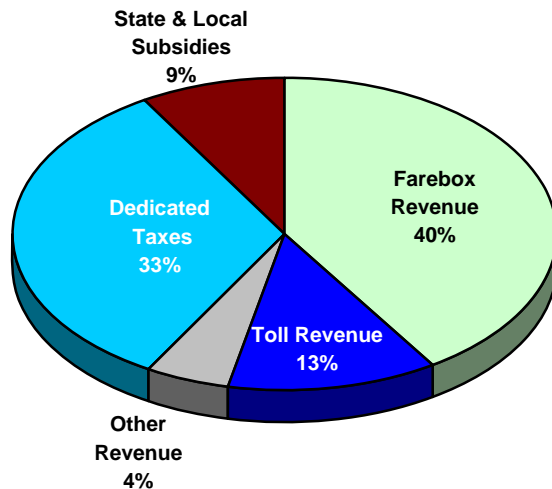
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I. MTA Consolidated 2007-2011 Financial Plan-Baseline

MTA 2008 Final Proposed Budget

Baseline Before Policy Actions, Gap Closing Program and Cash Management Actions

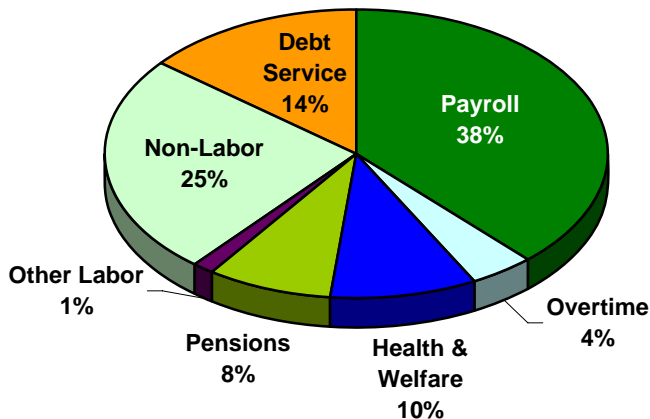
Where the Dollars Come From ...



By Revenue Source (\$ in millions)	
Farebox Revenue	\$4,042
Toll Revenue	1,251
Other Revenue	479
Dedicated Taxes	3,271
State & Local Subsidies	858
Total	\$9,900

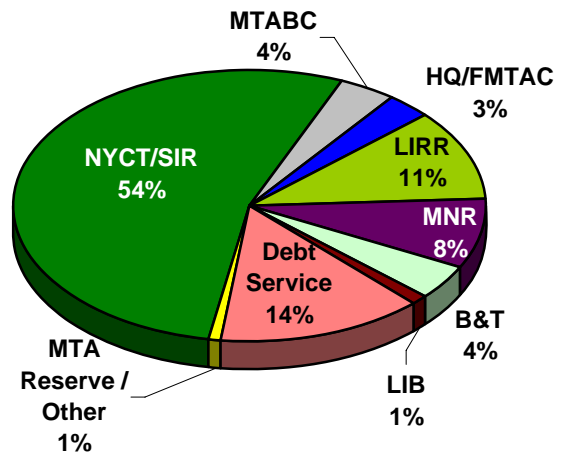
Where the Dollars Go ...

By Expense Category



By Expense Category (\$ in millions)	
Payroll	\$4,099
Overtime	440
Health & Welfare	1,035
Pensions	871
Other Labor	132
Non-Labor	2,679
Debt Service	1,529
Total	\$10,784
<i>Expenses exclude Depreciation and Other Post-Employment Benefits.</i>	

By MTA Agency



By MTA Agency (\$ in millions)	
NYCT/SIR	\$5,787
MTABC	406
HQ/FMTAC	336
LIRR	1,168
MNR	910
B&T	429
LIB	131
Debt Service	1,529
MTA Reserve / Other	87
Total	\$10,784
<i>Expenses exclude Depreciation and Other Post-Employment Benefits.</i>	

The difference between revenues and expenses is (\$884) million. This is offset by cash flow timing adjustments, use of prior year cash balances, and below-the-line Policy, Gap-Closing and Cash Management Actions.

METROPOLITAN TRANSPORTATION AUTHORITY

November Financial Plan 2008 - 2011

MTA Consolidated Statement Of Operations By Category

(\$ in millions)

Line No.						
7	Non-Reimbursable					
8		2006	2007	2008		
9		Actual	November Forecast	Final Proposed Budget	2009	2010
10	Operating Revenue				2011	
11	Farebox Revenue	\$3,840	\$3,974	\$4,042	\$4,085	\$4,129
12	Toll Revenue	1,242	1,249	1,251	1,246	1,248
13	Other Revenue	467	475	479	500	521
14	Capital and Other Reimbursements	0	0	0	0	0
15	Total Operating Revenue	\$5,548	\$5,698	\$5,772	\$5,831	\$5,897
16						
17	Operating Expense					
18	Labor Expenses:					
19	Payroll	\$3,676	\$3,856	\$4,099	\$4,194	\$4,300
20	Overtime	437	466	440	446	455
21	Health & Welfare	839	901	1,035	1,134	1,247
22	Pensions	600	779	871	870	844
23	Other-Fringe Benefits	398	415	431	444	459
24	Reimbursable Overhead	(260)	(283)	(299)	(302)	(298)
25	Sub-total Labor Expenses	\$5,690	\$6,135	\$6,576	\$6,785	\$7,006
26						
27	Non-Labor Expenses:					
28	Traction and Propulsion Power	278	315	318	344	400
29	Fuel for Buses and Trains	178	182	222	203	203
30	Insurance	45	54	52	59	68
31	Claims	80	154	149	155	161
32	Paratransit Service Contracts	184	225	271	308	357
33	Maintenance and Other Operating Contracts	534	558	639	637	663
34	Professional Service Contracts	179	222	239	239	240
35	Materials & Supplies	453	549	568	609	634
36	Other Business Expenses	157	157	162	166	168
37	Sub-total Non-Labor Expenses	\$2,087	\$2,415	\$2,619	\$2,719	\$2,894
38						
39	Other Expense Adjustments:					
40	Other	(\$16)	(\$20)	(\$15)	(\$17)	(\$10)
41	General Reserve	0	38	75	75	75
42	Sub-total Other Expense Adjustments	(\$16)	\$17	\$60	\$58	\$64
43						
44	Total Operating Expense before Depreciation and OPEB	\$7,761	\$8,567	\$9,255	\$9,562	\$9,965
45						
46	Depreciation	\$1,605	\$1,681	\$1,777	\$1,876	\$1,976
47	Other Post Employment Benefits	0	1,259	1,318	1,377	1,435
48	Total Operating Expense	\$9,366	\$11,507	\$12,350	\$12,815	\$13,376
49						
50	Net Operating Deficit Before Subsidies and Debt Service	(\$3,818)	(\$5,809)	(\$6,578)	(\$6,984)	(\$7,478)
51						
52	Dedicated Taxes and State/Local Subsidies	4,174	\$4,414	\$4,128	\$4,210	\$4,193
53	Debt Service (excludes Service Contract Bonds)	(1,310)	(1,714)	(1,529)	(1,432)	(1,869)
54						
55	Net Deficit After Subsidies and Debt Service	(\$954)	(\$3,109)	(\$3,979)	(\$4,206)	(\$5,154)
56						
57	Conversion to Cash Basis: Depreciation	\$1,605	\$1,681	\$1,777	\$1,876	\$1,976
58	Conversion to Cash Basis: OPEB	0	1,259	1,318	1,377	1,435
59	Conversion to Cash Basis: GASB Account	(234)	(79)	(59)	(63)	(65)
60	Conversion to Cash Basis: All Other	(62)	(61)	172	(110)	(18)
61						
62	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	\$355	(\$309)	(\$770)	(\$1,126)	(\$1,827)

(\$2,070)

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2008 - 2011
MTA Consolidated Accrued Statement of Operations By Agency
(\$ in millions)

Line Number	Non-Reimbursable	2006	2007	2008			
		Actual	November Forecast	Final Proposed Budget	2009	2010	2011
8							
9	<u>Total Operating Revenue</u>						
10	New York City Transit	\$3,041	\$3,137	\$3,190	\$3,225	\$3,268	\$3,317
11	Bridges and Tunnels	1,259	1,260	1,260	1,256	1,258	1,261
12	Metro-North Railroad	490	509	515	530	542	554
13	Long Island Rail Road	499	522	530	537	542	548
14	MTA Bus Company	142	153	157	160	164	168
15	MTA Headquarters	50	52	52	53	54	56
16	Long Island Bus	45	43	43	43	43	44
17	Staten Island Railway	6	6	6	7	7	7
18	First Mutual Transportation Assurance Company	15	16	19	19	19	20
20	Total	\$5,548	\$5,698	\$5,772	\$5,831	\$5,897	\$5,974
21							
22	<u>Total Operating Expenses before Depreciation</u> ¹						
23	New York City Transit	\$4,859	\$5,357	\$5,749	\$5,973	\$6,234	\$6,463
24	Bridges and Tunnels	353	386	429	438	467	473
25	Metro-North Railroad	788	843	910	966	1,025	1,066
26	Long Island Rail Road	993	1,062	1,171	1,194	1,227	1,245
27	MTA Bus Company	340	390	406	419	431	444
28	MTA Headquarters	279	355	347	350	353	361
29	Long Island Bus	117	123	131	134	137	141
30	Staten Island Railway	28	31	38	40	36	38
31	First Mutual Transportation Assurance Company	6	2	1	1	0	(3)
33	Other	(1)	17	72	47	54	53
34	Total	\$7,761	\$8,567	\$9,255	\$9,562	\$9,965	\$10,280
35							
36	<u>Depreciation</u>						
37	New York City Transit	\$1,012	\$1,065	\$1,134	\$1,204	\$1,274	\$1,344
38	Bridges and Tunnels	58	62	67	71	76	82
39	Metro-North Railroad	199	214	223	233	243	253
40	Long Island Rail Road	286	274	277	287	303	301
41	MTA Bus Company	15	26	36	39	42	44
42	MTA Headquarters	29	28	30	31	28	26
43	Long Island Bus	0	0	0	0	0	0
44	Staten Island Railway	7	10	10	10	10	10
45	First Mutual Transportation Assurance Company	0	0	0	0	0	0
46	Capital Construction Company	0	0	0	0	0	0
47	Total	\$1,605	\$1,681	\$1,777	\$1,876	\$1,976	\$2,060
48							
49	<u>Other Post Employment Benefits</u>						
50	New York City Transit	\$0	\$963	\$1,010	\$1,055	\$1,099	\$1,145
51	Bridges and Tunnels	0	60	63	66	69	72
52	Metro-North Railroad	0	49	51	53	55	56
53	Long Island Rail Road	0	74	74	75	75	76
54	MTA Bus Company	0	48	50	52	54	56
55	MTA Headquarters	0	58	61	64	67	70
56	Long Island Bus	0	5	5	5	5	5
57	Staten Island Railway	0	2	5	8	11	13
58	Total	\$0	\$1,259	\$1,318	\$1,377	\$1,435	\$1,494
59							
60	<u>Net Operating Income/(Deficit)</u>						
61	New York City Transit	(\$2,830)	(\$4,249)	(\$4,703)	(\$5,008)	(\$5,339)	(\$5,635)
62	Bridges and Tunnels	848	752	702	682	645	634
63	Metro-North Railroad	(496)	(598)	(668)	(721)	(781)	(821)
64	Long Island Rail Road	(779)	(888)	(993)	(1,019)	(1,063)	(1,074)
65	MTA Bus Company	(213)	(311)	(335)	(350)	(363)	(377)
66	MTA Headquarters	(257)	(389)	(386)	(392)	(394)	(401)
67	Long Island Bus	(72)	(85)	(93)	(96)	(99)	(102)
68	Staten Island Railway	(29)	(38)	(48)	(51)	(51)	(55)
69	First Mutual Transportation Assurance Company	10	14	18	18	19	23
70	Other	1	(17)	(72)	(47)	(54)	(53)
71	Total	(\$3,818)	(\$5,809)	(\$6,578)	(\$6,984)	(\$7,478)	(\$7,860)

Note: ¹ Excludes Debt Service

METROPOLITAN TRANSPORTATION AUTHORITY

November Financial Plan 2008 - 2011

MTA Consolidated Cash Receipts and Expenditures

(\$ in millions)

Line Number	CASH RECEIPTS AND EXPENDITURES	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
9							
10							
11	Receipts						
12	Farebox Revenue	\$3,880	\$4,024	\$4,086	\$4,127	\$4,168	\$4,214
13	Other Operating Revenue	466	552	500	519	540	567
14	Capital and Other Reimbursements	1,130	1,267	1,418	1,386	1,339	1,354
15	Total Receipts	\$5,476	\$5,842	\$6,005	\$6,032	\$6,047	\$6,135
16							
17	Expenditures						
18	<u>Labor:</u>						
19	Payroll	\$3,927	\$4,199	\$4,460	\$4,536	\$4,628	\$4,711
20	Overtime	500	542	506	509	518	528
21	Health and Welfare	848	915	1,048	1,148	1,261	1,380
22	Pensions	646	967	661	905	889	868
23	Other Fringe Benefits	486	513	532	542	554	565
24	Contribution to GASB Fund	234	79	59	63	65	68
25	Total Labor Expenditures	\$6,640	\$7,215	\$7,266	\$7,702	\$7,916	\$8,120
26							
27	<u>Non-Labor:</u>						
28	Traction and Propulsion Power	\$254	\$347	\$318	\$344	\$400	\$423
29	Fuel for Buses and Trains	177	185	221	202	203	203
30	Insurance	48	43	54	56	64	76
31	Claims	129	134	136	134	140	143
32	Paratransit Service Contracts	163	234	271	308	357	432
33	Maintenance and Other Operating Contracts	470	506	583	586	602	615
34	Professional Service Contracts	178	241	284	252	252	250
35	Materials & Supplies	590	690	687	711	715	719
36	Other Business Expenditures	167	165	167	175	176	180
37	Total Non-Labor Expenditures	\$2,176	\$2,545	\$2,722	\$2,767	\$2,910	\$3,041
38							
39	<u>Other Expenditure Adjustments:</u>						
40	Other	\$47	\$62	\$75	\$70	\$71	\$74
41	General Reserve	0	38	75	75	75	75
42	Total Other Expenditure Adjustments	\$47	\$100	\$150	\$145	\$146	\$149
43							
44	Total Expenditures	\$8,863	\$9,859	\$10,137	\$10,614	\$10,972	\$11,310
45							
46	Net Cash Deficit Before Subsidies and Debt Service	(\$3,387)	(\$4,017)	(\$4,133)	(\$4,582)	(\$4,926)	(\$5,175)
47							
48	Dedicated Taxes and State/Local Subsidies	\$4,603	\$4,853	\$4,407	\$4,465	\$4,442	\$4,573
49	Debt Service (excludes Service Contract Bonds)	(860)	(1,145)	(1,044)	(1,009)	(1,344)	(1,467)
50							
51	Net Cash Balance from Previous Year	582	937	628	0	0	0
52							
53	Baseline Net Cash Surplus/(Deficit)	\$937	\$628	(\$142)	(\$1,126)	(\$1,827)	(\$2,070)
50							
51	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	\$355	(\$309)	(\$770)	(\$1,126)	(\$1,827)	(\$2,070)

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2008 - 2011
MTA Consolidated Cash Statement of Operations By Agency
(\$ in millions)

Line Number		2006	2007 November	2008 Final Proposed			
		<u>Actual</u>	<u>Forecast</u>	<u>Budget</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
8							
9	<u>Total Receipts</u>						
10	New York City Transit	\$3,810	\$4,008	\$4,081	\$4,114	\$4,115	\$4,163
11	Metro-North Railroad	673	712	758	737	747	768
12	Long Island Rail Road	686	761	770	770	775	787
13	MTA Bus Company	142	163	181	193	188	191
14	MTA Headquarters	78	98	105	106	108	110
15	Long Island Bus	51	49	49	50	50	50
16	Staten Island Railway	6	7	7	8	8	8
17	Capital Construction Company	15	29	34	36	36	38
18	First Mutual Transportation Assurance Company	15	16	19	19	19	20
19	Total	\$5,476	\$5,842	\$6,005	\$6,032	\$6,047	\$6,135
20							
21	<u>Total Expenditures</u>						
22	New York City Transit	\$5,821	\$6,160	\$6,587	\$6,823	\$7,079	\$7,310
23	Metro-North Railroad	947	1,134	1,179	1,184	1,247	1,300
24	Long Island Rail Road	1,199	1,315	1,433	1,435	1,470	1,495
25	MTA Bus Company	341	395	433	455	459	471
26	MTA Headquarters	306	410	405	413	417	426
27	Long Island Bus	117	137	136	143	143	147
28	Staten Island Railway	28	33	40	42	38	40
29	Capital Construction Company	15	29	34	36	36	38
30	First Mutual Transportation Assurance Company	15	16	19	19	19	20
31	Other	(6)	230	(129)	65	64	64
32	Total	\$8,783	\$9,859	\$10,137	\$10,614	\$10,972	\$11,310
33							
34	<u>Net Operating Surplus/(Deficit)</u>						
35	New York City Transit	(2,011)	(2,152)	(2,506)	(2,709)	(2,964)	(3,147)
36	Metro-North Railroad	(273)	(423)	(421)	(447)	(500)	(532)
37	Long Island Rail Road	(514)	(555)	(663)	(665)	(694)	(708)
38	MTA Bus Company	(199)	(232)	(252)	(262)	(271)	(281)
39	MTA Headquarters	(227)	(312)	(299)	(308)	(309)	(316)
40	Long Island Bus	(66)	(88)	(88)	(92)	(93)	(96)
41	Staten Island Railway	(22)	(26)	(33)	(34)	(30)	(31)
42	Capital Construction Company	0	0	0	0	0	0
43	First Mutual Transportation Assurance Company	0	0	0	0	0	0
44	Other	6	(230)	129	(65)	(64)	(64)
45	Total	(\$3,307)	(\$4,017)	(\$4,133)	(\$4,582)	(\$4,926)	(\$5,175)
46							
47	Additional Contribution to GASB Fund	(80)	0	0	0	0	0
48							
49	Total	(\$3,387)	(\$4,017)	(\$4,133)	(\$4,582)	(\$4,926)	(\$5,175)

Metropolitan Transportation Authority
November Financial Plan 2008 - 2011
MTA Consolidated November Financial Plan Compared with July Financial Plan
Cash Reconciliation
(\$ in millions)

	Favorable/(Unfavorable)				
	2007	2008	2009	2010	2011
JULY BASELINE CASH BALANCE before PRIOR-YEAR CARRYOVER	\$23	(\$965)	(\$1,425)	(\$1,821)	(\$2,087)
Agency Changes:					
Revenue	60	63	66	73	78
<i>Farebox/Toll Revenue</i>	57	59	60	64	68
<i>Other Revenue</i>	3	3	6	8	10
Expense	27	(16)	22	24	24
<i>Health & Welfare</i>	12	(16)	(18)	(18)	(17)
<i>Energy</i>	13	(11)	30	31	34
<i>Insurance</i>	2	10	10	11	8
Safety & Customer Satisfaction Pilot Programs:¹	(20)	(21)	(15)	(13)	(22)
<i>Cost of the Programs</i>	(33)	(67)	(67)	(67)	(67)
<i>Less NYCT Funding Programs (baseline only)</i>	13	45	52	54	45
New Needs/Investments	7	(44)	(49)	(27)	(12)
<i>Maintenance</i>	5	(21)	(37)	(14)	1
<i>Service Re-estimates</i>	(1)	(2)	(2)	(1)	(1)
<i>Safety & Security</i>	3	(2)	(1)	(2)	(1)
<i>Other New Needs</i>	(0)	(19)	(9)	(10)	(11)
Pension Prepayment	(200)	216	0	0	0
Baseline Re-Estimates	(16)	8	32	(9)	(18)
Total Agency Changes	(141)	205	56	47	49
Subsidies	(31)	(47)	57	(27)	(15)
<i>Real Estate Taxes (Gross)</i>	55	(23)	0	0	0
<i>MTA Bus Debt Service (MRT-2)³</i>	(10)	(11)	(10)	(11)	(11)
<i>NYCT Charge Back of MTA Bus Debt Service</i>	0	(12)	(12)	(12)	(12)
<i>Cash Defeasance Loan for TBTA²</i>	(91)	12	79	0	0
<i>City Subsidy for MTA Bus³</i>	(2)	(2)	(3)	(6)	(7)
<i>Bridges & Tunnels Operating Surplus</i>	20	(5)	(2)	2	15
<i>CDOT</i>	(1)	2	1	1	0
<i>Investment Income</i>	(6)	(6)	(6)	(6)	(6)
<i>Other</i>	3	(2)	9	4	5
Debt Service	(159)	37	185	(27)	(17)
<i>Baseline</i>	39	(5)	(30)	(31)	28
<i>Adjustment for MTA Bus Debt Service Funded by Subsidy Accounts</i>	9	14	17	18	18
<i>Cash Defeasance in Baseline (Excluding TBTA)²</i>	(207)	27	198	0	0
Other	0	0	0	0	0
Total Changes	(331)	195	298	(6)	17
NOVEMBER BASELINE CASH BALANCE before PRIOR-YEAR CARRYOVER	(\$309)	(\$770)	(\$1,126)	(\$1,827)	(\$2,070)

Note

¹ The November Plan shifts certain items to the baseline that were included in below-the-line in the July Plan; these include: NYCT Fire Intrusion Maintenance System, Pension Prepayment, Debt Defeasance and Safety and Customer Satisfaction Programs.

² The November Plan reflects the accounting of cash payments for MTA Bus debt service in MRT-2 and as a chargeback to NYCT for a portion of the debt service that is associated with MTA Bus Co. bus purchases made with NYCT capital program funds that were exchanged for federal grant and city funding used for NYCT capital projects. The July Plan had reflected these payments as debt service and MRT-2 funds, but did not account for all the components of the transaction.

³ The debt service cash defeasance was included as a below-the-line cash management action in the July Plan and was authorized by the Board at that time. The transaction took place in September, thus, the transaction is now reflected in the baseline. B&T debt service was included in the transaction. As part of the transaction, an inter-company loan of MRT-2 funds of \$90 million was made to B&T to cover the increased costs associated with defeasing the bonds in 2007.

**METROPOLITAN TRANSPORTATION AUTHORITY
NOVEMBER FINANCIAL PLAN 2008-2011
FAREBOX RECOVERY AND FAREBOX OPERATING RATIOS - BASELINE**

FAREBOX RECOVERY RATIOS

	2007 November Forecast	2008 Final Proposed Budget	2009 Forecast	2010 Forecast	2011 Forecast
New York City Transit	41.1%	39.2%	38.1%	36.1%	35.6%
Staten Island Railway	11.0%	9.5%	11.5%	12.5%	12.2%
Long Island Rail Road	30.7%	29.0%	29.9%	28.5%	29.0%
Metro-North Railroad	38.7%	37.1%	37.5%	35.7%	35.8%
Long Island Bus	31.9%	29.9%	29.5%	29.1%	28.5%
Bus Company	<u>33.0%</u>	<u>31.8%</u>	<u>31.5%</u>	<u>31.1%</u>	<u>30.8%</u>
MTA Total Agency Average	38.7%	36.9%	36.3%	34.6%	34.4%

FAREBOX OPERATING RATIOS

	2007 November Forecast	2008 Final Proposed Budget	2009 Forecast	2010 Forecast	2011 Forecast
New York City Transit	55.0%	52.1%	50.5%	48.8%	47.4%
Staten Island Railway	17.2%	14.0%	15.0%	16.6%	16.1%
Long Island Rail Road	44.2%	40.8%	41.0%	40.1%	39.8%
Metro-North Railroad	55.9%	52.5%	50.9%	49.2%	48.5%
Long Island Bus	32.8%	30.9%	30.5%	30.0%	29.4%
Bus Company	<u>35.2%</u>	<u>34.7%</u>	<u>34.4%</u>	<u>34.1%</u>	<u>33.9%</u>
MTA Total Agency Average	52.1%	51.7%	48.0%	46.5%	45.5%

Farebox recovery ratio has a long-term focus. It includes costs that are not funded in the current year, except in an accounting-ledger sense, but are, in effect, passed on to future years. Those costs include depreciation and interest on long-term debt. Approximately 10% (and sometimes more) of MTA costs are not recovered in the current year from farebox revenues, other operating revenues or subsidies. That is why MTA operating statements generally show deficits. In addition, the recovery ratio allocates centralized MTA services to the Agencies, such as Security, the costs of the Inspector General, Civil Rights, Audit, Risk Management and Legal.

Farebox operating ratio focuses on Agency operating financial performance. It reflects the way MTA meets its statutory and bond-covenant budget-balancing requirements, and it excludes certain cost that are not subject to Agency control, but are provided centrally by MTA.

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II. Major Assumptions 2008-2011 Projections- Baseline

Utilization
(Revenue, Ridership, Vehicle Traffic)

UTILIZATION

2007 Ridership, Traffic and Revenue

The 2007 November Forecast for MTA consolidated ridership is projected to total 2,605 million passengers, while crossings at Bridges and Tunnels (B&T) facilities are projected to total 304 million vehicular crossings. New York City Transit (NYCT) combined subway and bus ridership for the 2007 Mid-Year Forecast accounts for 88% of MTA consolidated ridership, while ridership for Long Island Rail Road (LIRR) and Metro-North Railroad's (MNR) East-of-Hudson operations each account for 3%. MTA Bus Company (MTABC) ridership accounts for 4% of MTA consolidated ridership. Staten Island Railway (SIR) ridership is estimated to be 4 million (0.2% of MTA ridership) and Long Island Bus (LIB) fixed route ridership is estimated to be 32 million (1% of MTA ridership).

MTA consolidated farebox revenue for the 2007 November Forecast is estimated to be \$3,928 million; toll revenue is estimated to be \$1,249 million. NYCT combined subway and bus farebox revenue for the 2007 November Forecast is expected to be \$2,797 million, while LIRR is projecting \$477 million in farebox revenue and MNR is projecting \$474 million in farebox revenue for its East-of-Hudson operations. SIR farebox revenue is estimated to be \$4 million, LIB fixed route farebox revenue is estimated to be \$39 million, and MTABC farebox revenue is expected to be \$138 million.

The 2007 November Forecasts are based on actual results through September 2007 for MTABC and B&T, and through August 2007 for NYCT, LIRR, MNR, SIR and LIB.

The 2007 November Forecast for MTA consolidated ridership is projected to increase by 72 million trips – a 3% increase – over 2006 MTA consolidated ridership, representing a ridership increase on all MTA operations from 2006 levels. The 2007 November Forecast for traffic at B&T facilities is expected to grow by 2 million crossings, an increase of 1% over the 2006 level. The 2007 November Forecast for farebox revenue is projected to increase by \$127 million, a 3% increase, and is projected to be higher for each MTA agency. B&T toll revenue is expected to be \$8 million greater than 2006 toll revenue, a 0.6% increase.

Year over year increases in ridership, traffic, and farebox and toll revenues reflect the continuing expansion of the New York City economy, particularly with regard to employment levels during 2007. Through September, preliminary employment figures show that the number of jobs in New York City increased 1.5% (53,700 jobs) over the number of jobs during the first nine months of 2006.

MTA consolidated ridership for the 2007 November Forecast is expected to surpass the 2007 Mid-Year Forecast projection by 26 million trips, a 1% increase, with all MTA agencies projecting increases in 2007 ridership relative to the Mid-Year Forecast ridership levels, with the exception of LIB which remains unchanged from the Mid-Year

Forecast. At B&T facilities, the November Forecast projects 2 million more vehicular crossings, a 0.5% increase, over the Mid-Year Forecast.

MTA consolidated farebox revenue in the 2007 November Forecast is projected to improve by \$44 million from the 2007 Adopted Budget, a 1% increase, reflecting higher farebox revenue projections relative to the 2007 Mid-Year Forecast for all MTA agencies except LIB, which is unchanged. The 2007 November Forecast for B&T toll revenue is projected to increase \$7 million, or 0.5%, over the Mid-Year Forecast.

The November Forecast for NYCT reflects both Subway and Bus ridership growth since the Mid-Year Forecast was developed. These trends are expected to continue for the remainder of 2007. Subway ridership in the November Forecast is projected to be 19 million greater than the Mid-Year Forecast while Bus ridership in the November Forecast is estimated to be 4 million greater than the Mid-Year Forecast level. Farebox revenue has similarly changed as a result of the ridership re-estimates, with Subway farebox revenue increasing \$28 million over the Mid-Year Forecast level and Bus farebox revenue projected to be \$4 million more than the Mid-Year Forecast.

Plan to Plan changes in utilization result in slightly higher average fares for NYCT customers. Over the Plan period, the baseline Non-Student average fare – the average fare for all riders except those using student passes – is expected to be \$1.294 per trip, up two-tenths of a cent from the July Plan. The “Regular Rider” average fare – this average fare excludes utilization for students, express bus riders and those using senior/disabled fares – is also expected to increase less than half a cent from the July Plan, from \$1.314 to \$1.316.

Utilization changes at the other MTA agencies also reflect year-to-date trends and actual average fares and tolls paid by customers. LIRR's November Forecast anticipates 1 million additional trips for the year, a 1% increase, and \$7 million in additional farebox revenue, up 1%, from the Mid-Year Forecast levels. MNR ridership is projected to surpass the Mid-Year Forecast by 0.3 million trips, a 0.4% improvement, and by \$4 million in farebox revenue, 1% greater than the Mid-Year Forecast. The ridership forecast for MTA Bus has been increased by 0.4 million, a 0.4% improvement, and by \$2 million, a 1.5% increase, over the Mid-Year Forecast ridership and farebox revenue levels. SIR is projecting an additional 0.1 million riders, a 3% improvement, and an additional \$0.1 million, a 4% increase, over the Mid-Year Forecast levels. LIB ridership and farebox revenue levels have been consistent with the Mid-Year Forecast, and therefore remain unchanged for the November Forecast.

2008 Ridership, Traffic and Revenue

The 2008 forecast for MTA consolidated ridership is projected to total 2,648 million passengers, while crossings at B&T facilities are projected to total 305 million vehicular crossings. NYCT combined subway and bus ridership is expected to be 2,334 million, while LIRR is projecting 87 million passengers and MNR is projecting 80 million passengers for its East-of-Hudson operations. SIR ridership is estimated to be 4 million,

LIB fixed route ridership is estimated to be 32 million, and MTABC ridership is expected to be 111 million.

MTA consolidated farebox revenue for 2008 is estimated to be \$3,994 million; toll revenue is estimated to be \$1,251 million. NYCT combined subway and bus farebox revenue is projected to be \$2,843 million, while farebox revenue is estimated to be \$483 million for LIRR and \$484 million for MNR's East-of-Hudson operations. SIR farebox revenue is estimated to be \$4 million, LIB fixed route farebox revenue is estimated to be \$40 million, and MTABC farebox revenue is expected to be \$141 million.

MTA ridership and traffic for 2008 are expected to increase on all MTA operations from the 2007 November Forecast levels, as are 2008 fare and toll revenue levels. The 2008 forecast for MTA consolidated ridership is projected to increase by 44 million trips – a 2% increase – over the 2007 November Forecast for MTA consolidated ridership. The 2008 forecast for B&T traffic is expected to increase by 1 million crossings, a 0.4% increase, over the 2007 November Forecast traffic level. MTA consolidated farebox revenue for 2008 is expected to surpass the 2007 November Forecast by \$66 million, up 2%, while B&T toll revenue is projected to surpass the 2007 November Forecast by \$1.4 million, a 0.1% year-over-year increase.

MTA consolidated ridership for the 2008 Final Proposed Budget is expected to exceed the 2008 Preliminary Budget projection by 27 million trips, an increase of 1%. At B&T facilities, the 2008 Final Proposed Budget reflects 2 million additional vehicular crossings, a 1% increase, over the Preliminary Budget forecast. MTA consolidated farebox revenue for 2008 in the Final Proposed Budget is projected to surpass the Preliminary Budget forecast by \$45 million, a 1% increase, while B&T toll revenue for 2008 is projected to increase \$8 million, or 1%, over the Preliminary Budget forecast. These plan-to-plan improvements reflect the growth trends that are impacting the 2007 November Forecast, as well as the impact of an extra day in 2008 due to Leap Year.

2009 – 2011 Ridership, Traffic and Revenue

MTA consolidated ridership and farebox revenue are expected to increase in 2009 over 2008 levels, albeit slower than growth in 2008 reflecting the impact of an extra day in 2008 due to Leap Year. B&T traffic and toll revenue is projected to modestly decline, primarily due to the Leap Year impact. Consolidated ridership is projected to reach 2,671 million passengers, up 1%, while farebox revenue is estimated to reach \$4,035 million, an increase of 1%. B&T vehicle crossings are projected to be 305 million, a 0.1% decline, and toll revenue is estimated to decline to \$1,246 million, down 0.4%.

MTA consolidated ridership and vehicle crossing levels are expected to increase in 2010 and 2011, with consolidated ridership reaching 2,722 million in 2011, increasing by 1% in both 2010 and 2011. Vehicular crossings at B&T facilities are projected to reach 307 million in 2011, increasing by 0.3% in 2010 and by 0.4% in 2011. Consolidated farebox revenue is expected to reach \$4,121 million in 2011, up 1% in both 2010 and 2011, while B&T toll revenue is projected to reach \$1,251 million by 2011, up 0.1% in 2010 and up 0.2% in 2011.

Baseline Service Initiatives

Included in the baseline ridership and farebox revenue projections are several service improvement and expansion initiatives for NYCT, LIRR and MNR. Expenses associated with these initiatives are reflected in Agency baseline projections.

Service initiatives at NYCT include: additional rush hour, weekday off-peak and weekend service is being added to the L Line; additional weekend service on the 7 Line; new S89 bus service to Bayonne; extension of the B83 bus service to the Gateway Center Mall; extension of the B61/B77 bus service to IKEA; and, expansion of the Q59 bus service to 24 hours a day. The new S89 service to Bayonne began in September 2007, the B83 extension began in November 2007, the additional L Line and 7 Line service is expected to begin in December 2007, and the B61/B77 and Q59 service changes are expected to be implemented in January 2008.

At LIRR, service initiatives include: added stops during the AM Peak at the Hicksville and Merillon Avenue stations on the Port Jefferson Branch and added stops at the Little Neck, Douglaston and Auburndale stations on the Port Washington Branch; added stops during the PM Peak at the Massapequa, Massapequa Park, Amityville, Copiague and Lindenhurst stations on the Babylon Branch, at the Islip, Great River and Oakdale stations on the Montauk Branch, and at the Nostrand Avenue, Locust Manor and Laurelton stations on the Far Rockaway Branch; and added summer weekend express service to the Freeport station on the Babylon Branch providing connections to both Jones Beach buses at Freeport and to Montauk-bound trains. These services began in May 2007. Additionally, beginning with the baseball playoffs in October 2006, LIRR began providing additional service to Shea Stadium on game days while parking is limited during the construction of the new stadium. This additional service is expected to continue through the 2010 baseball season.

Service initiatives at MNR include: on the Hudson Line, additional weekend express service will be provided with three new round-trips on Saturdays and two new round-trips on Sundays; on the Harlem Line, frequency of service will be added during the peak periods at the Hartsdale and Scarsdale stations, a Wassaic shuttle train will be added, and in the off-peak period a new round-trip train serving the Upper Harlem Line stations will be added; on the New Haven Line, a new off-peak round-trip express train will be added to serve Inner New Haven Line stations; and, on the Pascack Valley Line, significant increases in off-peak and weekend service have been added to the schedule. The Pascack Valley service improvement began in October 2007; it includes two additional evening off-peak trains on weekdays, 11 mid-day off-peak trains on weekdays, and 23 trains on Saturdays and on Sundays. The new trains on weekdays during the mid-day off-peak period and on the weekend mark the first time since the 1950's that service during these time periods has been offered. The MNR service initiatives on the Hudson, Harlem and New Haven Lines are expected to be implemented in April 2008.

MTA Consolidated Utilization

Plan-to-Plan Comparison

Baseline Before Gap-Closing Actions (in millions)

November Financial Plan					
	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Traffic					
Bridges & Tunnels	303.8	305.0	304.5	305.4	306.6
Ridership					
Long Island Bus ¹	32.3	32.5	32.6	32.8	33.0
Long Island Rail Road	85.6	87.0	87.8	88.5	89.1
Metro-North Railroad ²	77.9	79.7	81.4	83.2	85.1
MTA Bus Company	106.8	110.9	115.3	119.7	124.5
New York City Transit ^{1,3}	2,297.8	2,334.1	2,349.9	2,367.5	2,385.8
Staten Island Railway	4.0	4.0	4.5	4.5	4.6
<i>Total Ridership</i>	<i>2,604.6</i>	<i>2,648.2</i>	<i>2,671.5</i>	<i>2,696.3</i>	<i>2,722.0</i>

July Financial Plan					
	2007 Mid-Year Forecast	2008 Preliminary Budget	2009	2010	2011
Traffic					
Bridges & Tunnels	302.2	302.9	303.1	303.8	305.0
Ridership					
Long Island Bus ¹	32.3	32.5	32.6	32.8	33.0
Long Island Rail Road	84.6	85.8	86.6	87.3	87.9
Metro-North Railroad ²	77.7	79.5	81.1	83.0	84.8
MTA Bus Company	106.4	110.7	115.1	119.7	124.5
New York City Transit ^{1,3}	2,274.1	2,308.9	2,323.0	2,337.9	2,354.6
Staten Island Railway	3.9	3.9	4.4	4.4	4.4
<i>Total Ridership</i>	<i>2,579.0</i>	<i>2,621.2</i>	<i>2,642.8</i>	<i>2,665.0</i>	<i>2,689.2</i>

Plan-to-Plan Changes: Favorable / (Unfavorable)					
	2007	2008	2009	2010	2011
Traffic					
Bridges & Tunnels	1.6	2.0	1.4	1.5	1.6
Ridership					
Long Island Bus ¹	0.0	0.0	0.0	0.0	0.0
Long Island Rail Road	1.0	1.1	1.2	1.2	1.2
Metro-North Railroad ²	0.3	0.2	0.2	0.2	0.2
MTA Bus Company	0.4	0.2	0.2	0.0	0.0
New York City Transit ^{1,3}	23.7	25.2	26.9	29.7	31.2
Staten Island Railway	0.1	0.1	0.2	0.2	0.2
<i>Total Ridership</i>	<i>25.6</i>	<i>26.9</i>	<i>28.7</i>	<i>31.3</i>	<i>32.8</i>

¹ Excludes Paratransit Operations.

² Metro-North Railroad utilization figures are for East-of-Hudson service (Hudson, Harlem and New Haven Lines) only.

³ Excludes Fare Media Liability.

MTA Consolidated Utilization

Plan-to-Plan Comparison

Baseline Before Gap-Closing Actions (in millions)

November Financial Plan					
	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Toll Revenue					
Bridges & Tunnels	\$1,249.5	\$1,250.9	\$1,246.1	\$1,247.6	\$1,250.7
Fare Revenue					
Long Island Bus ¹	\$39.4	\$39.6	\$39.8	\$40.0	\$40.2
Long Island Rail Road	476.9	483.4	489.0	492.9	497.3
Metro-North Railroad ²	473.8	483.8	494.7	506.8	518.9
MTA Bus Company	137.5	140.8	144.2	147.2	150.6
New York City Transit ^{1, 3}	2,796.9	2,842.9	2,863.3	2,886.1	2,909.7
Staten Island Railway	3.8	3.9	4.5	4.5	4.6
<i>Total Farebox Revenue</i>	<i>\$3,928.3</i>	<i>\$3,994.4</i>	<i>\$4,035.3</i>	<i>\$4,077.5</i>	<i>\$4,121.2</i>

July Financial Plan					
	2007 Mid-Year Forecast	2008 Preliminary Budget	2009	2010	2011
Toll Revenue					
Bridges & Tunnels	\$1,242.9	\$1,242.5	\$1,240.4	\$1,241.3	\$1,243.9
Fare Revenue					
Long Island Bus ¹	\$39.4	\$39.6	\$39.8	\$40.0	\$40.2
Long Island Rail Road	470.3	476.9	482.3	486.2	490.5
Metro-North Railroad ²	470.1	479.8	490.6	502.6	514.5
MTA Bus Company	135.5	138.2	141.0	143.8	146.7
New York City Transit ^{1, 3}	2,765.0	2,811.6	2,829.8	2,848.9	2,870.5
Staten Island Railway	3.7	3.7	4.3	4.3	4.4
<i>Total Farebox Revenue</i>	<i>\$3,884.0</i>	<i>\$3,949.8</i>	<i>\$3,987.8</i>	<i>\$4,025.9</i>	<i>\$4,066.8</i>

Plan-to-Plan Changes: Favorable / (Unfavorable)					
	2007	2008	2009	2010	2011
Toll Revenue					
Bridges & Tunnels	\$6.6	\$8.4	\$5.7	\$6.3	\$6.7
Fare Revenue					
Long Island Bus ¹	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Long Island Rail Road	6.6	6.5	6.7	6.7	6.7
Metro-North Railroad ²	3.6	4.0	4.1	4.2	4.3
MTA Bus Company	2.0	2.6	3.2	3.4	4.0
New York City Transit ^{1, 3}	32.0	31.3	33.5	37.2	39.2
Staten Island Railway	0.1	0.1	0.2	0.2	0.2
<i>Total Farebox Revenue</i>	<i>\$44.3</i>	<i>\$44.5</i>	<i>\$47.6</i>	<i>\$51.7</i>	<i>\$54.4</i>

¹ Excludes Paratransit Operations.

² Metro-North Railroad utilization figures are for East-of-Hudson service (Hudson, Harlem and New Haven Lines) only.

³ Excludes Fare Media Liability.

Subsidies

SUBSIDIES - Major Assumptions

The following pages contain accrual and cash summary tables for the subsidies and dedicated taxes. Following these are additional tables detailing the changes between the November Plan and the July Plan. Detailed narratives describing each subsidy, forecast methodologies and explanations of changes since the July Plan follow. Note that the details of Bridges and Tunnels operations that produce the Operating Surplus Transfer subsidy are discussed in the B&T section of the report.

As shown on the following tables, Dedicated Taxes & State and Local Subsidies, including MTA Bus, for the 2007 November Forecast total \$4.422 billion, on a cash basis, which is \$54 million lower than the 2007 Mid-Year Forecast (July Plan). This is primarily due to two unfavorable adjustments in MRT-2, a cash defeasance loan to TBTA (\$90 million) and a change in the MTA Bus Debt service from the July Plan forecast (\$10 million). This is offset by increases in the Urban Tax November forecast (\$53 million).

The November Plan projects that overall Dedicated Taxes and State and Local Subsidies, including MTA Bus, decreased from the July Plan levels by \$41 million in 2008, primarily due to a slowdown in MRT projected receipts, however, in 2009, these taxes are expected to increase by \$51 million due to repayment of the defeasance loan to B & T made in the previous year. For each of the Plan years, 2008 through 2011, total Dedicated Taxes and State and Local Subsidies have been unfavorably impacted by increases in the debt service requirements for MTA Bus. These, however, have been offset by debt service cash flow adjustments in the November Plan.

Consistent with the July Plan, the November Plan reflects technical adjustments for certain policy actions that are incorporated as part of the Subsidy baseline projections - Costs for the Service Marketing Campaign (\$5 million in 2007), Enhanced Security Training (\$6 million each year in 2007, 2008, 2009 and 2010), anticipated downsizing costs associated with future headcount reductions (\$81 million in 2007) and MTA Bus Debt Service (\$10 million in 2007, \$11 million in 2008, \$10 million in 2009, and \$11 million 2010 and 2011) are funded from the MRT-2 collections. In addition, the November Plan assumes funding from MRT-2 of a cash defeasance loan to TBTA (\$91 million) which is expected to be repaid over the two subsequent years.

As noted above, gross subsidies include City Subsidy to MTA Bus, which reflect the City's agreement with the MTA that it will cover MTA Bus' expenses. The City subsidy covers the operating deficit for MTA Bus. MMTOA, 18-b and Urban Taxes, that are designated for the former private buses subsidized by the City, are paid directly to the City and used by the City to partially fund MTA Bus.

MTA Consolidated Subsidies
November Financial Plan 2008 - 2011
Accrual Basis
(\$ in millions)

	2007 November <u>Forecast</u>	2008 Final Proposed <u>Budget</u>	2009	2010	2011
<u>Subsidies</u>					
<i>Dedicated Taxes</i>					
Metro. Mass Transp. Oper. Asst. (MMTOA)	\$1,570.8	\$1,421.3	\$1,453.8	\$1,465.0	\$1,533.1
Petroleum Business Tax (PBT) Receipts	598.5	614.7	620.7	623.3	625.6
Mortgage Recording Tax (MRT)	690.7	578.4	597.5	611.0	623.7
MRT Transfer to Suburban Counties	(43.9)	(15.7)	(14.4)	(12.1)	(11.7)
Use of MRT Balances	10.0	10.0	10.0	0.0	0.0
Carryover Balances	(3.8)	0.0	0.0	0.0	0.0
Reimburse Agency Security Costs	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)
Interest	1.5	1.6	1.6	1.7	1.7
Cash Defeasance Loan for TBTA	(90.8)	11.5	79.3	0.0	0.0
Urban Tax	848.3	662.8	592.8	603.0	639.8
Investment Income	<u>2.5</u>	<u>2.5</u>	<u>2.6</u>	<u>2.6</u>	<u>2.7</u>
	\$3,567.4	\$3,270.7	\$3,327.4	\$3,278.1	\$3,398.3
<i>State and Local Subsidies</i>					
State Operating Assistance	\$190.9	\$190.9	\$190.9	\$190.9	\$190.9
Local Operating Assistance	187.9	187.9	187.9	187.9	187.9
Nassau County Subsidy	10.5	10.5	10.5	10.5	10.5
CDOT Subsidy	66.2	73.5	85.1	105.9	116.6
Station Maintenance	139.3	142.4	145.4	148.5	151.6
AMTAP	<u>20.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$614.9	\$605.2	\$619.8	\$643.7	\$657.5
Sub-total Dedicated Taxes & State and Local Subsidies	\$4,182.2	\$3,875.9	\$3,947.2	\$3,921.7	\$4,055.8
City Subsidy for MTA Bus	\$232.0	\$252.4	\$262.3	\$271.0	\$280.6
Total Dedicated Taxes & State and Local Subsidies	\$4,414.2	\$4,128.3	\$4,209.5	\$4,192.7	\$4,336.4
<i>Inter-agency Subsidy Transactions</i>					
B&T Operating Surplus Transfer	\$381.5	\$319.1	\$303.1	\$253.4	\$237.5
MTA Subsidy to Subsidiaries	<u>41.5</u>	<u>42.7</u>	<u>43.6</u>	<u>40.1</u>	<u>41.3</u>
	\$423.0	\$361.8	\$346.8	\$293.5	\$278.8
GROSS SUBSIDIES	\$4,837.2	\$4,490.1	\$4,556.3	\$4,486.1	\$4,615.2

MTA Consolidated Subsidies
November Financial Plan 2008 -2011
Summary of Changes Between November Plan and July Plan
Accrual Basis
(\$ in millions)

	2007	2008	2009	2010	2011
<u>Subsidies</u>					
<i>Dedicated Taxes</i>					
Metro. Mass Transp. Oper. Asst. (MMTOA)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Petroleum Business Tax (PBT) Receipts ¹	0.0	0.0	0.0	0.0	0.0
Mortgage Recording Tax (MRT)	(0.4)	(34.9)	0.0	0.0	0.0
MRT Transfer to Suburban Counties	0.0	20.0	20.0	20.0	20.0
Use of MRT Balances	0.0	0.0	0.0	0.0	0.0
Carryover Balances	0.0	0.0	0.0	0.0	0.0
Reimburse Agency Security Costs	0.0	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0	0.0
Cash Defeasance Loan for TBTA	(90.8)	11.5	79.3	0.0	0.0
Urban Tax	53.8	13.7	0.0	0.0	0.0
Investment Income	<u>(5.6)</u>	<u>(5.6)</u>	<u>(5.6)</u>	<u>(5.6)</u>	<u>(5.6)</u>
	(\$43.0)	\$4.7	\$93.7	\$14.4	\$14.4
<i>State and Local Subsidies</i>					
State Operating Assistance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Operating Assistance	0.0	0.0	0.0	0.0	0.0
Nassau County Subsidy	0.0	0.0	0.0	0.0	0.0
CDOT Subsidy - Effect of Fare Increase & PEGs	(0.6)	2.1	1.2	1.3	0.5
Station Maintenance	(0.2)	0.1	0.3	0.5	0.6
AMTAP	<u>0.0</u>	<u>(20.0)</u>	<u>(20.0)</u>	<u>(20.0)</u>	<u>(20.0)</u>
	(\$0.8)	(\$17.8)	(\$18.5)	(\$18.2)	(\$18.9)
Sub-total Dedicated Taxes & State and Local Subsidies	(\$43.8)	(\$13.1)	\$75.1	(\$3.8)	(\$4.5)
City Subsidy for MTA Bus	(\$2.0)	(\$2.3)	(\$3.3)	(\$5.7)	(\$7.0)
Total Dedicated Taxes & State and Local Subsidies	(\$45.8)	(\$15.4)	\$71.9	(\$9.5)	(\$11.5)
<i>Inter-agency Subsidy Transactions</i>					
B&T Operating Surplus Transfer	\$22.2	(\$7.7)	(\$1.5)	\$2.2	\$16.0
MTA Subsidy to Subsidiaries	<u>3.0</u>	<u>(2.1)</u>	<u>8.8</u>	<u>4.1</u>	<u>4.5</u>
	\$25.2	(\$9.9)	\$7.3	\$6.3	\$20.5
GROSS SUBSIDIES	(\$20.6)	(\$25.3)	\$79.1	(\$3.2)	\$9.0

MTA Consolidated Subsidies
November Financial Plan 2008 - 2011
Cash Basis
(\$ in millions)

	2007 November <u>Forecast</u>	2008 Final Proposed <u>Budget</u>	2009	2010	2011
<u>Subsidies</u>					
<i>Dedicated Taxes</i>					
Metro. Mass Transp. Oper. Asst. (MMTOA)	\$1,620.8	\$1,421.3	\$1,453.8	\$1,465.0	\$1,533.1
Petroleum Business Tax (PBT) Receipts	597.1	614.2	620.5	623.1	625.5
Mortgage Recording Tax (MRT)	702.3	576.8	596.3	610.1	621.3
MRT Transfer to Suburban Counties	(36.4)	(34.4)	(32.1)	(31.7)	(32.1)
Use of MRT Balances	10.0	10.0	10.0	0.0	0.0
Carry Over	42.0	0.0	0.0	0.0	0.0
Reimburse Agency Security Costs	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)
Downsizing	(81.0)	0.0	0.0	0.0	0.0
Enhanced Security Training	(6.2)	(6.2)	(6.2)	(6.2)	0.0
Service Marketing Campaign	(5.0)	0.0	0.0	0.0	0.0
MTA Bus Debt Service	(26.6)	(24.6)	(23.2)	(24.9)	(24.9)
Cash Defeasance Loan for TBTA	(90.8)	11.5	79.3	0.0	0.0
Other Outstanding 2007 Loans	36.9	0.0	0.0	0.0	0.0
Interest	1.5	1.5	1.6	1.7	1.7
Urban Tax	861.5	669.2	592.2	599.9	637.3
Investment Income	<u>2.5</u>	<u>2.5</u>	<u>2.6</u>	<u>2.6</u>	<u>2.7</u>
	\$3,612.1	\$3,225.4	\$3,278.3	\$3,223.1	\$3,348.1
<i>State and Local Subsidies</i>					
State Operating Assistance	\$190.9	\$190.9	\$190.9	\$190.9	\$190.9
Local Operating Assistance (18-b)	187.9	187.9	187.9	187.9	187.9
Nassau County Subsidy (includes 18-b local match)	10.5	10.5	10.5	10.5	10.5
CDOT Subsidy	66.2	73.5	85.1	105.9	116.6
Station Maintenance	137.2	140.1	143.2	146.1	149.3
AMTAP	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>
	\$612.7	\$622.9	\$637.5	\$661.3	\$675.2
<i>Other Subsidy Adjustments</i>					
South Ferry	(35.0)	0.0	0.0	0.0	0.0
# 1 Train - Port Authority	0.0	(50.0)	(50.0)	0.0	0.0
NYCT Charge Back of MTA Bus Debt Service	<u>0.0</u>	<u>(12.0)</u>	<u>(11.5)</u>	<u>(11.5)</u>	<u>(11.5)</u>
	(\$35.0)	(\$62.0)	(\$61.5)	(\$11.5)	(\$11.5)
Sub-total Dedicated Taxes & State and Local Subsidies	\$4,189.8	\$3,786.3	\$3,854.3	\$3,872.9	\$4,011.8
City Subsidy for MTA Bus	\$232.0	\$252.4	\$262.3	\$271.0	\$280.6
Total Dedicated Taxes & State and Local Subsidies	\$4,421.8	\$4,038.7	\$4,116.6	\$4,143.8	\$4,292.3
<i>Inter-agency Subsidy Transactions</i>					
B&T Operating Surplus Transfer	\$389.6	\$325.4	\$304.7	\$258.4	\$239.1
MTA Subsidy to Subsidiaries	<u>41.5</u>	<u>42.7</u>	<u>43.6</u>	<u>40.1</u>	<u>41.3</u>
	\$431.1	\$368.1	\$348.4	\$298.4	\$280.4
GROSS SUBSIDIES	\$4,852.8	\$4,406.8	\$4,465.0	\$4,442.3	\$4,572.7

MTA Consolidated Subsidies
November Financial Plan 2008 - 2011
Summary of Changes Between November Plan and July Plan
Cash Basis
(\$ in millions)

	2007	2008	2009	2010	2011
<u>Subsidies</u>					
<i>Dedicated Taxes</i>					
Metro. Mass Transp. Oper. Asst. (MMTOA)	0.0	0.0	0.0	0.0	0.0
Petroleum Business Tax (PBT) Receipts	0.0	0.0	0.0	0.0	0.0
Mortgage Recording Tax (MRT)	2.8	(38.1)	0.0	0.0	0.0
MRT Transfer to Suburban Counties	0.0	0.0	0.0	0.0	0.0
Use of MRT Balances	0.0	0.0	0.0	0.0	0.0
Carryover Balances	0.0	0.0	0.0	0.0	0.0
Reimburse Agency Security Costs	0.0	0.0	0.0	0.0	0.0
Downsizing	0.0	0.0	0.0	0.0	0.0
Enhanced Security Training	0.0	0.0	0.0	0.0	0.0
Service Marketing Campaign	0.0	0.0	0.0	0.0	0.0
MTA Bus Debt Service	(10.3)	(11.0)	(9.6)	(11.3)	(11.3)
Cash Defeasance Loan for TBTA	(90.8)	11.5	79.3	0.0	0.0
Outstanding 2006 Loans	0.0	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0	0.0
Urban Tax	52.6	15.0	0.0	0.0	0.0
Investment Income	(5.6)	(5.6)	(5.6)	(5.6)	(5.6)
	(\$51.4)	(\$28.2)	\$64.1	(\$16.9)	(\$16.9)
<i>State and Local Subsidies</i>					
State Operating Assistance	0.0	0.0	0.0	0.0	0.0
Local Operating Assistance (18-b)	0.0	0.0	0.0	0.0	0.0
Nassau County Subsidy (includes 18-b local match)	0.0	0.0	0.0	0.0	0.0
CDOT Subsidy - Effect of Fare Increase & PEGs	(0.6)	2.1	1.2	1.3	0.5
Station Maintenance	(0.1)	(0.2)	0.2	0.3	0.5
AMTAP	0.0	0.0	0.0	0.0	0.0
	(\$0.7)	\$1.9	\$1.3	\$1.7	\$1.0
<i>Other Subsidy Adjustments</i>					
South Ferry	0.0	0.0	0.0	0.0	0.0
#1 Train - Port Authority	0.0	0.0	0.0	0.0	0.0
NYCT Charge Back of MTA Bus Debt Service	0.0	(12.0)	(11.5)	(11.5)	(11.5)
	\$0.0	(\$12.0)	(\$11.5)	(\$11.5)	(\$11.5)
Sub-total Dedicated Taxes & State and Local Subsidies	(\$52.1)	(\$38.2)	\$53.9	(\$26.8)	(\$27.4)
City Subsidy for MTA Bus	(2.0)	(2.3)	(3.3)	(5.7)	(7.0)
Total Dedicated Taxes & State and Local Subsidies	(\$54.1)	(\$40.6)	\$50.6	(\$32.5)	(\$34.4)
<i>Inter-agency Subsidy Transactions</i>					
B&T Operating Surplus Transfer	20.0	(4.7)	(2.1)	1.8	14.6
MTA Subsidy to Subsidiaries	3.0	(2.1)	8.8	4.1	4.5
	\$23.0	(\$6.9)	\$6.7	\$5.9	\$19.1
GROSS SUBSIDIES	(\$31.2)	(\$47.5)	\$57.3	(\$26.5)	(\$15.4)

METROPOLITAN MASS TRANSPORTATION OPERATING ASSISTANCE (MMTOA)

Metropolitan Mass Transportation Operating Assistance Taxes (MMTOA) consist of special State taxes imposed within the MTA Transportation District which, subject to State appropriation, supplement the general operating subsidies of transportation systems in the District. MMTOA is comprised of the following taxes: petroleum business tax (PBT), which is a small portion of the basic PBT imposed on petroleum businesses operating within New York State; sales tax imposed on sales and uses of certain tangible personal property and services; corporate franchise taxes imposed on certain transportation and transmission companies; and temporary corporate surcharges imposed on the portion of the franchise and other taxes of certain businesses attributable to the conduct of business within the transportation district.

Total Statewide MMTOA taxes for 2007 are estimated at \$1,914.4 million, of which \$1,827.3 million is allotted for Downstate transit properties. Of the Downstate allotment, \$186.5 million is earmarked to fund the State's 18-b obligations. The percentage allocation of MMTOA's downstate share that comes to NYCT/SIR represents 60.1%, and the share to the commuter railroads represent 27.2%. These reflect the percentage allocation in the July Plan and are based on the amounts appropriated in NYS's 2007-08 Enacted Budget. A portion was also allotted to Long Island Bus, city private buses and other downstate transportation properties. In 2007, of the total MTA share, \$1,052.7 is payable to NYCT/SIR, \$523.2 million to MTA for the commuter railroads, and \$44.9 million to Long Island Bus.

2007 November Forecast

The 2007 November MMTOA Forecast reflects the enacted State Budget appropriation for MTA MMTOA of \$1,570.8, which did not change from the July Plan level. As noted for the July Plan, included in this amount is \$35.0 million earmarked for the South Ferry Project, details of which are discussed below. Of the total estimated MMTOA cash receipts, \$1,052.7 million is appropriated for NYCT/SIR, and \$523.2 for the commuter railroads, and \$44.9 million for Long Island Bus.

For 2007, The November Plan, like the July Plan, assumes additional MMTOA receipts in excess of the State's appropriation levels. Based on the State Enacted Budget for 2007/2008, gross receipts in the MMTOA account include an additional \$230.6 million of unappropriated funds. The increase reflects mostly higher Corporate Surcharge revenues, due primarily to the continued strong economy and State tax audits on various corporate contributors that resulted in reassessment of tax liabilities. The Plan assumes that the additional revenues will be carried over to the subsequent year.

In 2007, the State will fund \$186.5 million in 18-b obligations from MMTOA, which is the same level as the July Plan.

In 2007, the percentage allocation of MTA's share of Downstate MMTOA is derived from the actual amounts appropriated by the State and has not changed from the July Plan allocations.

The November Plan reflects the State's commitment for appropriations of \$135.0 million to support MTA projects in areas devastated by the World Trade Center disaster, which was previously discussed in the July Plan. These funds reflect \$35.0 million for the South Ferry Project and \$100.0 million for the #1 train underpinning. The State's enacted budget includes \$35.0 million in NYCT's 2007 MMTOA allotment which has been transferred to the capital program for South Ferry. In addition, the State has indicated its intention to provide \$100.0 million in two equal payments of \$50.0 million in 2008 and 2009 from MMTOA funds for the #1 train underpinning project in collaboration with the Port Authority of New York and New Jersey.

Based on the State's latest Mid-Year update for 2007, Corporate Surcharge revenues are expected to decline by \$32.0 million from the Enacted Budget levels. This is due primarily to recent corporate losses. In addition, PBT revenues are expected to decline by \$5.5 million. This is mostly offset by a \$22.5 million increase in sales taxes due to a recalculation of the MTA "hold harmless" provision of exemptions related taxes for clothing and gasoline to correctly represent MTA's share.

2008 Final Proposed Budget

In the 2008 Final Proposed Budget, projections of tax yields used in the baseline, as well as projections of additional MMTOA revenues to the MTA that are not yet appropriated and reflected below-the-line, are unchanged from the July Plan.

Total baseline MTA MMTOA is estimated to be \$1,421.3 million. This includes \$50.0 million which represents NYS's portion of the funding for the #1 train underpinning project to be undertaken in collaboration with the Port Authority of New York and New Jersey. Of the total baseline MTA MMTOA, \$928.7 million is earmarked for NYCT and SIR, including the \$50.0 million allotment for the #1 train underpinning project, \$449.1 million is earmarked for the commuter railroads and an additional \$43.5 million for Long Island Bus.

In 2008, the November Plan assumes an additional \$323.3 million in MMTOA receipts, which is reflected below-the-line, and unchanged from the July Plan level. This includes the MTA's portion of prior year unappropriated balances in the MMTOA account, of which \$162.0 million represents NYCT and the commuter railroads' share, and \$6.0 million represents Long Island Bus' share. The balance reflects additional projections of MMTOA receipts in excess of the baseline levels incorporated in the July Plan. Of this, \$149.0 million of the estimate of additional collections has been earmarked for New York City Transit

and the commuter railroads, and \$6.0 million has been earmarked for Long Island Bus.

Based on the State's Mid-Year update for 2008, estimates of gross MMTOA revenues declined by \$16.8 million from the Enacted Budget levels, due primarily to lower expected receipts of Corporate Surcharge taxes (\$32.2 million) attributable to recent market slowdowns carried through the out years. Offsetting the decline is an increase in sales taxes (\$21.0 million) due to a recalculation of the "hold harmless" provision of exemptions related taxes for clothing and gasoline to correctly represent MTA's share.

The MTA November Plan continues to assume, however, that the State will appropriate to MTA, the funding levels equivalent to the MTA's July Plan levels for MMTOA and PBT. Thus, even though both MMTOA and PBT (discussed later in this section under PBT) are now projected to be lower than the State's Enacted Budget forecast, alternate funds are assumed to be appropriated to make up the shortfall. Similar to the July Plan, the baseline for MMTOA reflects the February Plan forecast levels, with the additional tax revenues reflected as part of the below-the-line policy and gap-closing actions. However, if the taxes do fall short of projections, the MTA will seek additional aid and if not available expense reductions or other positive variances would be needed to cover the shortfall.

MTA's MMTOA Revenues				
	2008	2009	2010	2011
Baseline	1,421.3	1,453.7	1,465.0	1,533.1
Additional State Tax Collections				
Prior Year Collection	168.2	0.0	0.0	0.0
Current Year Collections	155.2	140.9	193.5	200.8
Total MMTOA in November Plan	\$1,744.7	\$1,594.6	\$1,658.5	\$1,733.9

The November Plan assumes that in 2008, the State's funding of its 18-b obligations will remain at the 2006 level of \$182.5 million, which is the same as the July Plan level. The percentage allocations of MMTOA's downstate share that comes to the MTA represent 61.1% for NYCT/SIR and 27.7% for the Commuter Railroads, to reflect pre-2004 levels.

The 2008 November baseline forecast of the individual MMTOA taxes assumes the following tax growth rates from the 2007 level, which are consistent with the July Plan:

Sales Tax	4.4%
Petroleum Business Tax	4.8%
Corporate Franchise Tax	0.0%
Corporate Tax Surcharge	(25.7%)

2009 - 2011

In 2009, the November Plan baseline projection for MMTOA is \$1,453.7 million, which is unchanged from the July Plan level. Included in this amount is \$50.0 million which represents the remainder of NYS's commitment to MTA New York City Transit Authority to fund the #1 train underpinning project.

In 2010 and 2011, the November Plan forecasts for baseline MMTOA cash receipts are consistent with the MTA July Plan forecast levels. Total Baseline MTA MMTOA is \$1,465.0 million in 2010 and \$1,533.1 million in 2011.

The 2009 through 2011 baseline forecasts assume the following tax growth rates, which are consistent with the July Plan:

	2009	2010	2011
Sales Tax	3.9%	4.1%	4.7%
Petroleum Business Tax	0.3%	0.7%	0.4%
Corporate Franchise Tax	0.0%	0.0%	0.0%
Corporate Tax Surcharge	7.2%	4.4%	4.3%

The MTA November Plan maintains the July Plan's assumption that there is an additional \$141.0 million, \$194.0 million and \$201.0 million in MMTOA receipts available to the MTA for the benefit of New York City Transit, the commuter railroads and Long Island Bus, in 2009, 2010 and 2011, respectively, which is reflected below-the-line.

Based on the State's Mid-Year update for 2009, 2010 and 2011, estimates of gross MMTOA revenues to the MTA declined by \$32.8 million, \$32.0 million and \$20.7 million, respectively, from the Enacted Budget levels. However, the MTA's November Plan continues to assume that if receipts are lower-than-projected, the State will make up the shortfall. If the taxes do fall short of projections, the MTA will seek additional aid and if not available expense reductions or other positive variances would be needed to cover the shortfall.

MMTOA STATE DEDICATED TAXES
November Financial Plan 2008 - 2011
Tax Yield Distribution 2007 - 2011
(\$ in millions)

	Baseline				
	2007				
	November				
	Forecast	2008	2009	2010	2011
<u>Forecast of MMTOA Gross Receipts (SFY):</u>					
Sales Tax	\$734.0	\$766.6	\$796.8	\$829.1	\$868.1
PBT	142.4	149.3	149.8	150.9	151.5
Corporate Franchise	68.0	68.0	68.0	68.0	68.0
Corporate Surcharge	970.0	721.0	773.0	807.0	842.0
Investment Income	0.0	0.0	0.0	0.0	0.0
Total Gross Receipts Available for Allocation	\$1,914.4	\$1,704.9	\$1,787.6	\$1,855.0	\$1,929.6

Allocation of Total Gross Receipts to DownState:

Total Gross Receipts	\$1,914.4	\$1,704.9	\$1,787.6	\$1,855.0	\$1,929.6
Less: Upstate Share of PBT	(87.1)	(67.2)	(67.4)	(67.9)	(68.2)
Upstate Percent Share of Investment Income	4.55%	3.94%	3.77%	3.66%	3.53%
Less: Upstate Share of Investment Income	0.0	0.0	0.0	0.0	0.0
Total Net DownState Share Available for Allocation	\$1,827.3	\$1,637.7	\$1,720.2	\$1,787.1	\$1,861.4
Less: 18-B Adjustment	(186.5)	(182.5)	(182.5)	(182.5)	(182.5)
Adjusted Total Net DownState Share for Allocation	\$1,640.7	\$1,455.2	\$1,537.7	\$1,604.6	\$1,678.9

Allocation of Total Net DownState Share to NYCT/SIR:

NYCT/SIR Share	60.07%	61.12%	61.12%	61.12%	61.12%
From Total Net DownState Share	\$1,169.7	\$1,001.0	\$1,051.4	\$1,092.3	\$1,137.8
Less: 18-B Adjustment	(153.1)	(152.0)	(152.0)	(152.0)	(152.0)
Adjusted Total Net DownState Share	\$1,016.6	\$849.0	\$899.4	\$940.3	\$985.7
From Carryover	36.1	79.7	50.0	0.0	0.0
Total NYCT/SIR Share of Net DownState Share	\$1,052.7	\$928.7	\$949.4	\$940.3	\$985.7
Total SIR Share	3.2	2.8	2.8	2.8	3.0
Total NYCT Share of Net DownState Share	\$1,049.6	\$925.9	\$946.6	\$937.5	\$982.8

Allocation of Total Net DownState Share to MTA:

MTA Share	27.18%	27.71%	27.71%	27.71%	27.71%
From Total Net DownState Share	\$529.2	\$453.8	\$476.7	\$495.2	\$515.8
Less: 18-B Adjustment	(19.9)	(18.1)	(18.1)	(18.1)	(18.1)
Adjusted Total Net DownState Share	\$509.3	\$435.7	\$458.5	\$477.1	\$497.7
From Carryover	13.9	13.4	0.0	0.0	0.0
Total MTA Share of Net DownState Share	\$523.2	\$449.1	\$458.5	\$477.1	\$497.7

Allocation of Total Net DownState Share to LIB:

LI Bus Share	2.41%	2.77%	2.77%	2.77%	2.77%
From Total Net DownState Share	\$46.9	\$45.4	\$47.6	\$49.5	\$51.6
Less: Used for 18-B/other	(2.0)	(1.8)	(1.8)	(1.8)	(1.8)
Adjusted Total Net DownState Share	\$44.9	\$43.5	\$45.8	\$47.7	\$49.7
From Carryover	0.0	0.0	0.0	0.0	0.0
Total LIB Share of Net DownState Share	\$44.9	\$43.5	\$45.8	\$47.7	\$49.7

PETROLEUM BUSINESS TAXES (PBT) (Trust Fund Taxes)

The Statewide Dedicated Funds Pool is the repository for revenues from the following dedicated taxes and fees: petroleum business taxes, a business privilege tax imposed on petroleum businesses operating in New York State; motor fuel taxes, an excise tax levied with respect to gasoline and diesel motor fuels; and motor vehicle fees that are derived mainly from vehicle registration and driver license fees. Subject to statutory allocation under current State Law, thirty-four percent (34%) of the Dedicated Funds Pool is currently deposited in the Mass Transportation Trust Fund (MTTF) for MTA's benefit. Amounts transferred from the MTTF Account to the MTA's Dedicated Tax Fund constitute MTTF Receipts. For the purposes of budget preparations, MTTF Receipts are also referred to as PBT Receipts interchangeably. Eighty-five percent (85%) of the MTTF Receipts are payable to New York City Transit (NYCT) for the benefit of NYCT and SIR, and the remaining 15% to MTA for the benefit of LIRR and Metro-North.

MTA utilizes the MTTF Receipts (PBT) to pay debt service on MTA's Dedicated Tax Fund Bonds (DTF Bonds). Debt service on DTF Bonds is payable first from PBT Receipts and then, to the extent of any deficiency, from MMTOA Taxes. On an annual basis to date, PBT Receipts have been sufficient to meet all debt service commitments and no MMTOA Taxes have been used.

After debt obligations are satisfied, the remaining PBT funds are transferred for use by New York City Transit and the Commuter Railroads as a subsidy.

2007 November Forecast

The 2007 MTA baseline Mid-Year PBT estimate, on a cash basis, is \$597.1 million, which is consistent with the July Plan forecast. Of the total PBT allocation, 85% or \$507.5 million is earmarked for New York City Transit and 15% or \$89.6 million for the commuter railroads.

On an accrual basis, PBT estimates for 2007 are \$598.5 million, which is unchanged from the July Plan level. The accrual estimate is based on a one-month lag in the booking and collections of PBT proceeds.

Based on New York State's projections of PBT revenues in the State's 2007-08 Enacted Budget, beginning in 2007 and continuing throughout the plan period, projected PBT revenues are expected to be higher than the MTA baseline projections, due to robust economic activity. The additional PBT collections for 2007 are estimated to be \$10.1 million.

2008 Final Proposed Budget

The 2008 baseline PBT cash estimate remains at the July Plan level. Total PBT is estimated at \$614.2 million, of which \$522.1 million, or 85% is earmarked for New York City Transit, and \$92.1 million, or 15% is earmarked for the commuter railroads.

On an accrual basis, baseline PBT is estimated at \$614.7 million, unchanged from the July Plan.

Consistent with the State's Enacted Budget estimates and the 2008 MTA July Plan, the November Plan assumes an additional \$14.8 million in PBT collections due to robust economic activity. Like the July Plan, this is not incorporated in the baseline, but is reflected below-the-line as part of the MTA gap closing measures.

The latest State projection of PBT revenues for 2008, however, shows a decline in PBT collections of \$5.0 million from the State Enacted Budget levels, due to the recent slowdown in economic activity. The November Plan assumes that the State will fund the MTA at levels equivalent to the July Plan's estimates for PBT and MMTOA. Thus, even though both PBT and MMTOA are now projected to be lower than the State's Enacted Budget forecast, alternate funds are assumed to be appropriated to make up the shortfall. If the taxes do fall short of projections, the MTA will seek additional aid and if not available expense reductions or other positive variances would be needed to cover the shortfall.

MTA's PBT Revenues				
	2008	2009	2010	2011
Baseline	614.2	620.5	623.1	625.5
Additional State Tax Collections	14.8	28.1	42.1	49.8
Total PBT in November Plan	\$629.0	\$648.6	\$665.2	\$675.3

2009 - 2011

For 2009 through 2011, PBT cash estimates are \$620.5 million, \$623.1 million and \$625.5 respectively. The 2009 through 2011 forecasts inflate the previous year's level by 1.0%, 0.4% and 0.4% respectively.

On an accrual basis, PBT estimates for 2009 through 2011 are \$620.7 million, \$623.3 million and \$625.6 million respectively.

These estimates are consistent with the July Plan.

The November Plan maintains the July Plan's assumption that, based on the State Enacted Budget forecast, additional PBT revenues of \$28.1 million in 2009, \$42.1 million in 2010 and \$49.8 million in 2011 is available to the MTA for the benefit of New York City Transit and the commuter railroads in each of the respective years.

Although the most recent State forecasts of PBT revenues show declines in PBT receipts from the Enacted Budget level of \$13.8 million in 2009, \$29.5 million in 2010 and \$34.6 million in 2011, respectively, the MTA November Plan continues to assume that if in fact receipts are lower than projected, the State will make up the shortfall. However, if the taxes do fall short of projections, the MTA will seek additional aid and if not available expense reductions or other positive variances would be needed to cover the shortfall.

PETROLEUM BUSINESS TAX PROJECTIONS
November Financial Plan 2008 - 2011
Tax Yield Distribution 2007 -2011
(\$ in millions)

	Baseline				
	2007				
	November				
	Plan	2008	2009	2010	2011
Total Net PBT Collections Available for Distribution	\$1,756.2	\$1,806.5	\$1,825.0	\$1,832.6	\$1,839.7

Distribution Shares:

MTA Total	34.0%	34.0%	34.0%	34.0%	34.0%
Other Transit	3.0%	3.0%	3.0%	3.0%	3.0%
Highway Trust Fund	63.0%	63.0%	63.0%	63.0%	63.0%
General Fund	0.0%	0.0%	0.0%	0.0%	0.0%
Share Total	100.0%	100.0%	100.0%	100.0%	100.0%

Amount of Total Net Collections Available for the MTA:

MTA Total	\$597.1	\$614.2	\$620.5	\$623.1	\$625.5
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Accrued

NYCT/SIR Share of MTA Total	\$508.7	\$522.5	\$527.6	\$529.8	\$531.7
Commuter Railroad Share of MTA Total	<u>89.8</u>	<u>92.2</u>	<u>93.1</u>	<u>93.5</u>	<u>93.8</u>
MTA Total of Net Collections	\$598.5	\$614.7	\$620.7	\$623.3	\$625.6

Cash

NYCT/SIR Share of MTA Total	\$507.5	\$522.1	\$527.4	\$529.6	\$531.7
Commuter Railroad Share of MTA Total	<u>89.6</u>	<u>92.1</u>	<u>93.1</u>	<u>93.5</u>	<u>93.8</u>
MTA Total of Net Collections	\$597.1	\$614.2	\$620.5	\$623.1	\$625.5

MORTGAGE RECORDING TAXES (MRT)

The Mortgage Recording Taxes consist of two separate taxes: Mortgage Recording Tax-1 (MRT-1) and Mortgage Recording Tax-2 (MRT-2).

MRT-1 is imposed on the borrower for recorded mortgages of real property, subject to certain exclusions, and collected by New York City and the seven other counties within the MTA's service area, at the rate of three-tenths of one percent (3/10%) of the debt secured by certain real estate mortgages. This rate was increased from one-quarter of one percent in June 2005. Receipts from MRT-1 must be applied, first, to meet MTA Headquarters operating expenses and, second, to make deposits into the New York City Transit (NYCT) Account (55% of the remaining amount) and the Commuter Railroad Account (45% of the remaining amount).

Moneys in the NYCT Account are required to be used to pay operating and capital costs of NYCT, its subsidiaries, and Staten Island Railway (SIR). Moneys in the Commuter Railroad Account are required to be first used to pay up to \$20 million to the State Suburban Transportation Fund each year. In the event the transfer to the Suburban Fund would result in a Commuter Railroad operating deficit, the amount of the deficit is appropriated to the MTA for Commuter Railroad operating purposes, and not transferred to the Suburban Fund. After first making the required transfers to the Suburban Fund, the balance in the Commuter Railroad Account is required to be used to pay commuter railroad operating and capital costs.

MRT-2 is a tax imposed on the institutional lender. It consists of one-quarter of one percent (1/4%) of certain recorded mortgages secured by real estate structures containing one to six dwelling units in the MTA's service area. MRT-2 receipts are to be applied, first, to make deposits into the Payment Sub-accounts of Dutchess, Orange and Rockland counties and, second, to make deposits into the Corporate Purposes Sub-account for the purpose of paying operating and capital costs, including debt service and debt service reserve requirements, if any, incurred for the benefit of MTA, NYCT and their respective subsidiaries.

MTA is required to transfer an annual amount of \$5.0 million, made in equal quarterly installments, from the Corporate Transportation Account to the MTA's Dutchess, Orange and Rockland Fund (DORF); \$1.5 million is for each of the counties of Dutchess and Orange, and \$2.0 million is for the county of Rockland. Additionally, MTA must transfer from the Corporate Transportation Account to DORF for each of these three counties, respectively, an amount equal to the product of (i) the percentage by which such county's mortgage recording tax payment (MRT-1, excluding recent rate increases plus MRT-2) to MTA in the preceding calendar year increased over such payment in calendar year 1989 and (ii) \$1.5 million each for Dutchess and Orange Counties and \$2.0 million for Rockland County.

Forecast Methodology

Forecasts of Mortgage Recording Tax receipts for the remainder of 2007 and for 2008 are based on tax receipt trends for mortgage originations projected by the City of New York in its Fiscal Year 2008 October Update. For 2009 through 2011, MRT estimates are projected to remain at the levels projected in the July Financial Plan.

2007 November Forecast

The 2007 November Forecast is based on October year-to-date actual cash receipts and the assumption that the month of November 2007 receipts will be in line with current projections. The forecast for December 2007 is based on the City of New York trend projections, and has been added to the year-to-date actuals and November assumption in order to obtain a 2007 November Forecast.

MRT receipts on a cash basis are estimated at \$702.3 million, a decrease of \$60.8 million, or 8.0% from the 2006 level. MRT-1 receipts are projected to be \$458.1 million, a \$19.3 million (-4.0%) decrease over 2006, while MRT-2 receipts are projected to be \$244.3 million, a \$41.5 million (-14.5%) decline over 2006. These trends reflect some continued strength in New York City commercial property transactions along with a continuing slowdown in the residential real estate market. MRT-1 includes taxes collected on mortgages for both commercial properties and residential properties, while MRT-2 is paid only on residential properties with fewer than seven units in the structure. Two large Manhattan commercial property transactions during the early part of 2007 - 666 Fifth Avenue and the sale of Blackstone Group properties to Macklowe Properties - accounted for \$7.8 million in MRT-1 receipts; without these two transactions, the 2007 MRT-1 figure would have been 5.7% below the 2006 level.

The City of New York's October Budget Update assumes total (commercial and residential) mortgage recording tax receipts will decline by 26.7% for CFY 2008; this projection was used to estimate combined MRT-1 receipts from New York City excluding Staten Island. The City's October Update assumes residential mortgage recording tax receipts will decline 31.6% for CFY 2008; this trend assumption was used to estimate MRT-1 receipts for Staten Island and the suburban counties as well as MRT-2 receipts for the entire MTA region. The City trend projections exclude the non-recurring impacts from the December 2006 Stuyvesant Town and Peter Cooper transaction and the March 2007 Blackstone/Macklowe transaction.

Overall, the combined MRT estimate reflects an increase of \$2.8 million, or 0.4%, over the projection in the July 2007 Financial Plan.

2008 - 2011

In recent years, MRT collections have reached record levels, reflecting a robust residential real estate market and strength in large commercial real estate transactions, both attributable to historically low interest rates and the expected returns on real estate as an investment. As interest rates have increased, mortgage activity has slowed considerably. According to the City, and consistent with county-level data, the volume of

residential purchases has been declining, as has refinancing activity for residential property mortgages. Commercial property transactions have also slowed, but overall MRT receipts from commercial transactions have been buoyed by receipts from several significantly large transactions.

Overall MRT receipts are expected to continue to decline in 2008; MRT-2 receipts have been declining since its peak was achieved in 2005 while MRT-1 receipts continued to climb in 2006. MRT receipts are projected to decline in 2008 by 17.9%, with MRT-1 declining 18.5% and MRT-2 declining 16.8%.

Markets are expected to stabilize in 2009: MRT receipts are expected to increase 3.4%, with MRT-1 up 1.3% and MRT-2 up 7.2%. During 2010, MRT-1 receipts are expected to increase 2.2%, while MRT-2 receipts grow 2.5%; overall MRT receipts in 2010 are expected to rise 2.3%. In 2011, overall MRT receipts are expected increase 1.8% with MRT-1 up 2.0% and MRT-2 up 1.6%.

The City October Budget Update projects total mortgage recording tax receipts – used to project MRT-1 for New York City excluding Staten Island – will decline 26.7% during City Fiscal Year 2008 and decline 10.2% in CFY 2009. The City October Update assumes residential mortgage recording tax receipts – used for MRT-1 projections for Staten Island and the suburban counties along with MRT-2 projections for the full MTA region – will decline 31.6% during CFY 2008 and decline 1.9% in CFY 2009. The City trend projections exclude the impacts of the December 2006 Stuyvesant Town and Peter Cooper transaction and the March 2007 Blackstone transaction.

For the 2009 through 2011 Financial Plan projections, MRT receipt projections are unchanged from the July Financial Plan. While the projection trends in the City's October Update would indicate further erosion of receipts during the 2009 through 2011 period, it is important to acknowledge the general uncertainty when projecting these transaction tax receipts during over a long-term period. Should MRT activity in the MTA region be weaker than is currently projected, subsequent MTA Financial Plans will be adjusted to reflect changing conditions.

Over the Financial Plan period, MRT receipts are projected to be \$576.8 million in 2008, \$596.3 million in 2009, \$610.1 million in 2010 and \$621.3 million in 2011. MRT-1 receipts are estimated to be \$373.5 million in 2008, \$378.4 million in 2009, \$386.6 million in 2010 and \$394.4 million in 2011, with MRT-2 receipts projected to be \$203.3 million in 2008, \$217.9 million in 2009, \$223.5 million in 2010 and \$226.9 million in 2011.

Additional Assumptions

The MTA General Reserve is funded by MRT-2. Like the July Plan, the November Plan reallocates \$40 million in unspent General Reserve earmarked for 2005 in equal installments in 2006 through 2009, with \$10 million reflected in each year. In addition, the November Plan baseline maintains the July Plan's 2007 General Reserve level of \$37.5 million and \$75.0 million annually thereafter throughout the plan period.

MRT-2 is also used to reimburse the agencies for certain security expenses from a fund managed by MTA Police. These funds are used for agency security projects that are capitally eligible and therefore will affect depreciation and asset values in the MTA Financial Statements. An amount of \$16.5 million annually has been earmarked in the November Plan to cover these security expenses in each of the years from 2007 through 2011, which represents no change from the July Plan forecast.

Technical Adjustments:

Consistent with the July Plan, the November Financial Plan reflects the implementation into the baseline of certain policy actions that were previously handled below the line. Subsequently, with the approval of the MTA Board, the MTA Treasurer has set aside previously undistributed MRT-2 Funds for the following:

Downsizing – The February Plan included \$81.0 million of MRT-2 funds in 2007 to cover downsizing. It was expected that major cost reductions would require significant headcount reductions. Since it is unlikely that the savings could be achieved solely through attrition, the Plan had set aside the expected one-time separation costs. The November Plan maintains the assumptions in the July Plan policy actions of a restoration of the \$81.0 million in 2007, and a shift in the need to downsize to 2009 and 2010 (\$40.5 million in each year).

Enhanced Security Training – The November Plan makes no change to the July Plan's allocation of \$25.0 million over four years, beginning in 2007 (\$6.2 million in equal installments), for enhanced security training for NYCT, Metro-North, and LIRR's operating personnel; The MTA has undertaken this initiative on the recommendations of Kroll Associates, the security consulting firm that the MTA engaged to review the agencies' safety/security training curriculum, and has sought and received the approval of the MTA Board.

Service Marketing Campaign – The MTA Board has also approved an allotment of \$5.0 million from MRT-2 funds to be spent in 2007, that was originally set aside in the February Plan and carried over to the July Plan and now to the November Plan, to support a marketing campaign that would target Commuter Railroad and NYCT services in order to increase usage. These funds, to be allocated by the Executive Director, have not yet been expended. The funds were established in a separate MRT-2 account in early 2007. The Plan contemplates that these funds will be expended in 2008.

In addition to the adjustments above, the November Plan assumes that beginning in 2007 and continuing each year until 2011, MRT-2 funds will be used to cover debt service cash flow requirements of the MTA Bus Company in the amounts of \$26.6 million in 2007 and \$24.6 million in 2008, \$23.2 million in 2009, and \$24.9 million in each of the years 2010 and 2011. These reflect increases in the debt service cash flow requirements from the July Plan forecasts in the following amounts: \$10.3 million in 2007, \$11.0 million in 2008, \$9.6 million in 2009, and \$11.3 million in 2010 and in 2011. These variances are offset by debt service cash flow adjustments in the November Plan.

In addition to MRT-2 funds, a portion of the MTA Bus debt service will be paid by New York Transit and is reflected in the Plan as a deduction to NYCT's gross subsidies, which represent the amount of the swap payment for a federal capital grant paid to NYCT for the benefit of MTA Bus

The November Plan, consistent with the July Plan, includes a favorable adjustment to MRT-2 in 2007 of \$36.9 million reflecting the repayment of inter-company loans made in 2006 which were made pending receipt of State MMTOA funds that were received in 2007.

Since the July Plan, the MTA has committed \$90.8 million in MRT-2 funds for a cash defeasance loan to TBTA. This is reflected in the November Plan as an unfavorable adjustment to MRT-2. Repayment on the loan, which was made in August of 2007, is expected over the two subsequent years.

Other Post Employment Benefits (OPEB) is included in the calculation of Accrual deficit. As OPEB is a non-cash item, and to avoid disruption of distributions to NYCT and the Commuter Railroad, it is assumed that MTA will distribute the value of the OPEB accrual in cash to NYCT (55%) and the Commuter Railroads (45%). This would be the equivalent of MRT-1 funding allocations if OPEB was not used to calculate excess MRT-1 funds.

Summary of Mortgage Recording Tax Projections
November Financial Plan 2008 - 2011
Tax Yield Distribution 2007 - 2011
(\$ in millions)
Cash

	2007 November Forecast	2008	2009	2010	2011
MORTGAGE RECORDING TAX #261-1					

Receipts Available for Transfer to NYCT and CRs:

Total Gross Receipts	\$458.1	\$373.5	\$378.4	\$386.6	\$394.4
Carryover	(3.8)	0.0	0.0	0.0	0.0
Less: MTAHQ Operating Deficit	(389.3)	(386.2)	(391.8)	(393.6)	(400.9)
Net Receipts Available for Transfer	\$64.9	(\$12.7)	(\$13.4)	(\$6.9)	(\$6.5)

Allocation of Net Receipts to NYCT/SIR Account:

Opening Balance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
NYCT/SIR Share	55%	55%	55%	55%	55%
From Current Year Net Receipts	35.7	(7.0)	(7.4)	(3.8)	(3.6)
Interest	0.0	0.0	0.0	0.0	0.0
Carryover	26.4	0.0	0.0	0.0	0.0
OPEB	32.1	33.7	35.3	36.9	38.6
Transfers from MRT-2	0.0	7.0	7.4	3.8	3.6
Total NYCT/SIR Net Cash Share	\$94.2	\$33.7	\$35.3	\$36.9	\$38.6
Total SIR Net Cash Share	0.3	0.1	0.1	0.1	0.1
Total NYCT Net Cash Share	\$93.9	\$33.6	\$35.2	\$36.8	\$38.5

Allocation of Net Receipts to Commuter Railroad Account:

Opening Balance - CR/SHF	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Commuter Railroad Share	45%	45%	45%	45%	45%
From Net Receipts	29.2	(5.7)	(6.0)	(3.1)	(2.9)
Interest	0.0	0.0	0.0	0.0	0.0
Carryover	19.4	0.0	0.0	0.0	0.0
Less: Suburban Highway Fund	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)
OPEB	26.2	27.5	28.9	30.2	31.6
Transfers from MRT-2	<u>0.0</u>	<u>5.7</u>	<u>6.0</u>	<u>3.1</u>	<u>2.9</u>
Total Commuter Railroad Net Cash Share	\$54.9	\$7.5	\$8.9	\$10.2	\$11.6

MORTGAGE RECORDING TAX #261-2

Receipts Available

Total Receipts to Corporate Account	\$244.3	\$203.3	\$217.9	\$223.5	\$226.9
Opening Fund Balance (starting in 1998)	30.0	20.0	10.0	0.0	0.0
All Agency Security Pool	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)
Downsizing	(81.0)	0.0	0.0	0.0	0.0
Enhanced Security Training	(6.2)	(6.2)	(6.2)	(6.2)	0.0
Service Marketing Campaign	(5.0)	0.0	0.0	0.0	0.0
MTA Bus Debt Service	(26.6)	(24.6)	(23.2)	(24.9)	(24.9)
Outstanding 2006 Loans	36.9	0.0	0.0	0.0	0.0
Cash Defeasance Loan for TBTA	(90.8)	11.5	79.3	0.0	0.0
Reserve for Following Year/Cash Flow Provision	(20.0)	(10.0)	0.0	0.0	0.0
General Reserve	(37.5)	(75.0)	(75.0)	(75.0)	(75.0)
Investment Income	<u>1.5</u>	<u>1.5</u>	<u>1.6</u>	<u>1.7</u>	<u>1.7</u>
Total Receipts Available for Transfer	\$29.0	\$104.1	\$187.9	\$102.5	\$112.2

Use of Total Receipts:

DORF Opening Balance	\$3.8	\$4.5	\$4.5	\$4.5	\$4.5
Less: Transfer to MTA DORF Account	(20.1)	(18.8)	(16.5)	(16.2)	(16.6)
Less: Transfer to MTAHQ Funds	0.0	(12.7)	(13.4)	(6.9)	(6.5)
Net Receipts Available	\$12.6	\$77.0	\$162.4	\$83.9	\$93.6

URBAN TAXES

The Urban Taxes consist of two separate taxes applied to certain commercial real property transactions and commercial mortgage recordings within New York City: a Mortgage Recording Tax (MRT) is imposed on mortgages exceeding \$500,000 on New York City commercial properties; and, a Real Property Transfer Tax (RPTT) is imposed on the transfer of New York City commercial real properties valued over \$500,000. Tax receipts are available only for transit purposes in New York City, with 90% of the receipts earmarked for New York City Transit (NYCT) general operations and 6% used for the partial reimbursement of NYCT Paratransit costs. The remaining 4% earmarked as subsidy for the New York City private buses; the City is currently utilizing these funds to reimburse MTA Bus expenses.

Forecast Methodology

Forecasts for the Urban Tax receipts for the remainder of 2007 and for 2008 are based on tax receipt trends projected by the City of New York in its Fiscal Year 2008 October Update. For 2009 through 2011, Urban Tax estimates are projected to remain at the levels projected in the July Financial Plan.

2007 November Forecast

Urban Tax receipts on a cash basis are estimated at \$861.5 million, an increase of \$192.6 million, or 28.8% more than the 2006 level. The revenue projections for 2007 include actual cash tax receipts to the MTA through November 2007. The forecast for December 2007 is based on the City of New York trend projections, and has been added to the year-to-date actuals in order to obtain a 2007 November Forecast.

The City's October Budget Update assumes commercial MRT receipts will decrease by 21.1% for City Fiscal Year (CFY) 2008, while RPTT receipts will decrease by 19.5% for CFY 2008; these projections exclude the December 2006 Stuyvesant Town/Peter Cooper Village transaction and the March 2007 Blackstone/Macklowe transaction.

Overall, the combined Urban Tax estimate reflects an increase of \$52.6 million, or 6.5%, over the projection in the July 2007 Financial Plan.

2008 - 2011

Forecasts for Urban Tax receipts for 2008 have been revised to reflect the City's October Update, and remained unchanged from the July Plan for 2009 through 2011. Receipts are projected to decline by 22.3% from 2007 to 2008 as transaction activity for very large commercial properties begin returning to a lower but more sustainable level, followed by a decline of 11.5% in 2009 and then growth of 1.3% in 2010 and 6.2% in 2011.

Urban Tax projections in the Financial Plan for 2008 are based on commercial real estate transaction projections in the City of New York October Update, while the 2009 through 2011 forecasts remain at levels projected in the July Financial Plan. The City October Update projects commercial MRT receipts to decline 21.1% during City Fiscal Year 2008 and decline 18.3% during CFY 2009. Commercial RPTT receipts are forecast to decline 19.5% in CFY 2008 and decline 17.6% in CFY 2009. These projections exclude the Stuyvesant Town and Blackstone transactions.

The Plan forecasts for 2008 through 2011 reflect these assumptions, and over the Plan period Urban Tax receipts are projected to be \$669.2 million in 2008, \$592.2 million in 2009, \$599.9 million in 2010 and \$637.3 million in 2011.

Compared with the July Plan, 2008 Urban Tax receipts are projected to increase \$15.0 million, a 2.3% increase, while receipts for 2009 through 2011 remain unchanged.

Urban Tax receipts have grown at unprecedented rates over the past three and half years: from 2003 to 2004, Urban Tax receipts doubled, and receipts doubled again from 2004 to 2006. While Urban Tax receipts, as projected in the November Plan, are expected to decline in 2008 and 2009 before resuming modest growth, these receipts are generated on market conditions that can change in dramatic and unpredictable ways. Because of this long-term uncertainty of these taxes, MTA is leaving unchanged from the July Plan the Urban Tax receipts forecasts for 2009 through 2011.

STATE AND LOCAL SUBSIDIES

State and Local Subsidies consist of New York State and Local Section 18-B Operating Assistance, Nassau County Subsidy, Station Maintenance and Connecticut Department of Transportation (CDOT) Subsidy to Metro-North Railroad. In addition the Commuter Railroads' subsidies include additional Mass Transit Assistance Program (AMTAP) aid, appropriated by the State and an operating capital transfer for Commuter rolling stock made in 2006.

New York State 18-b Operating Assistance is direct State aid to the MTA appropriated by the State Legislature on an annual basis. Each County in the MTA Transportation District is required by the transportation law to match the State amounts by making quarterly payments of Local 18-b Operating Assistance to the MTA. Beginning in 1994, the State earmarked a portion of the dedicated taxes to fund the State's obligations for 18-b payments.

Nassau County subsidies are intended to meet payment obligations to cover LIB's operating deficit. Nassau's Local 18-b match for LIB is also included in the Nassau County subsidy.

Connecticut Department of Transportation (CDOT) subsidy payments are made to Metro-North Railroad as reimbursement for expenses associated with commuter train operations by Metro-North in the State of Connecticut.

Station Maintenance subsidy is paid by the City and each of the seven counties in the MTA region for the operation, maintenance and use of Commuter System passenger stations within the City and each of the counties. Station Maintenance base amounts were established in 1999 and are subject to CPI (Consumer Price Index) adjustment each year thereafter.

The current costs of the MTA Bus' operations are 100% reimbursable by the City of New York. Under agreement with the MTA, the City of New York agreed to pay MTA Bus the difference between the actual operating costs of the City bus routes and all revenue received for operations from said routes. It is assumed in the Plan that a portion of potential Health and Welfare savings that may result from on-going labor negotiations would be earmarked for the MTA GASB Fund. MMTOA, 18-b and Urban Taxes, that are designated for the former private buses subsidized by the City by Statute, are paid directly to the City and are used by the City to partially fund MTA Bus.

2007 November Forecast

In the 2007 November Forecast, total State and Local cash subsidy receipts are estimated at \$612.7 million, a slight decrease of \$0.7 million from the July Plan level, due primarily to a reforecast of CDOT's subsidy payments to Metro-North. State and Local 18-b Operating Assistance to MTA has not changed in the last

15 years. AMTAP cash receipts have not changed from the July Plan level, which assume \$20.0 million annually for the duration of the plan period.

The 2007 November estimate of City reimbursement for MTA Bus is \$1.9 million below the July Plan level due primarily to the reforecast of operating revenues and expenses.

2008 - 2011

In 2008, 2009, 2010, and 2011, State and Local subsidy estimates, on a cash basis, are \$1.9 million and \$1.3 million, \$1.7 million and \$1.0 million over the July Plan levels, respectively. The changes primarily represent minor adjustments to CDOT subsidies and Station Maintenance. The November Plan assumes that in 2009 there will be no AMTAP payments to the commuter railroads.

MTA SUBSIDY TO SUBSIDIARIES

In the 2007 November Forecast, total estimated MTA subsidy payment to its subsidiaries on a cash basis is \$41.5 million, an increase of \$3.0 million over the July Plan Forecast. Staten Island Railroad's (SIR) share is \$21.2 million; Long Island Bus' (LIB) share is \$20.3 million.

For the 2007 November Forecast, both LIB's and SIR's share reflect amounts needed to cover the operating deficit after all other subsidies and operating revenues are allocated. LIB's share remains unchanged from the July Plan. The July Plan reflected an increase of \$6.3 million for LIB from the February Plan levels to account for MTA covering the difference in LIB's appropriation for MMTOA.

In 2008, the forecast for MTA subsidy payment to LIB and SIR on a cash basis is \$42.7 million, which is \$2.2 million lower than the July forecast, due primarily to recalculation of SIR's operating deficit. In 2008, LIB's share of MTA subsidy to subsidiary reverts back to the pre-2007 level of \$14.0 million.

For each of the years 2009 through 2011, MTA subsidy to its subsidiaries is \$43.6 million, \$40.1 million and \$41.3 million respectively. The Long Island Bus portion remains at \$14.0 million in each year.

SUBSIDY AND OTHER TECHNICAL ADJUSTMENTS

Consistent with the MTA February and July Plans, and in addition to the adjustments to MRT-2, which are discussed in the MRT Section, the November Plan includes other subsidy adjustments for 2007, 2008, 2009, 2010 and 2011.

In 2007, there is a \$35.0 million NYCT subsidy adjustment which reflects a transfer to the capital program for the South Ferry Project.

In 2008 and 2009, as previously noted in the MMTOA section, the State has indicated its intention to provide \$100.0 million in two equal payments of \$50.0 million from MMTOA funds for the #1 train underpinning project. These adjustments reflect the transfer of funds to the project budget, which is not part of the MTA operating budget.

Since the July Plan, and under an agreement with the City of New York, the MTA has committed to funding a portion of MTA Bus' debt service from New York City Transit subsidies, which account for \$12.0 million in 2008 and \$11.5 million in each year beginning in 2009 for the duration of the Plan period. These amounts reflect reimbursement to MTA Bus under a swap agreement with New York City Transit in which Federal capital grant moneys are paid directly to New York City Transit for the benefit of MTA Bus; NYCT applies these funds to cover its own capital projects and in turn reimburses MTA Bus. As discussed in the MRT Section, the additional portion of the MTA Bus debt service is being funded from MRT-2.

MTA New York City Transit Subsidy Allocation
2007-2011
Cash Basis
(\$ in millions)

	2007	2008	2009	2010	2011
<u>Subsidies</u>					
<i>Dedicated Taxes</i>					
Metropolitan Mass Transportation Operating Assist. (MMTOA)	\$1,049.6	\$925.9	\$946.6	\$937.5	\$982.8
Petroleum Business Tax (PBT) Receipts	507.5	522.1	527.4	529.6	531.7
Mortgage Recording Tax (MRT)	93.9	33.6	35.2	36.8	38.5
Urban Tax	<u>861.5</u>	<u>669.2</u>	<u>592.2</u>	<u>599.9</u>	<u>637.3</u>
	\$2,512.6	\$2,150.7	\$2,101.4	\$2,103.8	\$2,190.3
<i>State and Local Subsidies</i>					
State Operating Assistance	\$158.2	\$158.2	\$158.2	\$158.2	\$158.2
Local Operating Assistance	<u>158.2</u>	<u>158.2</u>	<u>158.2</u>	<u>158.2</u>	<u>158.2</u>
	\$316.4	\$316.4	\$316.4	\$316.4	\$316.4
South Ferry	(\$35.0)	\$0.0	\$0.0	\$0.0	\$0.0
#1 Train - Port Authority	0.0	(50.0)	(50.0)	0.0	0.0
NYCT Charge Back of MTA Bus Debt Service	<u>0.0</u>	<u>(12.0)</u>	<u>(11.5)</u>	<u>(11.5)</u>	<u>(11.5)</u>
	(\$35.0)	(\$62.0)	(\$61.5)	(\$11.5)	(\$11.5)
Total Dedicated Taxes & State and Local Subsidies	\$2,793.9	\$2,405.1	\$2,356.2	\$2,408.6	\$2,506.6
<i>Inter-agency Subsidy Transactions</i>					
Bridges and Tunnels Operating Surplus Transfer	\$141.2	\$112.1	\$102.4	\$78.6	\$69.0
GROSS SUBSIDIES	\$2,935.1	\$2,517.2	\$2,458.7	\$2,487.2	\$2,575.6

MTA Commuter Railroad Subsidy Allocation
2007-2011
Cash Basis
(\$ in millions)

	2007	2008	2009	2010	2011
<u>Subsidies</u>					
<i>Dedicated Taxes</i>					
Metropolitan Mass Transportation Operating Assistance (MMTOA)	\$523.2	\$449.1	\$458.5	\$477.1	\$497.7
Petroleum Business Tax (PBT) Receipts	89.6	92.1	93.1	93.5	93.8
Mortgage Recording Tax (MRT)	54.9	7.5	8.9	10.2	11.6
Investment Income	<u>2.5</u>	<u>2.5</u>	<u>2.6</u>	<u>2.6</u>	<u>2.7</u>
	\$670.1	\$551.3	\$563.1	\$583.3	\$605.8
<i>State and Local Subsidies</i>					
State Operating Assistance	\$29.3	\$29.3	\$29.3	\$29.3	\$29.3
Local Operating Assistance	29.3	29.3	29.3	29.3	29.3
CDOT Subsidy	66.2	73.5	85.1	105.9	116.6
Station Maintenance	137.2	140.1	143.2	146.1	149.3
AMTAP	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>
	\$281.9	\$292.1	\$306.7	\$330.5	\$344.3
Total Dedicated Taxes & State and Local Subsidies	\$952.0	\$843.4	\$869.8	\$913.9	\$950.1
<i>Inter-agency Subsidy Transactions</i>					
Bridges and Tunnels Operating Surplus Transfer	\$248.4	\$213.3	\$202.3	\$179.8	\$170.1
GROSS SUBSIDIES	\$1,200.4	\$1,056.7	\$1,072.1	\$1,093.6	\$1,120.2

MTA Long Island Bus Subsidy Allocation
2007-2011
Cash Basis
(\$ in millions)

	2007	2008	2009	2010	2011
<u>Subsidies</u>					
<i>Dedicated Taxes</i>					
MMTOA Allocation	\$44.9	\$43.5	\$45.8	\$47.7	\$49.7
<i>State and Local Subsidies</i>					
State Operating Assistance	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0
Nassau County Subsidy	<u>10.5</u>	<u>10.5</u>	<u>10.5</u>	<u>10.5</u>	<u>10.5</u>
	\$13.5	\$13.5	\$13.5	\$13.5	13.5
Total Dedicated Taxes & State and Local Subsidies	\$58.4	\$57.0	\$59.3	\$61.1	\$63.2
<i>Inter-agency Subsidy Transactions</i>					
MTA Subsidy to Subsidiaries	\$20.3	\$14.0	\$14.0	\$14.0	\$14.0
GROSS SUBSIDIES	\$78.7	\$71.0	\$73.3	\$75.1	\$77.2

MTA Staten Island Railway Subsidy Allocation
2007-2011
Cash Basis
(\$ in millions)

	2007	2008	2009	2010	2011
<u>Subsidies</u>					
<i>Dedicated Taxes</i>					
Metropolitan Mass Transportation Operating Assistance (MMTOA)	\$3.2	\$2.8	\$2.8	\$2.8	\$3.0
Mortgage Recording Tax (MRT)	<u>0.3</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
	\$3.4	\$2.9	\$3.0	\$2.9	\$3.1
<i>State and Local Subsidies</i>					
State Operating Assistance	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5
Local Operating Assistance	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0
Total Dedicated Taxes & State and Local Subsidies	\$4.4	\$3.9	\$3.9	\$3.9	\$4.1
<i>Inter-agency Subsidy Transactions</i>					
MTA Subsidy to Subsidiaries	\$21.2	\$28.7	\$29.6	\$26.1	\$27.3
GROSS SUBSIDIES	\$25.6	\$32.6	\$33.6	\$30.0	\$31.4

MTA Headquarters Subsidy Allocation
2007-2011
Cash Basis
(\$ in millions)

	2007	2008	2009	2010	2011
<u>Subsidies</u>					
<i>Dedicated Taxes</i>					
<u>Mortgage Recording Tax-1</u>					
Net Receipts After Agency Transfers	\$367.3	\$406.2	\$411.8	\$413.6	\$420.9
<u>Adjustments</u>					
Diversion of MRT to Suburban Counties	(\$20.0)	(\$20.0)	(\$20.0)	(\$20.0)	(\$20.0)
Carryover/Opening Balances/Interest	<u>42.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<i>Total Adjustments</i>	\$22.0	(\$20.0)	(\$20.0)	(\$20.0)	(\$20.0)
Net Funding of MTA Headquarters	\$389.3	\$386.2	\$391.8	\$393.6	\$400.9
<u>Mortgage Recording Tax - 2</u>					
Net Receipts	\$254.3	\$213.3	\$227.9	\$223.5	\$226.9
<u>Adjustments</u>					
Funding of General Reserve	(\$37.5)	(\$75.0)	(\$75.0)	(\$75.0)	(\$75.0)
Diversion of MRT to Suburban Counties	(16.4)	(14.4)	(12.1)	(11.7)	(12.1)
Carryover/Opening Balances/Interest	1.5	1.5	1.6	1.7	1.7
Agency Security Costs from MRT	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)
Transfer to MRT-1	0.0	(12.7)	(13.4)	(6.9)	(6.5)
Downsizing	(81.0)	0.0	0.0	0.0	0.0
Enhanced Security Training	(6.2)	(6.2)	(6.2)	(6.2)	0.0
Service Marketing Campaign	(5.0)	0.0	0.0	0.0	0.0
MTA Bus Debt Service	(26.6)	(24.6)	(23.2)	(24.9)	(24.9)
Outstanding 2006 Loans	36.9	0.0	0.0	0.0	0.0
Cash Defeasance Loan for TBTA	(90.8)	11.5	79.3	0.0	0.0
<i>Total Adjustments</i>	(\$241.6)	(\$136.3)	(\$65.5)	(\$139.6)	(\$133.3)
Unallocated MRT-2 Receipts	\$12.6	\$77.1	\$162.4	\$83.9	\$93.6

MTA Bus Company Subsidy Allocation
2007-2011
Cash Basis
(\$ in millions)

	2007	2008	2009	2010	2011
<u>Subsidies</u>					
City Subsidy to MTA Bus Company	\$232.0	\$252.4	\$262.3	\$271.0	\$280.6

MTA BRIDGES & TUNNELS
SURPLUS TRANSFER
November Financial Plan 2008 -2011
(\$ in millions)

NON-REIMBURSABLE	FORECAST					
	2006	2007	2008	2009	2010	2011

Deductions from Net Operating Income:

Investment Income	\$8.637	\$5.356	\$5.444	\$5.587	\$5.609	\$5.609
Total Debt Service	450.291	470.032	481.407	486.437	507.178	520.230
Construction Reserve and Capital Reimbursement Funds	17.117	13.417	13.667	13.953	14.261	14.531
Capital Projects	6.955	7.856	15.496	13.210	13.502	13.757
GASB Reserve	6.044	1.670	1.845	2.036	2.238	2.283
Total Deductions from Net Operating Income	\$489.043	\$498.331	\$517.858	\$521.224	\$542.788	\$556.411
Net Income Available for Transfer to MTA and NYCT	\$426.034	\$381.511	\$319.111	\$303.138	\$253.399	\$237.493

Distribution of Funds to MTA:

Investment Income in Current Year	\$8.637	\$5.356	\$5.444	\$5.587	\$5.609	\$5.609
Accrued Current Year Allocation	259.394	241.290	210.141	201.461	177.352	169.270
Total Accrued Amount Distributed to MTA	\$268.030	\$246.646	\$215.585	\$207.048	\$182.961	\$174.879

Distribution of Funds to NYCT:

First \$24 million of Surplus reserved for NYCT	\$24.000	\$24.000	\$24.000	\$24.000	\$24.000	\$24.000
Additional Accrued Current Year Allocation	142.641	116.222	84.971	77.677	52.047	44.223
Total Accrued Amount Distributed to NYCT	\$166.641	\$140.222	\$108.971	\$101.677	\$76.047	\$68.223

Actual Cash Transfer to MTA and NYCT:

From Current Year Surplus	\$263.650	\$248.381	\$213.256	\$202.329	\$179.763	\$170.078
Investment Income in Prior Year	5.358	8.637	5.356	5.444	5.587	5.609
Total Cash Amount Distributed to MTA	\$269.008	\$257.018	\$218.612	\$207.773	\$185.350	\$175.687
Total Cash Amount Distributed to NYCT	\$171.020	\$141.222	\$112.096	\$102.406	\$78.610	\$69.005

ACTUAL	FORECAST					
	2006	2007	2008	2009	2010	2011

Debt Service Detail by Agency:

B&T Own Purpose DS + Total BICs DS	\$126.350	\$144.807	\$155.925	\$164.575	\$181.340	\$195.072
NYCT Transportation DS + MRT Second Resolution DS	220.347	225.146	225.326	222.823	225.572	225.103
MTA Transportation DS + MRT Second Resolution DS	103.594	100.079	100.156	99.039	100.266	100.056
Total Debt Service by Agency	\$450.291	\$470.032	\$481.407	\$486.437	\$507.178	\$520.230

Total Accrued Amount for Transfer to MTA and NYCT:

Total Adjusted Net Income Available for Transfer	\$876.325	\$851.544	\$800.518	\$789.575	\$760.577	\$757.723
Less: B&T Total Debt Service	(126.350)	(144.807)	(155.925)	(164.575)	(181.340)	(195.072)
Less: first \$24 million reserved for NYCT	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)
Remainder of Total Accrued Amount for Transfer	\$725.975	\$682.737	\$620.593	\$601.000	\$555.237	\$538.651

Calculation of Actual Cash Transfer to MTA:

Distribution of Remainder to MTA						
Fifty Percent of Total Accrued Amount for Transfer	\$362.988	\$341.368	\$310.297	\$300.500	\$277.619	\$269.326
Less: MTA Total Debt Service	(103.594)	(100.079)	(100.156)	(99.039)	(100.266)	(100.056)
MTA's Accrued Current Year Allocation	\$259.394	\$241.290	\$210.141	\$201.461	\$177.352	\$169.270
Cash Conversion of MTA's Accrued Amount						
Current Year Amount	\$228.173	\$217.161	\$189.127	\$181.315	\$159.617	\$152.343
Balance of Prior Year	35.477	31.221	24.129	21.014	20.146	17.735
Cash Transfer to MTA	\$263.650	\$248.381	\$213.256	\$202.329	\$179.763	\$170.078

Calculation of Actual Cash Transfer to NYCT:

Distribution of Remainder to NYCT						
Fifty Percent of Total Accrued Amount for Transfer	\$362.988	\$341.368	\$310.297	\$300.500	\$277.619	\$269.326
Less: NYCT Total Debt Service	(220.347)	(225.146)	(225.326)	(222.823)	(225.572)	(225.103)
Plus: first \$24 million reserved for NYCT	24.000	24.000	24.000	24.000	24.000	24.000
NYCT's Accrued Current Year Allocation	\$166.641	\$140.222	\$108.971	\$101.677	\$76.047	\$68.223
Cash Conversion of NYCT's Accrued Amount						
Current Year Amount	\$151.618	\$126.200	\$98.074	\$91.509	\$68.442	\$61.400
Balance of Prior Year	19.402	15.023	14.022	10.897	10.168	7.605
Cash Transfer to NYCT	\$171.020	\$141.222	\$112.096	\$102.406	\$78.610	\$69.005

B & T Charged Debt Service Detail by Type:

Project Debt Service						
B & T Own Purpose Debt Service	\$126.350	\$144.807	\$155.925	\$164.575	\$181.340	\$195.072
NYCT Transportation Project Debt Service	220.347	225.146	225.326	222.823	225.572	225.103
MTA Transportation Project Debt Service	103.594	100.079	100.156	99.039	100.266	100.056
Total Projected Debt Service	\$450.291	\$470.032	\$481.407	\$486.437	\$507.178	\$520.230

SUMMARY
MTA LONG ISLAND BUS
MULTI-YEAR FINANCIAL PLAN
2008 - 2011
(\$ in millions)

Line
Number

		FORECAST				
		2007	2008	2009	2010	2011
8						
9	<u>Revenue Summary:</u>					
10						
11	Farebox Revenue	\$40.5	\$40.7	\$40.9	\$41.1	\$41.3
12	Other Revenue	3.0	2.6	2.5	2.3	2.5
13	State/Local Subsidies	58.4	57.0	59.3	61.1	63.2
14						
15	Total Revenue Before MTA Subsidy	\$101.9	\$100.2	\$102.6	\$104.5	\$107.0
16						
17	<u>Non-Reimbursable Expense Summary:</u>					
18						
19	Labor Expenses	\$92.2	\$96.9	\$100.0	\$103.0	\$106.3
20	Non-Labor Expenses	31.3	34.5	34.0	33.9	34.3
21	Depreciation	0.0	0.0	0.0	0.0	0.0
22	Other Post Employment Benefits	4.8	4.9	5.0	5.3	5.4
23						
24	Total Non-Reimbursable Expenses	\$128.3	\$136.3	\$139.0	\$142.2	\$145.9
25						
26	Total Net Revenue	(\$26.4)	(\$36.1)	(\$36.4)	(\$37.7)	(\$38.9)
27						
28	<u>Cash Adjustment Summary:</u>					
29						
30	Operating Cash Adjustments	(\$2.7)	\$5.4	\$3.3	\$5.8	\$5.9
31	Subsidy Cash Adjustments	0.0	0.0	0.0	0.0	0.0
32						
33	Total Cash Adjustment	(\$2.7)	\$5.4	\$3.3	\$5.8	\$5.9
34						
35	Gross Cash Balance	(\$29.2)	(\$30.7)	(\$33.1)	(\$31.9)	(\$33.0)
36						
37	MTA Internal Subsidy	20.3	14.0	14.0	14.0	14.0
38						
39	Net Cash Balance from Previous Year	\$7.8	\$0.0	\$0.0	\$0.0	\$0.0
40						
41						
42	Baseline Net Cash Surplus/(Deficit)	(\$1.1)	(\$16.7)	(\$19.1)	(\$17.9)	(\$19.0)

LI Bus Summary

SUMMARY
MTA STATEN ISLAND RAILWAY
MULTI-YEAR FINANCIAL PLAN
2008 - 2011
(\$ in millions)

Line Number		FORECAST				
		2007	2008	2009	2010	2011
9						
10	<u>Revenue Summary:</u>					
11						
12	Farebox Revenue	\$3.8	\$3.9	\$4.5	\$4.5	\$4.6
13	Other Revenue	2.1	2.1	2.1	2.1	2.1
14	State/City Subsidies	4.1	3.8	3.8	3.8	3.9
15						
16	Total Revenue Before MTA Subsidy	\$10.0	\$9.7	\$10.4	\$10.4	\$10.6
17						
18	<u>Non-Reimbursable Expense Summary:</u>					
19						
20	Labor Expenses	\$24.5	\$25.9	\$27.3	\$28.4	\$29.4
21	Non-Labor Expenses	6.6	12.4	12.6	7.9	8.4
22	Depreciation	10.3	10.3	10.3	10.3	10.3
23	Other Post Employment Benefits	2.4	5.0	7.7	10.5	13.3
24						
25	Total Non-Reimbursable Expenses	\$43.8	\$53.6	\$57.9	\$57.1	\$61.4
26						
27						
28	Total Net Revenue	(\$33.8)	(\$43.9)	(\$47.5)	(\$46.7)	(\$50.8)
29						
30	<u>Cash Adjustment Summary:</u>					
31						
32	Operating Cash Adjustments	\$12.3	\$15.1	\$17.8	\$20.5	\$23.3
33	Subsidy Cash Adjustments	0.3	0.1	0.1	0.1	0.1
34						
35	Total Cash Adjustment	\$12.6	\$15.2	\$17.9	\$20.7	\$23.4
36						
37	Gross Cash Balance	(\$21.2)	(\$28.7)	(\$29.6)	(\$26.1)	(\$27.3)
38						
39	MTA Internal Subsidy before PEGs	21.2	28.7	29.6	26.1	27.3
40						
41	Net Cash Balance from Previous Year	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
42						
43						
44	Baseline Net Cash Surplus/(Deficit)	(\$0.0)	\$0.0	\$0.0	\$0.0	\$0.0

SUMMARY
MTA BUS COMPANY
MULTI-YEAR FINANCIAL PLAN
2008 - 2011
(\$ in millions)

Line
Number

		FORECAST				
		2007	2008	2009	2010	2011
9						
10	<u>Revenue Summary:</u>					
11						
12	Farebox Revenue	\$137.5	\$140.8	\$144.2	\$147.2	\$150.6
13	Other Revenue	15.5	15.9	16.2	16.6	16.9
14						
15	Total Revenue Before MTA Subsidy	\$153.0	\$156.7	\$160.4	\$163.8	\$167.6
16						
17	<u>Non-Reimbursable Expense Summary:</u>					
18						
19	Labor Expenses	\$254.3	\$288.3	\$297.7	\$307.2	\$317.5
20	Non-Labor Expenses	135.9	117.9	121.8	123.9	126.7
21	Depreciation	26.3	36.3	38.8	41.5	44.5
22	Other Post Employment Benefits	47.8	49.8	51.7	53.6	55.5
23						
24	Total Non-Reimbursable Expenses	\$464.2	\$492.2	\$510.0	\$526.3	\$544.1
25						
26						
27	Total Net Revenue	(\$311.2)	(\$335.5)	(\$349.6)	(\$362.5)	(\$376.6)
28						
29	Cash Adjustments	\$79.2	\$83.1	\$87.2	\$91.6	\$96.0
30						
31	Total Cash Adjustment	\$79.2	\$83.1	\$87.2	\$91.6	\$96.0
32						
33	Gross Cash Balance	(\$232.0)	(\$252.4)	(\$262.3)	(\$271.0)	(\$280.6)
34						
35	City Subsidy	232.0	252.4	262.3	271.0	280.6
36						
37	Net Cash Balance from Previous Year	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
38						
39						
40	Baseline Net Cash Surplus/(Deficit)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

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Debt Service

Debt Service in the Financial Plan

The following table reflects debt service projections for 2007 through 2011 associated with approved Capital Programs and an initial estimate for a five-year capital program for the 2010–2014 period. The table compares all MTA and TBTA debt service as published in the MTA July 2007 Financial Plan with newly revised estimates for this November 2007 Financial Plan (this comparison excludes State Service Contract and Convention Center debt service which is fully paid by New York State).

Debt Service Forecast (\$ in millions) ⁽¹⁾			
Year	July Plan Debt Service	November Plan Debt Service	Difference Favorable/(Unfavorable)
2007	\$1,456.0	\$1,416.9	\$39.1
2008	1,562.4	1,566.9	-4.5
2009	1,686.0	1,715.6	-29.6
2010	1,824.3	1,862.1	-37.8
2011	1,970.4	1,974.0	-3.7
Total:	\$8,499.1	\$8,535.6	-\$36.5

(1) For comparison purpose, the above table does not include the effect of cash defeasance. The effects of the cash defeasance are detailed below.

- The above increase is largely the result of a faster forecast of capital program spending during the Financial Plan period, especially in 2009. The slightly decreased debt service change of \$39 million or 2.7% in 2007 is attributable to a combination of three minor factors, including timing delays in the issuance of new money bonds, lower than forecast variable rates and higher than anticipated investment income.
- A preliminary estimate of debt service has been included for borrowing for the 2010-2014 Capital Program expenditures. It was assumed that the core Capital Program would be funded in a similar fashion as the 2005-2009 Capital Program and the remainder of Second Avenue Subway Phase 1 and East Side Access projects would be funded. Debt service impact during the Financial Plan period would be minimal at about \$7 million in 2010 and \$32 million in 2011. However, debt service for 2010-2014 expenditures is forecasted to grow to about \$395 million in 2014.
- The effects of the cash defeasance transaction completed in September have been incorporated into the debt service budget. \$299.3 million of cash and \$4.3 million already set-aside in the debt service accounts were used to create the requisite escrow. Savings are calculated to be \$2.1 million in 2007, \$37.5 million in 2008 and \$283.3 million in 2009.

The following is a summary of the key assumptions used to determine the debt service projections included in the financial plan.

Debt Issuance Assumptions:

Forecasted Borrowing Schedule	2007	2008	2009	2010	2011
New Money Bonds *(\$ in millions)	580	2,078	2,787	2,205	2,240
Assumed Fixed-Rates					
Transportation Revenue Bonds	4.65%	4.70%	4.80%	4.89%	4.96%
Dedicated Tax Fund Bonds	4.52%	4.57%	4.66%	4.75%	4.82%
Triborough Bridge & Tunnel Authority	4.52%	4.57%	4.66%	4.75%	4.82%
Assumed Variable Rates	4.00%	4.00%	4.00%	4.00%	4.00%
Weighted Average Interest Rates **					
Transportation Revenue Bonds	4.49%	4.53%	4.60%	4.66%	4.72%
Dedicated Tax Fund Bonds	4.39%	4.43%	4.50%	4.56%	4.62%
Triborough Bridge & Tunnel Authority	4.39%	4.43%	4.50%	4.56%	4.62%

* Remaining forecasted borrowing for 2007 does not include \$750 million commercial paper bond anticipation notes, \$425.615 million issued for transit, commuter and MTA Bus projects and \$223.355 million TBTA General Revenue Bonds, Series 2007A issued for TBTA projects. 2010 and 2011 include assumed borrowing for the 2010-2014 Capital Programs.

** Weighted Average of fixed and variable forecasted rates (see below for explanation).

- All debt is assumed to be issued as 30-year level debt, principal amortized over the life of the bonds.
- Current fixed-rate estimates derived from prevailing Fair Market Yield Curves for A- and AA- Transportation issuers using Bloomberg Information Service. Financial Plan years 2007– 2011 derived by applying changes in U.S. Municipal Forward Curves to prevailing transportation curves (as of October 17, 2007).
- Split of fixed-rate debt versus variable rate debt each year is 75% / 25%.
- New bond issues calculated interest rate at time of issuance use weighted average of fixed and variable assumptions (actual fixed-rates in table above assumed for fixed-rate bonds).
- Cost of issuance is 2% of gross bonding amount.
- New money bonds for currently approved transit and commuter projects assumed issued 25% under the DTF credit and 75% under the Transportation credit.
- All bonds issued to finance TBTA capital projects issued under the TBTA General Revenue Resolution.
- No reserve funds.

Metropolitan Transportation Authority
November Financial Plan 2008 - 2011
Summary of Total Budgeted Debt Service
(\$ in millions)

Line Number		ACTUAL	FORECAST				
		2006	2007	2008	2009	2010	2011
9	<u>New York City Transit:</u>						
10							
11	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$318.671	\$304.101	\$371.700	\$371.684	\$371.515	\$371.456
12	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	0.163	35.438	115.610	196.316	264.463
13	2 Broadway Certificates of Participation - NYCT Share	16.804	20.973	21.882	21.888	21.894	21.898
15	Transportation Resolution Commercial Paper	4.757	11.063	16.847	16.847	16.847	16.847
16	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	180.439	198.445	215.737	215.884	215.724	215.948
17	<u>Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs</u>	<u>0.000</u>	<u>3.749</u>	<u>33.524</u>	<u>59.936</u>	<u>86.521</u>	<u>108.965</u>
19	Sub-Total MTA Paid Debt Service	\$520.671	\$538.494	\$695.128	\$801.850	\$908.817	\$999.578
20							
21	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$139.407	\$140.924	\$142.102	\$142.131	\$142.167	\$141.676
22	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	83.381	84.599	85.751	85.695	85.656	85.727
23	Sub-Total B&T Paid Debt Service	\$222.789	\$225.523	\$227.853	\$227.826	\$227.823	\$227.402
24							
25	Total NYCT Debt Service	\$743.460	\$764.017	\$922.981	\$1,029.676	\$1,136.640	\$1,226.980
26							
27	<u>Commuter Railroads:</u>						
28							
29	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$293.046	\$350.944	\$305.627	\$305.614	\$305.475	\$305.427
30	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	0.517	17.320	40.219	57.683	63.357
31	Transportation Resolution Commercial Paper	5.547	7.547	10.534	10.534	10.534	10.534
32	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	35.230	38.012	40.905	40.933	40.903	40.945
33	<u>Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs</u>	<u>0.000</u>	<u>0.662</u>	<u>7.630</u>	<u>15.174</u>	<u>23.020</u>	<u>26.982</u>
35	Sub-Total MTA Paid Debt Service	\$333.823	\$397.681	\$382.016	\$412.475	\$437.615	\$447.245
36							
37	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$62.399	\$63.077	\$63.605	\$63.618	\$63.634	\$63.414
38	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	36.634	37.169	37.675	37.651	37.634	37.665
39	Sub-Total B&T Paid Debt Service	\$99.033	\$100.247	\$101.280	\$101.268	\$101.267	\$101.078
40							
41	Total CRR Debt Service	\$432.855	\$497.928	\$483.296	\$513.743	\$538.882	\$548.324
42							
43	<u>Bridges and Tunnels:</u>						
44							
45	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$92.936	\$108.929	\$117.498	\$117.522	\$117.552	\$117.146
46	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	32.937	33.418	33.873	33.851	33.836	33.864
47	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	3.181	13.741	28.233	41.623
48	2 Broadway Certificates of Participation - TBTA Share	2.376	2.720	3.094	3.095	3.096	3.097
50							
51	Total B&T Debt Service	\$128.249	\$145.067	\$157.647	\$168.209	\$182.717	\$195.729
52							
53	<u>MTA Bus:</u>						
54							
55	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$2.332	\$6.485	\$7.736	\$7.735	\$7.732	\$7.730
56	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	0.084	2.312	4.727	6.022	6.201
57	Transportation Resolution Commercial Paper	0.776	2.712	4.194	4.194	4.194	4.194
58							
59	Total MTA Bus Debt Service	\$3.109	\$9.282	\$14.241	\$16.656	\$17.947	\$18.125
60							
61	Total MTA HQ Debt Service for 2 Broadway Certificates of Participation	\$2.305	\$2.866	\$3.002	\$3.003	\$3.004	\$3.004

Metropolitan Transportation Authority
November Financial Plan 2008 - 2011
Summary of Total Budgeted Debt Service
(\$ in millions)

Line Number		ACTUAL	FORECAST				
		2006	2007	2008	2009	2010	2011
62							
63	<u>MTA Total:</u>						
64							
65	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$614.050	\$661.530	\$685.063	\$685.033	\$684.722	\$684.614
66	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	215.669	236.457	256.642	256.817	256.627	256.893
67	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	294.742	312.930	323.205	323.271	323.353	322.235
68	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	152.952	155.187	157.300	157.197	157.126	157.255
69	2 Broadway Certificates of Participation	21.485	26.558	27.979	27.986	27.994	27.999
70	Transportation Resolution Commercial Paper	11.080	21.323	31.575	31.575	31.575	31.575
71	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	0.765	55.070	160.556	260.020	334.021
72	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	4.410	41.153	75.110	109.541	135.947
73	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	3.181	13.741	28.233	41.623
75							
76	Total Debt Service	\$1,309.978	\$1,419.160	\$1,581.167	\$1,731.287	\$1,879.191	\$1,992.161
77							
78	<u>MTA Investment Income by Resolution</u>						
79							
80	Investment Income from Transportation Debt Service Fund	\$0.000	(\$1.378)	(\$6.939)	(\$7.927)	(\$8.857)	(\$9.550)
81	Investment Income from Dedicated Tax Fund Debt Service Fund	0.000	(0.121)	(2.792)	(3.112)	(3.433)	(3.683)
82	Investment Income from TBTA (B&T) General Revenue Debt Service Fund	0.000	(0.604)	(3.060)	(3.159)	(3.296)	(3.411)
83	Investment Income from TBTA (B&T) Subordinate Revenue Debt Service Fund	0.000	(0.151)	(1.475)	(1.474)	(1.473)	(1.474)
84	Investment Income from 2 Broadway Certificates of Participation Debt Service Fund	0.000	0.000	0.000	0.000	0.000	0.000
85							
86	Total MTA Wide Investment Income	\$0.000	(\$2.254)	(\$14.265)	(\$15.672)	(\$17.059)	(\$18.118)
87							
88	<u>MTA Wide Net Total</u>						
89							
90	Net Transportation Revenue Bonds Debt Service	\$614.050	\$660.916	\$733.194	\$837.662	\$935.885	\$1,009.085
91	Transportation Resolution Commercial Paper	11.080	21.323	31.575	31.575	31.575	31.575
92	Net Dedicated Tax Fund Bonds Debt Service	215.669	240.746	295.003	328.816	362.735	389.157
93	Net TBTA (B&T) General Revenue Bonds Debt Service	294.742	312.326	323.326	333.852	348.290	360.447
94	Net TBTA (B&T) Subordinate Revenue Bonds Debt Service	152.952	155.036	155.825	155.723	155.653	155.781
95	Net 2 Broadway Certificates of Participation Debt Service	21.485	26.558	27.979	27.986	27.994	27.999
96							
97	Total MTA Wide Net Debt Service for Approved Capital Programs	\$1,309.978	\$1,416.906	\$1,566.902	\$1,715.615	\$1,862.132	\$1,974.043
98							
99	MTA Wide Debt Service Associated with 2010-2014 Capital Programs	\$0.000	\$0.000	\$0.000	\$0.000	\$6.566	\$31.811
100							
101	Cash Defeasance	\$0.000	\$297.188	(\$37.508)	(\$283.257)	\$0.000	\$0.000
102							
103	Total MTA Wide Net Debt Service including 2010-2014 Capital Programs	\$1,309.978	\$1,714.093	\$1,529.394	\$1,432.357	\$1,868.698	\$2,005.855

Debt Service Affordability Statement

MTA 2008 - 2011 Financial Plan

Debt Affordability Statement

\$ in millions

Forecasted Debt Service and Borrowing Schedule		Notes	2006	2007	2008	2009	2010	2011
Combined MTA/TBTA Forecasted Debt Service Schedule		1, 2, 3	1,288.5	1,687.5	1,501.4	1,404.4	1,840.7	1,977.9
Forecasted New Money Bonds Issued		4	1,874	1,979	2,078	2,787	2,205	2,240

Forecasted Debt Service by Credit		Notes	2006	2007	2008	2009	2010	2011
Transportation Revenue Bonds								
Pledged Revenues	5		\$7,907.2	\$8,594.8	\$8,034.7	\$8,018.9	\$8,055.9	\$8,213.7
Debt Service	9		625.1	838.0	745.2	720.7	967.5	1,040.7
Debt Service as a % of Pledged Revenues			8%	10%	9%	9%	12%	13%
Dedicated Tax Fund Bonds								
Pledged Revenues	6		\$606.9	\$597.1	\$614.2	\$620.5	\$623.1	\$625.5
Debt Service	9		215.7	292.0	288.6	279.9	362.7	389.2
Debt Service as a % of Pledged Revenues			36%	49%	47%	45%	58%	62%
Triborough Bridge and Tunnel Authority General Revenue Bonds								
Pledged Revenues	7		\$915.1	\$879.8	\$837.0	\$824.4	\$796.2	\$793.9
Debt Service	9		294.7	393.0	313.0	257.2	348.3	360.4
Debt Service as a % of Total Pledged Revenues			32%	45%	37%	31%	44%	45%
Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds								
Pledged Revenues	8		\$620.3	\$486.8	\$524.0	\$567.2	\$447.9	\$433.5
Debt Service	9		153.0	164.5	154.7	146.7	155.7	155.8
Debt Service as a % of Total Pledged Revenues			25%	34%	30%	26%	35%	36%

Cumulative Debt Service (Excluding State Service Contract Bonds)		Notes	2006	2007	2008	2009	2010	2011
Total Debt Service			\$1,288.5	\$1,687.5	\$1,501.4	\$1,404.4	\$1,840.7	\$1,977.9
Operating Revenues and Subsidies			9,722.2	10,112.2	9,900.1	10,040.6	10,089.9	10,310.0
Total Debt Service as a % of Operating Revenues and Subsidies			13%	17%	15%	14%	18%	19%
Fare and Toll Revenues			5,081.3	5,223.5	5,292.5	5,330.8	5,376.4	5,425.5
Total Debt Service as a % of Fare and Toll Revenue			25%	32%	28%	26%	34%	36%
Non-reimbursable expenses			9,366.1	11,507.3	12,350.0	12,814.7	13,375.7	13,834.1
Total Debt Service as % of Non-reimbursable expenses			14%	15%	12%	11%	14%	14%

Notes on the following page are integral to this table.

Notes

- 1** Unhedged tax-exempt variable rate debt reflect actuals through September 2007 and 4.00% for the remaining life of bonds.
- 2** Synthetic fixed-rate debt assumed at swap rate.
- 3** Total debt service excludes COPS lease payments. All debt service numbers reduced by expected investment income.
- 4** New money bonds amortized as 30-year level debt. New debt issued assumed 75% fixed-rate and 25% variable rate. Actual issuance for 2006 is reported above. Actual 2007 issuance to date is included with the forecast.
- 5** Transportation Revenue Bonds pledged revenues consist generally of the following: fares and other miscellaneous revenues from the transit and commuter systems, including advertising, rental income and certain concession revenues (not including Grand Central Terminal and Penn Station); revenues from the distribution to the transit and commuter system of TBTA surplus; State and local general operating subsidies; special tax-supported operating subsidies after the payment of debt service on the MTA Dedicated Tax Fund Bonds; New York City urban tax for transit; station maintenance and service reimbursements; and revenues from the investment of capital program funds. Pledged revenues secure Transportation Revenue Bonds before the payment of operating and maintenance expenses. Starting in 2006, revenues, expenses and debt service for MTA Bus have also been included.
- 6** Dedicated Tax Fund pledged revenues consist generally of the following: petroleum business tax, motor fuel tax and motor vehicle fees deposited into the Dedicated Mass Transportation Trust Fund for the benefit of the MTA; and the petroleum business tax, district sales tax, franchise taxes and temporary franchise surcharges deposited into the Metropolitan Mass Transportation Operating Assistance Account for the benefit of the MTA. Thereafter, such payments are available to pay debt service on the MTA Transportation Revenue Bonds, and then any remaining amounts are available to be used to meet operating costs of the transit system, the commuter system, and SIRTOA.
- 7** Triborough Bridge and Tunnel Authority General Revenue Bond pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels. Pledged revenues secure TBTA General Revenue Bonds after the payment of TBTA operating and maintenance expenses, including certain reserves.
- 8** Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels, after the payment of debt service on the TBTA General Revenue Bonds.
- 9** Debt service schedules for each credit are attached as addendum hereto.

Special Notes

- (1) Pledged revenues as discussed in above notes 5, 6, 7, and 8 do not include proposed 2008 PEGs, post-2008 PEGs and other Gap Closing and MTA Policy Actions.
- (2) Debt service associated with the 2010-2014 Capital programs is included in the table above.
- (3) Includes effect of cash defeasance implemented in September 2007.

Agency Baseline Assumptions

Agency Baseline Assumptions

This section describes those assumptions associated with the Baseline Plan, including net accrual and cash forecasts contributing to MTA consolidated annual closing cash balances. Assumptions on Subsidies, Debt Service, Prior-Year Cash Carryovers, Policy Actions, Gap Closing Actions and Cash Management Actions are not included in this section. The November 2008 - 2011 Plan, including the 2007 November Forecast and the 2008 Final Proposed Budget updates the July Financial Plan.

For the July Plan, the Agencies were asked to identify savings that would not only reduce expenses in the short-term, but would also result in long-term improvements to MTA's financial picture. Much of these savings, that are also part of the November Plan, are being generated through the 2008 PEG Program and are not part of the baseline; but rather are included below-the-line as part of MTA gap-closing actions. . Other savings are captured in the baseline through favorable revenue and expense re-estimates.

For the November Plan, Agencies were instructed to maintain spending levels contained in the July Plan. The exceptions were uncontrollable cost increases, necessary programmatic changes, and expense increases resulting from changes to the inflation forecast.

The 2008 Net Operating Deficit Before Subsidies and Debt Service of \$6,578 million is \$769 million higher than the 2007 November Forecast primarily as a result of an increase in expenses slightly offset by higher passenger revenues. Some \$313 million of that increase is the result of a 12.7% growth in baseline "uncontrollable" expenses¹ (excludes debt service, policy actions and PEGs). The remaining expenses grow at 6.2% due primarily to contractual wage increases, timing shifts of expenses from 2007 to 2008, an increase in the general reserve, and higher headcount, material and contractual maintenance costs due to the continued increase in maintenance efforts.

Over the 2007 to 2011 period, accrued expenses grow at an average annual rate of 4.7%. "Uncontrollable" expenses are projected to grow at 7.9%, while "controllable" expenses will grow at only 3.3%. While anticipated controllable growth is slightly in excess of the anticipated inflation rate for the period, MTA will be providing additional service to meet ridership demands, and will be adding resources to increase security and support improved preventive maintenance programs.

Safety and Customer Satisfaction Pilot Program - The November Plan continues to include funding in 2007 for the Safety and Customer Satisfaction Pilot Program approved in the July Plan. This program was designed so that the heads of NYCT, LIRR and Metro-North would set up pilot programs during the last five months of 2007

¹ Uncontrollable Expenses include Health & Welfare, Pensions, Energy, Paratransit and Insurance.

that would increase safety and customer satisfaction. Any continuation or expansion of these programs in 2008 and beyond would need to be self-funded. NYCT has expanded many of these programs (see following chart) that are being funded through various efficiencies that it is implementing. The initiatives implemented by NYCT and the commuter railroads are outlined in the following table.

**Metropolitan Transportation Authority
2007 Safety and Customer Satisfaction Pilot Program**
(\$ in millions)

	<u>2007</u>		<u>2008</u>	
	<u>Dollars</u>	<u>Pos</u>	<u>Dollars</u>	<u>Pos</u>
NYCT:				
<u>Initiatives</u>				
Bus Quality Control Program	\$6.9	43	\$17.3	85
Buses - Employee Facilities Rehabilitation Program	2.8	50	6.1	50
Station Cleaning	2.3	105	6.4	105
Station Track Cleaning Enhancement	2.1	94	8.0	94
Terminal Car Cleaning	3.2	37	9.7	37
Car Quality Control Program	2.9	34	7.8	34
Subways - Employee Facilities Rehab/Maintenance	2.8	100	9.3	100
Elevator & Escalator SMS	0.2	0	0.2	3
Hiring Support - Major Initiatives	0.6	4	0.8	0
Security	0.5	15	1.4	15
TOTAL	\$24.4	482	\$66.9	523
Long Island Rail Road:				
<u>Initiatives</u>				
Renovation of Penn Station Bathrooms	\$2.7			
Interoperability Ticketing Initiative	0.5			
Right-of-Way Fencing	1.3		N/A	
Station Painting	0.7			
TOTAL	\$5.2			
Metro-North Railroad:				
<u>Initiatives</u>				
On-Board Hand Held Ticketing Machines	\$3.2			
Interoperability Ticketing Initiative	0.5		N/A	
TOTAL	\$3.7			
Total Agency Initiatives:	\$33.3	482	\$66.9	523
Less: NYCT 2007-2008 Offsets (Detailed Below)			(63.5)	(159)
Less: Other NYCT Offsets¹			(3.4)	
Net Cost of Pilot Programs:	\$33.3	482	\$0.0	364

1- Beginning in 2008, the Safety & Customer Satisfaction Pilot Programs are being funded internally, primarily by a combination of specific departmental expense reductions and Programs to Eliminate the GAP. Any residual funding requirements are more than offset by several favorable re-estimates.

NYCT Safety & Customer Satisfaction Pilot Program Offsets
(\$ in millions)

	<u>2007</u>		<u>2008</u>	
	<u>Dollars</u>	<u>Pos</u>	<u>Dollars</u>	<u>Pos</u>
R160 Warranty/R32 Maintenance Savings	0.0	0	1.8	36
Eliminate Elevator Operators	0.0	0	1.7	28
Green Sustainability	0.0	0	0.2	(3)
Bus Shop Reduction	0.0	0	2.3	1
Paint Facility Consolidation	0.0	0	0.8	11
Depot Housekeeping Initiative	0.3	19	1.4	19
Dispatchers/Training	0.3	6	0.6	6
Holiday Schedule Savings	0.7	0	1.8	0
Material Savings, Department of Buses	0.4	0	2.7	0
Reduce Paratransit Support	0.0	0	1.3	9
CMMS (Central Maintenance Management System) reduction	4.8	0	3.5	0
Eliminate IT Investments	0.2	1	1.9	6
Reduce IT costs	3.5	0	2.8	5
Administrative Savings	1.2	0	2.4	11
Revenue Facility Savings	0.6	0	0.7	0
Electronic Maintenance Division Savings	0.0	0	1.7	11
Safety Equipment	0.2	0	2.0	0
Technological Improvements	1.7	0	1.9	0
Pay Rate Adjustment	0.0	0	26.3	0
Training Float Adjustment	0.0	0	(9.7)	0
Revision to Safety Initiative	0.0	0	1.7	19
Total NYCT Program Offsets	\$13.9	26	\$49.7	159
Cumulative 2007-2008 Reductions			\$63.5	159

In the July Plan, this program was captured as a \$35 million below-the-line Policy Action; however at the July meeting, the Board authorized the Executive Director/CEO to expend this money in 2007. This program is now captured in the November Baseline Plan within the individual forecasts of NYCT, the LIRR and Metro-North. The value of these programs in 2007 has been slightly reduced to \$33 million based on a slightly favorable re-estimate of costs.

Fire/Intrusion Alarms – In the July Plan, funding for NYCT to support the maintenance of intrusion detectors, smoke detectors and fire alarms was included as a below-the-line Policy Action. Since these maintenance programs support systems that have already been installed through capital and security program initiatives at bus facilities, power substations, signal relay rooms, and emergency exits, it was determined that these costs are more appropriately captured within the NYCT baseline expenses. Therefore, the baseline now captures that funding, which is estimated at \$1 million in 2007 and approximately \$3 million each year thereafter.

Changes in Agency Baseline Forecasts - The following table details the major changes in the Agency Baseline Forecasts between the July and November Plans:

<p style="text-align: center;"><u>AGENCY BASELINE</u> <u>NOVEMBER CHANGES FROM JULY PLAN</u> Favorable/(Unfavorable) (\$ in millions)</p>					
	2007	2008	2009	2010	2011
Farebox/Toll Revenue	\$57	\$59	\$60	\$64	\$68
Other Revenue	3	3	6	8	10
Total Revenue Changes	\$60	\$63	\$66	\$73	\$78
Energy	\$13	(\$11)	\$30	\$31	\$34
Health & Welfare	12	(16)	(18)	(18)	(17)
Insurance	2	10	10	11	8
Pension Prepayment	(200)	216	0	0	0
<u>Safety & Customer Satisfaction Pilot Programs:</u>					
Cost of the Programs	(33)	(67)	(67)	(67)	(67)
Less NYCT Funding Offsets (baseline only)	13	45	52	54	45
<u>New Needs/Investments:</u>					
Maintenance	5	(21)	(37)	(14)	1
Service Re-estimates	(1)	(2)	(2)	(1)	(1)
Safety & Security	3	(2)	(1)	(2)	(1)
Other New Needs	(0)	(19)	(9)	(10)	(11)
Baseline PEG Re-Estimates	(5)	(5)	(9)	(7)	(7)
Other Baseline Re-Estimates/Cash & Timing Adj.	(11)	13	41	(2)	(11)
Total Expense Changes	(\$201)	\$143	(\$10)	(\$25)	(\$29)
Net Cash Surplus/(Deficit)	(\$141)	\$205	\$56	\$47	\$49

Overall, the baseline cash deficit is declining over the plan period due to increases in Farebox/Toll Revenue and Other Revenue as well as lower costs for energy and insurance. A \$22 million reserve is included in 2008 to cover potential fuel price increases beyond what was anticipated when the Agencies prepared their Budgets. These improvements are offset to a great extent by increases in maintenance, some of which are included in NYCT's expanded Customer Satisfaction Pilot Program. The \$200 million prepayment of pension costs results in a timing change between 2007 and 2008 and a net positive change of \$16 million over two years. In the July Plan, this was captured below-the-line as an MTA Cash Management Action.

Farebox and Toll Revenue improved from the July Plan, reflecting a regional economic expansion that has been stronger and more sustained than expected when the July Plan was prepared. Over the November Plan period, employment assumptions, provided by Global Insight, are higher than those assumed in the July Plan, and the September year-to-date increase in the number of New York City jobs was stronger than the updated Global Insight employment projections.

Other Revenue is increasing significantly in each year when compared with the February Plan due primarily to higher revenues from Paratransit Urban Tax collections, advertising, and parking fees.

Energy costs are expected to decrease from what was anticipated in the July Plan. Fuel costs are lower in each of the plan years except 2008 (which includes a \$22 million reserve to reflect recent price jumps) mostly due to lower prices and reduced fuel mileage calculations by NYCT. Traction and Propulsion Power costs will increase modestly in 2007 and 2008 and improve slightly in 2009; however, they increase sharply in the out-years due to changes in inflation projections.

Health & Welfare costs decrease in 2007 primarily due to a lower-than-anticipated rate increases and a more favorable claims experience. Increases in 2008 and the out-years are mostly related to higher salary and wage projections resulting from increased headcount.

Insurance costs are declining primarily as a result of reduced rates for Property Insurance.

Pension Prepayment - \$200 million of the 2007 cash balance was used to pre-pay a portion of 2008 pension payments for the MTA Defined Benefit Plan and the MaBSTOA Plan. This prepayment, which was captured below-the-baseline in the July Plan, will enable early investment of the payments yielding a reduction in 2008 costs of \$16 million.

The MTA is continuing to improve the customer experience and the reliability of its fleet and infrastructure through increased maintenance. The 2008 Final Proposed Budget includes notable increases in resources to address customer and Agency needs.

NYCT and the commuter railroads introduced Safety and Customer Service Pilot Programs in 2007. These operating investments are expected to result in improved system appearance, safety and cleanliness, and also improve the condition of employee facilities. As mentioned earlier, NYCT set up a program that is on-going and is self-funding through various cost-savings initiatives.

Maintenance Improvements - The November Plan still includes those items proposed in the July Plan that are necessary to improve the reliability of its fleet and infrastructure through increased maintenance; and it includes additional enhancements.

NYCT's July Plan included an increase in the scope of its Scheduled Maintenance Systems (SMS) programs based on a "tear-down" analysis of its R142 and R142A subway cars. Much of the increase in NYCT maintenance costs stems from the fact that the newer equipment that it utilizes requires more sophisticated and expensive replacement parts. In addition, replacement parts must be procured directly from the new car builders. The July Plan also included resources for the replacement of the propulsion systems in the 24 year-old R62 fleets and for a major replacement of car floors on its R46 and R38 cars. In addition to these improvements, NYCT's November Plan includes the implementation of the Safety and Customer Satisfaction Pilot Program which is designed to significantly improve station and fleet appearance and the condition of employee facilities.

The LIRR's July Plan included significant resources to mitigate Gap issues on its platforms. It is also included resources to fund a major switch improvement project in 2008. The November Plan includes additional Gap-mitigation resources as well as programs to alleviate the long-standing issues of Low Adhesion Mitigation (Slip-Slide) and Bridge Maintenance.

Metro-North's July Plan included improvements in its maintenance programs for M3 cars, locomotive overhauls and running repairs. It also included resources necessary to support a new maintenance facility shop complex in New Haven. The July Plan included extraordinary maintenance in Grand Central Terminal necessary to maintain its Landmark status and preserve the GCT retail revenue stream. The November Plan also includes resources for additional material requirements including spare parts for its electric fleet.

B&T includes additional costs for major maintenance and bridge painting, much of which is the result of an accelerated maintenance and painting program on the Throgs Neck Bridge.

The July Plan included additional monies for LI Bus fleet maintenance due to delays in new bus deliveries. This amount was increased in the November Plan. Staten Island Railway will be performing a major overhaul of its R-44 fleet in 2009 in order to extend the useful life of those cars until 2014. This is a delay of one year when compared with the July Plan which assumed that the work would be done in 2008.

Service - The 2008 Final Proposed Budget includes slightly higher re-estimates for service. Much of the increase is at NYCT, resulting from the internal funding of existing X27/X28 weekend express bus service that was formerly funded under a New York State grant.

Safety & Security costs decrease in 2007 primarily due to a \$3.5 million reimbursement from MTA Security Funds for emergency exit button bar installations at NYCT (thus reducing baseline operating expenses). Costs increases in 2008 and the out-years are mostly due to B&T's Truck Weight Enforcement Program.

Other New Needs include increases for LIRR Information Technology initiatives and East Side Access Operational Readiness and Awareness. MTAHQ includes facility improvements and one-time relocation and build-out expenditures in 2008 for the Inspector General's office.

Baseline PEG Re-estimates will have an unfavorable impact in the November Financial Plan and this is mainly due to NYCT's re-forecast of PEG savings related to worker availability.

The variance changes in Other Baseline Re-estimates are mostly the result of timing of capital reimbursements, retroactive wage adjustments and maintenance and material re-estimates. It includes a change in timing of NYCT capital reimbursements from 2007 to 2008 and 2009. 2007 was also impacted by material increases at NYCT and additional spare parts purchases for MNR's M7 and M8 fleets. Favorable Baseline Re-estimates in 2009 are the result of favorable claims and programmatic-related inflation re-forecasts at NYCT.

Accrued Baseline Assumptions

The following presents Agency baseline assumptions supporting the MTA Consolidated Statement of Operations. Additional detail is available in each Agency section. MTA Bus Financial Projections are fully incorporated within these numbers.

2007 November Forecast

The 2007 November Forecast reflects a Net Operating Deficit Before Subsidies and Debt Service of \$5,809 million, including \$1,259 million in non-cash Other Post Employment Benefits (OPEB) which were not captured in the July Plan. Excluding OPEB, results were \$128 million better than the Adopted Budget. Total Operating Revenue and Total Operating Expenses were \$60 million and \$68 million better, respectively.

Revenue

Farebox Revenue is expected to be \$51 million (1.3) higher than the 2007 Mid-Year Forecast, primarily reflecting higher ridership growth. Toll Revenue is expected to be \$7

million (0.5%) better due to higher volume. Other Operating Revenue is expected to be \$3 million better due primarily to higher rental income at the LIRR.

Expenses

Expenses are lower than the Mid-Year Forecast due to savings in Health & Welfare costs, Pensions, Fuel, Maintenance and Other Operating Contracts (timing), Professional Services Contracts, and Depreciation. Partially offsetting these favorable results were Overtime costs that are increasing \$35 million from the Mid-year Forecast primarily as a result of the need to cover vacancies.

Also, baseline expenses include the \$33 million Safety and Customer Satisfaction Pilot Program. In the July Plan (then estimated at \$35 million), it was captured as a below-the-line Policy Action; however at the July meeting, the Board authorized the Executive Director/CEO to expend this money in 2007. These programs are now captured within the November Baseline Plan in various expense categories, thus increasing the level of baseline expenses.

2008 Final Proposed Budget

The 2008 Final Proposed Budget projects a Net Operating Deficit Before Subsidies and Debt Service of \$6,578 million, including \$1,318 million in non-cash OPEB costs which were not captured in the July Plan. This is \$769 million higher than the 2007 November Forecast (which also includes OPEB) as a result of an increase in expenses slightly offset by higher passenger revenues. Some \$155 million of that increase is in the non-cash categories of Depreciation (\$96 million) and OPEB (\$59 million). Much of the remaining growth (as mentioned earlier) is the result of growth in “uncontrollable” expenses² on the baseline. The remaining expense growth is due primarily to contractual wage increases, timing shifts of expenditures from 2007 to 2008 and an increase in the general reserve. Also driving the increase is higher headcount as well as increased material and contractual maintenance costs due to enhanced maintenance efforts throughout the Agencies.

Excluding OPEB costs, which were not captured in the July Plan, results were only \$1 million unfavorable from the Preliminary 2008 Budget. Total Operating Revenue is expected to be \$74 million higher than the 2007 November Forecast due to significant increases in Fare-Box Revenue and Other Revenue. When compared with the July 2008 Preliminary Budget, revenue is projected to be \$63 million higher due to increases in Farebox, Toll and Other Revenue.

2009 – 2011 Forecast

The November Forecast includes improvements to the baseline when compared with the July Plan as increases in revenue are only partially offset by increased expenses. Enhanced maintenance programs will result in higher costs for labor and Maintenance

² Uncontrollable Expenses include Health & Welfare, Pensions, Energy, Paratransit and Insurance.

Services. Costs for electricity are also expected to rise. These increases are being offset by projected savings in Insurance and Fuel. Fuel savings, however, are very tentative given the volatility of this market.

The following pages provide a more detailed description of the assumptions used in formulating the 2007 November Forecast, 2008 Final Proposed Budget and the forecasts for the years 2009 through 2011. Additional detail can be found in individual Agency sections.

OTHER REVENUE

Other Operating Revenue growth from 2007 through 2011 (from \$475 million in 2007 to \$548 million in 2011) was influenced by a number of different factors including government reimbursements, fees and contractual and inflationary increases.

NYCT's year-to-year increases are primarily due to advertising revenue, and reimbursements for paratransit expenses (\$6M in 2008 and \$13M in 2009), largely related to urban tax revenues. The LIRR's year-to-year growth is primarily due to a new advertising guarantee agreement and contractual and inflationary increases. For MNR, the decline of Other Operating Revenue in 2008 (\$3M) is due to a reduction in net GCT retail revenues equal to the costs required to fund the renovation of Vanderbilt Hall. In 2009 the increase of \$4 million in revenue reflects the resumption of retail and event activities in the newly restored Vanderbilt Hall, a lower level of funding for the GCT restoration projects during the year and higher revenues from parking expansions and advertising. The decrease in years 2010-2011 reflects the addition of subsequent GCT restoration projects. B&T's decline in Other Operating Revenue by \$2 million in 2008 is primarily due to a one-time reduction in net income due to the purchase of a revenue monitoring system for the Battery Parking Garage. Revenues are restored to approximately \$10 million in 2009 with slight growth thereafter.

Slight increases in the 2007-2011 November Plan, compared with the July Plan, are primarily the result of LIRR's higher rental income of approximately \$2 million in years 2007-2011. B&T is also \$1 million higher in each year of the November Plan due to higher revenue from the Battery Parking Garage.

PAYROLL

MTA consolidated payroll expenses from 2007 through 2011 are influenced by a number of factors including position levels, Global Insight inflation assumptions, labor agreements, deferred salaries & wages, and capital project activity. Wage increases for represented employees at agencies generally follow the pattern established by the TWU contract which is 3.5% in 2008. For the outer years, agencies are using inflation projections of 1.97% in 2009, 1.95% in 2010 and 2.00% in 2011. Metro-North assumptions are slightly different based on a recently negotiated labor settlement (3.5%, 3.0%, 1.05% and 2.0% from 2008 to 2011, respectively). The assumption for non-represented employee wage growth is 3.0% for 2008 and 2009 and CPI thereafter (1.95% in 2010 and 2.0% in 2011).

2007 November Forecast

Consolidated payroll expenses of \$3,856 million are forecasted to be \$2 million more than the 2007 Mid-Year Forecast. The increase is mainly due to \$6 million in higher expenses at NYCT due primarily to funding for Safety and Customer Satisfaction pilot programs (\$16 million) offset by vacancy savings and departmental expense adjustments. Changes at other agencies were smaller, but generally favorable.

2008 Final Proposed Budget

MTA consolidated payroll expenses of \$4,099 million are \$243 million, or 6.3%, more than the 2007 November Forecast. This change is primarily caused by an assumed labor rate increase of 3.5% for represented personnel and 3.0% for non-represented and by an increase of 572 total non-reimbursable positions (reimbursable positions increased 390 from July).

Payroll expenses are forecast to be \$28 million higher than the July Plan for 2008. The increases are primarily composed of the LIRR (\$17 million) and NYCT (\$8 million) with additional modest increases at MNR (\$2 million) and B&T (\$1 million). The LIRR's higher expenses of \$17 million are due to an increase in year-end positions of 188 that is driven by New Needs such as Bridge Painting, Tree Trimming, Gap Mitigation and re-estimates to the Maintenance of Equipment Department's Life Cycle Maintenance Program. NYCT's payroll increase of \$8 million is primarily the result of the continuation of its Safety and Customer Satisfaction pilot programs, identified in 2007, into the baseline. The impact of these programs is \$52 million in payroll costs for 2008. Much of this cost is being offset by the expense reduction initiatives that are funding much of the cost of the programs including labor efficiencies and lower average pay rates. MNR's increase of \$2 million is due to the impact of salary adjustments. B&T's increase of \$1 million is due to additional BTO and Sergeant Positions for enforcement of B&T's new bridge weight restrictions.

2009 – 2011 Forecasts

Consolidated payroll expenses in 2009 of \$4,194 million are \$95 million, or 2.3%, more than 2008. Payroll expenses in 2010 of \$4,300 increase \$106 million, or 2.5%; and in 2011, payroll expenses of \$4,384 million increase \$84 million, or 2.0%, from 2010. These increases are due mostly to assumed labor rate inflators.

Compared with the July Plan consolidated payroll expenses, for the period 2009 through 2011, increase by \$24 million, \$22 million and \$15 million, respectively. The LIRR's expenses increase by \$18 million, \$19 million and \$17 million from 2009 to 2011, respectively. The LIRR's increases reflect position additions and are largely continuations of the new and expanded programs (such as Gap initiatives, bridge requirements and tree trimming) and LCM re-estimates that begin in 2008. NYCT's payroll expenses increase in \$3 million in 2009 and \$4 million in 2011, remaining unchanged in 2010. NYCT's payroll increases are primarily the result of Safety and Customer Satisfaction pilot programs (that are now in the baseline) mostly offset by position reductions in several departments and favorable average pay rate adjustments. MNR's payroll increases \$2 million each year due to the impact of salary adjustments from recently negotiated labor settlements. B&T's payroll increases \$1 million each year as a result of the additional positions required for enforcement of the new bridge weight standard restrictions.

OVERTIME

MTA consolidated overtime expenses from 2007 to 2011 are influenced by a number of factors including position levels, Global Insight inflation assumptions, labor agreements, deferred salaries & wages, and capital project activity. Overall, wage increases for represented employees generally follow the pattern established by the TWU contract.

2007 November Forecast

Consolidated overtime expenses of \$466 million are forecasted to be \$35 million or 8.1% more than the Mid-Year Forecast. NYCT's overtime expenses of \$257 million are \$28 million unfavorable due to higher vacancies, the inclusion of the Safety and Customer Satisfaction Pilot Programs into the baseline, additional overtime requirements for weather and additional flagging requirements. The LIRR's overtime expenses are \$2 million higher than the July Plan due to higher relief day and maintenance overtime. MNR's overtime increases \$2 million as a result of salary and salary inflation changes as well as higher vacancy coverage. B&T's overtime increases by \$2 million mainly due to additional requirements for enforcing truck weight requirements.

2008 Final Proposed Budget

Consolidated overtime expenses of \$440 million are \$26 million or 5.6% less than 2007 due to high level weather-related overtime in 2007 and a reduced vacancy assumption by NYCT. This decrease in overtime is partially offset by an assumed represented labor rate increase of 3.5% and non-represented increase of 3.0%.

Consolidated overtime expenses are forecasted to be \$35 million more than the July Plan. NYCT's expenses increase \$28 million mainly due to hiring lags associated with the Safety and Customer Satisfaction pilot programs and failure to achieve employee availability targets. The LIRR's overtime costs increase by nearly \$4 million from the July Plan due to additional requirements for the LCM program, the impact of the recent Carman Agreement, MU Sanders Installation, M7 Horns and Bridge Waterproofing. MNR's overtime increases \$2 million as a result of salary and salary inflation changes as well as higher vacancy coverage. B&T's overtime increases by \$2 million mainly due to additional requirements for enforcing truck weight requirements.

2009 – 2011 Forecasts

Consolidated overtime expenses in 2009 of \$446 million are \$6 million (1.36%) more than 2008. This change is primarily caused by an assumed labor rate increase of 1.97%. On a year-to-year basis, overtime expenses in 2010 and 2011 of \$455 million and \$463 million increase \$9 million (2.02%) and \$8 million (1.76%) from the prior years. These increases closely reflect assumed labor rate inflators of 1.95% in 2010 and 2.00% in 2011.

The consolidated overtime assumptions for 2009 through 2011 are \$33 million, \$34 million and \$34 million more than the July Plan, respectively. Changes from the July Plan at agencies are generally continuations of those identified above for 2008 and are mainly caused by NYCT's changes.

HEALTH & WELFARE

In the November Plan, year-to-year increases are driven primarily by inflators provided by the NYS Department of Civil Service and changes in headcount levels. The inflators for Health and Welfare are unchanged from the July Plan. For 2007, an increase of 4.02% is applied over the 2006 rates. The net rate for 2008 is 12.5% and 9.2% for 2009-2011.

In 2008, Health and Welfare expenses are forecasted to increase by \$136 million (15%) over 2007. LIRR's year-to-year increases reflect the impact of headcount changes each year. MTA Bus's year-to-year increases for 2007-2008 includes the addition of retiree costs as well as new positions for service expansion. For MNR, 2008 reflects changes in enrollment levels, retirees, and employees on leave of absence status. 2009-2011 includes staffing levels associated with programmatic changes as well as a slight increase in retirees.

Compared with the July Plan, MTA Consolidated Health and Welfare is forecasted to be \$12 million lower in 2007, \$18 million higher in 2008, \$24 million higher in 2009, and \$25 million higher in both 2010 and 2011. Favorable expense reductions in 2007 are primarily due to less-than-anticipated health and welfare claims at NYCT. Also, agencies received a one time credit for Federal Medicare in 2007. NYCT's plan-to-plan increases for 2008-2011 are due to increased headcount for the Safety and Customer Satisfaction Pilot Programs. MTAHQ's plan-to-plan increases for 2007-2011 reflect higher retiree benefits.

PENSIONS

MTA Consolidated Pensions November Financial Plan (\$ in millions)					
	2007	2008	2009	2010	2011
Accrual					
Non-Reimbursable	\$779	\$871	\$870	\$844	\$827
Reimbursable	45	47	43	42	43
Total Accrual	824	918	913	886	870
Cash	967	661	905	889	868

Year-to-Year Pension Changes

The non-reimbursable accrued pension expense increase from 2007 to 2008 is over \$90 million. This increase primarily reflects higher 2008 expenses for the NYCERS Plan resulting from a revaluation approved by New York State legislation. One-time savings were generated in the City's 2007 Fiscal Year were deposited in a retiree health and benefit trust fund to offset a portion of the OPEB liability. The 2007 to 2008 increase reflects both the reversal of the one-time savings and the continued amortization of the losses in the equities that resulted from the bear market of 2000 to 2002. The NYCERS increase is consistent with the certification by the Chief Actuary of the New York City Pension Plans. Other MTA Pension plans change little between 2007 and 2008.

MTA pension changes from 2008 to 2011 are much less significant in large part because by that time NYCERS losses associated with the equities will have been amortized. The balance is comprised of small adjustments throughout the pension plans. The MaBSTOA decreases are the result of assumed savings in projected amortization payments that are the result of funds transferred from the MTA to the plan in 2006. The assumed savings were reflected by NYCT in a previous financial plan. The other MTA pension plans change very little after 2008.

The differences between cash and accrual result from a number of factors. For the NYCERS Plan the accruals recognize liabilities sooner than the required cash payments consistent with the City Fiscal Year Plan. Additionally, B&T is not included in the MTA Consolidated cash figures; however, their pension accruals are included in the NYCERS estimates.

Plan-to-Plan Pension Changes

MTA Consolidated Pensions Changes November Financial Plan vs. July Financial Plan Favorable / (Unfavorable) (\$ in millions)					
	2007	2008	2009	2010	2011
Accrual					
Non-Reimbursable	\$13	(\$1)	(\$3)	(\$3)	(\$1)
Reimbursable	(3)	(1)	1	1	1
Total Accrual	10	(2)	(2)	(2)	0
Cash	(198)	216	0	0	2

Compared to July, MTA Consolidated Pensions expenses changed significantly on a cash basis. \$200 million of the 2007 cash balance was used to pre-pay a portion of

2008 pension payments for both the MTA Defined Benefit Plan and the MaBSTOA Plan (\$100 million for each plan). These prepayments, which were captured below-the-baseline in the July Plan, but are now included in the baseline, will enable early investment of the payments yielding a reduction in 2008 costs of \$16 million (\$8 million for each plan). The prepayment assumption is currently included in MTA Consolidated figures and not in agency budgets.

Non-reimbursable expenses change only slightly from the July Plan. These changes were primarily a result of recently available 2006 actuarial valuations from the MTA's actuary and the favorable effects of the 2006 transfer of \$464 million to the LIRR Pension Plans, MaBSTOA Plan and MTA Defined Benefit Plan. The transfer of assets resulted in reduced annual required contributions (ARC) by the agencies. The effects of the valuations and lower ARCs affected MTAHQ, the LIRR, MNR and SIR and were generally favorable. NYCT previously incorporated these assumptions in its November 2006 Financial Plan. The MTA had previously set aside \$40 million as a reserve to cover the effects of the higher valuations (the 2006 Pension Reserve). Both assumptions were included in MTAHQ's Pension figures in the 2007 July Plan. The 2006 Pension Reserve was partly allocated to cover the effects of the higher valuations. The remaining 2007 Pension Reserve could be available to offset costs resulting from the 2007 actuarial valuations.

	2007	2008	2009	2010	2011
2007 Pension Reserve (\$ in millions)	\$24	\$23	\$20	\$17	\$13

TRACTION AND PROPULSION POWER

MTA has a Long-Term Agreement ("LTA") through 2017 with the New York Power Authority ("NYPA") to supply electricity within the City of New York and Westchester County. The MTA, City of New York and other government customers have worked with NYPA to implement a hedge program, with customers responsible for marginal gains or losses due to market prices.

NYPA has provided a preliminary cost of service for 2008. Based on current energy prices and projections, NYPA estimates that costs will rise slightly (1.3%) in 2008 compared to 2007. The Long Island Power Authority (LIPA) serves LIRR in Nassau and Suffolk Counties. LIPA expects to increase costs by 2% in 2008 compared with 2007. Connecticut Light and Power (CL&P) serves MNR in Fairfield and New Haven Counties. CL&P 2008 prices are expected to rise 8% over 2007.

Con Edison (Con Ed) is responsible for delivering NYPA power to its customers. Con Ed filed with the Public Service Commission to increase its rates beginning April 2008. Con Ed rates are expected to rise by 20% in 2008, 5% in 2009, 7% in 2010 and 10% in 2011.

Beyond 2008, it is estimated that NYPA costs will rise 7.7% in 2009, 19.3% in 2010 and 7% in 2011. LIPA and CL&P rates are estimated to increase by 4% in each of the years 2009 – 2011.

Compared to the July Plan, expenses are slightly unfavorable in 2007 and 2008, but are favorable in 2009. Out-year projections are considerably higher due primarily to increases in NYPA inflation projections.

FUEL FOR BUSES AND TRAINS

Starting in 2006, MTA began using the New York Mercantile Exchange (NYMEX) to forecast future price changes for diesel fuel and natural gas instead of more general forecast models such as Global Insight. These forecasts now extend out 36 months for diesel and 60 months for natural gas.

Based on third-quarter 2007 data, ULSD prices are expected to decline in 2008 by 1.4% in 2008 compared to 2007, and continue to fall by between 1-2% per year through 2011. Natural Gas is expected to rise significantly in 2008 over 2007 prices (20.4%). The rise in 2009 is 4.7%, and then prices decline in 2010 (-4.6%) and 2011(-3.1%).

When compared with the July Plan, costs are lower in each year. The July Plan had reflected very high fuel prices based on the experience at that time. When Agencies were developing their budgets for the November Plan, cost projections were developed based on prices during the third quarter of 2007, which were significantly lower than July. However, the most recent prices are at record levels and continue to be volatile. In reaction to the latest trends, fuel costs in the November Plan include an MTA-wide reserve of \$22 million in 2008. This will be distributed to the Agencies in the February 2008 Plan. Subsequent years are not being increased at this time because of current volatility and will be re-examined in the July 2008 Plan.

Thus, compared to July, net fuel costs decrease \$13 million in 2007, increase \$11 million in 2008, and decrease \$30 million, \$31 million, and \$34 million in 2009 to 2011, respectfully.

INSURANCE

Year-to-year increases in Insurance expenses primarily are driven by a 10% per annum market-rate increase based on an assessment of market conditions made by MTA's Risk Management Department in consultation with its insurance advisors. However, in 2008, the premium costs for the All-Agency Property Insurance are declining because of a money-saving policy re-structuring as well as changes in the property insurance marketplace. These savings are expected to be realized through the life of the Plan.

Partially offsetting these savings are higher expenses reflecting the renewal of several multi-year policies, including All-Agency Environmental Liability, Travel Accident, Lead Abatement and Comprehensive Automotive Liability policies.

When compared with the July Plan, lower expenses, about \$10 million annually, are primarily due to the lower All-Agency Property Insurance mentioned above.

The First Mutual Transportation Assurance Company (FMTAC) is incorporated into MTA consolidated financials. Increases in Insurance premiums paid by MTA Agencies to FMTAC are necessary in order to maintain the appropriate capital and reserve levels pursuant to the State of New York Insurance guidelines.

CLAIMS

For all agencies, Claims expenses are based on inflationary assumptions as well as historical performance. Claims expenses are lower in 2008 than 2007 primarily due to MTA Bus' establishment of a reserve account (on the balance sheet) for public liability claims. These expenses increase from 2009 to 2011 due to the projected cost escalation in the 2009-2011 period. On a year-to-year basis, NYCT's forecast includes an annual inflation rate of 2.5% in addition to historical performance. MNR's increase for the plan period reflects current claims trends. LIRR reflects actual experience through July 2007 and the anticipated settlement and payout of claims for the balance of the year.

On a plan-to-plan basis, consolidated results are \$3 million favorable to the July Plan in 2007 due to MNR's reduction in its provision for injury claims accruals based on favorable YTD actual results through August.

PARATRANSIT SERVICE CONTRACTS

Expenses increase from \$225 million in 2007 to \$432 million in 2011, or 92% over the period. The annual percentage increase per year is 20.4% in 2008, 13.7% in 2009, 15.9% in 2010 and 21.0% in 2011. The primary driver of these expense increases is projected annual ridership growth of 15% (which is consistent with the February and July Plans) and cost-per-trip inflation projections based upon current carrier contracts, which include CPI assumptions.

In 2007, expenses decreased from July to November mostly due to reductions in costs for eligibility certification of customers and lower maintenance costs for Paratransit overhauls.

MAINTENANCE AND OTHER OPERATING CONTRACTS

Consolidated Maintenance and Other Operating Contracts expenses are \$558 million in 2007, \$639 million in 2008, \$637 million in 2009, \$663 million in 2010 and \$667 million in 2011. These annual changes are inflated by Global Insight's CPI-U forecasts from 2008 through 2011.

In addition to these inflationary increases, NYCT includes the NYPA annual rate increase of 1.3% in 2008, 7.7% in 2009, 19.3% in 2010 and 7.0% in 2011 for the delivery of facility power. From 2007 to 2008 NYCT's expenses also increase due to station painting.

The LIRR includes additional expenses for tree trimming, station maintenance and station painting that increases in 2008 and 2009, but returns to a normalized level thereafter.

MNR's expenses are influenced by contractual West-of-Hudson subsidy arrangements and a related overhaul program for Genesis locomotives. MNR's expenses also increase due to programmatic changes for Grand Central Terminal landmark maintenance, the impact of relocating certain functions to a new building in White Plains and major maintenance at the railroad's shops and yards.

B&T's expenses increase due to rising E-ZPass Customer Service Center transition/start-up costs, bridge painting requirements and E-ZPass tag replacement program costs.

SIR's expenses reflect the NYPA annual rate increase for facility power. Included in the SIR 2008 and 2009 projections is an estimated \$11 million of one-time fleet improvement expenses that will be required to maintain the safety and reliability of the 64-car fleet until anticipated replacement in 2014.

LIB expenses reflect increased costs for utilities as well as increased costs associated with new bus maintenance needs related to delayed bus replacements.

MTAHQ expenses reflect increases in contracts for maintenance and repair work for facilities and expenses related to the Shared Services initiative.

MTA Bus's expenses include costs for bus and facility maintenance and repair work as well as environmental remediation.

Compared with the Mid-Year Forecast, consolidated Maintenance and Other Operating Expenses are expected to decrease by \$22 million. From 2008 through 2010, they increase by \$31 million, \$13 million and \$13 million, respectively. Expenses in 2011 do not change.

NYCT expenses increase \$9 million in 2007, decrease \$11 million in 2008, decrease \$7 million in 2009 and increase by approximately \$9 million in both 2010 and 2011. These changes are due to a variety of expenses re-estimates and new needs.

The LIRR has increased expenses \$6 million in 2008 and \$1 million each year thereafter reflecting additional expenses for tree trimming, station maintenance and station painting in 2008 and 2009 that return to a normalized level afterwards.

MNR's expenses decrease by \$4 million in 2007 and increase \$2 million in both 2008 and 2009. These changes are primarily caused by West of Hudson subsidy increases, locomotive overhauls, the relocation of certain employees to a new building in White Plains and the maintenance of shops and yards at Brewster and North White Plains.

B&T is \$8 million favorable in 2007, \$12 million unfavorable in 2008, \$11 million unfavorable in 2009, \$2 million unfavorable in 2010 and \$12 million favorable in 2011. B&T's lower 2007 expenses reflect favorable changes to bridge painting, major maintenance, savings from the E-ZPass Customer Service Center and re-estimates of other expenses. In 2008, increased expenses include higher costs for major maintenance and bridge painting (\$7.0 million) due to the re-scheduling of 2007 projects to 2008 and the acceleration of painting at the Throgs Neck Bridge based on biennial bridge inspection findings. Other changes include higher electric power expenses due to higher rates and higher consumption in 2009 offset by lower rates for heating oil.

SIR's expenses decrease \$5 million in 2008, but increase by \$5 million in 2009 because of the rescheduling of fleet maintenance expenses (R44 car life extension). Other years have only minor changes from the July Plan.

MTAHQ is unfavorable by approximately \$4 million in 2008 due to facility improvements for the Inspector General and higher lease costs. After 2008, expenses change little from the July Plan.

PROFESSIONAL SERVICE CONTRACTS

Professional Services increase between 2007 and 2008 and then remain flat through the Plan period.

The LIRR's growth of \$9.5 million from 2007 from 2008 is primarily the result of expenses related to various new Information Technology and re-estimates of ongoing projects. 2009 – 2011 reflects changes in system initiative projects (change in need for outside consultants). B&T's expenses in 2008 are \$3.5 million higher than 2007 due to a re-estimate of bond service fees, miscellaneous consulting services, and general engineering services and advertising. MNR's increase of \$1.3 million from 2007 to 2008 is primarily due to additional environmental abatement costs. MNR's increase in 2009 (\$2.7M) includes the restoration of a cost provision for general advertising fees and the restoration of MTA police service charges.

Overall decreases from the July Plan are due primarily to NYCT's reductions in the Central Maintenance Management System (CMMS), information technology, and professional and technical fees.

MATERIALS & SUPPLIES

All-Agency increases in Materials and Supplies for 2008 through 2011 are inflated primarily by Global Insight's Regional CPI-U forecasts.

Materials and Supplies expense increases \$19 million or 3.5% between 2007 and 2008 due to significant increases in maintenance requirements. The LIRR reflects an increase of \$26 million between 2007 and 2008 primarily due to Maintenance of Equipment material needs associated with changes in the Life-Cycle Maintenance program. NYCT's expenses are projected to increase by \$8 million in 2008 from 2007, primarily due to the timing of subway and bus fleet maintenance programs and the inclusion of the Safety and Customer Satisfaction Pilot Program into the baseline. B&T's expenses are \$1 million higher in 2008 primarily due to an increase in E-ZPass tags. MTA Bus expenses decrease \$5 million primarily due to improved reliability of the new bus fleet.

MTA Materials and Supplies increase by \$41 million in 2009 from 2008. NYCT expenses increase by \$44 million predominately due to the timing of subway and bus fleet maintenance programs. MNR expenses increase by \$7 million largely due to cost provisions for the expanding maintenance program on the M1 car fleet. LIRR expenses decrease \$13 million mainly due to lower Life-Cycle Maintenance material costs. On a consolidated basis, expenses increase \$25 million in 2010 from 2009 predominately due to the increase in E-ZPass tag inventory needed for the tag replacement program at B&T.

MTA Consolidated Materials and Supplies are forecasted to be \$4 million higher in 2007 than the July Plan. In 2007, NYCT is projected to be \$3.3 million higher than the July Plan primarily due to timing and the inclusion of the Safety and Customer Satisfaction Pilot Program into the baseline. MNR expenses increase \$1.5 million from the July Plan in 2007 due to advanced purchases of materials & supplies for the M7 spare parts inventory, the M3 CSR program, and components required for the gear box overhaul program. The extended use of older buses due to the delay in replacement deliveries adversely impact materials and parts usage at LIB. Offsetting these increases is a decrease at the LIRR due to lower LCM material costs as a result of timing and pricing of materials.

For 2008, consolidated Materials and Supplies are \$18 million lower than the July Plan primarily due to a re-estimate of material costs associated with LCM at the LIRR and revisions to material parts usage guidelines, reduced replacement rates and the standardization of brake component replacement practices at NYCT. These were partially offset by the inclusion of the Safety and Customer Satisfaction Pilot Program into NYCT's baseline. For 2009, consolidated Materials & Supplies are \$12 million higher than the July Plan and for 2010-2011 they are slightly lower.

Significant increases from the July Plan in 2009 primarily result from NYCT's additional requirements for subway car maintenance (includes SMS), Pilot Program materials and bus maintenance and materials. These expenses are also recurring in 2010-2011. The LIRR's expenses decrease in 2007-2011 due to lower LCM material costs.

Other Post-Employment Benefits (OPEB) and GASB FUND

In the MTA Consolidated Financial Statements for the first quarter ending, March 31, 2007, MTA implemented the Governmental Accounting Standard Board Statement No. 45 ("GASB-45") -- the "Accounting and Financial Reporting for Employers for Post Employment Benefits Other Than Pensions".

For the MTA and other governmental employers, the Other Post-Employment Benefits (OPEBs) have been funded on a "pay-as-you-go" basis and have been reported in the financial statements when the "promised" benefits were paid. GASB-45 now requires that state and local governmental entities' financial reports reflect systematic, accrual-based measurements and the recognition of OPEB costs (expense) over a period that approximates the employee's years of services and provides information about actuarial accrued liabilities and whether and, to what extent progress is made in the funding.

To provide the valuation of the various elements, the MTA engaged the firm of Milliman Consultants and Actuaries. The results of their report were reviewed by the MTA's independent auditors and included in MTA quarterly financial statements.

The impact over a 22-year period per Milliman's actuarial report grows to an overall impact of a Frozen Accrued Liability of approximately \$13,633 million. These balances, which will be recalculated every two years to reflect any adjustments or changes in the MTA's demographic information, have been recognized and accounted for in the MTA quarterly Consolidated Financial Statements.

The impact to the MTA Consolidated Financial Plan Statement for 2007 is an Annual Required Contribution (ARC) of \$1,575 million cost (expense) which is made up of a net OPEB accrued obligation of \$1,259 million and a "pay-as-you-go" cash contribution of \$316 million. The accrual is captured in a separate line on the MTA Consolidated Statement of Operations (and within each Agency's financials). The pay-as-you-go portion continues to be captured within Health & Welfare expenses on both the accrued and cash statements.

While the GASB standard only requires the disclosure of this future liability, the MTA has created a GASB fund which appears only on the Cash Receipts and Expenditures Statement and not the accrual-based Statement of Operations. Contributions to this fund began in 2006 and included \$80 million from additional revenues generated by increased real-estate-related tax activity (funded from MRT-2). It also captures NYCERS pension savings that are the result of legislative action that authorized a revaluation of New York City NYCERS costs. These non-recurring pension savings impact NYCT and B&T, and are estimated to be \$125 million in 2006 and \$27 million in 2007.

In addition, the July Plan continues the assumption that Agencies will deposit into the GASB fund over the Plan period Health & Welfare contributions by most represented

employees³ as anticipated in pattern bargaining. The estimated funds from this are \$29 million in 2006, \$52 million in 2007, \$59 million in 2008, \$63 million in 2009, \$65 million in 2010, and \$74 million in 2011. On a Plan-to-Plan basis, the change to these estimated cash contributions to the GASB fund are \$4 million less in each year.

Estimated contributions to the GASB Fund included in the November Plan total \$568 million.

The November Financial Plan will continue to reflect the pay-as-you-go obligation for OPEBs. However, future plans will reflect the OPEBs in two components: an accrued liability expense and a cash expenditure.

³ Metro-North will be making the GASB contribution; however, based on recent labor settlements, most of its employees will not be making Health & Welfare contributions.

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Positions (Headcount)

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2008 - 2011
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Agency

Category	2006 Actual (1)	2007 November Forecast (1)	2008 Final Proposed Budget	2009	2010	2011
<i>Baseline Total Positions</i>	67,457	70,035	70,695	70,427	70,620	70,474
NYC Transit	47,696	49,069	49,294	48,913	48,908	48,805
Long Island Rail Road	6,303	6,587	6,907	6,965	6,998	6,938
Metro-North Railroad	5,856	6,061	6,121	6,174	6,339	6,356
Bridges & Tunnels	1,783	1,828	1,819	1,819	1,819	1,819
Headquarters	1,318	1,450	1,454	1,456	1,456	1,456
Long Island Bus	1,108	1,153	1,153	1,153	1,153	1,153
Staten Island Railway	270	286	286	286	286	286
Capital Construction Company	68	142	150	150	150	150
Bus Company	3,055	3,459	3,511	3,511	3,511	3,511
<i>Non-Reimbursable</i>	60,597	63,116	63,397	63,442	63,817	63,771
NYC Transit	42,255	43,666	43,765	43,691	43,880	43,877
Long Island Rail Road	5,582	5,933	6,057	6,121	6,142	6,082
Metro-North Railroad	5,311	5,450	5,474	5,527	5,692	5,709
Bridges & Tunnels	1,734	1,776	1,766	1,766	1,766	1,766
Headquarters	1,298	1,414	1,418	1,420	1,420	1,420
Long Island Bus	1,095	1,139	1,139	1,139	1,139	1,139
Staten Island Railway	267	283	283	283	283	283
Capital Construction Company	0	0	0	0	0	0
Bus Company	3,055	3,455	3,495	3,495	3,495	3,495
<i>Reimbursable</i>	6,860	6,919	7,298	6,985	6,803	6,703
NYC Transit	5,441	5,403	5,529	5,222	5,028	4,928
Long Island Rail Road	721	654	850	844	856	856
Metro-North Railroad	545	611	647	647	647	647
Bridges & Tunnels	49	52	53	53	53	53
Headquarters	20	36	36	36	36	36
Long Island Bus	13	14	14	14	14	14
Staten Island Railway	3	3	3	3	3	3
Capital Construction Company	68	142	150	150	150	150
Bus Company	0	4	16	16	16	16
<i>Total Full-Time</i>	67,120	69,702	70,369	70,116	70,309	70,163
NYC Transit	47,453	48,850	49,082	48,716	48,711	48,608
Long Island Rail Road	6,303	6,587	6,907	6,965	6,998	6,938
Metro-North Railroad	5,851	6,056	6,116	6,169	6,334	6,351
Bridges & Tunnels	1,783	1,828	1,819	1,819	1,819	1,819
Headquarters	1,318	1,450	1,454	1,456	1,456	1,456
Long Island Bus	1,019	1,044	1,044	1,044	1,044	1,044
Staten Island Railway	270	286	286	286	286	286
Capital Construction Company	68	142	150	150	150	150
Bus Company	3,055	3,459	3,511	3,511	3,511	3,511
<i>Total Full-Time-Equivalents</i>	337	333	326	311	311	311
NYC Transit	243	219	212	197	197	197
Long Island Rail Road	0	0	0	0	0	0
Metro-North Railroad	5	5	5	5	5	5
Bridges & Tunnels	0	0	0	0	0	0
Headquarters	0	0	0	0	0	0
Long Island Bus	89	109	109	109	109	109
Staten Island Railway	0	0	0	0	0	0
Capital Construction Company	0	0	0	0	0	0
Bus Company	0	0	0	0	0	0

(1) Positions have been restated to reflect the 2007 reorganization of the Planning and Development, Finance and Customer Service Divisions

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2008 - 2011
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency

Function	2006 Actual (1)	2007 November Forecast (1)	2008 Final Proposed Budget	2009	2010	2011
Administration	4,581	4,876	4,956	4,946	4,936	4,936
NYC Transit	2,295	2,327	2,318	2,303	2,291	2,290
Long Island Rail Road	620	684	717	720	722	723
Metro-North Railroad	736	732	746	746	746	746
Bridges & Tunnels	136	146	144	144	144	144
Headquarters	586	681	684	686	686	686
Long Island Bus	88	96	96	96	96	96
Staten Island Railway	29	31	31	31	31	31
Capital Construction Company	21	54	55	55	55	55
Bus Company	70	125	165	165	165	165
Operations	30,547	31,107	31,175	31,073	31,068	31,071
NYC Transit	23,036	23,283	23,306	23,192	23,121	23,107
Long Island Rail Road	1,992	2,060	2,073	2,073	2,073	2,073
Metro-North Railroad	1,757	1,803	1,827	1,839	1,905	1,922
Bridges & Tunnels	783	792	800	800	800	800
Headquarters	0	0	0	0	0	0
Long Island Bus	755	777	777	777	777	777
Staten Island Railway	90	94	94	94	94	94
Capital Construction Company	0	0	0	0	0	0
Bus Company	2,134	2,298	2,298	2,298	2,298	2,298
Maintenance	28,833	30,357	30,842	30,692	30,901	30,755
NYC Transit	20,331	21,353	21,560	21,307	21,386	21,301
Long Island Rail Road	3,610	3,764	4,017	4,079	4,110	4,049
Metro-North Railroad	3,256	3,411	3,433	3,474	3,573	3,573
Bridges & Tunnels	395	392	395	395	395	395
Headquarters	0	0	0	0	0	0
Long Island Bus	247	261	261	261	261	261
Staten Island Railway	151	161	161	161	161	161
Capital Construction Company	0	0	0	0	0	0
Bus Company	843	1,015	1,015	1,015	1,015	1,015
Engineering/Capital	1,875	2,003	2,043	2,036	2,036	2,036
NYC Transit	1,450	1,504	1,504	1,504	1,504	1,504
Long Island Rail Road	81	79	100	93	93	93
Metro-North Railroad	107	115	115	115	115	115
Bridges & Tunnels	174	190	190	190	190	190
Headquarters	0	0	0	0	0	0
Long Island Bus	15	16	16	16	16	16
Staten Island Railway	0	0	0	0	0	0
Capital Construction Company	47	88	95	95	95	95
Bus Company	1	11	23	23	23	23
Public Safety	1,621	1,692	1,679	1,680	1,679	1,676
NYC Transit	584	602	606	607	606	603
Long Island Rail Road	0	0	0	0	0	0
Metro-North Railroad	0	0	0	0	0	0
Bridges & Tunnels	295	308	290	290	290	290
Headquarters	732	769	770	770	770	770
Long Island Bus	3	3	3	3	3	3
Staten Island Railway	0	0	0	0	0	0
Capital Construction Company	0	0	0	0	0	0
Bus Company	7	10	10	10	10	10

(1) Positions have been restated to reflect the 2007 reorganization of the Planning and Development, Finance and Customer Service Divisions

Metropolitan Transportation Authority
November Financial Plan 2008 - 2011
Baseline Total Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP		2006 Actual (1)	2007 November Forecast (1)	2008 Final Proposed Budget	2009	2010	2011
Administration							
	Managers/Supervisors	1,582	1,721	1,759	1,758	1,753	1,752
	Professional, Technical, Clerical	2,622	3,093	3,135	3,126	3,121	3,122
	Operational Hourlies	3	62	62	62	62	62
	Total Administration	4,207	4,876	4,956	4,946	4,936	4,936
Operations							
	Managers/Supervisors	3,091	3,286	3,329	3,272	3,257	3,251
	Professional, Technical, Clerical	1,201	1,263	1,132	1,126	1,139	1,139
	Operational Hourlies	26,627	26,558	26,714	26,675	26,672	26,681
	Total Operations	30,919	31,107	31,175	31,073	31,068	31,071
Maintenance							
	Managers/Supervisors	4,590	4,823	4,927	4,907	4,913	4,890
	Professional, Technical, Clerical	2,524	2,595	2,635	2,595	2,578	2,562
	Operational Hourlies	21,721	22,939	23,280	23,190	23,410	23,303
	Total Maintenance	28,835	30,357	30,842	30,692	30,901	30,755
Engineering/Capital							
	Managers/Supervisors	458	489	518	512	512	512
	Professional, Technical, Clerical	1,415	1,512	1,523	1,522	1,522	1,522
	Operational Hourlies	2	2	2	2	2	2
	Total Engineering/Capital	1,875	2,003	2,043	2,036	2,036	2,036
Public Safety							
	Managers/Supervisors	151	174	175	172	171	170
	Professional, Technical, Clerical	161	185	187	186	186	184
	Operational Hourlies	1,309	1,333	1,317	1,322	1,322	1,322
	Total Public Safety	1,621	1,692	1,679	1,680	1,679	1,676
Baseline Total Positions							
	Managers/Supervisors	9,872	10,493	10,708	10,621	10,606	10,575
	Professional, Technical, Clerical	7,923	8,648	8,612	8,555	8,546	8,529
	Operational Hourlies	49,662	50,894	51,375	51,251	51,468	51,370
	Baseline Total Positions	67,457	70,035	70,695	70,427	70,620	70,474

(1) Positions have been restated to reflect the 2007 reorganization of the Planning and Development, Finance and Customer Service Divisions

POSITIONS (Headcount)

This section examines Year-to-Year baseline position changes. Headcount assumptions of policy and gap closing actions are not included in this section.

Year-to-Year (2008 vs 2007)

The MTA consolidated 2008 baseline reflects positions of 70,695, which are 660 more than 2007. Non-Reimbursable positions increase by 281 and Reimbursable positions increase by 379. Positions increase by a net 320 at the LIRR, 225 at NYCT, 60 at MNR, 52 at MTA Bus, 8 at MTA CC and 4 at MTA HQ, while positions decrease by 9 at B&T. The bulk of the increase over the 2007 November Forecast is made up of position increases in Maintenance (+485).

LIRR's increase is made up of 124 Non-Reimbursable and 196 Reimbursable positions. Positions increase in Maintenance (+253), Administration (+33), Engineering (+21), and Operations (+13). Non-Reimbursable position increases are primarily due to initiatives such as gap mitigation and monitoring (+67), Life Cycle Maintenance (LCM) re-estimates (+50), tree trimming (+18), bridge maintenance (+17), communications (+11), the Maintenance of Equipment maintenance apprenticeship program (+7), and the East Side Access Readiness group (+6). These increases are partially offset by a shift of some operating positions back to Reimbursable. Reimbursable position increases are primarily due to the transition of ESA from the design phase to major Force Account direct construction at the Harold Interlocking, and the reversal of a 2007 shift of positions between Non-Reimbursable and Reimbursable.

NYCT's increase is made up of 99 Non-Reimbursable positions and 126 Reimbursable positions. Positions increased in Maintenance (+207), Operations (+23), and Public Safety (+4), and decreased in Administration (-9). Non-Reimbursable position increases are primarily attributable to Scheduled Maintenance System (SMS) changes; and an increase in Shop maintenance positions in the Department of Buses. Reimbursable position increases are primarily due to staffing required for a Customer Service coordination unit to facilitate major service changes, increased Scheduled Maintenance System (SMS) work for SIRTOA, and staffing for R-160 warranty work. Included in the Non-Reimbursable increase are 41 maintenance positions for NYCT's Safety and Customer Satisfaction Pilot Program. The bulk of this increase (+42) are related to implementation of the Bus Quality Control program.

MNR's increase is made up of 24 Non-Reimbursable positions and 36 Reimbursable positions. Positions increase in Operations (+24), Maintenance (+22) and Administration (+14). Non-Reimbursable position increases reflect staffing additions for new service, safety and security programs, customer service improvements and additional facility maintenance requirements at GCT and the New Haven Service and Inspection shop. Reimbursable position increases are due to additional support requirements for the CDOT track program, the Danbury signal system, security CCTV

and right-of-way fencing programs, the cyclical track program in NYS, and bridge timber replacement on undergrade bridges.

MTA Bus' increase is made up of 40 Non-Reimbursable positions and 12 Reimbursable positions. Positions increase in Administration (+40) and Engineering (+12). The 40 position increase in Non-Reimbursable positions is to provide administrative and other support.

Year-to-Year (2009 – 2011)

Total forecasted position levels decrease by 221 from the end of 2008 to the end of 2011. Positions decrease by 268 in 2009, increase by 193 in 2010, and decrease by 146 in 2011. Agencies with the largest position changes at the end of the three-year period are NYCT with a reduction of 489, MNR with an increase of 235 and the LIRR with an increase of 31.

NYCT's decrease is made up of a reduction of 601 Reimbursable positions and an increase of 112 Non-Reimbursable positions. Net positions decrease primarily in the areas of Maintenance (-259), Operations (-199), and Administration (-28). Position reductions are primarily due to the completion of various projects including tunnel lighting, the Automated Train Supervision (ATS-A) project, the Scheduled Maintenance System (SMS) work on SIR train cars, the R62A door operator pin replacement project, warranty work R160 Phase 1 cars, and Antenna Cabling Replacement. Other reductions include reductions in the TWU Apprentice program and reductions in RTO field staff management through increased span of control.

MNR's increase is made up entirely of Non-Reimbursable positions. Positions increase in Maintenance (+140) and Operations (+95). Position increases are due to staffing additions for new service, safety and security programs, coach cleaning and maintenance requirements for the new M8 cars, the new Harmon shop, and the Danbury signal system.

LIRR's increase is made up of 25 Non-Reimbursable positions and 6 Reimbursable positions. Positions increase in Maintenance (+32) and decrease in Engineering (-7). Position increases are mainly due to the implementation of the Life Cycle Maintenance Program.

Function	Change 2008-			Change 2009-		Change		Change	
	2007	2008	2007	2009	2008	2010	2010-2009	2011	2011-2010
Baseline Total Positions	70,035	70,695	(660)	70,427	268	70,620	(193)	70,474	146
NYC Transit	49,069	49,294	(225)	48,913	381	48,908	5	48,805	103
Long Island Rail Road	6,587	6,907	(320)	6,965	(58)	6,998	(33)	6,938	60
Metro-North Railroad	6,061	6,121	(60)	6,174	(53)	6,339	(165)	6,356	(17)
Bridges & Tunnels	1,828	1,819	9	1,819	0	1,819	0	1,819	0
Headquarters	1,450	1,454	(4)	1,456	(2)	1,456	0	1,456	0
Long Island Bus	1,153	1,153	0	1,153	0	1,153	0	1,153	0
Staten Island Railway	286	286	0	286	0	286	0	286	0
Capital Construction Company	142	150	(8)	150	0	150	0	150	0
Bus Company	3,459	3,511	(52)	3,511	0	3,511	0	3,511	0
Non-Reimbursable	63,116	63,397	(281)	63,442	(45)	63,817	(375)	63,771	46
NYC Transit	43,666	43,765	(99)	43,691	74	43,880	(189)	43,877	3
Long Island Rail Road	5,933	6,057	(124)	6,121	(64)	6,142	(21)	6,082	60
Metro-North Railroad	5,450	5,474	(24)	5,527	(53)	5,692	(165)	5,709	(17)
Bridges & Tunnels	1,776	1,766	10	1,766	0	1,766	0	1,766	0
Headquarters	1,414	1,418	(4)	1,420	(2)	1,420	0	1,420	0
Long Island Bus	1,139	1,139	0	1,139	0	1,139	0	1,139	0
Staten Island Railway	283	283	0	283	0	283	0	283	0
Capital Construction Company	0	0	0	0	0	0	0	0	0
Bus Company	3,455	3,495	(40)	3,495	0	3,495	0	3,495	0
Reimbursable	6,919	7,298	(379)	6,985	313	6,803	182	6,703	100
NYC Transit	5,403	5,529	1,496	5,222	307	5,028	194	4,928	100
Long Island Rail Road	654	850	850	844	6	856	(12)	856	0
Metro-North Railroad	611	647	647	647	0	647	0	647	0
Bridges & Tunnels	52	53	(1)	53	0	53	0	53	0
Headquarters	36	36	0	36	0	36	0	36	0
Long Island Bus	14	14	0	14	0	14	0	14	0
Staten Island Railway	3	3	0	3	0	3	0	3	0
Capital Construction Company	142	150	(8)	150	0	150	0	150	0
Bus Company	4	16	(12)	16	0	16	0	16	0
Total Full-Time	69,702	70,369	(667)	70,116	253	70,309	(193)	70,163	146
NYC Transit	48,850	49,028	(232)	48,716	366	48,711	5	48,608	103
Long Island Rail Road	6,587	6,907	(320)	6,965	(58)	6,998	(33)	6,938	60
Metro-North Railroad	6,056	6,116	(60)	6,169	(53)	6,334	(165)	6,351	(17)
Bridges & Tunnels	1,828	1,819	9	1,819	0	1,819	0	1,819	0
Headquarters	1,450	1,454	(4)	1,456	(2)	1,456	0	1,456	0
Long Island Bus	1,044	1,044	0	1,044	0	1,044	0	1,044	0
Staten Island Railway	286	286	0	286	0	286	0	286	0
Capital Construction Company	14								

METROPOLITAN TRANSPORTATION AUTHORITY
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Year to Year Changes for Positions by Function and Agency
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2007	2008	Change 2008- 2007	2009	Change 2009- 2008	2010	Change 2010-2009	2011	Change 2011-2010
Administration	4,876	4,956	(80)	4,946	10	4,936	10	4,936	0
NYC Transit	2,327	2,318	9	2,303	15	2,291	12	2,290	1
Long Island Rail Road	684	717	(33)	720	(3)	722	(2)	723	(1)
Metro-North Railroad	732	746	(14)	746	0	746	0	746	0
Bridges & Tunnels	146	144	2	144	0	144	0	144	0
Headquarters	681	684	(3)	686	(2)	686	0	686	0
Long Island Bus	96	96	0	96	0	96	0	96	0
Staten Island Railway	31	31	0	31	0	31	0	31	0
Capital Construction Company	54	55	(1)	55	0	55	0	55	0
Bus Company	125	165	(40)	165	0	165	0	165	0
Operations	31,107	31,175	(68)	31,073	102	31,068	5	31,071	(3)
NYC Transit	23,283	23,306	(23)	23,192	114	23,121	71	23,107	14
Long Island Rail Road	2,060	2,073	(13)	2,073	0	2,073	0	2,073	0
Metro-North Railroad	1,803	1,827	(24)	1,839	(12)	1,905	(66)	1,922	(17)
Bridges & Tunnels	792	800	(8)	800	0	800	0	800	0
Headquarters	0	0	0	0	0	0	0	0	0
Long Island Bus	777	777	0	777	0	777	0	777	0
Staten Island Railway	94	94	0	94	0	94	0	94	0
Capital Construction Company	0	0	0	0	0	0	0	0	0
Bus Company	2,298	2,298	0	2,298	0	2,298	0	2,298	0
Maintenance	30,357	30,842	(485)	30,692	150	30,901	(209)	30,755	146
NYC Transit	21,353	21,560	(207)	21,307	253	21,386	(79)	21,301	85
Long Island Rail Road	3,764	4,017	(253)	4,079	(62)	4,110	(31)	4,049	61
Metro-North Railroad	3,411	3,433	(22)	3,474	(41)	3,573	(99)	3,573	0
Bridges & Tunnels	392	395	(3)	395	0	395	0	395	0
Headquarters	0	0	0	0	0	0	0	0	0
Long Island Bus	261	261	0	261	0	261	0	261	0
Staten Island Railway	161	161	0	161	0	161	0	161	0
Capital Construction Company	0	0	0	0	0	0	0	0	0
Bus Company	1,015	1,015	0	1,015	0	1,015	0	1,015	0
Engineering/Capital	2,003	2,043	(40)	2,036	7	2,036	0	2,036	0
NYC Transit	1,504	1,504	0	1,504	0	1,504	0	1,504	0
Long Island Rail Road	79	100	(21)	93	7	93	0	93	0
Metro-North Railroad	115	115	0	115	0	115	0	115	0
Bridges & Tunnels	190	190	0	190	0	190	0	190	0
Headquarters	0	0	0	0	0	0	0	0	0
Long Island Bus	16	16	0	16	0	16	0	16	0
Staten Island Railway	0	0	0	0	0	0	0	0	0
Capital Construction Company	88	95	(7)	95	0	95	0	95	0
Bus Company	11	23	(12)	23	0	23	0	23	0
Public Safety	1,692	1,679	13	1,680	(1)	1,679	1	1,676	3
NYC Transit	602	606	(4)	607	(1)	606	1	603	3
Long Island Rail Road	0	0	0	0	0	0	0	0	0
Metro-North Railroad	0	0	0	0	0	0	0	0	0
Bridges & Tunnels	308	290	18	290	0	290	0	290	0
Headquarters	769	770	(1)	770	0	770	0	770	0
Long Island Bus	3	3	0	3	0	3	0	3	0
Staten Island Railway	0	0	0	0	0	0	0	0	0
Capital Construction Company	0	0	0	0	0	0	0	0	0
Bus Company	10	10	0	10	0	10	0	10	0

Metropolitan Transportation Authority
November Financial Plan 2008 - 2011
Year to Year Changes for Positions by Function and Occupational Group
Baseline Total Full-time Positions and Full-time Equivalents

FUNCTION/OCCUPATIONAL GROUP	2007	2008	Change 2008-2007	2009	Change 2009-2008	2010	Change 2010-2009	2011	Change 2011-2010
Administration									
Managers/Supervisors	1,721	1,759	(38)	1,758	1	1,753	5	1,752	1
Professional, Technical, Clerical	3,093	3,135	(42)	3,126	9	3,121	5	3,122	(1)
Operational Hourlies	62	62	-	62	-	62	-	62	-
Total Administration	4,876	4,956	(80)	4,946	10	4,936	10	4,936	-
Operations									
Managers/Supervisors	3,286	3,329	(43)	3,272	57	3,257	15	3,251	6
Professional, Technical, Clerical	1,263	1,132	131	1,126	6	1,139	(13)	1,139	-
Operational Hourlies	26,558	26,714	(156)	26,675	39	26,672	3	26,681	(9)
Total Operations	31,107	31,175	(68)	31,073	102	31,068	5	31,071	(3)
Maintenance									
Managers/Supervisors	4,823	4,927	(104)	4,907	20	4,913	(6)	4,890	23
Professional, Technical, Clerical	2,595	2,635	(40)	2,595	40	2,578	17	2,562	16
Operational Hourlies	22,939	23,280	(341)	23,190	90	23,410	(220)	23,303	107
Total Maintenance	30,357	30,842	(485)	30,692	150	30,901	(209)	30,755	146
Engineering/Capital									
Managers/Supervisors	489	518	(29)	512	6	512	-	512	-
Professional, Technical, Clerical	1,512	1,523	(11)	1,522	1	1,522	-	1,522	-
Operational Hourlies	2	2	-	2	-	2	-	2	-
Total Engineering/Capital	2,003	2,043	(40)	2,036	7	2,036	-	2,036	-
Public Safety									
Managers/Supervisors	174	175	(1)	172	3	171	1	170	1
Professional, Technical, Clerical	185	187	(2)	186	1	186	-	184	2
Operational Hourlies	1,333	1,317	16	1,322	(5)	1,322	-	1,322	-
Total Public Safety	1,692	1,679	13	1,680	(1)	1,679	1	1,676	3
Baseline Total Positions									
Managers/Supervisors	10,493	10,708	(215)	10,621	87	10,606	15	10,575	31
Professional, Technical, Clerical	8,648	8,612	36	8,555	57	8,546	9	8,529	17
Operational Hourlies	50,894	51,375	(481)	51,251	124	51,468	(217)	51,370	98
Baseline Total Positions	70,035	70,695	(660)	70,427	268	70,620	(193)	70,474	146

POSITIONS (Headcount)

This section examines Plan-to-Plan baseline position changes. Headcount assumptions of policy and gap closing actions are not included in this section.

Plan-to-Plan (2007)

MTA Consolidated baseline positions of 70,035 are 514 higher than the July Mid-Year Forecast. Non-Reimbursable positions are forecast to increase by 600 and Reimbursable positions to decrease by 86. Total positions increase by 487 at NYCT, 18 at B&T, 6 at LIRR and 4 at MNR. Position increases in Maintenance (+442), Administration (+216), and Public Safety (+34), are partially offset by reductions in Operations (-164) and Engineering (-14). Most of the change in Administration and Operations occurs in MNR, and is due to a reclassification of 186 positions related to the customer service – ticket selling function, from Operations to Administration.

NYCT's increase is made up of an increase of 506 Non-Reimbursable positions and a decrease of 19 Reimbursable positions. Positions increase primarily in Maintenance (+451), Public Safety (+16), and Operations (+11). The Non-Reimbursable increase is primarily due to an increase of 482 positions in support of the Safety and Customer Satisfaction Pilot Programs. Of this, 236 positions are for cleaning subway cars, stations and tracks; 150 positions are for employee facility rehabilitation, 77 are for car and bus quality control, 15 are for security, and 4 are for support.

B&T's increase is made up entirely of Non-Reimbursable positions and results from a delay in implementation of a facility-based security system. Because of this, a planned reduction of 18 positions in 2007 will not occur until 2008.

Plan-to-Plan (2008)

Baseline positions are increasing by 962 compared with the July Plan. Non-Reimbursable positions increase by 572 and Reimbursable by 390. Positions increase by 743 at NYCT, 202 at the LIRR, 9 at MNR and 8 at B&T.

NYCT's increase is made up of 405 Non-Reimbursable and 338 Reimbursable positions. Positions increase in Maintenance (+599), Operations (+128) and Public Safety (+27), and decrease in Administration (-11). Most of the Non-Reimbursable increase is due to Safety and Customer Satisfaction Pilot Programs (+523), partially offset by departmental savings of 120 positions. Of this, 236 positions are for cleaning subway cars, stations and tracks; 150 positions are for employee facility rehabilitation, 119 are for car and bus quality control, 15 are for security, and 3 are for elevator and escalator maintenance.

LIRR's increase is made up of 188 Non-Reimbursable and 14 Reimbursable positions. Positions increase in Maintenance (+165), Administration (+32), and Operations (+5). Non-Reimbursable position increases are primarily due to initiatives such as gap

mitigation and monitoring, tree trimming, bridge maintenance, communications, the Maintenance of Equipment apprenticeship program, and the East Side Access Readiness group.

Plan-to-Plan (2009 – 2011)

When compared with the Mid-Year Forecast, positions are higher in each of the out-years: by 831 in 2009, 873 in 2010, and 689 in 2011. Positions increase in 2009 at NYCT (+568), the LIRR (+248), B&T (+8), and MNR (+7).

Most of the Plan-to-Plan increases over the period are due to the expansion of service and maintenance programs. NYCT's increase in 2009 and the out-years reflects a continuation of the Safety and Customer Satisfaction Programs started in 2008 (+523 positions), partially offset by departmental savings of 160 positions in 2009, 120 positions in 2010, and 93 positions in 2011. The LIRR's increase in 2009 and the out-years is primarily due to a continuation of the 2008 initiatives (listed above), as well as an expansion of the Maintenance of Equipment apprenticeship program, increased work related to the low adhesion strategy, new IT and Engineering initiatives, East Side Access work, and an increase in the annual Track program.

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2008 - 2011
Baseline Change Between Plans 2007 July Financial Plan vs. 2007 November Financial Plan
Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Agency

	Favorable/(Unfavorable) Variance				
Category	2007	2008	2009	2010	2011
<i>Baseline Total Positions</i>	(514)	(962)	(831)	(873)	(689)
NYC Transit	(487)	(743)	(568)	(560)	(437)
Long Island Rail Road	(6)	(202)	(248)	(298)	(237)
Metro-North Railroad	(4)	(9)	(7)	(7)	(7)
Bridges & Tunnels	(18)	(8)	(8)	(8)	(8)
Headquarters	0	0	0	0	0
Long Island Bus	0	0	0	0	0
Staten Island Railway	0	0	0	0	0
Capital Construction Company	0	0	0	0	0
Bus Company	0	0	0	0	0
<i>Non-Reimbursable</i>	(600)	(572)	(497)	(623)	(527)
NYC Transit	(506)	(405)	(294)	(392)	(357)
Long Island Rail Road	(77)	(188)	(226)	(254)	(193)
Metro-North Railroad	1	29	31	31	31
Bridges & Tunnels	(18)	(8)	(8)	(8)	(8)
Headquarters	0	0	0	0	0
Long Island Bus	0	0	0	0	0
Staten Island Railway	0	0	0	0	0
Capital Construction Company	0	0	0	0	0
Bus Company	0	0	0	0	0
<i>Reimbursable</i>	86	286	(334)	(250)	(162)
NYC Transit	19	338	(274)	(168)	(80)
Long Island Rail Road	72	(14)	(22)	(44)	(44)
Metro-North Railroad	(5)	(38)	(38)	(38)	(38)
Bridges & Tunnels	0	0	0	0	0
Headquarters	0	0	0	0	0
Long Island Bus	0	0	0	0	0
Staten Island Railway	0	0	0	0	0
Capital Construction Company	0	0	0	0	0
Bus Company	0	0	0	0	0
<i>Total Full-Time</i>	(514)	(965)	(849)	(891)	(707)
NYC Transit	(487)	(746)	(586)	(578)	(455)
Long Island Rail Road	(6)	(202)	(248)	(298)	(237)
Metro-North Railroad	(4)	(9)	(7)	(7)	(7)
Bridges & Tunnels	(18)	(8)	(8)	(8)	(8)
Headquarters	0	0	0	0	0
Long Island Bus	0	0	0	0	0
Staten Island Railway	0	0	0	0	0
Capital Construction Company	0	0	0	0	0
Bus Company	0	0	0	0	0
<i>Total Full-Time-Equivalents</i>	(0)	3	18	18	18
NYC Transit	0	3	18	18	18
Long Island Rail Road	0	0	0	0	0
Metro-North Railroad	0	0	0	0	0
Bridges & Tunnels	0	0	0	0	0
Headquarters	0	0	0	0	0
Long Island Bus	0	0	0	0	0
Staten Island Railway	(0)	(0)	(0)	(0)	(0)
Capital Construction Company	0	0	0	0	0
Bus Company	0	0	0	0	0

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2008 - 2011
Baseline Change Between Plans 2007 July Financial Plan vs. 2007 November Financial Plan
Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency

	Favorable/(Unfavorable) Variance				
Function	2007	2008	2009	2010	2011
Administration	(216)	(217)	(201)	(206)	(205)
NYC Transit	(9)	11	27	29	30
Long Island Rail Road	(12)	(32)	(32)	(39)	(39)
Metro-North Railroad	(195)	(196)	(196)	(196)	(196)
Bridges & Tunnels	0	0	0	0	0
Headquarters	0	0	0	0	0
Long Island Bus	0	0	0	0	0
Staten Island Railway	0	0	0	0	0
Capital Construction Company	0	0	0	0	0
Bus Company	0	0	0	0	0
Operations	164	35	99	151	158
NYC Transit	(11)	(128)	(64)	(12)	(5)
Long Island Rail Road	(11)	(5)	(5)	(5)	(5)
Metro-North Railroad	186	176	176	176	176
Bridges & Tunnels	0	(8)	(8)	(8)	(8)
Headquarters	0	0	0	0	0
Long Island Bus	0	0	0	0	0
Staten Island Railway	0	0	0	0	0
Capital Construction Company	0	0	0	0	0
Bus Company	0	0	0	0	0
Maintenance	(442)	(753)	(702)	(791)	(617)
NYC Transit	(451)	(599)	(504)	(550)	(437)
Long Island Rail Road	4	(165)	(211)	(254)	(193)
Metro-North Railroad	5	11	13	13	13
Bridges & Tunnels	0	0	0	0	0
Headquarters	0	0	0	0	0
Long Island Bus	0	0	0	0	0
Staten Island Railway	0	0	0	0	0
Capital Construction Company	0	0	0	0	0
Bus Company	0	0	0	0	0
Engineering/Capital	14	0	0	0	0
NYC Transit	0	0	0	0	0
Long Island Rail Road	14	0	0	0	0
Metro-North Railroad	0	0	0	0	0
Bridges & Tunnels	0	0	0	0	0
Headquarters	0	0	0	0	0
Long Island Bus	0	0	0	0	0
Staten Island Railway	0	0	0	0	0
Capital Construction Company	0	0	0	0	0
Bus Company	0	0	0	0	0
Public Safety	(34)	(27)	(27)	(27)	(25)
NYC Transit	(16)	(27)	(27)	(27)	(25)
Long Island Rail Road	0	0	0	0	0
Metro-North Railroad	0	0	0	0	0
Bridges & Tunnels	(18)	0	0	0	0
Headquarters	0	0	0	0	0
Long Island Bus	0	0	0	0	0
Staten Island Railway	0	0	0	0	0
Capital Construction Company	0	0	0	0	0
Bus Company	0	0	0	0	0

Metropolitan Transportation Authority
November Financial Plan 2008 - 2011
Baseline Change Between Plans 2007 July Financial Plan vs. 2007 November Financial Plan
Full-time Positions and Full-time Equivalents by Occupational Group and Agency

Favorable/(Unfavorable) Variance					
FUNCTION/OCCUPATIONAL GROUP	2007	2008	2009	2010	2011
Administration					
Managers/Supervisors	(20)	(43)	(43)	(40)	(39)
Professional, Technical, Clerical	(167)	(145)	(129)	(137)	(137)
Operational Hourlies	(29)	(29)	(29)	(29)	(29)
Total Administration	(216)	(217)	(201)	(206)	(205)
Operations					
Managers/Supervisors	(12)	(7)	8	19	18
Professional, Technical, Clerical	11	154	155	153	153
Operational Hourlies	165	(112)	(64)	(21)	(13)
Total Operations	164	35	99	151	158
Maintenance					
Managers/Supervisors	(94)	(155)	(136)	(146)	(129)
Professional, Technical, Clerical	4	(44)	(27)	(24)	(2)
Operational Hourlies	(353)	(554)	(539)	(621)	(486)
Total Maintenance	(442)	(753)	(702)	(791)	(617)
Engineering/Capital					
Managers/Supervisors	13	(2)	(2)	(2)	(2)
Professional, Technical, Clerical	1	2	2	2	2
Operational Hourlies	-	-	-	-	-
Total Engineering/Capital	14	-	-	-	-
Public Safety					
Managers/Supervisors	(14)	(16)	(16)	(16)	(15)
Professional, Technical, Clerical	(2)	(4)	(4)	(4)	(3)
Operational Hourlies	(18)	(7)	(7)	(7)	(7)
Total Public Safety	(34)	(27)	(27)	(27)	(25)
Baseline Total Positions					
Managers/Supervisors	(127)	(223)	(189)	(186)	(167)
Professional, Technical, Clerical	(153)	(37)	(3)	(10)	13
Operational Hourlies	(235)	(702)	(639)	(678)	(535)
Baseline Total Positions	(514)	(962)	(831)	(873)	(689)

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Status of 2007 Agency PEGs and Policy Actions

STATUS OF THE 2007 PEGs

As reflected on the chart below, the February Plan included within its baseline, 2007 Program to Eliminate the GAP (PEG) savings of \$40 million and 227 positions in 2007. Savings remain virtually flat over the Financial Plan period, with dollar savings in 2011 of \$39 million and 230 positions. In the July Plan the value of these PEGs was slightly reduced by \$0.3 million and 2 positions in 2007, and by \$0.6 million in 2008. The LIRR reduced PEG savings in one year (2007) by \$0.3 million. B&T's PEG savings were reduced in 2007 by \$0.03 million and 2 positions and by \$0.05 million in 2008. Lastly, PEG savings for SIR were reduced in 2008 only (\$0.5 million) due to a one-year delay in implementing fare collection at the Tomkinsville station.

Re-estimates included in the November Plan resulted in reductions of \$6 million and 18 positions in 2007, \$4 million in both 2008 and 2009, and \$5 million and in both 2010 and 2011. Position reductions were also re-estimated downward by 111 in 2008, and 110 in each of the remaining Plan years. Most of the reduction in PEG savings is due to a re-estimate of planned savings associated with NYCT's Availability Improvement PEG, and a one-year delay in implementing B&T's Operations Department headcount reduction PEG.

Summary of the 2007 PEG Program (\$ in millions)						
	February Plan		July Plan		November Plan	
	Positions	Dollars	Positions	Dollars	Positions	Dollars
2007	228	\$40	226	\$40	208	\$34
2008	230	\$38	230	\$37	119	\$33
2009	230	\$39	230	\$39	120	\$35
2010	230	\$39	230	\$39	120	\$34
2011	230	\$39	230	\$39	120	\$34

In addition to the 2007 PEG Program re-estimates listed above, the November Financial Plan included re-estimates to the 2006 and 2005 PEG Programs. Elimination of NYCT's "Implement Disease Management Program" (2006 PEG) reduced PEG savings by \$1 million in each year. NYCT also reduced planned savings for "Automated Train Supervision (ATS) – Field Staff Reduction" (2005 PEG) by \$.06 million and 9 positions in 2008, \$3.6 million and 18 positions in 2009, \$.5 million in 2010 and \$.02 million in 2011.

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III. Other MTA Consolidated Materials-Baseline

METROPOLITAN TRANSPORTATION AUTHORITY

November Financial Plan 2008 - 2011

MTA Consolidated Statement Of Operations By Category

(\$ in millions)

Line No.						
7	Non-Reimbursable					
8		2006	2007	2008		
9		Actual	November Forecast	Final Proposed Budget	2009	2010
10	Operating Revenue				2011	
11	Farebox Revenue	\$3,840	\$3,974	\$4,042	\$4,085	\$4,129
12	Toll Revenue	1,242	1,249	1,251	1,246	1,248
13	Other Revenue	467	475	479	500	521
14	Capital and Other Reimbursements	0	0	0	0	0
15	Total Operating Revenue	\$5,548	\$5,698	\$5,772	\$5,831	\$5,897
16						
17	Operating Expense					
18	Labor Expenses:					
19	Payroll	\$3,676	\$3,856	\$4,099	\$4,194	\$4,300
20	Overtime	437	466	440	446	455
21	Health & Welfare	839	901	1,035	1,134	1,247
22	Pensions	600	779	871	870	844
23	Other-Fringe Benefits	398	415	431	444	459
24	Reimbursable Overhead	(260)	(283)	(299)	(302)	(298)
25	Sub-total Labor Expenses	\$5,690	\$6,135	\$6,576	\$6,785	\$7,006
26						
27	Non-Labor Expenses:					
28	Traction and Propulsion Power	278	315	318	344	400
29	Fuel for Buses and Trains	178	182	222	203	203
30	Insurance	45	54	52	59	68
31	Claims	80	154	149	155	161
32	Paratransit Service Contracts	184	225	271	308	357
33	Maintenance and Other Operating Contracts	534	558	639	637	663
34	Professional Service Contracts	179	222	239	239	240
35	Materials & Supplies	453	549	568	609	634
36	Other Business Expenses	157	157	162	166	168
37	Sub-total Non-Labor Expenses	\$2,087	\$2,415	\$2,619	\$2,719	\$2,894
38						
39	Other Expense Adjustments:					
40	Other	(\$16)	(\$20)	(\$15)	(\$17)	(\$10)
41	General Reserve	0	38	75	75	75
42	Sub-total Other Expense Adjustments	(\$16)	\$17	\$60	\$58	\$64
43						
44	Total Operating Expense before Depreciation and OPEB	\$7,761	\$8,567	\$9,255	\$9,562	\$9,965
45						
46	Depreciation	\$1,605	\$1,681	\$1,777	\$1,876	\$1,976
47	Other Post Employment Benefits	0	1,259	1,318	1,377	1,435
48	Total Operating Expense	\$9,366	\$11,507	\$12,350	\$12,815	\$13,376
49						
50	Net Operating Deficit Before Subsidies and Debt Service	(\$3,818)	(\$5,809)	(\$6,578)	(\$6,984)	(\$7,478)
51						
52	Dedicated Taxes and State/Local Subsidies	4,174	\$4,414	\$4,128	\$4,210	\$4,193
53	Debt Service (excludes Service Contract Bonds)	(1,310)	(1,714)	(1,529)	(1,432)	(1,869)
54						
55	Net Deficit After Subsidies and Debt Service	(\$954)	(\$3,109)	(\$3,979)	(\$4,206)	(\$5,154)
56						
57	Conversion to Cash Basis: Depreciation	\$1,605	\$1,681	\$1,777	\$1,876	\$1,976
58	Conversion to Cash Basis: OPEB	0	1,259	1,318	1,377	1,435
59	Conversion to Cash Basis: GASB Account	(234)	(79)	(59)	(63)	(65)
60	Conversion to Cash Basis: All Other	(62)	(61)	172	(110)	(18)
61						
62	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	\$355	(\$309)	(\$770)	(\$1,126)	(\$1,827)

(\$2,070)

METROPOLITAN TRANSPORTATION AUTHORITY

November Financial Plan 2008 - 2011

MTA Consolidated Statement Of Operations By Category

(\$ in millions)

Line Number						
7	Reimbursable					
8						
9		2006	2007	2008		
10		Actual	November	Final Proposed		
10	Operating Revenue		Forecast	Budget	2009	2010
11	Farebox Revenue	\$0	\$0	\$0	\$0	\$0
12	Toll Revenue	0	0	0	0	0
13	Other Revenue	0	0	0	0	0
14	Capital and Other Reimbursements	1,149	1,270	1,385	1,346	1,323
15	Total Operating Revenue	\$1,149	\$1,270	\$1,385	\$1,346	\$1,323
16						
17	Operating Expense					
18	Labor Expenses:					
19	Payroll	\$436	\$463	\$517	\$518	\$511
20	Overtime	96	103	91	88	90
21	Health & Welfare	40	44	51	55	59
22	Pensions	34	45	47	43	42
23	Other-Fringe Benefits	107	113	126	125	123
24	Reimbursable Overhead	257	282	299	302	299
25	Sub-total Labor Expenses	\$971	\$1,049	\$1,130	\$1,131	\$1,124
26						
27	Non-Labor Expenses:					
28	Traction and Propulsion Power	\$0	\$0	\$0	\$0	\$0
29	Fuel for Buses and Trains	0	0	0	0	0
30	Insurance	5	6	7	7	7
31	Claims	0	0	0	0	0
32	Paratransit Service Contracts	0	0	0	0	0
33	Maintenance and Other Operating Contracts	61	65	81	85	75
34	Professional Service Contracts	23	38	67	33	33
35	Materials & Supplies	89	109	97	88	83
36	Other Business Expenses	(1)	3	3	3	2
37	Sub-total Non-Labor Expenses	\$178	\$220	\$255	\$216	\$200
38						
39	Other Expense Adjustments:					
40	Other	\$0	\$0	\$0	\$0	\$0
41	Sub-total Other Expense Adjustments	\$0	\$0	\$0	\$0	\$0
42						
43	Total Operating Expense	\$1,149	\$1,270	\$1,385	\$1,346	\$1,323
44						
45	Baseline Surplus/(Deficit)	(\$0)	\$0	\$0	\$0	\$0

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2008 - 2011
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line Number	Non-Reimbursable / Reimbursable	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
7							
8							
9							
10	<u>Operating Revenue</u>						
11	Farebox Revenue	\$3,840	\$3,974	\$4,042	\$4,085	\$4,129	\$4,175
12	Toll Revenue	1,242	1,249	1,251	1,246	1,248	1,251
13	Other Revenue	467	475	479	500	521	548
14	Capital and Other Reimbursements	1,149	1,270	1,385	1,346	1,323	1,343
15	Total Operating Revenue	\$6,697	\$6,968	\$7,157	\$7,177	\$7,221	\$7,316
16							
17	<u>Operating Expense</u>						
18	Labor Expenses:						
19	Payroll	\$4,112	\$4,319	\$4,616	\$4,711	\$4,811	\$4,898
20	Overtime	533	569	531	535	544	554
21	Health & Welfare	879	945	1,085	1,188	1,306	1,429
22	Pensions	635	824	917	913	886	870
23	Other-Fringe Benefits	505	529	557	569	582	593
24	Reimbursable Overhead	(3)	(0)	0	(0)	1	1
25	Sub-total Labor Expenses	\$6,661	\$7,184	\$7,706	\$7,916	\$8,130	\$8,346
26							
27	Non-Labor Expenses:						
28	Traction and Propulsion Power	\$278	\$315	\$318	\$344	\$400	\$423
29	Fuel for Buses and Trains	178	182	222	203	203	203
30	Insurance	50	60	58	66	75	84
31	Claims	80	154	149	155	161	162
32	Paratransit Service Contracts	184	225	271	308	357	432
33	Maintenance and Other Operating Contracts	595	623	720	722	738	744
34	Professional Service Contracts	202	259	306	272	273	271
35	Materials & Supplies	542	657	665	696	716	721
36	Other Business Expenses	156	160	165	168	170	173
37	Sub-total Non-Labor Expenses	\$2,265	\$2,635	\$2,874	\$2,934	\$3,094	\$3,213
38							
39	Other Expense Adjustments:						
40	Other	(\$16)	(\$20)	(\$15)	(\$17)	(\$10)	(\$11)
41	General Reserve	0	38	75	75	75	75
42	Sub-total Other Expense Adjustments	(\$16)	\$17	\$60	\$58	\$65	\$64
43							
44	Total Operating Expense Before Depreciation	\$8,909	\$9,837	\$10,639	\$10,908	\$11,288	\$11,623
45							
46	Depreciation	\$1,605	\$1,681	\$1,777	\$1,876	\$1,976	\$2,060
47	Other Post Employment Benefits	0	1,259	1,318	1,377	1,435	1,494
48							
49	Total Operating Expense	\$10,515	\$12,777	\$13,735	\$14,161	\$14,699	\$15,177
50							
51	Net Operating Deficit Before Subsidies and Debt Service	(\$3,818)	(\$5,809)	(\$6,578)	(\$6,984)	(\$7,478)	(\$7,860)
52							
53	Dedicated Taxes and State/Local Subsidies	\$4,174	\$4,414	\$4,128	\$4,210	\$4,193	\$4,336
54	Debt Service (excludes Service Contract Bonds)	(1,310)	(1,714)	(1,529)	(1,432)	(1,869)	(2,006)
55							
56	Net Deficit After Subsidies and Debt Service	(\$954)	(\$3,109)	(\$3,979)	(\$4,206)	(\$5,154)	(\$5,530)
57							
58	Conversion to Cash Basis: Depreciation	\$1,605	\$1,681	\$1,777	\$1,876	\$1,976	\$2,060
59	Conversion to Cash Basis: OPEB	0	1,259	1,318	1,377	1,435	1,494
60	Conversion to Cash Basis: GASB Account	(234)	(79)	(59)	(63)	(65)	(68)
61	Conversion to Cash Basis: All Other	(62)	(61)	172	(110)	(18)	(25)
62							
63	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	\$355	(\$309)	(\$770)	(\$1,126)	(\$1,827)	(\$2,070)

METROPOLITAN TRANSPORTATION AUTHORITY

November Financial Plan 2008 - 2011

MTA Consolidated Cash Receipts and Expenditures

(\$ in millions)

Line Number	CASH RECEIPTS AND EXPENDITURES	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
9							
10							
11	Receipts						
12	Farebox Revenue	\$3,880	\$4,024	\$4,086	\$4,127	\$4,168	\$4,214
13	Other Operating Revenue	466	552	500	519	540	567
14	Capital and Other Reimbursements	1,130	1,267	1,418	1,386	1,339	1,354
15	Total Receipts	\$5,476	\$5,842	\$6,005	\$6,032	\$6,047	\$6,135
16							
17	Expenditures						
18	<u>Labor:</u>						
19	Payroll	\$3,927	\$4,199	\$4,460	\$4,536	\$4,628	\$4,711
20	Overtime	500	542	506	509	518	528
21	Health and Welfare	848	915	1,048	1,148	1,261	1,380
22	Pensions	646	967	661	905	889	868
23	Other Fringe Benefits	486	513	532	542	554	565
24	Contribution to GASB Fund	234	79	59	63	65	68
25	Total Labor Expenditures	\$6,640	\$7,215	\$7,266	\$7,702	\$7,916	\$8,120
26							
27	<u>Non-Labor:</u>						
28	Traction and Propulsion Power	\$254	\$347	\$318	\$344	\$400	\$423
29	Fuel for Buses and Trains	177	185	221	202	203	203
30	Insurance	48	43	54	56	64	76
31	Claims	129	134	136	134	140	143
32	Paratransit Service Contracts	163	234	271	308	357	432
33	Maintenance and Other Operating Contracts	470	506	583	586	602	615
34	Professional Service Contracts	178	241	284	252	252	250
35	Materials & Supplies	590	690	687	711	715	719
36	Other Business Expenditures	167	165	167	175	176	180
37	Total Non-Labor Expenditures	\$2,176	\$2,545	\$2,722	\$2,767	\$2,910	\$3,041
38							
39	<u>Other Expenditure Adjustments:</u>						
40	Other	\$47	\$62	\$75	\$70	\$71	\$74
41	General Reserve	0	38	75	75	75	75
42	Total Other Expenditure Adjustments	\$47	\$100	\$150	\$145	\$146	\$149
43							
44	Total Expenditures	\$8,863	\$9,859	\$10,137	\$10,614	\$10,972	\$11,310
45							
46	Net Cash Deficit Before Subsidies and Debt Service	(\$3,387)	(\$4,017)	(\$4,133)	(\$4,582)	(\$4,926)	(\$5,175)
47							
48	Dedicated Taxes and State/Local Subsidies	\$4,603	\$4,853	\$4,407	\$4,465	\$4,442	\$4,573
49	Debt Service (excludes Service Contract Bonds)	(860)	(1,145)	(1,044)	(1,009)	(1,344)	(1,467)
50							
51	Net Cash Balance from Previous Year	582	937	628	0	0	0
52							
53	Baseline Net Cash Surplus/(Deficit)	\$937	\$628	(\$142)	(\$1,126)	(\$1,827)	(\$2,070)
50							
51	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	\$355	(\$309)	(\$770)	(\$1,126)	(\$1,827)	(\$2,070)

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2008 - 2011
Cash Conversion Detail
(\$ in millions)

	2006	2007	2008			
	Actual	November	Final Proposed	2009	2010	2011
		Forecast	Budget			
<u>Depreciation</u>						
New York City Transit	\$1,012	\$1,065	\$1,134	\$1,204	\$1,274	\$1,344
Metro-North Railroad	199	214	223	233	243	253
Long Island Rail Road	286	274	277	287	303	301
MTA Bus Company	15	26	36	39	42	44
MTA Headquarters	29	28	30	31	28	26
Staten Island Railway	7	10	10	10	10	10
Bridges & Tunnels	58	62	67	71	76	82
<i>Sub-Total</i>	<i>1,605</i>	<i>1,681</i>	<i>1,777</i>	<i>1,876</i>	<i>1,976</i>	<i>2,060</i>
<u>Other Post Employment Benefits</u>						
New York City Transit	\$0	\$963	\$1,010	\$1,055	\$1,099	\$1,145
Metro-North Railroad	0	49	51	53	55	56
Long Island Rail Road	0	74	74	75	75	76
MTA Bus Company	0	48	50	52	54	56
MTA Headquarters	0	58	61	64	67	70
Bridges & Tunnels	0	60	63	66	69	72
Long Island Bus	0	5	5	5	5	5
Staten Island Railway	0	2	5	8	11	13
<i>Sub-Total</i>	<i>0</i>	<i>1,259</i>	<i>1,318</i>	<i>1,377</i>	<i>1,435</i>	<i>1,494</i>
<u>Operating</u>						
New York City Transit	(194)	68	53	39	2	(1)
Metro-North Railroad	24	(88)	(26)	(12)	(16)	(20)
Long Island Rail Road	(20)	(17)	(25)	(11)	(10)	(11)
MTA Bus Company	(1)	5	(3)	(3)	(4)	(4)
MTA Headquarters	1	(9)	(4)	(11)	(11)	(11)
Long Island Bus	5	(8)	0	(2)	1	1
Staten Island Railway	(0)	(0)	(0)	(0)	(0)	(0)
First Mutual Transportation Assurance Company	(10)	(14)	(18)	(18)	(19)	(23)
Other	0	(191)	231	16	18	18
<i>Sub-Total</i>	<i>(193)</i>	<i>(254)</i>	<i>208</i>	<i>(2)</i>	<i>(39)</i>	<i>(51)</i>
<u>Subsidies</u>						
New York City Transit	110	77	(19)	(26)	25	25
Commuter Railroads	(137)	68	28	27	30	30
Headquarters	(80)	(38)	(104)	(172)	(99)	(98)
Long Island Bus	4	8	0	0	0	0
Staten Island Railway	(1)	0	0	0	0	0
<i>Sub-Total</i>	<i>(103)</i>	<i>114</i>	<i>(95)</i>	<i>(171)</i>	<i>(44)</i>	<i>(42)</i>
Total Cash Conversion	\$1,309	\$2,801	\$3,209	\$3,080	\$3,328	\$3,460

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2008 - 2011
Changes Year-to-Year By Category

Favorable/(Unfavorable)

Line Number		2007 November Forecast	Change 2007 - 2006	2008 Final Proposed Budget	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
7	Non-Reimbursable										
10	<u>Operating Revenue</u>										
11	Farebox Revenue	\$3,974	\$134	\$4,042	\$68	\$4,085	\$43	\$4,129	\$44	\$4,175	\$46
12	Toll Revenue	1,249	8	1,251	1	1,246	(5)	1,248	1	1,251	3
13	Other Revenue	475	7	479	5	500	21	521	20	548	27
14	Capital and Other Reimbursements	0	0	0	0	0	0	0	0	0	0
15	Total Operating Revenue	\$5,698	\$150	\$5,772	\$74	\$5,831	\$59	\$5,897	\$66	\$5,974	\$76
17	<u>Operating Expense</u>										
18	Labor Expenses:										
19	Payroll	\$3,856	(\$180)	\$4,099	(\$244)	\$4,194	(\$94)	\$4,300	(\$106)	\$4,384	(\$84)
20	Overtime	466	(29)	440	26	446	(6)	455	(8)	463	(8)
21	Health & Welfare	901	(62)	1,035	(133)	1,134	(99)	1,247	(113)	1,364	(118)
22	Pensions	779	(178)	871	(92)	870	0	844	27	827	17
23	Other-Fringe Benefits	415	(17)	431	(15)	444	(13)	459	(15)	470	(11)
24	Reimbursable Overhead	(283)	23	(299)	17	(302)	3	(298)	(4)	(300)	3
25	Sub-total Labor Expenses	\$6,135	(\$445)	\$6,576	(\$441)	\$6,785	(\$209)	\$7,006	(\$221)	\$7,207	(\$201)
27	Non-Labor Expenses:										
28	Traction and Propulsion Power	\$315	(\$37)	\$318	(\$3)	\$344	(\$25)	\$400	(\$56)	\$423	(\$23)
29	Fuel for Buses and Trains	182	(4)	222	(39)	203	19	203	(0)	203	(0)
30	Insurance	54	(9)	52	2	59	(7)	68	(8)	76	(9)
31	Claims	154	(74)	149	5	155	(7)	161	(6)	162	(1)
32	Paratransit Service Contracts	225	(42)	271	(46)	308	(36)	357	(50)	432	(74)
33	Maintenance and Other Operating Contracts	558	(24)	639	(81)	637	2	663	(27)	667	(4)
34	Professional Service Contracts	222	(42)	239	(17)	239	(0)	240	(1)	239	1
35	Materials & Supplies	549	(96)	568	(19)	609	(41)	634	(25)	635	(2)
36	Other Business Expenses	157	0	162	(5)	166	(4)	168	(2)	171	(3)
37	Sub-total Non-Labor Expenses	\$2,415	(\$328)	\$2,619	(\$204)	\$2,719	(\$100)	\$2,894	(\$176)	\$3,009	(\$115)
39	Other Expense Adjustments:										
40	Other	(\$20)	(4)	(\$15)	5	(\$17)	(2)	(\$10)	7	(\$11)	(0)
41	General Reserve	38	(38)	75	(38)	75	0	75	0	75	0
42	Sub-total Other Expense Adjustments	\$17	(\$42)	\$60	(\$33)	\$58	(\$2)	\$65	\$7	\$64	(\$0)
44	Total Operating Expense Before Depreciation	\$8,567	(\$806)	\$9,255	(\$688)	\$9,562	(\$307)	\$9,965	(\$403)	\$10,280	(\$315)
45	Depreciation	1,681	(76)	1,777	(96)	1,876	(99)	1,976	(101)	2,060	(84)
47	Total Operating Expense	\$10,248	(\$882)	\$11,032	(\$783)	\$11,437	(\$406)	\$11,941	(\$504)	\$12,340	(\$399)
50	Net Operating Deficit Before Subsidies and Debt Service	(\$4,550)	(\$732)	(\$5,260)	(\$710)	(\$5,606)	(\$346)	(\$6,044)	(\$438)	(\$6,367)	(\$323)
52	Dedicated Taxes and State/Local Subsidies	\$4,414	\$240	\$4,128	(\$286)	\$4,210	\$81	\$4,193	(\$17)	\$4,336	\$144
54	Debt Service (excludes Service Contract Bonds)	(1,714)	(404)	(1,529)	185	(1,432)	97	(1,869)	(436)	(2,006)	(137)
55	Net Deficit After Subsidies and Debt Service	(\$1,850)	(\$896)	(\$2,661)	(\$811)	(\$2,829)	(\$168)	(\$3,720)	(\$891)	(\$4,036)	(\$316)
57	Conversion to Cash Basis: Depreciation	\$1,681	\$76	\$1,777	\$96	\$1,876	\$99	\$1,976	\$101	\$2,060	\$84
58	Conversion to Cash Basis: GASB Account	(79)	155	(59)	20	(63)	(4)	(65)	(3)	(68)	(3)
59	Conversion to Cash Basis: All Other	(61)	1	172	233	(110)	(283)	(18)	93	(25)	(8)
60	Net Cash Balance from Previous Year	937	355	628	(309)	0	(628)	0	0	0	0
61	Baseline Net Cash Balance	\$628	(\$309)	(\$142)	(\$770)	(\$1,126)	(\$984)	(\$1,827)	(\$701)	(\$2,070)	(\$243)

METROPOLITAN TRANSPORTATION AUTHORITY
NOVEMBER FINANCIAL PLAN 2008-2011
NON-RECURRING REVENUES AND SAVINGS - BASELINE
(\$ in millions)

Non-recurring revenues and savings with a value of \$1 million or more

Agency	2007 November Forecast		2008 Final Proposed Budget		2009 Plan	2010 Plan	2011 Plan
Bridges & Tunnels	\$1.0	E-ZPass Customer Service Center - unused transition					
NYCERS Pension Revision¹	\$ 4.8	0	\$ - None	\$ - None	\$ - None	\$ - None	\$ - None
Subtotal	<u>\$ 5.8</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long Island Bus	\$ - None		\$ - None	\$ - None	\$ - None	\$ - None	\$ - None
Subtotal	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long Island Rail Road	None		None	\$ - None	\$ - None	\$ - None	\$ - None
Subtotal	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Metro-North Railroad	None		\$ - None	None	\$ - None	\$ - None	\$ - None
	None		None	\$ - None	\$ - None	\$ - None	\$ - None
Subtotal	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Staten Island Railway	\$ - None		\$ - None	\$ - None	\$ - None	\$ - None	\$ - None
Subtotal	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MTA Capital Construction Company	\$ - None		\$ - None	\$ - None	\$ - None	\$ - None	\$ - None
Subtotal	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MTA Headquarters	\$ - None		\$ - None	\$ - None	\$ - None	\$ - None	\$ - None
Subtotal	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE:

¹ Savings are being used for the fund that is being set up in response to new GASB standards that require companies to account for post-retirement liability of Other Than Pension Benefits (OTFB) in their financial statements.

METROPOLITAN TRANSPORTATION AUTHORITY
NOVEMBER FINANCIAL PLAN 2008-2011
NON-RECURRING REVENUES AND SAVINGS - BASELINE
(\$ in millions)

Non-recurring revenues and savings with a value of \$1 million or more

Agency	2007 November Forecast		2008 Final Proposed Budget		2009 Plan	2010 Plan	2011 Plan
New York City Transit	\$	38.7	TAB Fund Drawdown				
NYCERS Pension Revision¹	\$	120.1	New Legislation Revaluation Results in Favorable Up Front Cash Offset in Subsequent Years. ¹	\$ -	New Legislation Revaluation Results in Favorable Up Front Cash Offset in Subsequent Years. ¹	\$ -	None
Subtotal	\$	158.8		\$ -		\$ -	\$ -
MTA Transactions	\$	31.3	Unspent 2006 General Reserve	\$ -	None	\$ -	None
	\$	84.8	MRT carryover balances-reflects \$40 m of unused general reserve from 2004, MRT-1 funds made available after independent audit of MTAHQ deficit, and prior year interest earnings. This plan assumes no carryovers, except unspent 2005 General Reserve, to later years.	\$ 10.0	One-fourth of unspent General Reserve from 2005		
				\$ 16.0	Interest earnings associated with a \$200 million pension prepayment made in 2007.		
Subtotal	\$	116.1		\$ 26.0		\$ -	\$ -
Total Non-Recurring Resources (>or = \$1million)	\$	280.7		\$ 26.0	\$ -	\$ -	\$ -

NOTE: Positive cash balances are carried into the following year.

¹ Savings are being used for the fund that is being set up in response to new GASB standards that require companies to account for post-retirement liability of Other Than Pension Benefits (OTFB) in their financial statements.

METROPOLITAN TRANSPORTATION AUTHORITY
NOVEMBER FINANCIAL PLAN 2008- 2011
MTA OPERATING BUDGET RESERVES - BASELINE
(\$ in millions)

	2007 Final Estimate	2008	2009	2010	2011
<u>MTA Consolidated:</u>					
<i>MTA General Reserve</i>	\$38	\$75	\$75	\$75	\$75
<i>Pension Valuation Provision</i>	24	23	20	17	13
<i>Energy Fuel Prices</i>	0	22	0	0	0
<i>Contribution to GASB Fund</i>	<u>79</u>	<u>59</u>	<u>63</u>	<u>65</u>	<u>68</u>
Total	\$141	\$179	\$158	\$157	\$156
<u>MTA BUS:</u>					
<i>Position Reserve for Administration and Other Support</i>	\$0	\$2	\$2	\$2	\$2

Note: The plan includes setting aside funds to be deposited in a special GASB account. This is discussed in detail in the consolidated Agency Baseline Assumptions section.

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IV. MTA Capital Program Information

New York City Transit and Staten Island Railway
2007 Commitment Summary
All \$ in Millions

ACEP	Project Description	2007 Commitments	MTA Funding	Federal Funding	Local Funding
2000-2004					
S40701/06	SIR: Rehabilitate Four Substation Enclosures	4.14	3.71		0.43
S40701/15	Sir: Station Security Initiatives	6.35	6.10		0.25
	Element Total	10.49	9.81	0.00	0.68
T40404/M2	Fare Media Phase 1	0.50	0.50		
	Element Total	0.50	0.50	0.00	0.00
T41203/FG	New Depots & Facilities: Charleston Annex In Staten Island	126.64	119.94	6.70	
	Element Total	126.64	119.94	6.70	0.00
T41204/03	Bus Rapid Transit Phase 1	1.79	0.00	1.79	
	Element Total	1.79	0.00	1.79	0.00
T41606/F3	Fire Alarms: 126th St Depot	1.59	1.59		
	Element Total	1.59	1.59	0.00	0.00
2005-2009					
S50701/01	Trk/switch Rehab: St.George Interlocking	0.80	0.80		
S50701/01	Trk/switch Rehab: St.george Interlocking	1.20	1.20		
S50701/02	SIR: Station Structural Repairs 4 Locations	0.60	0.15		0.45
S50701/07	New Station Construction: Arthur Kill	0.59	0.59		
S50701/08	Sir: Repair 6 Bridges And Viaduct	18.68	4.68		14.00
S50701/10	SIR: Tompkinsville Fare Collection	1.30	1.30		
	Element Total	23.17	8.72	0.00	14.45
T50101/02	Purchase 620 R160 'B' Div Rail Cars	1162.15	802.15	300.00	60.00
	Element Total	1162.15	802.15	300.00	60.00
T50302/04	Repl Integrated Farebox Unit Components	5.00	5.00		
T50302/06	Purchase 284 Hybrid Electric Buses	163.99	129.44		34.55
T50302/11	Purchase 175 Paratransit Vehicles - 2007	8.84	8.84		
	Element Total	177.83	143.28	0.00	34.55
T50502/07	Mainline Track Rehab (2007	155.00	0.00	133.00	22.00
T50502/08	Track Force Account (2007)	35.00	0.00		35.00
T50502/09	Welded Rail Program 2007	10.97	1.47	9.50	
T50502/10	Mainline Track Rehabilitation (2008)	1.21	0.00		1.21
	Element Total	202.18	1.47	142.50	58.21
T50602/09	Tunnel Lighting Rehab: Bergen Interlocking To W4 St / 6 Av Line	36.15	36.15		
T50602/10	Tunnel Lighting Rehab: Bklyn Bridge-City Hall To 33 St - Lex	0.30	0.30		
	Element Total	36.45	36.45	0.00	0.00
T50902/	Jay St Substation: Dc Feeders / CBH#579	0.84	0.84		
T50902/01	Repl Power Transfmrs, 73rd St	2.42	2.42		
T50902/01	Substation Equipment:: Repl Power Transformers, 2 Locs	12.79	12.79		
T50902/05	Substations Rehab: Dyckman Substation	32.69	12.69	20.00	
T50902/06	Substations: Rockwell Place Substation: Power Equipmnt	20.52	20.52		
T50902/09	Rehab 3 IRT Substation Enclosures	0.15	0.15		
T50902/10	Substations (ind): So Railroad Ave Ind/queens Line	1.10	1.10		
T50902/11	Substations: Meserole Av Ind/crosstown Line	20.17	20.17		
T50902/12	Underground SS Hatchways (27 Locs)	0.70	0.70		
T50902/12	Underground Substation Hatchways (5 Locs)	1.75	1.75		
T50902/16	Modernize Greeley Substation	0.71	0.71		
T50902/17	Repl DC Feeder Systems At 3 IND Substations	0.20	0.20		
	Element Total	94.04	74.04	20.00	0.00

New York City Transit and Staten Island Railway
2007 Commitment Summary
All \$ in Millions

ACEP	Project Description	2007 Commitments	MTA Funding	Federal Funding	Local Funding
T51102/02	Yard Rehabilitation: Portal, Leads & Retaining Wall 38th St Yard	0.36	0.36		
T51102/02	Portal, Leads & Retaining Wall 38st Yard	0.50	0.50		
T51102/04	Yard Rehabilitation: Yard CCCTV	0.30	0.30		
T51102/10	Yard Hydrants: 14 Locations	0.96	0.96		
T51102/11	Yard Perimeter Survey	1.00	1.00		
	Element Total	3.12	3.12	0.00	0.00
T51302/03	Purchase 2 New Ballast Regulators	7.20	7.20		
	Element Total	7.20	7.20	0.00	0.00
T51602/02	Capital Revolving Fund 2007	5.00	0.00		5.00
	Element Total	5.00	0.00	0.00	5.00
T50503/03	Reconstruct 30 Switches (2007)	36.48	9.98	26.50	
T50503/04	Mainline Track Switches: 36 Switches (2008)	1.93	1.93		
	Element Total	38.41	11.91	26.50	0.00
T50603/02	Ventilation Facilities: Wrap Up: 8 Locations/archer Avenue	50.78	50.78		
T50603/03	Ventilation Facilities: 2 Fan Plants - Astoria & Queens Blvd Lines	5.03	5.03		
T50603/06	New Fan Plant: Queens Blvd Line	1.23	1.23		
T50603/06	New Fan Plant / Queens Blvd Line	1.08	1.08		
	Element Total	58.12	58.12	0.00	0.00
T50703/03	Line Structure Overcoating: Repaint Bronx Park E. to 241 St - Wpr	21.16	21.16		
T50703/07	Culver Viaduct Phase II	4.38	4.38		
T50703/11	Rehab Emerg Exits 2007-09: 75 Locs	18.74	18.74		
T50703/12	Elevated Structure Rehab: Ocean Pkwy Viaduct- Brighton Ln Phase II	7.17	7.17		
T50703/14	Subway Tunnel Rehab: Lexington To 42nd St: Bway Line	0.71	0.71		
T50703/17	Line Structure Overcoating: Portal To Eol: Pelham Line	24.93	24.93		
T50703/18	Elevated Structure Rehab Rockaway Viaduct, Phase 2	1.75	1.75		
T50703/18	Rockaway Viaduct: Phase 2 -Rockaway Line	2.62	2.62		
T50703/19	Viaduct Structure Rehab: Rockaway Line	2.18	2.18		
T50703/23	Stripping And Reptng: Rockaway Blvd To Hammels Wye: Rockaway	0.07	0.07		
T50703/29	Stripping And Repainting: Portal To 41 Av - Astoria Line	0.52	0.52		
T50703/31	Stn Structural Work: Chambers St/ Nassau	11.32	11.32		
	Element Total	95.55	95.55	0.00	0.00
T50803/03	Stop Cable Replacement: Phase 3	0.90	0.90		
T50803/03	Stop Cable Replacement: Phase 2	18.83	0.00	18.83	
T50803/11	E.180th St Interlocking - Wpr - Phs III:	179.17	39.17	140.00	
T50803/12	Signal Systems: Culver Line Interlockings	5.55	5.55		
T50803/12	Signal Systems Interlockings: Culver Line	5.55	5.55		
T50803/14	Modernize Interlockings: Lex Av, 5th Ave -Queens Blvd Ln	3.04	3.04		
T50803/17	Fire Suppression At 29 Signal Relay Rooms	0.70	0.70		
T50803/17	Rewire X-town & 8th Ave Interlockings	0.33	0.33		
T50803/18	Signal Modoernization: 2 Interlockings / Queens Ln	3.50	3.50		
T50803/19	CBTC-canarsie: Equip 64 R-160 Cars	12.00	12.00		
	Element Total	229.57	70.74	158.83	0.00
T51203/02	Depot Rehab: Castleton Depot	12.92	12.92		
T51203/03	Rehab: Ulmer Park Depot	1.32	1.32		
T51203/03	Rehab Ulmer Park Depot	1.58	1.58		
T51203/04	Rehab Of Flatbush Depot	1.52	1.52		
T51203/06	Construct Clara Hale Depot	1.00	1.00		
T51203/07	ENY Paint Shop Demo/bus Parking Lot	8.35	8.35		
	Element Total	26.69	26.69	0.00	0.00
T50404/02	AFC Replacement Phase 2: Electric Boards	5.00	5.00		
T50404/04	Fare Marketing/distribution Equipment: Purchase 32 Heets	1.50	1.50		

New York City Transit and Staten Island Railway
2007 Commitment Summary
All \$ in Millions

ACEP	Project Description	2007 Commitments	MTA Funding	Federal Funding	Local Funding
	Element Total	6.50	6.50	0.00	0.00
T50604/04	Deep Wells Rehab: Nostrand Line PH II	0.60	0.60		
T50604/05	Pumping Facilities: 3 Locations, Prospect Pk Line	18.96	18.96		
	Element Total	19.56	19.56	0.00	0.00
T50904/03	Replace Cable: 4 Substation Control Zones	41.83	41.83		
T50904/06	Neg Cable Repl: Rockaway & Far Rockaway	18.66	18.66		
T50904/07	Negative Cables: 95 St To Pacific-4av Ln	0.64	0.64		
T50904/08	Rehab 2 Circuit Breaker Houses	0.46	0.46		
T50904/11	Traction Power Scada Upgrade IRT	2.00	2.00		
T50904/12	E.180th St Circuit Breaker House	5.80	5.80		
T50904/13	New Duct Bank: Lenox Av 141 St - 148 St	7.52	7.52		
	Element Total	76.91	76.91	0.00	0.00
T51004/09	Replace Shop Equipment	6.82	6.82		
	Element Total	6.82	6.82	0.00	0.00
T51204/05	SMCIS: Option 1:3-4 Depots	17.36	7.36	10.00	
T51204/06	Replace Bus Radio System	2.20	2.20		
T51204/07	Depot Rehabilitation: Lifts: Stengel/manhattanville	7.83	7.83		
T51204/10	10 Bus Washers: KB, GB, MV, CS	1.69	1.69		
T51204/11	Bus Lifts At Various Locations	8.23	8.23		
T51204/13	Depot Equipment (2009)	8.23	8.23		
T51204/14	East New York: Non-rev Shop Wall Repair	0.61	0.61		
T51204/15	New Bus Washer: Quill Depot	0.13	0.13		
	Element Total	46.28	36.28	10.00	0.00
T51604/01	Rehab: 8 Node Site Facilities	5.97	5.97		
T51604/04	IT: PBX Network Upgrade And IP Management	0.15	0.15		
	Element Total	6.12	6.12	0.00	0.00
T51105/03	Yard Track Rehab 2007	2.68	0.38	2.30	
T51105/04	Yard Track Rehabilitation (2008)	0.24	0.24		
	Element Total	2.92	0.62	2.30	0.00
T51605/01	Independent Eng'g Consultant Services	9.37	9.37		
T51605/12	Boring Services: Bklyn, Qns, SI (2007)	0.06	0.06		
T51605/12	Boring Services: Bklyn, Qns, SI (2007)	1.82	1.82		
T51605/13	Boring Services: Manhattan, Bronx (2007)	0.06	0.06		
T51605/13	Boring Services: Manhattan, Bronx (2007)	1.53	1.53		
T51605/15	Engineering Services (2007)	1.10	1.10		
T51605/17	Scope Development (2007)	9.88	9.88		
T51605/18	Test Pits Service Contract (2007)	0.06	0.06		
T51605/18	Test Pits Service Contract (2007)	2.16	2.16		
	Element Total	26.04	26.04	0.00	0.00
T50806/04	Copper Cable Upgrade Due To Sonet	0.13	0.13		
T50806/04	Copper Cable Upgrade Due To SONET	0.13	0.13	0.00	0.00
	Element Total	0.26	0.26	0.00	0.00
T51106/03	Replace 17 Yard Switches (2007)	8.15	2.65	5.50	
T51106/04	Replace 17 Yard Switches (2008)	0.65	0.65		
	Element Total	8.80	3.30	5.50	0.00
T50806/10	Systemwide Wireless Communication System	0.32	0.32		
	Element Total	0.32	0.32	0.00	0.00

New York City Transit and Staten Island Railway
2007 Commitment Summary
All \$ in Millions

ACEP	Project Description	2007 Commitments	MTA Funding	Federal Funding	Local Funding
T51606/04	Fire Alarms & Sprinklers 5 Dos Locations	13.23	13.23		
T51606/05	Asbestos Air Monitoring 2006	4.80	4.80		
T51606/07	Fire Alarms & Sprinklers 2 DOB Locations	7.92	7.92		
	Element Total	25.95	25.95	0.00	0.00
T51607/06	New DOB Command Center - ENY	0.90	0.90		
T51607/08	Consolidated Employee Facilities: 96th Street:broadway-7th Av Line	4.02	1.02	3.00	
T51607/19	AFC Equip Maint Quarters/ Fordham Rd	0.95	0.95		
T51607/20	AFC Equip Maint Facil Roosevelt Av/qbl	3.20	3.20		
T51607/21	AFC Equip Maint QtrAtlantic Av Station-	3.53	3.53		
T51607/25	Consolidated Employee Facilities: 207th Street Station /8th Av Line	8.18	8.18		
T51607/36	DOS Roof Replacement Phase 2	0.75	0.75		
T51607/44	Consolidated Employee Facilities: West 4 St	11.54	11.54		
	Element Total	33.07	30.07	3.00	0.00
T50411/03	Station Rehab: Avenue M: Brighton Line-brooklyn	23.58	23.58		
T50411/04	Station Rehab: Neck Road: Brighton Line-brooklyn	21.41	21.41		
T50411/05	Station Rehab: Avenue H: Brighton Line - Brooklyn	25.92	25.92		
T50411/06	Station Rehab: Avenue J: Brighton Line - Brooklyn	24.33	24.33		
T50411/07	Station Rehab: Avenue U: Brighton Line-brooklyn	23.63	23.63		
T50411/08	Station Rehab: Bleecker Street: Lexington Av Line	15.04	3.04	12.00	
T50411/13	Station Structural Remediation: Kings Highway: Brighton Line-bklyn	21.77	21.77		
T50411/14	Station Structural Remediation: Newkirk Av Station Phase 2 - Brt	25.97	25.97		
T50411/16	Station Condition Survey	2.64	2.64		
T50411/17	Station Rehab: Fort Hamilton Parkway: West End Line	0.75	0.75		
T50411/18	Station Rehab: 71st Street: West End Line	0.80	0.80		
T50411/19	Station Rehab: 79th Street: West End Line	0.74	0.74		
T50411/20	Station Rehab: 18th Avenue: West End Line	0.73	0.73		
T50411/21	Station Rehab: 20th Avenue: West End Line	0.74	0.74		
T50411/23	Station Rehab: Jay Street: Fulton Street Line	56.33	56.33		
T50411/24	Station Rehab: 62nd Street: West End Line	0.56	0.56		
T50411/25	Station Rehab: Bay Parkway: West End Line	0.65	0.65		
T50411/26	Station Rehab: 9th Avenue: West End Line	0.60	0.60		
T50411/27	Station Rehab: 96th Street/broadway-7th Av Line-Manh	58.15	18.80	39.35	
T50411/2C	Station Rehab: Gun Hill Rd Stn Completion: Intermodal	6.13	6.13		
T50411/31	Station Rehab: Bay 50th Street: West End Line	0.70	0.70		
T50411/32	Station Rehab: 25th Avenue: West End Line	0.70	0.70		
T50411/42	Station Rehab: Chambers Street/Nassau Loop	8.80	8.80		
T50411/43	Station Rehab: Buhre Avenue / Pelham Line	1.03	1.03		
T50411/44	Station Rehab: Middletown Road / Pelham Line	0.97	0.97		
T50411/45	Station Rehab: Zerega Avenue / Pelham Line	1.02	1.02		
T50411/46	Station Rehab: Castle Hill Avenue / Pelham Line	1.06	1.06		
T50411/48	Station Rehab: St. Lawrence Av / Pelham Line	1.03	1.03		
T50411/49	Station Rehab: Elder Avenue / Pelham Line	1.00	1.00		
T50411/55	Station Rehab: Beach 67 Street (Gaston) / Far Rockaway	0.13	0.13		
T50411/56	Station Rehab: Beach 60 Street / Far Rockaway	0.13	0.13		
T50411/57	Station Rehab: Beach 44 Street (Frank Ave) / Far Rockaway	0.13	0.13		
T50411/58	Station Rehab: Beach 36 St (edgemere)-far Rockaway	0.12	0.12		
T50411/59	Station Rehab: Beach 25 Street (Wavecrest) / Far Rockaway	0.12	0.12		
T50411/60	Station Rehab: Mott Avenue / Far Rockaway	0.15	0.15		
T50411/61	Station Rehab: Beach 90 (Holland) - Rockaway Line	0.60	0.60		
T50411/62	Station Rehab: Beach 98 (Playland) - Rockaway Line	0.62	0.62		
T50411/63	Station Rehab: Beach 105 (Seaside) - Rockaway Line	0.64	0.64		
T50411/84	Station Rehab: 8th Avenue - Sea Beach Line	1.20	1.20		
T50411/85	Station Rehab: Fort Hamilton Parkway - Sea Beach Line	1.20	1.20		
T50411/86	Station Rehab: 18th Avenue - Sea Beach Line	1.20	1.20		
T50411/88	Station Rehab: New Utrecht - Sea Beach Line	1.20	1.20		
	Element Total	334.21	282.86	51.35	0.00

New York City Transit and Staten Island Railway
2007 Commitment Summary
All \$ in Millions

ACEP	Project Description	2007 Commitments	MTA Funding	Federal Funding	Local Funding
T50413/02	ADA: B'way-lafayette/bleecker St Complex	12.59	2.59	10.00	
T50413/05	ADA: Kings Highway - Brighton Line	7.91	7.91		
T50413/09	ADA: Jay Street - Fulton Street Line	12.46	2.46	10.00	
T50413/10	ADA: Bay Parkway West End Line	0.21	0.21		
T50413/11	ADA: 96th Street: Broadway/7th Av Line	27.91	17.91	10.00	
T50413/12	ADA: Jay & Lawrence St Transfers	14.15	4.15	10.00	
T50413/17	ADA: Mott Avenue / Far Rockaway	0.06	0.06		
	Element Total	75.29	35.29	40.00	0.00
T50414/02	Intermodal/transfer Facilities: Bleecker St/broadway-lafayette Transfer	36.79	26.79	10.00	
T50414/03	Intermodal/transfer Facilities: Myrtle-wyckoff Intermodal Facility	4.76	4.26	0.50	
T50414/06	Passenger Transfer: Jay & Lawrence St	57.05	32.05	25.00	
T50414/07	Repair Canopies: 5 Stns /Bway-7Av Ln	0.60	0.60		
T50414/07	Platform/Roof/Canopy Replace: Repair Canopies, 5 Stns/brdwy-7av Ln	14.35	14.35		
T50414/08	Gap Fillers Union Sq:phse 3:local Pltfrm	1.69	1.69		
T50414/11	Station Structural Remed: Platform Rehab: 4 Locations- Pelham Line	4.60	4.60		
T50414/17	Station Normal Replacement: Dyckman Street / Bway-7th Ave	0.34	0.34		
T50414/17	Station Normal Replacement: Dyckman Street / Bway-7th Ave	8.72	8.72		
T50414/18	Station Improvements: 86 St/ 4th Av Line	0.37	0.37		
T50414/18	Station Improvements: 86 St/ 4th Av Line	0.35	0.35		
	Element Total	129.62	94.12	35.50	0.00
NYC Transit and Staten Island Railway 2007 Commitment Total		\$3,099.15	\$2,122.29	\$803.97	\$172.89

MTA Bus Company
2007 Commitment Summary
All \$ in Millions

ACEP	Project Description	2007 Commitments	MTA Funding	Federal Funding	Local Funding
2000-2004					
U40302/10	Purchase Service Vehicles (8 Snow fighters)	1.60	1.60	0.00	0.00
U40302/99	Design/Consultant Services	0.50	0.50	0.00	0.00
U40302/08	105 Hybrid-Electric Buses 2007	60.85	48.85	0.00	12.00
U40302/10	Purchase Service Vehicles (Bucket/Heavy Duty Trucks)	0.70	0.70	0.00	0.00
U40302/99	Design/Consultant Services	0.70	0.70	0.00	0.00
U40302/09	72 Articulated Buses 2007	46.42	34.42	0.00	12.00
U40302/10	Purchase Service Vehicles (Bucket/Heavy Duty Trucks)	0.70	0.70	0.00	0.00
U40302/99	Design/Consultant Services	0.80	0.80	0.00	0.00
	Element Total	112.27	88.27	0.00	24.00
2005-2009					
T50302/06	Replace Shop Equipment	2.50	0.00	2.50	0.00
	Element Total	2.50	0.00	2.50	0.00

MTA Bus Company 2007 Commitment Total	\$114.77	\$88.27	\$2.50	\$24.00
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Metro North Railroad
2007 Commitment Summary
All \$ in Millions

ACEP	Project Description	2007 Commitments	MTA Funding	Federal Funding	Local Funding
1992-1999					
M307-01-01	Dover Plains to Wassaic Extension	0.20	0.20		
	Element Total	\$0.20	\$0.20	\$ -	\$ -
2000-2004					
A401-01-07	West of Hudson Comet Overhauls	0.17	0.17		
	Element Total	0.17	0.17	\$ -	\$ -
M402-02-16	Yankee Stadium Station - Preliminary Engineering	41.45	41.45		
	Element Total	41.45	41.45	\$ -	\$ -
M403-02-05	Rehab/Replace Overhead Bridges	2.73	2.73		
	Element Total	2.73	2.73	\$ -	\$ -
2005-2009					
M501-01-01	Specification/Purchase Diesel Loco for non-GCT svcs.	0.19	0.19		
M501-01-09	End Door Coach Midlife Overhaul - 40 Cars	0.26	0.26		
M501-01-10	M-9 Specification Development	1.00	1.00		
	Element Total	1.45	1.45	\$ -	\$ -
M502-01-02	GCT Leaks Remediation	0.05	0.05		
M502-01-05	GCT Elevator Rehabilitation Phase III	1.55	1.55		
M502-01-07	GCT Platform Improvements	0.91	0.91		
M502-01-08	GCT Water Conveyance Utilities Improvements	0.46	0.46		
	Element Total	2.97	2.97	\$ -	\$ -
M503-01-02	Turnouts Mainline/High Speed	2.28	2.28		
M503-01-03	GCT Turnout and Switch Renewal	1.53	1.53		
M503-01-05	M of W Equipment	4.15	4.15		
M503-01-06	Rebuild Retaining Walls	1.70	1.70		
M503-01-07	Rock Slope Remediation - East of Hudson	4.12	4.12		
M503-01-12	2007 Cyclical Track Program	11.48	0.48	\$ -	11.00
	Element Total	25.27	14.27	\$ -	11.00
M504-01-05	Replace CTC Systems (OCC/ECC)	18.58	18.58		
M504-01-07	Signal System Replacement	2.00	2.00		
M504-01-10	Upgrade Grade Crossings	0.41	0.41		
M504-01-11	C&S Cable Replacement GCT to Mott Haven	0.35	0.35		
M504-01-12	Vital Processor System (GCT)	1.68	1.68		
M504-01-16	Replace Interlocking/Siding -West of Hudson	0.60	0.60		
M504-01-17	PBX Replacement	1.60	1.60		
	Element Total	25.22	25.22	\$ -	\$ -
M505-01-02	Substation Retrofit - Harlem and Hudson Lines	7.30	\$ -	7.30	
M505-01-03	Replace Harlem River Lift Bridge Breaker Houses	0.44	0.44		
M505-01-08	Harlem and Hudson Lines Power Improvements	2.52	2.52		
M505-01-09	Rehab Harlem and Hudson Lines Substations	13.71	5.71	8.00	
M505-01-10	Install Sectionalizing Switches GCT	4.00	\$ -	4.00	
	Element Total	27.97	8.67	19.30	\$ -
M506-01-03	Harmon Shop Replacement (Master Plan)	8.91	8.91		
M506-01-05	Highbridge Car Wash Facility	18.04	6.04	12.00	

Metro North Railroad
2007 Commitment Summary
All \$ in Millions

ACEP	Project Description	2007 Commitments	MTA Funding	Federal Funding	Local Funding
M506-01-06	Poughkeepsie Yard Improvements	0.60	0.60		
M506-01-07	Shops and Yards Miscellaneous Environmental Improvements	0.60	0.60		
	Element Total	28.15	16.15	12.00	\$ -
M508-01-02	Systemwide Lead/Asbestos Abatement	1.10	1.10		
M508-01-03	Environmental Remediation	0.43	0.43		
M508-01-05	Independent Engineer	0.49	0.49		
M508-01-06	Program Administration	7.94	7.94		
M508-01-09	Customer and Employee Communications Projects	8.00	8.00		
	Element Total	17.96	17.96	\$ -	\$ -
M502-02-01	Hudson Line Stations Improvements Phase II	57.19	37.19	20.00	
M502-02-02	Croton Harmon/Peekskill Station Improvements	0.40	0.40		
M502-02-03	Poughkeepsie Station Building	5.27	1.17	4.10	
M502-02-04	Upper Harlem Line Station Improvements	0.07	0.07		
M502-02-05	New Haven Line (NYS) Stations Improvements	0.14	0.14		
M502-02-06	Station Building Rehabilitation	0.97	0.97		
M502-02-07	Station and Platform Informational Signs	0.82	0.82		
	Element Total	64.85	40.75	24.10	\$ -
M503-02-01	Replace/Repair Undergrade Bridge Program	5.77	3.77	2.00	
M503-02-02	Rehabilitate Culverts/Railtop Culverts	1.27	1.27		
M503-02-03	D.C. Substation/Signal House	0.40	0.40		
M503-02-06	Overhead Bridge Program-East of Hudson	1.06	1.06		
M503-02-08	Right-of-Way Fencing	0.27	0.27		
M503-02-09	Remove Obsolete Facilities	1.60	1.60		
M503-02-12	Clearance Inventory and Video	0.97	0.97		
M503-02-13	Bridge Walkways	1.03	1.03		
M503-02-15	Catenary Painting NHL (NYS)	1.03	1.03		
M503-02-16	Employee Welfare and Storage Facilities	0.25	0.25		
	Element Total	13.64	11.64	2.00	\$ -
M501-03-08	Replace Obsolete Work Equipment	1.20	1.20		
	Element Total	1.20	1.20	\$ -	\$ -
M502-03-02	Parking Expansion	0.50	0.50	\$ -	\$ -
M502-03-03	Cortlandt Parking & Access Improvements	0.21	0.21		
	Element Total	0.71	0.71	\$ -	\$ -
M503-03-01	West of Hudson Track Program	8.47	3.47	5.00	
M503-03-02	West of Hudson Improvements	0.69	0.69		
M503-03-03	Moodna/Woodbury Viaducts	0.55	0.55		
M503-03-05	Undergrade Bridge Program West of Hudson	2.66	2.66		
	Element Total	12.36	7.36	5.00	\$ -

Metro North Railroad 2007 CommitmentTotal	\$266.07	\$192.67	\$62.40	\$11.00
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Long Island Rail Road
2007 Commitment Summary
All \$ in Millions

ACEP	Project Description	2007 Commitments	MTA Funding	Federal Funding	Local Funding
1992-1999					
L304022C	EAST RIVER TUNNELS SAFETY IMPROV	1.05	1.05	\$ -	\$ -
	Element Total	1.05	1.05	\$ -	\$ -
2000-2004					
L4030130	SHEA STADIUM - MAIN LINE LINK STUDY	0.55	0.55		
	Element Total	0.55	0.55	\$ -	\$ -
L40502K5	JAMAICA INTERLOCKINGS	1.08	1.08		
	Element Total	1.08	1.08	\$ -	\$ -
L406036R	LONG ISLAND CITY YARD	0.21	0.21		
	Element Total	0.21	0.21	\$ -	\$ -
L4020424	ATLANTIC TERMINAL	0.48	0.48		
L402042F	SHEA STADIUM -SHORT TERM IMPROVEMENTS	1.11	1.11		
L4020434	VALLEY STREAM STATION REHABILITATION	3.03	3.03		
L4020478	JAMAICA CENTRAL CONTROL FIT-OUT	0.21	0.21		
	Element Total	4.84	4.84	\$ -	\$ -
L40205J2	MINEOLA INTERMODAL CENTER	0.40	0.40		
	Element Total	0.40	0.40	\$ -	\$ -
N40905FR	EAST HAMPTON STATION RESTORATION	0.20	0.20		
	Element Total	0.20	0.20	\$ -	\$ -
2005-2009					
L503018T	JAMAICA INTERLOCKING RECONFIG STUDY	7.17	7.17		
L50301E1	TRACK EQUIPMENT	5.14	\$ -	5.14	
L50301R1	ROW - CULVERTS	4.00	4.00		
L50301R2	ROW - DRAINAGE CONTROL	4.00	4.00		
L50301R4	ROW - DEMOLITIONS	1.76	1.76		
L50301R6	ROW - TRACK STABILITY/RETAINING WALLS	4.06	4.06		
L50301R7	AMOTT CULVERT	2.25	2.25		
L50301T3	2007 ANNUAL TRACK PROGRAM	61.16	61.16		
	Element Total	89.54	84.41	5.14	\$ -
L50401B1	BRIDGE PROGRAM	7.50	7.50		
L50401B3	POWELL CREEK & HOG ISLAND CHANNEL	0.50	0.50		
L50401B4	ATLANTIC AVE. VIADUCT	84.91	45.21	39.70	
L50401B5	JUNCTION BLVD. ABUTMENT/PW	1.00	1.00		
L50401B8	WOODHAVEN AND QUEENS BRIDGE	0.66	0.66		
L50401B9	DB BRIDGE-DESIGN	1.90	1.90		
	Element Total	96.47	56.77	39.70	\$ -

Long Island Rail Road
2007 Commitment Summary
All \$ in Millions

ACEP	Project Description	2007 Commitments	MTA Funding	Federal Funding	Local Funding
L50501S6	IMPROVED RADIO COVERAGE/INFRA P25 COMPL	0.72	0.72		
L50501S8	AVPS EXPANSION	4.30	3.10	1.20	0.00
	Element Total	5.02	3.82	1.20	0.00
L5060161	DIESEL LOCOMOTIVE SHOP UPGRADE	2.92	2.92		
L506016C	HILLSIDE FACILITY (BUILDINGS)	3.30	3.30		
L506016K	ROLLING STOCK SUPPORT EQUIPMENT	8.69	8.69		
L506016N	LIC YARD (PHASE 2)	0.10	0.10		
L506016P	BABYLON CAR WASH	4.19	4.19		
L506016T	MID SUFFOLK YARD EIS	3.70	3.70		
	Element Total	22.89	22.89	\$ -	\$ -
L50701PC	POWER SYSTEM UPGRADES	11.80	11.80		
L50701PG	REPLACE 3 SUBSTATIONS	21.49	0.00	21.49	
L50701PH	DEMO AND CONSTRUCTION OF 4 SUBSTATIONS	23.54	\$ -	23.54	
L50701PJ	THIRD RAIL SYSTEM - 2000MCM CABLE	1.33	0.33	1.00	
L50701PS	SIGNAL POWER LINE	2.18	\$ -	2.18	
	Element Total	60.34	12.13	48.21	\$ -
L50402VA	ERT FIRE & LIFE SAFETY	3.75	3.75		
	Element Total	3.75	3.75	\$ -	\$ -
L50502SA	WAYSIDE EVENT RECORDERS	0.24	0.24		
L50502SB	BABYLON BRANCH IMPROVEMENTS	12.78	12.78		
L50502SC	CENTRALIZED TRAFFIC CONTROL - PHASE 1	7.50	7.50		
L50502SL	JAY, HALL & DUNTON MICROPROCESSORS	0.77	0.77		
L50502SV	VALLEY STREAM INTERLOCKING	0.92	0.92		
L50502SX	BABYLON TO SPEONK SIGNALIZATION	3.50	3.50		
L50502SZ	SIGNAL DESIGN/SUPPORT	0.80	0.80		
	Element Total	26.51	26.51	\$ -	\$ -
L50303T6	HALL UNIVERSAL CROSSOVER	2.00	2.00		
	Element Total	2.00	2.00	\$ -	\$ -
L5020425	JAMAICA FIT-OUT-PHASE 2	2.31	0.71	1.60	
L502042B	BROADWAY STAT PLATFORM REPLACEMENT	0.15	0.15		
L502042C	SEAFORD STATION PLATFORM REPLACEMENT	12.62	12.12	0.50	
L502042T	ESCALATOR REPLACEMENT PROGRAM	0.25	0.25		
L502042U	ELEVATOR REPLACEMENTS @ GREAT NECK	0.55	0.55		
	Element Total	15.88	13.78	2.10	\$ -
L509048A	ELECTRIC SUBSTATIONS REMEDIATION	0.95	0.95		
L509048C	LIC CAR WASH REMEDIATION	0.01	0.01		
L509048K	MORRIS PARK ENVIRONMENTAL STUDY	0.14	0.14		
L509048L	PROGRAM ADMINISTRATION	24.20	24.20		
L509048M	INDEPENDENT ENGINEER	0.78	0.78		
L509048N	LIABILITY INSURANCE	0.10	0.10		
L50904OP	PROGRAM DEVELOPMENT	0.78	0.78		
L50904PE	PROGRAM DEVELOPMENT ENGINEERING	0.01	0.01		

Long Island Rail Road
2007 Commitment Summary
All \$ in Millions

ACEP	Project Description	2007 Commitments	MTA Funding	Federal Funding	Local Funding
	Element Total	26.97	26.97	\$ -	\$ -
L5020526	RONKONKOMA PARKING IMPROVEMENT	0.38	0.38		
	Element Total	0.38	0.38	\$ -	\$ -
L50206VB	PENN STA - THIRD RAIL & SIGNAL	9.03	9.03		
L50206VJ	STATION MASTERS OFFICE DESIGN	0.73	0.73		
	Element Total	9.76	9.76	\$ -	\$ -
N50905HA	FREEPORT WAITING ROOM	0.28	0.28		
N50905HB	BAYSHORE PEDESTRIAN OVERPASS	1.30	1.30		
	Element Total	1.58	1.58	\$ -	\$ -
Long Island Rail Road 2007 Commitment Total		\$369.43	\$273.08	\$96.35	\$0.00

Bridges and Tunnels
2007 Commitment Summary
All \$ in Millions

ACEP	Project Description	2007 Commitments	MTA Funding	Federal Funding	Local Funding
2000-2004					
D402BW89	Reconstr. all Approaches/Lower Garage Rehab	5.80	5.80		
	Element Total	5.80	5.80	\$ -	\$ -
D403AW39	Expansion of Transmit System	0.20	0.20		
	Element Total	0.20	0.20	\$ -	\$ -
2005-2009					
D501BW85	Critical Panel Unwrapping	5.35	5.35		
D501BW86	Partial Replacement of Suspend	2.48	2.48		
	Element Total	7.82	7.82	\$ -	\$ -
D502BW89	Elevated & On Grade (Bx) Appr.	13.43	13.43		
	Element Total	13.43	13.43	\$ -	\$ -
D503AW35	Weater Information Systems	0.33	0.33		
D503AW36	Installation of CCTV/Fiber Opt	1.59	1.59		
D503AW37	Operation Centers TS Systems	1.36	1.36		
D503AW46	Violations Enhancement System	5.30	5.30		
D503AW47	Digital Video Surveillance Sys	0.28	0.28		
D503AW48	2nd Generation E-Zpass In-Lane	0.60	0.60		
	Element Total	9.46	9.46	\$ -	\$ -
D504AW80	Variable Message Signs	0.51	0.51		
	Element Total	0.51	0.51	\$ -	\$ -
D505AW12	Hazardous Material Abatement	0.21	0.21		
	Element Total	0.21	0.21	\$ -	\$ -
D506AW15	Independent Engineer	0.42	0.42		
D506AW21	Program Administration	1.99	1.99		
D506AW22	Miscellaneous	0.53	0.53		
D506AW28	Scope Development	0.42	0.42		
	Element Total	3.36	3.36	\$ -	\$ -
D505BB47	New Sewer Connection-Governor's Island	2.61	2.61		
D505BB80	Rehabilitation of Ventilation	16.92	16.92		
	Element Total	19.53	19.53	\$ -	\$ -
D501CB08	Deck and Structural Rehab	61.11	61.11		
	Element Total	61.11	61.11	\$ -	\$ -
D502HH04	Replace Cross Drainage	0.75	0.75		
D503HH85	Upper Level Toll Plaza Deck	1.15	1.15		
	Element Total	1.90	1.90	\$ -	\$ -
D504QM30	Electric Upgrade Vent Bldgs	3.49	3.49		
	Element Total	3.49	3.49	\$ -	\$ -

Bridges and Tunnels
2007 Commitment Summary
All \$ in Millions

ACEP	Project Description	2007 Commitments	MTA Funding	Federal Funding	Local Funding
D502TB65	Deck Rpl. Bronx:Toll Plaza, New Ramps	0.30	0.30		
	Element Total	0.30	0.30	\$ -	\$ -
D502TN49 D502TN82					
	Suspended Span Deck Repl (Design) & Seismic Study TN Bridge	2.52	2.52		
	Rehab of Orthotropic Deck	1.34	1.34		
	Element Total	3.86	3.86	\$ -	\$ -
D502VN17	Rehabilitation of Approach	0.30	0.30		
	Element Total	0.30	0.30	\$ -	\$ -
D503VN03					
	New Toll Plaza - Design	8.60	8.60		
	Element Total	8.60	8.60	\$ -	\$ -
Bridges and Tunnels 2007 Commitment Total		\$139.87	\$139.87		

MTA Police Department
2007 Commitment Summary
All \$ in Millions

ACEP	Project Description	2007 Commitments	MTA Funding	Federal Funding	Local Funding
2005-2009					
N5100101	Suffolk County District Office	4.70	4.70		
N5100104	K9 Facility	4.63	4.63		
N5100106	Emergency Service Units	0.45	0.45		
N5100109	Public Safety Radio	43.00	43.00		
N5100115	Merrick Facility	0.33	0.33		
	Element Total	53.10	53.10	\$ -	\$ -
	MTA Police 2007 Commitment Total	\$53.10	\$53.10	\$ -	\$ -

MTA Capital Construction Company
2007 Commitment Summary
All \$ in Millions

ACEP	Project Description	2007 Commitments	MTA Funding	Federal Funding	Local Funding
2000-2004					
G4100106	SAS Tunnel 92nd St. - 63rd St.	375.88	300.88		75.00
G4100108	SAS Owner Controlled Insurance	70.00	70.00		
G4100107	SAS Real Estate Costs	25.00	5.00		20.00
G4100109	Consultant Construction Manager	86.00	61.00		25.00
	Second Avenue Subway Total	556.88	436.88	\$ -	120.00
G4120105	FSTC-HAZRDS MATERIALS& DECONSTRUCTION	7.82	\$ -	7.82	
G4120101	FULTON STREET TRANSIT CENTER	3.92	\$ -	3.92	
G4120107	FSTC-TRANSIT CNTR,STN REHAB& CORBIN RSTR	364.14	\$ -	364.14	
G4120199	FSTC: FEDERAL FUNDING RESERVE	28.00	\$ -	28.00	
G4120103	FULTON ST TRANSIT CTR: REAL ESTATE COSTS	7.56	\$ -	7.56	
	Fulton Street Transit Center Total	411.43	\$ -	411.43	\$ -
G4120202	SoFe Terminal Finishes/System	7.97	\$ -	7.97	
G4120204	SoFe Landscaping	10.83	\$ -	10.83	
	South Ferry Terminal Total	18.79	\$ -	18.79	\$ -
2005-2009					
G5090118	Harold Interlocking Stage 1	56.95	36.95		20.00
G5090117	Harold Structures (Part 1)	149.72	129.72		20.00
G5090113	Construction Management	25.00	20.00		5.00
G5090109	Real Estate	90.50	80.50		10.00
G5090114	GCT Concrse Civil&Structural	687.04	437.04	215.00	35.00
G5090119	Harold & Point CIL	53.84	43.84		10.00
	East Side Access Total	1063.05	748.05	215.00	100.00
G5110101	Construction Management	60.00	\$ -		60.00
G5110101	Construct Run Tunnels / Sta Strutures	1313.70	\$ -		1313.70
	Flushing Line Extension Total	1373.70	\$ -	\$ -	1373.70
VARIOUS	Security	91.70	91.70		
	Security Total	91.70	91.70	\$ -	\$ -
G5160101	MTA CCC Administration	14.31	14.31		
	Element Total	14.31	14.31	\$ -	\$ -

MTA CCC 2007 Commitment Total	\$3,529.87	\$1,290.95	\$645.23	\$1,593.70
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New York City Transit (Includes Staten Island Railway)
2007-2010 Project Completions

Project ID	Project Description	Complete 07-10	Project Allocation
T40413A5	ADA 168th St 8AV	January-07	\$11,968,405
T40413AA	ADA Junction Blvd FLS	January-07	\$19,065,883
S3010102	SIR Station Rehab, 6 Locations	February-07	\$9,465,825
T31208W2	Waste Water Cntrl:5 Loc	February-07	\$6,185,471
T40902SE	Substation Enclosures	February-07	\$5,704,552
T412044C	Parallelogram Lifts-5 Depots	March-07	\$7,685,505
T4120406	Purchase 501 Portable Radios	March-07	\$885,564
T41302P2	Purchase Tk Gm/Rail Ins Car	March-07	\$10,001,079
T5030220	Fareboxes Westchester County	April-07	\$12,000,000
T41204HU	Bus Locator System	April-07	\$13,585,198
T404113L	Rehab Alabama Ave JAM	April-07	\$8,736,742
T404113M	Rehab Van Siclen Ave JAM	April-07	\$8,503,183
T404113N	Rehab Cleveland St JAM	April-07	\$8,507,678
T404113O	Rehab Norwood Ave JAM	April-07	\$8,373,266
T404113P	Rehab Crescent St JAM	April-07	\$8,492,185
T40703E2	JAM EParkway-Cypress Hills	April-07	\$23,188,302
T40903S3	Rehab Cliff St Substn 8AV	April-07	\$36,508,882
T404112C	Rehab: Gun Hill Rd WPR	April-07	\$38,869,662
T404112E	Rehab: 238th St WPR	April-07	\$13,656,484
T404112F	Rehab: 233rd St WPR	April-07	\$16,708,533
T404112G	Rehab: 225th St WPR	April-07	\$12,760,498
T404112H	Rehab: 219th St WPR	April-07	\$12,348,589
T404112I	Rehab: Burke Ave WPR	April-07	\$12,567,987
T404112J	Rehab: Allerton Ave WPR	April-07	\$12,504,053
T404112K	Rehab: Bronx Park East WPR	April-07	\$13,126,254
T404112O	Rehab 241st St WPR	April-07	\$15,368,347
T404119B	Rehab Pelham Pky WPR	April-07	\$21,745,604
T404132F	ADA 233rd St WPR	April-07	\$3,364,738
T404139B	ADA Pelham Pkwy WPR	April-07	\$2,896,404
T40703LW	Strip-Repnt Bx Pk E-241 WPR	April-07	\$15,398,573
T40703WR	WPR Bronx Pk East-241 St	April-07	\$92,035,281
T40806D1	Data Ntwk: SONET & IRT-ATM	April-07	\$197,472,767
T40806P4	PA/CIS: 24 Stns Canarsie Line	April-07	\$17,603,193
T41606EA	Environmental Analysis	April-07	\$8,716,611
T5041306	ADA Bowling Green LEX	May-07	\$12,209,542
T5041405	Bowling Green Entrance Canopy	May-07	\$3,454,280
T5041415	Service Gate Release Retrofit	May-07	\$25,500,000
S4070110	Right-of-Way Fencing IX	May-07	\$3,363,547
T304027M	Rpr: Avenue M-Brighton	May-07	\$319,189
T304027O	Rpr: Neck Rd-Brighton	May-07	\$459,300
T40101CS	Cab Simulator for R160 cars	June-07	\$2,002,104
T41302O5	Overhaul 9 Hose and Reach Cars	June-07	\$1,478,000
T41606U3	UST Connect: Mnville Depot	June-07	\$3,097,167
T5030207	200 Paratransit Vehicles 2006	June-07	\$15,410,783
T5060403	Deep Well Rehab FUL	June-07	\$13,530,000

New York City Transit (Includes Staten Island Railway)
2007-2010 Project Completions

Project ID	Project Description	Complete 07-10	Project Allocation
T5060408	Rehab Deep Wells LNX	June-07	\$6,393,147
T31302RG	Purch Rail Grinder	July-07	\$10,097,096
T40803CI	SSI Pilot: Bergen St	July-07	\$74,564,023
T40806RB	Comm Rms: 98 Stns - IND/BMT	July-07	\$51,492,912
T412044B	Castleton Exp Empl Fac & Store	July-07	\$12,657,034
T41606A8	Asbestos Mon IQ Cnslt 2003	July-07	\$4,000,000
T5030201	116 Standard Buses 2005	July-07	\$62,169,737
T41203BC	Grand Avenue Depot/CMF	July-07	\$269,708,868
T41607MX	Revenue Facility Consolidation	July-07	\$62,136,562
T5030209	56 Hi-Cap Express 2007	July-07	\$31,123,000
T5060204	Tun Ltg Chambrs 8AV-Jay St FUL	July-07	\$19,319,834
T404112R	Rehab Rockaway Park RKY	August-07	\$8,729,435
T40407E2	Repl 12 Esc Herald Square	August-07	\$38,852,853
T5080611	PA/CIS Pilot 2 Stations	August-07	\$1,000,000
T5120414	ENY Nonrevenue Fac Wall Repair	August-07	\$856,125
T404113A	Rehab Myrtle Ave CNR	September-07	\$37,618,013
T404113I	Rehab Wyckoff Ave MRT	September-07	\$10,282,842
T404133A	ADA Myrtle-Wyckoff Complex	September-07	\$18,213,958
T416073A	Empl Fac Myrtle Ave CNR	September-07	\$8,290,133
T414042R	D.O. #23 Rockaway Park	October-07	\$16,358,246
T406036A	Fans 6AV 3 locs	October-07	\$47,228,811
T30807AT	Auto Trn Suprv, Phs 1 (Div A)	October-07	\$198,137,125
T4080703	ATS-A Div Wrapup	October-07	\$5,959,889
T5080321	ATS A-Division Software Mtce	October-07	\$2,000,000
T30806BS	Upgrade RTO Base Stations	November-07	\$15,706,481
T40409PW	PA/CIS Wrap-Up	November-07	\$3,592,340
T4080701	Back-up RCC Livingston Plaza	November-07	\$17,108,956
T5040404	HEETs For Station Rehabs	November-07	\$1,500,000
T5160715	GPS Revenue Control	November-07	\$362,900
T41604I3	ISD: Systems (2002)	December-07	\$7,952,134
T41606U1	UST Groundwater Remediation	December-07	\$9,205,207
T41204P2	Paving: 3 Locs	December-07	\$3,559,239
T41302O2	Convert 40 Rider, De-Icer Cars	December-07	\$5,691,372
T413042A	Vehicle Replc 2002-2003	December-07	\$12,511,623
T5050207	Mainline Track Repl 2007	December-07	\$156,164,300
T5050208	Track Force Account 2007	December-07	\$35,000,000
T5050209	Welded Rail 2007	December-07	\$10,974,200
T5050303	30 Mainline Switches I/H 2007	December-07	\$38,341,354
T5070332	Subway Emergency Exit Alarms	December-07	\$7,000,000
T5110503	Yard Track 2007	December-07	\$2,912,700
T5110603	Repl 20 Yard Switches 2007	December-07	\$8,778,000
T5160403	Automatic Tele. Travel Info	December-07	\$2,840,000
S5070110	Fare Collection: Tompkinsville	January-08	\$1,470,000
T40803Z2	Signal Key-By Circuit Mods	January-08	\$29,639,822
T4041115	Columbus Circle Cmplx Ph1 Fac	January-08	\$17,263,245

New York City Transit (Includes Staten Island Railway)
2007-2010 Project Completions

Project ID	Project Description	Complete 07-10	Project Allocation
T5130208	Trk Geometry-Rail Insp Option	January-08	\$11,939,962
T5070312	Ocean Parkway Sta Viaduct BRT	February-08	\$24,106,289
T5041101	Water Condition Remedy 2005	February-08	\$3,447,172
T5160527	Construction Support 2006	February-08	\$2,064,500
T5110207	Yard Hydrants Ph 1	February-08	\$13,474,337
T5041307	ADA Church Av CUL	February-08	\$24,703,611
T5030211	175 Paratransit Vehicles 2007	March-08	\$8,840,995
T5120402	Fluid Application System	April-08	\$7,443,674
T40602T2	Tun Ltg 53rd St Tube QBL	April-08	\$12,590,000
T5041304	ADA 135th St LNX	April-08	\$16,259,612
T5041308	ADA Union Turnpike QBL	April-08	\$19,807,781
T5100415	Rehab 38 St Yd Shp Retain Wall	April-08	\$11,928,130
T5090202	Modernize 70th Av Substn	May-08	\$22,786,622
S4070106	Rehab 4 Substation Enclosures	May-08	\$5,574,749
T40101B2	Purchase 660 B Div Cars	May-08	\$1,140,671,374
T5041102	Repair Chambers St BW7	June-08	\$9,969,695
T5041301	ADA Chambers St BW7	June-08	\$23,491,083
T404113B	Rehab 183rd St JER	June-08	\$14,764,141
T404113H	Rehab Burnside Ave JER	June-08	\$14,689,654
T404114L	Rehab Bedford Park Blvd JER	June-08	\$13,565,407
T404114M	Rehab Kingsbridge Rd JER	June-08	\$13,766,332
T404114N	Rehab Mosholu Pky JER	June-08	\$24,384,522
T40806T1	Systemwide App Migration Ph 1	June-08	\$38,225,505
T40803F2	Flushing Interlocking Ph 2	July-08	\$170,166,077
T5160509	Test Pits 2005	July-08	\$3,048,600
T5060409	Pump Room- Fulton St 8AV	July-08	\$7,873,800
T5120408	Bus Rapid Transit Ph 1	August-08	\$21,948,300
T5090203	Modernize Green St Substn	August-08	\$22,135,374
T5160727	(ICC) EFR 21st St XTN	August-08	\$6,105,000
T5160502	Boring Services BK/Q/SI 2005	September-08	\$1,116,332
T5160503	Boring Services M/Bx 2005	September-08	\$1,359,215
T5090204	Modernize Greenwich Substation	September-08	\$28,550,000
T5041314	ADA 47-50 St Rock Ctr 6AV	September-08	\$26,302,388
T5090212	Rehab Undgrnd Sbstn Hatchways	September-08	\$14,658,600
T41602IO	Owner Controlled Insurance	October-08	\$123,985,279
T5160603	Consult-USTs, Remediation 2005	October-08	\$6,336,000
T5110206	Yard Fencing Upgrades	October-08	\$9,465,584
T5041115	Rehab Wall St LEX	October-08	\$43,852,566
T5080319	CBTC Equip 64 R160 Cars CNR	October-08	\$12,110,000
T41606A1	Asbestos Dispos IQ Cnslt 2003	November-08	\$386,736
T406036B	Fans 6AV 4 locs	November-08	\$79,243,166
T5090401	Circuit Breaker Houses 5 Locs	November-08	\$37,945,400
T5090413	Duct Bank: Lenox Ave	November-08	\$8,000,000
T5041403	Intermodal: Myrtle-Wyckoff	November-08	\$6,117,267
T5040701	8 Escalators Roosevelt Island	December-08	\$21,670,771

New York City Transit (Includes Staten Island Railway)
2007-2010 Project Completions

Project ID	Project Description	Complete 07-10	Project Allocation
T5080305	Middle Track Signalization JER	December-08	\$47,465,253
T40302P1	Retrofit Particulate Filters	December-08	\$23,630,799
T41203P1	Parking Expansion 4 Depots	December-08	\$14,557,502
T4120401	Paratransit AVL	December-08	\$17,240,782
T41302P3	Purchase 12 Crane Cars	December-08	\$11,813,447
T413043A	Vehicle Replc 2004	December-08	\$4,717,903
T5030206	284 Standard Buses 2007	December-08	\$163,989,714
T5041401	Station Signage 2005	December-08	\$2,800,000
T5050210	Mainline Track Repl 2008	December-08	\$142,864,300
T5050304	36 Mainline Switches I/H 2008	December-08	\$44,339,300
T5110504	Yard Track 2008	December-08	\$3,011,700
T5110604	Repl 20 Yard Switches 2008	December-08	\$9,076,000
T5160607	Fire Alarms 2 Depots	January-09	\$8,930,303
S5070102	Station Headhouses: 4 Locs	January-09	\$6,887,240
T5110201	Yard Lighting: Cnr ENY PTKN	January-09	\$17,768,595
T40603F1	Fans Rockwell PI FUL	January-09	\$60,489,543
T40806P2	PA/CIS: 156 Stations IRT	January-09	\$157,412,080
T5080608	Ant Cable Replacement Ph 2	January-09	\$60,264,100
T5160719	Fordham Rd AFC Eqp Mnt Qtrs	January-09	\$1,064,719
T5160720	Roosevelt/74th AFC Eqp Mnt Qtr	January-09	\$3,410,426
T5160721	Atlantic Av AFC Eqp Mnt Qtrs	January-09	\$3,854,801
T5160744	EFR Rehab W4 8AV	January-09	\$11,541,100
T5040702	10 Escalators Parsons Blvd ARC	February-09	\$32,398,617
T5040704	5 Escalators Van Wyck ARC	March-09	\$20,073,051
T5070309	BWY BMT Whitehall-Canal	March-09	\$32,443,900
T40404M4	Replace AFC Electronics	March-09	\$10,002,703
T40806D2	Data Ntwk: IND/BMT-ATM	March-09	\$93,578,998
T5060402	Pumps 3 Locs 6AV 53 ST	March-09	\$19,520,350
T5070304	Overcoat 162 St-190 St JER	March-09	\$16,772,972
T5080601	Data Network 2 IND/BMT-ATM Opt	March-09	\$181,015,326
T5060207	Tun Ltg 168 St - 207 St 8AV	April-09	\$30,500,358
T5070308	8AV n/o 168-n/e 207,Yard Lead	April-09	\$43,468,091
T5160506	Concrete Batch Plant Insp 2005	April-09	\$1,047,189
T5090208	Modernize E193 St Substn	April-09	\$19,488,149
T5120407	Lifts: Stengel, Manhattanville	April-09	\$8,525,815
T5160501	MTA Engineering Consultants	April-09	\$16,042,750
T5160601	Asbestos Removal IQ 2005	May-09	\$5,830,300
S4070115	St George Hardening,SIR CCTV	May-09	\$6,349,000
S5070108	Repair 6 Bridges (thru spans)	June-09	\$19,722,210
T5160612	Asbestos Abatement Priority VI	June-09	\$6,841,800
T5041109	Rehab 59th St BW7	June-09	\$34,443,207
T5041110	Rehab 59th St 8AV	June-09	\$49,741,135
T5041303	ADA 59 St-Columbus Crl Cmplx	June-09	\$2,421,916
T5160702	EFR 59 St 8 AV	June-09	\$11,072,775
T5041112	Railings 2005-2006 Rehabs	June-09	\$1,867,039

New York City Transit (Includes Staten Island Railway)
2007-2010 Project Completions

Project ID	Project Description	Complete 07-10	Project Allocation
T31604CP	Integrate Capital Sys:Phs 1	June-09	\$14,647,489
T41203FG	Charleston Depot	June-09	\$130,767,994
T5070303	Overcoat Bx Pk East-241 St WPR	June-09	\$21,676,800
T5080320	Automatic Signals Removal:CNR	June-09	\$3,000,000
T5120411	Bus Lifts Various Locations	June-09	\$8,800,000
T5120413	Depot Equipment	June-09	\$10,000,000
T41302O4	Purch 54 CWR Handler/Flatcars	July-09	\$14,955,954
T5100409	Heavy Shop Equipment	July-09	\$7,000,000
T5160704	(ICC) EFR Jamaica Yard Tower	July-09	\$4,376,700
T5090218	Substation Enclosures	July-09	\$13,564,400
T5060401	Pumps 10 Locs QBL	July-09	\$41,089,350
T5080309	Stn Time Signal Enhance LEX	July-09	\$4,833,750
S5070107	Arthur Kill Station	August-09	\$9,131,600
T5060405	Pumps 3 Locs PPK	August-09	\$20,034,891
T5160735	DOS Roof Replacement Ph 1	August-09	\$15,000,000
T41204BC	Manhattanville CNG Mods	September-09	\$1,504,259
T5160508	Concrete Cylinder Testing 2006	October-09	\$336,223
T5090206	Rockwell Place Substation	October-09	\$21,103,733
T5060206	Tun Ltg 42 St -96 St BW7	November-09	\$40,237,372
S5070106	Work Train Equipment	November-09	\$8,323,803
T5160401	Rehab 9 Node Site Facilities	November-09	\$5,967,271
T31503QP	63 St Con:Property Acq	December-09	\$18,063,182
T40302E1	100 OTR Express Buses 2002	December-09	\$49,266,602
T5070311	Rehab 75 Emergency Exits 07-09	December-09	\$18,744,200
T5130201	Rubber Tire Vehicles 2006-2007	December-09	\$12,657,300
T5090207	Modernize Caton Av Substn	January-10	\$24,716,141
S4070105	Repair 3 Thruspans DES	January-10	\$1,046,363
T5090211	Modernize Meserole Av Substn	February-10	\$21,421,800
T5090406	Repl Negative Cables RKY	February-10	\$20,000,000
T41302P4	Purchase 9 Locomotives	March-10	\$32,114,427
T5130205	Purch 19 Diesel-Elec Locos	March-10	\$70,472,636
T5090210	Modernize S Railroad Av Substn	March-10	\$22,093,300
T5080317	Sig Rewire/Fire Suppress	March-10	\$24,584,375
T5160202	Capital Revolving Fund	March-10	\$25,000,000
T5160725	(ICC) EFR 207th St 8AV	March-10	\$8,175,800
T5090201	Repl Power Transformers 3 locs	April-10	\$16,349,706
T5090205	Modernize Dyckman Substation	April-10	\$34,282,276
T5160512	Boring Services BK/Q/SI 2008	April-10	\$1,879,800
T5160513	Boring Services M/Bx 2008	April-10	\$1,586,100
T5160518	Test Pits 2008	April-10	\$2,215,900
T5060209	Tun Ltg Bergen - W4 6AV	April-10	\$37,175,651
T5080303	Stop Cable Replacement	April-10	\$70,000,000
T5080316	3 Interlockings 8AV	April-10	\$145,569,022
T5070314	BWY BMT Lexington-42 St	July-10	\$26,049,400
T5110203	Corona Yd Ph 3 Signals, Track	September-10	\$100,066,247

New York City Transit (Includes Staten Island Railway)
2007-2010 Project Completions

Project ID	Project Description	Complete 07-10	Project Allocation
T5041127	Rehab 96 St BW7	October-10	\$57,941,106
T5041311	ADA 96 St BW7	October-10	\$27,909,466
T5060301	Fan Rehab 30th St. 6AV	October-10	\$84,208,451
T5080602	SysWide Appl Migration Ph 2	October-10	\$49,225,700
T5160604	Fire Alarm/Sprinklers 5 Locs	October-10	\$14,107,947
T5160708	EFR 96 St BW7	October-10	\$4,017,077
T5090403	Cntrl & Bat Cables 4 Sbstn CZs	November-10	\$43,586,659
T5041312	ADA Jay-Lawrence Transfer	December-10	\$14,145,093
T5041406	Xfer Lawrence St/Jay St	December-10	\$57,050,509
T5130203	Purchase 2 Ballast Regulators	December-10	\$7,793,800

MTA Bus Company
2007-2010 Project Completions

Project ID	Project Description	Complete 07-10	Project Allocation
U4030207	99 Hi-Cap Express Buses 2006	February-07	\$50,106,715
U4030204	284 Hybrid-Electric Buses 2005	June-07	\$154,161,317
U4030208	105 Hybrid-Electric Buses 2007	December-08	\$60,849,388

Bridges and Tunnels
2007-2010 Project Completions

Project ID	Project Description	Complete 07-10	Project Allocation
D401VN36	Seismic Study & Retrofit of Suspended Spans	Feb-07	\$2,739,223
D404AW34	Installation of Security System	Feb-07	\$12,773,313
D402BW82	Susp Span/Deck Replacement	Apr-07	\$180,549,335
D501QM82	Rehab 2nd Avenue Overpass	Aug-07	\$5,189,055
D405MP08	New Service Building (Modular)	Sep-07	\$11,243,175
D404AW32	Rotating Prism signs at Toll P	Oct-07	\$6,390,107
D402VN28	Curb Plate/Scupper Installation -LL Susp.Span	Dec-07	\$5,501,091
D505BB46	Pipe Gallery Rehabilitation	Jan-08	\$2,752,689
D505BB47	New Sewer Connection-Gov Island Vent Building	Jan-08	\$3,175,497
D404QM80	Replace & Rehab Exhaust & Supply Fans/Housings	Apr-08	\$32,578,769
D403AW80	Variable Message Signs	Jul-08	\$5,963,074
D403AW41	Toll Registry Systems Replacement	Dec-08	\$10,547,213
D504BB15	Expand/Upgrade Control and Communications System	Dec-08	\$11,881,654
D501MP02	Structural Steel Repairs	Mar-09	\$22,764,171
D505BB80	Rehabilitation of Ventilation Building	Apr-09	\$21,123,572
D502TB64	Replace Deck-RI Viaduct	Apr-09	\$261,470,923
D501TB66	Anchorage Rehab and Dehumidification	May-09	\$22,229,373
D503AW47	Digital Video Surveillance System	Jun-09	\$4,568,401
D502VN17	Rehabilitation of Approach	Aug-09	\$82,576,508
D504BB82	Upgrade Elect Sys/Power Distb	Dec-09	\$10,823,000
D501BW85	Critical Panel Unwrapping	Dec-09	\$5,845,000
D501BW86	Partial Replacement of Suspender Ropes	Dec-09	\$2,725,000
D502TB65	Deck Repl Bx Toll Plaza	Dec-09	\$15,300,000
D502HH80	Replace Lower Level Deck	Apr-10	\$86,583,222
D503AW37	Operation Centers TS Systems	May-10	\$3,535,750
D502HH04	Replace Cross Drainage	Jun-10	\$3,507,839
D503AW36	Installation of CCTV/Fiber Opt	Jul-10	\$2,601,742
D503AW49	E-Zpass Systems Infrastructure	Jul-10	\$2,035,124
D504AW80	Variable Message Signs	Jul-10	\$3,804,792
D501CB08	Deck and Structural Rehab	Jul-10	\$67,917,412
D503AW35	Weather Information Systems	Aug-10	\$1,168,984
D501TN85	Suspended Span Cable Rewrapping	Oct-10	\$15,554,009

MTA Police Department
2007-2010 Project Completions

Project ID	Project Description	Complete 07-10	Project Allocation
N5100115	Merrick Facility	Mar-08	\$325,000
N5100101	Suffolk County District Office	Jun-08	\$4,700,000
N5100104	K9 Facility	Dec-08	\$4,626,761
N5100112	Integrated Incident Mgt. System	Oct-09	\$250,000
N5100110	Communications Center Back-up	Dec-09	\$2,000,000
N5100113	Access Control	Dec-09	\$1,200,000
N5100102	Nassau County District Office	Mar-10	\$1,300,000
N5100103	Nassau County Fit-out	Jun-10	\$225,000

MTA Capital Construction Company
2007-2010 Project Completions

Project ID	Project Description	Complete 07-10	Project Allocation
ET060102	2 Fans:South Ferry/Battery-BW7	Sep-07	\$24,506,881
G4120201	SoFe Terminal Structure	Sep-07	\$291,222,086
G4120105	FSTC-HAZRDS MATERIALS& DECONSTRUCTION	Jun-07	\$11,570,632
G4120104	FSTC: REHAB #2/#3 STN/CNSTR SO STAIR#4&5	Oct-07	\$48,632,319
G4120102	FSTC-DEY STREET CONCOURSE STRUCTURAL BOX	Jun-08	\$164,987,062
G4090107	GCT East Yard Modifications	Nov-08	\$58,700,000
G4090125	Wood Interlocking	Nov-08	\$26,926,282
G4120101	FULTON STREET TRANSIT CENTER	Oct-09	\$58,303,065
G4120107	FSTC-TRANSIT CNTR,STN REHAB& CORBIN RSTR	Oct-09	\$313,739,150
G5090117	Harold Structures (Part 1)	Dec-09	\$123,847,683
G4090119	MH Tunnel Excavation	Aug-10	\$453,393,122

Excluding Security

Metro North Railroad
2007-2010 Project Completions

Project ID	Project Description	Complete 07-10	Project Allocation
M402-01-07	GCT Elevator Rehabilitation	Feb-07	\$6,336,152
M402-02-17	Poughkeepsie Station Improvements	Mar-07	\$7,327,272
M503-02-04	Park Avenue Utility Bays Surveys	Mar-07	\$675,000
M402-02-19	Directional/Informational Station Signage	Mar-07	\$1,439,720
M503-01-11	2006 Cyclical Track Program	Mar-07	\$11,300,000
M402-03-14	Brewster Parking Expansion	Apr-07	\$3,600,000
M402-03-16	Irvington Station Parking Improvements	Apr-07	\$3,827,000
M402-02-08	Hudson Line Overpass Improvements	Apr-07	\$44,593,194
M307-01-06	Penn Station Access	Apr-07	\$4,084,469
M405-01-02	GCT Third Rail Rehabilitation	Jun-07	\$3,311,000
A401-01-07	West of Hudson Comet Overhaul (24 Cars)	Aug-07	\$15,131,000
M402-03-13	North White Plains Parking - EIS	Sep-07	\$1,673,335
M404-01-10	Install Kit Room Backup	Oct-07	\$5,093,321
M404-01-09	Upgrade Network Infrastructure/M3040404 (NYS Only)	Oct-07	\$38,125,783
M501-01-01	Diesel Locomotives (MNR Share)	Nov-07	\$1,700,000
M405-01-06	Replace Switchgear - 59th & 72nd Street	Nov-07	\$13,472,288
M501-01-01	Diesel Locomotives (MNR Share)	Dec-07	\$3,400,000
M502-02-04	Upper Harlem Line Station Improvements	Jan-08	\$4,301,591
M504-01-17	PBX Replacement	Jan-08	\$1,600,000
M404-01-19	Operations Control Center	Feb-08	\$2,896,837
M501-01-01	Specification/Purchase Diesel Loco for non-GCT svcs.	Feb-08	\$8,500,000
M501-03-08	Replace Obsolete Work Equipment	Feb-08	\$2,200,000
M503-02-12	Clearance Inventory and Video	Feb-08	\$1,067,000
M503-01-12	2007 Cyclical Track Program	Mar-08	\$11,484,000
M303-09-26	Rehab/Replace Overhead Bridges	Apr-08	\$334,479
M403-01-02	GCT Switch/Track Rehabilitation	Jun-08	\$7,731,395
M501-01-09	End Door Coach Midlife Overhaul - 40 Cars	Jul-08	\$22,600,000
M502-01-08	GCT Water Conveyance Utilities Improvements	Jul-08	\$1,552,000
M501-01-10	M-9 Specification Development	Sep-08	\$1,000,000
M506-01-05	Highbridge Car Wash Facility	Oct-08	\$19,430,000
M504-01-14	Replace High Cycle Rate Relays	Nov-08	\$750,000
M504-01-15	Replace Track Relays	Nov-08	\$2,470,000
A401-01-02	M-2 Car Remanufacture	Dec-08	\$26,350,768
M402-03-03	Parking Rehabilitation	Dec-08	\$499,610
M501-01-02	M-2 Critical Systems - 241 Cars	Dec-08	\$18,600,000
M504-01-10	Upgrade Grade Crossings	Dec-08	\$945,000
M505-01-04	Aluminum 3rd Rail and E-Rail GCT Lower Level	Dec-08	\$1,920,000
M501-01-04	M-4 Midlife Remanufacture - 54 Cars	Jan-09	\$9,956,000
M501-01-05	M-6 Midlife Remanufacture Spec Develop	Jan-09	\$600,000
M505-01-01	Substation Bridge 23	Jan-09	\$12,800,000
M503-02-13	Bridge Walkways	Feb-09	\$2,100,000
M504-01-05	Replace CTC Systems (OCC/ECC)	Feb-09	\$26,689,632
M502-01-01	GCT Trainshed Structural Repairs	Mar-09	\$16,995,000
M503-01-13	2008 Cyclical Track Program	Mar-09	\$10,400,000
M505-01-10	Install Sectionalizing Switches GCT	Mar-09	\$4,200,000
M506-01-03	Harmon Shop Replacement (Master Plan)	Jun-09	\$355,454,000
M402-02-16	Yankee Stadium Station	Jul-09	\$45,000,000
M506-01-06	Poughkeepsie Yard Improvements	Jul-09	\$1,700,000
M504-01-11	C&S Cable Replacement GCT to Mott Haven	Sep-09	\$3,800,000
M403-02-05	Rehab/Replace Overhead Bridges (MNR Share)	Oct-09	\$4,400,331
M502-02-07	Station and Platform Informational Signs	Oct-09	\$950,000
M503-01-09	Drainage and Undercutting	Oct-09	\$7,700,000
M503-03-02	West of Hudson Improvements	Oct-09	\$3,450,000
M505-01-05	Replace Substation Batteries	Oct-09	\$737,000

Metro North Railroad
2007-2010 Project Completions

Project ID	Project Description	Complete 07-10	Project Allocation
M503-02-16	Employee Welfare and Storage Facilities	Nov-09	\$2,500,000
M504-01-12	Vital Processor System (GCT)	Nov-09	\$6,205,000
M505-01-02	Substation Retrofit - Harlem and Hudson Lines	Nov-09	\$13,100,000
M502-02-02	Croton Harmon/Peekskill Station Improvements	Dec-09	\$5,254,436
M502-03-01	Parking Rehabilitation	Dec-09	\$3,300,000
M502-03-02	Parking Expansion	Dec-09	\$34,100,000
M503-01-06	Rebuild Retaining Walls	Dec-09	\$2,126,000
M503-02-01	Replace/Repair Undergrade Bridge Program	Dec-09	\$28,543,601
M503-02-02	Rehabilitate Culverts/Railtop Culverts	Dec-09	\$3,135,000
M503-02-03	D.C. Substation/Signal House	Dec-09	\$2,104,868
M503-02-05	Replace Timbers Undergrade Bridges	Dec-09	\$2,176,000
M503-02-06	Overhead Bridge Program-East of Hudson	Dec-09	\$3,770,000
M503-02-18	Systemwide Flood Control	Dec-09	\$500,000
M503-03-01	West of Hudson Track Program	Dec-09	\$36,700,000
M503-03-03	Moodna/Woodbury Viaducts	Dec-09	\$5,150,000
M503-03-04	Otisville Tunnel	Dec-09	\$1,000,000
M504-01-13	Refurbish/Replace Electric Switch Machines	Dec-09	\$950,000
M504-01-16	Replace Interlocking/Siding -West of Hudson	Dec-09	\$1,925,000
M505-01-09	Rehab Harlem and Hudson Lines Substations	Dec-09	\$13,477,000
M508-01-09	Customer and Employee Communications Projects	Dec-09	\$8,611,000
M502-02-06	Station Building Rehabilitation	Jan-10	\$8,138,000
M503-02-08	Right-of-Way Fencing	Feb-10	\$1,406,316
M503-01-02	Turnouts Mainline/High Speed	Mar-10	\$38,332,000
M503-01-14	2009 Cyclical Track Program	Mar-10	\$11,300,000
M505-01-06	Replace Motor Alternators	Mar-10	\$6,000,000
M502-01-05	GCT Elevator Rehabilitation Phase III	Apr-10	\$4,100,000
M502-02-03	Poughkeepsie Station Building	May-10	\$7,500,000
M503-03-05	Undergrade Bridge Program West of Hudson	Jun-10	\$6,306,543
M508-01-02	Systemwide Lead/Asbestos Abatement	Jun-10	\$5,500,000
M508-01-03	Environmental Remediation	Jun-10	\$2,200,000
M503-01-07	Rock Slope Remediation - East of Hudson	Sep-10	\$5,493,000
M503-02-09	Remove Obsolete Facilities	Sep-10	\$4,270,000
M506-01-07	Shops and Yards Miscellaneous Environmental Improvements	Sep-10	\$1,600,000
M502-01-02	GCT Leaks Remediation	Dec-10	\$6,525,000
M503-01-03	GCT Turnout and Switch Renewal	Dec-10	\$11,000,000
M503-01-04	Turnouts Yards	Dec-10	\$5,238,741
M503-01-05	M of W Equipment	Dec-10	\$9,600,000
M503-02-15	Catenary Painting NHL (NYS)	Dec-10	\$3,095,000
M505-01-03	Replace Harlem River Lift Bridge Breaker Houses	Dec-10	\$3,750,000

Long Island Rail Road
2007-2010 Project Completions

Project ID	Project Description	Complete 07-10	Project Allocation
L4030130	SHEA STADIUM - MAIN LINE LINK STUDY	Aug-2007	\$550,000
L4060339	RICHMOND HILL INVESTMENT	Apr-2007	\$22,546,000
L4020480	JAMAICA POLICE FIT-OUT	May-2007	\$4,770,000
A401011L	M-3 OVERHAULS	Sep-2007	\$26,038,518
L402042F	SHEA STADIUM -SHORT TERM IMPROVEMENTS	Aug-2007	\$1,750,000
L4020433	ROSEDALE STATION	Sep-2007	\$4,396,000
L506016B	WEST SIDE YARD FACILITY (BUILDINGS)	Jun-2007	\$1,034,000
L506016L	HVAC SHOP CONSTRUCTION	Jun-2007	\$4,540,000
L406037I	AUTOMATED MATERIAL HANDLING SYSTEM	Aug-2007	\$13,900,000
L40703C1	"F" CIRCUIT BREAKER HOUSE	Dec-2007	\$4,361,000
L40603E6	PT. JEFF. BRANCH YARD EIS & DESIGN	Jun-2007	\$3,698,000
N50905HC	SYSOSSET STATION - INSTALL CCTVS	Feb-2007	\$1,318,000
L40502K5	JAMAICA INTERLOCKINGS	Aug-2007	\$13,876,742
L50701P6	ELECTRICAL SYSTEMS - EMERGENCY GENERATOR	Dec-2007	\$199,000
L50701P7	BRIDGE ELECTRICAL SYSTEM REPLACEMENT	Dec-2007	\$690,000
L40804PF	PROGRAM DEVELOPMENT - SIGNALS	May-2007	\$1,179,003
L50904PN	PROTOTYPE PLC PILOT WIRE SYSTEM	Dec-2007	\$300,000
L50301T3	2007 ANNUAL TRACK PROGRAM	Dec-2007	\$61,159,087
L08A03W2	MINEOLA GRADE CROSSING ELIMINATION	Sep-2007	\$41,916,106
L4020424	Atlantic Terminal	Jan-08	\$88,456,199
L502059G	Valley Stream Parking	Jan-08	\$1,962,000
N50905HA	Freeport Platform & Waiting Rm	Jan-08	\$1,070,000
L506016M	Babylon Yard Reconfiguration	Mar-08	\$12,200,000
N50905HB	Bayshore Overpass	Mar-08	\$1,634,000
L407032I	Valley Strm/Isl Pk Subst Recon	May-08	\$25,249,168
L509048C	LIC Car Wash Environmental Rem	Jul-08	\$928,692
L405025J	QUEENS Interlocking Reconfig	Aug-08	\$48,898,406
L502042B	Broadway Platform Replacement	Sep-08	\$18,720,725
L506016N	Long Island City Yard (3A/3B)	Sep-08	\$17,695,000
L50301R7	Amott Culvert	Sep-08	\$3,000,000
L4020434	Valley Stream Station Rehab	Oct-08	\$4,316,600
L50401B9	DB Bridge - Design	Dec-08	\$2,300,000
L40502E5	DOT Grade Crossings	Dec-08	\$7,105,000
L50502SX	Babylon - Speonk Signalization	Dec-08	\$16,300,000
L50301T4	2008 Annual Track Program	Dec-08	\$51,300,000
L404024Y	East River Tunnel Ventilation	Feb-09	\$89,745,401
L50502SV	Valley Interlocking - Phase II	May-09	\$59,200,000
L502042C	Seaford Platform Replacement	Jun-09	\$16,036,846
L506016H	M of W Repair Facility	Jul-09	\$8,848,236
L50502SL	Jay, Hall & Dunton Micropro	Aug-09	\$50,285,000
L5020526	Ronkonkoma Parking Improvement	Sep-09	\$3,910,000
L502042U	Elevator Replacement Program	Sep-09	\$3,304,810
L50206VB	PS Third Rail & Signals	Sep-09	\$11,425,000
L502042G	Babylon Branch Stair Replaceme	Dec-09	\$4,503,051
L50401B1	Bridge Rehabilitation Program	Dec-09	\$7,900,000
L50301E1	Track Equipment	Dec-09	\$30,463,372
L50701P8	Signal Load Electrical System	Dec-09	\$1,419,000
L50701PA	Replace Substation DC Breakers	Dec-09	\$3,817,954
L50701PB	Replace Substation Batteries	Dec-09	\$1,361,381
L50701PG	Replace 3 Substations	Dec-09	\$37,035,521
L50701PH	Demo/Const 4 Substations	Dec-09	\$39,710,000
L50701PJ	Third Rail System - Cable	Dec-09	\$5,054,195
L50701PK	Third Rail Protection Board	Dec-09	\$12,924,837

Long Island Rail Road
2007-2010 Project Completions

Project ID	Project Description	Complete 07-10	Project Allocation
L50701PM	Composite Third Rail	Dec-09	\$21,890,257
L50701PS	Signal Power Line Replacement	Dec-09	\$3,901,345
L50701PT	Power Pole Line Replacement	Dec-09	\$2,570,793
L50701PU	Signal Power Motor Generators	Dec-09	\$2,083,000
L50301R1	Culverts	Dec-09	\$4,000,000
L50301R4	Demolitions	Dec-09	\$1,764,184
L50501S7	Fiber Optic Network	Dec-09	\$70,123,628
L50501S9	Communications Pole Line Repla	Dec-09	\$7,272,200
L50301T5	2009 Annual Track Program	Dec-09	\$41,500,000
L5020425	Jamaica Fit-Out Phase 2	Jan-10	\$12,027,398
L50502SU	Jamaica Interlocking - Design	Jan-10	\$15,300,000
L50402VA	ERT Fire & Life Safety	Jan-10	\$106,500,000
L502042T	Escalator Replacement Program	Feb-10	\$4,084,056
L506016K	Rolling Stock Support Equipmnt	Mar-10	\$16,318,396
L50401B4	Atlantic Viaduct	Mar-10	\$93,380,394
L50502SG	Signal Normal Replacement Prog	Mar-10	\$5,445,470
L50401B3	Powell Creek & Hog Island Chan	Apr-10	\$9,774,510
L50401B8	Woodhaven/Queens Blvd Bridges	May-10	\$18,021,961
L50401B5	Junction Blvd Abutment PW	Jun-10	\$20,258,824
L50502SC	Centralized Train Control-Ph 1	Jun-10	\$16,000,000
L50301R3	Fencing	Jul-10	\$2,530,200
L506016Y	LCM-Shop Desgn and Cnstruction	Sep-10	\$34,919,608
L506016P	Babylon Car Wash	Oct-10	\$18,100,000
L506016C	Hillside Facility/Bldg Rehab	Oct-10	\$3,300,000
L50401B6	Shinnecock Canal/North Highway	Oct-10	\$13,274,510
L50301E9	ACL Direct Fixation	Nov-10	\$47,270,354
L50701PC	Power System Upgrade	Dec-10	\$12,319,820
L50301R6	Track Stability/Retaining Wall	Dec-10	\$4,058,872
L50501S6	Improved Radio Coverage/Infras	Dec-10	\$15,287,704
L50502SA	Wayside Event Recorders	Dec-10	\$6,300,000
L50502SB	Babylon Branch Signal Improvem	Dec-10	\$30,600,000
L50502SW	Babylon to Patchogue	Dec-10	\$21,200,000

**OPERATING IMPACTS EXCEEDING \$1 MILLION
FOR CAPITAL PROJECTS REACHING BENEFICIAL USE 2008 - 2014**

Note: The following operating impact assumptions for capital projects reaching beneficial use in 2008 through 2014 are all included in the current financial plan.

NEW YORK CITY TRANSIT CAPITAL PROJECTS

Project: Various – Elevator & Escalators

53 new elevators and 42 new escalators are projected to have beneficial use by EOY 2014. Based on established unit costs for maintenance, a total of 55 positions are required to maintain this new equipment. Initial operating impacts begin in 2008 with 20 positions, where the positions will be phased in as the new equipment reaches beneficial use. Full impacts will be reached by year 2014 with 55 maintenance positions. (Capital costs only reflect elevator and escalator projects. Costs for elevator and escalator work performed as part of station rehabilitation projects are captured in the station rehabilitation capital costs.)

Project: Station Rehabilitation, Reconstruction, Normal Replacement

A total of 65 positions will be needed by year 2014. Initial operating impacts begin in 2007 and in 2008 an additional 29 positions (ranges from cleaning/maintenance and operating personnel) are needed.

Stations: Budget 6 Cleaners and 6 Maintainers annually for stations rehabilitated. Rehabilitated stations require more resources to clean because of the material used (ie, tiles, stainless steel fixtures, glass fixtures, etc.). The budget is adjusted based on the actual number of stations rehabilitated each year. Full impacts begin in 2011 with 53 positions.

Infrastructure: Maintain 229 new HVAC units, an additional 81 fans and 781 fan dampers, and 288 EDRs and 45 heat trace systems resulting from the completion of various station rehabilitations. Full impacts begin in 2008 with 12 positions (averaging \$1.291M).

Project: Consolidated Employee Facilities

Increase resources to address the conditions and maintenance at the various facilities. Since 2008, the projects need 109 more positions and continue at 109 positions till 2014.

Project: Fulton Street Transit Center

Full impacts will start in 2010 with 86 positions for facility operation, cleaning, and maintenance with a cost of \$6.4M/year.

Project: South Ferry Terminal

Operating impact will start in 2008 and full impact will be reached in 2010 with 20 positions (cost \$1.6M/year).

These positions will cover various areas:

RTO :	Increase resources for train dispatching.
DCE:	Increase resources for emergency response and terminal cleaning.
Infrastructure:	Increase resources for Elev & Esc and fans & pumps maintenance
Stations:	Increase resources for cleaning & maintenance.
Electrical:	Increase resources for signal maintenance

Project: Charleston Depot Annex

This is a new bus depot. 86 positions are added, reflecting the fixed overhead of operating a depot. Beginning in 2009, 10 of the positions include security guards, who will provide 24/7 coverage. Initial operating impacts begin in 2009 (\$2.2 million), but full impacts begin in 2010, totaling about \$7.0 million annually.

Project: Purchase 216 Hybrid Electric Buses

Hybrid Buses are more expensive to maintain than the standard diesel buses. An additional 32-50 positions per year are needed in this period; all the positions reflect maintainer positions, while the OTPS expenses are maintenance materials. However, some of the expense is offset by diesel fuel savings. The increased impacts begin in 2008 (\$1.6 million), but full impacts begin in 2010 (\$6.0 million) as all buses enter their major maintenance cycles.

Project: Grand Avenue Depot/Central Maintenance Facility.

This is a new bus depot and central maintenance facility. 111 new positions are reflected: 98 positions reflect the fixed overhead of operating a depot and central maintenance facility and the additional 13 positions reflect the fixed overhead for Supply Logistics (NYCT's distribution division). The OTPS costs include 24/7 security coverage. Full impacts begin in 2008 (\$11.0 million).

Project: Service Management and Customer Information System (SMCIS)

This is an Automated Vehicle Locator (AVL) system. Upon full implementation in 2010, the Department of Buses requires dispatchers to monitor the additional consoles in the Command Center. There are also system maintenance costs. 22 positions are added. Initial operating impacts begin in 2010 (\$3.4 million), but full impacts begin in 2012, totaling about \$7.0 million annually.

Project: Clara Hale Bus Depot

This is a reconstructed depot. An additional 7 positions will be added. Project will result in a net operating cost of \$2.174 million per year beginning in 2011 for additional employees and utilities cost.

Project: ATM Network System B Division. This project, base and option will provide ATM (Asynchronous Transfer Mode) nodes at the "B" Division Stations for a total of 289 passenger stations. This ATM switch network will utilize the high Speed SONET (Synchronous Optical Network) fiber optic backbone network provided under a previous data network contract. Net operating cost impact \$1.466M per year.

Project: Second Avenue Subway, phase 1. Initial operating segment runs from 96th Street to 63rd St. Anticipated start of service 2013.

- Net operating cost impact for train operations: \$5.091M/ year. During Phase I of the 2nd Avenue service, the Q train will be running from Stillwell Terminal to 96th St. This will result in approximately 45,000 additional train hours. This translates to 26 Train Operators and 26 Conductors (no OPTO assumed) based on the current availability factor. In addition to the train crews, 2 Switching Operators, 5 Tower Operators (no ATS or CBTC assumed), 5 Train Dispatchers, and 3 Train Service Supervisors are needed to support the service.
- Net operating cost impact for three additional stations: \$2.544M/ year
- Increased operating costs for additional subway car miles traveled: \$2.212M/ year.

LONG ISLAND RAIL ROAD CAPITAL PROJECTS

There are no new capital projects entering beneficial use in 2008-2014 that have an impact on the LIRR operating budget over \$1.0 million.

BRIDGES AND TUNNELS CAPITAL PROJECTS

Project: Installation of Security Systems at VN and QMT

These new asset characteristics resulting from the installation of Security Systems at the Verrazano Narrows Bridge and the Queens Midtown Tunnel represents a different maintenance requirement in addition to traditional maintenance work due to new technology and communication requirements. Cost impacts will be primarily seen in the areas of manpower (2 positions), utility, and equipment costs. With an Impact date of 4/2007, the operating budget impact is \$1.31 million in 2008, \$2.43 million in 2009, \$1.93 million in 2010, \$1.94 million in each of 2011, 2012, 2013, and 2014.

METRO-NORTH RAILROAD CAPITAL PROJECTS

Project: M-8 Electric Car Purchase

Purchase of 300 M-8 cars for service on the New Haven Line (joint purchase with CDOT). With an impact date of December 2012, the operating impact is \$1.73 million in 2010, \$4.20 million in 2011 and \$8.18 million beginning in 2012.

V. Agency Financial Plans

Bridges and Tunnels

MTA Bridges and Tunnels
2008 Final Proposed Budget
November Financial Plan 2008–2011

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 almost \$1.25 billion in annual toll revenue.

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 is successfully achieving its primary goals in 2007 and will generate more than \$712.0 million in Support to Mass Transit, \$27.0 million more than the July Plan. This reflects increased revenues of \$8.3 million against the July Plan, lower operating expenses of \$9.3 million and lower capitalized asset expenses of \$4.5 million. Since 1968, when B&T became part of the MTA, approximately \$15.5 billion has been provided to the MTA for support to mass transit, including 2007.

Operationally, customer and employee safety remain a high priority for the Agency. Through September 2007, the employee lost time injuries were 2.3 per 200,000 hours worked versus a rate of 3.2 during the same period in the previous year.

B&T also continues to emphasize customer safety by identifying collision hot spots, reevaluating and modifying traffic patterns in construction zones, and improving roadway signage. Through September 2007, the rate of collisions with injuries per million vehicles is 1.13. Although this rate is moderately higher than the year-end goal rate of 1.07, it is slightly lower than the rate of 1.14 during the same period in the prior year and maintains the standard of performance of 2006 which ended with a rate of 1.13, the lowest rate since 1997.

Customer satisfaction is also a key goal for B&T. In its most recent survey taken during the fall of 2006, B&T's customers rated their overall satisfaction at 7.1 out of 10. This is consistent with B&T's historical performance, despite near record high traffic and significant construction at several facilities.

Satisfaction with the performance of the agency's E-ZPass system was 8.3, also consistent with historical performance.

One factor that continues to drive 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. Approximately 75% of all weekday B&T traffic and 86% of all weekday truck traffic use E-ZPass. Through the first quarter 2007, these high market shares have played an important role in keeping median vehicle queue time at levels that are significantly lower than B&T's 15-second goal.

FINANCIAL OVERVIEW

B&T's Financial Plan, consistent with its strategic operating and financial goals, is projecting net income of \$4.1 billion for the next five years (2007-2011) before factoring in the Program to Eliminate the Gap (PEG).

B&T's baseline headcount will be 1,828 in 2007. In 2008 and beyond, the baseline headcount is expected to be 1,819.

For 2007, B&T projects a total of \$879.8 million in net income before factoring in the Program to Eliminate the Gap (PEG), \$17.6 million better than the July Forecast. This consists of \$1,281.0 million in revenue, offset by \$401.1 million in total expenses.

In 2008, B&T projects a total of \$837.0 million in net income before factoring in the Program to Eliminate the Gap (PEG), \$6.1 million lower than the July Plan. This consists of \$1,281.2 million in total revenue offset by \$444.2 million in total expenses.

In 2009, B&T estimates \$824.4 million in net income before factoring in the Program to Eliminate the Gap (PEG), \$6.8 million lower than the July Plan. This consists of \$1,278.2 million in total revenue offset by \$453.8 million in total expenses.

In 2010, B&T projects a total of \$796.2 million in net income before factoring in the Program to Eliminate the Gap (PEG), which is \$2.6 million better than the July Plan. This consists of \$1,280.3 million in total revenue offset by \$484.1 million in total expenses.

In 2011, B&T projects a total of \$793.9 million in net income before factoring in the Program to Eliminate the Gap (PEG), which is \$16.7 million better than the July Plan. This consists of \$1,283.9 million in total revenue offset by \$490.0 million in total expenses.

2007 November Forecast

As noted, the \$879.8 million in net income projected in this Plan is generated through total revenues of \$1,281.0 million, offset by \$401.1 million in total expenses.

Total revenues are higher than the Mid-Year Forecast by \$8.3 million due to increased toll revenues (\$6.6 million) from higher traffic volumes resulting from current traffic trends, additional income from non-toll revenue sources including higher parking receipts from the Battery Parking Garage (\$1.2 million), greater returns on short-term investments (\$0.3 million), and small gains in various other operating sources (\$0.2 million).

Total expenses are composed of \$211.6 million in labor costs and \$189.5 million in non-labor expenses. Total expenses are \$9.3 million lower than the Mid-Year Forecast due primarily to lower non-labor costs for the re-scheduling of major maintenance (\$1.4 million) and bridge painting projects (\$4.4 million) to 2008.

In 2007 the total planned headcount of 1,828, which includes 52 capital reimbursable positions, is higher than the Mid-Year Forecast by 18 positions. This is a result of the delay in the reduction of 18 positions in the Operations Department for the 2007 PEG proposed in the 2006 July Financial Plan due to a delay in the implementation of a facility-based security system. The full implementation of the system, originally planned for in 2007, will be delayed until 2008.

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.

2008 Final Proposed Budget - Baseline

In the 2008 Final Proposed Budget, a total of \$837.0 million is projected in net income for 2008 before factoring in the savings associated with PEGs. This consists of \$1,281.2 million in revenues, offset by \$444.2 million in expenses. Total operating expenses are composed of \$226.8 million in labor and \$217.4 million in non-labor costs. The major expense variances against the July Plan are a combination of higher labor (\$3.1 million) and non-labor (\$13.1 million). The variance in labor expenses is due primarily to the addition of staff and overtime for truck weight enforcement on B&T's suspension bridges. This program, which has two components, was initiated to enforce B&T's bridge

weight restrictions. The first component includes the addition of 5 Bridge and Tunnel Officers (BTOs) and 3 Sergeants to the Special Operations Division (SOD) within the Operations Department (\$0.9 million). This personnel will be trained to perform vehicle weight and safety inspections. The second component is for overtime (\$1.1 million) for facility-based personnel that will provide a regular facility presence and will conduct credential checks and safety inspections. Non-labor variances (\$13.1 million) primarily reflect the higher major maintenance (\$4.5 million) and bridge painting expenses (\$7.4 million) from the re-scheduling of 2007 projects to 2008 and the acceleration of painting at the Throgs Neck Bridge based on biennial bridge inspection findings.

In 2008, the total baseline planned headcount will be 1,819, which includes 53 capital reimbursable positions. This is an increase of 8 positions from the July Plan of 1,811 for truck weight enforcement.

Details regarding the reconciliation of the November Forecast 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.

2009-2011 Projections

The 2009 projection for net income is \$824.4 million before factoring in the savings from PEGs. This consists of \$1,278.2 million in revenues, offset by \$453.8 million in expenses. Total operating expenses are comprised of \$237.2 million in labor costs and \$216.6 million in non-labor expenses.

The 2010 and 2011 projections for net income are \$796.2 million and \$793.9 million, respectively, before factoring in the savings from PEGs. For 2010, this consists of \$1,280.3 million in revenues, offset by \$484.1 million in expenses. Total operating expenses are composed of \$247.0 million in labor costs and \$237.1 million in non-labor expenses. For 2011, net income consists of \$1,283.9 million in revenues, offset by \$490.0 million in expenses. The expenses are composed of \$257.3 million in labor costs and \$232.7 million in non-labor expenses.

For the years 2009 through 2011, the total baseline planned headcount will continue at 1,819, which includes 53 capital reimbursable positions. The increase of 8 positions from the July Plan represents the staff added for the truck weight enforcement program. No other new needs are anticipated at this time for 2009.

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

The PEGs submitted in the July Plan are still expected to take effect. By year, they included the following actions:

2008 PEG Actions

New PEG actions to be phased in during 2008 are projected to generate a total of \$0.491 million in cost reductions, which annualize to more than \$0.750 million each year thereafter. The program consists of the following initiatives:

- The installation of new security systems will improve B&T security coverage and enable the elimination, through attrition, of three full-time Sergeants by the end of May 2008. The plan is projected to save \$0.261 million in labor costs in 2008 and over \$0.380 million each year thereafter. This is \$0.019 million lower than what was estimated during the July Plan due to a change in the schedule of attrition for Sergeants.
- Two maintenance initiatives will save a total of \$0.132 million in 2008 and more than \$0.270 million each year thereafter. They are:
 - Using new de-icing materials that were tested in 2007 and proved to be more effective, environmentally preferable and 30% less costly;
 - Assigning roadway sweeping tasks at select B&T facilities to B&T staff as opposed to contracting outside labor.
- The Law Department evaluated their caseload and work flow and determined they can reduce their staff by one Assistant General Counsel position (\$0.1 million). There are three Assistant General Counsel positions on staff at B&T, one of which is currently vacant.

Post-2008 PEG Actions

One post-2008 PEG action to be put in place in 2009 is projected to generate a total of \$0.080 million in cost reductions for that year and each year thereafter. It consists of:

- A reduction of one managerial position in the Human Resources Department yielding a savings of \$0.080 million.

No new PEGs are scheduled to begin in 2010 or 2011.

Adoption and implementation of the above initiatives will result in total PEG savings of \$0.831 million in 2009 and \$0.843 million in 2010 and \$0.852 in 2011.

MTA BRIDGES & TUNNELS
November Financial Plan 2008-2011
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2006	2007	2008			
	Actuals	November Forecast	Final Proposed Budget	2009	2010	2011
Operating Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	1,241.551	1,249.459	1,250.907	1,246.114	1,247.594	1,250.671
Other Operating Revenue	17.799	10.737	9.134	10.270	10.397	10.532
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	8.637	5.356	5.444	5.587	5.609	5.609
Total Revenue	\$1,267.987	\$1,265.552	\$1,265.485	\$1,261.971	\$1,263.600	\$1,266.812
Operating Expenses						
<u>Labor:</u>						
Payroll	\$109.385	\$115.461	\$123.419	\$128.890	\$133.152	\$137.564
Overtime	24.370	26.214	24.517	25.043	25.425	25.936
Health and Welfare	28.540	29.446	34.394	37.426	40.951	44.856
Pensions	12.324	17.691	20.127	20.731	21.309	21.935
Other Fringe Benefits	14.849	14.074	15.391	15.956	16.664	17.257
Reimbursable Overhead	(6.196)	(6.655)	(6.749)	(7.033)	(7.170)	(7.314)
Total Labor Expenses	\$183.271	\$196.230	\$211.099	\$221.012	\$230.330	\$240.234
<u>Non-Labor:</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	6.600	11.129	12.030	12.518	13.214	14.149
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	140.530	146.593	169.037	165.646	166.769	158.374
Professional Service Contracts	11.559	13.767	17.272	17.022	17.279	17.554
Materials & Supplies	10.354	15.957	16.767	19.046	37.427	40.174
Other Business Expenses	0.595	2.032	2.310	2.364	2.393	2.424
Total Non-Labor Expenses	\$169.638	\$189.479	\$217.416	\$216.597	\$237.083	\$232.675
<u>Other Expense Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation	\$352.909	\$385.710	\$428.515	\$437.609	\$467.413	\$472.909
Add: Depreciation	\$58.316	\$62.400	\$66.700	\$71.300	\$76.300	\$81.600
Other Post-Employment Benefits	0.000	59.700	62.800	65.900	69.200	72.400
Total Expenses After Depreciation	\$411.225	\$507.810	\$558.015	\$574.809	\$612.913	\$626.909
Less: Depreciation	\$58.316	\$62.400	\$66.700	\$71.300	\$76.300	\$81.600
Other Post-Employment Benefits	0.000	59.700	62.800	65.900	69.200	72.400
Total Expenses	\$352.909	\$385.710	\$428.515	\$437.609	\$467.413	\$472.909
Baseline Income/(Deficit)	\$915.078	\$879.843	\$836.970	\$824.362	\$796.187	\$793.903
2008 Agency Program to Eliminate the Gap	\$0.000	\$0.000	\$0.491	\$0.752	\$0.762	\$0.770
Post 2008 Agency Program to Eliminate the Gap	0.000	0.000	0.000	0.079	0.081	0.082
Net Income/(Deficit)	\$915.078	\$879.843	\$837.461	\$825.193	\$797.030	\$794.755

REIMBURSABLE

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MTA BRIDGES & TUNNELS
November Financial Plan 2008-2011
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE
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	2006	2007	2008			
	<u>Actuals</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	1,241.551	1,249.459	1,250.907	1,246.114	1,247.594	1,250.671
Other Operating Revenue	17.799	10.737	9.134	10.270	10.397	10.532
Capital and Other Reimbursements	13.897	15.408	15.720	16.256	16.657	17.065
Investment Income	8.637	5.356	5.444	5.587	5.609	5.609
Total Revenue	\$1,281.884	\$1,280.960	\$1,281.205	\$1,278.227	\$1,280.257	\$1,283.877
Expenses						
<u>Labor:</u>						
Payroll	\$114.479	\$121.055	\$129.150	\$134.787	\$139.165	\$143.697
Overtime	24.407	26.497	24.633	25.092	25.560	26.036
Health and Welfare	29.847	30.846	35.972	39.123	42.684	46.734
Pensions	12.926	18.503	20.970	21.593	22.216	22.858
Other Fringe Benefits	15.506	14.738	16.094	16.673	17.363	17.974
Reimbursable Overhead	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Labor Expenses	\$197.164	\$211.638	\$226.819	\$237.268	\$246.987	\$257.299
<u>Non-Labor:</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	6.600	11.129	12.030	12.518	13.214	14.149
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	140.530	146.593	169.037	165.646	166.769	158.374
Professional Service Contracts	11.559	13.767	17.272	17.022	17.279	17.554
Materials & Supplies	10.358	15.957	16.767	19.046	37.427	40.174
Other Business Expenses	0.595	2.032	2.310	2.364	2.393	2.424
Total Non-Labor Expenses	\$169.642	\$189.479	\$217.416	\$216.597	\$237.083	\$232.675
<u>Other Expense Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation	\$366.806	\$401.118	\$444.235	\$453.865	\$484.069	\$489.974
Add: Depreciation	\$58.316	\$62.400	\$66.700	\$71.300	\$76.300	\$81.600
Other Post-Employment Benefits	0.000	59.700	62.800	65.900	69.200	72.400
Total Expenses After Depreciation	\$425.122	\$523.218	\$573.735	\$591.065	\$629.569	\$643.974
Less: Depreciation	\$58.316	\$62.400	\$66.700	\$71.300	\$76.300	\$81.600
Other Post-Employment Benefits	0.000	59.700	62.800	65.900	69.200	72.400
Total Expenses	\$366.806	\$401.118	\$444.235	\$453.865	\$484.069	\$489.974
Baseline Net Income/(Deficit)	\$915.078	\$879.843	\$836.970	\$824.362	\$796.187	\$793.903
2008 Agency Program to Eliminate the Gap	\$0.000	\$0.000	\$0.491	\$0.752	\$0.762	\$0.770
Post 2008 Agency Program to Eliminate the Gap	0.000	0.000	0.000	0.079	0.081	0.082
Net Income/(Deficit)	\$915.078	\$879.843	\$837.461	\$825.193	\$797.030	\$794.755

MTA BRIDGES & TUNNELS
November Financial Plan 2008-2011
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE
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	2006 <u>Actuals</u>	2007 <u>November Forecast</u>	2008 <u>Final Proposed Budget</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline Income/(Deficit)	\$915.078	\$879.843	\$836.970	\$824.362	\$796.187	\$793.903
<u>Deductions from Income:</u>						
Less: Capitalized Assets	\$6.955	\$7.856	\$15.496	\$13.210	\$13.502	\$13.757
Reserves	17.117	13.417	13.667	13.953	14.261	14.531
GASB Reserves	6.044	1.670	1.845	2.036	2.238	2.283
Adjusted Baseline Income/(Deficit)	\$884.962	\$856.900	\$805.962	\$795.162	\$766.186	\$763.332
Less: Debt Service	450.291	470.032	481.407	486.437	507.178	520.230
Income Available for Distribution	\$434.671	\$386.868	\$324.555	\$308.725	\$259.008	\$243.102
<u>Distributable To:</u>						
MTA - Investment Income	\$8.637	\$5.356	\$5.444	\$5.587	\$5.609	\$5.609
MTA - Distributable Income	259.394	241.289	210.140	201.461	177.352	169.270
NYCT - Distributable Income	166.640	140.222	108.970	101.677	76.046	68.223
Total Distributable Income:	\$434.671	\$386.868	\$324.555	\$308.725	\$259.008	\$243.102
<u>Actual Cash Transfers:</u>						
MTA - Investment Income	\$5.358	\$8.637	\$5.356	\$5.444	\$5.587	\$5.609
MTA - Transfers	263.652	248.379	213.255	202.329	179.763	170.078
NYCT - Transfers	171.022	141.220	112.096	102.407	78.609	69.006
Total Cash Transfers:	\$440.032	\$398.236	\$330.707	\$310.180	\$263.960	\$244.692
<u>SUPPORT TO MASS TRANSIT:</u>						
Total Revenues	\$1,281.884	\$1,280.960	\$1,281.205	\$1,278.227	\$1,280.257	\$1,283.877
Less: Net Operating Expenses	\$366.806	\$401.118	\$444.235	\$453.865	\$484.069	\$489.974
2008 Agency Program to Eliminate the Gap	\$0.000	\$0.000	\$0.491	\$0.752	\$0.762	\$0.770
Post 2008 Agency Program to Eliminate the Gap	\$0.000	\$0.000	\$0.000	\$0.079	\$0.081	\$0.082
Net Operating Income:	\$915.078	\$879.843	\$837.461	\$825.193	\$797.030	\$794.755
<u>Deductions from Operating Income:</u>						
B&T Debt Service	\$126.350	\$144.807	\$155.925	\$164.575	\$181.340	\$195.072
Capitalized Assets	\$6.955	\$7.856	\$15.496	\$13.210	\$13.502	\$13.757
Reserves	\$17.117	\$13.417	\$13.667	\$13.953	\$14.261	\$14.531
GASB Reserves	\$6.044	\$1.670	\$1.845	\$2.036	\$2.238	\$2.283
Total Deductions from Operating Income:	\$156.465	\$167.750	\$186.933	\$193.774	\$211.341	\$225.643
Total Support to Mass Transit:	\$758.612	\$712.093	\$650.528	\$631.418	\$585.689	\$569.112

MTA Bridges and Tunnels
November Financial Plan 2008-2011
Year-to-Year Changes by Category - Accrual Basis

YEAR-TO-YEAR CHANGES: 2008-2011

Toll Revenue

- Revenues are estimated at \$1,249.5 million in 2007, \$1,250.9 million in 2008, \$1,246.1 million in 2009, \$1,247.6 million in 2010 and \$1,250.7 million in 2011. The increase in 2008 is the result of the addition of one day's traffic in 2008 for the leap year and the positive impact of economic factors, offset by expected increases in the utilization of E-ZPass discounts. E-ZPass market share is expected to rise by 1.5 percentage points annually in 2008 and 2009, and by 1 percentage point per year thereafter. In 2009, traffic is slightly lower (-0.1%) to adjust for the leap year in 2008. The lower average tolls resulting from higher anticipated E-ZPass usage causes a minor drop in revenue for that year. Traffic is estimated to grow by 0.3% and 0.4% in 2010 and 2011 respectively.
- Paid traffic is expected to reach a record 303.8 million vehicles in 2007 due to highly favorable weather and general traffic trends. Adjusting for the extra day for the leap year, traffic increases to 305.0 million vehicles in 2008, and then decreases slightly to 304.5 million in 2009. Traffic volume increase to 305.4 million in 2010 and to 306.6 million in 2011. These changes are based on current trends and the economic forecasts provided by Global Insight.

Other Operating Revenue

- Other Operating Revenue is projected at \$10.8 million in 2007 and is estimated to decrease by \$1.6 million in 2008 primarily due to a one-time charge to Battery Parking Garage (BPG) net income, and minor fluctuations in other income sources. Revenue increases back up to the more normal level of \$10.3 million in 2009.
- Other Operating Revenue increases by \$0.1 million in both 2010 and 2011, reflecting expected modest growth in parking receipts from the BPG.

Capital and Other Reimbursements

- Income from Capital and Other Reimbursements is expected to increase slightly from \$15.4 million in 2007 to \$15.7 million in 2008.
- Capital and Other Reimbursements increase by \$0.5 million in 2009 and \$0.4 million per year for 2010 and 2011, due to CPIU adjustments.

Investment Income

- The investment income plan for 2008 through 2011 reflects earnings on estimated fund balances based on Global Insight's forecasts for short-term investment yields. Projected investment income stays at around \$5.0 million for the entire plan period with very minor year-to-year changes.

Payroll

- In 2008, there is an increase of \$ 8.1 million over 2007 due to CPIU (\$4.1 million), salary adjustments including contractual step-up increases and deferred hires (\$2.6 million), new needs (\$0.7 million) for additional staff to maintain the facility-based security system and for the new truck weight enforcement unit, in addition to an increase for the delayed implementation of the facility-based security system (\$0.4 million).
- Expenses increase by \$5.6 million in 2009 due to CPIU (\$3.4 million), contractual step-up increases (\$1.8 million), and salary adjustments (\$0.1 million). Thereafter, increases of \$4.4 million in 2010 and \$4.5 million in 2011 are also due to CPIU and contractual step-up increases.

Overtime

- In 2008, there is a \$1.9 million decrease from 2007 in overtime expenses due to operational efficiencies and reduction in facility-based truck weight enforcement overtime due to the hiring of positions.
- Thereafter, the year-over-year increases of \$0.5 million in 2009, \$0.5 million in 2010, and \$0.5 million in 2011 are the result of CPIU adjustments.

Health and Welfare

- In 2008, there is a \$5.1 million increase from 2007 in health and welfare expenses. This increase is mainly due to a 12.5% CPIU for medical expenses in 2008 and one-time credits received in 2007.
- The year-over-year increases from 2009 to 2011 are \$3.2 million, \$3.6 million, and \$4.1 million, respectively. A CPIU of 9.1% has been added to each year from 2009 on, based on cost factors provided by the MTA.

Pensions

- In 2008, there is a \$2.5 million increase from 2007, based on the latest NYCERS estimates received. The increases of \$0.6 million per year from 2008 to 2011 are due to CPIU.

Other Fringe Benefits

- The year-over-year increases from 2008 to 2011 are approximately \$1.4 million, \$0.6 million, \$0.7 million, and \$0.6 million per year, respectively. In 2007 and 2008, these increases are due to new needs (less than \$0.1 million), an increase in the Worker's Compensation estimate (\$0.3 million), the restoration of the one-time 2007 Medicare credit (\$0.2 million), an increase in FICA and uniform allowance for the anticipated reduction in vacancies (\$0.4 million) and CPIU (\$0.4 million); thereafter, the increases are the effect of CPIU inflators. The estimates for Worker's Compensation through 2008 are based on information received from MTA Risk Management; thereafter, increases are due to CPIU.

Insurance

- Insurance expenses increase between \$0.5 million and \$0.9 million annually from 2008 through 2011 based on MTA Risk Management's most recent estimates.

Maintenance and Other Operating Contracts

- In 2008, expenses are projected to be \$22.4 million higher than 2007 primarily due to E-ZPass Customer Service Center (CSC) expenses (\$3.8 million) for transition/start-up costs for a new operating contract, increase in maintenance costs (\$1.9 million) for the Authority's facility-based security system, CPIU increases (\$1.6 million), and major maintenance (\$2.1 million) and bridge painting expenses (\$12.4 million) due to re-scheduling of projects between 2007 and 2008 and the acceleration of painting at the Throgs Neck Bridge based on biennial bridge inspection findings.
- In 2009, expenses are \$3.4 million lower than 2008 due primarily to lower CSC expenses (\$2.8 million) from the expected completion in 2008 of the transition to a new operating contract and lower major maintenance (\$3.8 million) expenses due to higher 2008 costs from the rescheduling of 2007 projects. These reductions are offset by higher E-ZPass credit card fees reflecting growth in E-ZPass usage (\$0.4 million), increase in facility-based security system maintenance (\$1.2 million) and CPIU increases (\$0.9 million).
- For 2010, expenses are \$1.1 million higher than 2009 primarily due to an increase in CSC costs (\$3.9 million) from the onset of the tag replacement program, higher E-ZPass credit card fees reflecting growth in E-ZPass usage (\$0.4 million) and CPIU increases (\$1.0 million), offset by lower bridge painting expenses (\$4.6 million).
- For 2011, expenses are \$8.4 million lower than 2010 primarily due to lower bridge painting expenses (\$11.1 million) resulting from the acceleration into earlier years of painting at the Throgs Neck Bridge based on biennial bridge inspection findings, offset by higher expenses for E-ZPass Tag inventory (\$2.9 million) and CPIU increases.

- CPIU increases are 2.60% in 2007, 2.03% in 2008, 1.91% in 2009, 1.73% in 2010 and 1.82% in 2011 based on forecasts for national inflation provided by Global Insight.

Professional Service Contracts

- In 2008, expenses are \$3.5 million higher than 2007 primarily due to a re-estimates of bond service fees (\$0.5 million), miscellaneous consulting services (\$0.6 million), general engineering services and advertising (\$0.2 million) and CPIU increases.
- In 2009, expenses are lower by \$0.3 million due to the reduction for various expenses.
- For 2010 to 2011, the higher expenses (\$0.3 million in both 2010 and 2011) are a result of CPIU increases.
- CPIU increases are 2.60% in 2007, 2.03% in 2008, 1.91% in 2009, 1.73% in 2010 and 1.82% in 2011 based on forecasts for national inflation provided by Global Insight.

Materials and Supplies

- In 2008, expenses are \$0.8 million higher primarily for an increase in E-ZPass tags (\$1.5 million), offset by CPIU adjustments and numerous small reductions in various accounts.
- The 2009 expenses are \$2.3 million greater primarily due to the creation of an inventory of E-ZPass tags (\$2.5 million) that will be used to undertake a new tag replacement program in 2010 for tags that reach their eighth year in service. This was offset by CPIU adjustments.
- For 2010, expenses are \$18.4 million greater due primarily to the increase in E-ZPass tag inventory (\$17.9 million) needed for the tag replacement program.
- Finally, for 2011, expenses are \$2.7 million greater primarily to meet the continuing needs of the tag replacement program and CPIU increases.
- CPIU increases are 2.60% in 2007, 2.03% in 2008, 1.91% in 2009, 1.73% in 2010 and 1.82% in 2011 based on forecasts for national inflation provided by Global Insight.

Other Business Expenses

- For 2007 through 2010, the higher expenses reflect CPIU increases.
- CPIU increases are 2.60% in 2007, 2.03% in 2008, 1.91% in 2009, 1.73% in 2010 and 1.82% in 2011 based on forecasts for national inflation provided by Global Insight.

MTA BRIDGES AND TUNNELS
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)									
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	
Revenue										
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Vehicle Toll Revenue	1,249.459	1,250.907	1.448	1,246.114	(4.793)	1,247.594	1.480	1,250.671	3.077	
Other Operating Revenue	10.737	9.134	(1.604)	10.270	1.136	10.397	0.127	10.532	0.135	
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-	
Investment Income	5.356	5.444	0.088	5.587	0.143	5.609	0.022	5.609	0.000	
Total Revenue	\$ 1,265.552	\$ 1,265.485	\$ (0.068)	\$ 1,261.971	\$ (3.514)	\$ 1,263.600	\$ 1.629	\$ 1,266.812	\$ 3.212	
Expenses										
Labor:										
Payroll	\$ 115.461	\$ 123.419	\$ (7.958)	\$ 128.890	\$ (5.471)	\$ 133.152	\$ (4.262)	\$ 137.564	\$ (4.412)	
Overtime	26.214	24.517	1.696	25.043	(0.526)	25.425	(0.382)	25.936	(0.512)	
Health and Welfare	29.446	34.394	(4.948)	37.426	(3.032)	40.951	(3.525)	44.856	(3.905)	
Pensions	17.691	20.127	(2.436)	20.731	(0.604)	21.309	(0.578)	21.935	(0.625)	
Other Fringe Benefits	14.074	15.391	(1.317)	15.956	(0.565)	16.664	(0.708)	17.257	(0.593)	
Reimbursable Overhead	(6.655)	(6.749)	0.094	(7.033)	0.284	(7.170)	0.137	(7.314)	0.143	
Total Labor Expenses	\$ 196.230	\$ 211.099	\$ (14.869)	\$ 221.012	\$ (9.913)	\$ 230.330	\$ (9.318)	\$ 240.234	\$ (9.904)	
Non-Labor:										
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-	
Insurance	11.129	12.030	(0.901)	12.518	(0.488)	13.214	(0.696)	14.149	(0.935)	
Claims	-	-	-	-	-	-	-	-	-	
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-	
Maintenance and Other Operating Contracts	146.593	169.037	(22.444)	165.646	3.391	166.769	(1.123)	158.374	8.395	
Professional Service Contracts	13.767	17.272	(3.505)	17.022	0.250	17.279	(0.257)	17.554	(0.275)	
Materials & Supplies	15.957	16.767	(0.809)	19.046	(2.280)	37.427	(18.380)	40.174	(2.747)	
Other Business Expenses	2.032	2.310	(0.278)	2.364	(0.054)	2.393	(0.029)	2.424	(0.031)	
Total Non-Labor Expenses	\$ 189.479	\$ 217.416	\$ (27.936)	\$ 216.597	\$ 0.819	\$ 237.083	\$ (20.486)	\$ 232.675	\$ 4.408	
Other Expenses Adjustments:										
Other	-	-	-	-	-	-	-	-	-	
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Expenses before Depreciation	\$ 385.710	\$ 428.515	\$ (42.805)	\$ 437.609	\$ (9.094)	\$ 467.413	\$ (29.803)	\$ 472.909	\$ (5.497)	
Add: Depreciation	\$ 62.400	\$ 66.700	\$ (4.300)	\$ 71.300	\$ (4.600)	\$ 76.300	\$ (5.000)	\$ 81.600	\$ (5.300)	
Other Post-Employment Benefits	59.700	62.800	(3.100)	65.900	(3.100)	69.200	(3.300)	72.400	(3.200)	
Total Expenses after Depreciation	\$ 507.810	\$ 558.015	\$ (50.205)	\$ 574.809	\$ (16.794)	\$ 612.913	\$ (38.103)	\$ 626.909	\$ (13.997)	
Less: Depreciation	\$ 62.400	\$ 66.700	\$ (4.300)	\$ 71.300	\$ (4.600)	\$ 76.300	\$ (5.000)	\$ 81.600	\$ (5.300)	
Other Post-Employment Benefits	59.700	62.800	(3.100)	65.900	(3.100)	69.200	(3.300)	72.400	(3.200)	
Total Expenses	\$ 385.710	\$ 428.515	\$ (42.805)	\$ 437.609	\$ (9.094)	\$ 467.413	\$ (29.803)	\$ 472.909	\$ (5.497)	
Baseline Net Income/(Deficit)	\$ 879.843	\$ 836.970	\$ (42.873)	\$ 824.362	\$ (12.608)	\$ 796.187	\$ (28.175)	\$ 793.903	\$ (2.284)	
2008 Program to Eliminate the Gap (PEG)	0.000	0.491	0.491	0.752	0.261	0.762	0.010	0.770	0.008	
Post-2008 Program to Eliminate the Gap (PEG)	0.000	0.000	0.000	0.079	0.079	0.081	0.002	0.082	0.001	
Net Income/(Deficit)	\$ 879.843	\$ 837.461	\$ (42.382)	\$ 825.193	\$ (12.268)	\$ 797.030	\$ (28.163)	\$ 794.755	\$ (2.275)	

MTA BRIDGES AND TUNNELS
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)									
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	
Revenue										
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	15.408	15.720	0.312	16.256	0.536	16.657	0.401	17.065	0.408	
Investment Income	-	-	-	-	-	-	-	-	-	-
Total Revenue	\$ 15.408	\$ 15.720	\$ 0.312	\$ 16.256	\$ 0.536	\$ 16.657	\$ 0.401	\$ 17.065	\$ 0.408	
Expenses										
Labor:										
Payroll	\$ 5.594	\$ 5.731	\$ (0.137)	\$ 5.898	\$ (0.167)	\$ 6.013	\$ (0.115)	\$ 6.133	\$ (0.120)	
Overtime	0.283	0.116	0.167	0.049	0.067	0.135	(0.086)	0.100	0.035	
Health and Welfare	1.400	1.578	(0.178)	1.697	(0.119)	1.733	(0.036)	1.878	(0.145)	
Pensions	0.812	0.843	(0.032)	0.862	(0.018)	0.907	(0.045)	0.923	(0.017)	
Other Fringe Benefits	0.664	0.703	(0.039)	0.717	(0.015)	0.699	0.018	0.717	(0.017)	
Reimbursable Overhead	6.655	6.749	(0.094)	7.033	(0.284)	7.170	(0.137)	7.314	(0.143)	
Total Labor Expenses	\$ 15.408	\$ 15.720	\$ (0.312)	\$ 16.256	\$ (0.536)	\$ 16.657	\$ (0.401)	\$ 17.065	\$ (0.408)	
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	-	-	-	-	-	-	-	-	-	
Total Non-Labor Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Expenses Adjustments:										
Other	-	-	-	-	-	-	-	-	-	
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Expenses before Depreciation	\$ 15.408	\$ 15.720	\$ (0.312)	\$ 16.256	\$ (0.536)	\$ 16.657	\$ (0.401)	\$ 17.065	\$ (0.408)	
Add: Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Post-Employment Benefits	-	-	-	-	-	-	-	-	-	
Total Expenses after Depreciation	\$ 15.408	\$ 15.720	\$ (0.312)	\$ 16.256	\$ (0.536)	\$ 16.657	\$ (0.401)	\$ 17.065	\$ (0.408)	
Less: Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Post-Employment Benefits	-	-	-	-	-	-	-	-	-	
Total Expenses	\$ 15.408	\$ 15.720	\$ (0.312)	\$ 16.256	\$ (0.536)	\$ 16.657	\$ (0.401)	\$ 17.065	\$ (0.408)	
Baseline Net Income/(Deficit)	\$ -	\$ -	\$ 0.000	\$ -	\$ (0.000)	\$ -	\$ (0.000)	\$ -	\$ 0.000	
2008 Program to Eliminate the Gap (PEG)	-	-	-	-	-	-	-	-	-	
Post-2008 Program to Eliminate the Gap (PEG)	-	-	-	-	-	-	-	-	-	
Net Income/(Deficit)	\$ -	\$ -	\$ 0.000	\$ -	\$ (0.000)	\$ -	\$ (0.000)	\$ -	\$ 0.000	

MTA BRIDGES AND TUNNELS
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE
(Page 1 of 2)

	Favorable/(Unfavorable)									
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	
Revenue										
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,249.459	1,250.907	1.448	1,246.114	(4.793)	1,247.594	1.480	1,250.671	3.077	
Other Operating Revenue	10.737	9.134	(1.604)	10.270	1.136	10.397	0.127	10.532	0.135	
Capital and Other Reimbursements	15.408	15.720	0.312	16.256	0.536	16.657	0.401	17.065	0.408	
Investment Income	5.356	5.444	0.088	5.587	0.143	5.609	0.022	5.609	-	
Total Revenue	\$ 1,280.960	\$ 1,281.205	\$ 0.245	\$ 1,278.227	\$ (2.978)	\$ 1,280.257	\$ 2.030	\$ 1,283.877	\$ 3.621	
Expenses										
Labor:										
Payroll	\$ 121.055	\$ 129.150	\$ (8.095)	\$ 134.787	\$ (5.637)	\$ 139.165	\$ (4.377)	\$ 143.697	\$ (4.532)	
Overtime	26.497	24.633	1.864	25.092	(0.459)	25.560	(0.468)	26.036	(0.477)	
Health and Welfare	30.846	35.972	(5.126)	39.123	(3.151)	42.684	(3.561)	46.734	(4.051)	
Pensions	18.503	20.970	(2.468)	21.593	(0.622)	22.216	(0.623)	22.858	(0.642)	
Other Fringe Benefits	14.738	16.094	(1.356)	16.673	(0.580)	17.363	(0.690)	17.974	(0.611)	
Reimbursable Overhead	-	-	-	-	-	-	-	-	-	
Total Labor Expenses	\$ 211.638	\$ 226.819	\$ (15.181)	\$ 237.268	\$ (10.449)	\$ 246.987	\$ (9.719)	\$ 257.299	\$ (10.312)	
Non-Labor:										
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-	
Insurance	11.129	12.030	(0.901)	12.518	(0.488)	13.214	(0.696)	14.149	(0.935)	
Claims	-	-	-	-	-	-	-	-	-	
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-	
Maintenance and Other Operating Contracts	146.593	169.037	(22.444)	165.646	3.391	166.769	(1.123)	158.374	8.395	
Professional Service Contracts	13.767	17.272	(3.505)	17.022	0.250	17.279	(0.257)	17.554	(0.275)	
Materials & Supplies	15.957	16.767	(0.809)	19.046	(2.280)	37.427	(18.380)	40.174	(2.747)	
Other Business Expenses	2.032	2.310	(0.278)	2.364	(0.054)	2.393	(0.029)	2.424	(0.031)	
Total Non-Labor Expenses	\$ 189.479	\$ 217.416	\$ (27.936)	\$ 216.597	\$ 0.819	\$ 237.083	\$ (20.486)	\$ 232.675	\$ 4.408	
Other Expenses Adjustments:										
Other	-	-	-	-	-	-	-	-	-	
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Expenses before Depreciation	\$ 401.118	\$ 444.235	\$ (43.117)	\$ 453.865	\$ (9.630)	\$ 484.069	\$ (30.204)	\$ 489.974	\$ (5.905)	
Add: Depreciation	\$ 62.400	\$ 66.700	\$ (4.300)	\$ 71.300	\$ (4.600)	\$ 76.300	\$ (5.000)	\$ 81.600	\$ (5.300)	
Other Post-Employment Benefits	59.700	62.800	(3.100)	65.900	(3.100)	69.200	(3.300)	72.400	(3.200)	
Total Expenses after Depreciation	\$ 523.218	\$ 573.735	\$ (50.517)	\$ 591.065	\$ (17.330)	\$ 629.569	\$ (38.504)	\$ 643.974	\$ (14.405)	
Less: Depreciation	\$ 62.400	\$ 66.700	\$ (4.300)	\$ 71.300	\$ (4.600)	\$ 76.300	\$ (5.000)	\$ 81.600	\$ (5.300)	
Other Post-Employment Benefits	59.700	62.800	(3.100)	65.900	(3.100)	69.200	(3.300)	72.400	(3.200)	
Total Expenses	\$ 401.118	\$ 444.235	\$ (43.117)	\$ 453.865	\$ (9.630)	\$ 484.069	\$ (30.204)	\$ 489.974	\$ (5.905)	
Baseline Net Income/(Deficit)	\$ 879.843	\$ 836.970	\$ (42.873)	\$ 824.362	\$ (12.608)	\$ 796.187	\$ (28.175)	\$ 793.903	\$ (2.284)	
2008 Program to Eliminate the Gap (PEG)	-	0.491	(0.491)	0.752	(0.261)	0.762	(0.010)	0.770	(0.008)	
Post-2008 Program to Eliminate the Gap (PEG)	-	-	-	0.079	(0.079)	0.081	(0.002)	0.082	(0.001)	
Net Income/(Deficit) with PEGs	\$ 879.843	\$ 837.461	\$ (43.364)	\$ 825.193	\$ (12.948)	\$ 797.030	\$ (28.187)	\$ 794.755	\$ (2.293)	

MTA BRIDGES AND TUNNELS
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE
(Page 2 of 2)

	Favorable/(Unfavorable)									
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	
Baseline Net Income/(Deficit)	\$ 879.843	\$ 836.970	\$ (42.873)	\$ 824.362	\$ (12.608)	\$ 796.187	\$ (28.175)	\$ 793.903	\$ (2.284)	
<u>Deductions from Income:</u>										
Less: Capitalized Assets	\$ 7.856	\$ 15.496	\$ (7.640)	\$ 13.210	\$ 2.286	\$ 13.502	\$ (0.292)	\$ 13.757	\$ (0.255)	
Reserves	13.417	13.667	(0.250)	13.953	(0.286)	14.261	(0.308)	14.531	(0.270)	
GASB Reserves	1.670	1.845	(0.175)	2.036	(0.191)	2.238	(0.202)	2.283	(0.045)	
Adjusted Baseline Net Income/(Deficit)	\$ 856.900	\$ 805.962	\$ (50.938)	\$ 795.162	\$ (10.800)	\$ 766.186	\$ (28.977)	\$ 763.332	\$ (2.854)	
Less: Debt Service	470.032	481.407	(11.375)	486.437	(5.030)	507.178	(20.741)	520.230	(13.052)	
Income Available for Distribution	\$ 386.868	\$ 324.555	\$ (62.313)	\$ 308.725	\$ (15.830)	\$ 259.008	\$ (49.718)	\$ 243.102	\$ (15.906)	
Distributable To:										
MTA - Investment Income	\$ 5.356	\$ 5.444	\$ 0.088	\$ 5.587	\$ 0.143	\$ 5.609	\$ 0.022	\$ 5.609	\$ -	
MTA - Distributable Income	241.289	210.140	(31.149)	201.461	(8.679)	177.352	(24.109)	169.270	(8.083)	
NYCT - Distributable Income	140.222	108.970	(31.252)	101.677	(7.293)	76.046	(25.631)	68.223	(7.823)	
Total Distributable Income:	\$ 386.868	\$ 324.555	\$ (62.313)	\$ 308.725	\$ (15.830)	\$ 259.008	\$ (49.718)	\$ 243.102	\$ (15.906)	
Actual Cash Transfers:										
MTA - Investment Income	\$ 8.637	\$ 5.356	\$ (3.281)	\$ 5.444	\$ 0.088	\$ 5.587	\$ 0.143	\$ 5.609	\$ 0.022	
MTA - Transfers	248.379	213.255	(35.123)	202.329	(10.926)	179.763	(22.566)	170.078	(9.685)	
NYCT - Transfers	141.220	112.096	(29.125)	102.407	(9.689)	78.609	(23.797)	69.006	(9.604)	
Total Cash Transfers:	\$ 398.236	\$ 330.707	\$ (67.529)	\$ 310.180	\$ (20.527)	\$ 263.960	\$ (46.220)	\$ 244.692	\$ (19.267)	
SUPPORT TO MASS TRANSIT:										
Total Revenues	\$ 1,280.960	\$ 1,281.205	0.245	\$ 1,278.227	(2.978)	\$ 1,280.257	2.030	\$ 1,283.877	3.621	
Less: Net Operating Expenses	401.118	444.235	(43.117)	453.865	(9.630)	484.069	(30.204)	489.974	(5.905)	
Program to Eliminate the Gap	-	0.491	0.491	0.831	0.340	0.843	0.012	0.852	0.009	
Net Operating Income:	\$ 879.843	\$ 837.461	\$ (42.382)	\$ 825.193	\$ (12.268)	\$ 797.030	\$ (28.163)	\$ 794.755	\$ (2.275)	
Deductions from Operating Income:										
B&T Debt Service	\$ 144.807	\$ 155.925	(11.118)	\$ 164.575	\$ (8.650)	\$ 181.340	\$ (16.765)	\$ 195.072	\$ (13.732)	
Capitalized Assets	7.856	15.496	(7.640)	13.210	2.286	13.502	(0.292)	13.757	(0.255)	
Reserves	13.417	13.667	(0.250)	13.953	(0.286)	14.261	(0.308)	14.531	(0.270)	
GASB Reserves	1.670	1.845	(0.175)	2.036	(0.191)	2.238	(0.202)	2.283	(0.045)	
Total Deductions from Operating Inc:	\$ 167.750	\$ 186.933	\$ (19.183)	\$ 193.774	\$ (6.841)	\$ 211.341	\$ (17.567)	\$ 225.643	\$ (14.301)	
Total Support to Mass Transit:	\$ 712.093	\$ 650.528	\$ (61.565)	\$ 631.418	\$ (19.110)	\$ 585.689	\$ (45.730)	\$ 569.112	\$ (16.576)	

MTA Bridges and Tunnels
November Financial Plan 2008-2011
Summary of Changes between Financial Plans by Category

2007: November Financial Plan vs. July Financial Plan

Revenue

Revenue adjustments from the July Plan result in an increase of \$8.3 million. The major changes include:

- Higher toll revenues (\$6.6 million) due to increased traffic volumes resulting from overall current traffic trends (\$1.1 million).
- Higher Other Operating Revenues (\$1.4 million) primarily due to stronger demand at the Battery Parking Garage.
- Increase in Investment Income based on current trends (\$0.3 million).

Expense

Expense changes from the July Plan resulted in a net decrease of \$9.3 due to both lower non-labor expenses (\$8.9 million) and labor costs (\$0.4 million). The major variances include:

Labor

- Lower Payroll costs (\$1.2 million) due primarily to higher vacancies than planned.
- Higher Overtime (\$2.2 million) resulting from an initiative to perform truck weight enforcement.
- Lower Fringe costs (\$1.4 million) due to two one-time credits received in 2007 for Federal Medicare (\$0.2 million) and Empire Plan (\$0.5 million), in addition to savings from vacancies.

Non-Labor

- Lower Maintenance and Other Operating Costs (\$8.4 million) resulting primarily from reduction in expenses for bridge painting (\$4.4 million) and major maintenance (\$1.4 million) due to the rollover of projects from 2007 to 2008; savings from the E-ZPass Customer Service Center (\$1.0 million) for transition/start-up costs for the new operating contract; a re-estimate of other expenses (\$1.6 million) mainly for computer maintenance services (\$0.7 million), computer consultants (\$0.3 million), telephone services (\$0.2 million); and CPIU adjustments for energy (\$0.4 million).
- Lower Professional Services Contract expenses (\$1.8 million) resulting primarily from delays in the start-up of planning studies (\$1.0 million), re-estimate of training services (\$0.4 million), general engineering services (\$0.1 million) and legal services (\$0.2 million) expenses.

- Higher Materials and Supplies expenses (\$1.6 million) due primarily to a re-estimate of E-ZPass tag inventory (\$1.0 million) and a re-estimate of other materials and supplies expenses (\$0.6 million) primarily for fence and guide rails, signs and traffic cones for traffic management.

2008-2011: November Financial Plan vs. July Financial Plan

Revenue

Revenue changes from the July Plan over the 2008 to 2011 period include:

- Additional Toll Revenues based on current traffic trends and revised employment and inflation forecasts provided by Global Insight:
 - \$8.4 million in 2008
 - \$5.7 million in 2009
 - \$6.3 million in 2010
 - \$6.7 million in 2011
- Higher revenues from the Battery Parking Garage in 2008-2011 primarily due to stronger demand and CPIU adjustments. In 2008, there is a one-time charge to the Battery Parking Garage net income:
 - \$1.2 million in 2008
 - \$1.2 million in 2009
 - \$1.2 million in 2010
 - \$1.3 million in 2011
- Favorable re-estimates of investment income based on Global Insight's higher short-term interest rate forecast applied to larger fund balance projections.
 - \$0.5 million in 2008
 - \$0.6 million in 2009
 - \$0.6 million in 2010
 - \$0.6 million in 2011

Expense

Expense changes from the July Plan over the 2008 to 2011 period include:

Labor

- Changes in payroll due primarily to the truck weight enforcement program and CPIU adjustments
 - (\$0.7) million in 2008
 - (\$1.2) million in 2009
 - (\$1.3) million in 2010
 - (\$1.3) million in 2011

- Changes in Overtime due primarily to the truck weight enforcement program and CPIU adjustments.
 - (\$1.8) million in 2008
 - (\$1.8) million in 2009
 - (\$1.8) million in 2010
 - (\$1.9) million in 2011
- Changes in Health & Welfare due primarily to the truck weight enforcement program and CPIU adjustments
 - (\$0.4) million in 2008
 - (\$0.2) million in 2009
 - (\$0.2) million in 2010
 - (\$0.2) million in 2011
- Changes in Other Fringe Benefits due primarily to the truck weight enforcement program and CPIU adjustments
 - (\$0.2) million in 2008
 - (\$0.2) million in 2009
 - (\$0.2) million in 2010
 - (\$0.2) million in 2011

Non-Labor

- Changes for Maintenance and Other Operating Contracts include higher expenses for major maintenance (\$4.2 million) and bridge painting (\$7.0 million) due to the re-scheduling of 2007 projects to 2008 and the acceleration of painting at the Throgs Neck Bridge based on biennial bridge inspection findings; and adjustments for CPIU rates including 2009 and beyond. Other changes include higher New York Power Authority (NYPA) expenses due to CPIU rate increase and higher consumption in 2009 offset by lower CPIU rate for heating oil.
 - (\$12.4) million in 2008
 - (\$10.7) million in 2009
 - (\$ 2.2) million in 2010
 - \$11.6 million in 2011.
- Changes for Professional Services Contracts reflect adjustments for CPIU.
 - (\$0.6) million in 2008
 - (\$0.2) million in 2009
 - (\$0.2) million in 2010
 - (\$0.1) million in 2011.
- Changes for Materials and Supplies include adjustments for CPIU.
 - (\$0.1) million in 2008
 - \$0.0 million in 2009
 - \$0.3 million in 2010
 - \$0.3 million in 2011.

MTA BRIDGES AND TUNNELS
November Financial Plan 2008 - 2011
Summary of Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline 2007 July Financial Plan - Net Operating Income	\$862.245	\$843.094	\$831.133	\$793.609	\$777.163
Baseline Changes					
Revenue:					
Farebox Revenue	0.000	0.000	0.000	0.000	0.000
Vehicle Toll Revenue	6.562	8.374	5.724	6.331	6.749
Other Operating Revenue	1.386	1.210	1.230	1.240	1.253
Capital and Other Reimbursement	0.000	0.000	0.000	0.000	0.000
Investment Income	0.339	0.458	0.590	0.612	0.612
	8.287	10.042	7.544	8.183	8.614
Total Revenue Changes	8.287	10.042	7.544	8.183	8.614
Expenses:					
Labor:					
Payroll	1.200	(0.735)	(1.213)	(1.256)	(1.300)
Overtime	(2.172)	(1.765)	(1.806)	(1.847)	(1.889)
Health and Welfare	0.991	(0.371)	(0.204)	(0.222)	(0.243)
Pensions	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.396	(0.240)	(0.222)	(0.229)	(0.236)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	0.414	(3.112)	(3.445)	(3.554)	(3.668)
Non-Labor:					
Traction and Propulsion Power	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	0.110	(0.000)	0.000	0.001	0.002
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	8.357	(12.386)	(10.728)	(2.172)	11.623
Professional Service Contracts	1.755	(0.610)	(0.177)	(0.156)	(0.137)
Materials & Supplies	(1.562)	(0.071)	0.040	0.278	0.306
Other Business Expenses	0.235	0.013	(0.005)	(0.002)	0.000
Total Non-Labor Expense Changes	8.896	(13.054)	(10.870)	(2.050)	11.794
Total Expense Changes	\$9.310	(\$16.166)	(\$14.315)	(\$5.605)	\$8.126
Other Changes					
None	0.000	0.000	0.000	0.000	0.000
Total Other Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$17.597	(\$6.124)	(\$6.771)	\$2.578	\$16.740
Baseline 2007 November Financial Plan - Net Operating Income	\$879.843	\$836.970	\$824.362	\$796.187	\$793.903

MTA BRIDGES AND TUNNELS
November Financial Plan 2008 - 2011
Summary of Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline 2007 July Financial Plan - Net Operating Income	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue:					
Farebox Revenue	0.000	0.000	0.000	0.000	0.000
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
Investment Income	0.000	0.000	0.000	0.000	0.000
	0.000	0.000	0.000	0.000	0.000
Total Revenue Changes	0.000	0.000	0.000	0.000	0.000
Expenses:					
Labor:					
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
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	0.000	0.000	0.000	0.000	0.000
Non-Labor:					
Traction and Propulsion Power	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	0.000	0.000	0.000	0.000	0.000
Total Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Changes					
None	0.000	0.000	0.000	0.000	0.000
Total Other Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2007 November Financial Plan - Net Operating Income	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BRIDGES AND TUNNELS
November Financial Plan 2008 - 2011
Summary of Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline 2007 July Financial Plan - Net Operating Income	\$862.245	\$843.094	\$831.133	\$793.609	\$777.163
Baseline Changes					
Revenue					
Farebox Revenue	0.000	0.000	0.000	0.000	0.000
Vehicle Toll Revenue	6.562	8.374	5.724	6.331	6.749
Other Operating Revenue	1.386	1.210	1.230	1.240	1.253
Capital and Other Reimbursement	0.000	0.000	0.000	0.000	0.000
Investment Income	0.339	0.458	0.590	0.612	0.612
Total Revenue Changes	8.287	10.042	7.544	8.183	8.614
Expenses					
<i>Labor:</i>					
Payroll	1.200	(0.735)	(1.213)	(1.256)	(1.300)
Overtime	(2.172)	(1.765)	(1.806)	(1.847)	(1.889)
Health and Welfare	0.991	(0.371)	(0.204)	(0.222)	(0.243)
Pensions	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.396	(0.240)	(0.222)	(0.229)	(0.236)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	0.414	(3.112)	(3.445)	(3.554)	(3.668)
<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	(0.000)	0.000	0.001	0.002
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	8.357	(12.386)	(10.728)	(2.172)	11.623
Professional Service Contracts	1.755	(0.610)	(0.177)	(0.156)	(0.137)
Materials & Supplies	(1.562)	(0.071)	0.040	0.278	0.306
Other Business Expenses	0.235	0.013	(0.005)	(0.002)	0.000
Total Non-Labor Expense Changes	8.896	(13.054)	(10.870)	(2.050)	11.794
Total Expense Changes	\$9.310	(\$16.166)	(\$14.315)	(\$5.605)	\$8.126
Other Changes					
None	0.000	0.000	0.000	0.000	0.000
Total Other Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$17.597	(\$6.124)	(\$6.771)	\$2.578	\$16.740
Baseline 2007 November Financial Plan - Net Operating Income	\$879.843	\$836.970	\$824.362	\$796.187	\$793.903

MTA Bridges and Tunnels
November Financial Plan 2008-2011
Summary of Major Programmatic Changes between Financial Plans

Non-Reimbursable Major Programmatic Changes

2007: November Financial Plan vs. July Financial Plan

Revenue

Revenue adjustments from the July Plan result in an increase of \$8.3 million. The major changes include:

- Higher toll revenues (\$6.6 million) due to increased traffic volumes resulting from overall current traffic trends (\$1.1 million).
- Higher revenues from the Battery Parking Garage (\$1.2 million) primarily due to stronger demand.
- Higher Other Operating Revenues (\$0.2 million) primarily due to E-ZPass administrative fees.
- Increase in Investment Income based on current trends (\$0.3 million).

Expense

Expense changes from the July Plan resulted in a net decrease of \$9.3 million. The major programmatic variances include:

Labor

- Lower Labor expenses due primarily to higher vacancies (\$1.2 million) and one-time credits for Fringe Benefits (\$1.0 million).
- Higher Overtime costs (\$2.2 million) primarily for the truck weight enforcement effort.

Non-Labor

- Reduction in major maintenance (\$1.4 million) expenses due to rescheduling of projects from 2007 to 2008.
- Reduction in expenses for bridge painting (\$4.4 million) due to rescheduling of painting projects to 2008.
- Lower E-ZPass Customer Service Center costs (\$1.0 million) due to lower transition costs.
- Lower expenses for New York Power Authority for a one-time credit (\$0.3 million).
- Other expenses include non-programmatic re-estimates totaling \$1.8 million in various accounts, each account amounting to less than \$0.6 million.

New Needs

- Non-labor expenses for the truck weight enforcement program (\$0.1 million).

2008-2011: November Financial Plan vs. July Financial Plan

Revenue

Revenue changes from the November Plan over the 2008 to 2011 period include:

- Additional Toll Revenues based on current traffic trends and revised employment and inflation forecasts provided by Global Insight:
 - \$8.4 million in 2008
 - \$5.7 million in 2009
 - \$6.3 million in 2010
 - \$6.7 million in 2011
- Higher revenues from the Battery Parking Garage in 2008-2011 primarily due to stronger demand and CPIU adjustments:
 - \$1.2 million in 2008
 - \$1.2 million in 2009
 - \$1.2 million in 2010
 - \$1.3 million in 2011
- Favorable re-estimates of investment income based on Global Insight's higher short-term interest rate forecast applied to larger fund balance projections.
 - \$0.5 million in 2008
 - \$0.6 million in 2009
 - \$0.6 million in 2010
 - \$0.6 million in 2011

Expense

Expense changes from the November Plan over the 2008 to 2011 period include:

Labor

- Increases in Overtime due primarily to CPIU adjustments:
 - (\$0.5) million in 2008
 - (\$0.5) million in 2009
 - (\$0.5) million in 2010
 - (\$0.5) million in 2011
- Changes in other Labor expenses due primarily to CPIU:
 - (\$0.7) million in 2008
 - (\$0.9) million in 2009
 - (\$0.9) million in 2010
 - (\$1.0) million in 2011

Non-Labor

- Changes in major maintenance expenses due to the rescheduling of 2007 projects to 2008:
 - (\$4.3) million in 2008
 - (\$0.0) million in 2009
 - (\$0.0) million in 2010
 - (\$0.0) million in 2011.
- Re-estimate of bridge painting expenses in 2008 due to several projects being deferred from 2007 to 2008 and the acceleration of painting at the Throgs Neck Bridge based on biennial bridge inspection findings:
 - (\$ 7.0) million in 2008
 - (\$ 9.7) million in 2009
 - (\$ 1.2) million in 2010
 - \$12.0 million in 2011.
- Re-estimate of NYPA expenses due to CPIU rate increases between plans to 20.4% in 2008 and increase in consumption in 2010 and beyond:
 - (\$0.4) million in 2008
 - (\$0.3) million in 2009
 - (\$0.8) million in 2010
 - (\$1.2) million in 2011.
- Re-estimate of other non-labor expenses due to various accounts with minor variances and CPIU rate increases:
 - (\$1.8) million in 2008
 - (\$1.1) million in 2009
 - (\$0.9) million in 2010
 - (\$0.2) million in 2011.

New Needs

- Labor expenses to support the truck weight enforcement program:
 - (\$1.9) million in 2008
 - (\$2.0) million in 2009
 - (\$2.1) million in 2010
 - (\$2.2) million in 2011

Reimbursable Major Programmatic Changes

No changes in reimbursable expenses.

MTA BRIDGES AND TUNNELS
November Financial Plan 2008 - 2011
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline 2007 July Financial Plan - Net Operating Income	\$862.245	\$843.094	\$831.133	\$793.609	\$777.163
<i>Non-Reimbursable Major Changes</i>					
Revenue					
- Increases in Toll Revenue	6.562	8.374	5.724	6.331	6.749
- Increases in Revenue from Battery Parking Garage	1.161	1.210	1.230	1.240	1.253
- Investment Income	0.339	0.458	0.590	0.612	0.612
- Other Operating Revenue	0.225	0.000	0.000	0.000	0.000
<i>Sub-Total Non-Reimbursable Revenue Changes</i>	\$8.287	\$10.042	\$7.544	\$8.183	\$8.614
Expenses					
- New Need: Truck Weight Enforcement Program	0.000	(1.936)	(2.017)	(2.091)	(2.169)
- Other Overtime Needs	(2.172)	(0.494)	(0.505)	(0.521)	(0.536)
- Other Labor Needs (vacancies in 2007)	2.586	(0.682)	(0.923)	(0.942)	(0.963)
- Major Maintenance	1.399	(4.287)	0.000	0.000	0.000
- Bridge Painting	4.419	(6.991)	(9.721)	(1.160)	11.992
- E-ZPass Customer Service Center (lower transition costs)	0.965	0.000	0.000	0.000	0.000
- New York Power Authority (one-time credit in 2007)	0.273	(0.011)	(0.011)	(0.011)	(0.011)
- Non-Labor CPIU Changes	0.000	(0.375)	(0.118)	(0.142)	(0.348)
- Other Non-Labor Expenses	1.840	(1.389)	(1.020)	(0.738)	0.161
<i>Sub-Total Non-Reimbursable Expense Changes</i>	\$9.310	(\$16.166)	(\$14.315)	(\$5.605)	\$8.126
Total Non-Reimbursable Major Changes	\$17.597	(\$6.123)	(\$6.771)	\$2.578	\$16.740
<i>Reimbursable Major Changes</i>					
Revenue					
Reimbursable Revenue Changes					
<i>Sub-Total Reimbursable Revenue Changes</i>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenses					
Reimbursable Expense Changes					
<i>Sub-Total Reimbursable Expense Changes</i>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	\$17.597	(\$6.123)	(\$6.771)	\$2.578	\$16.740
Other Changes					
None					
<i>Total Other Changes</i>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$17.597	(\$6.123)	(\$6.771)	\$2.578	\$16.740
Baseline 2007 November Financial Plan - Net Operating Income	\$879.842	\$836.970	\$824.362	\$796.187	\$793.903

MTA Bridges and Tunnels November Financial Plan 2008-2011

OTHER ASSUMPTIONS

Ridership/Traffic Volume (Utilization)

Paid traffic volume is projected to reach a record 303.8 million vehicles in 2007, 0.5% more than the July Mid-Year Forecast level of 302.2 million vehicles. The estimated increase is based on overall current traffic trends.

The traffic forecast from 2008 through 2011 incorporates the most recent projections for regional employment and inflation provided by Global Insight. Paid traffic is forecast at 305.0 million vehicles in 2008 and declines to 304.5 million in 2009 because 2008 is a leap year. Projected volumes grow to 305.4 million in 2010 and to 306.6 million in 2011.

MTA BRIDGES & TUNNELS
November Financial Plan 2008-2011
RIDERSHIP/TRAFFIC VOLUME (UTILIZATION)
(in millions)

	2006 Actuals	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Baseline Total Toll Revenue	\$1,241.551	\$1,249.459	\$1,250.907	\$1,246.114	\$1,247.594	\$1,250.671
<i>Impact of:</i>						
2008 PEG Program		0.000	0.000	0.000	0.000	0.000
Post-2008 PEG Program		0.000	0.000	0.000	0.000	0.000
Total Toll Revenue	\$1,241.551	\$1,249.459	\$1,250.907	\$1,246.114	\$1,247.594	\$1,250.671
 Baseline Total Traffic	 302.059	 303.773	 304.953	 304.515	 305.365	 306.609
<i>Impact of:</i>						
2008 PEG Program		0.000	0.000	0.000	0.000	0.000
Post-2008 PEG Program		0.000	0.000	0.000	0.000	0.000
Total Traffic	302.059	303.773	304.953	304.515	305.365	306.609

MTA BRIDGES AND TUNNELS
November Plan 2008 - 2011
Summary of 2008 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2007		2008		2009		2010		2011	
		<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>
Administration											
Reduction of Law Department Headcount		0	0.000	1	0.098	1	0.101	1	0.103	1	0.105
Sub-Total	Administration	0	\$ 0.000	1	\$ 0.098	1	\$ 0.101	1	\$ 0.103	1	\$ 0.105
Maintenance											
Change of De-Icing Material		0	0.000	0	0.060	0	0.200	0	0.200	0	0.200
In-House Roadway Sweeping		0	0.000	(1)	0.072	(1)	0.071	(1)	0.071	(1)	0.070
Sub-Total	Maintenance	0	\$ 0.000	(1)	\$ 0.132	(1)	\$ 0.271	(1)	\$ 0.271	(1)	\$ 0.270
Other											
Reduction of Headcount in the Operations Department		0	0.000	3	0.261	3	0.380	3	0.388	3	0.395
Sub-Total	Other	0	\$ 0.000	3	\$ 0.261	3	\$ 0.380	3	\$ 0.388	3	\$ 0.395
Total Programs		0	\$ 0.000	3	\$ 0.491	3	\$ 0.752	3	\$ 0.762	3	\$ 0.770

MTA BRIDGES AND TUNNELS
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	BRTUN	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000019	Current Budget Year	2007	Status	Open
Program:	Reduction of Law Department Headcount			Agency Status	Pending
Description and Implementation Pla	Reduce headcount by one Assistant General Counsel position. Existing staff will absorb the associated responsibilities.				
Background Details	The Law Department evaluated their caseload and work flow and determined they can reduce their staff by one Assistant General Counsel position. There are three Assistant General Counsel positions on staff at B&T, one of which is currently vacant. The remaining two positions will continue to absorb the responsibilities accomplished by this position.				

				2007	2008	2009	2010	2011
Total Headcount	BRTUN	0000000019	FINAL07	0	1	1	1	1
Financial Impact	BRTUN	0000000019	FINAL07	\$ 0.000	\$ 0.098	\$ 0.101	\$ 0.103	\$ 0.105

MTA BRIDGES AND TUNNELS
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	BRTUN	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000021	Current Budget Year	2007	Status	Open
Program:	Change of De-Icing Material			Agency Status	Pending
Description and Implementation Pla	The transition to the new material will begin in 2008 and the new product will be used almost exclusively by 2009. The new product costs around 30% less than the material currently used.				
Background Details	In 2007, the Maintenance Department tested a new product and has decided to switch to a new, environmentally preferable de-icing material that costs less and is more effective.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	BRTUN	0000000021	FINAL07	\$ 0.000	\$ 0.060	\$ 0.200	\$ 0.200	\$ 0.200

MTA BRIDGES AND TUNNELS
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	BRTUN	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000023	Current Budget Year	2007	Status	Open
Program:	In-House Roadway Sweeping			Agency Status	Pending
Description and Implementation Pla	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.				

				2007	2008	2009	2010	2011
Total Headcount	BRTUN	0000000023	FINAL07	0	(1)	(1)	(1)	(1)
Financial Impact	BRTUN	0000000023	FINAL07	\$ 0.000	\$ 0.072	\$ 0.071	\$ 0.071	\$ 0.070

MTA BRIDGES AND TUNNELS
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	BRTUN	Financial Plan Category	PEG	Implementation Date	3/1/2008
Budget Reference	FINAL07	Category	Other	Savings Date	3/1/2008
PEG / New Need ID	0000000020	Current Budget Year	2007	Status	Open
Program:	Reduction of Headcount in the Operations Department			Agency Status	Pending
Description and Implementation Pla	With the implementation of the new system and the resulting re-deployment of personnel, a net savings of three Sergeants with applicable overtime can be achieved. These three Sergeants are in addition to the personnel savings associated with this projec				
Background Details	After September 11th, intrim security measures were put into place pending the development and implementation of capital enhancements. With the installation of new electronic security systems primarily funded through the capital program, B&T is in a position to automate and revamp some of its security coverage resulting in a savings of personnel and associated overtime. The installation of new access control systems at certain facilities, which include additional cameras, intrusion detection and alarms, will enable the Operations Department to redeploy some security personnel to security monitoring posts. Overall security coverage will not be diminished.				

				2007	2008	2009	2010	2011
Total Headcount	BRTUN	0000000020	FINAL07	0	3	3	3	3
Financial Impact	BRTUN	0000000020	FINAL07	\$ 0.000	\$ 0.261	\$ 0.380	\$ 0.388	\$ 0.395

MTA BRIDGES AND TUNNELS
November Plan 2008 - 2011
Summary of Post 2008 PEGs
(\$ in millions)

		2007		2008		2009		2010		2011	
		<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>
Administration											
Reduction of Human Resources Department Headcount		0	0.000	0	0.000	1	0.079	1	0.081	1	0.082
Sub-Total	Administration	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>1</u>	<u>\$ 0.079</u>	<u>1</u>	<u>\$ 0.081</u>	<u>1</u>	<u>\$ 0.082</u>
Total Programs		<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>1</u>	<u>\$ 0.079</u>	<u>1</u>	<u>\$ 0.081</u>	<u>1</u>	<u>\$ 0.082</u>

MTA BRIDGES AND TUNNELS
November Plan 2008 - 2011
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	BRTUN	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000022	Current Budget Year	2007	Status	Open
Program:	Reduction of Human Resources Department Headcount			Agency Status	Pending
Description and Implementation Pla	The position of Manager of Employment Services will be eliminated beginning in 2009, and the associated duties will be absorbed by the existing staff, assuming the workload can be effectively carried out in 2009.				
Background Details	Human Resources has evaluated their managerial structure and believes they can reduce their supervisory staff by one position. Currently, the Employment Services Division consists of two Employment Specialists, a newly created HR Administrator, and the Manager of Employment Services. During 2008, the Human Resources Department intends to spread the work among the three other positions.				

				2007	2008	2009	2010	2011
Total Headcount	BRTUN	0000000022	FINAL07	0	0	1	1	1
Financial Impact	BRTUN	0000000022	FINAL07	\$ 0.000	\$ 0.000	\$ 0.079	\$ 0.081	\$ 0.082

MTA BRIDGES & TUNNELS
November Financial Plan 2008-2011
Full-time Positions and Full-time Equivalents by Function and Department
Non-Reimbursable and Reimbursable

FUNCTION/DEPARTMENT	2006 Actuals	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Administration						
Executive	2	3	3	3	3	3
Law	8	10	10	10	10	10
CFO ⁽¹⁾	36	38	37	37	37	37
Labor Relations	5	5	5	5	5	5
Procurement & Materials	40	42	42	42	42	42
Staff Services ⁽²⁾	44	47	46	46	46	46
EEO	1	1	1	1	1	1
Total Administration	136	146	144	144	144	144
Operations						
Revenue Management	43	45	45	45	45	45
Operations (Non-Security)	740	747	755	755	755	755
Total Operations	783	792	800	800	800	800
Maintenance						
Maintenance	112	113	113	113	113	113
Operations - Maintainers	179	171	171	171	171	171
Procurement & Materials	13	14	14	14	14	14
Technology	55	58	61	61	61	61
Internal Security - Tech Svcs	36	36	36	36	36	36
Total Maintenance	395	392	395	395	395	395
Engineering/Capital						
Engineering & Construction	155	171	171	171	171	171
Health & Safety	10	10	10	10	10	10
Planning & Budget Capital	9	9	9	9	9	9
Total Engineering/Capital	174	190	190	190	190	190
Public Safety						
Operations (Security)	261	266	248	248	248	248
Internal Security - Operations	34	42	42	42	42	42
Total Public Safety	295	308	290	290	290	290
Total Baseline Positions	1,783	1,828	1,819	1,819	1,819	1,819
Non-Reimbursable	1,734	1,776	1,766	1,766	1,766	1,766
Reimbursable	49	52	53	53	53	53
Total Full-Time	1,783	1,828	1,819	1,819	1,819	1,819
Total Full-Time Equivalents	-	-	-	-	-	-
Impact of:						
2008 Program to Eliminate the Gap	-	-	(3)	(3)	(3)	(3)
Post 2008 Program to Eliminate the Gap	-	-	-	(1)	(1)	(1)
Total Positions	1,783	1,828	1,816	1,815	1,815	1,815
Non-Reimbursable	1,734	1,776	1,763	1,762	1,762	1,762
Reimbursable	49	52	53	53	53	53
Total Full-Time	1,783	1,828	1,816	1,815	1,815	1,815
Total Full-Time Equivalents	-	-	-	-	-	-

⁽¹⁾ includes Accounts Payable, Accounting, Payroll and Operating Budget staff.

⁽²⁾ includes Human Resources and Administration staff.

MTA BRIDGES AND TUNNELS
November Financial Plan 2008-2011
Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	2006 Actuals	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Administration						
Managers/Supervisors	39	43	43	43	43	43
Professional, Technical, Clerical	97	103	101	101	101	101
Operational Hourlies	-	-	-	-	-	-
Total Administration	136	146	144	144	144	144
Operations						
Managers/Supervisors	55	54	54	54	54	54
Professional, Technical, Clerical	54	56	55	55	55	55
Operational Hourlies ⁽¹⁾	674	682	691	691	691	691
Total Operations	783	792	800	800	800	800
Maintenance						
Managers/Supervisors	28	31	32	32	32	32
Professional, Technical, Clerical	56	58	60	60	60	60
Operational Hourlies ⁽¹⁾	311	303	303	303	303	303
Total Maintenance	395	392	395	395	395	395
Engineering/Capital						
Managers/Supervisors	36	39	39	39	39	39
Professional, Technical, Clerical	138	151	151	151	151	151
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	174	190	190	190	190	190
Public Safety						
Managers/Supervisors	11	14	14	14	14	14
Professional, Technical, Clerical	25	28	28	28	28	28
Operational Hourlies ⁽¹⁾	259	266	248	248	248	248
Total Public Safety	295	308	290	290	290	290
Total Baseline Positions						
Managers/Supervisors	169	181	182	182	182	182
Professional, Technical, Clerical	370	396	395	395	395	395
Operational Hourlies	1,244	1,251	1,242	1,242	1,242	1,242
Total Baseline Positions	1,783	1,828	1,819	1,819	1,819	1,819
Impact of:						
2008 Program to Eliminate the Gap	-	-	(3)	(3)	(3)	(3)
Post-2008 Program to Eliminate the Gap	-	-	-	(1)	(1)	(1)
Total GAP Positions						
Total Positions						
Managers/Supervisors	169	181	182	181	181	181
Professional, Technical, Clerical	370	396	394	394	394	394
Operational Hourlies	1,244	1,251	1,240	1,240	1,240	1,240
Total Positions	1,783	1,828	1,816	1,815	1,815	1,815

Capital Construction Company

MTA Capital Construction Company
2008 Final Proposed Budget
November Financial Plan 2008-2011

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 21st Century by planning, designing, and building projects in a timely, creative and cost-effective manner. Our work will enhance the options and quality of the MTA network and serve the changing transportation needs of its customers.

MTACC is the construction management organization responsible for all program management support of East Side Access, the Second Avenue Subway, No. 7 Line Extension, Lower Manhattan Fulton Street Transit Center, the new South Ferry Terminal Station complex, and system-wide capital security projects. MTACC is responsible for the design, construction, project controls and overall programmatic support for each of these projects.

The MTACC Administrative budget includes funding for specialty resources and consulting services that are provided agency-wide for all projects. In order to create efficient processes and standards, company wide, MTACC will provide management and controls support to all projects. All MTACC costs are 100% reimbursable from the MTA Capital Program. Several MTACC projects draw on federal funds.

Highlights

In December of 2006, a Full Funding Grant Agreement was signed with the Federal Transit Administration bringing \$2.63 billion in federal funding for the East Side Access project (ESA). A \$1.3 billion Full Funding Grant Agreement for the Second Avenue Subway (SAS) is anticipated in November 2007. As of November 2007, all system expansion projects are in construction.

In 2007, MTACC planned to award over \$3.5 billion in contracts. Approximately one billion dollars will be awarded to progress ESA and major work within and beneath Grand Central Terminal will begin. The first tunnel boring machine began operations in October 2007. April of 2007 marked the groundbreaking commencement of the SAS project with the award of the first contract to construct new tunnels under Second Avenue between 92nd and 63rd Streets. The first two contracts awarded on the Fulton Street Transit Center are in completed and are in the closeout phase. Bids for construction of the Transit Center Building are due in December. The construction of the new South Ferry Terminal Station has been underway for the last two years and is scheduled for completion in the summer of 2008. A funding agreement between the MTA and New York City to construct the No. 7 Line Extension was agreed to. The first contract for the No. 7 Line Extension totaling one billion dollars was awarded in November 2007. 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 develop its organization and refine staffing requirements. MTACC will 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 is hiring a core staff to directly manage the design and construction of the \$15 billion in capital projects it is responsible for. MTACC continues to draw from the expertise and support services available in other MTA agencies to supplement the core staff and 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. The current volume of construction underway in the region has made it difficult to hire qualified employees. MTACC will utilize consultant services to provide staff support in lieu of hiring.

2007 November Forecast

MTACC's 2007 November Forecast remains the same as the 2007 Mid-Year Forecast. Year end costs are projected at is \$28.636 million. This reflects a 16% decrease from the February 2007 Adopted Budget. Labor Costs are projected at \$14.875 million projecting a staffing level of 142 by year end, 5% lower than the 2007 Adopted Budget of 150. MTACC continues to trend below its projected headcount.

Projected staff includes 66 MTACC positions who support the system expansion projects and cannot charge directly to a specific project; 34 for the East Side Access project; 12 for the Second Avenue Subway project; 14 for the Lower Manhattan projects; and 16 for Security projects. MTACC is working with the MTA and employee recruitment agencies to develop strategies to recruit staff with the experience and technical skills required for these complex construction projects. Matrixed employees (employees of other agencies under temporary management by MTACC) and consultants will continue to support MTACC in lieu of hiring full time staff.

Non-Labor costs are projected at \$13.761 million, an increase of 8.21% from 2007 Adopted Budget. 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, cultural resource management, independent compliance monitor, archeological and environmental services, reimbursement of NYCT for administrative support staff and services, and other project

office costs such as the establishment of MTACC network, computer equipment, communications and supplies.

2008 Preliminary Budget - Baseline

In 2008 MTACC's main objectives will be to continue major construction and design of the MTA's system expansion projects while maintaining the MTA's commitment to safety and security. To accomplish this, MTACC projects 2008 costs at \$34.396 million, (less than one thousand dollars below the Mid-Year Forecast) a slight decrease of 2.0% over the 2007 Adopted Budget, and a year end headcount of 150.

Labor and fringe expenses are projected at \$22.918 million, a 7.81% decrease from the 2007 Adopted Budget. Labor costs decrease due to the projected hiring of employees by year end 2008. Allocation of staff and timing of start dates have been revised. Staff includes 67 MTACC positions who support the system expansion projects and cannot charge directly to a specific project; 38 for the East Side Access project; 13 for the Second Avenue Subway project; 15 for the Lower Manhattan projects; and 17 for Security projects.

Non-Labor costs are projected at \$11.478 million, a 29.5% increase from the 2007 Adopted Budget. This increase is for engineering and legal services, independent engineer and independent compliance monitor services, reimbursement of NYCT for administrative support staff and services, miscellaneous project related costs and other office costs such as communications and supplies.

Major assumptions and reconciliations to the 2007 Adopted Budget are discussed later.

2009 - 2011 Projections

During this time period MTACC will be managing multiple construction sites and billions of dollars in construction contracts. MTACC costs for 2009 are projected to increase by 3.68% over 2008, 2.05% in 2010, and 3.74% in 2011. Year-end staffing levels of 150 employees, remains constant through 2011.

Labor costs increased by 5.73% from 2008. In 2010 and 2011 labor costs and increase only by inflation. Non-labor expenses decrease by 0.41% in 2009 from the 2008 projected level. This decrease reflects a reduction in professional services and office furniture and equipment. Non-labor expenses remain constant in 2010 and 2011 with relatively no change in these years.

[illegible]

[illegible]

[illegible]

MTA Capital Construction Company
November Financial Plan 2008-2011
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

- 2007 Payroll costs are unchanged from the July Financial Plan.
- 2007 payroll costs reflect a projected year-end staffing level of 142. Costs are based on 2007 annualized projected salaries.
- 2008 payroll costs increase 58.2% due to an increased staff in 2008 and employees hired in the final quarter of 2007.
- 2008, 2009, 2010 and 2011 year end staffing levels remain constant at 150.
- Payroll costs are escalated from the prior year's base salary by 3.00%, 1.95% and 2.00% respectively in 2009, 2010 and 2011.

Other Fringe Benefits

- Other Fringe Benefit costs are unchanged from the July Financial Plan.
- Pension costs in 2008 increased 55.5% due to higher staffing. Pension costs remain constant in 2009 through 2011.
- Health and Welfare costs have been inflated by 4.02% in 2007, 12.52% in 2008, and 9.20% from 2009 through 2011.
- Other benefits have been escalated by 2.91%, 3.07%, 3.20% and 3.20% from 2008 through 2011 respectively.

Insurance

- 2007 includes insurance expenses for the All-Agency Protective Liability Program for all MTACC projects.
- 2007 costs remain the same as the July Plan.
- 2008 through 2011 costs are escalated by approximately 10% from 2007 through 2010.

Professional Service Contracts

- In 2007, costs are comprised of the oversight of company-wide construction support from specialty contractors, contractual employees such as URS consultants, environmental and archeological resources and miscellaneous project related costs. Also included are costs for Lower Manhattan real estate support, independent engineering and independent compliance monitor expenses in support of the capital projects.
- Costs are escalated by 2.10%, 2.21%, 2.08% and 2.13% for 2008 through 2011 respectively.
- Costs decrease in 2008 by 10.7%. Projected cultural resource management, environmental and archeological resources are reduced significantly in 2008 resulting in an overall decrease in professional services. Due to escalation rates, costs slightly decrease in 2010.

Materials and Supplies

- 2007 costs include safety equipment for field employees and general office supplies. 2008 through 2011 costs are based on 2007 projections. Costs are escalated by 2.10%, 2.21%, 2.08% and 2.13% for 2008 through 2011 respectively.

Other Business Expenses

- 2007 costs are comprised of wireless communication devices for staff, employee recruitment fees and automotive purchases. Additional expenditures include the procurement of office furniture and computer equipment for staff, printers, copiers, and establishing an MTACC network.
- Costs decrease by 59.83% in 2008 and 20.85% in 2009 because major procurements such as communication devices, automobiles, intranet printers, copiers, MTACC Network and the majority of computer equipment will be procured in 2007 and early 2008.
- 2008 through 2011 costs are escalated by 2.10%, 2.21%, 2.08% and 2.13% respectively.

MTA CAPITAL CONSTRUCTION
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)												
	2007	2008	Change 2008 - 2007	% change	2009	Change 2009 - 2008	% change	2010	Change 2010 - 2009	% change	2011	Change 2011 - 2010	% change
Revenue													
Farebox Revenue													
Vehicle Toll Revenue													
Other Operating Revenue													
Capital and Other Reimbursements	28.636	34.396	5.760	20.1%	35.662	1.266	3.68%	36.393	0.731	2.05%	37.756	1.363	3.74%
Total Revenue	\$28.636	\$34.396	\$5.760	20.1%	\$35.662	\$1.266	3.68%	\$36.393	\$0.731	2.05%	\$37.756	\$1.363	3.74%
Expenses													
Labor:													
Payroll	\$9.624	\$15.227	(\$5.604)	58.2%	\$15.735	(\$0.508)	3.34%	\$16.042	(\$0.307)	1.95%	\$16.363	(\$0.321)	2.00%
Overtime	0.000	0.000			0.000			0.000			0.000		
Health and Welfare	1.518	2.732	(1.215)	80.0%	3.265	(0.532)	19.49%	3.856	(0.592)	18.12%	4.523	(0.666)	17.28%
Pensions	1.236	1.923	(0.686)	55.5%	2.050	(0.127)	6.63%	2.160	(0.110)	5.36%	2.277	(0.117)	5.41%
Other Fringe Benefits	2.497	3.036	(0.539)	21.6%	3.181	(0.145)	4.77%	3.305	(0.124)	3.89%	3.402	(0.098)	2.96%
Reimbursable Overhead													
Total Labor Expenses	\$14.875	\$22.918	(\$8.043)	54.1%	\$24.231	(\$1.313)	5.73%	\$25.363	(\$1.132)	4.67%	\$26.565	(\$1.202)	4.74%
Non-Labor:													
Traction and Propulsion Power													
Fuel for Buses and Trains													
Insurance	1.003	1.104	(0.100)	10.0%	1.214	(0.110)	10.00%	1.336	(0.121)	10.00%	1.469	(0.134)	10.00%
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	10.593	9.461	1.132	-10.7%	9.477	(0.016)	0.17%	8.939	0.537	-5.67%	9.056	(0.117)	1.31%
Materials & Supplies	0.080	0.076	0.004	-5.4%	0.077	(0.001)	1.58%	0.078	(0.001)	1.49%	0.079	(0.001)	1.53%
Other Business Expenses	2.084	0.837	1.247	-59.83%	0.663	0.175	-20.85%	0.677	(0.014)	2.15%	0.586	0.091	-13.40%
Total Non-Labor Expenses	\$13.761	\$11.478	\$2.283	-16.6%	\$11.431	\$0.047	-0.41%	\$11.030	\$0.401	-3.50%	\$11.191	(\$0.161)	1.46%
Other Expenses Adjustments:													
Other													
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000		\$0.000	\$0.000		\$0.000	\$0.000		\$0.000	\$0.000	
Total Expenses before Depreciation	\$28.636	\$34.396	(\$5.760)	20.1%	\$35.662	(\$1.266)	3.68%	\$36.393	(\$0.731)	2.05%	\$37.756	(\$1.363)	3.74%
Depreciation			0.000			0.000			0.000			0.000	
Total Expenses	\$28.636	\$34.396	(\$5.760)	20.1%	\$35.662	(\$1.266)	3.68%	\$36.393	(\$0.731)	2.05%	\$37.756	(\$1.363)	3.74%
Baseline Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000		\$0.000	\$0.000		\$0.000	\$0.000		\$0.000	\$0.000	
Program to Eliminate the Gap													
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000		\$0.000	\$0.000		\$0.000	\$0.000		\$0.000	\$0.000	

MTA Capital Construction
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)												
	2007	2008	Change 2008 - 2007	% change	2009	Change 2009 - 2008	% change	2010	Change 2010 - 2009	% change	2011	Change 2011 - 2010	% change
<u>Receipts</u>													
Farebox Revenue													
Vehicle Toll Revenue													
Other Operating Revenue													
Capital and Other Reimbursements	28.636	34.396	5.760	20.1%	35.662	1.266	3.68%	36.393	0.731	2.05%	37.756	1.363	3.74%
Total Receipts	\$28.636	\$34.396	\$5.760	20.1%	\$35.662	\$1.266	3.68%	\$36.393	\$0.731	2.05%	\$37.756	\$1.363	3.74%
<u>Expenditures</u>													
Labor:													
Payroll	\$9.624	\$15.227	(\$5.604)	58.2%	\$15.735	(\$0.508)	3.34%	\$16.042	(\$0.307)	1.95%	\$16.363	(\$0.321)	2.00%
Overtime													
Health and Welfare	1.518	2.732	(1.215)	80.0%	3.265	(0.532)	19.49%	3.856	(0.592)	18.12%	4.523	(0.666)	17.28%
Pensions	1.236	1.923	(0.686)	55.5%	2.050	(0.127)	6.63%	2.160	(0.110)	5.36%	2.277	(0.117)	5.41%
Other Fringe Benefits	2.497	3.036	(0.539)	21.6%	3.181	(0.145)	4.77%	3.305	(0.124)	3.89%	3.402	(0.098)	2.96%
Reimbursable Overhead													
Total Labor Expenditures	\$14.875	\$22.918	(\$8.043)	54.1%	\$24.231	(\$1.313)	5.73%	\$25.363	(\$1.132)	4.67%	\$26.565	(\$1.202)	4.74%
Non-Labor:													
Traction and Propulsion Power													
Fuel for Buses and Trains													
Insurance	1.003	1.104	(0.100)	10.0%	1.214	(0.110)	10.00%	1.336	(0.121)	10.00%	1.469	(0.134)	10.00%
Claims													
Paratransit Service Contracts													
Maintenance and Other Operating Contracts													
Professional Service Contracts	10.593	9.461	1.132	-10.7%	9.477	(0.016)	0.17%	8.939	0.537	-5.67%	9.056	(0.117)	1.31%
Materials & Supplies	0.080	0.076	0.004	-5.4%	0.077	(0.001)	1.58%	0.078	(0.001)	1.49%	0.079	(0.001)	1.53%
Other Business Expenses	2.084	0.837	1.247	-59.8%	0.663	0.175	-20.85%	0.677	(0.014)	2.15%	0.586	0.091	-13.40%
Total Non-Labor Expenditures	\$13.761	\$11.478	\$2.283	-16.6%	\$11.431	\$0.047	-0.41%	\$11.030	\$0.401	-3.50%	\$11.191	(\$0.161)	1.46%
Other Expenditure Adjustments:													
Other													
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	0.0%	\$0.000	\$0.000	0.00%	\$0.000	\$0.000	0.00%	\$0.000	\$0.000	0.00%
Total Expenditures	\$28.636	\$34.396	(\$5.760)	20.1%	\$35.662	(\$1.266)	3.68%	\$36.393	(\$0.731)	2.05%	\$37.756	(\$1.363)	3.74%
Baseline Net Cash Deficit	\$0.000	\$0.000	\$0.000		\$0.000	\$0.000		\$0.000	\$0.000		\$0.000	\$0.000	
PEG Program													
Net Cash Deficit	\$0.000	\$0.000	\$0.000		\$0.000	\$0.000		\$0.000	\$0.000		\$0.000	\$0.000	

**MTA Capital Construction Company
November Financial Plan 2008-2011
Summary of Changes Between Financial Plans 2007-2011**

2007: November Financial Plan vs. July Financial Plan

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

2008 - 2011: November Financial Plan vs. July Financial Plan

Projections for 2008 have decreased by \$.001 million from the July Financial Plan due to inflation. MTACC costs reflect anticipated progress in major construction of capital projects and full staff levels of 150 by year end.

2009-2011 staffing levels remain constant at 150. Labor and non-labor costs are slightly higher than the July Mid-Year Forecast and have increased by .01%, .01%, and .02% respectively.

MTA CAPITAL CONSTRUCTION
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Capital and Other Reimbursement	0.000	(0.001)	0.003	0.005	0.007
Total Revenue Changes	\$0.000	(\$0.001)	\$0.003	\$0.005	\$0.007
Expenses					
Labor:					
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Health and Welfare	0.000	0.000	0.000	0.000	0.000
Pensions	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains					
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	0.001	(0.002)	(0.003)	(0.004)
Materials & Supplies	0.000	0.000	(0.000)	(0.000)	(0.000)
Other Business Expenses	0.000	0.000	(0.001)	(0.002)	(0.002)
Total Non-Labor Expense Changes	\$0.000	\$0.001	(\$0.003)	(\$0.005)	(\$0.007)
Total Expense Changes	\$0.000	\$0.001	(\$0.003)	(\$0.005)	(\$0.007)
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)	(\$0.000)
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)	(\$0.000)

**MTA Capital Construction Company
2008 Preliminary Budget
November Financial Plan 2008-2011**

Position Assumptions

All MTACC costs are reimbursable from the MTA Capital Program. The November Financial Plan projects 2007 year end staffing of 142. Staffing levels reach 150 in 2008 and remain constant at that level.

The 2007 Year-End Staffing level includes 66 MTACC administrative positions and 76 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 2008-2011
Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2006 Actuals	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Administration						
MTACC	21	54	55	55	55	55
Engineering/Capital						
MTACC	12	12	12	12	12	12
East Side Access	19	34	38	38	38	38
Security	6	16	17	17	17	17
Second Avenue Subway	3	12	13	13	13	13
Lower Manhattan Project	7	14	15	15	15	15
Total Engineering/Capital	47	88	95	95	95	95
Total Baseline Positions	68	142	150	150	150	150
<i>Non-Reimbursable</i>	-	-	-	-	-	-
<i>Reimbursable</i>	68	142	150	150	150	150
<i>Total Full-Time</i>	68	142	150	150	150	150
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

MTA CAPITAL CONSTRUCTION
November Financial Plan 2008-2011
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP		2006 Actuals	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Administration							
	Managers/Supervisors						
	Professional, Technical, Clerical	21	54	55	55	55	55
	Operational Hourlies						
	Total Administration	21	54	55	55	55	55
Operations							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Operations	-	-	-	-	-	-
Maintenance							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Maintenance	-	-	-	-	-	-
Engineering/Capital							
	Managers/Supervisors						
	Professional, Technical, Clerical	47	88	95	95	95	95
	Operational Hourlies						
	Total Engineering/Capital	47	88	95	95	95	95
Public Safety							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Public Safety	-	-	-	-	-	-
Total Baseline Positions							
	Managers/Supervisors						
	Professional, Technical, Clerical	68	142	150	150	150	150
	Operational Hourlies						
	Total Baseline Positions	68	142	150	150	150	150

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Long Island Bus

**MTA Long Island Bus
2008 Final Proposed Budget
November Financial Plan 2008 - 2011**

MISSION STATEMENT

MTA Long Island Bus (LI Bus) is dedicated to meeting the public's need for high-quality transit service throughout Nassau, western Suffolk and eastern Queens counties. Every employee of the agency is committed to delivering safe, reliable, efficient and courteous transportation for all our customers. We achieve this through teamwork and by demonstrating the highest degree of professional integrity.

AGENCY OVERVIEW

LI Bus operates the largest 100% Clean Fuel, Compressed Natural Gas (CNG) fleet in the eastern USA. This benefits the environment, passengers and the 96 communities that it serves. The fleet size of 332 buses also provide service to 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 2006, ridership grew by 3.4% over the 2005 record level to 32.2 million. This outstanding benchmark and a series of bad weather days in the first half of 2007 have held ridership numbers on par with the 2006 levels. However, slight gains are forecasted based on the historically higher last quarter ridership.

The Able-Ride Paratransit fleet is comprised of 85 fully equipped buses that offer curb-to-curb transportation for eligible customers with disabilities and who are unable to use the fixed route bus system. Through a certification program and innovative scheduling, denial rates and missed trips goals have been met. Ridership has responded accordingly with record level gains in 2006. A total of .35 million customers used this service in 2006, representing an 8.5% increase over 2005. The forecasted 0.5% increase in 2007 is on target.

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. The phased implementation of better electronic signage and trip planning tools is currently being installed in the Mineola intermodal facility. The second phase will include the Hempstead Transit Center and will compliment other rehabilitation projects currently being planned.

The replacement schedule for fixed route and paratransit buses is now finalized. A low-floor fixed route CNG model will be introduced to the LI Bus fleet with the new replacements. Additional specifications aimed at procuring the most reliable, comfortable and technologically advanced paratransit vehicle were included in the current bus order.

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. LI Bus was the recipient of the 2006 MTA Chairman's Safety Award for reducing its employee lost time incident rate and it serves as a positive reinforcement for the continued participation of all employees. With capital funding, LI Bus is continuing to enhance its physical and technological infrastructure to maximize efficiency and longevity.

FINANCIAL OVERVIEW

LI Bus has experienced considerable ridership growth over the past three years on both its fixed route and paratransit service. Trend analysis suggests that there would be room for growth if additional operating and capital funding were available. The attached statements reflect the best utilization of approved funding so that current levels of service, safety and security can be maintained.

Favorable adjustments were made to the July and November plans to account for cost savings in payroll related items and health and welfare costs. The volatility of fuel and utility rates continue to impact the cost of operations. Adjustments to this line item budget reflect the approved inflation guidelines. The indirect impact is also visible in the increased prices of material, parts and service costs.

Major operating financial challenges surround the additional expenses associated with maintaining older buses that were held in service due to delays in the delivery of new replacements. This issue has a carry-over effect into 2008 because delivery is not expected until after July 2008.

Two major capital programs are currently underway, the purchase of fixed route and paratransit buses and the rehabilitation of the paratransit facility. Other capital projects on the Transportation Improvement Program (TIP) are not fully funded.

Subsidy funding remains an overriding issue as LI Bus seeks additional assistance from Nassau County to meet new needs and cover the basic effects of inflation. Nassau County funding has remained flat over the past four years. The cyclical financial uncertainty adds to the challenge of balancing service levels and effectiveness, with cost containment objectives.

LI Bus has embedded cost saving programs that continue to contribute to the MTA Agency wide cost savings program and has met all past PEG commitments. Additional real savings of \$3.5 million was achieved in 2006 and contributed to a favorable opening cash balance in 2007.

A major claims judgment awarded a \$4.5 million payment to the plaintiff. Two recent noteworthy accidents will impact liability reserve accounts in the near future.

LI Bus will continue to monitor internal controllable expenses while maximizing subsidies and other revenue sources to effectively meet our service and safety commitments.

2007 November Forecast

The net change over the 2007 July Mid-Year forecast was an increase of \$.2 million before the addition of OPEB provisions. There was no change in revenue.

The net change in the labor category was a decrease of \$.2 million.

- Higher than forecasted vacancies contributed a net \$.1 million between payroll and overtime.
- Health and welfare continues to be favorably affected by vacancies and a savings of \$.1 million was recognized.

Additional funding of \$.5 million is needed to address the increased maintenance and repair requirements of the older buses held in service, due to the uncontrollable delays in replacement bus deliveries. A higher than CPI average increase in material and parts costs also contributed to the new need.

A provision for other post employment benefits (OPEB) of \$4.8 million was added to the November Plan.

Program to Eliminate the Gap (PEGs)

LI Bus has applied for Internal Revenue Service CNG tax credits that, contingent on its approval, will be used toward deficit reduction and new PEG target compliance.

2008 – Final Proposed Budget – Baseline

Total revenue is projected to be \$49.2 million of which \$40.7 million is expected from farebox receipts. The plan forecasts \$99.6 million in labor and \$37.8 million in non-labor expenses for a total of \$137.4 million for full year 2008.

Revenue declined by \$.7 million due to lower than forecasted grant reimbursement for preventive maintenance. The July Plan included an increase of \$.7 million in capital reimbursement funding. This was reassigned to the fixed route bus purchase expense line.

There were no programmatic changes included in the 2008 final proposed budget.

Excluding OPEB, changes in expenses are reflective of the updated CPI's used, and/or adjustment to the 2007 baseline. These baseline adjustments include the funding of additional repairs, maintenance and material usage costs. Net change in expenses over the July Plan was \$2.3 million.

Based on the CPI guidelines, fuel cost will add \$1.3 million to the July estimate. This was due mainly to a significant increase in the CNG inflator of 20.4% over the 2007 baseline.

The qualified tax credit derived from the use of CNG as propulsion fuel was submitted to the IRS and if approved, it will be applied towards the 2008 deficit reduction and the overall target reduction program.

Provisions for other post employment benefits (OPEB) of \$4.9 million was added to the November plan.

2009 – 2011 Projections

This plan supports ridership increases of .5% per year. If higher trends prevail, additional resources will be required to meet the increased demand.

Farebox revenue forecast mirrors the .5% ridership increase in that no major shift in average fares is anticipated.

There was no change in labor expense assumptions from the July 2007 Plan.

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

Fuel and utilities annual baseline changes reflect the November 2007 Plan adjustments and issued rate guidelines.

Total baseline positions remain at 1,153 of which 14 are reimbursable.

Provisions for other post employment benefits (OPEB) of \$5.0 –2009, \$5.3 – 2010 and \$5.4 - 2011 million was added to the November Plan.

MTA LONG ISLAND BUS
November Financial Plan 2008- 2011
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2006	2007	2008			
	Actual	November Forecast	Final Proposed Budget	2009	2010	2011
Operating Revenue						
Farebox Revenue	\$ 40.446	\$ 40.466	\$ 40.668	\$ 40.872	\$ 41.076	\$ 41.281
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	4.641	3.007	2.582	2.489	2.297	2.505
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$45.087	\$43.473	\$43.250	\$43.361	\$43.373	\$43.786
Operating Expenses						
<u>Labor:</u>						
Payroll	\$ 59.318	\$ 61.564	\$ 64.489	\$ 65.881	\$ 67.166	\$ 68.509
Overtime	5.514	5.761	5.548	5.659	5.769	5.885
Health and Welfare	11.253	12.122	13.753	15.018	16.400	17.909
Pensions	5.291	5.586	5.777	5.901	6.016	6.136
Other Fringe Benefits	6.985	7.176	7.359	7.513	7.659	7.813
Pattern Labor Provision	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$88.361	\$92.209	\$96.926	\$99.972	\$103.011	\$106.252
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	10.959	11.246	13.167	13.679	13.100	12.716
Insurance	0.829	0.343	0.583	0.399	0.445	0.715
Claims	4.459	3.428	3.483	3.537	3.602	3.672
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	7.740	9.541	10.132	10.377	10.524	10.695
Professional Service Contracts	1.771	1.941	1.982	2.026	2.068	2.112
Materials & Supplies	2.468	4.432	4.743	3.596	3.751	3.913
Other Business Expenses	0.070	0.356	0.415	0.424	0.432	0.442
Total Non-Labor Expenses	\$28.296	\$31.287	\$34.504	\$34.037	\$33.922	\$34.264
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$116.657	\$123.497	\$131.430	\$134.009	\$136.933	\$140.516
Depreciation	-	-	-	-	-	-
Other Post Employment Benefits	-	4.800	4.900	5.000	5.300	5.400
Total Expenses	\$116.657	\$128.297	\$136.330	\$139.009	\$142.233	\$145.916
Baseline Surplus/(Deficit)	(\$71.570)	(\$84.824)	(\$93.079)	(\$95.649)	(\$98.860)	(\$102.130)
2008 Program to Eliminate the Gap (PEGs)	-	1.139	2.277	2.277	1.139	-
Post 2008 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Net Surplus/(Deficit)	(\$71.570)	(\$83.685)	(\$90.802)	(\$93.372)	(\$97.721)	(\$102.130)

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MTA LONG ISLAND BUS
November Financial Plan 2008- 2011
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2006	2007	2008			
	Actual	November Forecast	Final Proposed Budget	2009	2010	2011
Revenue						
Farebox Revenue	\$ 40.446	\$ 40.466	\$ 40.668	\$ 40.872	\$ 41.076	\$ 41.281
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	4.641	3.007	2.582	2.489	2.297	2.505
Capital and Other Reimbursements	5.568	5.761	5.973	6.854	7.039	7.240
Total Revenue	\$50.655	\$49.234	\$49.223	\$50.214	\$50.412	\$51.026
Expenses						
<u>Labor:</u>						
Payroll	\$ 60.029	\$ 62.439	\$ 65.391	\$ 66.810	\$ 68.112	\$ 69.475
Overtime	5.514	5.761	5.548	5.659	5.769	5.885
Health and Welfare	12.599	13.573	15.385	16.800	18.346	20.034
Pensions	5.406	5.658	5.851	5.977	6.094	6.215
Other Fringe Benefits	7.081	7.239	7.424	7.580	7.728	7.882
Pattern Labor Provision	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$90.629	\$94.670	\$99.598	\$102.826	\$106.049	\$109.491
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	10.959	11.246	13.167	13.679	13.100	12.716
Insurance	0.829	0.343	0.583	0.399	0.445	0.715
Claims	4.459	3.428	3.483	3.537	3.602	3.672
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	7.740	9.541	10.132	10.377	10.524	10.695
Professional Service Contracts	1.771	1.941	1.982	2.026	2.068	2.112
Materials & Supplies	5.768	7.732	8.043	7.596	7.751	7.913
Other Business Expenses	0.070	0.356	0.415	0.424	0.432	0.442
Total Non-Labor Expenses	\$31.596	\$34.587	\$37.804	\$38.037	\$37.922	\$38.264
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$122.225	\$129.257	\$137.402	\$140.863	\$143.971	\$147.755
Depreciation	-	-	-	-	-	-
Other Post Employment Benefits	-	4.800	4.900	5.000	5.300	5.400
Total Expenses	\$122.225	\$134.057	\$142.302	\$145.863	\$149.271	\$153.155
Baseline Surplus/(Deficit)	(\$71.570)	(\$84.823)	(\$93.079)	(\$95.649)	(\$98.859)	(\$102.130)
2008 Program to Eliminate the Gap (PEGs)	-	1.139	2.277	2.277	1.139	-
Post 2008 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Net Surplus/(Deficit)	(\$71.570)	(\$83.685)	(\$90.802)	(\$93.372)	(\$97.721)	(\$102.130)

MTA LONG ISLAND BUS
November Financial Plan 2008- 2011
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES

	2006	2007	2008			
	Actual	November	Final Proposed	2009	2010	2011
		Forecast	Budget			
Receipts						
Farebox Revenue	\$ 40.188	\$ 40.358	\$ 40.505	\$ 41.472	\$ 40.966	\$ 41.171
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	6.199	2.767	2.532	2.439	2.247	2.455
Capital and Other Reimbursements	4.944	6.145	5.686	6.521	6.668	6.828
Total Receipts	\$51.331	\$49.270	\$48.723	\$50.432	\$49.881	\$50.454
Expenditures						
<u>Labor:</u>						
Payroll	\$ 58.663	\$ 63.665	\$ 65.054	\$ 68.922	\$ 67.772	\$ 69.129
Overtime	5.562	5.731	5.515	5.840	5.733	5.847
Health and Welfare	12.606	13.528	15.334	16.744	18.285	19.968
Pensions	5.104	5.047	5.686	5.806	5.917	6.032
Other Fringe Benefits	6.585	7.957	7.384	7.820	7.686	7.838
Pattern Labor Provision	-	-	-	-	-	-
GASB Account	-	0.298	0.308	0.318	0.327	0.338
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$88.520	\$96.226	\$99.281	\$105.450	\$105.720	\$109.152
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	10.325	10.996	12.902	13.401	12.806	12.415
Insurance	0.038	1.504	0.583	0.399	0.445	0.715
Claims	2.135	8.747	3.435	3.486	3.548	3.612
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	7.528	9.489	9.958	10.200	10.344	10.511
Professional Service Contracts	1.884	1.883	1.913	1.947	1.982	2.018
Materials & Supplies	5.876	7.632	7.940	7.491	7.644	7.804
Other Business Expenses	0.626	0.336	0.392	0.399	0.407	0.414
Total Non-Labor Expenditures	\$28.412	\$40.587	\$37.123	\$37.323	\$37.176	\$37.489
<u>Other Expenditure Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$116.932	\$136.813	\$136.404	\$142.773	\$142.896	\$146.641
Baseline Cash Deficit	(\$65.601)	(\$87.543)	(\$87.681)	(\$92.341)	(\$93.015)	(\$96.187)
2008 Program to Eliminate the Gap (PEGs)	-	1.139	2.277	2.277	1.139	-
Post 2008 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Net Cash Deficit	(\$65.601)	(\$86.405)	(\$85.404)	(\$90.064)	(\$91.876)	(\$96.187)

MTA LONG ISLAND BUS
November Financial Plan 2008- 2011
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2006	2007	2008			
	Actual	November Forecast	Final Proposed Budget	2009	2010	2011
Receipts						
Farebox Revenue	\$ (0.258)	\$ (0.108)	\$ (0.163)	\$ 0.600	\$ (0.110)	\$ (0.111)
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	1.558	(0.240)	(0.050)	(0.050)	(0.050)	(0.050)
Capital and Other Reimbursements	(0.624)	0.384	(0.287)	(0.333)	(0.371)	(0.412)
Total Receipts	\$0.676	\$0.036	(\$0.500)	\$0.218	(\$0.531)	(\$0.572)
Expenditures						
<u>Labor:</u>						
Payroll	\$ 1.366	\$ (1.226)	\$ 0.337	\$ (2.112)	\$ 0.340	\$ 0.346
Overtime	(0.048)	0.030	0.033	(0.181)	0.036	0.038
Health and Welfare	(0.007)	0.045	0.051	0.056	0.061	0.066
Pensions	0.302	0.611	0.165	0.171	0.177	0.183
Other Fringe Benefits	0.496	(0.718)	0.040	(0.240)	0.042	0.044
Pattern Labor Provision	-	-	-	-	-	-
GASB Account	-	(0.298)	(0.308)	(0.318)	(0.327)	(0.338)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$2.109	(\$1.556)	\$0.317	(\$2.624)	\$0.328	\$0.339
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	0.634	0.250	0.265	0.278	0.294	0.301
Insurance	0.791	(1.161)	-	-	-	-
Claims	2.324	(5.319)	0.048	0.051	0.054	0.060
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	0.212	0.052	0.174	0.177	0.180	0.184
Professional Service Contracts	(0.113)	0.058	0.069	0.079	0.086	0.094
Materials & Supplies	(0.108)	0.100	0.103	0.105	0.107	0.109
Other Business Expenditures	(0.556)	0.020	0.023	0.025	0.025	0.028
Total Non-Labor Expenditures	\$3.184	(\$6.000)	\$0.681	\$0.714	\$0.746	\$0.775
<u>Other Expenditures Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expenditures Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	\$5.969	(\$7.520)	\$0.498	(\$1.692)	\$0.544	\$0.542
Depreciation Adjustment	-	-	-	-	-	-
Other Post Employment Benefits	-	4.800	4.900	5.000	5.300	5.400
Baseline Total Cash Conversion Adjustments	\$5.969	(\$2.720)	\$5.398	\$3.308	\$5.844	\$5.942
2008 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Post 2008 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Total Cash Conversion Adjustments	\$5.969	(\$2.720)	\$5.398	\$3.308	\$5.844	\$5.942

MTA Long Island Bus
2008 Final Proposed Budget
November Financial Plan 2008 - 2011
Year-to-Year Summary of Changes: 2007 – 2011

1. REVENUE

- **Farebox:**

- **2007:** The minor change over 2006 reflects current ridership trends. Year-to-date ridership is on par with the 2006 level while the minor increase in revenue shown, is reflective of higher 4th quarter ridership projections.
- **2008 – 2011:** Farebox revenue is projected to increase by \$.2 million in 2008. An identical .5% annual growth rate is forecasted for the other plan years.

- **Other Operating Revenue**

- **2007 – 2011:** This budget category includes advertising, LIRR scheduled shuttles and operating grants. Based on contract expiration, renewal and grant availability, terms and assumptions may vary annually. Such changes are reflected in the current plan, each with unique variables in a given year.

- **Capital & Other Reimbursements**

- **2007 – 2011:** The preventive maintenance reimbursable portion of this category remained at the 2006 level of \$3.3 million through 2008. An increase of \$.7 million is projected for the 2008 – 2011 plan period. All other annual changes reflect the use of guideline CPI factors affecting health and welfare cost reimbursements.

2. LABOR EXPENSES

- **Payroll/Overtime:**

- **2007:** Vacancy savings were used to offset expenses while baseline changes were made to the 2007 July plan to fund segments of existing service beyond March 2007. All other pattern labor assumptions were unchanged. The TWU represented labor contract has been ratified and all contractual retroactive cash payments will be made in November 2007.
- **2008 – 2011:** Year-to-year variances were due to the application of CPI's on the prior year's base. Labor provision assumptions are effective through 2008 with guideline CPI's utilized in the remaining plan years.

There is an extra pay period in 2009 and the appropriate cash was added to the relevant line items.

- **Health & Welfare**

- **2007:** Health Insurance costs were adjusted to the guideline net premium rate of 4.02%. This produced a \$.3 million savings.
- **2008 – 2011:** Rates for 2008 are projected to increase by 12.5% and by 9.2% for the remaining plan years. These factors account for the changes between the annual budgets.

- **Pension**

- **2007:** There were no accrual changes to the 2007 baseline.
- **2008 – 2011:** Year-to-year changes reflect CPI application to base numbers.

- **Other Fringe Benefits**

- **2007 – 2011:** Year-to-year changes are due to the inflators used. The TWU represented labor contract has been ratified and all contractual retroactive cash payments will be made in November 2007.

2. NON LABOR EXPENSES

- **Fuel:**

- **2007 – 2011:** The baseline rates are unchanged for the remainder of the 2007 plan. Annual usage related to service/vehicle miles also remains constant through the 2008-2011 Plan, as funding for future expansion has not yet been identified. Plan year changes are, therefore, the result of using fuel guideline rates applicable to each fuel type and plan year. The fuel total is therefore a net result of the inflators applied for diesel, compressed natural gas (CNG) and lubricants. The most significant change is for CNG which is projected to increase by 20.4% over 2007. The net change for the overall fuel category is as follows: 17.1% - 2008, 3.9% - 2009, (4.3%) - 2010 and (2.9%) in 2011.

- **Insurance**

- **2007 – 2011:** Annual changes were based on rate and payment schedule directives. The 2007 cash variance includes timing variances from 2006.

- **Claims**

- **2007 – 2011:** Annual and plan changes are influenced by reserve requirements. This plan utilized current data and will be assessed on an ongoing basis. The 2007 cash variance includes timing variances from 2006 and a \$4.5 million payment in 2007.

- **Maintenance & Other Operating Contracts**

- **2007:** The 2007 baseline was increased due to new bus maintenance needs related to delayed bus replacements.
- **2008 – 2011:** Guideline CPI's were applied to the 2007 adjusted baseline and to each years baseline thereafter. This category includes utilities and the applicable guideline rates were applied.

- **Professional Service Contracts**

- **2007 – 2011:** Changes between plan years are due to the application of guideline CPI's to each plan year baseline numbers.

- **Material & Supplies**

- **2007:** Unit price of material and parts increased above CPI rates and adjustments were made to cover this and other shortfalls caused by higher usage.
- **2008 – 2011:** Similar adjustments were made to compensate for the expected higher usage during the first six months of 2008, after which time, usage is expected to gradually normalize as the first delivery of replacement buses arrive. Changes in all other plan years show the effect of the CPI's used.

- **Other Business Expenses**

- **2007 – 2011:** There were no major changes in this category.

- **Other Post Employment Benefits**

- **2007 – 2011:** Provisions for OPEB was added to each year of this plan period.

MTA LONG ISLAND BUS
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
<u>Revenue</u>									
Farebox Revenue	\$40.466	\$40.668	\$0.202	\$40.872	\$0.203	\$41.076	\$0.204	\$41.281	\$0.205
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	3.007	2.582	(0.425)	2.489	(0.093)	2.297	(0.192)	2.505	0.208
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Total Revenue	\$43.473	\$43.250	(\$0.223)	\$43.361	\$0.110	\$43.373	\$0.012	\$43.786	\$0.413
<u>Expenses</u>									
Labor:									
Payroll	\$61.564	\$64.489	(\$2.925)	\$65.881	(\$1.392)	\$67.166	(\$1.285)	\$68.509	(\$1.343)
Overtime	5.761	5.548	0.213	5.659	(0.112)	5.769	(0.110)	5.885	(0.115)
Health and Welfare	12.122	13.753	(1.631)	15.018	(1.265)	16.400	(1.382)	17.909	(1.509)
Pensions	5.586	5.777	(0.191)	5.901	(0.124)	6.016	(0.115)	6.136	(0.120)
Other Fringe Benefits	7.176	7.359	(0.183)	7.513	(0.154)	7.659	(0.147)	7.813	(0.153)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$92.209	\$96.926	(\$4.716)	\$99.972	(\$3.047)	\$103.011	(\$3.038)	\$106.252	(\$3.241)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	\$11.246	\$13.167	(1.921)	\$13.679	(0.512)	\$13.100	0.579	\$12.716	0.384
Insurance	0.343	0.583	(0.240)	0.399	0.184	0.445	(0.046)	0.715	(0.270)
Claims	3.428	3.483	(0.055)	3.537	(0.054)	3.602	(0.065)	3.672	(0.070)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	9.541	10.132	(0.591)	10.377	(0.245)	10.524	(0.147)	10.695	(0.171)
Professional Service Contracts	1.941	1.982	(0.041)	2.026	(0.044)	2.068	(0.042)	2.112	(0.044)
Materials & Supplies	4.432	4.743	(0.311)	3.596	1.147	3.751	(0.155)	3.913	(0.162)
Other Business Expenses	0.356	0.415	(0.059)	0.424	(0.009)	0.432	(0.009)	0.442	(0.009)
Total Non-Labor Expenses	\$31.287	\$34.504	(\$3.217)	\$34.037	\$0.467	\$33.922	\$0.115	\$34.264	(\$0.342)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$123.497	\$131.430	(\$7.933)	\$134.009	(\$2.580)	\$136.933	(\$2.923)	\$140.516	(\$3.583)
Depreciation	-	-	-	-	-	-	-	-	-
Other Post Employment Benefits	4.800	4.900	(0.100)	5.000	(0.100)	5.300	(0.300)	5.400	(0.100)
Total Expenses	\$128.297	\$136.330	(\$8.033)	\$139.009	(\$2.680)	\$142.233	(\$3.223)	\$145.916	(\$3.683)
Baseline Net Surplus/(Deficit)	(\$84.824)	(\$93.079)	(\$8.256)	(\$95.649)	(\$2.569)	(\$98.860)	(\$3.211)	(\$102.130)	(\$3.270)
2008 Agency Program to Eliminate the GAP	1.139	2.277	1.139	2.277	0.000	1.139	(1.139)	0.000	(1.139)
Post-2008 Agency Program to Elim. The Gap	-	-	-	-	-	-	-	-	-
Net Surplus/(Deficit)	(\$83.685)	(\$90.802)	(\$7.117)	(\$93.372)	(\$2.569)	(\$97.721)	(\$4.349)	(\$102.130)	(\$4.409)

MTA Long Island Bus
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
<u>Revenue</u>									
Farebox Revenue	-	-	-	-	-	-	-	-	-
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	5.761	5.973	0.212	6.854	0.881	7.039	0.185	7.240	0.201
Total Revenue	\$5.761	\$5.973	\$0.212	\$6.854	\$0.881	\$7.039	\$0.185	\$7.240	\$0.201
<u>Expenses</u>									
Labor:									
Payroll	\$0.875	\$0.901	(\$0.026)	\$0.928	(\$0.027)	\$0.946	(\$0.018)	\$0.965	(\$0.019)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	1.451	1.632	(0.181)	1.782	(0.150)	1.946	(0.164)	2.125	(0.179)
Pensions	0.072	0.074	(0.002)	0.076	(0.002)	0.078	(0.001)	0.079	(0.002)
Other Fringe Benefits	0.063	0.065	(0.002)	0.067	(0.002)	0.068	(0.001)	0.070	(0.001)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$2.461	\$2.672	(\$0.212)	\$2.853	(\$0.181)	\$3.038	(\$0.185)	\$3.239	(\$0.201)
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	3.300	3.300	0.000	4.000	(0.700)	4.000	0.000	4.000	0.000
Other Business Expenses	-	-	-	-	-	-	-	-	-
Total Non-Labor Expenses	\$3.300	\$3.300	\$0.000	\$4.000	(\$0.700)	\$4.000	\$0.000	\$4.000	\$0.000
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$5.761	\$5.972	(\$0.212)	\$6.853	(\$0.881)	\$7.038	(\$0.185)	\$7.239	(\$0.201)
Depreciation	-	-	-	-	-	-	-	-	-
Other Post Employment Benefits	-	-	-	-	-	-	-	-	-
Total Expenses	\$5.761	\$5.972	(\$0.212)	\$6.853	(\$0.881)	\$7.038	(\$0.185)	\$7.239	(\$0.201)
Baseline Net Surplus/(Deficit)	\$0.000	\$0.000	(\$0.000)	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000
2008 Agency Program to Eliminate the GAP	-	-	-	-	-	-	-	-	-
Post-2008 Agency Program to Elim. The Gap	-	-	-	-	-	-	-	-	-
Net Surplus/(Deficit)	\$0.000	\$0.000	(\$0.000)	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000

MTA Long Island Bus
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
Revenue									
Farebox Revenue	\$40.466	\$40.668	\$0.202	\$40.872	\$0.203	\$41.076	\$0.204	\$41.281	\$0.205
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	3.007	2.582	(0.425)	2.489	(0.093)	2.297	(0.192)	2.505	0.208
Capital and Other Reimbursements	5.761	5.973	0.212	6.854	0.881	7.039	0.185	7.240	0.201
Total Revenue	\$49.234	\$49.223	(\$0.011)	\$50.214	\$0.991	\$50.412	\$0.197	\$51.026	\$0.614
Expenses									
Labor:									
Payroll	\$62.439	\$65.391	(\$2.952)	\$66.810	(\$1.419)	\$68.112	(\$1.303)	\$69.475	(\$1.362)
Overtime	5.761	5.548	0.213	5.659	(0.112)	5.769	(0.110)	5.885	(0.115)
Health and Welfare	13.573	15.385	(1.812)	16.800	(1.415)	18.346	(1.546)	20.034	(1.688)
Pensions	5.658	5.851	(0.193)	5.977	(0.126)	6.094	(0.117)	6.215	(0.122)
Other Fringe Benefits	7.239	7.424	(0.185)	7.580	(0.156)	7.728	(0.148)	7.882	(0.155)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$94.670	\$99.598	(\$4.928)	\$102.826	(\$3.228)	\$106.049	(\$3.223)	\$109.491	(\$3.442)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	\$11.246	\$13.167	(1.921)	\$13.679	(0.512)	\$13.100	0.579	\$12.716	0.384
Insurance	0.343	0.583	(0.240)	0.399	0.184	0.445	(0.046)	0.715	(0.270)
Claims	3.428	3.483	(0.055)	3.537	(0.054)	3.602	(0.065)	3.672	(0.070)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	9.541	10.132	(0.591)	10.377	(0.245)	10.524	(0.147)	10.695	(0.171)
Professional Service Contracts	1.941	1.982	(0.041)	2.026	(0.044)	2.068	(0.042)	2.112	(0.044)
Materials & Supplies	7.732	8.043	(0.311)	7.596	0.447	7.751	(0.155)	7.913	(0.162)
Other Business Expenses	0.356	0.415	(0.059)	0.424	(0.009)	0.432	(0.009)	0.442	(0.009)
Total Non-Labor Expenses	\$34.587	\$37.804	(\$3.217)	\$38.037	(\$0.233)	\$37.922	\$0.115	\$38.264	(\$0.342)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$129.257	\$137.402	(\$8.144)	\$140.863	(\$3.461)	\$143.971	(\$3.108)	\$147.755	(\$3.784)
Depreciation	-	-	-	-	-	-	-	-	-
Other Post Employment Benefits	4.800	4.900	(0.100)	5.000	(0.100)	5.300	(0.300)	5.400	(0.100)
Total Expenses	\$134.057	\$142.302	(\$8.244)	\$145.863	(\$3.561)	\$149.271	(\$3.408)	\$153.155	(\$3.884)
Baseline Net Surplus/(Deficit)	(\$84.823)	(\$93.079)	(\$8.256)	(\$95.649)	(\$2.570)	(\$98.859)	(\$3.211)	(\$102.129)	(\$3.270)
2008 Agency Program to Eliminate the GAP	1.139	2.277	1.139	2.277	-	1.139	(1.139)	-	(1.139)
Post-2008 Agency Program to Elim. The Gap	-	-	-	-	-	-	-	-	-
Net Surplus/(Deficit)	(\$83.685)	(\$90.802)	(\$7.117)	(\$93.372)	(\$2.570)	(\$97.721)	(\$4.349)	(\$102.130)	(\$4.409)

MTA Long Island Bus
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
<u>Receipts</u>									
Farebox Revenue	\$40.358	\$40.505	\$0.147	\$41.472	\$0.967	\$40.966	(\$0.506)	\$41.171	\$0.205
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	2.767	2.532	(0.235)	2.439	(0.093)	2.247	(0.192)	2.455	0.208
Capital and Other Reimbursements	6.145	5.686	(0.459)	6.521	0.835	6.668	0.147	6.828	0.160
Total Receipts	\$49.270	\$48.723	(\$0.547)	\$50.432	\$1.709	\$49.881	(\$0.551)	\$50.454	\$0.573
<u>Expenditures</u>									
Labor:									
Payroll	\$63.665	\$65.054	(\$1.389)	\$68.922	(\$3.868)	\$67.772	\$1.150	\$69.129	(\$1.356)
Overtime	\$5.731	\$5.515	\$0.216	\$5.840	(\$0.325)	\$5.733	\$0.107	\$5.847	(\$0.114)
Health and Welfare	\$13.528	\$15.334	(\$1.806)	\$16.744	(\$1.410)	\$18.285	(\$1.541)	\$19.968	(\$1.683)
Pensions	\$5.047	\$5.686	(\$0.639)	\$5.806	(\$0.120)	\$5.917	(\$0.111)	\$6.032	(\$0.115)
Other Fringe Benefits	\$7.957	\$7.384	\$0.573	\$7.820	(\$0.436)	\$7.686	\$0.134	\$7.838	(\$0.152)
Pattern Labor Provision	-	-	-	-	-	-	-	-	-
GASB Account	\$0.298	\$0.308	(\$0.010)	\$0.318	(\$0.010)	\$0.327	(\$0.009)	\$0.338	(\$0.011)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenditures	\$96.226	\$99.281	(\$3.055)	\$105.450	(\$6.169)	\$105.720	(\$0.270)	\$109.152	(\$3.431)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	\$10.996	\$12.902	(\$1.906)	\$13.401	(\$0.499)	\$12.806	\$0.595	\$12.415	0.391
Insurance	1.504	0.583	0.921	0.399	0.184	0.445	(0.046)	0.715	(0.270)
Claims	8.747	3.435	5.312	3.486	(0.051)	3.548	(0.062)	3.612	(0.064)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	9.489	9.958	(0.469)	10.200	(0.242)	10.344	(0.144)	10.511	(0.167)
Professional Service Contracts	1.883	1.913	(0.030)	1.947	(0.034)	1.982	(0.035)	2.018	(0.036)
Materials & Supplies	7.632	7.940	(0.308)	7.491	0.449	7.644	(0.153)	7.804	(0.160)
Other Business Expenses	0.336	0.392	(0.056)	0.399	(0.007)	0.407	(0.008)	0.414	(0.007)
Total Non-Labor Expenditures	\$40.587	\$37.123	\$3.464	\$37.323	(\$0.199)	\$37.176	\$0.147	\$37.489	(\$0.313)
Other Expenditure Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$136.813	\$136.404	\$0.409	\$142.773	(\$6.368)	\$142.896	(\$0.124)	\$146.641	(\$3.744)
Baseline Net Cash Deficit	(\$87.543)	(\$87.681)	(\$0.138)	(\$92.341)	(\$4.659)	(\$93.015)	(\$0.675)	(\$96.187)	(\$3.171)
2008 Agency Program to Eliminate the GAP	1.139	2.277	(1.139)	2.277	-	1.139	1.139	-	(1.139)
Post-2008 Agency Program to Elim. The Gap	-	-	-	-	-	-	-	-	-
Net Cash Deficit	(\$86.405)	(\$85.404)	(\$1.276)	(\$90.064)	(\$4.659)	(\$91.876)	\$0.464	(\$96.187)	(\$4.310)

**MTA Long Island Bus
2008 Final Proposed Budget
November Financial Plan 2008 - 2011
Summary of Major Plan-to-Plan Changes**

November Financial Plan vs. July Financial Plan

1. REVENUE

- **Farebox:**

- 2007 – There was no change in Farebox Revenue from the July Plan in that year-to-date actual is less than 1% above budget for both fixed route and paratransit service. The projected .5% increase over the 2006 actual is based on traditionally strong 4th quarter ridership. A total of \$40.5 is forecasted.
- Variances in the 2008 – 2010 period are reflective of the changes in the 2007 July Plan and an annual .5% increase in ridership.

- **Other Operating Revenue**

- 2007 - There was no change in this budget category from the July Plan that reflected a net revenue reduction of \$.2 million due to changes in advertising and other revenue based contract rates.
- There was no variance to the July Plan in the 2008 – 2011 plan period.

- **Capital & Other Reimbursements**

- 2007 -There was no variance to the July Plan in this line item.
- The July 2008 forecast included a \$.7 million increase in preventive maintenance reimbursements. However, grant funding for the 2008 fixed route bus procurement was insufficient and the necessary realignments shifted these funds to the bus purchase capital line item. The projected increase remained in the 2009 - 2011 plan period.

2. LABOR EXPENSES

- **Payroll/Overtime/Pension/Other Fringe:**

- 2007 – Favorable year-to-date labor savings were used to lower the 2007 November forecast by a net \$.2 million. Variance between scheduled and unscheduled overtime was realigned causing a decrease in the payroll line item while adding to overtime.
- 2008 – 2011: There was no change from the July forecast in this plan period.

- **Health & Welfare**

- 2007 – A saving of \$.1 million was recognized in this budget category and resulted in lowering the 2007 November forecast.
- 2008 – 2011: There was no change to the July Plan. Rates increases remained at (12.5% - 2008 and 9.2% - 2009 – 2011).

3. NON-LABOR EXPENSES

- **Fuel:**

- 2007 - There was no adjustment to forecasted expenses in the July Plan.
- 2008 – 2011: Fuel rates remain volatile and the guidelines CPI's were applied to the 2007 baseline needs. However there was a significant jump in the projected compressed natural gas (CNG) inflator that skewed the combined fuel category and increased expenses by \$1.3 million. CPI rates applied to CNG expenses were, 2008 – 20.4%, 2009 – 4.7%, 2010 – (4.6%) and 2011 – (3.2%). All variances are reflective of these changes.

- **Insurance**

- 2007 – 2011: There was no change from the July forecast in this plan period.

- **Claims**

- 2007 – 2011: There were no adjustments made in this category for the current plan period. Two recent accidents will however impact reserve requirements in the next plan cycle.

- **Maintenance & Other Operating Contracts**

- 2007 - This category increased by \$.187 million over the July Plan due mainly to:
 - An additional \$.2 million that is required to fund maintenance and structural repair on buses whose lifecycle were extended. There was no change to CPI's affecting utility expenses that are included in this budget category.
- 2008 – 2011: The 2008 plan adds \$.3 million for additional structural repair work. Guideline CPI's were then applied to the baseline expenses and accounts for the listed variances.

- **Professional Service Contracts**

- 2007 – 2011: There were no new needs or programmatic changes in this budget category and variances are the result of changes in the guideline CPI's used.

- **Material & Supplies**

- 2007 – The extended use of older buses due to the delay in replacement deliveries has adversely affected material and parts usage. This was addressed in the July plan but actual and trend data necessitated a revision to added funds to address this issue. An additional \$.3 million is required to offset these increases and maintain the safety and reliability of the fleet.
- 2008 – 2011: There was a \$.7 million reduction in reimbursable preventive maintenance material funding that impacted the non-reimbursable budget. Otherwise, guideline CPI's were used on the plan years baseline and account for the other variances shown. The 2008 plan allocates \$.2 million to fund the additional material needs.

- **Other Business Expenses**

- 2007 – A minor cost savings was used to offset the 2007 expenses.
- 2008 – 2011: There were no new needs or programmatic changes in this plan period and variances are the result of changes in the guideline CPI's used.

- **Other Post Employment Benefits**

- **2007 – 2011:** Provisions for OPEB was added to the November Plan for each year of this plan period.

MTA LONG ISLAND BUS
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	(\$87.578)	(\$84.698)	(\$90.083)	(\$92.333)	(\$96.168)
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursement					
Total Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenses					
Labor:					
Payroll	\$0.500	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	(0.400)				
Health and Welfare	0.100				
Pensions	0.000				
Other Fringe Benefits					
Reimbursable Overhead					
Total Labor Expense Changes	\$0.200	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains	\$0.000	(\$1.257)	(\$1.162)	\$0.136	\$0.786
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts	(0.187)	(0.579)	(0.617)	(0.320)	(0.287)
Professional Service Contracts	0.000	0.001	(0.004)	(0.006)	(0.009)
Materials & Supplies	(0.298)	(1.148)	(0.474)	(0.490)	(0.507)
Other Business Expenses	0.050	0.000	(0.001)	(0.001)	(0.002)
Other Post Employment Benefits	(4.800)	(4.900)	(5.000)	(5.300)	(5.400)
Total Non-Labor Expense Changes	(\$5.235)	(\$7.883)	(\$7.257)	(\$5.981)	(\$5.419)
Total Expense Changes	(\$5.035)	(\$7.883)	(\$7.257)	(\$5.981)	(\$5.419)
Cash Adjustment Changes					
Farebox Revenue					
Other Operating Revenue					
Capital and Other Reimbursement	0.270				
Payroll					
Overtime					
Health and Welfare					
Pensions					
Other Fringe Benefits					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Professional Service Contracts					
Materials & Supplies					
Other Business Expenses					
Other Post Employment Benefits	4.800	4.900	5.000	5.300	5.400
Total Cash Adjustment Changes	\$5.070	\$4.900	\$4.999	\$5.299	\$5.400
Total Baseline Changes	\$0.035	(\$2.983)	(\$2.258)	(\$0.682)	(\$0.019)
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	(\$87.543)	(\$87.681)	(\$92.341)	(\$93.015)	(\$96.187)

MTA Long Island Bus
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Other Operating Revenue					
Capital and Other Reimbursement	0.000	(0.700)	0.000	0.000	0.000
Total Revenue Changes	\$0.000	(\$0.700)	\$0.000	\$0.000	\$0.000
Expenses					
Labor:					
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime					
Health and Welfare					
Pensions					
Other Fringe Benefits					
Reimbursable Overhead					
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
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	\$0.000	\$0.700	\$0.000	\$0.000	\$0.000
Other Business Expenses					
Other Post Employment Benefits					
Total Non-Labor Expense Changes	\$0.000	\$0.700	\$0.000	\$0.000	\$0.000
Total Expense Changes	\$0.000	\$0.700	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes					
Farebox Revenue					
Capital and Other Reimbursement					
Payroll					
Overtime					
Health and Welfare					
Pensions					
Other Fringe Benefits					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Professional Service Contracts					
Materials & Supplies					
Other Business Expenses					
Other Post Employment Benefits					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA Long Island Bus
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	(\$87.578)	(\$84.698)	(\$90.083)	(\$92.333)	(\$96.168)
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	0.000	(0.700)	0.000	0.000	0.000
Total Revenue Changes	\$0.000	(\$0.700)	\$0.000	\$0.000	\$0.000
Expenses					
Labor:					
Payroll	0.500				
Overtime	(0.400)				
Health and Welfare	0.100				
Pensions					
Other Fringe Benefits					
Reimbursable Overhead					
Total Labor Expense Changes	\$0.200	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains	\$0.000	(\$1.257)	(\$1.162)	\$0.136	\$0.786
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts	(0.187)	(0.579)	(0.617)	(0.320)	(0.287)
Professional Service Contracts	0.000	0.001	(0.004)	(0.006)	(0.009)
Materials & Supplies	(0.298)	(0.448)	(0.474)	(0.490)	(0.507)
Other Business Expenses	0.050	0.000	(0.001)	(0.001)	(0.002)
Other Post Employment Benefits	(4.800)	(4.900)	(5.000)	(5.300)	(5.400)
Total Non-Labor Expense Changes	(\$5.235)	(\$7.183)	(\$7.257)	(\$5.981)	(\$5.419)
Total Expense Changes	(\$5.035)	(\$7.183)	(\$7.257)	(\$5.981)	(\$5.419)
Cash Adjustment Changes					
Farebox Revenue					
Other Operating Revenue					
Capital and Other Reimbursement	0.270				
Payroll					
Overtime					
Health and Welfare					
Pensions					
Other Fringe Benefits					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Professional Service Contracts					
Materials & Supplies					
Other Business Expenses					
Other Post Employment Benefits	4.800	4.900	5.000	5.300	5.400
Total Cash Adjustment Changes	\$5.070	\$4.900	\$4.999	\$5.299	\$5.400
Total Baseline Changes	\$0.035	(\$2.983)	(\$2.258)	(\$0.682)	(\$0.019)
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	(\$87.543)	(\$87.681)	(\$92.341)	(\$93.015)	(\$96.187)

MTA LONG ISLAND BUS
November Financial Plan 2008 - 2011
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Net Operating Income	(\$87.578)	(\$84.698)	(\$90.083)	(\$92.333)	(\$96.168)
Non-Reimbursable Major Changes					
Revenue					
Decreased reimbursement for Preventive Mtce		(0.700)			-
Sub-Total Non-Reimbursable Revenue Changes	\$0.000	(\$0.700)	\$0.000	\$0.000	\$0.000
Expenses					
New Need - Mtce & Oper Contracts	(0.187)	(0.515)	(0.527)	(0.537)	(0.549)
New Need - Material	(0.298)	(0.456)	(0.466)	(0.476)	(0.486)
New Needs - Service Enhancements					-
CPI - Fuels		(1.257)	(1.162)	0.136	0.786
CPI - Mtce & Oper. Contracts		(0.064)	(0.090)	0.218	0.262
CPI - Material		0.008	(0.008)	(0.014)	(0.021)
CPI - Prof. Svcs		0.001	(0.004)	(0.007)	(0.009)
CPI - Other Business			(0.001)	(0.002)	(0.002)
2007 - Payroll Savings	0.500				
2007 - Overtime Payroll offset	(0.400)				
2007 - Health & Welfare Savings	0.100				
2007 - Other Business Expense Reduction	0.050				
OPEB Obligation	(4.800)	(4.900)	(5.000)	(5.300)	(5.400)
Sub-Total Non-Reimbursable Expense Changes	(\$5.035)	(\$7.183)	(\$7.258)	(\$5.982)	(\$5.419)
Total Non-Reimbursable Major Changes	(\$5.035)	(\$7.883)	(\$7.258)	(\$5.982)	(\$5.419)
Reimbursable Major Changes					
Revenue					
Decreased Preventive Maintenance		(0.700)			
Sub-Total Reimbursable Revenue Changes	\$0.000	(\$0.700)	\$0.000	\$0.000	\$0.000
Expenses					
Decreased Preventive Maintenance		0.700			
Sub-Total Reimbursable Expense Changes	\$0.000	\$0.700	\$0.000	\$0.000	\$0.000
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$5.035)	(\$7.883)	(\$7.258)	(\$5.982)	(\$5.419)
Cash Adjustment Changes					
Additional contract work	0.270				
OPEB Obligation	4.800	4.900	5.000	5.300	5.400
Total Cash Adjustment Changes	\$5.070	\$4.900	\$5.000	\$5.300	\$5.400
Total Baseline Changes	\$0.035	(\$2.983)	(\$2.258)	(\$0.682)	(\$0.019)
Baseline 2007 November Financial Plan - Net Operating Income	(\$87.543)	(\$87.681)	(\$92.341)	(\$93.015)	(\$96.187)

**MTA Long Island Bus
2008 Final Proposed Budget
November Financial Plan 2008 - 2011**

RIDERSHIP (UTILIZATION) ASSUMPTIONS

Fixed Route

Ridership:

The significant 3.4% increase that was achieved in 2006 over the 2005 ridership total, proved to be LI Bus's highest ridership levels in its 33-year history on its fixed route service. This new benchmark of 32.2 million annual riders was used as the 2007 baseline with an additional .5% projected increase.

There continues to be a strong response to job access/reverse commute service, gap closures and bus-rail connection services, along with various economic variables all contributing to attract new and repeat riders.

Although year-to-date August 2007 ridership is .4% below budget, a vibrant 4th quarter ridership is projected, making it possible to attain the overall .5% full year increase. The November Plan shows an increase of .65 million riders over the adopted budget.

Annual increases are projected at .5% in each of the plan years.

Revenue:

Fixed route revenue is .3% above the mid year budget as of year to date August 2007. Weather related variables impacted results during the first three quarters but a strong fourth quarter trend is expected to sustain the year-to-date revenue growth. An additional \$.7 million over the adopted budget is included in the July and November Plans.

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

Para-Transit (Demand Response)

Ridership:

As of August 2007 year-to-date data, Paratransit ridership is on par with the 2006 level. This is realistic in that the 2006 results showed a significant 8.5% increase over the 2005 level. There was no significant increase in registrants, so repeat usage by current customers is credited for the overall increase.

Ridership has been increasing over the life of this service. However, rolling stock and headcount have remained constant over the past four years, indicating the efficiency gains each year.

The July Plan revised the forecast to show a .5% increase over the 2006 actual and this goal was maintained in the current plan.

Based on the revised full year 2007 forecast, annual ridership is expected to be .355 million, increasing by .5% annually over the 2008 – 2011 plan period.

Revenue:

Paratransit farebox revenue for year-to-date April 2007 shows a .7% increase over 2006. Total 2007 revenue is projected at \$1.1 million with .5% annual increases.

MTA LONG ISLAND BUS
November Financial Plan 2008 - 2011
Ridership/Traffic Volume (Utilization)
(in millions)

	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
<u>RIDERSHIP</u>						
Fixed Route	32.159	32.320	32.481	32.644	32.807	32.971
Paratransit	0.353	0.355	0.357	0.358	0.360	0.362
Baseline Total Ridership	32.512	32.675	32.838	33.002	33.167	33.333
<i>Impact of:</i>						
PEG Program						
Total Ridership	32.512	32.675	32.838	33.002	33.167	33.333
<u>FAREBOX REVENUE</u>						
Fixed Route	\$ 39.345	\$ 39.365	\$ 39.562	\$ 39.760	\$ 39.958	\$ 40.158
Paratransit	\$ 1.101	\$ 1.101	\$ 1.107	\$ 1.112	\$ 1.118	\$ 1.123
Baseline Total Revenue	\$40.446	\$40.466	\$40.668	\$40.872	\$41.076	\$41.281
<i>Impact of:</i>						
2008 Program to Eliminate the Gap (PEGs)						
Post 2008 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Total Revenue	\$40.446	\$40.466	\$40.668	\$40.872	\$41.076	\$41.281

**MTA Long Island Bus
2008 Final Proposed Budget
November Financial Plan 2008 - 2011**

POSITIONS ASSUMPTIONS

In response to the positive 2006 ridership on fixed route service, needed service enhancements were identified and approved beyond the initial March 2007 funding. The approved extension allowed for the hiring of four full-time equivalent bus operators that was included in the July Plan.

There was no change from the July Plan and future headcount needs will be contingent upon service levels and approved funding.

MTA LONG ISLAND BUS
November Financial Plan 2008 - 2011
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Administration						
Administration - All Other	33	33	33	33	33	33
Administration - Safety	9	11	11	11	11	11
Finance	20	21	21	21	21	21
Legal	9	9	9	9	9	9
IT	17	22	22	22	22	22
Total Administration	88	96	96	96	96	96
Operations						
Admin (F/R)	24	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	42	43	43	43	43	43
Bus Operators (F/R)	531	536	536	536	536	536
Bus Operators (Para)	115	131	131	131	131	131
Total Operations	755	777	777	777	777	777
Maintenance						
Admin	11	12	12	12	12	12
Line Supervisors	19	19	19	19	19	19
Mechanics (F/R)	120	123	123	123	123	123
Mechanics (Para)	3	3	3	3	3	3
Mech. Helpers/Cleaners (F/R)	62	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)		1	1	1	1	1
Farebox	6	6	6	6	6	6
Total Maintenance	247	261	261	261	261	261
Engineering/Capital						
Engineers	2	2	2	2	2	2
Capital	13	14	14	14	14	14
Total Engineering/Capital	15	16	16	16	16	16
Public Safety						
Security	3	3	3	3	3	3
Total Baseline Positions	1,108	1,153	1,153	1,153	1,153	1,153
<i>Non-Reimbursable</i>	1,095	1,139	1,139	1,139	1,139	1,139
<i>Reimbursable</i>	13	14	14	14	14	14
<i>Total Full-Time</i>	1,019	1,044	1,044	1,044	1,044	1,044
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-
<hr/>						
Impact of:						
2008 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Post 2008 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Total Positions	1,108	1,153	1,153	1,153	1,153	1,153
<i>Non-Reimbursable</i>	1,095	1,139	1,139	1,139	1,139	1,139
<i>Reimbursable</i>	13	14	14	14	14	14
<i>Total Full-Time</i>	1,019	1,044	1,044	1,044	1,044	1,044
<i>Total Full-Time Equivalents</i>	89	109	109	109	109	109

MTA LONG ISLAND BUS
November Financial Plan 2008 - 2011
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP		2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Administration							
	Managers/Supervisors	40	42	42	42	42	42
	Professional, Technical, Clerical	48	54	54	54	54	54
	Operational Hourlies						
	Total Administration	88	96	96	96	96	96
Operations							
	Managers/Supervisors	63	64	64	64	64	64
	Professional, Technical, Clerical	44	44	44	44	44	44
	Operational Hourlies	648	669	669	669	669	669
	Total Operations	755	777	777	777	777	777
Maintenance							
	Managers/Supervisors	26	27	27	27	27	27
	Professional, Technical, Clerical	4	4	4	4	4	4
	Operational Hourlies	217	230	230	230	230	230
	Total Maintenance	247	261	261	261	261	261
Engineering/Capital							
	Managers/Supervisors	7	7	7	7	7	7
	Professional, Technical, Clerical	8	9	9	9	9	9
	Operational Hourlies						
	Total Engineering/Capital	15	16	16	16	16	16
Public Safety							
	Managers/Supervisors	1	1	1	1	1	1
	Professional, Technical, Clerical	2	2	2	2	2	2
	Operational Hourlies						
	Total Public Safety	3	3	3	3	3	3
Total Baseline Positions							
	Managers/Supervisors	137	141	141	141	141	141
	Professional, Technical, Clerical	106	113	113	113	113	113
	Operational Hourlies	865	899	899	899	899	899
	Total Baseline Positions	1,108	1,153	1,153	1,153	1,153	1,153

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Long Island Rail Road

MTA LONG ISLAND RAIL ROAD
2008 Final Proposed Budget
November Financial Plan 2008-2011

MISSION STATEMENT

The mission of the MTA Long Island Rail Road is to provide a safe, accessible, clean, cost-effective, customer-focused rail transportation system that runs on time, is comfortable, user-friendly and provides the region with a valued and indispensable service.

FINANCIAL OVERVIEW

The financial projections in the attached statements reflect the most current projections by the LIRR for the balance of 2007, carrying out into 2011. The LIRR's 2008 Final Proposed Budget incorporates those resource requirements that will best enable the Railroad to fulfill its service obligations as efficiently as possible, while minimizing impacts on our customers. The 2008 budget is designed to reflect continuation of current service levels, as well as to sustain the MTA's commitment to safety and security.

On June 18, 2007, Helena Williams was named as the new president of the LIRR. She identified the following three core goals: 1) enhance customer safety, 2) strengthen security, and 3) improve service reliability. A key component of the LIRR's 2008 Budget and 2008-2011 Financial Plan development process was the establishment of a clear and direct link between these goals and how resources are allocated. Programmatic initiatives that offered the best potential for improvement were selected for funding.

One of the tools the LIRR used to establish its budget priorities was the recently completed 90-day assessment study, which included a "state of the system" analysis and identified strategies for service delivery improvement and system expansion in order to meet the regional needs of a 21st century railroad. While generally praising the LIRR for being in "good to excellent" overall physical condition and for "much improved" customer service, it nevertheless offered several recommendations for enhancement, particularly in light of several major projects in the not-so-distant future including East Side Access and Jamaica Center reconfiguration.

In order to enhance customer safety, the Plan allocates approximately \$7 million in new funding in 2008 growing to \$10 million in 2009. These resources would be targeted to several high profile areas including platform gap reduction, bridge repair/ waterproofing and employee safety training. Each initiative would protect riders and employees and also potentially reduce long-term costs.

The 2008 Budget and Plan will enable the LIRR to continue to strengthen security. Specific programs include increased direct patrol on trains and platforms, the establishment of new MTA Police facilities in Jamaica and Mineola, the deployment of

numerous technological security systems and the installation of security fencing along the right of way and around buildings. The Plan also funds a new Manager of Hazardous Analysis.

To address service reliability and improve the customer experience, the Plan appropriates \$2.9 million in 2008, \$3.2 million in 2009 and approximately \$0.5 million annually thereafter to mitigate low-adhesion conditions (commonly referred to as “slip-slide”). It adds \$2.5 million in 2008 and \$3.0 million in 2009 to expand the capacity of the LIRR to conduct tree-trimming and vegetation control along the right of way. It also contains \$3.5 million in 2008 and approximately \$2.7 million annually thereafter to support several critical customer communication initiatives designed to improve service during storms and other emergencies. These include establishing a Public Information Office, installing message boards at Penn Station, Jamaica and Flatbush Avenue, and adding destination monitors throughout Jamaica Station. Another \$1.0 million would be allocated in 2008 and 2009 to conduct station painting and maintenance.

In its projections for 2009 through 2011, the LIRR anticipates no diminution of transportation service levels. During this time period, the LIRR will be preparing for the opening of East Side Access (ESA), which is expected to achieve beneficial use by December 2013. This new service into Grand Central Terminal will represent a significant service improvement for our customers, many of who will experience a daily 40-minute reduction in commute time.

In preparation for East Side Access opening day, the Long Island Rail Road is establishing a dedicated planning/oversight structure that will be in place by the beginning of 2008 to focus on all the projects that complement the ESA project (ESA Readiness Projects), which are required for the new service to Grand Central Terminal including resources required for operation and maintenance of new service and infrastructure elements. Infrastructure elements related to the ESA Project include a new terminal, 19 miles of track and almost 200 switches. Further, to support ESA, the railroad is planning and/or implementing a number of projects including the Main Line Corridor Improvement Project, new yards and expanded yard projects, and the Jamaica Interlocking Reconfiguration Project.

Planning/Oversight efforts will identify opening day needs and 2020 needs, and then work backwards to ensure all necessary resources and operating plans are in place to provide for the maintenance of new asset elements and the integration of the new service within current operations. Ramp-up considerations including the time-frame for hiring and training as well as the schedule for individual asset elements coming on line pre-opening day will need to be included in future financial plans.

2007 November Forecast

The LIRR's 2007 November Forecast is comprised of non-reimbursable revenue totaling \$521.8 million and non-reimbursable expenses including depreciation and other

post employment benefits of \$1.4 billion that generate an operating deficit of \$886.5 million. Cash adjustments of \$331.6 million bring the cash deficit to \$554.9 million. The 2007 November reimbursable revenue and expenses total \$162.8 million.

The projected cash deficit represents a decrease of \$30.2 million over the 2007 Mid-Year forecast. The major driver of the favorable results is an increase in revenue projections and lower pension costs. Farebox Revenue is favorable by \$6.6 million due to higher commutation ridership. Other Operating Revenue is favorable due to higher real estate revenue. Capital reimbursements are also projected to be \$6.8 million favorable. Pension costs on a cash basis are lower by \$6.8 million based on the latest actuarial information. All other expenses are generally close to the Mid-Year Forecast with the exception of some timing.

2008 Final Proposed Budget - Baseline

The goals and objectives contained in the 2008 Final Proposed Budget are consistent with the LIRR's mission and its aim to continue to improve service attributes. Among the key goals for 2008 are improving on-time performance and achieving an all-time high fleet-wide mean distance between failures (MDBF). The budget plan also reflects a continuing commitment to improve both employee and customer safety. Other key assumptions incorporated in the baseline are discussed in a later section, along with a reconciliation to the July Financial Plan.

The 2008 Revenue budget totals \$708.1 million; Non-reimbursable revenue makes up \$529.6 million of the total and Reimbursable revenues are \$178.5 million. The total expense budget is \$1.7 billion, of which \$1.3 billion is for operating expenses and the balance is associated with such non-cash items as depreciation and other post employment benefits. Non-reimbursable operating expenses total \$1.2 billion in 2008, while Reimbursable expenses are \$178.5 million in the accrued statements.

The cash budget for 2008 incorporates \$769.7 million in cash receipts and \$1.4 billion in cash disbursements. The baseline net cash requirement is \$(662.9) million, as driven by operating expenses paid for in 2008, revenues received in 2008, and other adjustments to cash flow. While much of the operating budget has a direct impact on cash flow, there are some items such as material purchases for capital work that only appear in the cash budget. In addition, the differences between accrued and cash budgets reflect natural lags between when costs are incurred and when they will be paid for.

On an accrued basis, both revenues and expenses in the 2008 Final Proposed Budget are higher than in the 2007 November Forecast. Total revenues of \$708.1 million are \$23.5 million higher than in the November Forecast, with Non-reimbursable revenues rising by \$7.8 million and Reimbursable revenues up by \$15.8 million. Baseline Ridership in 2008 grows over the 2007 November Forecast by 1.3 million rides, or 1.5%. Operating expenses before depreciation and other post employment benefits of

\$1.3 billion reflect growth of \$123.4 million over the 2007 November Forecast, \$107.7 million of which is in non-reimbursable expenses. While the resulting total operating baseline deficit rises by \$102.7 million to \$(989.3) million in 2008, the projected baseline cash deficit (or subsidy requirement) of \$(662.9) million in 2008 is higher by \$108.0 million. This difference is primarily due to LCM material costs.

Full-time positions total 6,907 in the 2008 Final Proposed Budget, with 6,057 non-reimbursable positions and 850 reimbursable positions. Compared to the 2007 November Forecast, this reflects a total increase of 320 positions, 124 non-reimbursable positions and 196 reimbursable positions, consistent with anticipated levels of capital funding in 2008.

The major New Needs identified in the 2008 Budget are associated with ongoing gap mitigation work, instituting a regular bridge maintenance program, replacement of faulty in-tie switches at Queens and Hall Interlockings, refurbishment of the Penn Station restrooms, installing sanders on 50% of the fleet, high security fencing, vegetation control, improved communication initiatives, various security initiatives, creating an East Side Access readiness group and Debit/Credit card fees associated with allowing customers to use Debit/Credit cards at the ticket windows.

Other New Needs arise from various Information System initiatives and a federal mandate to retrofit heavy-duty equipment to reduce diesel emissions.

This plan also incorporates higher operating expenses to support Shea Stadium service.

2009-2011 Projections

The baseline projections for 2009 through 2011 reflect no notable changes to the LIRR's commitment to its customers. Goals are still in place to continue improving on-time performance and Mean Distance Between Failures (MDBF), as well as improving key performance measures in safety, with annual improvements for both employees and customers. During this period, the LIRR will continue its Life Cycle Maintenance for its M7 fleet, as many components start to enter key maintenance stages. Fulfillment of LCM requirements will continue to place growing demands on resources, in both labor and maintenance materials.

The baseline projections for 2009-2011 reflect these various impacts. Both non-reimbursable and reimbursable revenues rise over the years. Non-reimbursable revenues grow less than 1.4% in any year, while Reimbursable revenues decreases by 4.3% in 2009 and then increase by 0.3% in 2010 and 3.0% in 2011. All of these growth rates except for 2011 fall below the rate of inflation over the period.

The pace of expense growth is higher, driven by high rates of increase above normal inflation in health and welfare, pension and Traction and Propulsion power throughout the plan. Non-reimbursable expenses (before depreciation and other post employment

benefits) grow by 2.0% from \$1.168 billion in 2008 to \$1.191 billion in 2009. They continue to rise by 3.0% in 2010 and 1.5% in 2011, reaching \$1.245 billion. Reimbursable expenses decline by 4.3% (\$7.7 million) in 2009 over 2008, and then increase by 0.3% in 2010 and 3.0% in 2011, reaching \$176.3 million.

The baseline positions in these projections increase in 2009 by 58 positions over 2008, and then show an increase of 33 positions in 2010 and a decrease of 60 positions in 2011. From 2007 November baseline, there is an overall increase through 2010 of 411 positions. 2008 reimbursable positions rise by 22.3%, or 196 positions, over 2007. For the same period, non-reimbursable positions increase by 124 positions, or 2.1%.

Appearing in a separate section is a discussion of the major assumptions in the 2009-2011 forecasts and reconciliation's to the July plan for the years through 2011.

GAP CLOSING MEASURES

2008 PEG Actions

For 2008, Programs to Eliminate the Gaps (PEGs) totaling \$3.9 million have been identified in a below-the-line section of the Final Proposed Budget. \$3.6 million are expense based, and \$0.3 million are revenue related.

These PEGs include elimination of 24 management and administrative positions, reductions in non-payroll funding (including supplies, office equipment, publications, travel, outside training, miscellaneous employee expenses etc.), advertising and providing Holiday Service on Martin Luther King Day versus regular service. The revenue PEG is associated with increasing the menu prices for beverage service.

2009 - 2011 Projections

The PEG actions taken in 2008 are largely carried forward into 2009 - 2011, escalating in 2009 based on a full year impact and then increasing by inflation thereafter. The PEGs total \$5.0 million in 2009-2011, respectively.

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2008 - 2011
Accrual Statement of Operations by Category
(\$ in millions)

Non-Reimbursable						
	2006	2007	2008			
	Actual	November Forecast	Final Proposed Budget	2009	2010	2011
Operating Revenue						
Farebox Revenue	\$457.4	\$476.9	\$483.4	\$489.0	\$492.9	\$497.3
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	41.7	44.9	46.2	47.7	49.1	50.9
Capital and Other Reimbursements	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	499.1	521.8	529.6	536.7	541.9	548.1
Operating Expenses						
<u>Labor:</u>						
Payroll	363.7	380.0	421.9	431.8	440.8	446.0
Overtime	78.9	83.2	78.3	78.0	79.2	78.9
Health and Welfare	104.9	105.2	125.4	140.9	156.7	171.0
Pensions	131.6	108.1	109.3	114.5	116.4	117.8
Other Fringe Benefits	78.8	81.3	88.1	90.3	92.3	93.3
Reimbursable Overhead	(20.6)	(26.7)	(25.9)	(25.5)	(25.8)	(27.3)
Total Labor Expenses	737.3	731.0	797.0	830.1	859.7	879.6
<u>Non-Labor:</u>						
Traction and Propulsion Power	75.3	80.3	81.3	85.7	92.8	97.8
Fuel for Buses and Trains	15.2	16.1	17.0	17.9	17.6	17.3
Insurance	15.6	17.7	19.1	20.6	22.2	24.0
Claims	2.5	14.8	15.1	15.4	15.8	15.8
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	67.5	67.9	71.2	68.8	70.7	69.7
Professional Service Contracts	15.5	25.7	35.2	32.3	29.2	23.8
Materials & Supplies	67.5	100.5	126.5	113.8	109.4	107.9
Other Business Expenses	11.8	8.0	9.1	9.0	9.3	9.4
Total Non-Labor Expenses	270.9	330.9	374.5	363.5	367.0	365.7
<u>Other Expenses Adjustments:</u>						
Other	(15.3)	(1.8)	(3.6)	(2.8)	(0.3)	0.0
Total Other Expense Adjustments	(15.3)	(1.8)	(3.6)	(2.8)	(0.3)	0.0
Total Expenses before Depreciation	992.8	1,060.2	1,167.8	1,190.7	1,226.3	1,245.3
Depreciation	285.5	274.3	276.8	287.2	303.0	301.4
Other Post Employment Benefits	0.0	73.9	74.2	74.5	75.2	75.8
Total Expenses	1,278.4	1,408.3	1,518.8	1,552.4	1,604.5	1,622.5
Baseline Surplus/(Deficit)	(779.3)	(886.5)	(989.3)	(1,015.7)	(1,062.6)	(1,074.4)
2008 Program to Eliminate the Gap (PEGs)	0.0	0.0	3.9	5.0	5.0	5.0
Post 2008 Program to Eliminate the Gap (PEGs)	0.0	0.0	0.0	0.0	1.1	1.1
Net Surplus/(Deficit)	(\$779.3)	(\$886.5)	(\$985.3)	(\$1,010.7)	(\$1,056.5)	(\$1,068.2)

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MTA LONG ISLAND RAIL ROAD
November Financial Plan 2008 - 2011
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Revenue						
Farebox Revenue	\$457.4	\$476.9	\$483.4	\$489.0	\$492.9	\$497.3
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	41.7	44.9	46.2	47.7	49.1	50.9
Capital and Other Reimbursements	139.5	162.8	178.5	170.8	171.3	176.3
Total Revenue	638.5	684.6	708.1	707.5	713.2	724.5
Expenses						
<u>Labor:</u>						
Payroll	419.9	442.6	496.3	505.9	515.6	521.9
Overtime	88.9	97.7	91.4	88.7	90.0	89.9
Health and Welfare	114.3	115.7	138.4	153.9	170.4	185.4
Pensions	149.5	130.3	130.3	131.3	132.9	134.5
Other Fringe Benefits	91.4	94.9	103.9	106.3	109.0	110.8
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenses	863.9	881.1	960.3	986.0	1,017.8	1,042.4
<u>Non-Labor:</u>						
Traction and Propulsion Power	75.3	80.3	81.3	85.7	92.8	97.8
Fuel for Buses and Trains	15.2	16.2	17.0	17.9	17.6	17.3
Insurance	15.9	18.1	19.8	21.4	23.0	24.8
Claims	2.5	14.8	15.1	15.4	15.8	15.8
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	73.1	74.9	80.7	78.6	79.7	78.8
Professional Service Contracts	16.2	26.2	35.5	32.6	29.4	24.1
Materials & Supplies	73.2	104.9	130.7	117.3	112.1	110.8
Other Business Expenses	12.3	8.2	9.6	9.5	9.7	9.8
Total Non-Labor Expenses	283.7	343.6	389.7	378.3	380.1	379.2
<u>Other Expenses Adjustments:</u>						
Other	(15.3)	(1.8)	(3.6)	(2.8)	(0.3)	0.0
Total Other Expense Adjustments	(15.3)	(1.8)	(3.6)	(2.8)	(0.3)	0.0
Total Expenses before Depreciation	1,132.3	1,222.9	1,346.3	1,361.5	1,397.6	1,421.7
Depreciation	285.5	274.3	276.8	287.2	303.0	301.4
Other Post Employment Benefits	0.0	73.9	74.2	74.5	75.2	75.8
Total Expenses	1,417.8	1,571.1	1,697.3	1,723.2	1,775.8	1,798.9
Baseline Surplus/(Deficit)	(779.3)	(886.5)	(989.3)	(1,015.7)	(1,062.6)	(1,074.4)
2008 Program to Eliminate the Gap (PEGs)	0.0	0.0	3.9	5.0	5.0	5.0
Post 2008 Program to Eliminate the Gap (PEGs)	0.0	0.0	0.0	0.0	1.1	1.1
Net Surplus/(Deficit)	(\$779.3)	(\$886.5)	(\$985.3)	(\$1,010.7)	(\$1,056.5)	(\$1,068.2)

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2008 - 2011
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2006	2007	2008			
	Actual	November Forecast	Final Proposed Budget	2009	2010	2011
Receipts						
Farebox Revenue	\$486.6	\$505.9	\$512.4	\$518.0	\$521.9	\$526.3
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	30.4	65.0	49.4	51.0	52.3	54.2
Capital and Other Reimbursements	168.6	189.6	207.9	200.6	201.3	206.4
Total Receipts	685.7	760.5	769.7	769.6	775.5	786.9
Expenditures						
<u>Labor:</u>						
Payroll	422.6	441.5	495.2	504.8	514.5	520.8
Overtime	88.9	97.7	91.4	88.7	90.0	89.9
Health and Welfare	114.3	112.5	138.4	153.9	170.4	185.4
Pensions	149.2	130.3	130.3	131.3	132.9	134.5
Other Fringe Benefits	92.0	94.9	103.9	106.3	109.0	110.8
GASB Account	0.0	6.8	7.5	8.3	9.1	9.9
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	866.9	883.6	966.7	993.2	1,025.8	1,051.2
<u>Non-Labor:</u>						
Traction and Propulsion Power	62.6	102.7	81.3	85.7	92.8	97.8
Fuel for Buses and Trains	15.3	16.2	17.0	17.9	17.6	17.3
Insurance	19.9	22.7	25.3	26.1	27.9	30.6
Claims	16.1	19.2	13.3	13.6	14.0	14.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	68.4	78.4	83.9	80.1	81.2	80.3
Professional Service Contracts	17.1	28.1	38.3	32.1	28.9	23.6
Materials & Supplies	103.6	127.9	168.9	148.4	143.3	141.5
Other Business Expenses	6.3	7.6	9.0	8.9	9.1	9.2
Total Non-Labor Expenditures	309.3	402.7	436.9	412.7	414.7	414.3
<u>Other Expenditure Adjustments:</u>						
Other	28.5	29.0	29.0	29.0	29.0	29.0
Total Other Expenditure Adjustments	28.5	29.0	29.0	29.0	29.0	29.0
Total Expenditures	1,204.7	1,315.4	1,432.6	1,435.0	1,469.5	1,494.5
Cash Timing and Availability Adjustment	5.6	0.0	0.0	0.0	0.0	0.0
Baseline Cash Deficit	(513.5)	(554.9)	(662.9)	(665.4)	(694.1)	(707.7)
2008 Program to Eliminate the Gap (PEGs)	0.0	0.0	3.9	5.0	5.0	5.0
Post 2008 Program to Eliminate the Gap (PEGs)		0.0	0.0	0.0	1.1	1.1
Net Cash Deficit	(\$513.5)	(\$554.9)	(\$659.0)	(\$660.4)	(\$688.0)	(\$701.6)

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2008 - 2011
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2006	2007	2008			
	Actual	November	Final Proposed	2009	2010	2011
		Forecast	Budget			
Receipts						
Farebox Revenue	\$29.3	\$29.0	\$29.0	\$29.0	\$29.0	\$29.0
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	(11.3)	20.1	3.3	3.2	3.2	3.3
Capital and Other Reimbursements	29.2	26.8	29.4	29.9	30.0	30.1
Total Receipts	47.1	75.9	61.7	62.1	62.2	62.4
Expenditures						
<u>Labor:</u>						
Payroll	(2.7)	1.1	1.1	1.1	1.1	1.1
Overtime	0.0	0.0	0.0	0.0	0.0	0.0
Health and Welfare	(0.0)	3.2	0.0	0.0	0.0	0.0
Pensions	0.4	0.0	0.0	0.0	0.0	0.0
Other Fringe Benefits	(0.6)	0.0	0.0	0.0	0.0	0.0
GASB Account	0.0	(6.8)	(7.5)	(8.3)	(9.1)	(9.9)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	(3.0)	(2.5)	(6.4)	(7.2)	(8.0)	(8.8)
<u>Non-Labor:</u>						
Traction and Propulsion Power	12.7	(22.3)	0.0	0.0	0.0	0.0
Fuel for Buses and Trains	(0.2)	0.0	0.0	0.0	0.0	0.0
Insurance	(4.0)	(4.6)	(5.5)	(4.7)	(4.8)	(5.8)
Claims	(13.6)	(4.4)	1.8	1.8	1.8	1.8
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	4.7	(3.5)	(3.1)	(1.5)	(1.5)	(1.5)
Professional Service Contracts	(0.8)	(1.9)	(2.8)	0.5	0.5	0.5
Materials & Supplies	(30.4)	(23.1)	(38.2)	(31.1)	(31.2)	(30.7)
Other Business Expenditures	6.0	0.6	0.6	0.6	0.6	0.6
Total Non-Labor Expenditures	(25.6)	(59.2)	(47.2)	(34.4)	(34.6)	(35.1)
<u>Other Expenditures Adjustments:</u>						
Other	(43.8)	(30.8)	(32.6)	(31.8)	(29.3)	(29.0)
Total Other Expenditures Adjustments	(43.8)	(30.8)	(32.6)	(31.8)	(29.3)	(29.0)
Total Cash Conversion Adjustments before Depreciation	(25.3)	(16.5)	(24.6)	(11.4)	(9.7)	(10.5)
Depreciation Adjustment	285.5	274.3	276.8	287.2	303.0	301.4
Other Post Employment Benefits	0.0	73.9	74.2	74.5	75.2	75.8
Cash Timing and Availability Adjustment	5.6	0.0	0.0	0.0	0.0	0.0
Baseline Total Cash Conversion Adjustments	265.8	331.6	326.4	350.3	368.5	366.7
2008 Program to Eliminate the Gap (PEGs)	0.0	0.0	0.0	0.0	0.0	0.0
Post 2008 Program to Eliminate the Gap (PEGs)	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Conversion Adjustments	\$265.8	\$331.6	\$326.4	\$350.3	\$368.5	\$366.7

MTA Long Island Rail Road
November Financial Plan 2008 – 2011
Year-to-Year Changes by Category - Accrual and Cash

Revenue

Farebox Revenue

- The regional economy and employment trends are the primary drivers.
- 2008 ridership is projected to increase by 1.5% above 2007 level to 87.0 million.
- Passenger revenue forecasts in the outer years 2009 - 2011 reveal modest annual growth due to increases in ridership.

Other Operating Revenue

- Other revenues (rent, station privileges, etc.) are higher than what was projected in the 2007 budget, primarily due to a new advertising guarantee agreement.
- Projected to grow each year primarily through contractual and inflationary increases.

Capital and Other Reimbursements

- Reflects the 2005 - 2009 Capital Program.

Expenses

Payroll

- 2008 - 2011 includes increases for management employees of 3.00%, 3.00%, 1.95% and 2.00%, respectively.
- 2008 - 2011 includes increases for represented employees of 3.50%, 1.97%, 1.95% and 2.00%, respectively.
- Headcount changes each year are associated with new needs, changes in programs and Capital Program activity.

Overtime

- 2007 - 2008 decrease is primarily associated with the change in the Concrete Tie Program (completed in 2007), lower weather-related overtime, lower maintenance overtime, change in Capital Program activity and reduction in open job coverage overtime due to new hires, partially offset by the Queens and Hall East Switch Interlocking Replacement Project.
- 2009 - 2011 increases reflect CPI increases and changes in Capital Program activity.

Health & Welfare

- 2008 reflects an annual rate increase of approximately 12.4% over 2007.
- 2008 - 2010 reflects annual rate increases of approximately 9.1%.
- Reflects impact of headcount changes each year.

Pensions

- Reflects the latest actuarial valuation for each year.

Other Fringe Benefits

- Railroad Retirement Tax maximum limits are based on the December 2006 projected maximum earnings bases from the Railroad Retirement Board; the tax rate for each tier is expected to remain unchanged.
- Railroad Unemployment reflects a slight annual increase in the monthly amount per employee each year.

Traction and Propulsion Power

- 2007 is based on actuals through July, which reflects higher fuel cost adjustments.
- 2008 - 2011 reflects price inflators provided by MTA and historical performance.

Fuel

- 2007 is based on actuals through July.
- 2008 - 2011 reflects price inflators and historical performance.

Insurance

- 2007 is based on actual results through July, which reflect unfavorable insurance premium payments.
- 2008 - 2011 reflects price inflators.

Claims

- 2007 reflects actual experience through July and the anticipated settlement and payout of claims for the balance of the year.
- 2008 - 2011 reflects inflationary increases.

Maintenance and Other Operating Contracts

- 2008 – 2009 reflects additional expenses for tree trimming, station maintenance and station painting that is reduced back to a normal level in 2010.
- 2010 - 2011 reflects inflationary increases.

Professional Service Contracts

- The unfavorable change from 2007 to 2008 is primarily associated with expenses related to various new Information Technology initiatives including Maximo as well as re-estimates of ongoing projects such as Crew Scheduling Construction System and Mail & Ride.
- 2009 – 2011 reflects changes in System Initiative projects (change in need for outside consultants).

Material and Supplies

- The increases in materials from 2007 - 2008 is primarily Maintenance of Equipment material needs associated with changes in the Life Cycle Maintenance Program
- 2009 – 2011 reflects lower Life Cycle Maintenance material costs.

Other Business Expenses

- 2007 - 2008 reflects changes in credit/debit card authorization fees (allowing Debit and Credit card sales at the ticket windows).
- 2009 - 2011 includes inflationary increases.

Depreciation

- Reflects depreciation of current assets as well as estimates for capital projects based on their beneficial use.

Other Post Employment Benefits

- Reflects unfunded accrued liability for post employment benefits.

Cash Adjustments**Expense**

- Pension – cash payments versus accrued expenses.
- Health & Welfare – 2007 includes credit for Medicare Parts B and D 2006 premium overpayment.
- Insurance and Claims & Suits – payments versus accrued expenses.
- 2007 - 2011 - timing of material purchases versus charge-outs.
- Depreciation, Other Post Employment Benefits and other non-cash adjustments for each year 2007 - 2011.
- Traction and Propulsion Power – 2007 includes potential prior period payments, 2004 – 2006, for LIPA.
- 2007 reflects the Spring and Fall Concrete Tie Replacement program. 2008 reflects replacement of the Queens and Hall In-Tie switches and renovation of the Penn Station Restrooms.

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
Revenue									
Farebox Revenue	\$476.9	\$483.4	\$6.5	\$489.0	\$5.6	\$492.9	\$3.9	\$497.3	\$4.4
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	44.9	46.2	1.3	47.7	1.5	49.1	1.3	50.9	1.8
Capital and Other Reimbursements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	521.8	529.6	7.8	536.7	7.1	541.9	5.2	548.1	6.2
Expenses									
Labor:									
Payroll	380.0	421.9	(41.9)	431.8	(9.9)	440.8	(9.0)	446.0	(5.2)
Overtime	83.2	78.3	4.9	78.0	0.2	79.2	(1.1)	78.9	0.3
Health and Welfare	105.2	125.4	(20.3)	140.9	(15.5)	156.7	(15.8)	171.0	(14.3)
Pensions	108.1	109.3	(1.2)	114.5	(5.2)	116.4	(2.0)	117.8	(1.3)
Other Fringe Benefits	81.3	88.1	(6.8)	90.3	(2.3)	92.3	(2.0)	93.3	(1.0)
Reimbursable Overhead	(26.7)	(25.9)	(0.8)	(25.5)	(0.5)	(25.8)	0.3	(27.3)	1.5
Total Labor Expenses	731.0	797.0	(66.0)	830.1	(33.1)	859.7	(29.6)	879.6	(20.0)
Non-Labor:									
Traction and Propulsion Power	80.3	81.3	(1.1)	85.7	(4.4)	92.8	(7.2)	97.8	(5.0)
Fuel for Buses and Trains	16.1	17.0	(0.9)	17.9	(0.9)	17.6	0.3	17.3	0.2
Insurance	17.7	19.1	(1.4)	20.6	(1.5)	22.2	(1.6)	24.0	(1.7)
Claims	14.8	15.1	(0.3)	15.4	(0.4)	15.8	(0.4)	15.8	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	67.9	71.2	(3.3)	68.8	2.3	70.7	(1.9)	69.7	1.0
Professional Service Contracts	25.7	35.2	(9.5)	32.3	2.9	29.2	3.1	23.8	5.4
Materials & Supplies	100.5	126.5	(26.0)	113.8	12.7	109.4	4.4	107.9	1.5
Other Business Expenses	8.0	9.1	(1.2)	9.0	0.1	9.3	(0.3)	9.4	(0.1)
Total Non-Labor Expenses	330.9	374.5	(43.5)	363.5	11.0	367.0	(3.5)	365.7	1.3
Other Expenses Adjustments:									
Other	(1.8)	(3.6)	1.8	(2.8)	(0.8)	(0.3)	(2.5)	0.0	(0.3)
Total Other Expense Adjustments	(1.8)	(3.6)	1.8	(2.8)	(0.8)	(0.3)	(2.5)	0.0	(0.3)
Total Expenses before Depreciation	1,060.2	1,167.8	(107.7)	1,190.7	(22.9)	1,226.3	(35.6)	1,245.3	(19.0)
Depreciation	274.3	276.8	(2.5)	287.2	(10.4)	303.0	(15.8)	301.4	1.6
Other Post Employment Benefits	73.9	74.2	(0.3)	74.5	(0.3)	75.2	(0.7)	75.8	(0.6)
Total Expenses	1,408.3	1,518.8	(110.5)	1,552.4	(33.6)	1,604.5	(52.1)	1,622.5	(18.0)
Baseline Net Surplus/(Deficit)	(886.5)	(989.3)	(102.7)	(1,015.7)	(26.5)	(1,062.6)	(46.8)	(1,074.4)	(11.8)
2008 PEG Program	0.0	3.9	3.9	5.0	1.1	5.0	0.0	5.0	0.0
Post 2008 PEGs	0.0	0.0	0.0	0.0	0.0	1.1	1.1	1.1	0.0
Net Surplus/(Deficit)	(\$886.5)	(\$985.3)	(\$98.8)	(\$1,010.7)	(\$25.4)	(\$1,056.5)	(\$45.7)	(\$1,068.2)	(\$11.8)

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
Revenue									
Farebox Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital and Other Reimbursements	162.8	178.5	15.8	170.8	(7.7)	171.3	0.5	176.3	5.1
Total Revenue	162.8	178.5	15.8	170.8	(7.7)	171.3	0.5	176.3	5.1
Expenses									
Labor:									
Payroll	62.5	74.3	(11.8)	74.0	0.3	74.8	(0.7)	75.9	(1.2)
Overtime	14.5	13.1	1.4	10.6	2.5	10.8	(0.2)	11.0	(0.2)
Health and Welfare	10.6	13.0	(2.4)	13.0	(0.1)	13.7	(0.6)	14.3	(0.7)
Pensions	22.2	21.1	1.2	16.8	4.2	16.5	0.4	16.7	(0.3)
Other Fringe Benefits	13.6	15.8	(2.2)	15.9	(0.1)	16.7	(0.7)	17.5	(0.8)
Reimbursable Overhead	26.7	25.9	0.8	25.5	0.5	25.8	(0.3)	27.3	(1.5)
Total Labor Expenses	150.1	163.3	(13.1)	155.9	7.4	158.2	(2.2)	162.8	(4.6)
Non-Labor:									
Traction and Propulsion Power	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Fuel for Buses and Trains	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Insurance	0.4	0.7	(0.4)	0.8	(0.0)	0.8	(0.0)	0.8	(0.0)
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating									
Contracts	7.0	9.5	(2.5)	9.8	(0.3)	9.0	0.8	9.2	(0.2)
Professional Service Contracts	0.5	0.3	0.2	0.3	(0.0)	0.2	0.1	0.2	(0.0)
Materials & Supplies	4.4	4.2	0.2	3.5	0.8	2.7	0.8	2.9	(0.2)
Other Business Expenses	0.2	0.5	(0.3)	0.5	(0.0)	0.4	0.1	0.4	(0.0)
Total Non-Labor Expenses	12.6	15.2	(2.6)	14.8	0.4	13.1	1.7	13.5	(0.4)
Other Expenses Adjustments:									
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses before Depreciation	162.8	178.5	(15.8)	170.8	7.7	171.3	(0.5)	176.3	(5.1)
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses	162.8	178.5	(15.8)	170.8	7.7	171.3	(0.5)	176.3	(5.1)
Baseline Net Surplus/(Deficit)	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0
2008 PEG Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Post 2008 PEGs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Surplus/(Deficit)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.0)	\$0.0	\$0.0

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
Revenue									
Farebox Revenue	\$476.9	\$483.4	\$6.5	\$489.0	\$5.6	\$492.9	\$3.9	\$497.3	\$4.4
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	44.9	46.2	1.3	47.7	1.5	49.1	1.3	50.9	1.8
Capital and Other Reimbursements	162.8	178.5	15.8	170.8	(7.7)	171.3	0.5	176.3	5.1
Total Revenue	684.6	708.1	23.5	707.5	(0.6)	713.2	5.7	724.5	11.3
Expenses									
Labor:									
Payroll	442.6	496.3	(53.7)	505.9	(9.6)	515.6	(9.7)	521.9	(6.3)
Overtime	97.7	91.4	6.3	88.7	2.8	90.0	(1.4)	89.9	0.1
Health and Welfare	115.7	138.4	(22.7)	153.9	(15.5)	170.4	(16.4)	185.4	(15.0)
Pensions	130.3	130.3	(0.0)	131.3	(1.0)	132.9	(1.6)	134.5	(1.6)
Other Fringe Benefits	94.9	103.9	(9.0)	106.3	(2.4)	109.0	(2.7)	110.8	(1.8)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenses	881.1	960.3	(79.1)	986.0	(25.7)	1,017.8	(31.8)	1,042.4	(24.6)
Non-Labor:									
Traction and Propulsion Power	80.3	81.3	(1.0)	85.7	(4.4)	92.8	(7.2)	97.8	(5.0)
Fuel for Buses and Trains	16.2	17.0	(0.8)	17.9	(0.9)	17.6	0.3	17.3	0.2
Insurance	18.1	19.8	(1.7)	21.4	(1.5)	23.0	(1.7)	24.8	(1.8)
Claims	14.8	15.1	(0.3)	15.4	(0.4)	15.8	(0.4)	15.8	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	74.9	80.7	(5.8)	78.6	2.1	79.7	(1.0)	78.8	0.8
Professional Service Contracts	26.2	35.5	(9.3)	32.6	2.9	29.4	3.2	24.1	5.4
Materials & Supplies	104.9	130.7	(25.8)	117.3	13.4	112.1	5.2	110.8	1.3
Other Business Expenses	8.2	9.6	(1.4)	9.5	0.1	9.7	(0.2)	9.8	(0.1)
Total Non-Labor Expenses	343.6	389.7	(46.1)	378.3	11.4	380.1	(1.8)	379.2	0.9
Other Expenses Adjustments:									
Other	(1.8)	(3.6)	1.8	(2.8)	(0.8)	(0.3)	(2.5)	0.0	(0.3)
Total Other Expense Adjustments	(1.8)	(3.6)	1.8	(2.8)	(0.8)	(0.3)	(2.5)	0.0	(0.3)
Total Expenses before Depreciation	1,222.9	1,346.3	(123.4)	1,361.5	(15.2)	1,397.6	(36.1)	1,421.7	(24.1)
Depreciation	274.3	276.8	(2.5)	287.2	(10.4)	303.0	(15.8)	301.4	1.6
Other Post Employment Benefits	73.9	74.2	(0.3)	74.5	(0.3)	75.2	(0.7)	75.8	(0.6)
Total Expenses	1,571.1	1,697.3	(126.3)	1,723.2	(25.9)	1,775.8	(52.6)	1,798.9	(23.1)
Baseline Net Surplus/(Deficit)	(886.5)	(989.3)	(102.7)	(1,015.7)	(26.5)	(1,062.6)	(46.8)	(1,074.4)	(11.8)
2008 PEG Program	0.0	3.9	3.9	5.0	1.1	5.0	0.0	5.0	0.0
Post 2008 PEGs	0.0	0.0	0.0	0.0	0.0	1.1	1.1	1.1	0.0
Net Surplus/(Deficit)	(\$886.5)	(\$985.3)	(\$98.8)	(\$1,010.7)	(\$25.4)	(\$1,056.5)	(\$45.7)	(\$1,068.2)	(\$11.8)

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
Receipts									
Farebox Revenue	\$505.9	\$512.4	\$6.5	\$518.0	\$5.6	\$521.9	\$3.9	\$526.3	\$4.4
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	65.0	49.4	(15.6)	51.0	1.5	52.3	1.3	54.2	1.9
Capital and Other Reimbursements	189.6	207.9	18.3	200.6	(7.3)	201.3	0.7	206.4	5.1
Total Receipts	760.5	769.7	9.2	769.6	(0.2)	775.5	5.9	786.9	11.4
Expenditures									
Labor:									
Payroll	441.5	495.2	(53.7)	504.8	(9.6)	514.5	(9.7)	520.8	(6.3)
Overtime	97.7	91.4	6.3	88.7	2.8	90.0	(1.4)	89.9	0.1
Health and Welfare	112.5	138.4	(25.9)	153.9	(15.5)	170.4	(16.4)	185.4	(15.0)
Pensions	130.3	130.3	(0.0)	131.3	(1.0)	132.9	(1.6)	134.5	(1.6)
Other Fringe Benefits	94.9	103.9	(9.0)	106.3	(2.4)	109.0	(2.7)	110.8	(1.8)
GASB Account	6.8	7.5	(0.7)	8.3	(0.8)	9.1	(0.8)	9.9	(0.8)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	883.6	966.7	(83.1)	993.2	(26.5)	1,025.8	(32.6)	1,051.2	(25.4)
Non-Labor:									
Traction and Propulsion Power	102.7	81.3	21.4	85.7	(4.4)	92.8	(7.2)	97.8	(5.0)
Fuel for Buses and Trains	16.2	17.0	(0.8)	17.9	(0.9)	17.6	0.3	17.3	0.2
Insurance	22.7	25.3	(2.6)	26.1	(0.8)	27.9	(1.8)	30.6	(2.8)
Claims	19.2	13.3	5.9	13.6	(0.3)	14.0	(0.4)	14.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	78.4	83.9	(5.4)	80.1	3.7	81.2	(1.0)	80.3	0.8
Professional Service Contracts	28.1	38.3	(10.3)	32.1	6.3	28.9	3.2	23.6	5.4
Materials & Supplies	127.9	168.9	(40.9)	148.4	20.5	143.3	5.1	141.5	1.8
Other Business Expenses	7.6	9.0	(1.4)	8.9	0.1	9.1	(0.2)	9.2	(0.1)
Total Non-Labor Expenditures	402.7	436.9	(34.2)	412.7	24.2	414.7	(1.9)	414.3	0.4
Other Expenditure Adjustments:									
Other	29.0	29.0	0.0	29.0	0.0	29.0	0.0	29.0	0.0
Total Other Expenditure Adjustments	29.0	29.0	0.0	29.0	0.0	29.0	0.0	29.0	0.0
Total Expenditures	1,315.4	1,432.6	(117.3)	1,435.0	(2.3)	1,469.5	(34.5)	1,494.5	(25.0)
Cash Timing and Availability Adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Baseline Net Cash Deficit	(554.9)	(662.9)	(108.0)	(665.4)	(2.5)	(694.1)	(28.7)	(707.7)	(13.6)
2008 PEG Program	0.0	3.9	3.9	5.0	1.1	5.0	0.0	5.0	0.0
Post 2008 PEGs	0.0	0.0	0.0	0.0	0.0	1.1	1.1	1.1	0.0
Net Cash Deficit	(\$554.9)	(\$659.0)	(\$104.1)	(\$660.4)	(\$1.4)	(\$688.0)	(\$27.6)	(\$701.6)	(\$13.6)

MTA Long Island Rail Road
November Financial Plan 2008 - 2011
Summary of Changes between Financial Plans by Category

2007: November Financial Plan vs. July Financial Plan

2007 November Financial Plan is based on actual performance through July with projections for August through December based on current trends and known activities.

Revenue

- Ridership, 1.0 million, and Passenger Revenue, \$6.6 million, favorable to plan.
- Higher rental income.
- Capital and other reimbursements are higher primarily resulting from changes in capital project activity.

Expense

- Payroll and benefits – increased from July Plan due to higher overtime, partially offset by a decrease in health and welfare costs.
- Lower Life Cycle Maintenance material costs due to timing and pricing of materials.
- Higher professional services due to expenses incidental to project work, IT system initiatives and consulting services for Maximo implementation.
- All other non-payroll expenses have been re-estimated based on planned activities and timing of service contracts.

2008 - 2011: November Financial Plan vs. July Financial Plan

Revenue

- 2008 - 2011 increase in average yield per passenger of 0.1%.
- 2008 – 2011 increase in ridership of approximately 1.3% per year.
- Higher rent and parking revenue.
- Capital and other reimbursements are higher primarily resulting from changes in capital project activity.

Expense

- Payroll and benefits – increased from July Plan in 2008 and 2009 due to new needs, re-estimate of staffing associated with LCM and capital program activity.
- Traction Power and Fuel is lower in 2008–2011 due to rates.
- Material & Supplies changes each year due to re-estimate of material costs associated with LCM.
- All other non-payroll expenses have been re-estimated based on planned activities, new needs, changes in service contracts and adjustments to inflationary increases.

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	(\$585.1)	(\$650.4)	(\$674.6)	(\$702.7)	(\$716.6)
Baseline Changes					
Revenue					
Farebox Revenue	6.6	6.5	6.7	6.7	6.7
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	2.3	2.3	2.3	2.2	2.2
Capital and Other Reimbursement	0.0	0.0	0.0	0.0	0.0
Total Revenue Changes	8.9	8.8	9.0	8.9	9.0
Expenses					
Labor:					
Payroll and Overtime	(1.2)	(20.2)	(20.4)	(20.9)	(18.7)
Health and Welfare	0.1	(1.8)	(3.3)	(3.6)	(2.9)
Pensions	12.3	9.9	6.7	5.3	3.6
Other Fringe Benefits	0.9	(3.6)	(4.2)	(4.6)	(4.1)
Reimbursable Overhead	2.6	(2.6)	(0.8)	(1.0)	(0.2)
Total Labor Expense Changes	14.7	(18.3)	(22.0)	(24.8)	(22.3)
Non-Labor:					
Traction and Propulsion Power	1.4	1.0	3.2	3.4	1.3
Fuel for Buses and Trains	0.4	0.9	0.9	2.2	3.0
Insurance	0.0	0.0	0.0	(0.0)	0.0
Claims	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	0.7	(6.0)	(0.8)	(1.2)	(1.0)
Professional Service Contracts	(3.7)	(6.4)	(4.1)	(4.0)	(3.5)
Materials & Supplies	2.9	12.7	22.3	24.4	22.8
Other Business Expenses	1.4	0.4	0.7	0.7	0.7
Total Non-Labor Expense Changes	3.0	2.6	22.2	25.6	23.3
Other Expense Adjustments:					
Other	1.8	3.6	2.8	0.3	0.0
Total Other Expense Adjustments	1.8	3.6	2.8	0.3	0.0
Total Expense Changes	19.5	(12.0)	3.1	1.1	0.9
Cash Adjustment Changes					
Operating Funded Capital	1.7	(2.6)	(1.0)	(1.0)	(1.0)
Customer Initiatives - Penn Station Restroom Renovation (OFC)	(0.3)	(2.4)			
H & W Medicare Part B and D 2006 premium overpayment.	3.2				
Pension Adjustment	(2.5)				
Claims - accrued vs. cash	(3.8)				
LCM Materials - (Timing)	1.7	(1.7)			
IT Capitalization	(1.8)	(3.6)	(2.8)	(0.3)	0.0
Other charges, credits & bad debt	3.7	1.0	1.0	0.0	0.0
Total Cash Adjustment Changes	1.9	(9.4)	(2.8)	(1.3)	(1.0)
Total Baseline Changes	30.2	(12.5)	9.2	8.6	8.9
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	(\$554.9)	(\$662.9)	(\$665.4)	(\$694.1)	(\$707.7)

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Capital and Other Reimbursement	6.8	7.7	2.9	1.4	2.2
Total Revenue Changes	6.8	7.7	2.9	1.4	2.2
Expenses					
Labor:					
Payroll and Overtime	(1.1)	(5.2)	(1.9)	(1.5)	(1.0)
Health and Welfare	0.3	(1.4)	(0.7)	(0.7)	(0.9)
Pensions	(2.9)	(0.7)	1.5	1.2	1.4
Other Fringe Benefits	0.4	(0.3)	0.5	0.7	0.5
Reimbursable Overhead	(2.6)	2.6	0.8	1.0	0.2
Total Labor Expense Changes	(6.0)	(5.0)	0.2	0.7	0.3
Non-Labor:					
Traction and Propulsion Power	(0.1)	0.0	0.0	0.0	0.0
Fuel for Buses and Trains	(0.1)	0.0	0.0	0.0	0.0
Insurance	(0.0)	(0.4)	(0.4)	(0.4)	(0.4)
Claims	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	0.0	(1.6)	(2.2)	(1.7)	(1.8)
Professional Service Contracts	(0.2)	0.2	0.1	0.1	0.1
Materials & Supplies	(0.4)	(1.2)	(0.7)	(0.3)	(0.5)
Other Business Expenses	(0.0)	0.3	0.1	0.1	0.1
Total Non-Labor Expense Changes	(0.8)	(2.7)	(3.1)	(2.2)	(2.4)
Other Expense Adjustments:					
Other	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	0.0	0.0	0.0	0.0	0.0
Total Expense Changes	(6.8)	(7.7)	(2.9)	(1.4)	(2.2)
Cash Adjustment Changes					
Capital rebalancing adjustment					
Total Cash Adjustment Changes	0.0	0.0	0.0	0.0	0.0
Total Baseline Changes	0.0	(0.0)	(0.0)	0.0	0.0
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	\$0.0	(\$0.0)	(\$0.0)	\$0.0	\$0.0

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	(\$585.1)	(\$650.4)	(\$674.6)	(\$702.7)	(\$716.6)
Baseline Changes					
Revenue					
Farebox Revenue	6.6	6.5	6.7	6.7	6.7
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	2.3	2.3	2.3	2.2	2.2
Capital and Other Reimbursement	6.8	7.7	2.9	1.4	2.2
Total Revenue Changes	15.7	16.5	11.9	10.3	11.1
Expenses					
Labor:					
Payroll and Overtime	(2.3)	(25.4)	(22.3)	(22.4)	(19.7)
Health and Welfare	0.4	(3.2)	(4.0)	(4.3)	(3.8)
Pensions	9.4	9.3	8.2	6.6	5.0
Other Fringe Benefits	1.3	(3.9)	(3.7)	(3.9)	(3.6)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0
Total Labor Expense Changes	8.8	(23.3)	(21.9)	(24.1)	(22.1)
Non-Labor:					
Traction and Propulsion Power	1.3	1.0	3.2	3.4	1.3
Fuel for Buses and Trains	0.3	0.9	0.9	2.2	3.0
Insurance	(0.0)	(0.4)	(0.4)	(0.4)	(0.4)
Claims	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	0.7	(7.6)	(3.0)	(2.8)	(2.8)
Professional Service Contracts	(3.9)	(6.2)	(4.0)	(3.9)	(3.4)
Materials & Supplies	2.4	11.5	21.6	24.1	22.3
Other Business Expenses	1.3	0.7	0.9	0.8	0.8
Total Non-Labor Expense Changes	2.2	(0.0)	19.2	23.4	20.9
Other Expense Adjustments:					
Other	1.8	3.6	2.8	0.3	0.0
Total Other Expense Adjustments	1.8	3.6	2.8	0.3	0.0
Total Expense Changes	12.7	(19.7)	0.2	(0.3)	(1.2)
Cash Adjustment Changes					
Operating Funded Capital	1.7	(2.6)	(1.0)	(1.0)	(1.0)
Customer Initiatives - Penn Station Restroom Renovation (OFC)	(0.3)	(2.4)			
H & W Medicare Part B and D 2006 premium overpayment.	3.2				
Pension Adjustment	(2.5)				
Claims - accrued vs. cash	(3.8)				
LCM Materials - (Timing)	1.7	(1.7)			
IT Capitalization	(1.8)	(3.6)	(2.8)	(0.3)	0.0
Other charges, credits & bad debt	3.7	1.0	1.0	0.0	0.0
Total Cash Adjustment Changes	1.9	(9.4)	(2.8)	(1.3)	(1.0)
Total Baseline Changes	30.2	(12.5)	9.2	8.6	8.9
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	(\$554.9)	(\$662.9)	(\$665.4)	(\$694.1)	(\$707.7)

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2008 - 2011
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	(\$585.1)	(\$650.4)	(\$674.6)	(\$702.7)	(\$716.6)
<i>Non-Reimbursable Major Changes</i>					
Farebox Revenue	\$6.6	\$6.5	\$6.7	\$6.7	\$6.7
Other Operating Revenue	2.3	2.3	2.3	2.2	2.2
Sub-Total Non-Reimbursable Revenue Changes	8.9	8.8	9.0	8.9	9.0
Bridges - State of Good Repair and Waterproofing		(1.7)	(3.1)	(3.1)	(2.2)
Carman Agreement		(1.6)	0.0	0.0	0.0
Customer Communication Initiatives	(0.3)	(3.5)	(2.7)	(2.7)	(2.9)
Customer Initiatives (high security fencing, painting)		(2.0)			
Gap Mitigation and Monitoring	1.7	(5.8)	(6.3)	(6.4)	(3.1)
ESA Operational Readiness/Public Awareness		(1.3)	(1.3)	(1.3)	(1.4)
Future IT System Initiatives		(3.2)	(1.9)	(2.3)	(2.3)
Low Adhesion Mitigation Strategy	(0.3)	(2.9)	(3.2)	(0.5)	(0.5)
Origination and Destination Study			(1.0)		
RPCS Replacement				(1.5)	(1.9)
Station Painting and Maintenance		(0.7)	(0.3)		
Tree Trimming Initiative	0.8	(2.5)	(3.0)	(3.1)	(2.1)
Mineola Building (expenses and revenues)		(1.3)	(1.0)	(1.0)	(1.1)
Mineola Loan Repayment	1.9	1.9	1.9	1.9	1.9
Misc. Charges & Credits	(3.7)	(1.0)	(1.0)		
BOM Revisions	1.5				
IT Capitalization	1.8	3.6	2.8	0.3	
Pension (Latest Actuarial evaluation)	9.4	9.3	8.2	6.6	5.0
LCM Re-estimate		12.1	18.3	18.3	15.7
New hire/Bench Test Equipment/Support Shop Training	0.3	(3.0)	0.0	0.1	0.1
Timing of various fleet maintenance projects	3.3	(2.6)	(0.5)		
Joint Facility Extra Ordinary Maintenance		(0.8)			
Timing of Bridge Painting Contract	0.7	(0.7)			
Low Profile Crane		(1.0)			
M of E Apprenticeship Program		(0.3)	(0.8)	(1.2)	(2.0)
Various non-payroll re-estimates	(0.6)	(1.5)	(1.6)	(1.7)	(1.7)
All Other Changes	3.1	(1.6)	(0.5)	(1.1)	(0.4)
Sub-Total Non-Reimbursable Expense Changes	19.5	(12.0)	3.1	1.1	0.9
Total Non-Reimbursable Major Changes	28.4	(3.2)	12.1	10.0	9.9
<i>Reimbursable Major Changes</i>					
<u>Revenue</u>					
Capital and Other Reimbursement	6.8	7.7	2.9	1.4	2.2
Sub-Total Reimbursable Revenue Changes	6.8	7.7	2.9	1.4	2.2
<u>Expenses</u>					
Change in Capital Program Activity	(6.8)	(7.7)	(2.9)	(1.4)	(2.2)
Sub-Total Reimbursable Expense Changes	(6.8)	(7.7)	(2.9)	(1.4)	(2.2)
Total Reimbursable Major Changes	0.0	0.0	0.0	0.0	0.0
Total Accrual Changes	28.4	(3.2)	12.1	10.0	9.9
<i>Cash Adjustment Changes</i>					
Operating Funded Capital	1.7	(2.6)	(1.0)	(1.0)	(1.0)
Customer Initiatives - Penn Station Restroom Renovation (OFC)	(0.3)	(2.4)	0.0	0.0	0.0
H & W Medicare Part B and D 2006 premium overpayment.	3.2	0.0	0.0	0.0	0.0
Pension Adjustment	(2.5)	0.0	0.0	0.0	0.0
Claims - accrued vs. cash	(3.8)	0.0	0.0	0.0	0.0
LCM Materials - (Timing)	1.7	(1.7)	0.0	0.0	0.0
IT Capitalization	(1.8)	(3.6)	(2.8)	(0.3)	0.0
Other charges, credits & bad debt	3.7	1.0	1.0	0.0	0.0
Total Cash Adjustment Changes	1.9	(9.4)	(2.8)	(1.3)	(1.0)
Total Baseline Changes	30.2	(12.5)	9.2	8.6	8.9
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	(\$554.9)	(\$662.9)	(\$665.4)	(\$694.1)	(\$707.7)

**MTA Long Island Rail Road
2008 Final Proposed Budget
November Financial Plan 2008 – 2011**

RIDERSHIP/UTILIZATION PROJECTIONS

- The regional economy and employment are the primary drivers of passenger ridership and revenue in 2008.
- Ridership projections for the outer years 2009-2011 reveal modest annual growth.

MTA Long Island Rail Road
November Financial Plan 2008 - 2011
Ridership (Utilization)
(in millions)

	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Baseline Total Ridership	85.6	87.0	87.8	88.5	89.1
<i>Impact of:</i>					
2008PEG Program					
Post-2008 PEG Program					
Total Ridership	85.6	87.0	87.8	88.5	89.1

MTA LONG ISLAND RAIL ROAD
November Plan 2008 - 2011
Summary of 2008 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2007		2008		2009		2010		2011	
		<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>
Administration											
Passenger Services-Admin Reductions		0	0.000	3	0.301	3	0.301	3	0.301	3	0.301
Reduce Advertising Budget		0	0.000	0	0.188	0	0.250	0	0.250	0	0.250
Reduce Management and Administrative Positions		0	0.000	24	1.800	24	2.400	24	2.400	24	2.400
Reduction in Non-Payroll Funding-Engineering		0	0.000	0	0.525	0	0.700	0	0.700	0	0.700
Reduction in Non-Payroll Funding-IT		0	0.000	0	0.188	0	0.250	0	0.250	0	0.250
Reduction to Non-Payroll Expenses-Admin		0	0.000	0	0.358	0	0.457	0	0.457	0	0.457
Reduction to Travel and Training Programs		0	0.000	0	0.103	0	0.142	0	0.146	0	0.151
Sub-Total	Administration	0	\$ 0.000	27	\$ 3.463	27	\$ 4.500	27	\$ 4.504	27	\$ 4.509
Revenue Enhancement											
Special Services- Menu Price Increase		0	0.000	0	0.350	0	0.350	0	0.350	0	0.350
Sub-Total	Revenue Enhancement	0	\$ 0.000	0	\$ 0.350	0	\$ 0.350	0	\$ 0.350	0	\$ 0.350
Service											
Martin Luther King- Holiday Service		0	0.000	0	0.113	0	0.155	0	0.159	0	0.164
Sub-Total	Service	0	\$ 0.000	0	\$ 0.113	0	\$ 0.155	0	\$ 0.159	0	\$ 0.164
Total Programs		0	\$ 0.000	27	\$ 3.926	27	\$ 5.005	27	\$ 5.013	27	\$ 5.023

MTA LONG ISLAND RAIL ROAD
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000059	Current Budget Year	2007	Status	Open
Program:	Reduction to Non-Payroll Expenses-Admin			Agency Status	Pending
Description and Implementation Pla	10% Reduction in supplies, publications, employee expenses and other misc. expenses.				
Background Details					

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	LIRRD	0000000059	FINAL07	\$ 0.000	\$ 0.358	\$ 0.457	\$ 0.457	\$ 0.457

MTA LONG ISLAND RAIL ROAD
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000060	Current Budget Year	2007	Status	Open
Program:	Reduction to Travel and Training Programs			Agency Status	Pending
Description and Implementation Pla	Reduce outside training by approximately 50%.				
Background Details					

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	LIRRD	0000000060	FINAL07	\$ 0.000	\$ 0.103	\$ 0.142	\$ 0.146	\$ 0.151

MTA LONG ISLAND RAIL ROAD
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000061	Current Budget Year	2007	Status	Open
Program:	Reduce Management and Administrative Positions			Agency Status	Pending
Description and Implementation Pla	Reduction of 24 Management and Administrative Positions.				
Background Details	Eliminate 24 positions in administrative departments as well as management positions within the operating departments. Administrative departments including Budget, Accounting, Human Resources, Market Development, Procurement & Logistics, Strategic Investments, Employee Assistance Program and General Counsel's office. Efforts will be made to mitigate the impact by reassigning work to remaining staff. However, some potential adverse implications include: less revenue audits, increasing the time period for processing refunds, and less analysis of financial and budget information, and the accuracy and consistency of some specifications. Management positions within the operating departments may adversely impact service and operations.				

				2007	2008	2009	2010	2011
Total Headcount	LIRRD	0000000061	FINAL07	0	24	24	24	24
Financial Impact	LIRRD	0000000061	FINAL07	\$ 0.000	\$ 1.800	\$ 2.400	\$ 2.400	\$ 2.400

MTA LONG ISLAND RAIL ROAD
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000062	Current Budget Year	2007	Status	Open
Program:	Reduction in Non-Payroll Funding-Engineering			Agency Status	Pending
Description and Implementation Pla	Engineering reduction in non-payroll funding.				
Background Details					

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	LIRRD	0000000062	FINAL07	\$ 0.000	\$ 0.525	\$ 0.700	\$ 0.700	\$ 0.700

MTA LONG ISLAND RAIL ROAD
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000063	Current Budget Year	2007	Status	Open
Program:	Reduce Advertising Budget			Agency Status	Pending
Description and Implementation Pla	Market Development & Public Affairs- Eliminate advertising amount added in the 2007 Financial Plan.				
Background Details					

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	LIRRD	0000000063	FINAL07	\$ 0.000	\$ 0.188	\$ 0.250	\$ 0.250	\$ 0.250

MTA LONG ISLAND RAIL ROAD
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000064	Current Budget Year	2007	Status	Open
Program:	Passenger Services-Admin Reductions			Agency Status	Pending
Description and Implementation Pla	Headcount Reductions-one manager, one mail and ride clerk and one ticket clerk from the extra list.				
Background Details					

				2007	2008	2009	2010	2011
Total Headcount	LIRRD	0000000064	FINAL07	0	3	3	3	3
Financial Impact	LIRRD	0000000064	FINAL07	\$ 0.000	\$ 0.301	\$ 0.301	\$ 0.301	\$ 0.301

MTA LONG ISLAND RAIL ROAD
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Service	Savings Date	1/1/2008
PEG / New Need ID	0000000067	Current Budget Year	2007	Status	Open
Program:	Martin Luther King- Holiday Service			Agency Status	Pending
Description and Implementation Pla	On Martin Luther King Day, operate on a holiday schedule. Due to Martin Luther King Day being a contractual holiday for the LIRR, we anticipate overtime savings if this Peg is implemented.				
Background Details	Currently the LIRR operates on a regular weekday schedule but historically ridership on Martin Luther King is only 42% of normal AM Peak. Ridership on Martin Luther King Day is comparative to President's Day in which we operate on a holiday schedule.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	LIRRD	0000000067	FINAL07	\$ 0.000	\$ 0.113	\$ 0.155	\$ 0.159	\$ 0.164

MTA LONG ISLAND RAIL ROAD
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000068	Current Budget Year	2007	Status	Open
Program:	Reduction in Non-Payroll Funding-IT			Agency Status	Pending
Description and Implementation Pla	Reduction in telecommunication hardware.				
Background Details					

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	LIRRD	0000000068	FINAL07	\$ 0.000	\$ 0.188	\$ 0.250	\$ 0.250	\$ 0.250

MTA LONG ISLAND RAIL ROAD
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Revenue Enhancement	Savings Date	1/1/2008
PEG / New Need ID	0000000069	Current Budget Year	2007	Status	Open
Program:	Special Services- Menu Price Increase			Agency Status	Pending
Description and Implementation Pla	The Long Island Rail Road is proposing an average 15% price increase. This price increase would bring the LIRR's beverage prices closer in line with Metro-North, while still being competitive in the market place.				
Background Details	Special Services menu prices last increase in February 2004 with domestic beer increasing by fifty cents and spirits increasing by twenty-five cents. The price increase did not negatively impact unit sales and in fact, 2004 through 2007 unit sales have consistently increased. Since then, the labor costs have continued to rise while material costs are anticipated to increase in 2008 with new supplier contracts.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	LIRRD	0000000069	FINAL07	\$ 0.000	\$ 0.350	\$ 0.350	\$ 0.350	\$ 0.350

**MTA Long Island Rail Road
2008 Final Proposed Budget
November Financial Plan 2008 – 2011**

POSITION ASSUMPTIONS

NON-REIMBURSABLE POSITIONS:

- Positions are identified as of year-end (December 31) for each year in the financial plan and reflect an estimate of the total number of paid employees required to meet/achieve corporate goals.
- Annual staffing levels include the impact of new needs and re-estimates consistent with the associated cost changes incorporated in the financial plan.

REIMBURSABLE POSITIONS:

- Positions are identified as of year-end (December 31) for each year in the financial plan and reflect an estimate of the total number of paid employees required for reimbursable activity.
- Annual staffing levels represent the positions required to support the Capital Program, as well as changes in other reimbursable projects.

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2008 - 2011
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Administration						
Executive VP	2	2	2	2	2	2
Labor Relations	9	11	11	11	11	11
Procurement & Logistics (excl. Stores)	77	90	90	90	90	90
Human Resources	90	101	101	101	101	101
Strategic Investments	34	38	41	41	41	41
Diversity Management	3	3	3	3	3	3
President	3	4	4	4	4	4
VP & Chief Financial Officer	98	112	112	112	111	111
Svc. Planning, Technology (excl. CPM)	169	183	188	191	194	195
Market Dev. & Public Affairs	60	61	65	65	65	65
Gen. Counsel & Secretary	29	30	34	34	34	34
System Safety	21	23	23	23	23	23
VP Operations/Oper. Support & Analysis	25	26	27	27	27	27
Other (Corporate)	0	0	16	16	16	16
Total Administration	620	684	717	720	722	723
Operations						
Transportation	1,798	1,877	1,888	1,888	1,888	1,888
Passenger Service (Ticket Clerks & Agents)	194	183	185	185	185	185
Total Operations	1,992	2,060	2,073	2,073	2,073	2,073
Maintenance						
Engineering	1,558	1,608	1,742	1,738	1,759	1,698
Equipment	1,778	1,867	1,984	2,050	2,060	2,060
Passenger Service (excl. Ticket Selling)	186	194	196	196	196	196
Procurement (Stores)	88	95	95	95	95	95
Total Maintenance	3,610	3,764	4,017	4,079	4,110	4,049
Engineering/Capital						
Capital Program Management	81	79	100	93	93	93
Total Baseline Positions	6,303	6,587	6,907	6,965	6,998	6,938
<i>Non-Reimbursable</i>	5,582	5,933	6,057	6,121	6,142	6,082
<i>Reimbursable</i>	721	654	850	844	856	856
<i>Total Full-Time</i>	6,303	6,587	6,907	6,965	6,998	6,938
<i>Total Full-Time Equivalents</i>	0	0	0	0	0	0
<hr/>						
Impact of:						
2008 Program to Eliminate the Gap	0	0	27	27	27	27
Post 2008 Program to Eliminate the Gap	0	0	0	0	12	12
Total Positions	6,303	6,587	6,880	6,938	6,959	6,899
<i>Non-Reimbursable</i>	5,582	5,933	6,030	6,094	6,103	6,043
<i>Reimbursable</i>	721	654	850	844	856	856
<i>Total Full-Time</i>	6,303	6,587	6,880	6,938	6,959	6,899
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2008 - 2011
Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP		2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Administration							
	Managers/Supervisors	287	307	335	336	335	335
	Professional, Technical, Clerical	333	377	382	384	387	388
	Operational Hourlies	-	-	-	-	-	-
	Total Administration	620	684	717	720	722	723
Operations							
	Managers/Supervisors	242	256	263	263	263	263
	Professional, Technical, Clerical	182	173	178	178	178	178
	Operational Hourlies	1,568	1,631	1,632	1,632	1,632	1,632
	Total Operations	1,992	2,060	2,073	2,073	2,073	2,073
Maintenance							
	Managers/Supervisors	667	712	776	775	782	777
	Professional, Technical, Clerical	250	276	284	284	284	284
	Operational Hourlies	2,693	2,776	2,957	3,020	3,044	2,988
	Total Maintenance	3,610	3,764	4,017	4,079	4,110	4,049
Engineering/Capital							
	Managers/Supervisors	68	65	85	79	79	79
	Professional, Technical, Clerical	13	14	15	14	14	14
	Operational Hourlies	-	-	-	-	-	-
	Total Engineering/Capital	81	79	100	93	93	93
Public Safety							
	Managers/Supervisors	-	-	-	-	-	-
	Professional, Technical, Clerical	-	-	-	-	-	-
	Operational Hourlies	-	-	-	-	-	-
	Total Public Safety	-	-	-	-	-	-
Total Baseline Positions							
	Managers/Supervisors	1,264	1,340	1,459	1,453	1,459	1,454
	Professional, Technical, Clerical	778	840	859	860	863	864
	Operational Hourlies	4,261	4,407	4,589	4,652	4,676	4,620
	Total Baseline Positions	6,303	6,587	6,907	6,965	6,998	6,938

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Metro-North Railroad

**MTA METRO-NORTH RAILROAD
2008 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2008-2011**

MISSION STATEMENT

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

DESCRIPTION OF SERVICES

MTA Metro-North Railroad provides passenger rail service to five suburban counties in New York State (Westchester, Putnam, Dutchess, Rockland, and Orange), two in Connecticut (Fairfield and New Haven), and two urban counties in New York City (Bronx and Manhattan). East of Hudson train service extends 85 miles from Manhattan, with terminals to the northeast in New Haven, Waterbury, Danbury, and New Canaan on the New Haven Line; to the north in Wassaic on the Harlem Line, and Poughkeepsie on the Hudson Line. The Harlem, Hudson, and New Haven Lines converge and terminate at Grand Central Terminal in Manhattan. West of the Hudson River, the Pascack Valley Line extends to Spring Valley, New York and the Port Jervis Line to Port Jervis, a town 95 miles from Hoboken at the border of New York and Pennsylvania. Both lines terminate in Hoboken, New Jersey. Service on the New Haven line is provided by Metro-North pursuant to a contract between the Connecticut Department of Transportation (ConnDOT) and Metro-North/MTA. Service on the Port Jervis and Pascack Valley Lines is operated by New Jersey Transit under contract to Metro-North. The railroad plans to carry 81.7 million customers in 2008 over 385 route miles, to and from 121 stations, operating 658 trains on an average weekday East of Hudson, and 61 trains on an average weekday West of Hudson.

FINANCIAL OVERVIEW

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

Metro-North's resource requirements in the November Financial Plan 2008-2011 reflect the savings/cost avoidance measures implemented in 2007. They also reflect measures for 2008-2011 presented as "Programs to Eliminate the Gap" (PEGs) and other cost reduction measures (net of increases) detailed later in this document. The reductions were achieved through savings generated by lower than projected cost trends as well as changes in program schedules and project eliminations. In addition to expenditure reductions, higher Farebox revenues are also projected using moderate ridership growth rates on a base of actual results, in accordance with historical trends and Metro-North's coordinated strategies to increase service quality and quantity.

As part of its strategic planning, Metro-North has also identified emerging new needs and other resource adjustments to ensure that the Financial Plan contains cost efficiencies without compromising progress in meeting safety, service level or performance goals. Consequently, the Financial Plan includes increasing costs for energy, health care and insurance coverage, as well the financial impact of recently settled wage agreements through June 2010 with all labor union-represented employees. In addition to these economic factors, cost provisions have been added or maintained for West of Hudson subsidies, security projects, revenue-generating service initiatives, equipment overhauls, and operating support costs for capital-funded acquisitions of rolling stock, infrastructure improvements and new facilities. To preserve the retail revenue stream in GCT and maintain this facility in landmark status, several GCT renovation projects are included through 2011. Similar to the costs required for the overall GCT retail operation and its management, the cost of the GCT restoration/renovation projects are netted in the Financial Plan against net GCT Retail Revenue.

2007 NOVEMBER FORECAST

The 2007 November Non-Reimbursable Forecast reflects revenue projections totaling \$508.7 million, and expenses, including depreciation, of \$1,106.8 million that generate an operating deficit of \$598.1 million. Cash adjustments of \$175.5 million reduce that amount to a cash deficit of \$422.7 million which is \$2.3 million lower than the July Financial Plan and \$4.4 million lower than the adopted budget. Funding of the cash deficit is estimated at \$356.4 million from the MTA and \$66.2 million from ConnDOT. The November Reimbursable revenue and expense projections total \$173.7 million.

Compared to the July Financial Plan, November Non-Reimbursable revenue projections reflect a \$5.2 million revenue increase primarily due to higher Farebox Revenues related to higher than anticipated ridership growth and Other Operating Revenue comprised mainly of additional net GCT retail revenue. Non-Reimbursable expenses reflect a \$30.0 million increase due to the addition of a \$48.9 million cost provision for post employment medical benefits. This cost increase is partially offset by a reduction in pension cost estimates (\$6.4 million), maintenance & other service fees (\$4.2 million), depreciation (\$4.0 million due to the accelerated depreciation during prior year of

deteriorated concrete ties), and a lower provision for injury claims accruals (\$3.0 million).

Compared to the 2007 Adopted Budget, November Non-Reimbursable revenue projections reflect a \$13.6 million revenue increase. These increases are primarily due to higher Farebox Revenues related to higher ridership levels (\$10.6 million) and additional net GCT retail revenue \$3.0 million). Non-Reimbursable expenses reflect a \$30.5 million increase vs. the adopted budget primarily due to the addition of a \$48.9 million cost provision for post employment medical benefits and \$3.4 million increase in material usage for equipment and right-of-way maintenance programs. These increases are partially offset by a \$3.0 million reduction in fringe costs (primarily a reduction in pension cost estimates, and higher health & welfare and other fringe costs), maintenance & other contract fees of \$5.3 million (reflecting lower NJT subsidy costs for West of Hudson service, lower equipment overhaul costs and higher Amtrak recoveries), depreciation (\$8.0 million due to the accelerated depreciation during prior year of deteriorated concrete ties), and lower injury claims estimates (\$5.8 million).

2008 FINAL PROPOSED BASELINE BUDGET

The 2008 Final Proposed Non-Reimbursable Budget reflects revenue projections totaling \$515.5 million, and expenses, including depreciation, of \$1,183.6 million that generate an operating deficit of \$668.2 million. Cash adjustments of \$247.6 million reduce that amount to a cash deficit of \$420.5 million, of which \$347.0 million represents the MTA share and \$73.5 million the ConnDOT share. The 2008 Final Proposed Reimbursable revenues and expenses total \$216.0 million.

The Non-Reimbursable revenue projections reflect current fares and current trends in both Farebox and Other Operating Revenue. The Other Operating Revenue has been adjusted to reflect the funding and impact of GCT renovation projects. The Final Proposed Non-Reimbursable expense projections incorporate increased subsidy requirements for rolling stock overhauls, service additions, and the impact of inflation and rising employee benefit costs. The expenditure projections also include costs for the concrete tie replacement program in NY State, customer communication and facility improvements and, increased prices for energy and petroleum-based products.

2009-2011 PROJECTIONS

The Non-Reimbursable revenue projections total \$530.2 million in 2009, \$541.5 million in 2010, and \$554.3 million in 2011. Non-Reimbursable expense projections, including depreciation, total \$1,251.4 million in 2009, \$1,322.9 million in 2010, and \$1,374.9 million in 2011. These revenue and expense projections generate a baseline operating deficit of \$721.1 million in 2009, \$781.4 million in 2010, and \$820.6 million in 2011.

Cash adjustments of \$274.1 million in 2009, \$281.1 million in 2010, and \$288.6 million in 2011 reduce the amounts to a baseline cash deficit projection of \$447.0 million in 2009, \$500.3 million in 2010, and \$532.0 million in 2011. The MTA share of the baseline cash deficits totals \$362.0 million in 2009, \$394.4 million in 2010, and \$415.4 million in 2011, while the ConnDOT share totals \$85.1 million, \$105.9 million, and \$116.6 million, respectively. The Reimbursable revenues and expenses total \$ 179.1 million in 2009, \$178.6 million in 2010, and \$187.0 million in 2011.

The 2009-2011 expenditure projections will allow Metro-North to maintain current service levels and to make some service improvements while instituting programs to reduce subsidy requirements. Major assumptions reflected in the 2009-2011 projections and reconciliation to the July Plan are furnished later in this document.

GAP CLOSING MEASURES

2008 PEG ACTIONS

In addition to cost reduction measures included in the Financial Plan that have been aggregated under Other Reductions (e. g. improved revenues), Programs to Eliminate Gaps (PEGs) totaling \$0.4 million in 2008, \$6.3 million in 2009, \$11.0 million in 2010 and \$8.9 million in 2011 have been submitted for consideration. The reductions reflect changes to the New Haven Line Equipment Replacement Plan made since the July Financial Plan. They include savings generated by retirement of locomotives in 2008, rescheduling the integration of new M8 cars into service from 2009 to 2010, and by the accelerated retirement of the high-maintenance M2 car fleet starting in 2010.

2009 – 2011 PEG ACTIONS

PEG reductions proposed for 2009 – 2011 consist of savings realized due to a change in equipment maintenance plan Metro-North now plans in connection with the shuttle service to Yankee Stadium (and the resulting elimination of the M1 CSR Program, \$5.4 million in 2009), the incorporation of the Yankee Stadium Station into full service (a net subsidy reduction of \$1.2 million in 2009), and the elimination of 3 cost increase provisions. The provisions were to increase MTA Police Service costs on the New Haven Line (\$1.3 million, starting in 2009), provide a placeholder for GCT Landmark Preservation Programs (\$.5 million, starting in 2009), and a provision for staff to maintain the GCT barrier separations (\$.2 million). Metro-North now believes that these incremental costs, included in the February Plan, will not be required.

MTA Metro-North Railroad
November Financial Plan 2008 - 2011
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Operating Revenue						
Farebox Revenue	\$454.4	\$473.8	\$483.8	\$494.7	\$506.8	\$518.9
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	36.1	34.9	31.7	35.6	34.7	35.5
MNR - MTA	0.0	0.0	0.0	0.0	0.0	0.0
MNR - CDOT	0.0	0.0	0.0	0.0	0.0	0.0
MNR - Other	0.0	0.0	0.0	0.0	0.0	0.0
Capital and Other Reimbursements	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	\$490.5	\$508.7	\$515.5	\$530.2	\$541.5	\$554.3
Operating Expenses						
Labor:						
Payroll	\$341.8	\$362.4	\$385.5	\$401.0	\$418.2	\$428.1
Overtime	46.6	48.7	50.9	52.6	54.1	55.7
Health and Welfare	68.9	71.5	81.2	89.9	101.1	111.0
Pensions	32.6	36.7	38.0	40.5	42.9	45.6
Other Fringe Benefits	71.7	72.5	77.0	80.0	83.4	85.9
Reimbursable Overhead	(40.5)	(39.5)	(40.3)	(41.4)	(40.8)	(41.0)
Total Labor	\$521.0	\$552.2	\$592.3	\$622.5	\$659.0	\$685.4
Non-Labor:						
Traction and Propulsion Power	\$53.4	\$62.3	\$66.6	\$74.7	\$88.5	\$91.0
Fuel for Buses and Trains	13.7	14.2	17.1	16.7	16.8	17.6
Insurance	12.0	13.4	14.4	15.5	16.7	18.0
Claims	7.5	9.1	12.0	12.0	12.0	12.0
Paratransit Service Contracts						
Maintenance and Other						
Operating Contracts	78.4	85.1	99.8	105.6	107.8	111.5
Professional Service Contracts	19.2	21.4	22.7	25.4	25.8	26.3
Materials & Supplies	66.3	74.3	73.7	80.3	82.8	87.9
Other Business Expenses	16.7	11.6	11.3	12.8	16.0	16.2
Total Non-Labor	\$267.1	\$291.2	\$317.6	\$343.0	\$366.4	\$380.4
Other Expenses Adjustments:						
Other						
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation	\$788.1	\$843.5	\$909.9	\$965.6	\$1,025.4	\$1,065.8
Depreciation	198.8	214.4	222.8	232.8	242.8	252.8
Other Post Employment Benefits	0.0	48.9	51.0	53.0	54.7	56.3
Total Expenses	\$986.9	\$1,106.8	\$1,183.6	\$1,251.4	\$1,322.9	\$1,374.9
Baseline Surplus/(Deficit)	(\$496.4)	(\$598.1)	(\$668.2)	(\$721.1)	(\$781.4)	(\$820.6)
Cash Conversion Adjustments:						
Depreciation	\$198.8	\$214.4	\$222.8	\$232.8	\$242.8	\$252.8
Operating/Capital	(11.5)	(14.9)	(22.7)	(17.8)	(17.0)	(17.0)
Other Cash Adjustments	35.9	(24.0)	47.5	59.1	55.3	52.8
Total Cash Conversion Adjustments	\$223.1	\$175.5	\$247.6	\$274.1	\$281.1	\$288.6
Baseline Cash Surplus/(Deficit)	(\$273.2)	(\$422.7)	(\$420.5)	(\$447.0)	(\$500.3)	(\$532.0)
2008 Agency Program to Eliminate the Gap	0.0	0.0	0.4	6.3	11.0	8.9
Post-2008 Agency Program to Eliminate the Gap	0.0	0.0	0.0	8.6	3.8	3.6
Total PEG's	\$0.0	\$0.0	\$0.4	\$14.8	\$14.8	\$12.5
Net Surplus/(Deficit)	(\$273.2)	(\$422.7)	(\$420.1)	(\$432.2)	(\$485.5)	(\$519.5)

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MTA Metro-North Railroad
November Financial Plan 2008 - 2011
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Revenue						
Farebox Revenue	\$454.4	\$473.8	\$483.8	\$494.7	\$506.8	\$518.9
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	36.1	34.9	31.7	35.6	34.7	35.5
MNR - MTA	87.0	103.7	114.4	118.0	120.4	123.2
MNR - CDOT	34.6	45.9	84.3	49.9	46.7	52.1
MNR - Other	29.2	24.1	17.2	11.2	11.5	11.7
Capital and Other Reimbursements	150.9	173.7	216.0	179.1	178.6	187.0
Total Revenue	\$641.3	\$682.4	\$731.5	\$709.4	\$720.1	\$741.3
Expenses						
Labor:						
Payroll	\$375.4	\$399.8	\$426.9	\$442.6	\$460.1	\$471.2
Overtime	59.9	63.8	64.3	66.1	67.8	69.6
Health and Welfare	76.7	80.1	90.9	100.2	112.4	123.4
Pensions	36.5	41.8	43.4	46.0	48.4	51.3
Other Fringe Benefits	79.7	81.1	86.1	89.2	92.7	95.5
Reimbursable Overhead	(2.8)	(0.4)	0.2	(0.1)	0.9	1.5
Total Labor	\$625.4	\$666.3	\$711.8	\$744.0	\$782.3	\$812.5
Non-Labor:						
Traction and Propulsion Power	\$53.4	\$62.3	\$66.6	\$74.7	\$88.5	\$91.0
Fuel for Buses and Trains	13.7	14.2	17.1	16.7	16.8	17.6
Insurance	15.7	18.0	19.1	20.3	21.6	23.0
Claims	7.5	9.1	12.0	12.0	12.0	12.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other						
Operating Contracts	96.2	102.0	123.0	124.1	125.5	130.7
Professional Service Contracts	22.3	26.0	58.1	29.6	30.0	30.6
Materials & Supplies	89.1	107.2	106.0	109.6	110.4	118.3
Other Business Expenses	15.6	12.3	12.1	13.6	16.8	17.0
Total Non-Labor	\$313.5	\$351.0	\$414.1	\$400.7	\$421.7	\$440.3
Other Adjustments:	0.0	0.000	0.000	0.000	0.000	0.000
Other	0.0	0.000	0.000	0.000	0.000	0.000
Total Other Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation	\$938.9	\$1,017.2	\$1,125.9	\$1,144.7	\$1,204.0	\$1,252.8
Depreciation	198.8	214.4	222.8	232.8	242.8	252.8
Other Post Employment Benefits	0.0	48.9	51.0	53.0	54.7	56.3
Total Expenses	\$1,137.7	\$1,280.5	\$1,399.6	\$1,430.5	\$1,501.4	\$1,561.9
Baseline Surplus/(Deficit)	(\$496.4)	(\$598.1)	(\$668.2)	(\$721.1)	(\$781.4)	(\$820.6)
Cash Conversion Adjustments:						
Depreciation	198.8	214.4	222.8	232.8	242.8	252.8
Operating/Capital	(11.5)	(14.9)	(22.7)	(17.8)	(17.0)	(17.0)
Other Cash Adjustments	35.9	(24.0)	47.5	59.1	55.3	52.8
Total Cash Conversion Adjustments	\$223.1	\$175.5	\$247.6	\$274.1	\$281.1	\$288.6
Baseline Cash Surplus/(Deficit)	(\$273.2)	(\$422.7)	(\$420.5)	(\$447.0)	(\$500.3)	(\$532.0)
2008 Agency Program to Eliminate the Gap	0.0	0.0	0.4	6.3	11.0	8.9
Post-2008 Agency Program to Eliminate the Gap	0.0	0.0	0.0	8.6	3.8	3.6
Total PEG's	\$0.0	\$0.0	\$0.4	\$14.8	\$14.8	\$12.5
Net Surplus/(Deficit)	(\$273.2)	(\$422.7)	(\$420.1)	(\$432.2)	(\$485.5)	(\$519.5)

**MTA Metro-North Railroad
November Financial Plan 2008 - 2011
Cash Receipts & Expenditures
(\$ in millions)**

CASH RECEIPTS AND EXPENDITURES						
	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Receipts						
Farebox Revenue	\$463.6	\$482.1	\$492.2	\$502.8	\$514.9	\$527.1
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	56.6	52.5	48.6	53.9	53.7	54.5
MNR - MTA	95.0	103.9	114.6	117.4	120.2	122.9
MNR - CDOT	37.9	47.8	84.6	50.1	46.9	52.3
MNR - Other	20.4	25.3	18.3	12.8	11.4	11.7
Capital and Other Reimbursements	153.3	177.0	217.4	180.3	178.5	186.8
Total Receipts	\$673.4	\$711.6	\$758.2	\$736.9	\$747.1	\$768.5
Expenditures						
Labor:						
Payroll	\$356.2	\$423.9	\$420.4	\$428.4	\$445.4	\$457.4
Overtime	58.7	64.5	64.7	66.6	68.3	70.2
Health and Welfare	79.7	82.6	93.4	103.0	115.3	126.2
Pensions	19.3	61.3	53.7	56.6	59.4	62.5
Other Fringe Benefits	77.2	89.4	87.2	88.8	92.2	95.3
GASB Account	0.0	5.5	5.8	6.5	7.2	8.0
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor	\$591.1	\$727.2	\$725.3	\$750.0	\$787.8	\$819.6
Non-Labor:						
Traction and Propulsion Power	\$50.5	\$65.0	\$66.6	\$74.7	\$88.5	\$91.0
Fuel for Buses and Trains	13.7	14.2	17.1	16.7	16.8	17.6
Insurance	13.6	19.7	19.9	20.2	21.4	23.8
Claims	11.0	10.7	12.1	12.1	12.1	12.1
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	112.0	120.8	146.0	141.7	144.3	148.2
Professional Service Contracts	23.1	28.0	60.9	31.8	32.1	33.4
Materials & Supplies	104.9	127.1	109.2	113.9	118.0	128.1
Other Business Expenses	21.1	21.6	21.7	22.9	26.2	26.5
Total Non-Labor	\$349.8	\$407.1	\$453.5	\$434.0	\$459.5	\$480.8
Other Adjustments:						
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Cash Timing and Availability Adjustment	5.8	0.0	0.0	0.0	0.0	0.0
Total Other Adjustments	\$5.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenditures	\$946.7	\$1,134.3	\$1,178.8	\$1,184.0	\$1,247.3	\$1,300.4
Baseline Cash Deficit	(\$273.2)	(\$422.7)	(\$420.5)	(\$447.0)	(\$500.3)	(\$532.0)
Subsidies						
MTA	(218.3)	(356.5)	(347.0)	(362.0)	(394.4)	(415.4)
CDOT	(55.0)	(66.2)	(73.5)	(85.1)	(105.9)	(116.6)
Total Subsidies	(\$273.2)	(\$422.7)	(\$420.5)	(\$447.0)	(\$500.3)	(\$532.0)
2008 Agency Program to Eliminate the Gap	0.0	0.0	0.4	6.3	11.0	8.9
Post-2008 Agency Program to Eliminate the Gap	0.0	0.0	0.0	8.6	3.8	3.6
Total PEG's	0.0	0.0	0.4	14.8	14.8	12.5
Net Surplus/Deficit	(273.2)	(422.7)	(420.1)	(432.2)	(485.5)	(519.5)
MTA share of PEGS	0.0	0.0	0.3	11.0	10.9	9.2
CDOT share of PEGS	0.0	0.0	0.1	3.9	3.9	3.3
Total PEGS	0.0	0.0	0.4	14.8	14.8	12.5
Subsidies						
MTA	(218.3)	(356.5)	(346.7)	(351.0)	(383.5)	(406.1)
CDOT	(55.0)	(66.2)	(73.4)	(81.2)	(102.0)	(113.3)
Total Subsidies	(\$273.2)	(\$422.7)	(\$420.1)	(\$432.2)	(\$485.5)	(\$519.5)

MTA Metro-North Railroad
November Financial Plan 2008 - 2011
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Receipts						
Farebox Revenue	\$9.2	\$8.3	\$8.4	\$8.1	\$8.1	\$8.3
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	20.4	17.6	16.9	18.4	19.0	19.0
MNR - MTA	8.0	0.2	0.2	(0.6)	(0.2)	(0.3)
MNR - CDOT	3.2	1.9	0.2	0.2	0.2	0.2
MNR - Other	(8.8)	1.2	1.0	1.5	(0.0)	(0.0)
Capital and Other Reimbursements	2.4	3.3	1.4	1.1	(0.1)	(0.1)
Total Receipts	\$32.1	\$29.2	\$26.7	\$27.6	\$27.0	\$27.2
Expenditures						
Labor:						
Payroll	\$19.2	(\$24.1)	\$6.4	\$14.1	\$14.7	\$13.7
Overtime	1.3	(0.7)	(0.5)	(0.5)	(0.5)	(0.5)
Health and Welfare	(3.0)	(2.5)	(2.6)	(2.8)	(2.9)	(2.8)
Pensions	17.2	(19.5)	(10.3)	(10.6)	(11.0)	(11.3)
Other Fringe Benefits	2.5	(8.3)	(1.0)	0.4	0.5	0.2
GASB Account	0.0	(5.5)	(5.8)	(6.5)	(7.2)	(8.0)
Reimbursable Overhead	(2.8)	(0.4)	0.2	(0.1)	0.9	1.5
Total Labor	\$34.3	(\$60.9)	(\$13.5)	(\$6.0)	(\$5.5)	(\$7.1)
Non-Labor:						
Traction and Propulsion Power	\$2.9	(\$2.8)	\$0.0	\$0.0	\$0.0	\$0.0
Fuel for Buses and Trains	(0.0)	0.0	0.0	0.0	0.0	0.0
Insurance	2.2	(1.7)	(0.8)	0.1	0.1	(0.7)
Claims	(3.5)	(1.6)	(0.1)	(0.1)	(0.1)	(0.1)
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	(15.8)	(18.7)	(23.0)	(17.5)	(18.8)	(17.5)
Professional Service Contracts	(0.8)	(2.1)	(2.8)	(2.2)	(2.1)	(2.8)
Materials & Supplies	(15.8)	(19.9)	(3.1)	(4.3)	(7.5)	(9.8)
Other Business Expenditures	(5.5)	(9.3)	(9.5)	(9.2)	(9.4)	(9.5)
Total Non-Labor	(\$36.3)	(\$56.1)	(\$39.4)	(\$33.3)	(\$37.8)	(\$40.5)
Other Adjustments:						
Other	(\$5.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Other Expenditure Adjustments	(\$5.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Cash Conversion Adjustments before Depreciation	\$24.4	(\$87.8)	(\$26.2)	(\$11.7)	(\$16.4)	(\$20.5)
Depreciation Adjustment	198.8	214.4	222.8	232.8	242.8	252.8
Other Post Employment Benefits	0.0	48.9	51.0	53.0	54.7	56.3
Baseline Total Cash Conversion Adjustments	\$223.1	\$175.5	\$247.6	\$274.1	\$281.1	\$288.6
2008 Agency Program to Eliminate the Gap	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Post-2008 Agency Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0
Total PEG's	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Conversion Adjustments	\$223.1	\$175.5	\$247.6	\$274.1	\$281.1	\$288.6

**MTA METRO-NORTH RAILROAD
2008 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2008-2011
YEAR-TO-YEAR CHANGES BY CATEGORY BASELINE NARRATIVE**

ACCRUAL (TOTAL)

FAREBOX REVENUE

Non-Reimbursable

- Projected ridership growth of 3.6% in 2007, 2.3% in 2008, 2.1% in 2009, 2.3% in 2010, and 2.2% in 2011 are responsible for higher Farebox Revenue.

Reimbursable

- Not applicable

OTHER OPERATING REVENUE

Non-Reimbursable

- 2008 reflects a reduction in net GCT retail revenues equal to the costs required to fund the renovation of Vanderbilt Hall and Station Masters Office Restroom project, and the partial closure during the year of the Vanderbilt Hall for renovations.
- 2009 revenue increase reflects higher revenues from parking expansions and advertising, and higher GCT retail revenues due to the resumption of retail and event activities in the newly restored Vanderbilt Hall, completion of the Station Master Restroom restoration project, and a lower level of funding for GCT renovation projects during the year.
- 2010-2011 decrease reflects the addition of subsequent GCT restoration projects (wall and ceiling repairs in the Biltmore Room and main concourse, repair/restoration of entrance doors and rehabilitation of the Retail Market.

Reimbursable

- Not applicable

CAPITAL AND OTHER REIMBURSEMENTS

Non-Reimbursable

- Not applicable

Reimbursable

Capital project cost reimbursements in each year of the Financial Plan are based on recouping 100% of accrued project expenditures.

- 2008 accrued expenditures (and receipts) are based upon the latest projection of capital project activity. Higher reimbursements in 2008 are primarily attributable to the deferral of the NHL Diesel Locomotive Acquisition from 2007 to 2008, the start up of the NHL End Door Bombardier Coach Remanufacture and C-28 projects, plus the ramping up of the East Side Access – Civil/Structural Modifications project.
- 2009-2011 accrued expenditures (and receipts) are based on a continuation of 2008 project cost levels adjusted for the elimination of significant projects and the impact of inflation. The 2009 reimbursements reflect the winding down of the NHL Diesel Locomotive Acquisition, NHL End Door Bombardier Coach Remanufacture and C-28 as well as the completion of the NHL Concrete Tie Project and the Shell-at-Grade project in early 2009.

PAYROLL

Non-Reimbursable

- Non Agreement salaries in 2008 and 2009 include cost of living increases of 3.0% each year. In 2010-2011-Non Agreement salaries include increases of 1.9%, and 2.0% respectively.
- Agreement wages in 2008-2010 include negotiated salary increases of 3.5%, 3.0%, and an effective 1.05% respectively and a forecasted increase of 2.0% in 2011.
- 2008 includes additional labor resources for GCT extraordinary landmark maintenance (\$.3 million), Customer Service Initiatives (\$.5 million), Transit Oriented Development projects (\$.3 million), the new car inspection and maintenance facility at New Haven (\$.4 million), and increased service levels and coverage on all lines (\$1.2 million). Also included are Security Initiatives of (\$1.7 million) primarily for IESS/3C Center System and Physical Hardening and Design and Construction of Electronic Security Systems.
- 2009 includes additional labor costs to support security improvements in GCT, including staffing of the GCT Fire Brigade, and providing forces for maintaining barriers, IESS/3C System and Electronic Security Systems (\$1.8 million). Also included is additional on board staff required to provide increased service levels and coverage on all lines (\$1.1 million), and increased maintenance forces for the new facility additions at the Harmon Shop Complex (\$.5 million).
- 2010 includes additional staffing for the new Maintenance Facility Shop Complex in New Haven (\$4.5 million), as well as additional forces to support car cleaning, equipment maintenance (\$1.9 million), and signal improvements on the Danbury Branch \$.3 million.
- 2010-2011 includes additional staff to increase service on all lines (\$2.9 and \$1.8 million respectively) and effect GCT fire safety initiatives (\$.6 million). These increases are partially offset by a reduction in maintenance forces totaling \$.9 million and \$.3 million in 2010 and 2011, due to the completion of the M3 CSR program.

Reimbursable

- Annual cost of living increases and wage contract increases for agreement employees follow the same rate assumptions as the non-reimbursable costs noted above.
- Higher payroll in 2008 is attributable to increased projected activity for the following MTA 5 Year Funded projects: East Side Access – Civil/Structural Modifications, Yankee Stadium, Hudson Line Station Improvements, Turnouts at Yards and Drainage and Undercutting; also the start up of the NHL C-28 and CDOT Bridge/Catenary C1B projects.

OVERTIME

Non-Reimbursable

- 2008-2010 include negotiated salary increases of 3.5%, 3.0%, and an effective 1.05% respectively and a forecasted increase of 2.0% in 2011.
- In 2008 overtime reflects the cost of the emergency preparedness training program and additional on-board coverage requirements due to increases in service levels on all lines.
- 2009-2011 includes additional on-board coverage requirements due to increases in service levels on all lines.

Reimbursable

- Annual cost of living increases and wage contract increases for agreement employees follow the same rate assumptions as the non-reimbursable costs noted above.
- Lower overtime in 2008 is attributable to the winding down of Shell-at-Grade project and reduced projections on the Turnouts Mainline High Speed and Cyclical Track Programs. Also, 2007 includes higher than normal OT amounts due to prior years' retro-active wage adjustments posted in mid-2007.

HEALTH AND WELFARE

Non-Reimbursable

- 2008 reflects carrier-specific rate increases (includes 12.5% for NYS Empire Plan) in health care and insurance premiums as well as changes in enrollment levels, retirees and employees on leave of absence status.
- 2007-2010 includes a reduction to Health and Welfare costs generated by the new teamster labor agreement (effective August 2007), which calls for a 2% employee contribution toward health insurance premiums for their first 40 hours of pay.
- 2007 includes a reduction in Life Insurance premiums due to the availability of a death benefit provision to employees that transfer to the Defined Benefit Pension Plan (effective August 2007 in accordance with new labor agreement guidelines).
- 2009-2011 include annual premium increases of 9.2% and changes in staffing levels associated with the programmatic changes that are incorporated into each year of the financial plan for Maintenance Improvements, Service

Enhancements, Customer Service Amenities, Security, and Administration, as well as a slight increase in retirees.

Reimbursable

- Projected inflationary increases follow the same pattern as non-reimbursable costs noted above.

PENSIONS

The 2007-2011 pension costs incorporate labor agreement provisions that will result in the transfer of most of the remaining represented Metro-North employees to the MTA Defined Benefit Plan, with approximately 900 of represented employees opting not to do so. Those employees not joining the DB Plan shall become participants in the MTA 401K Plan. Metro-North's projected share of the incremental funding requirements is based on a draft projection prepared by the actuarial consultant three years ago adjusted for increases in employee levels. Future actuarial valuations are expected to reflect more accurate estimates of the pension liabilities on behalf of these newly participating employees. The projections have been further adjusted to reflect the impact of the 2006 evaluation, and the allocated share of MTA-wide savings generated by reductions in unfunded pension liabilities.

OTHER FRINGE BENEFITS

Non-Reimbursable

- Railroad Retirement tax rates for Tier I and II remain constant for 2008-2011 at 7.65% and 12.1%, respectively.
- Maximum earnings level for Tier I is estimated at \$102,300 in 2008, \$105,369 in 2009, \$108,530 in 2010, and \$111,786 in 2011.
- Maximum earnings level for Tier II is estimated at \$75,900 in 2008, \$78,177 in 2009, \$80,522, in 2010, and \$ 82,938 in 2011.
- Other cost adjustments reflect inflationary salary increase and changes in staffing levels.

Reimbursable

- Railroad Retirement tax rates and earnings' maximums follow the same assumptions as the non-reimbursable costs noted above.

REIMBURSABLE OVERHEAD

Non-Reimbursable

- Overhead Cost Recoveries are derived from Reimbursable Capital Project Estimates. Assumptions are described in the Reimbursable section below.

Reimbursable

- Overhead costs for 2008 are based on a percentage share of direct labor costs charged to reimbursable projects. 2009-2011 overhead costs are based on the

continuation of 2008 forecast levels and inflation-based increases in labor costs, adjusted for the completion of the NHL Concrete Tie Project and the Shell at Grade project. The M4 Critical System Replacement project is assumed to start up as the M2 Critical System Replacement project is completed.

TRACTION AND PROPULSION POWER

Non-Reimbursable

- 2008 reflects current consumption trends increased by new train service initiatives in 2008. Prices reflect selective vendor increases for energy and delivery charges of 1.3% for NYPA, 8.0% for CL&P, and 20.4% for Con Edison.
- In 2009-2011 cost increases reflect anticipated price increases from NYPA, CL&P and NYSEG. As a result, annual increases are estimated at 6.01% in 2009 and 12.3% in 2010, and a CPI based increase of 1.8% in 2011.
- 2008-2010 incorporates the net effect of the New Haven Line Equipment Replacement Plan which adds \$3.0 million in 2009 and \$2.9 million in 2010 with the projected incorporation into service of the new M8 car procurements and the gradual retirement of the M2 car fleet.
- Service Plan enhancements increase costs by \$.5 million in 2008 and by \$.7 million in 2009-2011.

Reimbursable

- No Cost.

FUEL FOR BUSES AND TRAINS

Non-Reimbursable

- 2008 reflects current consumption trends and an increase in projected fuel prices resulting in an effective increase of 21.4% vs. 2007.
- 2009-2011 expenditures reflect rate reductions of -1.42%, -1.91%, and -1.82% respectively.
- 2008-2011 incorporates the cost for Service Plan enhancements and the effect of locomotive retirements on the New Haven Line.

Reimbursable

- No Cost.

INSURANCE

Non-Reimbursable

- Increases in 2008-2011 reflect revised insurance premium estimates.

Reimbursable

- Increases in 2008-2011 reflect revised insurance premium estimates.

CLAIMS

Non-Reimbursable

- 2008 -2011 reflect current claims trends.

Reimbursable

- No Cost

MAINTENANCE AND OTHER CONTRACTS

Non-Reimbursable

- 2008 reflects selectively applied CPI increases of 2.04% and 2009-2011 reflect CPI increases of 1.91%, 1.73%, and 1.82% respectively.
- Equipment maintenance program costs increase by \$1.2 million in 2008 and \$0.9 million in 2009 and are reduced by \$2.7 million in 2010 and \$1.2 million in 2011 due to completion of the West of Hudson locomotive overhaul program and the phased completion of the Genesis locomotive overhaul program.
- 2008 includes \$0.7 million in additional occupancy costs for the net impact of the move to 525 Broadway, \$0.7 million for repairs to accident damaged equipment, a provision for office space renovations (\$1.0 million), and the elimination of car disposal costs \$0.9 million.
- 2008–2011 includes rising West of Hudson subsidy payments related to contract cost escalations and increases in service.
- 2009 includes an additional cost provision for GCT landmark maintenance (\$0.5 million), and \$0.6 million for enhancements to customer and employee communications.
- 2010 includes provisions for Roof Replacements in North White Plains and Brewster Shops and the repaving of the access road in Brewster Yard (\$1.7 million), partially offset by the completion of repairs to accident damaged equipment (\$0.7 million).
- 2011 includes equipment disposal costs of (\$2.6 million), partially offset by the completion to the roof replacement and road paving projects.

Reimbursable

- CPI increases in 2008-2011 follow the same pattern as non-reimbursable costs noted above.
- The 2008 increase is primarily due to the following projects: M-2 Car Remanufacture, Replace Rehab Overhead Bridges and NHL Concrete Tie Program offset by the winding down of the Shell-at Grade project.
- The 2009 reduction is due primarily to the completion of the Shell-At-Grade project in early 2009 plus the winding down of the NHL Diesel Locomotive Acquisition and NHL End Door Bombardier Coach Remanufacture. The 2010 reduction reflects no scheduled activity for NHL Concrete Tie Replacement which will resume in 2011.

PROFESSIONAL SERVICE CONTRACTS

Non-Reimbursable

- 2009-2011 reflect CPI increases of 1.91%, 1.73%, and 1.8%, applied respectively.
- 2008 includes additional environmental abatement costs of (\$.4 million).
- 2009 includes the restoration of cost provisions for general advertising fees (\$.8 million) and for the 2005 reduction of MTA police service charges for the NH Line (\$1.3 million), partially offset by a reduction of environmental abatement costs (\$.3 million).

Reimbursable

- CPI increases in 2008-2011 follow the same pattern as non-reimbursable costs noted above.
- The 2008 increase is attributable to the deferral of the NHL Diesel Locomotive Acquisition from 2007 to 2008 and the start up of the NHL End Door Bombardier Coach Remanufacture in 2008.

MATERIAL AND SUPPLIES

Non-Reimbursable

- 2008 costs were selectively increased based on a CPI inflator of 2.04%.
- CPI increases in 2009-2011 of 1.91%, 1.73%, and 1.82% are applied respectively.
- 2008 includes \$1.0 million earmarked for office space renovation at 347 Madison Avenue, the Graybar building, and NWP.
- 2008-2011 includes the net cost impacts of Metro-North's equipment maintenance and replacement strategies which include:
 - The M3 CSR program - which includes cost additions in 2008 (\$1.2 million) and staggered decreases in material requirements from 2009-2011 (\$7.9 million) as the program is completed.
 - The M1 CSR program - which adds \$5.2 million in 2009 for the overhaul of 30 M1 cars.
 - The NHL Equipment replacement program – which adds \$2.1 million in material costs in 2009 and 2010 as the new M8 cars are incorporated into service, as well as the phased purchase of M8 spare parts inventory totaling \$4.4 million in 2010 and 2011.
 - 2010 includes \$5.1 million for the start of the M7 seat replacement program.

Reimbursable

- CPI increases in 2008-2011 follow the same pattern as non-reimbursable costs noted above.
- The minor reduction in 2008 is attributable to lesser material needs on the M-2 refurbishment project and the NHL Concrete Tie Project.

- The reduction in 2009 is due to the completion of the Shell-at-Grade project. The NHL Concrete Tie project also contributes to the reduction in 2009 and is the sole contributor to the 2010 reduction.

OTHER BUSINESS EXPENSES

Non-Reimbursable

- 2008 costs were selectively increased based on a CPI inflator of 2.04%
- CPI increases in 2009-2011 of 1.91%, 1.73%, and 1.82% are applied respectively.
- 2008 includes a provision for connectivity charges with the introduction of Handheld Computers for on-board ticket sales (\$.7 million)
- 2008 and 2010 include provisions for management initiatives and cost trend adjustments of \$1.0 million, \$.5 million, and \$5.5 million respectively.

Reimbursable

- CPI increases in 2008-2011 follow the same pattern as non-reimbursable costs noted above.

DEPRECIATION

Non-Reimbursable

- 2010-2011 reflects the acquisition of the new M-8 cars for the New Haven Line.

Reimbursable

- Not applicable

MTA METRO-NORTH RAILROAD
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
Revenue									
Farebox Revenue	\$473.8	\$483.8	\$10.0	\$494.7	\$10.9	\$506.8	\$12.1	\$518.9	\$12.1
Vehicle Toll Revenue									
Other Operating Revenue	34.9	31.7	(3.2)	35.6	3.9	34.7	(0.8)	35.5	0.8
Capital and Other Reimbursements									
Total Revenue	508.7	515.5	6.8	530.2	14.8	541.5	11.3	554.3	12.8
Expenses									
Labor:									
Payroll	362.4	385.5	(23.1)	401.0	(15.5)	418.2	(17.2)	428.1	(9.9)
Overtime	48.7	50.9	(2.1)	52.6	(1.8)	54.1	(1.5)	55.7	(1.6)
Health and Welfare	71.5	81.2	(9.7)	89.9	(8.6)	101.1	(11.3)	111.0	(9.9)
Pensions	36.7	38.0	(1.2)	40.5	(2.5)	42.9	(2.4)	45.6	(2.7)
Other Fringe Benefits	72.5	77.0	(4.5)	80.0	(3.0)	83.4	(3.4)	85.9	(2.5)
Reimbursable Overhead	(39.5)	(40.3)	0.7	(41.4)	1.2	(40.8)	(0.6)	(41.0)	0.2
Total Labor Expenses	552.2	592.3	(40.0)	622.5	(30.3)	659.0	(36.5)	685.4	(26.4)
Non-Labor:									
Traction and Propulsion Power	62.3	66.6	(4.4)	74.7	(8.1)	88.5	(13.8)	91.0	(2.5)
Fuel for Buses and Trains	14.2	17.1	(2.9)	16.7	0.4	16.8	(0.1)	17.6	(0.8)
Insurance	13.4	14.4	(1.0)	15.5	(1.1)	16.7	(1.2)	18.0	(1.3)
Claims	9.1	12.0	(2.9)	12.0	0.0	12.0	0.0	12.0	0.0
Paratransit Service Contracts			0.0		0.0		0.0		0.0
Maintenance and Other	85.1	99.8	(14.7)	105.6	(5.8)	107.8	(2.2)	111.5	(3.7)
Professional Service Contracts	21.4	22.7	(1.3)	25.4	(2.7)	25.8	(0.4)	26.3	(0.5)
Materials & Supplies	74.3	73.7	0.6	80.3	(6.6)	82.8	(2.5)	87.9	(5.1)
Other Business Expenses	11.6	11.3	0.3	12.8	(1.5)	16.0	(3.2)	16.2	(0.2)
Total Non-Labor Expenses	291.2	317.6	(26.4)	343.0	(25.4)	366.4	(23.4)	380.4	(14.1)
Other Expenses Adjustments:									
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses before Depreciation	843.5	909.9	(66.4)	965.6	(55.7)	1,025.4	(59.8)	1,065.8	(40.4)
Depreciation	214.4	222.8	(8.4)	232.8	(10.0)	242.8	(10.0)	252.8	(10.0)
Other Post Employment Benefits	48.9	51.0	(2.1)	53.0	(2.0)	54.7	(1.7)	56.3	(1.6)
Total Expenses	1,106.8	1,183.6	(76.8)	1,251.4	(67.7)	1,322.9	(71.5)	1,374.9	(52.0)
Baseline Net Surplus/(Deficit)	(598.1)	(668.2)	(70.0)	(721.1)	(52.9)	(781.4)	(60.3)	(820.6)	(39.2)
2008 Agency Program to Eliminate the Gap	0.0	0.4	0.4	6.3	5.8	11.0	4.7	8.9	(2.1)
Post 2008 Agency Program to Eliminate the Gap	0.0	0.0	0.0	8.6	8.6	3.8	(4.8)	3.6	(0.2)
Total PEGS	0.0	0.4	0.4	14.8	14.4	14.8	(0.1)	12.5	(2.3)
Net Surplus/(Deficit)	(\$598.1)	(\$667.7)	(\$69.6)	(\$706.3)	(\$38.5)	(\$766.6)	(\$60.3)	(\$808.1)	(\$41.5)

MTA METRO-NORTH RAILROAD
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
Revenue									
Farebox Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital and Other Reimbursements	173.7	216.0	42.3	179.1	(36.9)	178.6	(0.6)	187.0	8.4
Total Revenue	173.7	216.0	42.3	179.1	(36.9)	178.6	(0.6)	187.0	8.4
Expenses									
Labor:									
Payroll	37.4	41.4	(3.9)	41.6	(0.2)	41.9	(0.3)	43.0	(1.1)
Overtime	15.1	13.4	1.7	13.5	(0.1)	13.6	(0.1)	13.9	(0.3)
Health and Welfare	8.6	9.6	(1.0)	10.3	(0.7)	11.2	(0.9)	12.4	(1.1)
Pensions	5.1	5.5	(0.4)	5.5	(0.0)	5.5	(0.0)	5.7	(0.2)
Other Fringe Benefits	8.7	9.1	(0.5)	9.2	(0.1)	9.3	(0.1)	9.6	(0.3)
Reimbursable Overhead	39.1	40.5	(1.4)	41.3	(0.9)	41.7	(0.4)	42.5	(0.8)
Total Labor Expenses	114.0	119.5	(5.5)	121.5	(2.0)	123.3	(1.8)	127.1	(3.8)
Non-Labor:									
Traction and Propulsion Power	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fuel for Buses and Trains	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insurance	4.6	4.7	(0.1)	4.9	(0.1)	4.9	(0.0)	5.0	(0.2)
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Contracts	17.0	23.3	(6.3)	18.6	4.7	17.7	0.8	19.3	(1.5)
Professional Service Contracts	4.6	35.4	(30.9)	4.2	31.3	4.2	(0.1)	4.3	(0.1)
Materials & Supplies	32.9	32.3	0.6	29.3	3.0	27.6	1.7	30.4	(2.8)
Other Business Expenses	0.7	0.8	(0.1)	0.8	0.0	0.8	(0.0)	0.9	(0.0)
Total Non-Labor Expenses	59.7	96.5	(36.8)	57.6	38.9	55.3	2.4	59.9	(4.6)
Other Expenses Adjustments:									
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses before Depreciation	173.7	216.0	(42.3)	179.1	36.9	178.6	0.6	187.0	(8.4)
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Post Employment Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses	173.7	216.0	(42.3)	179.1	36.9	178.6	0.6	187.0	(8.4)
Baseline Net Surplus/(Deficit)	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0
2008 Agency Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Post 2008 Agency Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total PEGS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Surplus/(Deficit)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.0)	\$0.0	\$0.0

MTA METRO-NORTH RAILROAD
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
Revenue									
Farebox Revenue	\$473.8	\$483.8	\$10.0	\$494.7	\$10.9	\$506.8	\$12.1	\$518.9	\$12.1
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	34.9	31.7	(3.2)	35.6	3.9	34.7	(0.8)	35.5	0.8
Capital and Other Reimbursements	173.7	216.0	42.3	179.1	(36.9)	178.6	(0.6)	187.0	8.4
Total Revenue	682.4	731.5	49.1	709.4	(22.1)	720.1	10.7	741.3	21.2
Expenses									
Labor:									
Payroll	399.8	426.9	(27.1)	442.6	(15.7)	460.1	(17.5)	471.2	(11.0)
Overtime	63.8	64.3	(0.4)	66.1	(1.9)	67.8	(1.6)	69.6	(1.9)
Health and Welfare	80.1	90.9	(10.8)	100.2	(9.4)	112.4	(12.2)	123.4	(11.0)
Pensions	41.8	43.4	(1.6)	46.0	(2.5)	48.4	(2.4)	51.3	(2.9)
Other Fringe Benefits	81.1	86.1	(5.0)	89.2	(3.1)	92.7	(3.5)	95.5	(2.8)
Reimbursable Overhead	(0.4)	0.2	(0.6)	(0.1)	0.3	0.9	(1.0)	1.5	(0.6)
Total Labor Expenses	666.3	711.8	(45.5)	744.0	(32.3)	782.3	(38.3)	812.5	(30.2)
Non-Labor:									
Traction and Propulsion Power	62.3	66.6	(4.4)	74.7	(8.1)	88.5	(13.8)	91.0	(2.5)
Fuel for Buses and Trains	14.2	17.1	(2.9)	16.7	0.4	16.8	(0.1)	17.6	(0.8)
Insurance	18.0	19.1	(1.1)	20.3	(1.2)	21.6	(1.3)	23.0	(1.5)
Claims	9.1	12.0	(2.9)	12.0	0.0	12.0	0.0	12.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Contracts	102.0	123.0	(21.0)	124.1	(1.1)	125.5	(1.4)	130.7	(5.2)
Professional Service Contracts	26.0	58.1	(32.1)	29.6	28.5	30.0	(0.4)	30.6	(0.6)
Materials & Supplies	107.2	106.0	1.2	109.6	(3.6)	110.4	(0.9)	118.3	(7.9)
Other Business Expenses	12.3	12.1	0.2	13.6	(1.5)	16.8	(3.2)	17.0	(0.2)
Total Non-Labor Expenses	351.0	414.1	(63.1)	400.7	13.4	421.7	(21.0)	440.3	(18.6)
Other Expenses Adjustments:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses before Depreciation	1,017.2	1,125.9	(108.6)	1,144.7	(18.8)	1,204.0	(59.3)	1,252.8	(48.8)
Depreciation	214.4	222.8	(8.4)	232.8	(10.0)	242.8	(10.0)	252.8	(10.0)
Other Post Employment Benefits	48.9	51.0	(2.1)	53.0	(2.0)	54.7	(1.7)	56.3	(1.6)
Total Expenses	1,280.5	1,399.6	(119.1)	1,430.5	(30.8)	1,501.4	(71.0)	1,561.9	(60.4)
Baseline Net Surplus/(Deficit)	(598.1)	(668.2)	(70.0)	(721.1)	(52.9)	(781.4)	(60.3)	(820.6)	(39.2)
2008 Agency Program to Eliminate the Gap	0.0	0.4	0.4	6.3	5.8	11.0	4.7	8.9	(2.1)
Post 2008 Agency Program to Eliminate the Gap	0.0	0.0	0.0	8.6	8.6	3.8	(4.8)	3.6	(0.2)
Total PEGS	\$0.0	\$0.4	\$0.4	\$14.8	\$14.4	\$14.8	(\$0.1)	\$12.5	(\$2.3)
Net Surplus/(Deficit)	(\$598.1)	(\$667.7)	(\$69.6)	(\$706.3)	(\$38.5)	(\$766.6)	(\$60.3)	(\$808.1)	(\$41.5)

**MTA METRO-NORTH RAILROAD
2008 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2008-2011
YEAR-TO-YEAR CHANGES BY CATEGORY BASELINE NARRATIVE**

CASH

FAREBOX REVENUE

Non-Reimbursable

- Projected ridership growth of 3.6% in 2007, 2.3% in 2008, 2.1% in 2009, 2.3% in 2010, and 2.2% in 2011 are responsible for higher Farebox Revenue.

Reimbursable

- Not applicable

Cash

- 2007-2011 cash adjustments include receipts from the sale of Metro Cards, Westchester County bus fares, and special event promotions, partially offset by credit card fees associated with the purchase of passenger tickets.

OTHER OPERATING REVENUE

Non-Reimbursable

- 2008 reflects a reduction in net GCT retail revenues equal to the costs required to fund the renovation of Vanderbilt Hall and Station Masters Office Restroom project, and the partial closure during the year of the Vanderbilt Hall for renovations.
- 2009 revenue increase reflects higher revenues from parking expansions and advertising, and higher GCT retail revenues due to the resumption of retail and event activities in the newly restored Vanderbilt Hall, completion of the Station Master Restroom restoration project, and a lower level of funding for GCT renovation projects during the year.
- 2010-2011 decrease reflects the addition of subsequent GCT restoration projects (wall and ceiling repairs in the Biltmore Room and main concourse, repair/restoration of entrance doors and rehabilitation of the Retail Market.

Reimbursable

- Not applicable

Cash

- 2007-2011 adjustments include the reclassification of Amtrak and other railroad reimbursements (from the Maintenance and Other Operating Contracts category), reimbursements from CDOT for station facilities and unitickets, the MTA for electricity charges, payments by former employees for health insurance

coverage, reimbursements for claims settlements, scrap sale receipts, settlement for defective concrete ties, and other miscellaneous items.

CAPITAL AND OTHER REIMBURSEMENTS

Non-Reimbursable

- Not applicable

Reimbursable

Capital project cost reimbursements in each year of the Financial Plan are based on recouping 100% of accrued project expenditures.

- 2008 accrued expenditures (and receipts) are based upon the latest projection of capital project activity. Higher reimbursements in 2008 are primarily attributable to the deferral of the NHL Diesel Locomotive Acquisition from 2007 to 2008, the start up of the NHL End Door Bombardier Coach Remanufacture and C-28 projects, plus the ramping up of the East Side Access – Civil/Structural Modifications project.
- 2009-2011 accrued expenditures (and receipts) are based on a continuation of 2008 project cost levels adjusted for the elimination of significant projects and the impact of inflation. The 2009 reimbursements reflect the winding down of the NHL Diesel Locomotive Acquisition, NHL End Door Bombardier Coach Remanufacture and C-28 as well as the completion of the NHL Concrete Tie Project and the Shell-at-Grade project in early 2009.

Cash

- 2007 includes RWA receipt billing adjustments. In addition, 2007-2011 include cash adjustments to MTA and CDOT receipts for reimbursable portion of Post Employment Benefit contributions (GASB 45).

PAYROLL

Non-Reimbursable

- Non Agreement salaries in 2008 and 2009 include cost of living increases of 3.0% each year. In 2010-2011-Non Agreement salaries include increases of 1.9%, and 2.0% respectively.
- Agreement wages in 2008-2010 include negotiated salary increases of 3.5%, 3.0%, and an effective 1.05% respectively and a forecasted increase of 2.0% in 2011.
- 2008 includes additional labor resources for GCT extraordinary landmark maintenance (\$.3 million), Customer Service Initiatives (\$.5 million), Transit Oriented Development projects (\$.3 million), the new car inspection and maintenance facility at New Haven (\$.4 million), and increased service levels and coverage on all lines (\$1.2 million). Also included are Security Initiatives of (\$1.7 million) primarily for IESS/3C Center System and Physical Hardening and Design and Construction of Electronic Security Systems.

- 2009 includes additional labor costs to support security improvements in GCT, including staffing of the GCT Fire Brigade, and providing forces for maintaining barriers, IESS/3C System and Electronic Security Systems (\$1.8 million). Also included is additional on board staff required to provide increased service levels and coverage on all lines (\$1.1 million), and increased maintenance forces for the new facility additions at the Harmon Shop Complex (\$.5 million).
- 2010 includes additional staffing for the new Maintenance Facility Shop Complex in New Haven (\$4.5 million), as well as additional forces to support car cleaning, equipment maintenance (\$1.9 million), and signal improvements on the Danbury Branch \$.3 million.
- 2010-2011 includes additional staff to increase service on all lines (\$2.9 and \$1.8 million respectively) and effect GCT fire safety initiatives (\$.6 million). These increases are partially offset by a reduction in maintenance forces totaling \$.9 million and \$.3 million in 2010 and 2011, due to the completion of the M3 CSR program.

Reimbursable

- Annual cost of living increases and wage contract increases for agreement employees follow the same rate assumptions as the non-reimbursable costs noted above.
- Higher payroll in 2008 is attributable to increased projected activity for the following MTA 5 Year Funded projects: East Side Access – Civil/Structural Modifications, Yankee Stadium, Hudson Line Station Improvements, Turnouts at Yards and Drainage and Undercutting; also the start up of the NHL C-28 and CDOT Bridge/Catenary C1B projects.

Cash

- Cash includes payments of \$41.2 million in 2007 (excluding fringe) for prior period (2003-2006) accrued RWA for unsettled unions. 2007-2011 cash adjustments also include differences between expense accruals and cash disbursements for the number of days paid, vacation and sick day provisions, employee health club memberships, agreement employee allowance for tools and safety shoes, employee contribution to health care coverage, and agreement employee contributions to the Defined Benefit Pension Plan.

OVERTIME

Non-Reimbursable

- 2008-2010 include negotiated salary increases of 3.5%, 3.0%, and an effective 1.05% respectively and a forecasted increase of 2.0% in 2011.
- In 2008 overtime reflects the cost of the emergency preparedness training program and additional on-board coverage requirements due to increases in service levels on all lines.
- 2009-2011 includes additional on-board coverage requirements due to increases in service levels on all lines.

Reimbursable

- Annual cost of living increases and wage contract increases for agreement employees follow the same rate assumptions as the non-reimbursable costs noted above.
- Lower overtime in 2008 is attributable to the winding down of Shell-at-Grade project and reduced projections on the Turnouts Mainline High Speed and Cyclical Track Programs. Also, 2007 includes higher than normal OT amounts due to prior years' retro-active wage adjustments posted in mid-2007.

HEALTH AND WELFARE

Non-Reimbursable

- 2008 reflects carrier-specific rate increases (includes 12.5% for NYS Empire Plan) in health care and insurance premiums as well as changes in enrollment levels, retirees and employees on leave of absence status.
- 2007-2010 includes a reduction to Health and Welfare costs generated by the new teamster labor agreement (effective August 2007), which calls for a 2% employee contribution toward health insurance premiums for their first 40 hours of pay.
- 2007 includes a reduction in Life Insurance premiums due to the availability of a death benefit provision to employees that transfer to the Defined Benefit Pension Plan (effective August 2007 in accordance with new labor agreement guidelines).
- 2009-2011 include annual premium increases of 9.2% and changes in staffing levels associated with the programmatic changes that are incorporated into each year of the financial plan for Maintenance Improvements, Service Enhancements, Customer Service Amenities, Security, and Administration, as well as a slight increase in retirees.

Reimbursable

- Projected inflationary increases follow the same pattern as non-reimbursable costs noted above.

Cash

- 2007-2011 cash adjustments include current and former management employee contributions toward health insurance costs.

GASB ADJUSTMENT

Cash

- 2007-2011 includes cash expenditures to fund a contribution to a special GASB (Government Accounting Standards Board) fund earmarked for post-employment liabilities of "Other than Pension Benefits".

PENSIONS

The 2007-2011 pension costs incorporate labor agreement provisions that will result in the transfer of most of the remaining represented Metro-North employees to the MTA Defined Benefit Plan, with approximately 900 of represented employees opting not to do so. Those employees not joining the DB Plan shall become participants in the MTA 401K Plan. Metro-North's projected share of the incremental funding requirements is based on a draft projection prepared by the actuarial consultant three years ago adjusted for increases in employee levels. Future actuarial valuations are expected to reflect more accurate estimates of the pension liabilities on behalf of these newly participating employees. The projections have been further adjusted to reflect the impact of the 2006 evaluation, and the allocated share of MTA-wide savings generated by reductions in unfunded pension liabilities.

Cash

- 2007-2010 adjustments include the difference between expense accruals and cash disbursements, and agreement employee contribution to the Defined Benefit Pension Plan. 2007 also includes employer contributions to the Defined Contribution Plan related to RWA settlements (\$2.4 million).

OTHER FRINGE BENEFITS

Non-Reimbursable

- Railroad Retirement tax rates for Tier I and II remain constant for 2008-2011 at 7.65% and 12.1%, respectively.
- Maximum earnings level for Tier I is estimated at \$102,300 in 2008, \$105,369 in 2009, \$108,530 in 2010, and \$111,786 in 2011.
- Maximum earnings level for Tier II is estimated at \$75,900 in 2008, \$78,177 in 2009, \$80,522, in 2010, and \$ 82,938 in 2011.
- Other cost adjustments reflect inflationary salary increase and changes in staffing levels.

Reimbursable

- Railroad Retirement tax rates and earnings' maximums follow the same assumptions as the non-reimbursable costs noted above.

Cash

- 2007 includes adjustments for railroad retirement taxes related to RWA settlements (\$8.0 million). 2007-2011 also includes adjustments between expense accruals and cash disbursements.

REIMBURSABLE OVERHEAD

Non-Reimbursable

Overhead Cost Recoveries are derived from Reimbursable Capital Project Estimates. Assumptions are described in the Reimbursable section below.

Reimbursable

- Overhead costs for 2008 are based on a percentage share of direct labor costs charged to reimbursable projects. 2009-2011 overhead costs are based on the continuation of 2008 forecast levels and inflation-based increases in labor costs, adjusted for the completion of the NHL Concrete Tie Project and the Shell at Grade project. The M4 Critical System Replacement project is assumed to start up as the M2 Critical System Replacement project is completed.

TRACTION AND PROPULSION POWER

Non-Reimbursable

- 2008 reflects current consumption trends increased by new train service initiatives in 2008. Prices reflect selective vendor increases for energy and delivery charges of 1.3% for NYPA, 8.0% for CL&P, and 20.4% for Con Edison.
- In 2009-2011 cost increases reflect anticipated price increases from NYPA, CL&P and NYSEG. As a result, annual increases are estimated at 6.01% in 2009 and 12.3% in 2010, and a CPI based increase of 1.8% in 2011.
- 2008-2010 incorporates the net effect of the New Haven Line Equipment Replacement Plan which adds \$3.0 million in 2009 and \$2.9 million in 2010 with the projected incorporation into service of the new M8 car procurements and the gradual retirement of the M2 car fleet.
- Service Plan enhancements increase costs by \$.5 million in 2008 and by \$.7 million in 2009-2011.

Reimbursable

- No Cost.

Cash

- 2007 cash includes payments to New York Power Authority and Connecticut Light & Power for 2006 year-end accruals.

FUEL FOR BUSES AND TRAINS

Non-Reimbursable

- 2008 reflects current consumption trends and an increase in projected fuel prices resulting in an effective increase of 21.4% vs. 2007.
- 2009-2011 expenditures reflect rate reductions of -1.42%, -1.91%, and -1.82% respectively.
- 2008-2011 incorporates the cost for Service Plan enhancements and the effect of locomotive retirements on the New Haven Line.

Reimbursable

- No Cost.

Cash

- No adjustments

INSURANCE

Non-Reimbursable

- Increases in 2008-2011 reflect revised insurance premium estimates.

Reimbursable

- Increases in 2008-2011 reflect revised insurance premium estimates.

Cash

- 2008-2011 reflects increase in force account payments as well as All-Agency insurance costs.

CLAIMS

Non-Reimbursable

- 2007 - 2011 reflect current claims trends.

Reimbursable

- No Cost

Cash

- 2007 reflects the difference between expense accruals and cash payments. 2008-2011 payments reflect no year over year changes.

MAINTENANCE AND OTHER CONTRACTS

Non-Reimbursable

- 2008 reflects selectively applied CPI increases of 2.04% and 2009-2011 reflect CPI increases of 1.91%, 1.73%, and 1.82% respectively.
- Equipment maintenance program costs increase by \$1.2 million in 2008 and \$.9 million in 2009 and are reduced by \$2.7 million in 2010 and \$1.2 million in 2011 due to completion of the West of Hudson locomotive overhaul program and the phased completion of the Genesis locomotive overhaul program.
- 2008 includes \$.7 million in additional occupancy costs for the net impact of the move to 525 Broadway, \$.7 million for repairs to accident damaged equipment, a provision for office space renovations (\$1.0 million), and the elimination of car disposal costs \$.9 million.

- 2008–2011 includes rising West of Hudson subsidy payments related to contract cost escalations and increases in service.
- 2009 includes an additional cost provision for GCT landmark maintenance (\$.5 million), and \$.6 million for enhancements to customer and employee communications.
- 2010 includes provisions for Roof Replacements in North White Plains and Brewster Shops and the repaving of the access road in Brewster Yard (\$1.7 million), partially offset by the completion of repairs to accident damaged equipment (\$.7 million).
- 2011 includes equipment disposal costs of (\$2.6 million), partially offset by the completion to the roof replacement and road paving projects.

Reimbursable

- CPI increases in 2008-2011 follow the same pattern as non-reimbursable costs noted above.
- The 2008 increase is primarily due to the following projects: M-2 Car Remanufacture, Replace Rehab Overhead Bridges and NHL Concrete Tie Program offset by the winding down of the Shell-at Grade project.
- The 2009 reduction is due primarily to the completion of the Shell-At-Grade project in early 2009 plus the winding down of the NHL Diesel Locomotive Acquisition and NHL End Door Bombardier Coach Remanufacture. The 2010 reduction reflects no scheduled activity for NHL Concrete Tie Replacement which will resume in 2011.

Cash

- 2007 cash adjustments include payment of 2006 accruals for equipment overhauls. 2007-2011 also includes the reclassification of Amtrak and other railroad reimbursements to Other Operating Revenue payments on behalf of CDOT for station facilities and the MTA for electricity charges.

PROFESSIONAL SERVICE CONTRACTS

Non-Reimbursable

- 2009-2011 reflect CPI increases of 1.91%, 1.73%, and 1.8%, applied respectively.
- 2008 includes additional environmental abatement costs of (\$.4 million).
- 2009 includes the restoration of cost provisions for general advertising fees (\$.8 million) and for the 2005 reduction of MTA police service charges for the NH Line (\$1.3 million), partially offset by a reduction of environmental abatement costs (\$.3 million).

Reimbursable

- CPI increases in 2008-2011 follow the same pattern as non-reimbursable costs noted above.

- The 2008 increase is attributable to the deferral of the NHL Diesel Locomotive Acquisition from 2007 to 2008 and the start up of the NHL End Door Bombardier Coach Remanufacture in 2008.

MATERIAL AND SUPPLIES

Non-Reimbursable

- 2008 costs were selectively increased based on a CPI inflator of 2.04%.
- CPI increases in 2009-2011 of 1.91%, 1.73%, and 1.82% are applied respectively.
- 2008 includes \$1.0 million earmarked for office space renovation at 347 Madison Avenue, the Graybar building, and NWP.
- 2008-2011 includes the net cost impacts of Metro-North's equipment maintenance and replacement strategies which include:
 - The M3 CSR program - which includes cost additions in 2008 (\$1.2 million) and staggered decreases in material requirements from 2009-2011 (\$7.9 million) as the program is completed.
 - The M1 CSR program - which adds \$5.2 million in 2009 for the overhaul of 30 M1 cars.
 - The NHL Equipment replacement program – which adds \$2.1 million in material costs in 2009 and 2010 as the new M8 cars are incorporated into service, as well as the phased purchase of M8 spare parts inventory totaling \$4.4 million in 2010 and 2011.
 - 2010 includes \$5.1 million for the start of the M7 seat replacement program.

Reimbursable

- CPI increases in 2008-2011 follow the same pattern as non-reimbursable costs noted above.
- The minor reduction in 2008 is attributable to lesser material needs on the M-2 refurbishment project and the NHL Concrete Tie Project.
- The reduction in 2009 is due to the completion of the Shell-at-Grade project. The NHL Concrete Tie project also contributes to the reduction in 2009 and is the sole contributor to the 2010 reduction.

Cash

- Cash adjustments reflect differences between expense accruals and cash requirements:
 - 2007-2009 M7 spare parts buildup and timing differences between material usage and procurements.
 - 2007-2011 adjustment for obsolete material reserve.

OTHER BUSINESS EXPENSES

Non-Reimbursable

- 2008 costs were selectively increased based on a CPI inflator of 2.04%
- CPI increases in 2009-2011 of 1.91%, 1.73%, and 1.82% are applied respectively.
- 2008 includes a provision for connectivity charges with the introduction of Handheld Computers for on-board ticket sales (\$.7 million).
- 2008 and 2010 include provisions for management initiatives and cost trend adjustments of \$1.0 million, \$.5 million, and \$5.5 million respectively.

Reimbursable

- CPI increases in 2008-2011 follow the same pattern as non-reimbursable costs noted above.

Cash

- 2007-2011 cash adjustments include payments for receipt of MetroCards, Westchester County bus fares, special promotions, and employee health club memberships, partially offset by the reclassification of credit card fees as an offset to Farebox Revenue, payment to Long Island Railroad for their share of defective concrete tie refund, and safety shoe and tool allowance to the Payroll category.

DEPRECIATION

Non-Reimbursable

- No change

Reimbursable

- No Cost

MTA METRO-NORTH RAILROAD
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
Cash Receipts & Expenditures									
<u>Receipts</u>									
Farebox Revenue	\$482.1	\$492.2	\$10.1	\$502.8	\$10.6	\$514.9	\$12.1	\$527.1	\$12.3
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	52.5	48.6	(3.9)	53.9	5.3	53.7	(0.2)	54.5	0.8
Capital and Other Reimbursements	177.0	217.4	40.4	180.3	(37.2)	178.5	(1.8)	186.8	8.3
Total Receipts	711.6	758.2	46.6	736.9	(21.3)	747.1	10.1	768.5	21.4
<u>Expenditures</u>									
Labor:									
Payroll	423.9	420.4	3.4	428.4	(8.0)	445.4	(16.9)	457.4	(12.0)
Overtime	64.5	64.7	(0.2)	66.6	(1.9)	68.3	(1.6)	70.2	(1.9)
Health and Welfare	88.1	99.2	(11.2)	109.6	(10.3)	122.5	(12.9)	134.2	(11.7)
Pensions	61.3	53.7	7.6	56.6	(2.9)	59.4	(2.9)	62.5	(3.1)
Other Fringe Benefits	89.4	87.2	2.2	88.8	(1.6)	92.2	(3.5)	95.3	(3.1)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	727.2	725.3	1.9	750.0	(24.7)	787.8	(37.8)	819.6	(31.8)
Non-Labor:									
Traction and Propulsion Power	65.0	66.6	(1.6)	74.7	(8.1)	88.5	(13.8)	91.0	(2.5)
Fuel for Buses and Trains	14.2	17.1	(2.9)	16.7	0.4	16.8	(0.1)	17.6	(0.8)
Insurance	19.7	19.9	(0.3)	20.2	(0.2)	21.4	(1.3)	23.8	(2.3)
Claims	10.7	12.1	(1.4)	12.1	0.0	12.1	0.0	12.1	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other									
Operating Contracts	120.8	146.0	(25.2)	141.7	4.3	144.3	(2.7)	148.2	(3.9)
Professional Service Contracts	28.0	60.9	(32.8)	31.8	29.0	32.1	(0.3)	33.4	(1.3)
Materials & Supplies	127.1	109.2	17.9	113.9	(4.8)	118.0	(4.0)	128.1	(10.2)
Other Business Expenses	21.6	21.7	(0.0)	22.9	(1.2)	26.2	(3.3)	26.5	(0.3)
Total Non-Labor Expenditures	407.1	453.5	(46.4)	434.0	19.5	459.5	(25.5)	480.8	(21.3)
Other Expenditure Adjustments:									
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expenditure Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenditures	1,134.3	1,178.8	(44.5)	1,184.0	(5.2)	1,247.3	(63.3)	1,300.4	(53.1)
Baseline Net Cash Deficit	(422.7)	(420.5)	2.1	(447.0)	(26.5)	(500.3)	(53.2)	(532.0)	(31.7)
Subsidies									
MTA	(356.5)	(347.0)	9.5	(362.0)	(15.0)	(394.4)	(32.4)	(415.4)	(21.0)
CDOT	(66.2)	(73.5)	(7.3)	(85.1)	(11.5)	(105.9)	(20.8)	(116.6)	(10.7)
Total Subsidies	(422.7)	(420.5)	2.1	(447.0)	(26.5)	(500.3)	(53.2)	(532.0)	(31.7)
2008 Agency Program to Eliminate the Gap	0.0	0.4	0.4	6.3	5.8	11.0	4.7	8.9	(2.1)
Post 2008 Agency Program to Eliminate the Gap	0.0	0.0	0.0	8.6	8.6	3.8	(4.8)	3.6	(0.2)
Total PEGs	0.0	0.4	0.4	14.8	14.4	14.8	(0.1)	12.5	(2.3)
Net Cash Deficit	(422.7)	(420.1)	2.6	(432.2)	(12.1)	(485.5)	(53.3)	(519.5)	(34.0)
MTA share of PEGS	0.0	0.3	0.3	11.0	10.7	10.9	(0.1)	9.2	(1.7)
CDOT share of PEGS	0.0	0.1	0.1	3.9	3.8	3.9	(0.0)	3.3	(0.6)
Total PEGS	\$0.0	\$0.4	\$0.4	\$14.8	\$14.4	\$14.8	(\$0.1)	\$12.5	(\$2.3)
Subsidies									
MTA	(\$356.5)	(\$346.7)	\$9.8	(\$351.0)	(\$4.3)	(\$383.5)	(\$32.5)	(\$406.1)	(\$22.7)
CDOT	(\$66.2)	(\$73.4)	(\$7.2)	(\$81.2)	(\$7.8)	(\$102.0)	(\$20.8)	(\$113.3)	(\$11.3)
Total Subsidies	(\$422.7)	(\$420.1)	\$2.6	(\$432.2)	(\$12.1)	(\$485.5)	(\$53.3)	(\$519.5)	(\$34.0)

**MTA METRO-NORTH RAILROAD
2008 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2008-2011
SUMMARY OF MAJOR PLAN-TO-PLAN CHANGES**

Revisions to Metro-North's financial plan for the 2007-2011 period reflect adjustments resulting from evolving economic conditions, changing cost assumptions and resource allocations, as well as the impact of changes in program schedules.

2007: NOVEMBER FINANCIAL PLAN VS. JULY FINANCIAL PLAN

The 2007 November Financial Plan baseline subsidy requirements for non-reimbursable operations are \$2.3 million lower than in the July Financial Plan. The reduction reflects higher revenues of \$5.2 million, primarily due to additional Farebox revenue generated by higher than projected ridership growth, lower pension costs of \$6.4 million (share of MTA-wide savings generated by reductions in pension liabilities), and favorable maintenance/operating contracts, totaling \$4.2 million. Partially offsetting these decreases are advance purchases of material & supplies for the M7 spare parts inventory, the M3 CSR program (to obtain price discounts), and components required for the gear box overhaul program.

Reimbursable project costs (and receipts) are \$16.6 million lower than the July Plan and reflect primarily the re-scheduling of the NHL Diesel Locomotive Purchase from 2007 to 2008.

2008: NOVEMBER FINANCIAL PLAN VS. JULY FINANCIAL PLAN

The 2008 November Financial Plan baseline subsidy requirements are \$6.7 million lower than the July Financial Plan. The reduction reflects higher revenues of \$4.8 million, primarily due to additional Farebox revenue generated by increased ridership, and lower pension costs of \$5.6 million (allocated share of savings generated by reductions in pension liabilities), partially offset by higher energy prices (\$1.9 million), and maintenance and other operating contract costs (\$2.1 million). The impact of new labor agreements and higher overtime cost projections are offset by lower health and welfare costs and higher overhead recoveries.

Reimbursable project costs (and receipts) are \$45.0 million higher than the July Plan and reflect the re-scheduling of the CDOT Diesel Locomotive Purchase and C-28 Program from 2007 as well as the start-up of the Bombardier End-Door Remanufacture.

2009: NOVEMBER FINANCIAL PLAN VS. JULY FINANCIAL

The 2009 November Financial Plan baseline subsidy requirements are \$7.2 million lower than in the July Financial Plan. The reduction reflects higher revenues of \$4.6 million, primarily due to additional Farebox revenue generated by increased ridership, lower pension costs of \$4.5 million (allocated share of pension savings), and lower propulsion prices (\$1.9 million). These lower costs are partially offset by higher maintenance and other operating contract costs totaling \$2.2 million, a \$1.0 million net payroll cost increase generated by the impact of new labor agreements and higher overtime cost projections offset by lower health and welfare costs and higher overhead recoveries, as well as a small increase in Operating /Capital costs.

Reimbursable project costs (and receipts) are \$4.6 million higher than the July Plan and reflect a continuation of project levels similar to the 2008 Budget.

2010 NOVEMBER FINANCIAL PLAN VS. JULY FINANCIAL

The 2010 November Financial Plan baseline subsidy requirements are \$2.2 million lower than in the July Financial Plan. The reduction reflects higher revenues of \$4.7 million, primarily due to additional Farebox revenue generated by increased ridership, lower pension costs of \$3.7 million (allocated share of pension savings), and higher miscellaneous cash receipts (\$.8 million). These lower costs are partially offset by higher material usage expenditures of \$3.1 million, professional services costs of \$.4 million, a \$2.3 million net payroll cost increase generated by the impact of new labor agreements and higher overtime cost projections offset by lower health and welfare costs and higher overhead recoveries, and timing delay in force account receipts totaling \$ 2.1 million.

Reimbursable project costs (and receipts) are \$9.1 million higher than the July Plan and reflect a continuation of project levels similar to the 2008 Budget.

2011 NOVEMBER FINANCIAL PLAN VS. JULY FINANCIAL PLAN

The 2011 November Financial Plan baseline subsidy requirements are \$3.9 million lower than in the July Financial Plan. The reduction reflects higher revenues of \$4.9 million, primarily due to additional Farebox revenue generated by increased ridership, lower pension costs of \$2.6 million (allocated share of pension savings), and lower propulsion prices (\$1.9 million). These lower costs are partially offset by higher material usage expenditures of \$3.1 million, and a \$2.2 million net payroll cost increase generated by the impact of new labor agreements and higher overtime cost projections offset by lower health and welfare costs and higher overhead recoveries.

Reimbursable project costs (and receipts) are \$13.7 million higher than the July Plan and reflect a continuation of project levels similar to the 2008 Budget.

MTA METRO-NORTH RAILROAD
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE					
	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Operating Cash	(\$425.0)	(\$427.2)	(\$454.3)	(\$502.5)	(\$535.8)
Baseline Changes					
Revenue					
Farebox Revenue	3.6	4.0	4.1	4.2	4.3
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	1.6	0.8	0.5	0.5	0.5
Capital and Other Reimbursement	0.0	0.0	0.0	0.0	0.0
Total Revenue Changes	5.2	4.8	4.6	4.7	4.9
Expenses					
Labor:					
Payroll	1.5	(1.8)	(1.8)	(1.8)	(1.8)
Overtime	(1.7)	(1.8)	(3.0)	(3.5)	(3.6)
Health and Welfare	1.9	2.8	2.8	3.1	3.5
Pensions	6.4	5.6	4.5	3.7	2.6
Other Fringe Benefits	(0.1)	(0.9)	(1.1)	(1.1)	(1.1)
Reimbursable Overhead	0.8	1.1	2.0	1.0	0.8
Total Labor Expense Changes	8.8	5.1	3.5	1.4	0.4
Non-Labor:					
Traction and Propulsion Power	1.2	0.6	3.4	2.1	2.3
Fuel for Buses and Trains	(0.3)	(2.5)	(1.5)	(0.3)	(0.2)
Insurance	0.0	(0.0)	(0.0)	(0.0)	(0.0)
Claims	3.0	0.1	0.1	0.1	0.1
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	4.2	(2.1)	(2.2)	(0.1)	0.0
Professional Service Contracts	0.7	(0.9)	(0.4)	(0.4)	(0.4)
Materials & Supplies	(1.5)	(2.2)	(2.7)	(3.1)	(3.1)
Other Business Expenses	(1.1)	1.4	(2.6)	(1.1)	(1.1)
Total Non-Labor Expense Changes	6.1	(5.6)	(5.9)	(2.8)	(2.3)
Total Expenses before Depreciation	14.9	(0.5)	(2.4)	(1.3)	(1.9)
Depreciation	4.0	5.6	5.6	5.6	5.6
Other Post Employment Benefits	(48.9)	(51.0)	(53.0)	(54.7)	(56.3)
Total Expense Changes after Depreciation & Post Employment Benefits	(30.0)	(45.9)	(49.7)	(50.4)	(52.5)
Baseline Net Surplus/(Deficit) Changes	(24.8)	(41.1)	(45.1)	(45.7)	(47.7)
Cash Conversion Adjustment Changes					
Depreciation	(4.0)	(5.6)	(5.6)	(5.6)	(5.6)
Operating/Capital	0.6	(2.5)	(0.9)	0.0	0.0
Other Cash Adjustments	30.5	55.8	58.9	53.5	57.2
Total Cash Conversion Adjustments	27.1	47.7	52.4	47.9	51.5
Total Baseline Changes	2.3	6.7	7.2	2.2	3.9
Baseline 2007 November Financial Plan - Operating Cash	(422.7)	(420.5)	(447.0)	(500.3)	(532.0)
2008 and Post 2008 Agency Program to Eliminate the Gap (PEGs)	0.0	0.4	14.8	14.8	12.5
Total PEGs	\$0.0	\$0.4	\$14.8	\$14.8	\$12.5
Net Surplus/(Deficit)	(\$422.7)	(\$420.1)	(\$432.2)	(\$485.5)	(\$519.5)

MTA METRO-NORTH RAILROAD
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Operating Cash	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Baseline Changes					
Revenue					
Farebox Revenue	0.0	0.0	0.0	0.0	0.0
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	0.0	0.0	0.0	0.0	0.0
Capital and Other Reimbursement	(16.6)	45.0	4.6	9.1	13.7
Total Revenue Changes	(16.6)	45.0	4.6	9.1	13.7
Expenses					
Labor:					
Payroll	(0.5)	(4.1)	(3.8)	(4.1)	(4.8)
Overtime	(2.2)	(0.4)	(0.1)	(0.1)	(0.1)
Health and Welfare	(0.4)	(0.7)	(0.7)	(0.8)	(1.1)
Pensions	0.1	(0.4)	(0.3)	(0.3)	(0.4)
Other Fringe Benefits	(0.4)	(0.9)	(0.8)	(0.9)	(1.0)
Reimbursable Overhead	(2.1)	(2.2)	(2.8)	(2.8)	(3.1)
Total Labor Expense Changes	(5.6)	(8.6)	(8.5)	(9.0)	(10.5)
Non-Labor:					
Traction and Propulsion Power	0.0	0.0	0.0	0.0	0.0
Fuel for Buses and Trains	0.0	0.0	0.0	0.0	0.0
Insurance	(0.5)	(0.2)	(0.0)	0.2	0.4
Claims	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	0.3	(7.3)	(2.3)	(8.9)	(10.2)
Professional Service Contracts	16.1	(27.9)	3.5	3.6	3.6
Materials & Supplies	6.8	(0.4)	3.3	5.6	3.5
Other Business Expenses	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)
Total Non-Labor Expense Changes	22.2	(36.4)	4.0	(0.1)	(3.3)
Total Expenses before Depreciation	16.6	(45.0)	(4.6)	(9.1)	(13.7)
Depreciation	0.0	0.0	0.0	0.0	0.0
Other Post Employment Benefits	0.0	0.0	0.0	0.0	0.0
Total Expense Changes after Depreciation & Post Employment Benefits	16.6	(45.0)	(4.6)	(9.1)	(13.7)
2007 Agency Program to Eliminate the Gap (PEGs)	0.0	0.0	0.0	0.0	0.0
Total PEGs	0.0	0.0	0.0	0.0	0.0
Baseline Net Surplus/(Deficit) Changes	0.0	0.0	(0.0)	0.0	0.0
Cash Conversion Adjustment Changes					
Depreciation	0.0	0.0	0.0	0.0	0.0
Operating/Capital	0.0	0.0	0.0	0.0	0.0
Other Cash Adjustments	0.0	0.0	0.0	0.0	0.0
Total Cash Conversion Adjustments	0.0	0.0	0.0	0.0	0.0
Total Baseline Changes	0.0	0.0	(0.0)	0.0	0.0
Baseline 2007 November Financial Plan - Operating Cash	0.0	0.0	(0.0)	0.0	0.0
2008 and Post 2008 Agency Program to Eliminate the Gap (PEGs)	0.0	0.0	0.0	0.0	0.0
Total PEGs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Surplus/(Deficit)	\$0.0	\$0.0	(\$0.0)	\$0.0	\$0.0

MTA METRO-NORTH RAILROAD
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Operating Cash	(\$425.0)	(\$427.2)	(\$454.3)	(\$502.5)	(\$535.8)
Baseline Changes					
Revenue					
Farebox Revenue	3.6	4.0	4.1	4.2	4.3
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	1.6	0.8	0.5	0.5	0.5
Capital and Other Reimbursement	(16.6)	45.0	4.6	9.1	13.7
Total Revenue Changes	(11.3)	49.8	9.1	13.8	18.6
Expenses					
Labor:					
Payroll	1.0	(5.9)	(5.6)	(5.9)	(6.7)
Overtime	(3.9)	(2.2)	(3.1)	(3.6)	(3.7)
Health and Welfare	1.4	2.1	2.1	2.3	2.5
Pensions	6.5	5.3	4.2	3.4	2.2
Other Fringe Benefits	(0.5)	(1.8)	(1.9)	(2.0)	(2.2)
Reimbursable Overhead	(1.4)	(1.1)	(0.8)	(1.8)	(2.3)
Total Labor Expense Changes	3.2	(3.6)	(5.0)	(7.6)	(10.1)
Non-Labor:					
Traction and Propulsion Power	1.2	0.6	3.4	2.1	2.3
Fuel for Buses and Trains	(0.3)	(2.5)	(1.5)	(0.3)	(0.2)
Insurance	(0.5)	(0.3)	(0.0)	0.2	0.4
Claims	3.0	0.1	0.1	0.1	0.1
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	4.4	(9.4)	(4.5)	(9.0)	(10.2)
Professional Service Contracts	16.8	(28.8)	3.1	3.2	3.3
Materials & Supplies	5.3	(2.6)	0.7	2.5	0.4
Other Business Expenses	(1.6)	0.9	(3.1)	(1.6)	(1.6)
Total Non-Labor Expense Changes	28.3	(42.0)	(1.9)	(2.8)	(5.5)
Total Expenses before Depreciation	31.5	(45.6)	(6.9)	(10.4)	(15.6)
Depreciation	4.0	5.6	5.6	5.6	5.6
Other Post Employment Benefits	(48.9)	(51.0)	(53.0)	(54.7)	(56.3)
Total Expense Changes after Depreciation & Post Employment Benefits	(13.4)	(90.9)	(54.3)	(59.5)	(66.3)
Baseline Net Surplus/(Deficit) Changes	(24.8)	(41.1)	(45.1)	(45.7)	(47.7)
Cash Conversion Adjustment Changes					
Depreciation	(4.0)	(5.6)	(5.6)	(5.6)	(5.6)
Operating/Capital	0.6	(2.5)	(0.9)	0.0	0.0
Other Cash Adjustments	30.5	55.8	58.9	53.5	57.2
Total Cash Conversion Adjustments	27.1	47.7	52.4	47.9	51.5
Total Baseline Changes	2.3	6.7	7.2	2.2	3.9
Baseline 2007 November Financial Plan - Operating Cash	(422.7)	(420.5)	(447.0)	(500.3)	(532.0)
2008 and Post 2008 Agency Program to Eliminate the Gap (PEGs)	0.0	0.4	14.8	14.8	12.5
Total PEGs	\$0.0	\$0.4	\$14.8	\$14.8	\$12.5
Net Surplus/(Deficit)	(\$422.7)	(\$420.1)	(\$432.2)	(\$485.5)	(\$519.5)

MTA METRO-NORTH RAILROAD
November Financial Plan 2008 - 2011
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	(\$425.0)	(\$427.2)	(\$454.3)	(\$502.5)	(\$535.8)
Non-Reimbursable Major Changes					
Revenue					
Passenger Revenue - Ridership Growth	3.6	4.0	4.1	4.2	4.3
Non Passenger Revenue:					
525 Broadway Rent Income	0.1	0.5	0.0	0.0	0.0
GCT revenue funded projects	0.5	(0.5)	0.0	0.0	0.0
Other Non Passenger Revenues (Primarily GCT Retail Revenue)	1.0	0.8	0.5	0.5	0.5
Sub Total Non Passenger Revenue Changes	1.6	0.8	0.5	0.5	0.5
Sub-Total Non-Reimbursable Revenue Changes	5.2	4.8	4.6	4.7	4.9
Expenses					
Programmatic Changes					
525 Broadway Management Fees	(0.4)	(1.0)	(1.0)	(1.0)	(1.0)
Net Impact of vacating Gray Bar.	0.0	(0.2)	0.3	0.8	0.8
Savings from Vacating Elmsford Facility	0.0	0.0	0.2	0.3	0.3
Reduce IESS/3C project	0.0	0.8	0.8	0.8	0.8
Damage Car Provision	0.0	(0.7)	(0.7)	(0.7)	(0.7)
Abatement Removal Costs	0.0	(0.4)	(0.4)	(0.4)	(0.4)
Expenditure Level Changes					
Salary Inflation NA and T&E (Compression and Conductor Rate Adjustments)	(0.1)	(2.1)	(2.2)	(2.2)	(2.3)
Salary Changes (excluding Compression and Conductor Rate Adjustment)	(0.0)	(1.1)	(2.1)	(2.7)	(2.8)
Tier I & II Fringe Changes (Increase in taxable earnings base and salary compression)	(0.0)	(0.8)	(0.8)	(0.8)	(0.7)
Tier I & II Fringe Changes Excluding salary compression and increase in taxable earnings	(0.1)	(0.1)	(0.2)	(0.3)	(0.5)
Energy Inflation	0.9	(1.9)	1.9	1.9	2.1
Inflation Excluding Energy, Fringe, Conductor Rate and Compression Adjustments	0.0	(0.2)	0.1	0.4	0.8
Claims	3.0	0.1	0.1	0.1	0.1
Health & Welfare	1.9	2.8	2.8	3.1	3.5
Pension	6.4	5.6	4.5	3.7	2.6
Overhead Recovery Credit Changes	0.8	1.1	2.0	1.0	0.8
Depreciation	4.0	5.6	5.6	5.6	5.6
Increase Material Usage M of E	(1.0)	(1.0)	(1.7)	(1.7)	(1.7)
Other Operating & Maintenance Contracts	4.4	(1.2)	(2.5)	(1.8)	(1.8)
Other Post Employment Benefits	(48.9)	(51.0)	(53.0)	(54.7)	(56.3)
All Other	(0.8)	(0.2)	(3.4)	(1.9)	(2.0)
Sub-Total Non-Reimbursable Expense Changes	(30.0)	(45.9)	(49.7)	(50.4)	(52.5)
Total Non-Reimbursable Major Changes	(24.8)	(41.1)	(45.1)	(45.7)	(47.7)
Reimbursable Major Changes					
Revenue					
Projections for 2008-2011 assume capital project activity levels similar to 2007 YEFCST	(16.6)	45.0	4.6	9.1	13.7
Sub-Total Reimbursable Revenue Changes	(16.6)	45.0	4.6	9.1	13.7
Expenses					
Projections for 2008-2011 assume capital project activity levels similar to 2007 YEFCST	16.6	(45.0)	(4.6)	(9.1)	(13.7)
Sub-Total Reimbursable Expense Changes	16.6	(45.0)	(4.6)	(9.1)	(13.7)
Total Reimbursable Major Changes	0.0	0.0	0.0	0.0	0.0
Total Accrual Changes	(24.8)	(41.1)	(45.1)	(45.7)	(47.7)
Cash Adjustment Changes:					
Operating Capital					
Concrete Tie Replacement	1.0	1.5	(0.9)	0.0	0.0
Handheld Computers	(0.6)	(2.9)	0.0	0.0	0.0
Regional Ticketing	(0.3)	(0.7)	0.0	0.0	0.0
All Others	0.5	(0.3)	0.0	0.0	0.0
Total Operating Capital	0.6	(2.5)	(0.9)	0.0	0.0
Depreciation	(4.0)	(5.6)	(5.6)	(5.6)	(5.6)
Other Cash Adjustments:					
Delay in Force Account Receipts	(1.9)	1.7	1.3	(2.1)	0.1
Difference in Payroll Accrual days	0.0	1.5	0.2	0.2	0.0
Inventory Purchases & Spare Parts M7s & M 8s	(13.2)	5.0	3.7	0.0	0.0
Claims Accrual	(1.5)	0.0	0.0	0.0	0.0
Misc Cash Receipts	(0.2)	(0.4)	0.8	0.8	0.8
Other Cash Adjustments	(1.6)	(3.0)	0.0	0.0	0.0
Other Postemployment Benefits	48.9	51.0	53.0	54.7	56.3
Other Cash Adjustment Changes	30.5	55.8	58.9	53.5	57.2
Total Cash Adjustments	27.1	47.7	52.4	47.9	51.5
Total Baseline Changes	2.3	6.7	7.2	2.2	3.9
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	(422.7)	(420.5)	(447.0)	(500.3)	(532.0)
2008 & Post 2008 Agency Programs to Eliminate the Gap (PEGs)	0.0	0.4	14.8	14.8	12.5
2007 November Financial Plan - Operating Cash Income/(Deficit)	(\$422.7)	(\$420.1)	(\$432.2)	(\$485.5)	(\$519.5)

**MTA METRO-NORTH RAILROAD
2008 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2008-2011**

RIDERSHIP/UTILIZATION PROJECTIONS

Ridership projections are developed primarily by the application of line segment ridership forecasting models that incorporate current trends and the impact of economic and demographic factors and government-supported mass transit initiatives. In addition, internal programs that affect service, customer awareness, and access to Metro-North are also incorporated into ridership forecasts.

The 2007 November Year End Forecast reflects East of Hudson service ridership that is 3.6% higher than 2006 actual results. In 2008, 2009, 2010 and 2011, ridership is projected to grow 2.3%, 2.1%, 2.3% and 2.2% respectively and reflects current growth trends as well as new service, parking and connecting service initiatives.

West of Hudson utilization reflects customer levels that are 4.2% higher than 2006 actual results. In 2008, 2009, 2010 and 2011, West of Hudson ridership is projected to grow 6.3%, 5.8%, 6.9% and 3.4%, respectively.

The higher growth rates during the 2008 – 2011 period reflect service expansions on the Pascack Valley line, made possible by the completion of right-of-way passing sidings that will be completed in the fourth quarter of 2007, as well as service improvements on the Port Jervis line through the period.

MTA Metro-North Railroad
November Financial Plan 2008 - 2011
Ridership (Utilization)
(in millions)

	2006	2007	Final			
	Actual	November	Proposed	2009	2010	2011
		Forecast	Budget			
<u>Farebox Revenue</u>						
Harlem Line	\$131.9	\$137.1	\$140.5	\$144.7	\$148.2	\$150.6
Hudson Line	94.1	99.1	102.0	104.9	108.9	113.5
New Haven Line	227.6	236.9	240.6	244.4	248.9	254.0
West of Hudson Mail & Ride	0.8	0.7	0.7	0.7	0.8	0.8
Baseline Total Farebox Revenue	454.4	473.8	483.8	494.7	506.8	518.9
<i>Impact of:</i>						
Post 2008 PEG Program	0.0	0.0	0.0	5.1	7.7	7.7
Total Farebox Revenue	\$454.4	\$473.8	\$483.8	\$499.8	\$514.5	\$526.6
<u>Ridership</u>						
Harlem Line	25.5	26.4	27.0	27.7	28.3	28.7
Hudson Line	14.7	15.4	15.8	16.2	16.8	17.4
New Haven Line	35.0	36.2	36.9	37.4	38.1	38.9
Baseline Total Ridership	75.2	77.9	79.7	81.4	83.2	85.1
<i>Impact of:</i>						
Post 2008 PEG Program	0.0	0.0	0.0	0.7	1.1	1.1
Total Ridership	75.2	77.9	79.7	82.1	84.3	86.2

MTA METRO-NORTH RAILROAD
November Plan 2008 - 2011
Summary of 2008 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2007		2008		2009		2010		2011	
		<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>
Cust Convenience & Amenities											
Equipment Replacement Plan-NHL ('09 on mostly ea		0	0.000	0	0.428	0	6.253	0	10.969	0	8.881
Sub-Total	Cust Convenience & Amenities	0	\$ 0.000	0	\$ 0.428	0	\$ 6.253	0	\$ 10.969	0	\$ 8.881
Total Programs		0	\$ 0.000	0	\$ 0.428	0	\$ 6.253	0	\$ 10.969	0	\$ 8.881

MTA METRO-NORTH RAILROAD
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Cust Convenience & Amenities	Savings Date	1/1/2008
PEG / New Need ID	0000000029	Current Budget Year	2007	Status	Open
Program:	Equipment Replacement Plan-NHL ('09 on mostly earlier retir. M2s)			Agency Status	Pending
Description and Implementation Pla	The July Financial Plan update records the change (reduction) in propulsion and material & supplies costs due to the revisions in NHL Equipment Replacement Plan methodology, but primarily the earlier-than-projected retirement of M2s.				
Background Details	The February Financial Plan included the impact of costs to maintain and operate the incremental NHL equipment fleet once the new M8 cars are accepted into service. Metro-North is changing its approach. The Equipment Replacement Plan-NHL impact will reflect the effect of the M2 car replacements by M8s. The cost impact of increasing the NHL fleet is being captured under another Project Impact, the " NH-New Maintenance Facility Shop Complex". Notwithstanding, the February Financial Plan did not cover within the period covered by the Plan the impact of M2 retirements. They are now expected to start in 2011 and extend through 2013.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	MNRRD	0000000029	FINAL07	\$ 0.000	\$ 0.428	\$ 6.253	\$ 10.969	\$ 8.881

MTA METRO-NORTH RAILROAD
November Plan 2008 - 2011
Summary of Post 2008 PEGs
(\$ in millions)

		2007		2008		2009		2010		2011	
		<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>
Cust Convenience & Amenities											
Equipment Strategy-M1 CSR Program		0	0.000	0	0.000	0	5.354	0	0.000	0	0.000
Sub-Total	Cust Convenience & Amenities	0	\$ 0.000	0	\$ 0.000	0	\$ 5.354	0	\$ 0.000	0	\$ 0.000
Other											
Provision for Landmark Preservation Maintenance		0	0.000	0	0.000	0	0.518	0	0.526	0	0.535
Provision to Increase MTA Police Service costs-NHL		0	0.000	0	0.000	0	1.346	0	1.368	0	1.391
Security Plan-GCT Barrier Separations Maintenance		0	0.000	0	0.000	2	0.172	2	0.178	2	0.183
Sub-Total	Other	0	\$ 0.000	0	\$ 0.000	2	\$ 2.036	2	\$ 2.072	2	\$ 2.109
Revenue Enhancement											
Yankee Stadium Station - Impact of Additional Reven		0	0.000	0	0.000	(30)	1.200	(30)	1.720	(30)	1.506
Sub-Total	Revenue Enhancement	0	\$ 0.000	0	\$ 0.000	(30)	\$ 1.200	(30)	\$ 1.720	(30)	\$ 1.506
Total Programs		0	\$ 0.000	0	\$ 0.000	(28)	\$ 8.590	(28)	\$ 3.792	(28)	\$ 3.615

MTA METRO-NORTH RAILROAD

November Plan 2008 - 2011

Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Cust Convenience & Amenities	Savings Date	1/1/2009
PEG / New Need ID	0000000030	Current Budget Year	2007	Status	Open
Program:	Equipment Strategy-M1 CSR Program			Agency Status	Pending
Description and Implementation Pla	The July Financial Plan update removes the funds earmarked for the CSR Program for 30 M1s. Metro-North now plans to use newer equipment to provide the service, and the funds are no longer required.				
Background Details	Last year, the Equipment Strategy Plan proposed to retain 30 M1 cars for planned shuttle service to the new Yankee stadium station. Before the old equipment could be used (it is after all well beyond its useful file), the proposal called for the cars to undergo a CSR (a major Component System Replacement) Program. The February Financial Plan included \$5.169 million in 2009 for this purpose.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	MNRRD	0000000030	FINAL07	\$ 0.000	\$ 0.000	\$ 5.354	\$ 0.000	\$ 0.000

MTA METRO-NORTH RAILROAD

November Plan 2008 - 2011

Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Other	Savings Date	1/1/2009
PEG / New Need ID	0000000032	Current Budget Year	2007	Status	Open
Program:	Provision for Landmark Preservation Maintenance			Agency Status	Pending
Description and Implementation Pla	Metro-North's July Financial Plan update identifies four new projects that should be funded through dedicated GCT Retail Revenue. Once that is done, the placeholder will no longer be required.				
Background Details	The 2006 Mid-Year and Year End Forecasts, 2007 Budget and February Financial Plan included funds to add the staff necessary to finish setting up the programmed maintenance effort required to perform the extraordinary landmark maintenance prescribed by Beyer Blinder Bell (BBB). Expense funds were also added to the GCT Department to address the deteriorating floor conditions in the Terminal on an ongoing basis. To address larger (capitalizable) projects, in 2007 and 2008 GCT Retail revenues were dedicated to fund the GCT Lower Level East Restroom Renovation, and the GCT Vanderbilt Hall Restoration. There were no funds earmarked for further landmark projects beyond 2008 except the small "placeholder" provision referenced above. The "Landmark Renovations" in the Terminal were officially completed in 1998, ten years ago, and several large projects are waiting for funding and attention.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	MNRRD	0000000032	FINAL07	\$ 0.000	\$ 0.000	\$ 0.518	\$ 0.526	\$ 0.535

MTA METRO-NORTH RAILROAD

November Plan 2008 - 2011

Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Other	Savings Date	1/1/2009
PEG / New Need ID	0000000031	Current Budget Year	2007	Status	Open
Program:	Provision to Increase MTA Police Service costs-NHL			Agency Status	Pending
Description and Implementation Pla	The February Financial Plan contained the provision to increase NHL MTA Police Services effective 1/2009. The July Financial Plan update removes the provision.				
Background Details	Several years ago a rigorous PEG "Program to Eliminate the (funding) Gap" process targeted reductions in Administrative staff and expenditures. One of these reductions, from a planning prospective, was a MN proposal to reduce the rate of increase in costs for NHL MTA Police Services which have been increasing at a rate greater than inflation. The Financial Plan assumed the reduction to last several years, and then to increase (eliminating the reduction) effective 1/2009. The increase was to fund additional labor and fringe costs as well as other incremental security costs MN thought MTA Police Services costs will bill back to MN. Over the last two years, the intercompany bills for the NHL Police Services grew at a very moderate rate.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	MNRRD	0000000031	FINAL07	\$ 0.000	\$ 0.000	\$ 1.346	\$ 1.368	\$ 1.391

MTA METRO-NORTH RAILROAD

November Plan 2008 - 2011

Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Other	Savings Date	1/1/2009
PEG / New Need ID	0000000033	Current Budget Year	2007	Status	Open
Program:	Security Plan-GCT Barrier Separations Maintenance			Agency Status	Pending
Description and Implementation Pla	The July Financial Plan update removes the above requirement. It is no longer required.				
Background Details	<p>The February Financial Plan contained a number of expense impacts to support MN's Security Plan. One of these impacts was the addition of 2 positions in GCT to maintain the GCT Barriers.</p> <p>The July Financial Plan update removes the above requirement. It is no longer required. The operating impact of the Security Plan with respect to physical hardening of GCT has been re-evaluated and is included under "Security Plan-IESS/3C Sys and Physical Hardening" new need.</p>				

				2007	2008	2009	2010	2011
Total Headcount	MNRRD	0000000033	FINAL07	0	0	2	2	2
Financial Impact	MNRRD	0000000033	FINAL07	\$ 0.000	\$ 0.000	\$ 0.172	\$ 0.178	\$ 0.183

MTA METRO-NORTH RAILROAD

November Plan 2008 - 2011

Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	Post PEG	Implementation Date	7/1/2009
Budget Reference	FINAL07	Category	Revenue Enhancement	Savings Date	7/1/2009
PEG / New Need ID	0000000028	Current Budget Year	2007	Status	Open
Program:	Yankee Stadium Station - Impact of Additional Revenue & Costs			Agency Status	Pending
Description and Implementation Pla	MN will provide a combination of shuttle and through service to/from the station on the H/H and NHLs and Manhattan for Yankee home games. Regular year-round Hudson Line svce will also be provided to/from the station and other destinations.				
Background Details	In Spring '06, the MTA Board approved the the construction of a new train station at Yankee Stadium. It will consist of two island platforms serving the 4 tracks at the site which will require track realignment to accommodate the space needed for the platforms. The project includes a mezzanine above the platforms to provide sufficient queuing space for the post-game crowds. The City of NY has committed to the construction of a new pedestrian overpass, compliant with ADA, over MN's right-of-way. The new overpass will provide access from the stadium to the station, to the parking and ferry facilities and new parkland on the west side of the right-of-way. To implement this service, MN plans to add 24 T&E positions effective 4/09; 1 N/A for both Customer Service and IT & PD effective 7/09 plus 1 A-OTE position for M of W-Structures and 3 A-OTE Opr Svcs-Station Services positions effective 7/09. As a result, MN expects to generate \$7.7 million of incremental revenue each year beginning in 2010. The opening of the new stadium is targeted for the 2nd quarter of 2009. Consequently, incremental 2009 revenue is projected at \$5.1 million.				

				2007	2008	2009	2010	2011
Total Headcount	MNRRD	0000000028	FINAL07	0	0	(30)	(30)	(30)
Financial Impact	MNRRD	0000000028	FINAL07	\$ 0.000	\$ 0.000	\$ 1.200	\$ 1.720	\$ 1.506

**MTA METRO-NORTH RAILROAD
2008 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2008-2011**

POSITION ASSUMPTIONS

NON-REIMBURSABLE POSITIONS

Positions are stated as of December 31 of each year and reflect the estimated number of paid employees. Consequently, position totals incorporate existing vacancy and turnover estimates.

Annual staffing levels also include the impact of new program additions, deferrals, eliminations, or re-estimates, consistent with the associated cost changes incorporated into the financial plan.

REIMBURSABLE POSITIONS

Positions are stated as of December 31 of each year and reflect employees estimated to be paid. Consequently, position totals incorporate existing vacancy and turnover estimates, as well as seasonal fluctuations in staffing requirements for the capital projects.

2007 and 2008 staffing levels reflect changes in project requirements. The 2009-2011 staffing levels assume a continuation of 2008 project activity levels.

YEAR-TO-YEAR CHANGES

2007 - 2008

The increase of 60 paid positions reflects the addition of 36 reimbursable positions to support capital project activity levels and 24 non-reimbursable positions. The increase of 24 non-reimbursable positions reflects staffing additions for new service, safety and security programs, customer service improvements and additional facility maintenance requirements at GCT and the New Haven Service and Inspection shop.

2008 - 2009

The increase of 53 non-reimbursable paid positions reflects staffing additions for new service, safety and security programs, and maintenance requirements for the new Harmon shop and Danbury signal system. There is no change to the reimbursable paid positions.

2009 - 2010

The increase of 165 non-reimbursable paid positions reflects staffing additions for new service, safety and security programs, coach cleaning and maintenance requirements for new M8 cars. There is no change to the reimbursable paid positions.

2010 - 2011

The increase of 17 paid positions reflects non-reimbursable staffing additions for new service. There is no change to the reimbursable paid positions.

PLAN-TO-PLAN CHANGES

In 2007, there is an increase of four positions versus the July Financial Plan reflecting an increase of five reimbursable positions to support capital projects (primarily the MTA Bus Company project) offset by a decrease of one non-reimbursable position due to the net impact of changes in vacancy levels and service plan requirements.

The decrease of 29 non-reimbursable positions in 2008 versus the July Financial Plan reflects the transfer of positions to reimbursable projects at year-end, offset by additional staffing for Customer Service initiatives. In 2009-2011, two additional Maintenance of Way positions are reduced resulting in a total decrease of 31 non-reimbursable positions versus the July Financial Plan.

The decrease of 38 reimbursable positions in 2008 versus the July Financial Plan reflects capital project requirements at the end of the year. These requirements are maintained at the same level for 2009-2011.

MTA Metro-North Railroad
November Financial Plan 2008 - 2011
Total Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2006 Actual (1)	2007 November Forecast (1)	2008 Final Proposed Budget	2009	2010	2011
Administration						
President	6	6	6	6	6	6
Labor Relations	11	13	13	13	13	13
Safety	15	15	29	29	29	29
Corporate Communications	15	15	17	17	17	17
Customer Service	250	252	257	257	257	257
Legal	15	16	17	17	17	17
Claims Services	18	20	22	22	22	22
Environmental Compliance & Serv	6	6	6	6	6	6
VP Human Resources	3	3	3	3	3	3
Human Resources & Diversity	44	47	47	47	47	47
Training	29	31	31	31	31	31
Employee Relations & Diversity	3	4	4	4	4	4
VP Planning Procurem't & Bus Dev Admin	3	3	3	3	3	3
Operations Planning & Analysis	19	20	21	21	21	21
Capital Planning & Programming	10	9	11	11	11	11
Business Development Facilities & Mktg	18	18	22	22	22	22
Long Range Planning	11	10	10	10	10	10
VP Finance & Info Systems	10	10	10	10	10	10
Controller	124	124	119	119	119	119
Information Technology & Project Mgmt	112	117	127	127	127	127
Budget	14	13	16	16	16	16
Corporate *	-	(20)	(45)	(45)	(45)	(45)
Total Administration	736	732	746	746	746	746
Operations						
Operations Admin	54	51	52	53	66	66
Operations Services	1,675	1,725	1,747	1,758	1,811	1,828
Metro-North West	28	27	28	28	28	28
Total Operations	1,757	1,803	1,827	1,839	1,905	1,922
Maintenance						
GCT	346	359	359	377	389	389
Maintenance of Equipment	1,247	1,304	1,308	1,308	1,363	1,363
Maintenance of Way	1,496	1,579	1,590	1,608	1,640	1,640
Procurement & Material Mgmt	167	169	176	181	181	181
Total Maintenance	3,256	3,411	3,433	3,474	3,573	3,573
Engineering/Capital						
Project Budget	13	13	13	13	13	13
Construction Management	36	39	39	39	39	39
Engineering & Design	58	63	63	63	63	63
Total Engineering/Capital	107	115	115	115	115	115
Baseline Total Positions	5,856	6,061	6,121	6,174	6,339	6,356
<i>Non-Reimbursable</i>	5,311	5,450	5,474	5,527	5,692	5,709
<i>Reimbursable</i>	545	611	647	647	647	647
<i>Total Full-Time</i>	5,851	6,056	6,116	6,169	6,334	6,351
<i>Total Full-Time-Equivalents</i>	5	5	5	5	5	5

Impact of:

2008 Program to Eliminate the Gap	-	-	-	-	-	-
Post 2008 Program to Eliminate the Gap	-	-	-	28	28	28
Total Positions	5,856	6,061	6,121	6,202	6,367	6,384
<i>Non-Reimbursable</i>	5,311	5,450	5,474	5,555	5,720	5,737
<i>Reimbursable</i>	545	611	647	647	647	647
<i>Total Full-Time</i>	5,851	6,056	6,116	6,197	6,362	6,379
<i>Total Full-Time-Equivalents</i>	5	5	5	5	5	5

* Reflects turnover vacancies in December not included in department totals.

(1) Positions have been restated to reflect the 2007 reorganization of the Planning and Development, Finance and Customer Service Divisions

MTA Metro-North Railroad
November Financial Plan 2008 - 2011
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	2006 Actual (1)	2007 November Forecast (1)	2008 Final Proposed Budget	2009	2010	2011
Administration						
Managers/Supervisors	44	44	45	45	45	45
Professional, Technical, Clerical	663	659	672	672	672	672
Operational Hourlies	29	29	29	29	29	29
Total Administration	736	732	746	746	746	746
Operations						
Managers/Supervisors	28	28	27	27	27	27
Professional, Technical, Clerical	452	476	334	335	348	348
Operational Hourlies	1,277	1,299	1,466	1,477	1,530	1,547
Total Operations	1,757	1,803	1,827	1,839	1,905	1,922
Maintenance						
Managers/Supervisors	37	40	41	41	41	41
Professional, Technical, Clerical	1,005	1,051	1,064	1,069	1,069	1,069
Operational Hourlies	2,214	2,320	2,328	2,364	2,463	2,463
Total Maintenance	3,256	3,411	3,433	3,474	3,573	3,573
Engineering/Capital						
Managers/Supervisors	26	28	29	29	29	29
Professional, Technical, Clerical	81	87	86	86	86	86
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	107	115	115	115	115	115
Public Safety						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
MTA Metro-North Consolidated						
Managers/Supervisors	135	140	142	142	142	142
Professional, Technical, Clerical	2,201	2,273	2,156	2,162	2,175	2,175
Operational Hourlies	3,520	3,648	3,823	3,870	4,022	4,039
Total MTA Metro-North Consolidated	5,856	6,061	6,121	6,174	6,339	6,356
Baseline Total Positions	5,856	6,061	6,121	6,174	6,339	6,356

(1) Positions have been restated to reflect the 2007 reorganization of the Planning and Development, Finance and Customer Service Divisions

MTA Headquarters

**MTA Headquarters
2008 Final Proposed Budget
November Financial Plan 2008 – 2011**

Mission Statement

The mission of Metropolitan Transportation Authority Headquarters is to maximize use of MTA Transportation services and facilities by its customers and to provide support to the operating agencies in budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services. In addition, MTA Headquarters' Department of Public Safety provides the highest level of policing and security for MTA's customers, employees and facilities.

Financial Overview

Building on its mission to support customer ridership while maintaining a strong commitment to safety and security for its customers, employees, and facilities, MTA Headquarters continues to provide support for major MTA initiatives. One such initiative is the Second Avenue Subway which, when completed, will provide better access for residents on the far East Side of Manhattan and reduce overcrowding and delays on the Lexington Line commute for 200,000 passengers a day. In addition, work is proceeding on the East Side Access project which will dramatically shorten the commuting time for thousands of Long Island and eastern Queens customers by allowing them the flexibility of commuting straight to Grand Central Station.

As the transportation system grows the MTA continues to take extraordinary measures to enhance safety and security for its enormous system of facilities, bridges and tunnels, trains, subways, buses, and most importantly, its passengers. The MTA has undertaken the initiative of "Directed Patrols" to increase Police visibility and presence on board the Long Island Railroad, Metro North and SIRTAA.

In order for the MTA to continue its progress on providing accurate, timely, and transparent financial reporting, the Authority as a whole is further integrating and consolidating its accounting and budgeting practices and processes through both functional and information systems. A major impact related to this effort is an ongoing project that addresses the standardization of Financial and Human Resources systems through a uniform Shared Services platform and software.

Against the backdrop of looming MTA budget deficits the MTA has made significant strategic improvements in its operations and continues to seek opportunities to downsize and maximize efficiencies. Productivity initiatives

undertaken over the past several years have enabled MTA Headquarters to identify those expenses that are no longer needed and can be eliminated. Combined savings from these “Programs to Eliminate the Gap” (PEG) have already begun and will reduce expenses by \$0.614 million in 2007, and \$3.290 million in 2008. Thereafter, these programs result in annual expense reductions of \$4.370 million in 2009 through 2011.

2007 November Forecast

MTA Headquarters projects a Baseline Deficit of \$389.318 million in the 2007 November Forecast before PEGs. The 2007 November Forecast reflects some significant changes from the 2007 Mid-Year Forecast. The forecast includes a \$62.600 million provision for Other Post-Employment Benefits in accordance with GASB-45 standards. In addition, pension costs increase mainly due to higher 2006 valuation of MTA Police pensions and distribution to the Agencies of the \$33.8 million in pension prepayment savings that was captured within MTA Headquarters in the July Mid-Year Forecast. Offsetting this was an decrease in the All-Agency Pension Reserve amount captured within MTA Headquarters.

The baseline assumes headcount levels of 681 employees at MTA Headquarters and 769 employees in Public Safety, totaling 1,450 employees. This is unchanged from the July Plan.

2008 Final Proposed Budget- Baseline

MTA Headquarters projects a Baseline Net Deficit of \$386.185 million in the 2008 Final Proposed Budget before PEGs. This is \$82.205 million above the 2008 Preliminary Budget of \$303.980 million. The Final Proposed Budget includes a \$66.500 million provision for Other Post-Employment Benefits in accordance with GASB-45 standards. Major increases include overtime funding for the implementation of a program of Directed Police Patrols. Also included are increased depreciation and utilities expenses for the MTA Police usage of the Jamaica Central Control Building. Additional funds are provided for licenses and related software to further implement the MTA Board’s July 2003 directive to achieve more integrated and financial reporting practices, and further standardize Financial and Human Resources systems as they are replaced or upgraded. Pension costs increase due to higher 2006 valuation of MTA Police pensions and distribution to the Agencies of the \$33.8 million in pension prepayment savings that was captured within MTA Headquarters in the July 2007 Financial Plan. Offsetting this was a decrease in the All-Agency Pension Reserve amount captured within MTA Headquarters. In addition, higher occupancy and build out costs for the Office of the Inspector General; higher Cross Bay toll support; an enhanced e-mail alert system; increased funding for the newly formed PeopleSoft Functional Support group; operating funds for the North White Plains facility reimbursable by MNR; and a shifting of funds from 2007 to 2008 for the Sustainability Commission are included in the 2008 Final Proposed Budget.

The baseline budget assumes headcount levels of 684 employees at MTA Headquarters and 770 employees in Public Safety, totaling 1,454 employees. The below-the-line 2008 PEGs and Post 2008 PEG actions are discussed in Gap closing measures.

2009-2011 Projections

The Baseline Deficits of \$391.818 million in 2009, \$393.555 million in 2010, and \$400.849 million in 2011, incorporates \$1.296 million, \$1.289 million, and \$1.304 million, respectively, in continuing New Needs over and above the July 2007 Financial Plan. The baseline headcount of 1,456 employees, including strategic staff additions at MTA Headquarters, is unchanged from the July 2007 Financial Plan in each of the years.

Gap Closing Measures

2008 Programs to Eliminate the Gap

Throughout MTA Headquarters several departments have been able to achieve savings by replacing attrition with lower rated positions. This has enabled MTA Headquarters to provide savings of \$0.614 million beginning in 2007. Targeted reductions in administrative expenses in both MTA Headquarters and the MTA Police will result in PEGs savings of \$3.290 million in 2008.

Post-2008 Programs to Eliminate the Gap

Successes in targeted administrative cost reductions begun in 2008 continue in the latter years of the Plan, specifically aided by PeopleSoft operating efficiencies. PEGs savings increase to \$4.370 million in 2009, and thereafter.

2008 Final Proposed Budget

The Net Deficit for the 2008 Final Proposed Budget of \$382.895 million is \$82.205 million higher than the 2008 Preliminary Budget Baseline Deficit of \$300.690 million. The 2008 Net Deficit shows a decrease from the 2008 baseline as a result of savings from MTA Headquarters' Program to Eliminate the Gap. These PEGs will result from targeted reductions in administrative expenses in both MTA Headquarters and the MTA Police.

2009-2011 Projections

Net Deficits of \$387.448 million, \$389.185 million, and \$396.479 million, are projected in 2009, 2010, and 2011, respectively. Representing decreases from the baseline budgets in each year, cost reductions of \$4.370 million are

attributable to PEGs described above, with the remainder coming primarily from PeopleSoft operating efficiencies.

MTA HEADQUARTERS
November Financial Plan 2008-2011
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2006	2007	2008			
	Actuals	November Forecast	Final Proposed Budget	2009	2010	2011
Operating Revenue						
Fare Revenue						
Vehicle Toll Revenue						
<u>Other Operating Revenue</u>						
Rental Income	\$47.564	\$47.685	\$47.991	\$48.937	\$49.891	\$50.889
Data Center Billings	-	-	-	-	-	-
Other	2.849	4.290	4.383	4.469	4.557	4.648
Total Other Operating Revenue	\$50.413	\$51.975	\$52.374	\$53.406	\$54.447	\$55.536
Capital and Other Reimbursements						
Total Revenue	\$50.413	\$51.975	\$52.374	\$53.406	\$54.447	\$55.536
Operating Expenses						
<u>Labor:</u>						
Payroll	\$108.476	\$120.447	\$121.940	\$125.519	\$127.973	\$130.515
Overtime	7.013	12.482	14.288	14.703	14.991	15.288
Health and Welfare	15.847	20.808	18.747	21.644	24.691	28.028
Pensions	20.735	38.854	43.622	42.191	39.965	37.559
Other Fringe Benefits	14.202	9.675	9.452	9.792	10.003	10.221
Reimbursable Overhead	(25.208)	(36.510)	(43.071)	(41.959)	(42.827)	(43.786)
Total Labor Expenses	\$141.065	\$165.757	\$164.978	\$171.890	\$174.796	\$177.826
<u>Non-Labor:</u>						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	6.343	\$5.666	\$5.508	\$6.059	\$6.665	\$7.331
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	14.940	29.919	35.023	31.959	32.662	33.357
Professional Service Contracts	36.760	54.882	48.849	46.463	47.450	48.499
Materials & Supplies	0.841	13.320	3.256	3.091	3.156	3.223
<u>Other Business Expenses</u>						
MTA Internal Subsidy	34.494	45.026	46.788	47.949	44.572	46.087
Other	44.372	40.389	42.903	42.403	43.393	44.276
Total Other Business Expenses	78.866	85.415	89.691	90.352	87.965	90.362
Total Non-Labor Expenses	\$137.750	\$189.202	\$182.326	\$177.923	\$177.897	\$182.772
<u>Other Expenses Adjustments:</u>						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$278.815	\$354.958	\$347.304	\$349.814	\$352.693	\$360.598
Depreciation	\$28.804	\$28.035	\$30.056	\$31.210	\$28.210	\$25.588
Other Post-Employment Benefits	-	58.300	61.200	64.200	67.100	70.200
Total Expenses	\$307.619	\$441.293	\$438.559	\$445.224	\$448.003	\$456.386
Baseline Surplus/(Deficit)	(\$257.206)	(\$389.318)	(\$386.185)	(\$391.818)	(\$393.555)	(\$400.849)
2008 Program to Eliminate the Gap (PEGs)	-	0.614	3.290	4.370	4.370	4.370
Post 2008 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Net Surplus/(Deficit)	(\$257.206)	(\$388.704)	(\$382.895)	(\$387.448)	(\$389.185)	(\$396.479)

MTA HEADQUARTERS
November Financial Plan 2008-2011
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2006	2007	2008			
	Actuals	November Forecast	Final Proposed Budget	2009	2010	2011
Revenue						
Fare Revenue	-	-	-	-	-	-
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	47.564	47.685	47.991	48.937	49.891	50.889
Data Center Billings	-	-	-	-	-	-
Other	<u>2.849</u>	<u>4.290</u>	<u>4.383</u>	<u>4.469</u>	<u>4.557</u>	<u>4.648</u>
Total Other Operating Revenue	50.413	51.975	52.374	53.406	54.447	55.536
Capital and Other Reimbursements	27.723	40.620	48.191	47.242	48.245	49.294
Total Revenue	\$78.136	\$92.596	\$100.565	\$100.648	\$102.692	\$104.830
Expenses						
<u>Labor:</u>						
Payroll	\$109.538	\$122.332	\$124.382	\$128.034	\$130.537	\$133.131
Overtime	7.013	12.482	14.288	14.703	14.991	15.288
Health and Welfare	15.949	21.031	19.034	21.966	25.046	28.420
Pensions	20.834	39.045	43.876	42.453	40.233	37.833
Other Fringe Benefits	14.377	9.846	9.637	9.982	10.196	10.419
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$167.711	\$204.736	\$211.217	\$217.137	\$221.003	\$225.091
<u>Non-Labor:</u>						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	6.343	5.666	5.508	6.059	6.665	7.331
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	14.940	29.921	35.025	31.961	32.664	33.359
Professional Service Contracts	37.810	56.411	50.690	48.345	49.371	50.410
Materials & Supplies	0.841	13.369	3.304	3.139	3.205	3.274
<u>Other Business Expenses</u>						
MTA Internal Subsidy	34.494	45.026	46.788	47.949	44.572	46.087
Other Business Expenses	<u>44.399</u>	<u>40.450</u>	<u>42.964</u>	<u>42.465</u>	<u>43.457</u>	<u>44.341</u>
Total Other Business Expenses	78.893	85.476	89.752	90.414	88.029	90.427
Total Non-Labor Expenses	\$138.827	\$190.843	\$184.278	\$179.919	\$179.934	\$184.801
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$306.538	\$395.579	\$395.495	\$397.056	\$400.938	\$409.891
Depreciation	\$28.804	\$28.035	\$30.056	\$31.210	\$28.210	\$25.588
Other Post-Employment Benefits	-	58.300	61.200	64.200	67.100	70.200
Total Expenses	\$335.342	\$481.914	\$486.750	\$492.466	\$496.248	\$505.679
Baseline Surplus/(Deficit)	(\$257.206)	(\$389.318)	(\$386.185)	(\$391.818)	(\$393.555)	(\$400.849)
2008 Program to Eliminate the Gap (PEGs)	-	0.614	3.290	4.370	4.370	4.370
Post 2008 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Net Surplus/(Deficit)	(\$257.206)	(\$388.704)	(\$382.895)	(\$387.448)	(\$389.185)	(\$396.479)

MTA HEADQUARTERS
November Financial Plan 2008-2011
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2006	2007	2008			
	Actuals	November Forecast	Final Proposed Budget	2009	2010	2011
Receipts						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	45.847	47.685	47.991	48.937	49.891	50.889
Data Center Billings	-	-	-	-	-	-
Other	7.395	8.227	9.185	9.365	9.548	9.739
Total Other Operating Revenue	53.242	55.912	57.176	58.302	59.439	60.628
Capital and Other Reimbursements	25.166	41.810	48.191	47.242	48.245	49.294
Total Receipts	\$78.408	\$97.723	\$105.367	\$105.545	\$107.684	\$109.921
Expenditures						
<u>Labor:</u>						
Payroll	\$107.139	\$119.258	\$121.216	\$124.773	\$127.213	\$129.739
Overtime	7.013	12.482	14.288	14.703	14.991	15.288
Health and Welfare	15.125	21.089	18.095	21.000	24.061	27.416
Pensions	24.632	37.613	43.677	42.260	40.028	37.664
Other Fringe Benefits	14.532	10.046	9.591	9.934	10.148	10.370
GASB Account	-	0.763	0.939	0.966	0.985	1.004
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$168.441	\$201.251	\$207.805	\$213.636	\$217.425	\$221.481
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	\$1.118	\$8.750	\$4.869	\$5.356	\$5.891	\$6.542
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	5.561	28.189	31.942	31.869	32.569	33.263
Professional Service Contracts	26.819	50.991	45.933	48.203	49.226	50.261
Materials & Supplies	0.549	12.038	2.976	3.129	3.195	3.264
<u>Other Business Expenses</u>						
MTA Internal Subsidy	36.869	45.026	46.788	47.949	44.572	46.087
Other Business Expenses	52.624	38.897	38.638	42.336	43.325	44.206
Total Other Business Expenses	89.493	83.923	85.426	90.285	87.897	90.292
Total Non-Labor Expenditures	\$123.540	\$183.891	\$171.145	\$178.841	\$178.779	\$183.622
<u>Other Expenditure Adjustments:</u>						
Capital	\$13.772	\$25.051	\$25.712	\$20.800	\$20.800	\$20.800
Total Other Expenditure Adjustments	\$13.772	\$25.051	\$25.712	\$20.800	\$20.800	\$20.800
Total Expenditures	\$305.753	\$410.193	\$404.663	\$413.277	\$417.004	\$425.903
Baseline Cash Deficit	(\$227.345)	(\$312.470)	(\$299.296)	(\$307.732)	(\$309.320)	(\$315.981)
2008 Program to Eliminate the Gap (PEGs)	0.000	0.614	3.290	4.370	4.370	4.370
Post-2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.000	0.000	0.000
Net Cash Deficit	(\$227.345)	(\$311.856)	(\$296.006)	(\$303.362)	(\$304.950)	(\$311.611)

MTA HEADQUARTERS
November Financial Plan 2008-2011
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2006	2007	2008			
	Actuals	November	Final Proposed	2009	2010	2011
		Forecast	Budget			
Receipts						
Fare Revenue						
Vehicle Toll Revenue						
<u>Other Operating Revenue</u>						
<i>Rental Income</i>	(1.717)					
<i>Data Center Billings</i>	0.000	0.000	0.000	0.000	0.000	0.000
<i>Other</i>	4.546	3.937	4.802	4.896	4.992	5.091
Capital and Other Reimbursements	(2.557)	1.190	0.000	0.000	0.000	0.000
Total Receipts	\$0.272	\$5.127	\$4.802	\$4.896	\$4.992	\$5.091
Expenditures						
<u>Labor:</u>						
Payroll	\$2.399	3.074	\$3.166	\$3.261	\$3.325	\$3.391
Overtime						
Health and Welfare	0.824	(0.058)	0.939	0.966	0.985	1.004
Pensions	(3.798)	1.432	0.199	0.193	0.205	0.169
Other Fringe Benefits	(0.155)	(0.200)	0.046	0.047	0.048	0.049
GASB Account	0.000	(0.763)	(0.939)	(0.966)	(0.985)	(1.004)
Reimbursable Overhead						
Total Labor Expenditures	(\$0.730)	\$3.485	\$3.411	\$3.502	\$3.578	\$3.610
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	5.225	(3.084)	0.639	0.703	0.773	0.789
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts	9.379	1.732	3.083	0.093	0.094	0.096
Professional Service Contracts	10.991	5.420	4.757	0.143	0.145	0.148
Materials & Supplies	0.292	1.331	0.327	0.010	0.010	0.010
<u>Other Business Expenses</u>						
<i>MTA Internal Subsidy</i>	(2.375)	-	-	-	-	-
<i>Other Business Expenses</i>	(8.225)	1.553	4.326	0.130	0.132	0.135
Total Other Business Expenses	(10.600)	1.553	4.326	0.130	0.132	0.135
Total Non-Labor Expenditures	\$15.287	\$6.952	\$13.132	\$1.078	\$1.155	\$1.179
<u>Other Expenditure Adjustments:</u>						
Capital	(\$13.772)	(25.051)	(\$25.712)	(\$20.800)	(\$20.800)	(\$20.800)
Total Other Expenditure Adjustments	(\$13.772)	(\$25.051)	(\$23.712)	(\$20.800)	(\$20.800)	(\$20.800)
Total Cash Conversion Adjustments before Depreciation	\$1.057	(\$9.487)	(\$2.367)	(\$11.325)	(\$11.075)	(\$10.920)
Depreciation Adjustment	28.804	28.035	30.056	31.210	28.210	25.588
Other Post-Employment Benefits	-	58.300	61.200	64.200	67.100	70.200
Baseline Total Cash Conversion Adjustments	\$29.861	\$76.848	\$88.889	\$84.085	\$84.235	\$84.868
2008 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Post 2008 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Total Cash Conversion Adjustments	\$29.861	\$76.848	\$88.889	\$84.085	\$84.235	\$84.868

**MTA Headquarters
November Financial Plan 2008-2011
Year-to-Year Changes by Category
Accrual and Cash**

Baseline Assumptions:

The following explanations refer to the year-to-year variances in MTA Baseline assumptions for the November Financial Plan 2008-2011:

Receipts:

Rental Income, Data Center Billings, and Other

- 2008 charge backs to Agencies for work performed by MTA Headquarters on their behalf. Thereafter, 2009, 2010, 2011 are inflated by the CPI-Urban 2.21%, 2.08%, and 2.13%, respectively

Expenditures:

Payroll

- Increases in 2008 from 2007 represents MTA full year staffing levels.
- Thereafter 2009, 2010, and 2011 reflect MTA Headquarters and MTA Police civilian salaries inflated at the non-represented wage growth assumption rates of 3.00%, 1.95%, and 2.00%, respectively.
- MTA Police represented salaries are inflated according to prevailing patterned bargaining rates.

Overtime

- 2008 primarily reflects the full year impact of the "Directed Patrols" New Need.
- Thereafter, 2009, 2010, and 2011 are inflated by prevailing pattern bargaining rates.

Health and Welfare

- Expenses in 2008 reflect the current rate for active employees projected to increase at a rate of 12.5% over 2007 and 9.2% in each year thereafter. Other post-employment benefit costs are also included in each year.

Pensions

- 2008 reflects a growth over 2007 as a result of higher MTA salaries combined with the effect of higher police wages. Also included is the MTA all-Agency pension reserve of \$22.8 million. This provision also occurs in 2009-2011, decreasing to \$13.4 million by 2011. The Plan assumes MTA Police pension payments paid monthly with MTA Headquarters paid in December.
- Thereafter, increases in all years of the plan for 2009, 2010 and 2011 are consistent with current actuarial information.

Other Fringe Benefits

- Increases in all years of the plan for 2009, 2010 and 2011 are inflated by the CPI-Urban 2.21%, 2.08%, and 2.13

Insurance

- Increases in 2008 reflect most recent estimates of liability premiums.
- Thereafter 2009, 2010, and 2011 are inflated at approximately 10% annually with some off-setting adjustments.

Maintenance and Other Operating Contracts

- 2008 primarily reflects increases in contracts that were renegotiated in 2007 for maintenance and repair work for MTA Headquarters facilities. In addition, New Needs of approximately \$3.8 million are included, mainly related to build out expenses related to a potential move by the Inspector General Headquarters' staff when their current lease expires in 2008.
- Thereafter 2009, 2010 and 2011 are inflated by 2.21%, 2.08%, and 2.13%, respectively.

Professional Service Contracts

- Decreases in 2008 reflect the inclusion of certain re-estimated services as well as one time expenses that were required in 2007.
- The reduction in 2009 from 2008 primarily represents West Side Yard development fees no longer required. Thereafter, 2010 and 2011 are inflated at 2.08%, and 2.13%, respectively, with adjustments made to reflect the conclusion of some currently contracted services.

Materials & Supplies

- Decreases in 2008 are mainly due one to time expenses that were required in 2007.
- Thereafter 2009, 2010 and 2011 are inflated by 2.21%, 2.08%, and 2.13%, respectively.

MTA Internal Subsidy

- All years reflect MTA support requirements for SIRTOA and Long Island Bus and the Cross Bay Toll based on projected revenue and support shortfalls from state and local governments.

Other Business Expenses

- Increases in all years of the plan for 2008, 2009, 2010 and 2011 are inflated by 2.10%, 2.21%, 2.08%, and 2.13%, respectively.

Other Expenditure Adjustments:**Capital Expenditures**

- Capital expenditures in 2008 are \$25.712 million, a slight increase over 2007, and reflecting expected project levels.
- Thereafter, expenditures for 2009-2011 remain constant at \$20.800 million.

MTA HEADQUARTERS
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
Revenue									
Farebox Revenue									
Vehicle Toll Revenue									
Other Operating Revenue									
Rental Income	\$47.685	\$47.991	\$0.306	\$48.937	\$0.945	\$49.891	\$0.954	\$50.889	\$0.998
Data Center Billings	-	-	-	-	-	-	-	-	-
Other	4.290	4.383	0.093	4.469	0.086	4.557	0.087	4.648	0.091
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Total Revenue	\$51.975	\$52.374	\$0.399	\$53.406	\$1.032	\$54.447	\$1.041	\$55.536	\$1.089
Expenses									
Labor:									
Payroll	\$120.447	\$121.940	(\$1.493)	\$125.519	(\$3.579)	\$127.973	(\$2.455)	\$130.515	(\$2.542)
Overtime	12.482	14.288	(1.806)	14.703	(0.415)	14.991	(0.288)	15.288	(0.297)
Health and Welfare	20.808	18.747	2.062	21.644	(2.898)	24.691	(3.047)	28.028	(3.337)
Pensions	38.854	43.622	(4.768)	42.191	1.431	39.965	2.226	37.559	2.406
Other Fringe Benefits	9.675	9.452	0.223	9.792	(0.340)	10.003	(0.210)	10.221	(0.219)
Reimbursable Overhead	(36.510)	(43.071)	6.561	(41.959)	(1.112)	(42.827)	0.869	(43.786)	0.959
Total Labor Expenses	\$165.757	\$164.978	\$0.779	\$171.890	(\$6.913)	\$174.796	(\$2.905)	\$177.826	(\$3.030)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	5.666	5.508	0.158	6.059	(0.551)	6.665	(0.606)	7.331	(0.666)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	29.919	35.023	(5.104)	31.959	3.064	32.662	(0.703)	33.357	(0.695)
Professional Service Contracts	54.882	48.849	6.034	46.463	2.385	47.450	(0.986)	48.499	(1.049)
Materials & Supplies	13.320	3.256	10.064	3.091	0.166	3.156	(0.065)	3.223	(0.067)
MTA Internal Subsidy	45.026	46.788	(1.762)	47.949	(1.161)	44.572	3.377	46.087	(1.514)
Other Business Expenses	40.389	42.903	(2.514)	42.403	0.500	43.393	(0.990)	44.276	(0.883)
Total Non-Labor Expenses	\$189.202	\$182.326	\$6.876	\$177.923	\$4.403	\$177.897	\$0.026	\$182.772	(\$4.875)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$354.958	\$347.304	\$7.655	\$349.814	(\$2.510)	\$352.693	(\$2.879)	\$360.598	(\$7.905)
Depreciation	\$28.035	\$30.056	(\$2.021)	\$31.210	(\$1.154)	\$28.210	\$3.000	\$25.588	\$2.622
Other Post Employment Benefits	58.300	61.200	(2.900)	64.200	(3.000)	67.100	(2.900)	70.200	(3.100)
Total Expenses	\$441.293	\$438.559	\$2.734	\$445.224	(\$6.664)	\$448.003	(\$2.779)	\$456.386	(\$8.383)
Baseline Net Surplus/(Deficit)	(\$389.318)	(\$386.185)	\$3.133	(\$391.818)	(\$5.632)	(\$393.555)	(\$1.738)	(\$400.849)	(\$7.294)
2008 Agency Program to Eliminate the Gap (PEGs)	\$0.614	\$3.290	\$2.676	\$4.370	\$1.080	\$4.370	\$0.000	\$4.370	\$0.000
Post 2008 Program to Eliminate the Gap	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Net Surplus/(Deficit)	(\$388.704)	(\$382.895)	\$5.809	(\$387.448)	(\$4.552)	(\$389.185)	(\$1.738)	(\$396.479)	(\$7.294)

REIMBURSABLE

Net Surplus/(Deficit)

MTA HEADQUARTERS
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
Revenue									
Farebox Revenue									
Vehicle Toll Revenue									
Other Operating Revenue									
Rental Income	\$47.685	\$47.991	\$0.306	\$48.937	\$0.945	\$49.891	\$0.954	\$50.889	\$0.998
Data Center Billings	-	-	-	-	-	-	-	-	-
Other	4.290	4.383	0.093	4.469	0.086	4.557	0.087	4.648	0.091
Capital and Other Reimbursements	40.620	48.191	7.571	47.242	(0.949)	48.245	1.003	49.294	1.049
Total Revenue	\$92.596	\$100.565	\$7.969	\$100.648	\$0.083	\$102.692	\$2.044	\$104.830	\$2.138
Expenses									
Labor:									
Payroll	\$122.332	\$124.382	(\$2.050)	\$128.034	(\$3.652)	\$130.537	(\$2.504)	\$133.131	(\$2.593)
Overtime	12.482	14.288	(1.806)	14.703	(0.415)	14.991	(0.288)	15.288	(0.297)
Health and Welfare	21.031	19.034	1.997	21.966	(2.932)	25.046	(3.080)	28.420	(3.374)
Pensions	39.045	43.876	(4.831)	42.453	1.423	40.233	2.220	37.833	2.400
Other Fringe Benefits	9.846	9.637	0.209	9.982	(0.345)	10.196	(0.215)	10.419	(0.223)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$204.736	\$211.217	(\$6.481)	\$217.137	(\$5.921)	\$221.003	(\$3.866)	\$225.091	(\$4.087)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	5.666	5.508	0.158	6.059	(0.551)	6.665	(0.606)	7.331	(0.666)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	29.921	35.025	(5.104)	31.961	3.064	32.664	(0.703)	33.359	(0.695)
Professional Service Contracts	56.411	50.690	5.722	48.345	2.344	49.371	(1.026)	50.410	(1.038)
Materials & Supplies	13.369	3.304	10.065	3.139	0.164	3.205	(0.066)	3.274	(0.068)
MTA Internal Subsidy	45.026	46.788	(1.762)	47.949	(1.161)	44.572	3.377	46.087	(1.514)
Other Business Expenses	40.450	42.964	(2.514)	42.465	0.499	43.457	(0.992)	44.341	(0.884)
Total Non-Labor Expenses	\$190.843	\$184.278	\$6.565	\$179.919	\$4.359	\$179.934	(\$0.016)	\$184.801	(\$4.866)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$395.579	\$395.495	\$0.084	\$397.056	(\$1.561)	\$400.938	(\$3.882)	\$409.891	(\$8.954)
Depreciation	\$28.035	\$30.056	(\$2.021)	\$31.210	(\$1.154)	\$28.210	\$3.000	\$25.588	\$2.622
Other Post Employment Benefits	58.300	61.200	(2.900)	64.200	(3.000)	67.100	(2.900)	70.200	(3.100)
Total Expenses	\$481.914	\$486.750	(\$4.837)	\$492.466	(\$5.715)	\$496.248	(\$3.782)	\$505.679	(\$9.432)
Baseline Net Surplus/(Deficit)	(\$389.318)	(\$386.185)	\$3.133	(\$391.818)	(\$5.632)	(\$393.555)	(\$1.738)	(\$400.849)	(\$7.294)
2008 Agency Program to Eliminate the Gap (PEGs)	\$0.614	\$3.290	\$2.676	\$4.370	\$1.080	\$4.370	\$0.000	\$4.370	\$0.000
Post 2008 Program to Eliminate the Gap	-	-	-	-	-	-	-	-	-
Net Surplus/(Deficit)	(\$388.704)	(\$382.895)	\$5.809	(\$387.448)	(\$4.552)	(\$389.185)	(\$1.738)	(\$396.479)	(\$7.294)

MTA HEADQUARTERS
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
Receipts									
Farebox Revenue									
Vehicle Toll Revenue									
Other Operating Revenue									
Rental Income	\$47.685	\$47.991	\$0.306	\$48.937	\$0.945	\$49.891	\$0.954	\$50.889	\$0.998
Data Center Billings	-	-	-	-	-	-	-	-	-
Other	8.227	9.185	0.957	9.365	0.181	9.548	0.183	9.739	0.191
Capital and Other Reimbursements	41.810	48.191	6.381	47.242	(0.949)	48.245	1.003	49.294	1.049
Total Receipts	\$97.723	\$105.367	\$7.644	\$105.545	\$0.178	\$107.684	\$2.139	\$109.921	\$2.238
Expenditures									
Labor:									
Payroll	\$119.258	121.216	(\$1.958)	124.773	(\$3.557)	127.213	(\$2.440)	129.739	(\$2.527)
Overtime	12.482	14.288	(1.806)	14.703	(0.415)	14.991	(0.288)	15.288	(0.297)
Health and Welfare	21.089	18.095	2.994	21.000	(2.905)	24.061	(3.061)	27.416	(3.355)
Pensions	37.613	43.677	(6.064)	42.260	1.417	40.028	2.232	37.664	2.364
Other Fringe Benefits	10.046	9.591	0.455	9.934	(0.343)	10.148	(0.214)	10.370	(0.222)
GASB Account	0.763	0.939	(0.176)	0.966	(0.027)	0.985	(0.019)	1.004	(0.019)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenditures	\$201.251	\$207.805	(\$6.555)	\$213.636	(\$5.830)	\$217.425	(\$3.789)	\$221.481	(\$4.056)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	8.750	4.869	3.881	5.356	(0.487)	5.891	(0.536)	6.542	(0.651)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	28.189	31.942	(3.752)	31.869	0.073	32.569	(0.701)	33.263	(0.693)
Professional Service Contracts	50.991	45.933	5.058	48.203	(2.270)	49.226	(1.023)	50.261	(1.035)
Materials & Supplies	12.038	2.976	9.062	3.129	(0.153)	3.195	(0.066)	3.264	(0.068)
MTA Internal Subsidy	45.026	46.788	(1.762)	47.949	(1.161)	44.572	3.377	46.087	(1.514)
Other Business Expenses	38.897	38.638	0.259	42.336	(3.698)	43.325	(0.989)	44.206	(0.881)
Total Non-Labor Expenditures	\$183.891	\$171.145	\$12.746	\$178.841	(\$7.695)	\$178.779	\$0.062	\$183.622	(\$4.843)
Other Expenditure Adjustments:									
Other	\$25.051	\$25.712	(\$0.661)	\$20.800	\$4.912	\$20.800	\$0.000	\$20.800	\$0.000
Total Other Expenditure Adjustments	\$25.051	\$25.712	(\$0.661)	\$20.800	\$4.912	\$20.800	\$0.000	\$20.800	\$0.000
Total Expenditures	\$410.193	\$404.663	\$5.530	\$413.277	(\$8.614)	\$417.004	(\$3.727)	\$425.903	(\$8.899)
Baseline Net Cash Deficit	(\$312.470)	(\$299.296)	\$13.174	(\$307.732)	(\$8.436)	(\$309.320)	(\$1.588)	(\$315.981)	(\$6.661)
2008 Agency Program to Eliminate the Gap (PEGs)	\$0.614	\$3.290	\$2.676	\$4.370	\$1.080	\$4.370	\$0.000	\$4.370	\$0.000
Post 2008 Program to Eliminate the Gap	-	-	-	-	-	-	-	-	-
Net Cash Deficit	(\$311.856)	(\$296.006)	\$15.850	(\$303.362)	(\$7.356)	(\$304.950)	(\$1.588)	(\$311.611)	(\$6.661)

**MTA Headquarters
November Financial Plan 2008-2011
Summary of Major Plan-to-Plan Changes**

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

2007: November Financial Plan vs. July Financial Plan

The Net Cash Deficit in the 2008 November Forecast of \$311.856 million is a \$14.169 million increase from the July Mid-Year Forecast of \$297.687 million. Increased general pension liabilities and the timing of Operating Capital expenditures are the primary reason for the decrease.

2008: November Financial Plan vs. July Financial Plan

The Net Cash Deficit in the 2008 Final Proposed Budget of \$296.006 million is a \$17.490 million increase from the 2008 Preliminary Budget of \$278.516 million. Pension Increases from the 2006 valuation as well as increased general pension liabilities are the major increases in labor expenses. Additionally, higher facility needs for the Inspector General result in increases to Maintenance and Other Operating Contracts and Other Business Expenses categories.

2009, 2010, 2011: November Financial Plan vs. July Financial Plan

The Net Cash Deficit in the 2008 November Financial Plan of \$303.362 million in 2009 is a \$20.404 million increase from the July Plan of \$282.958 million. The Net Cash Deficit of \$304.950 million in 2010 is a \$13.894 million increase from the July Plan of \$291.056 million. The Net Cash Deficit of \$311.611 million for 2011 is a \$12.379 million increase from the July Plan of \$299.232 million. In each case the major reasons for the increases are increased general pension liabilities coupled with new needs for higher Cross Bay toll support; an enhanced e-mail alert system; and increased funding for the newly formed PeopleSoft Functional Support group.

MTA HEADQUARTERS
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	(\$298.301)	(\$281.806)	(\$287.328)	(\$295.426)	(\$303.602)
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income	-	-	-	-	-
Data Center Billings					
Other	-	-	-	-	-
Capital and Other Reimbursement	-	-	-	-	-
Total Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenses					
Labor:					
Payroll	\$0.645	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	(0.000)	-	-	-	-
Health and Welfare	(7.448)	(5.300)	(6.500)	(7.900)	(9.400)
Pensions	(10.881)	(11.600)	(9.300)	(6.500)	(3.500)
Other Fringe Benefits	(0.000)	-	-	-	-
Reimbursable Overhead	(1.150)	3.000	1.127	1.214	1.304
Total Labor Expense Changes	(\$18.835)	(\$13.900)	(\$14.673)	(\$13.186)	(\$11.596)
Non-Labor:					
Traction and Propulsion Power	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-
Insurance	0.000	-	-	-	-
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	(0.101)	(4.191)	(0.466)	(0.516)	(0.568)
Professional Service Contracts	(2.212)	(3.123)	(0.818)	(0.881)	(0.947)
Materials & Supplies	(0.062)	(0.031)	(0.038)	(0.043)	(0.048)
MTA Internal Subsidy	(2.965)	1.842	(9.129)	(4.430)	(4.848)
Other Business Expenses	0.234	(1.602)	(1.257)	(1.309)	(1.384)
Total Non-Labor Expense Changes	(\$5.106)	(\$7.105)	(\$11.708)	(\$7.180)	(\$7.795)
Total Expense Changes	(\$23.941)	(\$21.005)	(\$26.381)	(\$20.366)	(\$19.391)
Depreciation	\$2.945	\$0.000	\$0.000	\$0.000	\$0.000
OPEB	(\$58.300)	(\$61.200)	(\$64.200)	(\$67.100)	(\$70.200)
Cash Adjustment Changes					
Revenue	(\$0.763)	\$0.000	\$0.000	\$0.000	\$0.000
Labor Expense	4.716	5.515	5.976	6.471	7.011
Non Labor Expense	0.001	-	-	-	-
Operating Capital	5.818	(2.000)	-	-	-
Depreciation	(2.945)	-	-	-	-
OPEB	58.300	61.200	64.200	67.100	70.200
Total Cash Adjustment Changes	\$65.127	\$64.715	\$70.176	\$73.571	\$77.211
Total Baseline Changes	(\$14.170)	(\$17.490)	(\$20.406)	(\$13.896)	(\$12.380)
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	(\$312.470)	(\$299.296)	(\$307.732)	(\$309.320)	(\$315.980)

MTA HEADQUARTERS
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income					
Data Center Billings					
Other					
Capital and Other Reimbursement	(\$1.387)	\$3.000	\$1.132	\$1.221	\$1.314
Total Revenue Changes	(\$1.387)	\$3.000	\$1.132	\$1.221	\$1.314
Expenses					
Labor:					
Payroll	\$.155	\$.000	\$.000	\$.000	\$.000
Overtime	-	-	-	-	-
Health and Welfare	0.025	-	-	-	-
Pensions	0.057	-	-	-	-
Other Fringe Benefits	0.000	-	-	-	-
Reimbursable Overhead	1.150	(3.000)	(1.127)	(1.214)	(1.304)
Total Labor Expense Changes	\$1.388	(\$3.000)	(\$1.127)	(\$1.214)	(\$1.304)
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains	-	-	-	-	-
Insurance	-	-	-	-	-
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	(0.000)	-	(0.000)	(0.000)	(0.000)
Professional Services	(0.000)	-	(0.004)	(0.007)	(0.009)
Materials & Supplies	0.000	-	(0.000)	(0.000)	(0.000)
MTA Internal Subsidy	-	-	-	-	-
Other Business Expenses	-	-	-	-	-
Total Non-Labor Expense Changes	\$.000	\$.000	(\$.004)	(\$.007)	(\$.010)
Total Expense Changes	\$1.388	(\$3.000)	(\$1.132)	(\$1.221)	(\$1.313)
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA HEADQUARTERS
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	(\$298.301)	(\$281.806)	(\$287.328)	(\$295.426)	(\$303.602)
Baseline Changes					
Revenue					
Farebox Revenue	-	-	-	-	-
Vehicle Toll Revenue	-	-	-	-	-
Rental Income	-	-	-	-	-
Data Center Billings	-	-	-	-	-
Other	-	-	-	-	-
Capital and Other Reimbursement	(\$1.387)	\$3.000	\$1.132	\$1.221	\$1.314
Total Revenue Changes	(\$1.387)	\$3.000	\$1.132	\$1.221	\$1.314
Expenses					
Labor:					
Payroll	\$.800	\$.000	\$.000	\$.000	\$.000
Overtime	(0.000)	-	-	-	-
Health and Welfare	(7.423)	(5.300)	(6.500)	(7.900)	(9.400)
Pensions	(10.825)	(11.600)	(9.300)	(6.500)	(3.500)
Other Fringe Benefits	0.000	-	-	-	-
Reimbursable Overhead	-	-	-	-	-
Total Labor Expense Changes	(\$17.447)	(\$16.900)	(\$15.800)	(\$14.400)	(\$12.900)
Non-Labor:					
Traction and Propulsion Power	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-
Insurance	-	-	-	-	-
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	(0.101)	(4.191)	(0.466)	(0.516)	(0.568)
Professional Services	(2.212)	(3.123)	(0.822)	(0.888)	(0.957)
Materials & Supplies	(0.062)	(0.031)	(0.038)	(0.043)	(0.048)
MTA Internal Subsidy	(2.965)	1.842	(9.129)	(4.430)	(4.848)
Other Business Expenses	0.234	(1.602)	(1.257)	(1.309)	(1.384)
Total Non-Labor Expense Changes	(\$5.106)	(\$7.105)	(\$11.712)	(\$7.186)	(\$7.804)
Total Expense Changes	(\$22.553)	(\$24.005)	(\$27.512)	(\$21.586)	(\$20.704)
Depreciation	\$2.945	\$.000	\$.000	\$.000	\$.000
OPEB	(58.300)	(61.200)	(64.200)	(67.100)	(70.200)
Cash Adjustment Changes					
Revenue	(\$.763)	\$.000	\$.000	\$.000	\$.000
Labor Expense	4.716	5.515	5.976	6.471	7.011
Non Labor Expense	0.001	-	-	-	-
Operating Capital	5.818	(2.000)	-	-	-
Depreciation	(2.945)	-	-	-	-
OPEB	58.300	61.200	64.200	67.100	70.200
Total Cash Adjustment Changes	\$65.127	\$64.715	\$70.176	\$73.571	\$77.211
Total Baseline Changes	(\$14.170)	(\$17.490)	(\$20.406)	(\$13.896)	(\$12.380)
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	(\$312.470)	(\$299.296)	(\$307.732)	(\$309.320)	(\$315.981)

MTA HEADQUARTERS
November Financial Plan 2008 - 2011
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	(\$298.301)	(\$281.806)	(\$287.328)	(\$295.426)	(\$303.602)
<i>Non-Reimbursable Major Changes</i>					
Revenue					
Sub-Total Non-Reimbursable Revenue Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Expenses					
Other Post Employment Benefits	(\$62.600)	(\$66.500)	(\$70.700)	(\$75.000)	(\$79.600)
Allocation of Pension Savings to Agencies	(28.300)	(28.300)	(28.300)	(28.300)	(28.300)
Change in MTA-wide Pension Reserve Levels	16.400	17.200	19.800	23.100	26.600
Change in MTA PD Pension Valuation	(1.500)	(0.500)	(0.800)	(1.300)	(1.800)
Change in Inflation Assumptions	0.000	0.000	(0.157)	(0.246)	(0.340)
Establishment of MTA E-Mail Alert System	0.000	(0.700)	(0.600)	(0.600)	(0.600)
Increased Fees For West Side Yard Development (Agency Reimbursed)	(2.000)	(2.000)	0.000	0.000	0.000
Increased Expenses for MNR North White Plains Facility (Agency Reimbursed)	(0.250)	(1.000)	(1.030)	(1.061)	(1.093)
Establishment of MTAHQ PeopleSoft Support Group	(0.105)	(0.428)	(0.071)	(0.052)	(0.053)
MTA Sustainability Commission	0.400	(0.400)	0.000	0.000	0.000
Change in Depreciation	2.945	0.000	0.000	0.000	0.000
Change in Support for Subsidiaries	(2.965)	1.842	(9.129)	(4.430)	(4.848)
Inspector General new facility improvements and higher lease costs	0.000	(4.411)	(0.625)	(0.637)	(0.651)
All Other	0.066	(0.008)	(0.103)	(0.161)	(0.221)
Sub-Total Non-Reimbursable Expense Changes	(\$77.909)	(\$85.205)	(\$91.714)	(\$88.688)	(\$90.905)
Total Non-Reimbursable Major Changes	(\$77.909)	(\$85.205)	(\$91.714)	(\$88.688)	(\$90.905)
<i>Reimbursable Major Changes</i>					
Revenue					
Change in Expense Recovery Levels	(1.387)	3.000	1.132	1.221	1.314
Sub-Total Reimbursable Revenue Changes	(\$1.387)	\$3.000	\$1.132	\$1.221	\$1.314
Expenses					
Sub-Total Reimbursable Expense Changes					
Total Reimbursable Major Changes	(\$1.387)	\$3.000	\$1.132	\$1.221	\$1.314
Total Accrual Changes	(\$79.297)	(\$82.205)	(\$90.582)	(\$87.466)	(\$89.591)
Cash Adjustment Changes	\$65.127	\$64.715	\$70.176	\$73.571	\$77.211
Total Cash Adjustment Changes	\$65.127	\$64.715	\$70.176	\$73.571	\$77.211
Total Baseline Changes	(\$14.170)	(\$17.490)	(\$20.406)	(\$13.896)	(\$12.380)
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	(\$312.470)	(\$299.296)	(\$307.732)	(\$309.320)	(\$315.981)

MTA HEADQUARTERS
November Plan 2008 - 2011
Summary of 2008 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2007		2008		2009		2010		2011	
		<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>
Administration											
MTA Public Safety Administration Reduction		0	0.000	0	0.892	0	0.911	0	0.911	0	0.911
Sub-Total	Administration	0	\$ 0.000	0	\$ 0.892	0	\$ 0.911	0	\$ 0.911	0	\$ 0.911
Security											
Police Department Personnel Cost Reduction		0	0.000	0	0.093	0	0.096	0	0.096	0	0.096
Sub-Total	Security	0	\$ 0.000	0	\$ 0.093	0	\$ 0.096	0	\$ 0.096	0	\$ 0.096
Service											
Enforcer Contract Cancellation		0	0.000	0	0.650	0	0.792	0	0.792	0	0.792
MTA Headquarters Administrative Reduction		0	0.185	0	0.215	0	0.684	0	0.684	0	0.684
MTA Public Safety Insurance Reduction		0	0.000	0	0.103	0	0.113	0	0.113	0	0.113
Personnel Position Downgrades		0	0.429	0	0.676	0	0.692	0	0.692	0	0.692
Professional Expense Reduction		0	0.000	0	0.356	0	0.468	0	0.468	0	0.468
Sub-Total	Service	0	\$ 0.614	0	\$ 2.000	0	\$ 2.749	0	\$ 2.749	0	\$ 2.749
Service Support											
K-9 Facility Administrative Reductions		0	0.000	0	0.305	0	0.311	0	0.311	0	0.311
PeopleSoft Operating Efficiencies		0	0.000	0	0.000	0	0.303	0	0.303	0	0.303
Sub-Total	Service Support	0	\$ 0.000	0	\$ 0.305	0	\$ 0.614	0	\$ 0.614	0	\$ 0.614
Total Programs		0	\$ 0.614	0	\$ 3.290	0	\$ 4.370	0	\$ 4.370	0	\$ 4.370

MTA HEADQUARTERS
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	PEG	Implementation Date	7/25/2007
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000014	Current Budget Year	2007	Status	Open
Program:	MTA Public Safety Administration Reduction			Agency Status	Ready
Description and Implementation Pla	MTA Public Safety reduction of Administrative cost in various of departments.				
Background Details					

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	MTAHQ	0000000014	FINAL07	\$ 0.000	\$ 0.892	\$ 0.911	\$ 0.911	\$ 0.911

MTA HEADQUARTERS
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Security	Savings Date	1/1/2008
PEG / New Need ID	0000000015	Current Budget Year	2007	Status	Open
Program:	Police Department Personnel Cost Reduction			Agency Status	Ready
Description and Implementation Pla	After careful consideration, the police department has determined that only one Lieutenant. will be on call for the internal affairs unit on off hours. The Support Service Chief will aid any necessary response by the unit.				
Background Details					

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	MTAHQ	0000000015	FINAL07	\$ 0.000	\$ 0.093	\$ 0.096	\$ 0.096	\$ 0.096

MTA HEADQUARTERS
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Service	Savings Date	1/1/2008
PEG / New Need ID	0000000011	Current Budget Year	2007	Status	Open
Program:	Enforcer Contract Cancellation			Agency Status	Ready
Description and Implementation Pla	In 2008, reduce the consulting expenses by \$650,000 due to delayed peoplesoft enforcer contract.				
Background Details	Based on deferral of certain planned initiatives(Peoplesoft Enforcer module), the Systems Development group has determined that it can reduce contractual service (consultant) costs.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	MTAHQ	0000000011	FINAL07	\$ 0.000	\$ 0.650	\$ 0.792	\$ 0.792	\$ 0.792

MTA HEADQUARTERS
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Service	Savings Date	1/1/2008
PEG / New Need ID	0000000017	Current Budget Year	2007	Status	Open
Program:	MTA Headquarters Administrative Reduction			Agency Status	Ready
Description and Implementation Plan	Minor contract reductions and elimination of expenses across MTA Headquarters				
Background Details					

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	MTAHQ	0000000017	FINAL07	\$ 0.185	\$ 0.215	\$ 0.684	\$ 0.684	\$ 0.684

MTA HEADQUARTERS
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Service	Savings Date	1/1/2008
PEG / New Need ID	0000000018	Current Budget Year	2007	Status	Open
Program:	MTA Public Safety Insurance Reduction			Agency Status	Ready
Description and Implementation Pla	MTA Public Safety will reduce the insurance budget, as Risk Management insurance policies cover All MTAHQ & Public Safety.				
Background Details					

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	MTAHQ	0000000018	FINAL07	\$ 0.000	\$ 0.103	\$ 0.113	\$ 0.113	\$ 0.113

MTA HEADQUARTERS
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Service	Savings Date	1/1/2000
PEG / New Need ID	0000000016	Current Budget Year	2007	Status	Open
Program:	Personnel Position Downgrades			Agency Status	Ready
Description and Implementation Pla	Audit Services, Labor Relations and The Office of Civil Rights department restructuring.				
Background Details	In 2007, the Audit Services Department began a process to streamline it's audit management and work teams to improve consistency, effectiveness, and efficiency of personnel resource allocations, oversight, and management span of control department-wide. As part of this, several positions were downgraded and titles were eliminated. In addition, as higher level titles were vacated through retirement, resignations, or transfer within the agencies, they were or are to be filled, where practical, at more entry level positions. Similar reduction are anticipated for positions in Labor Relations and the office of Civil Rights.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	MTAHQ	0000000016	FINAL07	\$ 0.429	\$ 0.676	\$ 0.692	\$ 0.692	\$ 0.692

MTA HEADQUARTERS
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Service	Savings Date	1/1/2008
PEG / New Need ID	0000000019	Current Budget Year	2007	Status	Open
Program:	Professional Expense Reduction			Agency Status	Ready
Description and Implementation Pla	Professional Service Expense Reduction.				
Background Details	With the implementation of the Peoplesoft Suite the Chief Financial Officer's Department has been able to reengineer its operations and reduce expense. As a result, the amount budgeted for Treasury department Bond Counsel legal fees will be reduced by \$300 thousand per year beginning in 2008. Further reductions in Human Resources are also antiipated as dependence on Hay's Associate Service diminishes.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	MTAHQ	0000000019	FINAL07	\$ 0.000	\$ 0.356	\$ 0.468	\$ 0.468	\$ 0.468

MTA HEADQUARTERS
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	PEG	Implementation Date	7/25/2007
Budget Reference	FINAL07	Category	Service Support	Savings Date	1/1/2008
PEG / New Need ID	0000000012	Current Budget Year	2007	Status	Open
Program:	K-9 Facility Administrative Reductions			Agency Status	Ready
Description and Implementation Pla	Based upon the new facility built for the K-9 unit, the department forsees reduction in building maintenance and repair cost, as well as training costs since the new facility has a training room				
Background Details	Once the new facility is completed and operational, the unit will move into the new facility with new equipment and there should be less/fewer maintenance expense.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	MTAHQ	0000000012	FINAL07	\$ 0.000	\$ 0.305	\$ 0.311	\$ 0.311	\$ 0.311

MTA HEADQUARTERS
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Service Support	Savings Date	1/1/2008
PEG / New Need ID	0000000013	Current Budget Year	2007	Status	Open
Program:	PeopleSoft Operating Efficiencies			Agency Status	Ready
Description and Implementation Pla	With the implementation of the PeopleSoft suite the chief Financial Officer's Department has been able to reengineer it's operations and reduce expenses. As a result, the amount budgeted for Treasury department Bond Counsel legal fees will be reduce by p				
Background Details					

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	MTAHQ	0000000013	FINAL07	\$ 0.000	\$ 0.000	\$ 0.303	\$ 0.303	\$ 0.303

**MTA Headquarters
November Financial Plan 2008-2011
Summary of Major Plan-to-Plan Changes**

Positions Assumptions

A baseline headcount of 1,450 positions is forecasted for 2007, unchanged from the Mid-Year Forecast. The level of employees will increase to 1,454 in 2008 and 1,456 in 2009. Thereafter headcount will remain constant throughout the plan.

MTA HEADQUARTERS
November Financial Plan 2008-2011
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full-Time Equivalents

FUNCTION/DEPARTMENT	2006 Actuals	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Administration						
Executive	9	11	11	11	11	11
Administration	215	230	231	231	231	231
Audit	91	98	98	98	98	98
Chief Financial Officer	107	102	103	103	103	103
Corporate and Community Affairs	46	51	51	51	51	51
Policy and Media Relations	4	8	8	8	8	8
General Counsel	63	102	102	102	102	102
Chief of Staff/Senior Policy Advisor	4	44	44	46	46	46
Spec. Project Develop/Planning	9	10	10	10	10	10
Labor Relations	31	5	5	5	5	5
PCAC	1	5	5	5	5	5
Vending Fare Media	4	6	6	6	6	6
Corporate Account	2	9	10	10	10	10
Total Administration	586	681	684	686	686	686
Public Safety	732	769	770	770	770	770
Baseline Total Positions	1,318	1,450	1,454	1,456	1,456	1,456
<i>Non-Reimbursable</i>	1,298	1,414	1,418	1,420	1,420	1,420
<i>Reimbursable</i>	20	36	36	36	36	36
<i>Full-Time</i>	1,318	1,450	1,454	1,456	1,456	1,456
<i>Full-Time Equivalents</i>	-	-	-	-	-	-
<hr/>						
Impact of:						
2008 Program to Eliminate the Gap	-	-	-	-	-	-
Post-2008 Program to Eliminate the Gap	-	-	-	-	-	-
Total Positions	1,318	1,450	1,454	1,456	1,456	1,456
<i>Non-Reimbursable</i>	1,298	1,414	1,418	1,420	1,420	1,420
<i>Reimbursable</i>	20	36	36	36	36	36
<i>Total Full-Time</i>	1,318	1,450	1,454	1,456	1,456	1,456
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

MTA HEADQUARTERS
November Financial Plan 2008-2011
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP		2006 Actuals	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Administration	Managers/Supervisors	362	411	412	412	412	412
	Professional, Technical, Clerical	224	270	272	274	274	274
	Operational Hourlies						
	Total Administration	586	681	684	686	686	686
Operations	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Operations	-	-	-	-	-	-
Maintenance	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Maintenance	-	-	-	-	-	-
Engineering/Capital	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Engineering/Capital	-	-	-	-	-	-
Public Safety	Managers/Supervisors	30	35	35	35	35	35
	Professional, Technical, Clerical	51	66	67	67	67	67
	Operational Hourlies (Uniformed)	651	668	668	668	668	668
	Total Public Safety	732	769	770	770	770	770
Total Baseline Positions	Managers/Supervisors	392	446	447	447	447	447
	Professional, Technical, Clerical	275	336	339	341	341	341
	Operational Hourlies	651	668	668	668	668	668
	Total Baseline Positions	1,318	1,450	1,454	1,456	1,456	1,456

MTA First Mutual Transportation Assurance Company
2008 Final Proposed Budget
November Financial Plan 2008 - 2011

Mission Statement

The mission of the First Mutual Transportation Assurance Company (FMTAC) is to engage in the business of acting as a pure captive insurance company under Section 7005, Article 70 of the Insurance Law and Section 1266 subdivision 5 of the Public Authorities Law of the State of New York. FMTAC's mission is to continue, develop, and improve the insurance and risk management needs as required by the MTA. FMTAC was established to maximize the flexibility and effectiveness of the MTA's insurance program.

FINANCIAL OVERVIEW

FMTAC continues to utilize dedicated resources to efficiently address the challenges related to insurance and risk management for the MTA. It is the goal of FMTAC to maximize the efficiency and flexibility of the insurance programs while minimizing costs to the MTA and its subsidiaries. FMTAC continues to draw from the expertise and support services available in other MTA agencies and outside service providers to support risk management. This is reflected in the current budget proposal.

For all years, on a cash basis, FMTAC generates a net cash deficit of zero, which is the true cash impact of FMTAC on MTA cash balances. FMTAC cash reserves are separate and distinct from MTA and are necessary to maintain the appropriate capital and reserve levels pursuant to the State of New York Insurance guidelines.

Costs for FMTAC are comprised of insurance premiums (credit to Insurance expenses), Claims expenses, and Other Business Expenses. Insurance revenues result in an offset to expenses.

2007 November Forecast

In the 2007 November Forecast a total of \$14.177 million is projected in Net Surplus compared to \$14.257 million in the 2007 Mid-Year Forecast. This consists of a decrease of \$0.732 million in revenues, primarily as a result of unfavorable All-Urban Consumers Price Index (CPI) applied to revenues, as well as a decrease in expenses of \$0.652 million. The unfavorable outcome is due primarily to unfavorable developments in Total Revenue, which is partially offset by favorable developments in Insurance. Total Revenue is based on actual results through August 2007 on an annualized basis. Insurance is based on 2007 actual results through August 2007 on an annualized basis. Claims are based on actuarial analysis of claims activity on a estimated basis. Other

Business Expenses are based on actual results through August 2007 on an annualized basis.

2008 Final Proposed Budget

In the 2008 Final Proposed Budget a total of \$18.037 million is projected in Net Surplus compared to \$16.078 million in the 2008 Preliminary Budget. This consists of a increase of \$1.273 million in revenues as well as a decrease in expenses of \$0.686 million.

2009 – 2011 Projections

2009 – 2011 Projections are representative of 2007 projections with market increases. Other Operating Revenue is estimated to increase over 2007 projections at a rate equal to the CPI. Insurance is estimated to increase over 2007 estimates at a rate of 5% each year. Claims are based on actuarial analysis of projected claims activity and adjustments, whether favorable or unfavorable in required reserves. Other Business Expenses are estimated to increase over 2007 at a rate of 2% each year.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
November Financial Plan 2008-2011
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2006	2007	2008			
	Actuals	November Forecast	Final Proposed Budget	2009	2010	2011
Operating Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	17.752	16.332	16.675	17.044	17.399	17.770
Investment Income	(2.294)	-0.029	2.000	2.044	2.087	2.131
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$15.458	\$16.303	\$18.675	\$19.088	\$19.486	\$19.901
Operating Expenses						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	\$0.000	-	-	-	-	-
Insurance	(43.007)	(45.078)	(47.332)	(49.699)	(52.184)	(54.793)
Claims	41.015	39.036	39.639	42.167	43.935	43.236
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	7.754	8.168	8.331	8.498	8.668	8.841
Total Non-Labor Expenses	\$5.762	\$2.126	\$0.638	\$0.966	\$0.419	(\$2.716)
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$5.762	\$2.126	\$0.638	\$0.966	\$0.419	(\$2.716)
Depreciation	-	-	-	-	-	-
Total Expenses	\$5.762	\$2.126	\$0.638	\$0.966	\$0.419	(\$2.716)
Baseline Surplus/(Deficit)	\$9.696	\$14.177	\$18.037	\$18.122	\$19.067	\$22.617

[illegible]

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
November Financial Plan 2008-2011
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2006	2007	2008			
	Actuals	November Forecast	Final Proposed Budget	2009	2010	2011
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	-	-	-	-	-	-
Total Receipts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	1.859	1.887	2.008	2.092	2.059
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
Total Non-Labor Expenditures	\$0.000	\$1.859	\$1.887	\$2.008	\$2.092	\$2.059
<u>Other Expenditures Adjustments:</u>						
Other	(\$9.696)	(\$16.036)	(\$19.924)	(\$20.130)	(\$21.159)	(\$24.676)
Total Other Expenditures Adjustments	(\$9.696)	(\$16.036)	(\$19.924)	(\$20.130)	(\$21.159)	(\$24.676)
Total Cash Conversion Adjustments before Depreciation	(\$9.696)	(\$14.177)	(\$18.037)	(\$18.122)	(\$19.067)	(\$22.617)
Depreciation Adjustment	-	-	-	-	-	-
Total Cash Conversion Adjustments	(\$9.696)	(\$14.177)	(\$18.037)	(\$18.122)	(\$19.067)	(\$22.617)

MTA First Mutual Transportation Assurance Company
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category Non-Reimbursable

Revenue

Investment Income

- Investment income is derived through FMTAC based on the investments held with Dwight Asset Management.
- Investment income is projected based on the All Urban Consumer CPI inflation rates as provided in the Economic & Demographic Forecasts September 2007.

Expenses

Insurance

- Insurance (premiums) is based on increases in the market as well as increases in the claims expenses and reserve adjustments.
- Insurance Premiums are estimated to increase 5% each year for 2008 - 2011

Claims

- Claims expenses are determined by actuarial projection for 2007 - 2011 of the actual claims expense paid and any adjustments either favorable or unfavorable to reserves.

Other Business Expenses

- Costs increase 2% for 2008 through 2011 and are representative of general increases for the services provided and expenses not directly related to claims.

First Mutual Transportation Assurance Company
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
<u>Revenue</u>									
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
Investment Income	(0.029)	2.000	2.029	2.044	0.044	2.087	0.043	2.131	0.044
Other Operating Revenue	16.332	16.675	0.343	17.044	0.369	17.399	0.355	17.770	0.371
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$16.303	\$18.675	\$2.372	\$19.088	\$0.413	\$19.486	\$0.398	\$19.901	\$0.415
<u>Expenses</u>									
Labor:									
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:									
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$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	(45.078)	(47.332)	2.254	(49.699)	2.367	(52.184)	2.485	(54.793)	2.609
Claims	39.036	39.639	(0.603)	42.167	(2.528)	43.935	(1.768)	43.236	0.699
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	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	8.168	8.331	(0.163)	8.498	(0.167)	8.668	(0.170)	8.841	(0.173)
Total Non-Labor Expenses	\$2.126	\$0.638	\$1.488	\$0.966	(\$0.328)	\$0.419	\$0.547	(\$2.716)	\$3.135
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$2.126	\$0.638	\$1.488	\$0.966	(\$0.328)	\$0.419	\$0.547	(\$2.716)	\$3.135
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$2.126	\$0.638	\$1.488	\$0.966	(\$0.328)	\$0.419	\$0.547	(\$2.716)	\$3.135
Baseline Net Surplus/(Deficit)	\$14.177	\$18.037	\$3.860	\$18.122	\$0.085	\$19.067	\$0.945	\$22.617	\$3.550
2008 Agency Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-	-	-	-
Post - 2008 Agency Program to Eliminate the Gap (PEG)	-	-	-	-	-	-	-	-	-
Total PEGs	-	-	-	-	-	-	-	-	-
Net Surplus/(Deficit)	\$14.177	\$18.037	\$3.860	\$18.122	\$0.085	\$19.067	\$0.945	\$22.617	\$3.550

First Mutual Transportation Assurance Company
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
Receipts									
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
Investment Income	(0.029)	2.000	2.029	2.044	0.044	2.087	0.043	2.131	0.044
Other Operating Revenue	16.332	16.675	0.343	17.044	0.369	17.399	0.355	17.770	0.371
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Receipts	\$16.303	\$18.675	\$2.372	\$19.088	\$0.413	\$19.486	\$0.398	\$19.901	\$0.415
Expenditures									
Labor:									
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:									
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$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	(45.078)	(47.332)	2.254	(49.699)	2.367	(52.184)	2.485	(54.793)	2.609
Claims	37.177	37.752	(0.575)	40.159	(2.407)	41.843	(1.684)	41.177	0.666
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	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	8.168	8.331	(0.163)	8.498	(0.167)	8.668	(0.170)	8.841	(0.173)
Total Non-Labor Expenditures	\$0.267	(\$1.249)	\$1.516	(\$1.042)	(\$0.207)	(\$1.673)	\$0.631	(\$4.775)	\$3.102
Other Expenditure Adjustments:									
Other - Restricted Cash Adjustment	16.036	19.924	(3.888)	20.130	(0.206)	21.159	(1.029)	24.676	(3.517)
Total Other Expenditure Adjustments	\$16.036	\$19.924	(\$3.888)	\$20.130	(\$0.206)	\$21.159	(\$1.029)	\$24.676	(\$3.517)
Total Expenditures	\$16.303	\$18.675	(\$2.372)	\$19.088	(\$0.413)	\$19.486	(\$0.398)	\$19.901	(\$0.415)
Baseline Net Cash Deficit	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000
2008 Agency Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-	-	-	-
Post - 2008 Agency Program to Eliminate the Gap (PEG)	-	-	-	-	-	-	-	-	-
Total PEGs	-	-	-	-	-	-	-	-	-
Net Cash Deficit	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000

MTA First Mutual Transportation Assurance Company
November Financial Plan 2008-2011
Summary of Changes Between Financial Plans Non-Reimbursable

2007 - 2011: November Financial Plan vs. July Financial Plan

Revenue

Revenue changes from the July Plan over the 2007 to 2011 period include:

- A decrease in the baseline estimate for 2007 due to unfavorable developments in actual results through August 2007 from the July Plan to the November Plan. Favorable developments in years 2008-2011 due to anticipated gains in investments resulting from higher yield/longer duration assets.
 - \$.732 million in 2007
 - \$1.273 million in 2008
 - \$1.343 million in 2009
 - \$1.395 million in 2010
 - \$1.448 million in 2011

Expense

Expense changes from the July Plan over the 2007 to 2011 period include:

- An increase in Insurance due to changes in the baseline estimate for 2007 due to changes in actual results through August 2007. The inflation rate for Insurance is 5% per year to accurately reflect developments in premium costs.
 - \$.687 million in 2007
 - \$.721 million in 2008
 - \$.757 million in 2009
 - \$.795 million in 2010
 - \$.835 million in 2011
- Claims expense did not change due to the same ultimate loss projections as in July 2007. Ultimate loss projections are updated for the September 30th results and December 31st results by the actuaries.
- A decrease in Other Business Expense due to revised estimates based on actual results through August 2007. The inflation rate for Other Business Expense is 2% per year to reflect inflation rates.
 - \$.035 million in 2007
 - \$.035 million in 2008
 - \$.036 million in 2009
 - \$.037 million in 2010
 - \$.037 million in 2011

MTA First Mutual Transportation Assurance Company
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE	Favorable/(Unfavorable)				
	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	\$.000	\$.000	\$.000	\$.000	\$.000
Baseline Changes					
Revenue					
Farebox Revenue	\$.000	\$.000	\$.000	\$.000	\$.000
Vehicle Toll Revenue	.000	.000	.000	.000	.000
Investment Income	(2.181)	(.198)	(.197)	(.198)	(.200)
Other Operating Revenue	1.449	1.471	1.540	1.593	1.648
Total Revenue Changes	(\$.732)	\$ 1.273	\$ 1.343	\$ 1.395	\$ 1.448
Expenses					
Labor:					
Payroll	\$.000	\$.000	\$.000	\$.000	\$.000
Health and Welfare	.000	.000	.000	.000	.000
Pensions	.000	.000	.000	.000	.000
Other Fringe Benefits	.000	.000	.000	.000	.000
Reimbursable Overhead	.000	.000	.000	.000	.000
Total Labor Expense Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Non-Labor:					
Traction and Propulsion Power	\$.000	\$.000	\$.000	\$.000	\$.000
Fuel for Buses and Trains	.000	.000	.000	.000	.000
Insurance	.687	.721	.757	.795	.835
Claims	.000	.000	.000	.000	.000
Paratransit Service Contracts	.000	.000	.000	.000	.000
Maintenance and Other Operating Contracts	.000	.000	.000	.000	.000
Materials & Supplies	.000	.000	.000	.000	.000
Other Business Expenses	(.035)	(.035)	(.036)	(.037)	(.037)
Total Non-Labor Expense Changes	\$.652	\$.686	\$.721	\$.758	\$.798
Total Expense Changes	\$.652	\$.686	\$.721	\$.758	\$.798
Cash Adjustment Changes					
Revenue:					
Investment Income	.000	.000	.000	.000	.000
Other Operating Revenue	.000	.000	.000	.000	.000
Expenses:					
Insurance	.000	.000	.000	.000	.000
Claims	.000	.000	.000	.000	.000
Other Business Expenses	.000	.000	.000	.000	.000
Total Expense Changes	.000	.000	.000	.000	.000
Restricted Cash Adjustment	.080	(1.959)	(2.064)	(2.153)	(2.246)
Total Cash Adjustment Changes	\$.080	(\$ 1.959)	(\$ 2.064)	(\$ 2.153)	(\$ 2.246)
Total Baseline Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	\$.000	\$.000	\$.000	\$.000	\$.000

MTA First Mutual Transportation Assurance Company
November Financial Plan 2008 - 2011
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE	Favorable/(Unfavorable)				
	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Reimbursable Major Changes</i>					
Revenue	(\$.732)	\$1.273	\$1.343	\$1.395	\$1.448
Sub-Total Non-Reimbursable Revenue Changes	(\$.732)	\$1.273	\$1.343	\$1.395	\$1.448
Expenses	\$.652	\$.686	\$.721	\$.758	\$.798
Sub-Total Non-Reimbursable Expense Changes	\$.652	\$.686	\$.721	\$.758	\$.798
<i>Total Non-Reimbursable Major Changes</i>	(\$.080)	\$1.959	\$2.064	\$2.153	\$2.246
<i>Reimbursable Major Changes</i>					
Revenue					
Sub-Total Reimbursable Revenue Changes					
Expenses					
Sub-Total Reimbursable Expense Changes					
<i>Total Reimbursable Major Changes</i>	\$.000	\$.000	\$.000	\$.000	\$.000
<i>Total Accrual Changes</i>	(\$.080)	\$1.959	\$2.064	\$2.153	\$2.246
<i>Cash Adjustment Changes</i>					
Total Cash Adjustments	\$.080	(\$1.959)	(\$2.064)	(\$2.153)	(\$2.246)
<i>Total Cash Adjustment Changes</i>	\$.080	(\$1.959)	(\$2.064)	(\$2.153)	(\$2.246)
<i>Total Baseline Changes</i>	\$.000	\$.000	\$.000	\$.000	\$.000
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

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**Inspector General
2008 Final Proposed Budget
November Financial Plan 2008 – 2011**

Mission Statement

The Metropolitan Transportation Authority Office of the Inspector General is created by statute and has the power to investigate abuses, frauds, and service deficiencies related to the authority and its subsidiaries. Reviews may be initiated in order to identify where performance might be improved and funds used more effectively.

Financial Overview

The Office of the Inspector General's current lease expires on August 31, 2008. The budget for the Office of the Inspector General for the years 2008-2011 includes a request for additional funding for occupancy costs along with relocation and build-out expenditures for a potential move to a new space. The office has been actively engaged in pursuing all options including the possibility of a renewal as well as a search for alternative space.

The Office of the Inspector General's budget is predominately driven by wages and benefits necessary to support our investigative unit, including attorneys, investigators and personnel with financial investigations expertise; our audit and analysis unit with staff that have qualitative and quantitative analytical skills; and an administrative and support function, including but not limited to personnel for purchasing, information systems, accounting and reception. These resources are used to investigate and audit matters of concern throughout the MTA and its subsidiaries with a combined \$10 billion operating budget, \$4 billion capital budget and workforce of 69,000.

Inspector General
November Financial Plan 2008-2011
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2006	2007	2008			
	Actual	November Forecast	Final Proposed Budget	2009	2010	2011
Operating Revenue						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>	-	-	-	-	-	-
<i>Rental Income</i>	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-
Total Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	11.093	12.032	17.273	13.910	14.268	14.646
Total Revenue	\$11.093	\$12.032	\$17.273	\$13.910	\$14.268	\$14.646
Operating Expenses						
<u>Labor:</u>						
Payroll	\$6.865	\$6.881	\$7.472	\$7.696	\$7.846	\$8.003
Overtime	-	-	-	-	-	-
Health and Welfare	0.632	0.731	0.882	0.984	1.085	1.199
Pensions	0.508	0.702	0.777	0.802	0.819	0.837
Other Fringe Benefits	0.515	0.508	0.571	0.581	0.593	0.606
Reimbursable Overhead						
Total Labor Expenses	\$8.520	\$8.823	\$9.702	\$10.062	\$10.344	\$10.645
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.033	0.047	0.051	0.056	0.062	0.068
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	0.107	0.230	4.041	0.246	0.251	0.257
Professional Service Contracts	0.199	0.165	0.062	0.063	0.065	0.066
Materials & Supplies	0.127	0.099	0.107	0.109	0.111	0.114
Other Business Expenses	1.522	2.084	2.725	2.788	2.850	2.911
Total Non-Labor Expenses	\$1.988	\$2.625	\$6.986	\$3.263	\$3.339	\$3.416
<u>Other Expenses Adjustments:</u>						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$10.508	\$11.447	\$16.688	\$13.325	\$13.682	\$14.061
Depreciation	0.585	0.585	0.585	0.585	0.585	0.585
Total Expenses	\$11.093	\$12.032	\$17.273	\$13.910	\$14.267	\$14.646
Baseline Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000
2008 Program to Eliminate the Gap (PEGs)						
Post 2008 Program to Eliminate the Gap (PEGs)						
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000

Inspector General
November Financial Plan 2008-2011
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2006	2007	2008			
	Actual	November Forecast	Final Proposed Budget	2009	2010	2011
Receipts						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	-	-	-	-	-	-
Data Center Billings	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	10.225	10.226	16.601	13.239	13.596	13.974
Total Receipts	\$10.225	\$10.226	\$16.601	\$13.239	\$13.596	\$13.974
Expenditures						
<u>Labor:</u>						
Payroll	\$6.865	\$6.881	\$7.472	\$7.696	\$7.846	\$8.003
Overtime	-	-	-	-	-	-
Health and Welfare	0.632	0.731	0.882	0.984	1.085	1.199
Pensions	0.508	0.702	0.777	0.802	0.819	0.837
Other Fringe Benefits	0.515	0.508	0.571	0.581	0.593	0.606
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$8.520	\$8.823	\$9.702	\$10.063	\$10.344	\$10.645
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.033	0.047	0.051	0.056	0.062	0.068
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	0.107	0.230	4.041	0.246	0.251	0.257
Professional Service Contracts	0.199	0.165	0.062	0.063	0.065	0.066
Materials & Supplies	0.127	0.099	0.107	0.109	0.111	0.114
Other Business Expenses	1.522	2.084	2.725	2.788	2.850	2.911
Total Non-Labor Expenditures	\$1.988	\$2.625	\$6.986	\$3.263	\$3.339	\$3.416
<u>Other Expenditure Adjustments:</u>						
Capital	(0.283)	(1.221)	(0.087)	(0.087)	(0.087)	(0.087)
Total Other Expenditure Adjustments	(\$0.283)	(\$1.221)	(\$0.087)	(\$0.087)	(\$0.087)	(\$0.087)
Total Expenditures	\$10.225	\$10.226	\$16.601	\$13.239	\$13.596	\$13.974
Baseline Cash Deficit	\$0.000	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000
2008 Program to Eliminate the Gap (PEGs)						
Post-2008 Program to Eliminate the Gap (PEGs)						
Net Cash Deficit	\$0.000	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000

CASH FLOW ADJUSTMENTS	
Depreciation and amortization	1,000
Provision for doubtful accounts	100
Change in accounts receivable	(200)
Change in accounts payable	150
Change in accrued liabilities	(50)
Change in income taxes payable	(100)
Change in deferred income taxes	100
Change in other non-current assets and liabilities	(50)
Change in cash and cash equivalents	100
Total cash flow adjustments	1,000

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INSPECTOR GENERAL
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
<u>Revenue</u>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-
Data Center Billings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	12.032	17.273	5.240	13.910	(3.363)	14.268	0.357	14.646	0.378
Total Revenue	\$12.032	\$17.273	\$5.240	\$13.910	(\$3.363)	\$14.268	\$0.357	\$14.646	\$0.378
<u>Expenses</u>									
Labor:									
Payroll	\$6.881	\$7.472	(\$0.591)	\$7.696	(\$0.224)	\$7.846	(\$0.150)	\$8.003	(\$0.157)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	0.731	0.882	(0.150)	0.984	(0.102)	1.085	(0.102)	1.199	(0.114)
Pensions	0.702	0.777	(0.075)	0.802	(0.025)	0.819	(0.017)	0.837	(0.018)
Other Fringe Benefits	0.508	0.571	(0.062)	0.581	(0.010)	0.593	(0.012)	0.606	(0.013)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$8.823	\$9.702	(\$0.879)	\$10.062	(\$0.360)	\$10.344	(\$0.281)	\$10.645	(\$0.301)
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	-	-	-	-	-	-	-	-	-
Insurance	0.047	0.051	(0.004)	0.056	(0.005)	0.062	(0.006)	0.068	(0.006)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	0.230	4.041	(3.811)	0.246	3.795	0.251	(0.005)	0.257	(0.005)
Professional Service Contracts	0.165	0.062	0.103	0.063	(0.001)	0.065	(0.001)	0.066	(0.001)
Materials & Supplies	0.099	0.107	(0.007)	0.109	(0.002)	0.111	(0.002)	0.114	(0.002)
Other Business Expenses	2.084	2.725	(0.641)	2.788	(0.063)	2.850	(0.061)	2.911	(0.061)
Total Non-Labor Expenses	\$2.625	\$6.986	(\$4.361)	\$3.263	\$3.723	\$3.339	(\$0.076)	\$3.416	(\$0.077)
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$11.447	\$16.688	(\$5.240)	\$13.325	\$3.362	\$13.682	(\$0.357)	\$14.061	(\$0.378)
Depreciation	0.585	0.585	0.000	0.585	0.000	0.585	0.000	0.585	0.000
Total Expenses	\$12.032	\$17.273	(\$5.240)	\$13.910	\$3.362	\$14.267	(\$0.357)	\$14.646	(\$0.378)
Baseline Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	(\$0.000)	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000
2008 Program to Eliminate the Gap	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	(\$0.000)	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000

INSPECTOR GENERAL
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
<u>Receipts</u>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-
Data Center Billings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	10.226	16.601	6.374	13.239	(3.362)	13.596	0.357	13.974	0.378
Total Receipts	\$10.226	\$16.601	\$6.374	\$13.239	(\$3.362)	\$13.596	\$0.357	\$13.974	\$0.378
<u>Expenditures</u>									
Labor:									
Payroll	\$6.881	\$7.472	(\$0.591)	\$7.696	(\$0.224)	\$7.846	(\$0.150)	\$8.003	(\$0.157)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	0.73	0.88	(0.15)	0.98	(0.10)	1.09	(0.10)	1.20	(0.11)
Pensions	0.70	0.78	(0.08)	0.80	(0.02)	0.82	(0.02)	0.84	(0.02)
Other Fringe Benefits	0.51	0.57	(0.06)	0.58	(0.01)	0.59	(0.01)	0.61	(0.01)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenditures	\$8.823	\$9.702	(\$0.879)	\$10.063	(\$0.361)	\$10.344	(\$0.281)	\$10.645	(\$0.301)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	0.047	0.051	(0.004)	0.056	(0.005)	0.062	(0.006)	0.068	(0.006)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	0.230	4.041	(3.811)	0.246	3.795	0.251	(0.005)	0.257	(0.005)
Professional Service Contracts	0.165	0.062	0.103	0.063	(0.001)	0.065	(0.001)	0.066	(0.001)
Materials & Supplies	0.099	0.107	(0.007)	0.109	(0.002)	0.111	(0.002)	0.114	(0.002)
Other Business Expenses	2.084	2.725	(0.641)	2.788	(0.063)	2.850	(0.061)	2.911	(0.061)
Total Non-Labor Expenditures	\$2.625	\$6.986	(\$4.361)	\$3.263	\$3.723	\$3.339	(\$0.076)	\$3.416	(\$0.077)
Other Expenditure Adjustments:									
Other	(1.221)	(0.087)	(\$1.134)	(0.087)	\$0.000	(0.087)	\$0.000	(0.087)	\$0.000
Total Other Expenditure Adjustments	(\$1.221)	(\$0.087)	(\$1.134)	(\$0.087)	\$0.000	(\$0.087)	\$0.000	(\$0.087)	\$0.000
Total Expenditures	\$10.226	\$16.601	(\$6.374)	\$13.239	\$3.362	\$13.596	(\$0.357)	\$13.974	(\$0.378)
Baseline Net Cash Deficit	\$0.000	\$0.000	\$0.000	(\$0.000)	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000
2008Agency Program to Eliminate the Gap (PEG:	0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000
Net Cash Deficit	\$0.000	\$0.000	\$0.000	(\$0.000)	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000

INSPECTOR GENERAL
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income					
Data Center Billings					
Other					
Capital and Other Reimbursement					
Total Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenses					
Labor:					
Payroll					
Overtime					
Health and Welfare					
Pensions					
Other Fringe Benefits					
Reimbursable Overhead					
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Professional Services					
Materials & Supplies					
MTA Internal Subsidy					
Other Business Expenses					
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

INSPECTOR GENERAL
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	(\$0.000)	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income					
Data Center Billings					
Other					
Capital and Other Reimbursement	0.000	4.411	0.633	0.654	0.672
Total Revenue Changes	\$0.000	\$4.411	\$0.633	\$0.654	\$0.672
Expenses					
Labor:					
Payroll	-	-	-	-	-
Overtime	-	-	-	-	-
Health and Welfare	-	(0.000)	(0.000)	(0.000)	0.000
Pensions	-	-	0.000	0.000	0.000
Other Fringe Benefits	-	-	0.000	0.000	(0.000)
Reimbursable Overhead					
Total Labor Expense Changes	\$0.000	(\$0.000)	\$0.001	\$0.000	(\$0.000)
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance	-	-	-	-	-
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	-	(3.800)	(0.001)	(0.001)	(0.001)
Professional Service Contracts	-	0.000	(0.000)	(0.000)	(0.000)
Materials & Supplies	-	-	(0.000)	(0.000)	(0.001)
Other Business Expenses	-	(0.611)	(0.633)	(0.652)	(0.669)
Total Non-Labor Expense Changes	\$0.000	(\$4.411)	(\$0.633)	(\$0.653)	(\$0.671)
Total Expense Changes	\$0.000	(\$4.411)	(\$0.633)	(\$0.653)	(\$0.671)
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes					
Other Expense Adjustments					
MTA Insurance Reserve					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	(\$0.000)	(\$0.000)	\$0.000	(\$0.000)

INSPECTOR GENERAL
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	(\$0.000)	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income	.000	.000	.000	.000	.000
Data Center Billings	.000	.000	.000	.000	.000
Other	.000	.000	.000	.000	.000
Capital and Other Reimbursement	.000	4.411	.633	.654	.672
Total Revenue Changes	\$0.000	\$4.411	\$0.633	\$0.654	\$0.672
Expenses					
Labor:					
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
Other Fringe Benefits	0.000	0.000	0.000	0.000	(0.000)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	\$0.000	(\$0.000)	\$0.001	\$0.000	(\$0.000)
Non-Labor:					
Traction and Propulsion Power	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	(3.800)	(0.001)	(0.001)	(0.001)
Professional Services	0.000	0.000	(0.000)	(0.000)	(0.000)
Materials & Supplies	0.000	0.000	(0.000)	(0.000)	(0.001)
Other Business Expenses	0.000	(0.611)	(0.633)	(0.652)	(0.669)
Total Non-Labor Expense Changes	\$0.000	(\$4.411)	(\$0.633)	(\$0.653)	(\$0.671)
Total Expense Changes	\$0.000	(\$4.411)	(\$0.633)	(\$0.653)	(\$0.671)
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes					
Operating Capital	.000	.000	.000	.000	.000
Other Business Expenses	.000	.000	.000	.000	.000
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	(\$0.000)	(\$0.000)	\$0.000	(\$0.000)

Inspector General
November Financial Plan 2008 - 2011
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full-Time Equivalents

FUNCTION/DEPARTMENT	2006 Actuals	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Administration						
Office of the Inspector general	81	93	91	91	91	91
	0	0	0	0	0	0
Total Administration	81	93	91	91	91	91
Public Safety	0	0	0	0	0	0
Baseline Total Positions	81	93	91	91	91	91
<i>Non-Reimbursable</i>	0	0	0	0	0	0
<i>Reimbursable</i>	81	93	91	91	91	91
<i>Full-Time</i>	81	93	91	91	91	91
<i>Full-Time Equivalents</i>	-	-	-	-	-	-
<hr/>						
Impact of:						
Post 2007 Program to Eliminate the Gap	0	0	0	0	0	0
Total Positions	81	93	91	91	91	91
<i>Non-Reimbursable</i>	0	0	0	0	0	0
<i>Reimbursable</i>	81	93	91	91	91	91
<i>Total Full-Time</i>	81	93	91	91	91	91
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

New York City Transit

**MTA New York City Transit
2008 Final Proposed Budget
November Financial Plan 2008 – 2011**

MISSION STATEMENT

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

FINANCIAL OVERVIEW

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

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

The 2008 Final Proposed Budget and projections for the years 2009-2011 provide sufficient funding to maintain both a continuation of current service levels as well as MTA's commitment to safety and security. This is accomplished primarily through the implementation of organizational and operational efficiencies (Programs to Eliminate the GAP) that optimize the use of resources to achieve agency goals. Ongoing and extensive internal efforts are being made by MTA NYC Transit to reduce non-critical spending and improve operating efficiency.

2007 November Forecast-Baseline

MTA NYC Transit's 2007 November Forecast includes total expenses before Depreciation and Other Post-Employment Benefits of \$6,188.3 million, consisting of \$5,356.8 million of non-reimbursable expenses and \$831.4 million of reimbursable expenses. Other Post-Employment Benefits are now included in NYC Transit's expenses based upon adoption of GASB #45 in 2007. The 2007 forecasted amount is \$963.4 million. Total revenues are projected to be \$3,968.1 million, of which \$3,136.6 million are operating revenues and \$831.4 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 49,069 (43,666 non-reimbursable positions and 5,403 reimbursable positions).

The 2007 baseline net cash deficit is projected to decrease by \$41.6 million from the 2007 Mid-Year Forecast. Major favorable non-reimbursable changes include:

- A projected farebox revenue increase of \$38.4 million primarily based upon recent subway ridership growth.
- Favorable cash adjustments of \$34.5 million including interest income of \$12.7 million due to higher cash balances and rates, \$11.9 million relating to the timing of labor contract settlements and re-estimates, \$5.2 million regarding the timing of counting/depositing of farebox receipts and \$4.7 million associated with the re-estimate of public liability (claims) payments.
- Lower-than-anticipated health and welfare expenses of \$20.3 million.
- Departmental expense reductions of \$13.1 million including \$4.8 million from the wind-down of the Central Maintenance Management System (CMMS) project after several installations, \$3.5 million from a reduction of information technology-related professional and technical fees and \$1.7 million from reductions in non-priority technology projects and in the normal replacement of data processing equipment.
- A net energy savings of \$11.8 million based on revised inflation assumptions and fuel mileage recalculations. The net savings includes a fuel savings of \$18.3 million and increased power expenses of \$6.5 million.
- \$3.4 million of the timing of expenses to be offset in subsequent years. Included is a favorable \$8.7 million of station painting expenses rescheduled to 2008. It has been determined that average costs of station painting are higher than originally anticipated. Also included is an unfavorable \$7.4 million of expenses associated with R142 traction motor repair costs, which are expected to be fully reimbursed in 2009.

Major unfavorable non-reimbursable changes include:

- Projected underruns of capital reimbursements of \$45.4 million budgeted for several Capital Programs are now projected to be reimbursed in 2008 and 2009. This timing adjustment continues under review and analysis.
- Funding for Safety and Customer Satisfaction Pilot Programs of \$24.4 million and 482 positions including: \$13.5 million and 370 positions for subways station, track and car cleaning, car quality control (windows maintained in scratch-free condition), employee facilities (clean, well-maintained, meet functional standards) and elevator & escalator (improve availability of equipment to customers, improve cleanliness and appearance); \$9.7 million and 93 positions for buses quality control (maintain buses in “like new” condition) and employee facilities (improve cleanliness and maintenance) and \$1.2 million and 19 positions for security and program support costs.
- An employee availability re-estimate results in an unfavorable \$6.0 million as it has been determined that an initiative (prior year PEG included in the baseline) of achieving a one-day reduction in controllable absences is largely not achievable at this time.

Reimbursable expenses are projected to decrease in 2007 by \$25.0 million, primarily due to several departmental underruns and R142 traction motor repair costs now

reclassified to non-reimbursable. This decrease is offset by a corresponding reduction in reimbursements.

Total baseline positions are projected to increase by 487, comprised of a 506 non-reimbursable position increase and a 19 reimbursable position decrease. The non-reimbursable increase is primarily due to an increase of 482 positions in support of the Safety and Customer Satisfaction Pilot Programs.

Programs to Eliminate the GAP (PEGs): 2007

The 2007 accelerated effect of 2008 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described below, is projected to yield a deficit reduction of \$6.0 million and 64 positions including a savings increase of \$0.740 million from a new Bus Holiday Schedule Reduction PEG.

2008 Final Proposed Budget-Baseline

MTA NYC Transit's 2008 Final Proposed Budget includes total expenses before depreciation and Other Post-Employment Benefits of \$6,609.5 million, consisting of \$5,749.1 million of non-reimbursable expenses and \$860.3 million of reimbursable expenses. Other Post-Employment Benefits are now included in NYC Transit's expenses based upon adoption of GASB #45 in 2007. The 2008 Final Proposed Budget amount is \$1,009.5 million. Total revenues are projected to be \$4,050.1 million, of which \$3,189.8 million are operating revenues and \$860.3 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 49,294 (43,765 non-reimbursable positions and 5,529 reimbursable positions).

The 2008 baseline net cash deficit is projected to decrease by \$23.3 million from the 2008 Preliminary Budget. Major favorable non-reimbursable variances include:

- A projected farebox revenue increase of \$37.8 million primarily based upon recent subway ridership growth.
- Several departmental expense reductions totaling \$28.9 million and 120 position reductions including:
 1. \$3.8 million and 6 position reductions from eliminations of information technology investments that have no impact on current operations, from reductions in non-priority technology projects and in the normal replacement of data processing equipment.
 2. \$3.5 million from the wind-down of the Central Maintenance Management System (CMMS) project after several installations.
 3. \$2.8 million in savings and 5 position eliminations from the reduction of information technology-related professional and technical fees.
 4. Material savings of \$2.7 million from revisions to material parts usage guidelines, reduced replacement rates and the standardization of brake component replacement practices.
 5. Bus shop savings of \$2.3 million and 1 position reduction from the elimination of 12-year overhauls on 170 buses due to be retired after new buses are purchased in 2008/2009.

6. A Materiel department spending reduction of \$2.0 million (to current levels) in the areas of safety equipment and outside services.
 7. \$1.8 million of savings and 36 position reductions based upon bringing warranty work on R160 cars in-house to allow for capital contract reimbursement and the elimination of R32 (Phase 2) scheduled maintenance as these cars will retire when new R160 cars are delivered.
 8. \$1.7 million of savings and 11 position reductions in the Electronics Maintenance Division is to be generated by primarily increasing services rendered to other MTA Agencies and reducing SONET maintenance expenses by redeploying existing resources.
 9. \$1.7 million of savings and 19 position reductions from the re-evaluation of a Worker's Safety Initiative to review General Orders with Train Operators as they report to work and Track Work Call-On, the monitoring of track access requests by the Rail Control Center. There is no impact on safety due to this re-evaluation.
 10. \$1.4 million of savings and 19 position reductions from eliminating one hourly housekeeping position per bus depot, replacing them with restricted duty personnel to perform facility cleaning.
- \$16.6 million of net savings from re-estimates of average pay rates and training float. Average pay rate savings of \$26.3 million result from significant hiring of personnel since July 2006 at lower average pay rates. Projected increases in 2008 positions results in a higher training float cost of \$9.7 million.
 - A net energy savings of \$13.2 million based on revised inflation assumptions and fuel mileage recalculations. The net savings includes a fuel savings of \$15.1 million and increased power expenses of \$1.9 million.

Major unfavorable non-reimbursable changes include:

- Funding for the continuation of 2007 Safety and Customer Satisfaction Pilot Programs of \$67.0 million and 523 positions including: \$41.5 million and 373 positions for subways station, track and car cleaning, car quality control (windows maintained in scratch-free condition), employee facilities (clean, well-maintained, meet functional standards) and elevator & escalator (improve availability of equipment to customers, improve cleanliness and appearance); \$23.3 million and 135 positions for buses quality control (maintain buses in "like new" condition) and employee facilities (improve cleanliness and maintenance) and \$2.2 million and 15 positions for security and program support costs.
- Departmental re-estimates result in increased expenses of \$16.7 million due primarily to: additional subway overtime requirements of \$9.0 million including signals flagging needs; \$2.7 million of excess subways hourly costs due in part to the closing of reimbursable projects and \$2.2 million to improve running time on the #4 and #5 lines by increasing crew drop-back time.

Reimbursable expenses are projected to increase in 2008 by \$26.3 million including: \$9.8 million for additional subway labor requirements for flagging, diversions, work trains and capital project mix; \$6.4 million to extend the Antenna Cable Replacement

Project to the second phase; \$5.0 million in support of receiving, testing and warranty work for the new R160 cars; and \$4.4 million for inspection and warranty reimbursement for new bus procurements. This increase is offset by a corresponding reimbursement increase.

Total baseline positions are projected to increase by 743 of which the non-reimbursable increase is 405 and the reimbursable increase is 338. The non-reimbursable increase includes 523 positions in support of the Safety and Customer Satisfaction Pilot Programs partly offset by departmental savings of 120 positions. The reimbursable increase is due primarily to 108 positions to support new R160 car purchases, 55 positions for additional RTO labor requirements, 40 positions to support Phase II of the Antenna Cable Replacement Project, 28 positions to support Phase II of the Signal Circuit Key-By Project and 29 positions to provide riders with customer service regarding diversion information.

Programs to Eliminate the GAP (PEGs): 2008

The 2008 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described below, are projected to reduce the deficit by \$38.6 million and 340 positions in 2008. These savings include a \$1.7 million reduction from the 2008 Preliminary Budget due to the elimination of anticipated hourly broadbanding savings as no title broadbanding agreement has been reached with the TWU and new PEG savings increases including: \$1.8 million from bus holiday schedule reductions; \$1.7 million from elevator operator reductions; \$1.0 million primarily from avoidance of PharmaCare overcharges and \$0.8 million from a bus paint facility consolidation. PEG position reductions were increased by 19.

2009-2011 Projections-Baseline

MTA NYC Transit's projections for 2009-2011 reflect total expenses before Depreciation and Other Post-Employment Benefits (OPEB) as follows: 2009=\$6,829.6 million, 2010=\$7,074.1 million and 2011=\$7,306.4 million. Non-reimbursable expenses before depreciation and OPEB are projected as follows: 2009=\$5,973.3 million, 2010=\$6,234.2 million and 2011=\$6,463.0 million. Reimbursable expenses are projected as follows: 2009=\$856.4 million, 2010=\$839.9 million and 2011=\$843.5 million. Total revenues are projected as follows: 2009=\$4,081.4 million, 2010=\$4,107.9 million and 2011=\$4,160.0 million. Operating revenues are projected as follows: 2009=\$3,225.0 million, 2010=\$3,268.1 million and 2011=\$3,316.5 million. Capital reimbursements are projected as follows: 2009=\$856.4 million, 2010=\$839.9 million and 2011=\$843.5 million. Total full-time and full-time baseline equivalent positions are projected to be 48,913 in 2009, 48,908 in 2010 and 48,805 in 2011. Non-reimbursable positions are projected to be 43,691 in 2009, 43,880 in 2010 and 43,877 in 2011. Reimbursable positions are projected to be 5,222 in 2009, 5,028 in 2010 and 4,928 in 2011.

Baseline net cash deficits are projected to decrease by \$57.6 million in 2009, \$38.7 million in 2010 and \$35.2 million in 2011 relative to the July Financial Plan. Major favorable non-reimbursable changes include:

- Projected farebox revenue increases of \$39.9 million in 2009, \$43.6 million in 2010 and \$45.6 million in 2011, primarily based upon recent subway ridership growth.
- Several departmental expense reductions totaling \$31.6 million (160 positions) in 2009, \$33.3 million (120 positions) in 2010 and \$23.9 million (93 positions) in 2011. These expense reductions include:
 1. \$5.5 million in 2009 and \$6.2 million in 2010 and 2011 from eliminations of information technology investments that have no impact on current operations, reductions in non-priority technology projects and in the normal replacement of data processing equipment.
 2. \$3.6 million in 2009 and 2010 and \$0.6 million in 2011 from the wind-down of the Central Maintenance Management System (CMMS) project after several installations.
 3. \$3.3 million in 2009, \$4.9 million in 2010 and \$2.6 million in 2011 from the reduction of information technology professional and technical fees.
 4. Material savings of \$2.7 million each year from revisions to material parts usage guidelines, reduced replacement rates and the standardization of brake component replacement practices.
 5. Bus shop savings of \$2.3 million in 2009 from the elimination of 12-year overhauls on 170 buses due to be retired after new buses are purchased in 2008/2009.
 6. A Materiel department spending reduction of \$1.5 million in 2010 (to current levels) in the areas of safety equipment and outside services.
 7. \$3.4 million in 2009, \$3.3 million in 2010 and \$0.6 million in 2011 based upon bringing warranty work on R160 cars in-house to allow for capital contract reimbursement and the elimination of R32 (Phase 2) scheduled maintenance as these cars will retire as new R160 cars are delivered.
 8. \$3.1 million each year in the Electronics Maintenance Division is to be generated by primarily increasing services rendered to other MTA Agencies and reducing SONET maintenance expenses by redeploying existing resources.
 9. \$1.7 million each year from the re-evaluation of a Worker's Safety Initiative to review General Orders with Train Operators as they report to work and Track Work Call-On, the monitoring of track access requests by the Rail Control Center. There is no impact on safety due to this re-evaluation.
 10. \$1.4 million per year from eliminating one hourly housekeeping position per bus depot, replacing them with restricted duty personnel to perform facility cleaning.
- Favorable average pay rate adjustments of \$20.0 million in 2009, \$20.5 million in 2010 and \$20.7 million in 2011 based upon projected position increases at lower average pay rates.
- Net energy savings of \$26.6 million in 2009, \$16.1 million in 2010 and \$15.4 million in 2011 based on revised inflation assumptions, fuel mileage recalculations and a negative impact due to the closure of a power plant beginning 2010.

Major unfavorable non-reimbursable changes include:

- Funding for the continuation of 2007 Safety and Customer Satisfaction Pilot Programs through 2011 of \$67.0 million and 523 positions each year including: \$41.5 million and 373 positions for subways station, track and car cleaning, car quality control (windows maintained in scratch-free condition), employee facilities (clean, well-maintained, meet functional standards) and elevator & escalator (improve availability of equipment to customers, improve cleanliness and appearance); \$23.3 million and 135 positions for buses quality control (maintain buses in “like new” condition) and employee facilities (improve cleanliness and maintenance) and \$2.2 million and 15 positions for security and program support costs.
- Departmental re-estimates result in increased expenses of \$16.4 million in 2009, \$21.2 million in 2010 and \$15.3 million in 2011 due primarily to: additional subway overtime requirements of \$9.0 million each year including signals flagging needs; \$2.6 million of excess subways hourly costs in 2009 due in part to the closing of reimbursable projects; \$2.2 million each year to improve running time on the #4 and #5 lines by increasing crew drop-back time and \$5.5 million in 2010 due to the rescheduling of subway car reefing.

Reimbursable expenses are projected to increase by \$45.6 million in 2009, \$25.8 million in 2010 and \$15.5 million in 2011 including: \$9.8 million each year for additional subway labor requirements for flagging, diversions, work trains and capital project mix; \$5.7 million in 2009 to extend the Antenna Cable Replacement Project to the second phase; \$15.3 million in 2009, \$6.8 million in 2010 and \$1.3 million in 2011 in support of receiving, testing and warranty work for the new R160 cars; and \$4.4 million each year for inspection and warranty reimbursement for new bus procurements. These increases are offset by corresponding increases in reimbursements.

Total baseline positions are projected to increase by 568 in 2009, 560 in 2010 and 437 in 2011. Non-reimbursable positions are projected to increase by 294 in 2009, 392 in 2010 and 357 in 2011. Reimbursable positions are projected to increase by 274 in 2009, 168 in 2010 and 80 in 2011. The non-reimbursable increases primarily include 523 positions each year in support of the Safety and Customer Satisfaction Pilot Programs partly offset by departmental savings of 160 positions in 2009, 120 positions in 2010 and 93 positions in 2011. The reimbursable increase is due primarily to: 93 positions in 2009 and 34 positions in 2010 in support of new R160 car purchases; 55 positions each year for additional RTO labor requirements; 40 positions in 2009 to support Phase II of the Antenna Cable Replacement Project; 28 positions in 2009 and 2010 to support Phase II of the Signal Circuit Key-By Project and 29 positions each year to provide riders with customer service regarding diversion information.

Programs to Eliminate the GAP (PEGs): 2009-2011

The 2008 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables, are described below. PEGs are projected to yield deficit reductions of \$41.8 million in 2009 and \$34.3 million in 2010 and 2011 and 367 position reductions each year. These savings include each year: a \$1.7 million reduction from

the July Financial plan due to the elimination of anticipated hourly broadbanding savings as no title broadbanding agreement has been reached with the TWU and savings increases from new PEGs including: \$1.8 million from bus holiday schedule reductions; \$1.7 million from elevator operator reductions; \$1.0 million primarily from avoidance of PharmaCare overcharges and \$0.8 million from a bus paint facility consolidation. PEG position reductions were increased by 19 each year.

Additionally, Post-2008 Programs to Eliminate the GAP are projected to yield deficit reductions of \$5.5 million and 43 position reductions each year beginning in 2009. These savings have not changed from the July Financial Plan.

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

GAP CLOSING MEASURES

2008/Post-2008 Programs to Eliminate the Gap (PEGs)

MTA NYC Transit has developed programs resulting in significant cost savings and position reductions. These reductions are largely achieved through administrative actions and operating efficiencies.

2007 November Forecast

In 2007, PEG savings are projected at \$6.0 million, including 64 end-of-year position reductions. Major contributors include:

- Administrative savings of \$1.5 million and 5 position reductions over several departments. Major elements include staff reductions in Subways (\$0.5 million savings, 5 position reductions) and \$0.5 million of savings in the normal replacement of data processing equipment.
- A reduction in subway platform coverage saving \$1.2 million and 49 positions. This reduction is facilitated by the installation of 1,350 emergency exit release bars to increase the emergency exit capacity of existing gates.
- Implementation of the Unified Timekeeping System (UTS) will enable the Department of Buses to achieve economies and efficiencies in managing bus operator scheduling with an estimated savings of \$1.1 million.
- Based upon the opening of NYCT's consolidated revenue facility, it is projected that \$0.9 million of savings can be achieved by maintaining one inventory of encoded MetroCards instead of two. In addition, \$0.2 million of savings and 6 positions are projected to be saved from streamlining subway revenue collection by reducing the number of pick-ups per week at certain locations and by migrating from a train/truck operation to an all-truck operation.
- The bus holiday schedule will be modified to better align service with demand to result in \$0.7 million of savings.

2008 Final Proposed Budget

In 2008, PEG savings are projected at \$38.6 million, including 340 end-of-year position reductions. Major contributors include:

- Service support savings of \$16.5 million and 152 position reductions are projected in 2008. Highlights include:
 1. A reduction in subway platform coverage saving \$6.6 million and 98 positions. This reduction is facilitated by the installation of 1,350 emergency exit release bars to increase the emergency exit capacity of existing gates.
 2. Subways Service Delivery will maintain a 0.5% position vacancy rate, yielding savings of \$1.9 million.
 3. Holiday schedule modifications to better align bus service with demand is projected to result in savings of \$1.8 million.
 4. Field support efficiencies to be implemented by Subways Rapid Transit Operations are projected to save \$1.7 million and achieve 19 position reductions.
 5. The Department of Buses plans to eliminate 16 dispatcher positions (1 per depot excluding Staten Island) through depot-specific initiatives, including consolidating AM/PM picks into mid-day coverage, reducing the number of fixed and mobile dispatchers, reducing weekend coverage and eliminating 1 inside dispatcher. Projected savings are \$1.5 million.
 6. Implementation of the Unified Timekeeping System (UTS) will enable the Department of Buses to achieve economies and efficiencies in managing bus operator scheduling with an estimated savings of \$1.4 million.
 7. Based upon a reduction in “hours of service” violations, Subways Rapid Transit Operations will be able to eliminate 10 positions with a savings of \$0.8 million.
- Maintenance savings of \$11.7 million and 100 position reductions are projected in 2008. Details include:
 1. Subways Maintenance of Way/Rolling Stock divisions will maintain a vacancy level of 0.5% resulting in savings of \$3.7 million.
 2. An initiative to reduce the number of positions repairing structural “B” defects (i.e. small cracks or corrosion in structural steel elements that do not pose an imminent threat to safety or passenger service) will save 23 positions and \$2.0 million.
 3. Subways Electrical Maintenance division will save \$1.7 million and 23 positions from the elimination of a proposed additional fiber optic maintenance crew, a re-evaluation of operations and other efficiencies.
 4. Maintenance productivity improvements in the Department of Buses will save \$1.6 million and eliminate 16 positions (1 maintainer per depot except the two depots in Staten Island).
 5. A bus facility consolidation will result in savings of \$0.8 million and 11 position reductions primarily in the painting function.

6. The consolidation of bus revenue equipment maintenance by broadbanding supervisory titles will enable the saving of \$0.5 million and the elimination of 5 positions.
- Administrative and customer convenience savings of \$9.1 million and 52 position reductions are projected in 2008. Initiatives include the following:
 1. Departmental administrative efficiencies of \$2.7 million and 22 position reductions, most notably in Subways (\$1.1 million, 11 position reductions).
 2. Savings in the normal replacement of data processing equipment valued at \$2.5 million.
 3. Elimination of the remaining 28 full-time elevator operator positions at five Washington Heights stations, resulting in savings of \$1.7 million. It should be noted that each elevator is automatic and equipped with a talkback system and the waiting areas are equipped with closed-circuit television.
 4. Savings of \$1.0 million through audit work to avoid any PharmaCare overcharges for generic drugs and inappropriate dispensing fees from direct mail order pharmacies.
 5. Conversion of 28 station supervisor positions from level II supervisor to level I supervisor saving \$0.7 million.

The out-year values of 2008 PEG savings are projected as follows: \$41.8 million in 2009 and \$34.3 million in both 2010 and 2011, with position reductions of 367 in each year. Major contributors include:

- Service support savings of \$18.5 million in 2009 and \$15.6 million in both 2010 and 2011. Position reductions of 158 are projected in each year. Highlights include:
 1. A reduction in subway platform coverage saving \$6.6 million and 98 positions each year. This reduction is facilitated by installation of 1,350 emergency exit release bars to increase the emergency exit capacity of existing gates.
 2. Field support efficiencies to be implemented by Subway Rapid Transit Operations are projected to save \$2.7 million and achieve position reductions of 25 in each year.
 3. Subways Service Delivery will maintain a 0.5% vacancy level to result in savings of \$1.9 million in 2009.
 4. Holiday schedule modifications to better align bus service with demand is projected to result in savings of \$1.8 million each year.
 5. The Department of Buses plans to eliminate 16 dispatcher positions (1 per depot excluding Staten Island) through depot-specific initiatives, including consolidating AM/PM picks into mid-day coverage, reducing the number of fixed and mobile dispatchers, reducing weekend coverage and eliminating 1 inside dispatcher. Projected savings are \$1.5 million and 16 positions for each year.
 6. Implementation of the Unified Timekeeping System (UTS) will enable the Department of Buses to achieve economies and efficiencies in managing

bus operator scheduling with an estimated savings of \$1.4 million for each year.

7. Based upon a reduction of hours of service violations, Subways Rapid Transit Operations will be able to eliminate 10 positions with a savings of \$0.8 million for each year.
- Maintenance savings of \$12.2 million in 2009 and \$8.5 million in both 2010 and 2011, with 104 position reductions for each year, including:
 1. Subways Maintenance of Way/Rolling Stock divisions will maintain a vacancy level of 0.5% resulting in savings of \$3.7 million in 2009.
 2. An initiative to reduce the number of positions repairing structural “B” defects (i.e. small cracks or corrosion in structural steel elements that do not pose an imminent threat to safety or passenger service) will save 23 positions and \$2.0 million for each year.
 3. Subways Electrical Maintenance division will save \$1.7 million and 23 positions for each year from the elimination of a proposed additional fiber optic maintenance crew, a re-evaluation of operations and other efficiencies.
 4. The Department of Buses plans to save \$1.6 million and eliminate 16 positions (1 maintainer per depot except the two depots in Staten Island) for each year through productivity improvements.
 5. With the replacement of the “B” division 60-foot cars with new R160 cars, inspection requirements will be reduced resulting in savings of \$1.0 million and 12 positions for each year.
 6. A bus facility consolidation will result in savings of \$0.8 million and 11 position reductions each year primarily in the painting function.
 7. The consolidation of bus revenue equipment maintenance by broadbanding supervisory titles will enable the saving of \$0.5 million and the elimination of 5 positions for each projection year.

Administrative and customer convenience savings of \$8.8 million in 2009 and \$7.7 million in both 2010 and 2011 with position reductions of 57 in each year. Key elements include:

1. Departmental administrative efficiencies of \$3.6 million and 25 position reductions for each year, most notably Subways (\$1.2 million, 11 position reductions for each year).
2. Elimination of the remaining 28 full-time elevator operator positions at five Washington Heights stations, resulting in savings of \$1.7 million each year. It should be noted that each elevator is automatic and equipped with a talkback system and the waiting areas are equipped with closed-circuit television.
3. Savings of \$1.0 million each year through audit work to avoid any PharmaCare overcharges for generic drugs and inappropriate dispensing fees from direct mail order pharmacies.
4. A reduction in the cost of normal replacement of data processing equipment will save \$1.0 million in 2009.
5. Conversion of 28 Subway station supervisor positions from level II supervisors to level I supervisors, saving \$0.7 million each year.

Post-2008 PEG savings are projected at \$5.5 million and 43 position reductions for each year. These savings include administrative savings of \$3.5 million and 21 position reductions for each year and service support savings of \$2.1 million and 22 position reductions for each year.

MTA New York City Transit
November Financial Plan 2008 - 2011
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2006	2007	2008			
	Actual	November Forecast	Final Proposed Budget	2009	2010	2011
Revenue						
Farebox Revenue:						
Subway	\$1,946.8	\$2,022.5	\$2,064.6	\$2,079.5	\$2,096.0	\$2,113.2
Bus	775.2	774.5	778.3	783.8	790.1	796.5
Paratransit	8.3	9.5	11.0	12.7	14.6	16.8
Fare Media Liability	28.6	35.1	35.1	35.5	35.6	35.7
Total Farebox Revenue	2,758.9	2,841.6	2,889.0	2,911.5	2,936.3	2,962.2
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue:						
Fare Reimbursement	103.8	103.8	103.8	103.8	103.8	103.8
Paratransit Reimbursement	82.6	95.7	94.5	101.0	114.0	131.2
Other	96.2	95.6	102.5	108.8	114.0	119.4
Total Other Operating Revenue	282.5	295.1	300.8	313.5	331.8	354.3
Capital and Other Reimbursements	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	3,041.4	3,136.6	3,189.8	3,225.0	3,268.1	3,316.5
Expenses						
Labor:						
Payroll	2,520.4	2,635.0	2,765.8	2,819.2	2,886.8	2,942.7
Overtime	237.8	256.5	245.9	249.2	253.6	259.1
Total Salaries & Wages	2,758.2	2,891.5	3,011.6	3,068.5	3,140.5	3,201.9
Health and Welfare	580.7	622.8	714.4	777.7	851.0	930.6
Pensions	393.5	563.3	639.9	632.2	601.9	582.3
Other Fringe Benefits	195.3	213.7	215.9	222.0	230.6	236.4
Total Fringe Benefits	1,169.5	1,399.8	1,570.3	1,631.9	1,683.5	1,749.3
Reimbursable Overhead	(167.5)	(173.0)	(182.3)	(185.5)	(180.2)	(180.0)
Total Labor Expenses	3,760.1	4,118.3	4,399.6	4,514.9	4,643.8	4,771.1
Non-Labor:						
Traction and Propulsion Power	147.3	169.9	167.8	180.6	215.4	230.5
Fuel for Buses and Trains	120.1	114.7	124.6	126.4	128.5	128.9
Insurance	33.4	37.5	43.0	48.4	54.1	59.1
Claims	23.9	73.0	75.0	77.1	79.1	79.1
Paratransit Service Contracts	183.6	225.5	271.1	307.5	357.2	431.7
Mtce. and Other Operating Contracts	193.9	190.2	225.2	226.0	252.4	261.7
Professional Service Contracts	84.6	88.2	96.4	99.9	103.1	105.6
Materials & Supplies	275.1	299.8	307.3	351.7	359.3	353.6
Other Business Expenses	36.9	39.6	39.2	40.7	41.2	41.7
Total Non-Labor Expenses	1,098.8	1,238.5	1,349.5	1,458.4	1,590.4	1,691.9
Other Expense Adjustments:						
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses before Depreciation and OPEB	4,859.0	5,356.8	5,749.1	5,973.3	6,234.2	6,463.0
Depreciation	1,012.1	1,065.4	1,134.0	1,204.0	1,274.0	1,344.0
Other Post Employment Benefits	0.0	963.4	1,009.5	1,055.4	1,098.9	1,144.8
Total Expenses	5,871.1	7,385.6	7,892.6	8,232.7	8,607.1	8,951.8
Baseline Net Surplus/(Deficit)	(\$2,829.7)	(\$4,249.0)	(\$4,702.8)	(\$5,007.7)	(\$5,339.0)	(\$5,635.2)
2008 Program to Eliminate the Gap	0.0	6.0	38.6	41.8	34.3	34.3
Post 2008 Program to Eliminate the Gap	0.0	0.0	0.0	5.5	5.5	5.5
Net Surplus/(Deficit)	(\$2,829.7)	(\$4,243.0)	(\$4,664.2)	(\$4,960.3)	(\$5,299.2)	(\$5,595.4)

REIMBURSABLE

[illegible]

MTA New York City Transit
November Financial Plan 2008 - 2011
Accrual Statement of Operations by Category
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

Revenue

	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Farebox Revenue:						
Subway	\$1,946.8	\$2,022.5	\$2,064.6	\$2,079.5	\$2,096.0	\$2,113.2
Bus	775.2	774.5	778.3	783.8	790.1	796.5
Paratransit	8.3	9.5	11.0	12.7	14.6	16.8
Fare Media Liability	28.6	35.1	35.1	35.5	35.6	35.7
Total Farebox Revenue	2,758.9	2,841.6	2,889.0	2,911.5	2,936.3	2,962.2
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue:						
Fare Reimbursement	103.8	103.8	103.8	103.8	103.8	103.8
Paratransit Reimbursement	82.6	95.7	94.5	101.0	114.0	131.2
Other	96.2	95.6	102.5	108.8	114.0	119.4
Total Other Operating Revenue	282.5	295.1	300.8	313.5	331.8	354.3
Capital and Other Reimbursements	795.9	831.4	860.3	856.4	839.9	843.5
Total Revenue	3,837.3	3,968.1	4,050.1	4,081.4	4,107.9	4,160.0

Expenses

Labor:						
Payroll	2,852.8	2,979.3	3,141.4	3,194.6	3,254.0	3,310.4
Overtime	310.7	328.6	309.2	312.9	318.1	324.8
Total Salaries & Wages	3,163.4	3,307.9	3,450.6	3,507.5	3,572.0	3,635.2
Health and Welfare	599.4	642.3	735.8	801.5	877.0	958.9
Pensions	404.2	578.5	656.8	649.2	618.7	599.0
Other Fringe Benefits	278.4	301.0	312.5	317.1	322.6	328.2
Total Fringe Benefits	1,282.0	1,521.7	1,705.2	1,767.7	1,818.4	1,886.0
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenses	4,445.5	4,829.6	5,155.8	5,275.2	5,390.4	5,521.2
Non-Labor:						
Traction and Propulsion Power	147.3	169.9	167.8	180.6	215.4	230.5
Fuel for Buses and Trains	120.1	114.7	124.6	126.4	128.5	128.9
Insurance	33.4	37.5	43.0	48.4	54.1	59.1
Claims	24.0	73.0	75.0	77.1	79.1	79.1
Paratransit Service Contracts	183.6	225.5	271.1	307.5	357.2	431.7
Mtce. and Other Operating Contracts	231.4	224.9	257.4	256.9	283.3	292.6
Professional Service Contracts	100.5	106.2	112.8	115.8	119.1	121.2
Materials & Supplies	332.6	367.4	362.3	400.4	405.3	400.0
Other Business Expenses	36.5	39.5	39.7	41.2	41.7	42.2
Total Non-Labor Expenses	1,209.4	1,358.7	1,453.7	1,554.4	1,683.7	1,785.2
Other Expense Adjustments:						
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses before Depreciation and OPEB	5,654.9	6,188.3	6,609.5	6,829.6	7,074.1	7,306.4
Depreciation	1,012.1	1,065.4	1,134.0	1,204.0	1,274.0	1,344.0
Other Post Employment Benefits	0.0	963.4	1,009.5	1,055.4	1,098.9	1,144.8
Total Expenses	6,667.0	8,217.1	8,753.0	9,089.0	9,447.0	9,795.2
Baseline Net Surplus/(Deficit)	(\$2,829.7)	(\$4,249.0)	(\$4,702.8)	(\$5,007.7)	(\$5,339.0)	(\$5,635.2)
2008 Program to Eliminate the Gap	0.0	6.0	38.6	41.8	34.3	34.3
Post 2008 Program to Eliminate the Gap	0.0	0.0	0.0	5.5	5.5	5.5
Net Surplus/(Deficit)	(\$2,829.7)	(\$4,243.0)	(\$4,664.2)	(\$4,960.3)	(\$5,299.2)	(\$5,595.4)

MTA New York City Transit
November Financial Plan 2008 - 2011
Cash Receipts & Expenditures
(\$ in millions)

	2006	2007	2008			
	Actual	November Forecast	Final Proposed Budget	2009	2010	2011
<u>Receipts</u>						
Farebox Revenue	\$2,761.2	\$2,854.3	\$2,896.6	\$2,915.7	\$2,938.3	\$2,964.4
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue:						
Fare Reimbursement	103.8	103.8	103.8	103.8	103.8	103.8
Paratransit Reimbursement	80.2	96.6	94.9	101.0	113.8	131.0
Other	102.2	141.2	107.1	111.0	116.3	121.6
Total Other Operating Revenue	286.2	341.6	305.8	315.7	333.9	356.4
Capital and Other Reimbursements	762.3	812.3	878.8	882.3	842.8	842.2
Total Receipts	3,809.7	4,008.1	4,081.2	4,113.7	4,115.0	4,163.0
<u>Expenditures</u>						
Labor:						
Payroll	2,802.6	2,959.5	3,125.5	3,170.5	3,229.2	3,284.8
Overtime	303.2	327.7	309.0	311.8	317.0	323.7
Total Salaries & Wages	3,105.8	3,287.2	3,434.5	3,482.3	3,546.2	3,608.5
Health and Welfare	596.8	643.5	732.7	798.2	873.5	955.1
Pensions	442.2	521.3	627.3	652.5	633.5	609.6
Other Fringe Benefits	276.1	291.0	303.3	307.2	312.7	318.1
Total Fringe Benefits	1,315.1	1,455.8	1,663.3	1,757.9	1,819.7	1,882.8
GASB Account	153.8	62.7	41.0	42.9	43.9	45.0
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	4,574.7	4,805.7	5,138.8	5,283.0	5,409.8	5,536.3
Non-Labor:						
Traction and Propulsion Power	139.5	176.6	167.8	180.6	215.4	230.5
Fuel for Buses and Trains	120.1	115.5	124.6	126.4	128.5	128.9
Insurance	41.8	21.4	44.8	47.4	53.1	60.4
Claims	57.3	56.3	66.0	60.0	61.5	63.0
Paratransit Service Contracts	162.9	234.5	271.1	307.5	357.2	431.7
Mtce. and Other Operating Contracts	245.5	233.9	266.4	267.6	294.0	303.3
Professional Service Contracts	97.0	102.4	107.8	110.8	114.1	116.2
Materials & Supplies	344.4	374.4	360.3	398.4	403.3	398.0
Other Business Expenditures	37.9	39.5	39.7	41.2	41.7	42.2
Total Non-Labor Expenditures	1,246.4	1,354.5	1,448.5	1,539.9	1,668.8	1,774.1
Other Expenditure Adjustments:						
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expenditure Adjustments	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenditures	5,821.1	6,160.1	6,587.3	6,822.9	7,078.6	7,310.4
Baseline Net Cash Deficit	(\$2,011.4)	(\$2,152.0)	(\$2,506.1)	(\$2,709.3)	(\$2,963.7)	(\$3,147.4)
2008 Program to Eliminate the Gap	0.0	6.0	38.6	41.8	34.3	34.3
Post 2008 Program to Eliminate the Gap	0.0	0.0	0.0	5.5	5.5	5.5
Net Cash Deficit	(\$2,011.4)	(\$2,145.9)	(\$2,467.5)	(\$2,661.9)	(\$2,923.8)	(\$3,107.6)

MTA New York City Transit
November Financial Plan 2008 - 2011
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2006	2007	2008			
	Actual	November Forecast	Final Proposed Budget	2009	2010	2011
<u>Receipts</u>						
Farebox Revenue	\$2.3	\$12.7	\$7.6	\$4.2	\$2.0	\$2.2
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue:						
Fare Reimbursement	0.0	0.0	0.0	0.0	0.0	0.0
Paratransit Reimbursement	(2.4)	1.0	0.3	(0.0)	(0.2)	(0.2)
Other	6.0	45.5	4.7	2.2	2.3	2.3
Total Other Operating Revenue	3.7	46.5	5.0	2.2	2.1	2.1
Capital and Other Reimbursements	(33.6)	(19.1)	18.4	25.9	2.9	(1.3)
Total Receipt Adjustments	(27.6)	40.1	31.0	32.3	7.0	3.1
<u>Expenditures</u>						
Labor:						
Payroll	50.2	19.9	15.8	24.1	24.7	25.5
Overtime	7.5	0.8	0.3	1.1	1.1	1.1
Total Salaries & Wages	57.6	20.7	16.1	25.2	25.8	26.7
Health and Welfare	2.6	(1.2)	3.1	3.3	3.6	3.8
Pensions	(38.0)	57.1	29.5	(3.4)	(14.8)	(10.6)
Other Fringe Benefits	2.3	10.0	9.2	9.9	10.0	10.0
Total Fringe Benefits	(33.1)	65.9	41.8	9.9	(1.3)	3.2
GASB Account	(153.8)	(62.7)	(41.0)	(42.9)	(43.9)	(45.0)
Reimbursable Overhead						
Total Labor Expenditures	(129.2)	24.0	16.9	(7.8)	(19.4)	(15.1)
Non-Labor:						
Traction and Propulsion Power	7.8	(6.7)	0.0	0.0	0.0	0.0
Fuel for Buses and Trains	0.0	(0.8)	0.0	0.0	0.0	0.0
Insurance	(8.4)	16.1	(1.8)	1.0	1.0	(1.3)
Claims	(33.3)	16.7	9.0	17.1	17.6	16.1
Paratransit Service Contracts	20.7	(9.0)	0.0	0.0	0.0	0.0
Mtce. and Other Operating Contracts	(14.1)	(9.0)	(9.0)	(10.7)	(10.7)	(10.7)
Professional Service Contracts	3.5	3.8	5.0	5.0	5.0	5.0
Materials & Supplies	(11.8)	(7.0)	2.0	2.0	2.0	2.0
Other Business Expenditures	(1.4)	0.0	0.0	0.0	0.0	0.0
Total Non-Labor Expenditures	(37.0)	4.2	5.2	14.5	14.9	11.1
Other Expenditure Adjustments:						
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expenditure Adjustments	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenditure Adjustments	(166.2)	28.1	22.2	6.7	(4.6)	(4.0)
Total Cash Conversion Adjustments before Depreciation and OPEB	(193.8)	68.2	53.2	39.0	2.5	(1.0)
Depreciation Adjustment	1,012.1	1,065.4	1,134.0	1,204.0	1,274.0	1,344.0
Other Post Employment Benefits	0.0	963.4	1,009.5	1,055.4	1,098.9	1,144.8
Baseline Total Cash Conversion Adj.	\$818.3	\$2,097.0	\$2,196.7	\$2,298.4	\$2,375.4	\$2,487.8
2008 Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0
Post 2008 Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Conversion Adjustments	\$818.3	\$2,097.0	\$2,196.7	\$2,298.4	\$2,375.4	\$2,487.8

MTA New York City Transit
November Financial Plan 2008-2011
Year-To-Year Major Changes by Category-Baseline Narrative

TOTAL REVENUES

Farebox Revenue

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

Other Operating Revenue

- Paratransit reimbursements include contractually-capped annual increases in NYC reimbursements that serve to partially fund the annual growth in paratransit expenses, and urban tax revenue, for which reductions are projected in 2008 and 2009 from a very high 2007 level driven by an ongoing strong commercial real estate market in NYC.
- Other revenues include annual increases in advertising revenues based upon current contracts in place.

Capital and Other Reimbursements

- Annual reimbursement levels fluctuate year-to-year based upon reimbursable expense levels supported primarily by capital project requirements.

TOTAL EXPENSES

Payroll

- The effective 2008 projected wage increase is 3.38% based upon contracts in place.
- 2009-2011 projections include primarily CPI-based rate increases as follows: 2009=1.97%, 2010=1.95% and 2011=2.00%.

Overtime

- 2008-2011 payroll wage rate increase assumptions apply.
- The reduction from 2007 to 2008 reflects additional 2007 overtime requirements caused by vacancy coverage and adverse weather not anticipated to recur in 2008.

Health & Welfare

- Inflation assumptions are as follows: 2008=12.5% (Empire Plan) and 9.2% (HIP/GHI), 2009 through 2011=9.2% (all plans).

Pension

- Projections are consistent with current actuarial information. Year-to-year changes are affected by 2006 NYCERS revaluation adjustments.

Other Fringe Benefits

- Projections are consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- The financial plan reflects projected New York Power Authority (NYPA) annual rate increases as follows: 2008=1.30%, 2009=7.70%, 2010=19.30% and 2011=7.00%.

Fuel for Buses and Trains

- Inflation assumptions are as follows: 2008=(1.40)%, 2009=(1.42)% and 2010=(1.91)% and 2011=(1.46)%.

Insurance

- Inflation assumptions were provided by the MTA.

Claims

- The plan assumes an annual inflation rate of 2.5% for 2008 through 2011.

Paratransit Service Contracts

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

Maintenance and Other Operating Contracts

- 2008-2011 inflation assumptions are based upon Global Insight's estimates as follows: 2008=2.04%, 2009=1.91%, 2010=1.73% and 2011=1.82%.
- Facility power inflation assumptions are based on a projected New York Power Authority (NYPA) annual rate increases as follows: 2008=1.30%, 2009=7.70%, 2010=19.30% and 2011=7.00%.

Professional Service Contracts

- 2008-2011 inflation assumptions are based upon Global Insight's estimates as follows: 2008=2.04%, 2009=1.91%, 2010=1.73% and 2011=1.82%.

Materials and Supplies

- Non-reimbursable expense levels tend to fluctuate year-to-year, primarily due to the timing of subway and bus fleet maintenance programs.
- 2008-2011 inflation assumptions are based upon Global Insight's estimates as follows: 2008=3.73%, 2009=4.18%, 2010=2.53% and 2011=1.61%.

Other Business Expenses

- 2008-2011 inflation assumptions are based upon Global Insight's estimates as follows: 2008=2.04%, 2009=1.91%, 2010=1.73% and 2011=1.82%.

Depreciation

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

TOTAL RECEIPTS

Farebox Receipts

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

Other Operating Receipts

- Paratransit reimbursements include contractually-capped annual increases in NYC reimbursements that serve to partially fund the annual growth in paratransit expenses, and urban tax revenue, for which reductions are projected in 2008 and 2009 from a very high 2007 level driven by a continued very strong commercial real estate market in NYC.
- Other revenues include annual increases in advertising revenues based upon current contracts in place.
- 2007 includes non-recurring cash receipts of \$28.2 million representing a drawdown of prior years' accumulated Transit Adjudication Bureau funds.

Capital and Other Reimbursements

- Annual reimbursement levels fluctuate year-to-year based upon reimbursable expense levels driven mostly by capital project requirements.
- Annual cash adjustments are included to recognize changes in the timing of receipts.

TOTAL EXPENDITURES

Payroll

- The effective 2008 projected wage increase is 3.38% based upon contracts in place.
- 2009-2011 projections include primarily CPI-based rate increases as follows: 2009=1.97%, 2010=1.95% and 2011=2.00%.

Overtime

- 2008-2011 payroll wage rate increase assumptions apply.
- The reduction from 2007 to 2008 reflects additional 2007 overtime requirements caused by vacancy coverage and adverse weather not anticipated to recur in 2008.

Health & Welfare

- Inflation assumptions are as follows: 2008=12.5% (Empire Plan) and 9.2% (HIP/GHI), 2009 through 2011=9.2% (all plans).
- 2007 includes \$2.3 million of unfavorable cash timing adjustments from 2006.

Pension

- Projections are consistent with current actuarial information. Year-to-year changes are affected by 2006 NYCERS revaluation adjustments.
- 2007 includes \$12.5 million of favorable cash timing adjustments from 2006.

Other Fringe Benefits

- Projections are consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- The financial plan reflects projected New York Power Authority (NYPA) annual rate increases as follows: 2008=1.30%, 2009=7.70%, 2010=19.30% and 2011=7.00%.

Fuel for Buses and Trains

- Inflation assumptions are as follows: 2008=(1.40)%, 2009=(1.42)%, 2010=(1.91)% and 2011=(1.46)%.
- 2007 includes a \$0.8 million unfavorable cash timing adjustment from 2006.

Insurance

- Inflation assumptions were provided by the MTA.
- 2007 includes a \$16.0 million favorable cash timing adjustment from 2006.

Claims

- The plan assumes an annual inflation rate of 2.5% for 2008 through 2011.
- Claims payment levels tend to fluctuate from year to year.

Paratransit Service Contracts

- The primary driver of expense increases is projected annual ridership growth of 15%.
- Cost-per-trip inflation projections reflect carrier contracts, which provide for annual rate increases based on CPI.
- 2007 includes a \$9.0 million unfavorable cash timing adjustment from 2006.

Maintenance and Other Operating Contracts

- 2008-2011 inflation assumptions are based upon Global Insight's estimates as follows: 2008=2.04%, 2009=1.91%, 2010=1.73% and 2011=1.82%.
- Facility power inflation assumptions are based on a projected New York Power Authority (NYPA) annual rate increases as follows: 2008=1.30%, 2009=7.70%, 2010=19.30% and 2011=7.00%.

Professional Service Contracts

- 2008-2011 inflation assumptions are based upon Global Insight's estimates as follows: 2008=2.04%, 2009=1.91%, 2010=1.73% and 2011=1.82%.

Materials and Supplies

- 2007 includes a \$3.0 million unfavorable cash timing adjustment from 2006.
- 2008-2011 inflation assumptions are based upon Global Insight's estimates as follows: 2008=3.73%, 2009=4.18%, 2010=2.53% and 2011=1.61%.
- Non-reimbursable expense levels fluctuate year-to-year, primarily due to the timing of subway and bus fleet maintenance programs.

Other Business Expenses

- 2008-2011 inflation assumptions are based upon Global Insight's estimates as follows: 2008=2.04%, 2009=1.91%, 2010=1.73% and 2011=1.82%.

MTA New York City Transit
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2007	2008	Change 2008-2007	2009	Change 2009-2008	2010	Change 2010-2009	2011	Change 2011-2010
<u>Revenue</u>									
Farebox Revenue:									
Subway	\$2,022.5	\$2,064.6	\$42.1	\$2,079.5	\$14.9	\$2,096.0	\$16.5	\$2,113.2	\$17.2
Bus	774.5	778.3	3.9	783.8	5.5	790.1	6.3	796.5	6.4
Paratransit	9.5	11.0	1.5	12.7	1.7	14.6	1.9	16.8	2.2
Fare Media Liability	35.1	35.1	0.0	35.5	0.4	35.6	0.1	35.7	0.1
Total Farebox Revenue	2,841.6	2,889.0	47.5	2,911.5	22.4	2,936.3	24.8	2,962.2	25.9
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue:									
Fare Reimbursement	103.8	103.8	0.0	103.8	0.0	103.8	0.0	103.8	0.0
Paratransit Reimbursement	95.7	94.5	(1.2)	101.0	6.5	114.0	13.0	131.2	17.2
Other	95.6	102.5	6.9	108.8	6.3	114.0	5.2	119.4	5.3
Total Other Operating Revenue	295.1	300.8	5.7	313.5	12.8	331.8	18.2	354.3	22.5
Capital and Other Reimbursements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	3,136.6	3,189.8	53.2	3,225.0	35.2	3,268.1	43.1	3,316.5	48.4
<u>Expenses</u>									
Labor:									
Payroll	2,635.0	2,765.8	(130.8)	2,819.2	(53.4)	2,886.8	(67.6)	2,942.7	(55.9)
Overtime	256.5	245.9	10.6	249.2	(3.4)	253.6	(4.4)	259.1	(5.5)
Total Salaries & Wages	2,891.5	3,011.6	(120.1)	3,068.5	(56.8)	3,140.5	(72.0)	3,201.9	(61.4)
Health and Welfare	622.8	714.4	(91.7)	777.7	(63.2)	851.0	(73.4)	930.6	(79.5)
Pensions	563.3	639.9	(76.6)	632.2	7.7	601.9	30.3	582.3	19.6
Other Fringe Benefits	213.7	215.9	(2.2)	222.0	(6.1)	230.6	(8.6)	236.4	(5.8)
Total Fringe Benefits	1,399.8	1,570.3	(170.5)	1,631.9	(61.6)	1,683.5	(51.7)	1,749.3	(65.7)
Reimbursable Overhead	(173.0)	(182.3)	9.3	(185.5)	3.1	(180.2)	(5.2)	(180.0)	(0.2)
Total Labor Expenses	4,118.3	4,399.6	(281.2)	4,514.9	(115.3)	4,643.8	(128.9)	4,771.1	(127.3)
Non-Labor:									
Traction and Propulsion Power	169.9	167.8	2.1	180.6	(12.8)	215.4	(34.9)	230.5	(15.1)
Fuel for Buses and Trains	114.7	124.6	(9.9)	126.4	(1.9)	128.5	(2.1)	128.9	(0.4)
Insurance	37.5	43.0	(5.5)	48.4	(5.4)	54.1	(5.7)	59.1	(5.0)
Claims	73.0	75.0	(2.0)	77.1	(2.1)	79.1	(2.0)	79.1	0.0
Paratransit Service Contracts	225.5	271.1	(45.7)	307.5	(36.4)	357.2	(49.7)	431.7	(74.4)
Mtce. and Other Operating Contracts	190.2	225.2	(34.9)	226.0	(0.8)	252.4	(26.4)	261.7	(9.3)
Professional Service Contracts	88.2	96.4	(8.2)	99.9	(3.5)	103.1	(3.3)	105.6	(2.5)
Materials & Supplies	299.8	307.3	(7.4)	351.7	(44.5)	359.3	(7.6)	353.6	5.7
Other Business Expenses	39.6	39.2	0.4	40.7	(1.5)	41.2	(0.5)	41.7	(0.5)
Total Non-Labor Expenses	1,238.5	1,349.5	(111.0)	1,458.4	(108.9)	1,590.4	(132.0)	1,691.9	(101.5)
Other Expense Adjustments:									
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses before Depreciation	5,356.8	5,749.1	(392.3)	5,973.3	(224.2)	6,234.2	(260.9)	6,463.0	(228.8)
Depreciation	1,065.4	1,134.0	(68.6)	1,204.0	(70.0)	1,274.0	(70.0)	1,344.0	(70.0)
Other Post Employment Benefits	963.4	1,009.5	(46.1)	1,055.4	(45.9)	1,098.9	(43.5)	1,144.8	(45.9)
Total Expenses	7,385.6	7,892.6	(507.0)	8,232.7	(340.1)	8,607.1	(374.4)	8,951.8	(344.7)
Baseline Net Surplus/(Deficit)	(\$4,249.0)	(\$4,702.8)	(\$453.8)	(\$5,007.7)	(\$304.9)	(\$5,339.0)	(\$331.3)	(\$5,635.2)	(\$296.2)
2008 Program to Eliminate the Gap	6.0	38.6	32.6	41.8	3.2	34.3	(7.5)	34.3	(0.0)
Post-2008 Program to Eliminate the GAP	0.0	0.0	0.0	5.5	5.5	5.5	0.0	5.5	0.0
Net Surplus/(Deficit)	(\$4,243.0)	(\$4,664.2)	(\$421.2)	(\$4,960.3)	(\$296.1)	(\$5,299.2)	(\$338.9)	(\$5,595.4)	(\$296.2)

REIMBURSABLE

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MTA New York City Transit
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

NON-REIMBURSABLE and REIMBURSABLE	Favorable/(Unfavorable)								
	2007	2008	Change 2008-2007	2009	Change 2009-2008	2010	Change 2010-2009	2011	Change 2011-2010
Revenue									
Farebox Revenue:									
Subway	\$2,022.5	\$2,064.6	\$42.1	\$2,079.5	\$14.9	\$2,096.0	\$16.5	\$2,113.2	\$17.2
Bus	774.5	778.3	3.9	783.8	5.5	790.1	6.3	796.5	6.4
Paratransit	9.5	11.0	1.5	12.7	1.7	14.6	1.9	16.8	2.2
Fare Media Liability	35.1	35.1	0.0	35.5	0.4	35.6	0.1	35.7	0.1
Total Farebox Revenue	2,841.6	2,889.0	47.5	2,911.5	22.4	2,936.3	24.8	2,962.2	25.9
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue:									
Fare Reimbursement	103.8	103.8	0.0	103.8	0.0	103.8	0.0	103.8	0.0
Paratransit Reimbursement	95.7	94.5	(1.2)	101.0	6.5	114.0	13.0	131.2	17.2
Other	95.6	102.5	6.9	108.8	6.3	114.0	5.2	119.4	5.3
Total Other Operating Revenue	295.1	300.8	5.7	313.5	12.8	331.8	18.2	354.3	22.5
Capital and Other Reimbursements	831.4	860.3	28.9	856.4	(4.0)	839.9	(16.5)	843.5	3.6
Total Revenue	3,968.1	4,050.1	82.1	4,081.4	31.2	4,107.9	26.6	4,160.0	52.0
Expenses									
Labor:									
Payroll	2,979.3	3,141.4	(162.0)	3,194.6	(53.3)	3,254.0	(59.4)	3,310.4	(56.4)
Overtime	328.6	309.2	19.3	312.9	(3.6)	318.1	(5.2)	324.8	(6.8)
Total Salaries & Wages	3,307.9	3,450.6	(142.7)	3,507.5	(56.9)	3,572.0	(64.5)	3,635.2	(63.2)
Health and Welfare	642.3	735.8	(93.5)	801.5	(65.7)	877.0	(75.6)	958.9	(81.9)
Pensions	578.5	656.8	(78.4)	649.2	7.7	618.7	30.4	599.0	19.7
Other Fringe Benefits	301.0	312.5	(11.6)	317.1	(4.6)	322.6	(5.5)	328.2	(5.5)
Total Fringe Benefits	1,521.7	1,705.2	(183.5)	1,767.7	(62.6)	1,818.4	(50.6)	1,886.0	(67.6)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenses	4,829.6	5,155.8	(326.2)	5,275.2	(119.5)	5,390.4	(115.2)	5,521.2	(130.8)
Non-Labor:									
Traction and Propulsion Power	169.9	167.8	2.1	180.6	(12.8)	215.4	(34.9)	230.5	(15.1)
Fuel for Buses and Trains	114.7	124.6	(9.9)	126.4	(1.9)	128.5	(2.1)	128.9	(0.4)
Insurance	37.5	43.0	(5.5)	48.4	(5.4)	54.1	(5.7)	59.1	(5.0)
Claims	73.0	75.0	(2.0)	77.1	(2.1)	79.1	(2.0)	79.1	0.0
Paratransit Service Contracts	225.5	271.1	(45.7)	307.5	(36.4)	357.2	(49.7)	431.7	(74.4)
Mtce. and Other Operating Contracts	224.9	257.4	(32.5)	256.9	0.5	283.3	(26.4)	292.6	(9.3)
Professional Service Contracts	106.2	112.8	(6.6)	115.8	(3.0)	119.1	(3.3)	121.2	(2.1)
Materials & Supplies	367.4	362.3	5.1	400.4	(38.1)	405.3	(4.9)	400.0	5.3
Other Business Expenses	39.5	39.7	(0.2)	41.2	(1.5)	41.7	(0.5)	42.2	(0.5)
Total Non-Labor Expenses	1,358.7	1,453.7	(95.0)	1,554.4	(100.7)	1,683.7	(129.2)	1,785.2	(101.5)
Other Expense Adjustments:									
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses before Depreciation	6,188.3	6,609.5	(421.2)	6,829.6	(220.2)	7,074.1	(244.4)	7,306.4	(232.3)
Depreciation	1,065.4	1,134.0	(68.6)	1,204.0	(70.0)	1,274.0	(70.0)	1,344.0	(70.0)
Other Post Employment Benefits	963.4	1,009.5	(46.1)	1,055.4	(45.9)	1,098.9	(43.5)	1,144.8	(45.9)
Total Expenses	8,217.1	8,753.0	(535.9)	9,089.0	(336.1)	9,447.0	(357.9)	9,795.2	(348.2)
Baseline Net Surplus/(Deficit)	(\$4,249.0)	(\$4,702.8)	(\$453.8)	(\$5,007.7)	(\$304.9)	(\$5,339.0)	(\$331.3)	(\$5,635.2)	(\$296.2)
2008 Program to Eliminate the Gap	6.0	38.6	32.6	41.8	3.2	34.3	(7.5)	34.3	(0.0)
Post-2008 Program to Eliminate the GAP	0.0	0.0	0.0	5.5	5.5	5.5	0.0	5.5	0.0
Net Surplus/(Deficit)	(\$4,243.0)	(\$4,664.2)	(\$421.2)	(\$4,960.3)	(\$296.1)	(\$5,299.2)	(\$338.9)	(\$5,595.4)	(\$296.2)

MTA New York City Transit
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

	Favorable/(Unfavorable)								
	2007	2008	Change 2008-2007	2009	Change 2009-2008	2010	Change 2010-2009	2011	Change 2011-2010
<u>Receipts</u>									
Farebox Revenue	\$2,854.3	\$2,896.6	\$42.4	\$2,915.7	\$19.0	\$2,938.3	\$22.6	\$2,964.4	\$26.1
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue:									
Fare Reimbursement	103.8	103.8	0.0	103.8	0.0	103.8	0.0	103.8	0.0
Paratransit Reimbursement	96.6	94.9	(1.8)	101.0	6.1	113.8	12.8	131.0	17.3
Other	141.2	107.1	(34.0)	111.0	3.8	116.3	5.3	121.6	5.3
Total Other Operating Revenue	341.6	305.8	(35.8)	315.7	10.0	333.9	18.1	356.4	22.6
Capital and Other Reimbursements	812.3	878.8	66.5	882.3	3.5	842.8	(39.5)	842.2	(0.6)
Total Receipts	4,008.1	4,081.2	73.0	4,113.7	32.5	4,115.0	1.3	4,163.0	48.0
<u>Expenditures</u>									
Labor:									
Payroll	2,959.5	3,125.5	(166.1)	3,170.5	(44.9)	3,229.2	(58.8)	3,284.8	(55.6)
Overtime	327.7	309.0	18.8	311.8	(2.8)	317.0	(5.2)	323.7	(6.7)
Total Salaries & Wages	3,287.2	3,434.5	(147.3)	3,482.3	(47.8)	3,546.2	(64.0)	3,608.5	(62.3)
Health and Welfare	643.5	732.7	(89.2)	798.2	(65.4)	873.5	(75.3)	955.1	(81.6)
Pensions	521.3	627.3	(106.0)	652.5	(25.2)	633.5	19.0	609.6	23.9
Other Fringe Benefits	291.0	303.3	(12.3)	307.2	(3.9)	312.7	(5.5)	318.1	(5.4)
Total Fringe Benefits	1,455.8	1,663.3	(207.6)	1,757.9	(94.5)	1,819.7	(61.8)	1,882.8	(63.1)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	4,805.7	5,138.8	(333.2)	5,283.0	(144.2)	5,409.8	(126.8)	5,536.3	(126.5)
Non-Labor:									
Traction and Propulsion Power	176.6	167.8	8.8	180.6	(12.8)	215.4	(34.9)	230.5	(15.1)
Fuel for Buses and Trains	115.5	124.6	(9.1)	126.4	(1.9)	128.5	(2.1)	128.9	(0.4)
Insurance	21.4	44.8	(23.3)	47.4	(2.6)	53.1	(5.7)	60.4	(7.3)
Claims	56.3	66.0	(9.7)	60.0	6.1	61.5	(1.5)	63.0	(1.5)
Paratransit Service Contracts	234.5	271.1	(36.7)	307.5	(36.4)	357.2	(49.7)	431.7	(74.4)
Mtce. and Other Operating Contracts	233.9	266.4	(32.5)	267.6	(1.2)	294.0	(26.4)	303.3	(9.3)
Professional Service Contracts	102.4	107.8	(5.4)	110.8	(3.0)	114.1	(3.3)	116.2	(2.1)
Materials & Supplies	374.4	360.3	14.1	398.4	(38.1)	403.3	(4.9)	398.0	5.3
Other Business Expenditures	39.5	39.7	(0.2)	41.2	(1.5)	41.7	(0.5)	42.2	(0.5)
Total Non-Labor Expenditures	1,354.5	1,448.5	(94.0)	1,539.9	(91.5)	1,668.8	(128.9)	1,774.1	(105.3)
Other Expenditure Adjustments:									
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expenditure Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenditures	6,160.1	6,587.3	(427.2)	6,822.9	(235.6)	7,078.6	(255.7)	7,310.4	(231.8)
Baseline Net Cash Deficit	(\$2,152.0)	(\$2,506.1)	(\$354.2)	(\$2,709.3)	(\$203.2)	(\$2,963.7)	(\$254.4)	(\$3,147.4)	(\$183.8)
2008 Program to Eliminate the Gap	6.0	38.6	32.6	41.8	3.2	34.3	(7.5)	34.3	(0.0)
Post-2008 Program to Eliminate the GAP	0.0	0.0	0.0	5.5	5.5	5.5	0.0	5.5	0.0
Net Cash Deficit	(\$2,145.9)	(\$2,467.5)	(\$321.6)	(\$2,661.9)	(\$194.4)	(\$2,923.8)	(\$261.9)	(\$3,107.6)	(\$183.8)

MTA New York City Transit
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	Favorable/(Unfavorable)								
	2007	2008	Change 2008-2007	2009	Change 2009-2008	2010	Change 2010-2009	2011	Change 2011-2010
<u>Receipts</u>									
Farebox Revenue	\$12.7	\$7.6	(\$5.1)	\$4.2	(\$3.4)	\$2.0	(\$2.2)	\$2.2	\$0.2
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue:									
Fare Reimbursement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Paratransit Reimbursement	1.0	0.3	(0.6)	(0.0)	(0.4)	(0.2)	(0.2)	(0.2)	0.0
Other	45.5	4.7	(40.9)	2.2	(2.4)	2.3	0.1	2.3	(0.0)
Total Other Operating Revenue	46.5	5.0	(41.5)	2.2	(2.8)	2.1	(0.1)	2.1	0.0
Capital and Other Reimbursements	(19.1)	18.4	37.5	25.9	7.5	2.9	(23.0)	(1.3)	(4.2)
Total Receipt Adjustments	40.1	31.0	(9.1)	32.3	1.3	7.0	(25.3)	3.1	(4.0)
<u>Expenditures</u>									
Labor:									
Payroll	19.9	15.8	(4.1)	24.1	8.3	24.7	0.6	25.5	0.8
Overtime	0.8	0.3	(0.5)	1.1	0.8	1.1	0.0	1.1	0.0
Total Salaries & Wages	20.7	16.1	(4.6)	25.2	9.1	25.8	0.6	26.7	0.9
Health and Welfare	(1.2)	3.1	4.3	3.3	0.2	3.6	0.2	3.8	0.2
Pensions	57.1	29.5	(27.6)	(3.4)	(32.9)	(14.8)	(11.4)	(10.6)	4.2
Other Fringe Benefits	10.0	9.2	(0.8)	9.9	0.7	10.0	0.0	10.0	0.1
Total Fringe Benefits	65.9	41.8	(24.1)	9.9	(32.0)	(1.3)	(11.2)	3.2	4.5
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	24.0	16.9	(7.0)	(7.8)	(24.7)	(19.4)	(11.6)	(15.1)	4.3
Non-Labor:									
Traction and Propulsion Power	(6.7)	0.0	6.7	0.0	0.0	0.0	0.0	0.0	0.0
Fuel for Buses and Trains	(0.8)	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0
Insurance	16.1	(1.8)	(17.9)	1.0	2.8	1.0	(0.1)	(1.3)	(2.3)
Claims	16.7	9.0	(7.7)	17.1	8.1	17.6	0.5	16.1	(1.5)
Paratransit Service Contracts	(9.0)	0.0	9.0	0.0	0.0	0.0	0.0	0.0	0.0
Mtce. and Other Operating Contracts	(9.0)	(9.0)	0.0	(10.7)	(1.7)	(10.7)	0.0	(10.7)	0.0
Professional Service Contracts	3.8	5.0	1.2	5.0	0.0	5.0	0.0	5.0	0.0
Materials & Supplies	(7.0)	2.0	9.0	2.0	0.0	2.0	0.0	2.0	0.0
Other Business Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Non-Labor Expenditures	4.2	5.2	1.0	14.5	9.2	14.9	0.4	11.1	(3.8)
Other Expenditure Adjustments:									
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expenditure Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenditure Adjustments	28.1	22.2	(6.0)	6.7	(15.4)	(4.6)	(11.3)	(4.0)	0.5
Total Cash Conversion Adjustments before Depreciation	68.2	53.2	(15.0)	39.0	(14.2)	2.5	(36.5)	(1.0)	(3.4)
Depreciation Adjustment	1,065.4	1,134.0	68.6	1,204.0	70.0	1,274.0	70.0	1,344.0	70.0
Other Post Employment Benefits	963.4	1,009.5	46.1	1,055.4	45.9	1,098.9	43.5	1,144.8	45.9
Baseline Total Cash Conversion Adj.	\$2,097.0	\$2,196.7	\$99.7	\$2,298.4	\$101.7	\$2,375.4	\$77.0	\$2,487.8	\$112.5
2008 Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Post-2008 Program to Eliminate the GAP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Conversion Adjustments	\$2,097.0	\$2,196.7	\$99.7	\$2,298.4	\$101.7	\$2,375.4	\$77.0	\$2,487.8	\$112.5

**MTA New York City Transit
November Financial Plan 2008-2011
Summary of Major Plan-to-Plan Changes**

2007: November Financial Plan vs. July Financial Plan

Revenue Changes-Baseline

Revenue changes from the July Financial Plan resulted in an increase of \$12.0 million. Major changes include:

- A projected farebox revenue increase of \$38.4 million primarily based upon recent subway ridership growth.
- A capital reimbursement decrease of \$25.0 million consistent with a projected reduction in reimbursable expenses.

Expense Changes

Expense changes (excluding Depreciation and Other Post-Employment Benefits) from the July Financial Plan result in a decrease in expenses of \$41.3 million. Major favorable expense changes include:

- Reimbursable expenses are projected to decrease by \$25.0 million, primarily due to several departmental underruns and R142 traction motor repair costs now reclassified to non-reimbursable.
- Lower-than-anticipated health and welfare expenses of \$20.3 million.
- Departmental expense reductions of \$13.1 million including \$4.8 million from the wind-down of the Central Maintenance Management System (CMMS) project after several installations, \$3.5 million in savings from reduction of information technology professional and technical fees and \$1.7 million from reductions in non-priority technology projects and in the normal replacement of data processing equipment.
- A net energy savings of \$11.8 million based on revised inflation assumptions and fuel mileage recalculations. This net savings includes a fuel savings of \$18.3 million and increased power expenses of \$6.5 million.
- \$3.4 million of the timing of expenses to be offset in subsequent years. Included is a favorable \$8.7 million of station painting expenses rescheduled to 2008. It has been determined that average costs of station painting are higher than originally anticipated. Also included is an unfavorable \$7.4 million of expenses associated with R142 traction motor repair costs, which are expected to be fully reimbursed in 2009.

Major unfavorable expense changes include:

- Funding for Safety and Customer Satisfaction Pilot Programs of \$24.4 million and 482 positions including: \$13.5 million and 370 positions for subway stations, track and car cleaning, car quality control (windows maintained in scratch-free condition), employee facilities (clean, well-maintained, meet functional standards) and elevator & escalator (improve availability of

equipment to customers, improve cleanliness and appearance); \$9.7 million and 93 positions for buses quality control (maintain buses in “like new” condition) and employee facilities (improve cleanliness and maintenance) and \$1.2 million and 19 positions for security and program support costs.

- An employee availability re-estimate results in an unfavorable \$6.0 million as it has been determined that an initiative (prior year PEG included in the baseline) of achieving a one-day reduction in controllable absences is largely not achievable.

Cash Adjustments (excluding Depreciation and Other Post-Employment Benefits)

Cash adjustments were unfavorable by \$11.7 million. Major changes include:

- The projected unfavorable timing of capital reimbursements of \$45.4 million now projected to be reimbursed in 2008 and 2009.
- Favorable cash adjustments of \$34.5 million including interest income of \$12.7 million due to higher cash balances and rates, \$11.9 million relating to the timing of labor contract settlements and re-estimates, \$5.2 million regarding the timing of counting/depositing of farebox receipts and \$4.7 million associated with the re-estimate of public liability (claims) payments.

2008-2011: November Financial Plan vs. July Financial Plan

Revenue Changes

Revenue changes from the July Financial Plan result in increases of \$61.6 million in 2008, \$86.4 million in 2009, \$72.2 million in 2010 and \$66.0 million in 2011.

Major changes include:

- Projected farebox revenue increases of \$37.8 million in 2008, \$39.9 million in 2009, \$43.6 million in 2010 and \$45.6 million in 2011, primarily based upon recent subway ridership growth.
- Capital reimbursement increases of \$26.3 million in 2008, \$45.6 million in 2009, \$25.8 million in 2010 and \$14.5 million in 2011, consistent with increased reimbursable expenses.

Expense Changes

Expense changes (excluding Depreciation and Other Post-Employment Benefits) from the July Financial Plan result in expense increases of \$47.9 million in 2008, \$59.6 million in 2009, \$47.3 million in 2010 and \$43.5 million in 2011. Major favorable expense changes include:

- Several departmental expense reductions totaling \$28.9 million and 120 position reductions in 2008, \$31.6 million (160 positions) in 2009, \$33.3 million

(120 positions) in 2010 and \$23.9 million (93 positions) in 2011. These expense reductions include:

1. \$3.8 million in 2008, \$5.5 million in 2009 and \$6.2 million in 2010 and 2011 from elimination of information technology investments that have no impact on current operations, reductions in non-priority technology projects and in the normal replacement of data processing equipment.
 2. \$3.5 million in 2008 and \$3.6 million in 2009 and 2010 and \$0.6 million in 2011 from the wind-down of the Central Maintenance Management System (CMMS) project after several installations.
 3. \$2.8 million in 2008, \$3.3 million in 2009, \$4.9 million in 2010 and \$2.6 million in 2011 from the reduction of information technology-related professional and technical fees.
 4. Material savings of \$2.7 million each year from revisions to material parts usage guidelines, reduced replacement rates and the standardization of brake component replacement practices.
 5. Bus shop savings of \$2.3 million in 2009 from the elimination of 12-year overhauls on 170 buses due to be retired after new buses are purchased in 2008/2009.
 6. A Materiel department spending reduction of \$1.5 million in 2010 (to current levels) in the areas of safety equipment and outside services.
 7. \$1.8 million in 2008, \$3.4 million in 2009, \$3.3 million in 2010 and \$0.6 million in 2011 based upon bringing warranty work on R160 cars in-house to allow for capital contract reimbursement and the elimination of R32 (Phase 2) scheduled maintenance as these cars will retire when new R160 cars are delivered.
 8. \$1.7 million in 2008 and \$3.1 million each subsequent year in the Electronics Maintenance Division is to be generated by primarily increasing services rendered to other MTA Agencies and reducing SONET maintenance expenses by redeploying existing resources.
 9. \$1.7 million each year from the re-evaluation of a Worker's Safety Initiative to review General Orders with Train Operators as they report to work and Track Work Call-On, the monitoring of track access requests by the Rail Control Center. There is no impact on safety due to this re-evaluation.
 10. \$1.4 million per year from eliminating one hourly housekeeping position per bus depot, replacing them with restricted duty personnel to perform facility cleaning.
- Favorable average pay rate adjustments of \$16.6 million in 2008 (net of training float re-estimates), \$20.0 million in 2009, \$20.5 million in 2010 and \$20.7 million in 2011 based upon projected position increases at lower average pay rates.
 - Net energy savings of \$13.2 million in 2008, \$26.6 million in 2009, \$16.1 million in 2010 and \$15.4 million in 2011 based on revised inflation assumptions, fuel mileage recalculations and a negative impact due to the closure of a power plant beginning 2010.

Major unfavorable changes include:

- Funding for the continuation of 2007 Safety and Customer Satisfaction Pilot Programs through 2011 of \$67.0 million and 523 positions each year including: \$41.5 million and 373 positions for subways station, track and car cleaning, car quality control (windows maintained in scratch-free condition), employee facilities (clean, well-maintained, meet functional standards) and elevator & escalator (improve availability of equipment to customers, improve cleanliness and appearance); \$23.3 million and 135 positions for buses quality control (maintain buses in “like new” condition) and employee facilities (improve cleanliness and maintenance) and \$2.2 million and 15 positions for security and program support costs.
- Reimbursable expenses are projected to increase by \$26.3 million in 2008, \$45.6 million in 2009, \$25.8 million in 2010 and \$15.5 million in 2011 including: \$9.8 million each year for additional subway labor requirements for flagging, diversions, work trains and capital project mix; \$6.4 million in 2008 and \$5.7 million in 2009 to extend the Antenna Cable Replacement Project to Phase II; \$5.0 million in 2008, \$15.3 million in 2009, \$6.8 million in 2010 and \$1.3 million in 2011 for support of receiving, testing and warranty work for the new R160 cars; and \$4.4 million each year for inspection and warranty reimbursement for new bus procurements. These increases are offset by corresponding increases in reimbursements.
- Departmental re-estimates result in increased expenses of \$16.7 million in 2008, \$16.4 million in 2009, \$21.2 million in 2010 and \$15.3 million in 2011 due primarily to: additional subway overtime requirements of \$9.0 million each year including signals flagging needs; \$2.7 million in 2008 and \$2.6 million in 2009 of excess subways hourly costs due in part to the closing of reimbursable projects; \$2.2 million each year to improve running time on the #4 and #5 lines by increasing crew drop-back time and \$5.5 million in 2010 due to the rescheduling of subway car reefing.

Cash Adjustments

Cash adjustments (excluding Depreciation and Other Post-Employment Benefits) are projected to be favorable by \$9.6 million in 2008, \$30.8 million in 2009, \$13.8 million in 2010 and \$12.7 million in 2011. Major changes include:

- The projected favorable timing of capital reimbursements of \$14.3 million in 2008, \$21.6 million in 2009, \$4.1 million in 2010 and \$2.2 million in 2011.
- An unfavorable \$2.0 million in 2008 and favorable \$5.5 million in 2009, \$5.4 million in 2010 and \$5.2 million in 2011 due to the timing of labor contract settlements and re-estimates.
- An unfavorable \$2.7 million in 2008 and favorable \$5.0 million in 2009, \$5.1 million in 2010 and \$5.2 million in 2011 due to a reforecast of public liability (claims) payments.

MTA New York City Transit
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE					
	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Cash Deficit	(\$2,219.8)	(\$2,533.6)	(\$2,771.2)	(\$3,001.2)	(\$3,179.2)
Baseline Changes					
Revenue					
Farebox Revenue	38.4	37.8	39.9	43.6	45.6
Other Operating Revenue	(1.4)	(2.5)	0.8	2.8	4.9
Capital and Other Reimbursement	0.0	0.0	0.0	0.0	0.0
Total Revenue Changes	36.9	35.3	40.7	46.4	50.5
Expenses					
Labor:					
Payroll	(6.6)	(8.4)	(2.6)	0.0	6.2
Overtime	(28.6)	(27.7)	(25.7)	(26.1)	(26.5)
Health and Welfare	16.4	(10.9)	(10.4)	(9.1)	(8.3)
Pensions	7.7	(1.7)	(2.3)	(1.8)	0.1
Other Fringe Benefits	(8.2)	(0.4)	1.3	(1.4)	(3.3)
Reimbursable Overhead	(4.5)	6.5	14.0	8.6	5.3
Total Labor Expense Changes	(23.9)	(42.6)	(25.8)	(29.8)	(26.4)
Non-Labor:					
Traction and Propulsion Power	(5.7)	(2.7)	0.1	(17.6)	(27.9)
Fuel for Buses and Trains	16.6	16.1	24.5	38.2	50.6
Insurance	1.3	(0.2)	(0.8)	(0.8)	(4.3)
Claims	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	4.0	0.8	1.2	1.2	1.2
Maintenance and Other Operating Contracts	9.4	(10.8)	7.2	(8.7)	(9.5)
Professional Service Contracts	14.4	8.1	11.7	14.0	8.4
Materials & Supplies	(3.3)	9.2	(31.4)	(17.1)	(19.1)
Other Business Expenses	3.5	0.6	(0.7)	(0.9)	(0.9)
Total Non-Labor Expense Changes	40.2	21.0	11.8	8.3	(1.5)
Depreciation	20.1	17.7	17.7	17.7	17.7
Other Post Employment Benefits	(963.4)	(1,009.5)	(1,055.4)	(1,098.9)	(1,144.8)
Total Expense Changes	(927.0)	(1,013.4)	(1,051.7)	(1,102.7)	(1,155.1)
Cash Adjustment Changes					
Revenue	17.9	2.6	0.1	0.2	0.2
Expense	15.8	(7.3)	9.1	9.5	10.4
Depreciation	(20.1)	(17.7)	(17.7)	(17.7)	(17.7)
Other Post Employment Benefits	963.4	1,009.5	1,055.4	1,098.9	1,144.8
Total Cash Adjustment Changes	977.0	987.1	1,047.0	1,090.9	1,137.6
Total Baseline Changes	\$87.0	\$9.0	\$36.0	\$34.6	\$33.0
Baseline 2007 November Financial Plan - Cash Deficit	(\$2,132.9)	(\$2,524.6)	(\$2,735.2)	(\$2,966.6)	(\$3,146.2)

MTA New York City Transit
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Cash Deficit	\$26.2	\$4.1	\$4.4	(\$1.2)	(\$3.4)
Baseline Changes					
Revenue					
Farebox Revenue	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	0.0	0.0	0.0	0.0	0.0
Capital and Other Reimbursement	(25.0)	26.3	45.6	25.8	15.5
Total Revenue Changes	(25.0)	26.3	45.6	25.8	15.5
Expenses					
Labor:					
Payroll	22.5	(9.1)	(19.0)	(10.3)	(4.8)
Overtime	(11.7)	(3.5)	(3.4)	(3.1)	(3.2)
Health and Welfare	0.0	0.7	0.2	0.2	0.2
Pensions	0.0	0.2	0.1	0.1	0.1
Other Fringe Benefits	5.1	(5.9)	(8.2)	(5.6)	(3.9)
Reimbursable Overhead	4.5	(6.5)	(14.0)	(8.6)	(5.3)
Total Labor Expense Changes	20.5	(24.1)	(44.3)	(27.2)	(16.8)
Non-Labor:					
Traction and Propulsion Power	0.0	0.0	0.0	0.0	0.0
Fuel for Buses and Trains	0.0	0.0	0.0	0.0	0.0
Insurance	0.0	0.0	0.0	0.0	0.0
Claims	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	(2.2)	(2.5)	(1.6)	(1.6)	(1.6)
Professional Service Contracts	0.8	1.8	(0.3)	(0.3)	0.1
Materials & Supplies	5.0	(1.6)	0.5	3.2	2.8
Other Business Expenses	0.8	0.1	0.1	0.1	0.1
Total Non-Labor Expense Changes	4.5	(2.2)	(1.3)	1.4	1.3
Total Expense Changes	25.0	(26.3)	(45.6)	(25.8)	(15.5)
Cash Adjustment Changes					
Capital Reimbursement Timing	(45.4)	14.3	21.6	4.1	2.2
Total Cash Adjustment Changes	(45.4)	14.3	21.6	4.1	2.2
Total Baseline Changes	(\$45.4)	\$14.3	\$21.6	\$4.1	\$2.2
Baseline 2007 November Financial Plan - Cash Deficit	(\$19.1)	\$18.4	\$25.9	\$2.9	(\$1.3)

MTA New York City Transit
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE					
	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Cash Deficit	(\$2,193.6)	(\$2,529.4)	(\$2,766.8)	(\$3,002.4)	(\$3,182.6)
Baseline Changes					
Revenue					
Farebox Revenue	38.4	37.8	39.9	43.6	45.6
Other Operating Revenue	(1.4)	(2.5)	0.8	2.8	4.9
Capital and Other Reimbursement	(25.0)	26.3	45.6	25.8	15.5
Total Revenue Changes	12.0	61.6	86.4	72.2	66.0
Expenses					
<i>Labor:</i>					
Payroll	15.9	(17.5)	(21.6)	(10.3)	1.4
Overtime	(40.3)	(31.2)	(29.1)	(29.2)	(29.7)
Health and Welfare	16.4	(10.3)	(10.2)	(8.9)	(8.0)
Pensions	7.7	(1.5)	(2.2)	(1.7)	0.2
Other Fringe Benefits	(3.2)	(6.3)	(7.0)	(7.0)	(7.2)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0
Total Labor Expense Changes	(3.4)	(66.7)	(70.1)	(57.0)	(43.3)
<i>Non-Labor:</i>					
Traction and Propulsion Power	(5.7)	(2.7)	0.1	(17.6)	(27.9)
Fuel for Buses and Trains	16.6	16.1	24.5	38.2	50.6
Insurance	1.3	(0.2)	(0.8)	(0.8)	(4.3)
Claims	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	4.0	0.8	1.2	1.2	1.2
Maintenance and Other Operating Contracts	7.2	(13.2)	5.6	(10.3)	(11.2)
Professional Service Contracts	15.2	9.9	11.4	13.8	8.5
Materials & Supplies	1.7	7.5	(30.9)	(13.8)	(16.3)
Other Business Expenses	4.3	0.7	(0.6)	(0.8)	(0.8)
Total Non-Labor Expense Changes	44.7	18.9	10.5	9.7	(0.2)
Depreciation	20.1	17.7	17.7	17.7	17.7
Other Post Employment Benefits	(963.4)	(1,009.5)	(1,055.4)	(1,098.9)	(1,144.8)
Total Expense Changes	(902.0)	(1,039.7)	(1,097.3)	(1,128.5)	(1,170.6)
Cash Adjustment Changes					
Revenue	17.9	2.6	0.1	0.2	0.2
Expense	15.8	(7.3)	9.1	9.5	10.4
Capital Reimbursement Timing	(45.4)	14.3	21.6	4.1	2.2
Depreciation	(20.1)	(17.7)	(17.7)	(17.7)	(17.7)
Other Post Employment Benefits	963.4	1,009.5	1,055.4	1,098.9	1,144.8
Total Cash Adjustment Changes	931.6	1,001.4	1,068.5	1,095.0	1,139.8
Total Baseline Changes	\$41.6	\$23.3	\$57.6	\$38.7	\$35.2
Baseline 2007 November Financial Plan - Cash Deficit	(\$2,152.0)	(\$2,506.1)	(\$2,709.3)	(\$2,963.7)	(\$3,147.4)

MTA New York City Transit
November Financial Plan 2008 - 2011
Summary of Major Changes (Programmatic) Between Financial Plans by Category
(\$ in millions)

TOTAL NON-REIMBURSABLE AND REIMBURSABLE

	2007	2008	2009	2010	2011
2007 July Financial Plan - Net Cash Deficit	(\$2,193.6)	(\$2,529.4)	(\$2,766.8)	(\$3,002.4)	(\$3,182.6)
Baseline Changes:					
Revenue					
Farebox Revenue Re-estimate	38.4	37.8	39.9	43.6	45.6
Other Operating Revenue Re-estimate	(1.4)	(2.5)	0.8	2.8	4.9
Capital Reimbursement Revision	(25.0)	26.3	45.6	25.8	15.5
Sub-Total Revenue Changes	12.0	61.6	86.4	72.2	66.0
Expenses					
Major Expense Re-estimates:					
Fuel (Bus & Heating)	18.3	15.1	24.6	38.0	51.3
Power (Traction and Non-Traction)	(6.5)	(1.9)	2.0	(21.9)	(35.8)
Health & Welfare	20.3	4.6	4.2	3.5	2.9
Departmental Re-estimates-Expense Reductions	13.1	28.9	31.6	33.3	23.9
Departmental Re-estimates-Expense Increases	(2.5)	(16.7)	(16.4)	(21.2)	(15.3)
Pay Rates/Training Float	0.0	16.6	20.0	20.5	20.7
Employee Availability	(6.0)	(3.2)	(4.2)	(5.2)	(5.2)
Timing of Expenses	3.4	4.6	(8.0)	0.0	0.0
Sub-Total Major Expense Re-estimates	40.1	48.1	53.8	47.0	42.4
Funding for New Investments:					
Safety & Customer Satisfaction Pilot Programs	(24.4)	(67.0)	(66.5)	(66.7)	(66.7)
Fire Intrusion/Alarm Maintenance	(0.6)	(2.6)	(2.6)	(2.6)	(2.6)
Sub-Total Funding for New Investments	(25.1)	(69.6)	(69.1)	(69.3)	(69.3)
Reimbursable Expense Revision	25.0	(26.3)	(45.6)	(25.8)	(15.5)
Other Expense Changes	1.3	(0.0)	1.3	0.7	(1.1)
Sub-Total Expense Changes Before Depreciation & OPEB	41.3	(47.9)	(59.6)	(47.3)	(43.5)
Depreciation Expense Re-estimate	20.1	17.7	17.7	17.7	17.7
Inclusion of Other Post-Employment Benefit Expenses	(963.4)	(1,009.5)	(1,055.4)	(1,098.9)	(1,144.8)
Sub-Total Expense Changes	(902.0)	(1,039.7)	(1,097.3)	(1,128.5)	(1,170.6)
Cash Adjustments					
Revenue					
Capital Reimbursement Receipt Timing	(45.4)	14.3	21.6	4.1	2.2
Farebox Receipt Timing	5.2	0.0	0.0	0.0	0.0
Other Operating Revenue Cash Re-estimate	12.7	2.6	0.1	0.2	0.2
Expense					
SSSA Contract Expense Adjustment-Cash Impact	4.7	5.3	5.5	5.4	5.2
Labor Contract Settlement Timing-Cash Wage Adjustments	7.2	(7.3)	0.0	0.0	0.0
Public Liability (Claims)-Payment Reforecast	4.7	(2.7)	5.0	5.1	5.2
Other Cash Adjustments	(0.8)	(2.6)	(1.4)	(1.0)	(0.1)
Sub-Total Cash Changes Before Depreciation & OPEB	(11.7)	9.6	30.8	13.8	12.7
Depreciation Expense Offset-Non Cash	(20.1)	(17.7)	(17.7)	(17.7)	(17.7)
Other Post-Employment Benefit Expense Offset-Non Cash	963.4	1,009.5	1,055.4	1,098.9	1,144.8
Sub-Total Cash Adjustment Changes	931.6	1,001.4	1,068.5	1,095.0	1,139.8
Total Baseline Changes	\$41.6	\$23.3	\$57.6	\$38.7	\$35.2
Programs to Eliminate the GAP (PEGS)					
2008 Program-July Financial Plan	5.3	35.1	38.3	30.8	30.8
New PEGs/Revisions:					
Bus Holiday Schedule Reduction	0.7	1.8	1.8	1.8	1.8
Eliminate Elevator Operators	0.0	1.7	1.7	1.7	1.7
Paint Facility Consolidation	0.0	0.8	0.8	0.8	0.8
PharmaCare Audit PEG	0.0	1.0	1.0	1.0	1.0
July PEG Broadbanding Revision	0.0	(1.7)	(1.7)	(1.7)	(1.7)
Revised 2008 Program-November Financial Plan	6.0	38.6	41.8	34.3	34.3
Post-2008 Program-November Financial Plan	0.0	0.0	5.5	5.5	5.5
2007 November Financial Plan - Net Cash Deficit	(\$2,145.9)	(\$2,467.5)	(\$2,661.9)	(\$2,923.8)	(\$3,107.6)

**MTA New York City Transit
November Financial Plan 2008-2011
Summary of Major Plan-to-Plan Changes**

Ridership (Utilization):

The November Financial Plan ridership forecast assumes that the August 2007 year-to-date trend, which was positive for both subway (0.8% above the July 2007 Plan) and buses (0.3% above the July Plan), will continue for the remainder of 2007. In 2008, non-student subway ridership growth is expected to be one percent higher than projected 2008 employment growth and non-student bus ridership is expected to be flat (same assumptions as the July Plan). As a result of the new 2007 and 2008 base forecast, non-student ridership is approximately 23 million higher than the July Plan each year from 2007 through 2011.

Working off the revised 2008 projection, annual 2009-2011 ridership growth forecasts are based on the Summer 2007 Global Insight NYC employment forecast, which was slightly higher than the Spring 2007 Global Insight forecast used in the July Plan. The new, higher employment forecast results in an additional ridership increase of 0.6 million in 2009, 3.3 million in 2010, and 4.6 million in 2011.

The November Plan student ridership forecast is based on August year-to-date results (0.7% higher than the Mid-Year Forecast), a refinement of the 2008 daily student ridership allocation, and an assumption of no annual growth from 2008 to 2011 (the July Plan also assumed no annual growth). As a result, student ridership is expected to be higher than the July Plan by 1.1 million in 2007 and 3.0 million from 2008 through 2011.

The resulting total subway and bus ridership forecast is higher than the July 2007 Financial Plan by 23.7 million in 2007, 25.2 million in 2008, 26.9 million in 2009, 29.7 million in 2010, and 31.2 million in 2011.

MTA New York City Transit
November Financial Plan 2008 - 2011
Ridership (Utilization)

	2006	2007	2008			
	Actual	November	Final Proposed	2009	2010	2011
		Forecast	Budget			
Subway	1,498.9	1,558.2	1,590.3	1,601.3	1,613.4	1,626.2
Bus	741.4	739.6	743.8	748.6	754.1	759.6
Paratransit	5.2	5.9	6.8	7.8	9.0	10.4
Baseline Total Ridership	2,245.5	2,303.7	2,340.9	2,357.7	2,376.6	2,396.1
Impact of: PEG Program						
Total Ridership	2,245.5	2,303.7	2,340.9	2,357.7	2,376.6	2,396.1

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of 2008 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2007		2008		2009		2010		2011	
		<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>
Administration											
Administrative Efficiencies - Controller		0	0.000	3	0.249	3	0.249	3	0.249	3	0.249
Administrative Efficiencies - Corporate Communicatic		(1)	(0.029)	(1)	0.382	1	1.083	1	0.954	1	0.954
Administrative Efficiencies - Labor Relations		0	0.000	3	0.255	3	0.255	3	0.255	3	0.255
Administrative Efficiencies - Law		0	0.079	0	0.205	0	0.247	0	0.255	0	0.255
Administrative Efficiencies - Operations Planning		1	0.049	6	0.493	7	0.605	7	0.605	7	0.605
Administrative Efficiencies - Subways		5	0.507	11	1.078	11	1.244	11	1.244	11	1.244
Convert 28 Station Supv II to Supv I		0	0.398	0	0.660	0	0.660	0	0.660	0	0.660
Data Processing Equipment Normal Replacement		0	0.500	0	2.500	0	1.000	0	0.000	0	0.000
Modify Torts Retainer Agreements		0	0.000	0	0.455	0	0.455	0	0.455	0	0.455
PharmaCare Audit Savings		0	0.000	0	1.001	0	1.001	0	1.001	0	1.000
Sub-Total Administration		5	\$ 1.504	22	\$ 7.278	25	\$ 6.799	25	\$ 5.678	25	\$ 5.677
Cust Convenience & Amenities											
Elevator Operators		0	0.000	28	1.656	28	1.656	28	1.656	28	1.656
Reduce Travel Information Center Staffing		0	0.000	2	0.167	4	0.370	4	0.370	4	0.370
Sub-Total Cust Convenience & Amenities		0	\$ 0.000	30	\$ 1.823	32	\$ 2.026	32	\$ 2.026	32	\$ 2.026
Maintenance											
Bus Revenue Equipment Maintenance		0	0.000	5	0.494	5	0.494	5	0.494	5	0.494
Buses Maintenance Productivity		0	0.261	16	1.603	16	1.603	16	1.603	16	1.603
Central Electronics Shop - Diagnostics/Quality Contrc		0	0.000	2	0.092	2	0.092	2	0.092	2	0.092
Depot CCTV Maintenance - Lengthen PM Cycle		0	0.000	3	0.262	3	0.262	3	0.262	3	0.262
EMD Command Center		0	0.000	2	0.121	2	0.121	2	0.121	2	0.121
Electrical Maintenance Efficiencies		0	0.000	23	1.660	23	1.660	23	1.660	23	1.660
Infrastructure Maintenance Efficiencies		0	0.000	6	0.470	6	0.470	6	0.470	6	0.470
Paint Facility Consolidation		0	0.000	11	0.764	11	0.764	11	0.764	11	0.764

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of 2008 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2007		2008		2009		2010		2011	
		<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>
R160 Inspection Team Savings		0	0.000	8	0.409	12	0.984	12	0.984	12	0.984
Reduce Iron B Defect Backlog Repairs		0	0.000	23	2.007	23	2.007	23	2.007	23	2.007
Reduce Service Hours at Small Main Storerooms		0	0.000	1	0.080	1	0.080	1	0.080	1	0.080
Vacancy Savings - MOW/Rolling Stock, Subways		0	0.000	0	3.696	0	3.696	0	0.000	0	0.000
Sub-Total	Maintenance	0	\$ 0.261	100	\$ 11.658	104	\$ 12.233	104	\$ 8.537	104	\$ 8.537
Other											
Property Protection Efficiencies		0	0.000	11	0.647	21	1.404	21	1.618	21	1.618
Station Rehabilitation - Reconfiguration Impacts		0	0.000	11	0.734	13	0.868	13	0.868	13	0.868
Sub-Total	Other	0	\$ 0.000	22	\$ 1.381	34	\$ 2.272	34	\$ 2.486	34	\$ 2.486
Service Support											
Buses Extra List Economies		0	1.112	0	1.352	0	1.352	0	1.352	0	1.352
Fare Media Card Stock Savings		0	0.864	0	0.000	0	1.069	0	0.000	0	0.000
Holiday Schedule Savings		0	0.740	0	1.760	0	1.760	0	1.760	0	1.760
PES Savings: Low-Utility Indicators		0	0.000	1	0.114	1	0.139	1	0.139	1	0.139
Platform Coverage		49	1.240	98	6.567	98	6.567	98	6.567	98	6.567
RTO Field Support		0	0.000	19	1.749	25	2.687	25	2.687	25	2.687
Reduce OPTO Support		2	0.109	2	0.207	2	0.207	2	0.207	2	0.207
Reduce Relief Staff - RTO		0	0.000	10	0.797	10	0.797	10	0.797	10	0.797
Road Dispatcher Economies		0	0.000	16	1.486	16	1.486	16	1.486	16	1.486
Streamline Revenue Collections		6	0.204	6	0.400	6	0.400	6	0.400	6	0.400
Traffic Checking Economies		0	0.000	0	0.177	0	0.177	0	0.177	0	0.177
Vacancy Savings - Service Delivery, Subways		0	0.000	0	1.868	0	1.868	0	0.000	0	0.000
Sub-Total	Service Support	57	\$ 4.269	152	\$ 16.477	158	\$ 18.509	158	\$ 15.572	158	\$ 15.572
Total Programs		62	\$ 6.034	326	\$ 38.617	353	\$ 41.839	353	\$ 34.299	353	\$ 34.298

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000148	Current Budget Year	2007	Status	Open
Program:	Administrative Efficiencies - Controller			Agency Status	Pending
Description and Implementation Pla	Budget quota eliminated effective January 2008.				
Background Details	Eliminate position vacancies within the following areas of Controllers Office - Payroll, Operations Accounting and Timekeeping Control and Compliance.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000148	FINAL07	0	3	3	3	3
Financial Impact	NYCTR	0000000148	FINAL07	\$ 0.000	\$ 0.249	\$ 0.249	\$ 0.249	\$ 0.249

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2007
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000146	Current Budget Year	2007	Status	Open
Program:	Administrative Efficiencies - Corporate Communications			Agency Status	Pending
Description and Implementation Pla	The majority of this initiative will begin 1/1/08.				
Background Details	Administrative efficiencies can be achieved thru a number of initiatives. By restructuring the public affairs organization, two positions can be eliminated in 2009. One tourism and market development position will be eliminated in 2009. OTPS costs will be reduced to 2006 expenditures levels, including printing costs, temporary graphics personnel, and miscellaneous OTPS. Position savings are offset by investment for the Special Events Unit.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000146	FINAL07	(1)	(1)	1	1	1
Financial Impact	NYCTR	0000000146	FINAL07	\$(0.029)	\$ 0.382	\$ 1.083	\$ 0.954	\$ 0.954

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000145	Current Budget Year	2007	Status	Open
Program:	Administrative Efficiencies - Labor Relations			Agency Status	Pending
Description and Implementation Pla	<p>"This proposal provides productivity savings through staffing efficiencies. Functions will be absorbed by existing staff.</p> <p>"</p>				
Background Details	This proposal eliminates 2 clerical positions and 1 Associate Staff Analyst in 2008.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000145	FINAL07	0	3	3	3	3
Financial Impact	NYCTR	0000000145	FINAL07	\$ 0.000	\$ 0.255	\$ 0.255	\$ 0.255	\$ 0.255

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	7/1/2007
Budget Reference	FINAL07	Category	Administration	Savings Date	7/1/2007
PEG / New Need ID	0000000110	Current Budget Year	2007	Status	Open
Program:	Administrative Efficiencies - Law			Agency Status	Pending
Description and Implementation Pla	Beginning in 2007, savings will be derived from a series of management actions ranging from reducing overtime to instituting a new payment process for TAB summonses.				
Background Details	Outside counsel costs will be further reduced in 2008, due to an increase in the number of summary judgment motions filed on Tort cases. Outside counsel costs will be reduced by using internal staff to defend Tort suits and to seek recoveries for property damages sustained by NYC Transit. In addition to reducing overtime, the Law department will also institute a new process allowing payments of TAB (Transit Adjudication Bureau) summonses to be made electronically or by phone using credit/debit cards. It is anticipated that this new utility will decrease the number of unpaid summonses by 2%. Additional savings will be achieved through reduced usage of per diem trial assistants.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	NYCTR	0000000110	FINAL07	\$ 0.079	\$ 0.205	\$ 0.247	\$ 0.255	\$ 0.255

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	6/1/2007
Budget Reference	FINAL07	Category	Administration	Savings Date	6/1/2007
PEG / New Need ID	0000000144	Current Budget Year	2007	Status	Open
Program:	Administrative Efficiencies - Operations Planning			Agency Status	Pending
Description and Implementation Pla	"This proposal provides productivity savings through staffing efficiencies. Functions will be absorbed by existing staff.				
Background Details	Reduce administrative staff, beginning in 2007 with the reduction of 1 Analyst Associate position (2007 only). Six positions will be eliminated beginning 2008.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000144	FINAL07	1	6	7	7	7
Financial Impact	NYCTR	0000000144	FINAL07	\$ 0.049	\$ 0.493	\$ 0.605	\$ 0.605	\$ 0.605

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2007
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2007
PEG / New Need ID	0000000106	Current Budget Year	2007	Status	Open
Program:	Administrative Efficiencies - Subways			Agency Status	Pending
Description and Implementation Pla	The Department of Subways has proposed cost reduction initiatives through administrative efficiencies in its divisions.				
Background Details	A total of 14 positions will be eliminated in the Department of Subways as follows: Senior Vice President's Office - 8 (including 5 P/T Student Aides not reflected in the F/T position savings), Operations Support - 5 , MOW Engineering - 2, and MOW Administration - 4. This is offset by a 3 position reinvestment in administrative support for the newly created Department of Security, previously a division within Subways.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000106	FINAL07	5	11	11	11	11
Financial Impact	NYCTR	0000000106	FINAL07	\$ 0.507	\$ 1.078	\$ 1.244	\$ 1.244	\$ 1.244

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	5/1/2007
Budget Reference	FINAL07	Category	Administration	Savings Date	5/1/2007
PEG / New Need ID	0000000143	Current Budget Year	2007	Status	Open
Program:	Convert 28 Station Supv II to Supv I			Agency Status	Pending
Description and Implementation Pla	Stations will convert 28 Station Supervisor Level II positions to 28 Station Supervisor Level I positions.				
Background Details	The 2007 budget has 215 end of year positions Station Supervisor Level II positions budgeted and currently there are 187 incumbents, resulting in 28 vacancies. Filling the vacancies with Station Supervisor Level I will provide a savings due to the salary differential.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	NYCTR	0000000143	FINAL07	\$ 0.398	\$ 0.660	\$ 0.660	\$ 0.660	\$ 0.660

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	7/1/2007
Budget Reference	FINAL07	Category	Administration	Savings Date	7/1/2007
PEG / New Need ID	0000000142	Current Budget Year	2007	Status	Open
Program:	Data Processing Equipment Normal Replacement			Agency Status	Pending
Description and Implementation Pla	Due to favorable unit prices for data processing equipment, the budget can be reduced.				
Background Details	Reduce the budget allocation in 2007 through 2009 for normal replacement of data processing equipment.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	NYCTR	0000000142	FINAL07	\$ 0.500	\$ 2.500	\$ 1.000	\$ 0.000	\$ 0.000

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000105	Current Budget Year	2007	Status	Open
Program:	Modify Torts Retainer Agreements			Agency Status	Pending
Description and Implementation Pla	Change outside counsel retainer agreements from an hourly rate to a tiered fee schedule.				
Background Details	Revise outside counsel retainer agreements from \$125 per hour to a tiered fee scale. The scale consists of three levels, 'resolved prior to jury selection', 'disposed between jury selection and verdict' and 'proceeding to final verdict' with flat fees of \$5,000, \$6,500 and \$9,000, respectively. This fee structure would only apply to those tort cases valued below \$75,000.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	NYCTR	0000000105	FINAL07	\$ 0.000	\$ 0.455	\$ 0.455	\$ 0.455	\$ 0.455

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000149	Current Budget Year	2007	Status	Open
Program:	PharmaCare Audit Savings			Agency Status	Pending
Description and Implementation Pla	Internal Audit estimates that NYCT has been overcharged \$1.0M by PharmaCare for generic drugs and dispensing fees from direct mail order pharmacies. Human Resources will take action to reverse these overcharges and prevent them from future occurrences.				
Background Details	During an audit of PharmaCare Drug Plan billings for 2006, Internal Audit found that PharmaCare overcharged for generic drugs by not applying the contractual discount and inappropriately charged dispensing fees that should not have been charged. Human Resources agreed with the audit findings and will take corrective actions. Benefits management will require PharmaCare to include average wholesale pricing on billing files and will routinely recalculate amounts charged for generic drugs. Human Resources will regularly verify dispensing fees and adjust bills on a timely basis.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	NYCTR	0000000149	FINAL07	\$ 0.000	\$ 1.001	\$ 1.001	\$ 1.001	\$ 1.000

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Cust Convenience & Amenities	Savings Date	1/1/2008
PEG / New Need ID	0000000152	Current Budget Year	2007	Status	Open
Program:	Elevator Operators			Agency Status	Pending
Description and Implementation Pla	Eliminate the remaining full-time coverage which yield 28 position savings. It should be noted that each elevator is equipped with a talkback system and the waiting areas for these elevators are equipped with closed-circuit television.				
Background Details	<p>Currently 28 cleaners are used to operate automated elevators at five Washington Heights stations: 191st Street "1", 181st Street "1", 168th "1", "A", "C", 190th Street "A" and 181st Street "A".</p> <p>In 2004, 22 elevator operators were eliminated at these five stations leaving one manned elevator 24X7 at each station. This proposal eliminates the remaining elevator operators. It should be noted that each elevator is equipped with a talkback system and the waiting areas for these elevators are equipped with closed-circuit television. It should also be noted that data collected by the Department of Subways Stations Command over the past year, indicate that there has been no incidence of crime on any of the elevators (manned or unmanned) in the Washington Heights stations.</p>				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000152	FINAL07	0	28	28	28	28
Financial Impact	NYCTR	0000000152	FINAL07	\$ 0.000	\$ 1.656	\$ 1.656	\$ 1.656	\$ 1.656

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Cust Convenience & Amenities	Savings Date	1/1/2008
PEG / New Need ID	0000000104	Current Budget Year	2007	Status	Open
Program:	Reduce Travel Information Center Staffing			Agency Status	Pending
Description and Implementation Pla	Reduce TIC staffing and align MetroCard line hours with TIC hours. Savings includes two full-time and five part-time positions beginning in 2008 and four full-time and seven part-time positions in 2009.				
Background Details	<p>Trip Planner allows access to NYC Transit subway and bus travel information and service advisories at all times via the mta.info web site. Trip Planner was launched in December 2006 and have been very successful with approximately 2,500 daily visits during April 2007. As a result, wait-times for customers calling the Travel Information Center (TIC) have decreased by almost 60 percent. In addition, a voice recognition application of Trip Planner will be introduced by the end of 2007. As more customers move to the on-line application and the voice recognition planner becomes available, TIC staffing can be reduced. Savings from this initiative are offset by Trip Planner Web support costs.</p> <p>The MetroCard telephone line operates from 7:00 am to 11:00 pm, Monday through Friday. The agent assisted Travel Information Center (TIC) phone line is currently staffed from 6:00 am to 10:00 pm seven days a week. This proposal would change these weekday hours to coincide with the TIC line allowing for coverage efficiencies. MetroCard weekend hours (9:00 am to 5:00 pm) would remain the same.</p>				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000104	FINAL07	0	2	4	4	4
Financial Impact	NYCTR	0000000104	FINAL07	\$ 0.000	\$ 0.167	\$ 0.370	\$ 0.370	\$ 0.370

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000101	Current Budget Year	2007	Status	Open
Program:	Bus Revenue Equipment Maintenance			Agency Status	Pending
Description and Implementation Pla	The recently approved SSSA MOU included a provision for broadbanding supv. titles in EMD. With this concurrence, EMD expects that it will be able to implement the operating efficiencies resulting for combining supv. functions in bus depots starting 1/				
Background Details	This proposal involves consolidating bus revenue equipment maintenance functions by broadbanding supervisory titles in the Electronics Maintenance Division. Currently, maintenance is provided by two separate units; the Bus Electronics Maintenance Subdivision performs bus electronic component repair and the AFC Maintenance Subdivision performs farebox repair. Since bus depots are widely dispersed, combining titles and job functions would result in repair efficiencies.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000101	FINAL07	0	5	5	5	5
Financial Impact	NYCTR	0000000101	FINAL07	\$ 0.000	\$ 0.494	\$ 0.494	\$ 0.494	\$ 0.494

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000141	Current Budget Year	2007	Status	Open
Program:	Buses Maintenance Productivity			Agency Status	Pending
Description and Implementation Pla	Beginning in January 2008, DOB will reduce its maintainer budget by 16 positions, in addition to saving unscheduled overtime through improved availability.				
Background Details	The Department of Buses (DOB) will eliminate one maintainer from each of 16 depots (every depot except for the two depots in Staten Island). In addition, improved maintainer availability for controllable absences is projected.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000141	FINAL07	0	16	16	16	16
Financial Impact	NYCTR	0000000141	FINAL07	\$ 0.261	\$ 1.603	\$ 1.603	\$ 1.603	\$ 1.603

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000100	Current Budget Year	2007	Status	Open
Program:	Central Electronics Shop - Diagnostics/Quality Control Savings			Agency Status	Pending
Description and Implementation Pla	This proposal will replace five hourly titles with three highly qualified professional and technical positions to perform diagnostic testing and quality control functions. This proposal will be implemented 1/1/08.				
Background Details	Reduce two positions by creating a new Technology Diagnostic and Control Section in the Central Electronics Maintenance Shop (CES). As a result of past budget reductions, hourly employees are now performing functions that would be more effectively completed by professional and technical personnel.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000100	FINAL07	0	2	2	2	2
Financial Impact	NYCTR	0000000100	FINAL07	\$ 0.000	\$ 0.092	\$ 0.092	\$ 0.092	\$ 0.092

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000140	Current Budget Year	2007	Status	Open
Program:	Depot CCTV Maintenance - Lengthen PM Cycle			Agency Status	Pending
Description and Implementation Pla	By lengthening the preventive maintenance cycle, three hourly positions can be reduced with only a 20-25% increase in the number of received camera-related trouble calls.				
Background Details	The Electronics Maintenance Division will extend the preventive maintenance cycle for CCTVs located at bus depots from quarterly to semi-annually. There are more than 740 security CCTVs at NYC Transit's bus depots.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000140	FINAL07	0	3	3	3	3
Financial Impact	NYCTR	0000000140	FINAL07	\$ 0.000	\$ 0.262	\$ 0.262	\$ 0.262	\$ 0.262

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000098	Current Budget Year	2007	Status	Open
Program:	EMD Command Center			Agency Status	Pending
Description and Implementation Pla	This proposal converts 11 P&T positions to 9 operating supervisor positions.				
Background Details	Currently, the Electronics Maintenance Division (EMD) has its command center located in the Rail Control Center. The command center is staffed with professional and technical (P&T) positions. The command center can be more efficiently staffed with operating supervisors since the majority of work assignments are for hourly employees. Making this change will facilitate labor-related savings as well as reduce response time to network troubles.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000098	FINAL07	0	2	2	2	2
Financial Impact	NYCTR	0000000098	FINAL07	\$ 0.000	\$ 0.121	\$ 0.121	\$ 0.121	\$ 0.121

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000099	Current Budget Year	2007	Status	Open
Program:	Electrical Maintenance Efficiencies			Agency Status	Pending
Description and Implementation Pla	Through a series of efficiencies and the re-evaluation of operations, the Electrical Division is able to eliminate 23 positions (1 supervisor and 22 hourly positions).				
Background Details	A planned 2007 investment for an additional fiber optic maintenance crew (7 pos.) is eliminated. Substation relief positions to backfill maintainers sent for random drug screenings, or out for vacation, training and sick (2 pos.) will be eliminated and the workload absorbed by other maintainers. Reorganizing the Emergency Response Unit allows for a reduction of four helpers. Cleaners maintaining crew facilities (8 pos.) and two administrative positions will be eliminated.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000099	FINAL07	0	23	23	23	23
Financial Impact	NYCTR	0000000099	FINAL07	\$ 0.000	\$ 1.660	\$ 1.660	\$ 1.660	\$ 1.660

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000097	Current Budget Year	2007	Status	Open
Program:	Infrastructure Maintenance Efficiencies			Agency Status	Pending
Description and Implementation Pla	'The Division of Infrastructure will reduce 6 maintenance positions.				
Background Details	<p>The Hydraulics Unit will reduce monthly inspections in pump rooms (excluding underriver tubes) from 8 times per year to 4 times per year (3 positions). In addition, the inspection cycle for the 30 underriver fan plants will be increased from bi-weekly to monthly (1 position).</p> <p>The HVAC Unit will eliminate Type I maintenance for 1,100 above-ground window air conditioning units. These units will be serviced based on trouble calls. In addition, there will be adjustments to the maintenance schedules for token booth air conditioners in above-ground booths. This includes Type I basic inspections including filter replacements and Type II push-pull maintenance when units are swapped out (2 positions).</p>				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000097	FINAL07	0	6	6	6	6
Financial Impact	NYCTR	0000000097	FINAL07	\$ 0.000	\$ 0.470	\$ 0.470	\$ 0.470	\$ 0.470

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000150	Current Budget Year	2007	Status	Open
Program:	Paint Facility Consolidation			Agency Status	Pending
Description and Implementation Pla	Eliminate 11 maintenance positions.				
Background Details	The Cross-town Paint Shop operations will be merged into the new Grand Avenue Shop when it opens in January, 2008. This consolidation will result in maintenance efficiency savings. The high technology paint booths at Grand Avenue will reduce headcount requirements due to new technology paint systems for automatic paint mixing, paint gun cleaning and inventory management. Consolidation will also provide economies in shifting, housekeeping, hazardous waste disposal, parts moving and Hi-Lo operations.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000150	FINAL07	0	11	11	11	11
Financial Impact	NYCTR	0000000150	FINAL07	\$ 0.000	\$ 0.764	\$ 0.764	\$ 0.764	\$ 0.764

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000139	Current Budget Year	2007	Status	Open
Program:	R160 Inspection Team Savings			Agency Status	Pending
Description and Implementation Pla	With the retirement of the "B" division's current 60-foot fleet and replacement with the R160's, the size of inspection teams will be reduced by one maintainer -- from 6 to 5 car inspectors per team.				
Background Details	The "B" Division's current 60-foot cars are linked in married pairs and require more inspection resources than the new R160 cars that are replacing them since the R160 cars are linked in 4 and 5 car configurations.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000139	FINAL07	0	8	12	12	12
Financial Impact	NYCTR	0000000139	FINAL07	\$ 0.000	\$ 0.409	\$ 0.984	\$ 0.984	\$ 0.984

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000096	Current Budget Year	2007	Status	Open
Program:	Reduce Iron B Defect Backlog Repairs			Agency Status	Pending
Description and Implementation Pla	Eliminate 3 supervisory and 20 hourly personnel, or 15% of the forces dedicated to repairing structural iron "B" defects systemwide. 16 supervisors and 93 hourlies will remain. Each person performs approx. 15 repairs/year, a reduction of approx. 345.				
Background Details	This initiative will reduce the number of "B" defects repaired annually. Examples of "B" defects include small cracks or corrosion in structural steel elements that does not pose an imminent threat to safety or passenger service. The long term impact of this proposal will be to increase the "B" defect backlog. "B" defects not addressed have the potential for turning into more serious "A" defects and long term, this might increase the number of "A" defects on elevated structures.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000096	FINAL07	0	23	23	23	23
Financial Impact	NYCTR	0000000096	FINAL07	\$ 0.000	\$ 2.007	\$ 2.007	\$ 2.007	\$ 2.007

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000138	Current Budget Year	2007	Status	Open
Program:	Reduce Service Hours at Small Main Storerooms			Agency Status	Pending
Description and Implementation Pla	Reduce service hours at the Livingston Plaza and 2 Broadway storerooms, establishing part-time service at both sites.				
Background Details	Support at the Livingston Plaza and 2 Broadway storerooms will be consolidated and each facility will be staffed on a part-time basis only. Livingston Plaza will be open two days per week while 2 Broadway will be open for three.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000138	FINAL07	0	1	1	1	1
Financial Impact	NYCTR	0000000138	FINAL07	\$ 0.000	\$ 0.080	\$ 0.080	\$ 0.080	\$ 0.080

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000129	Current Budget Year	2007	Status	Open
Program:	Vacancy Savings - MOW/Rolling Stock, Subways			Agency Status	Pending
Description and Implementation Pla	This proposal will achieve base pay and fringe benefit savings associated with 50 position vacancies in 2008 and 2009.				
Background Details	The Department of Subways will maintain a vacancy level of 0.5% (or 50 positions) in 2008 and 2009 in the Rolling Stock & Maintenance of Way divisions as follows: Division of Car Equipment - 25 positions; Infrastructure - 6 positions; Track - 9 positions; Electrical - 4 positions; and the Electronics Maintenance Division - 6 positions. There will be no change to budgeted year-end quota.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	NYCTR	0000000129	FINAL07	\$ 0.000	\$ 3.696	\$ 3.696	\$ 0.000	\$ 0.000

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Other	Savings Date	1/1/2008
PEG / New Need ID	0000000094	Current Budget Year	2007	Status	Open
Program:	Property Protection Efficiencies			Agency Status	Pending
Description and Implementation Pla	The Department of Security will implement cost reduction initiatives as follows: eliminate post coverage at Linden Shop and Jackie Gleason Depot employee parking entrance where access will be controlled by motorized gate.				
Background Details	<p>In addition, eliminate post coverage at 239th St Yard and Franklin Ave Cable Shop entrance where access will be controlled by HEETs; and, eliminate the roving patrol at the MJ Quill Depot.</p> <p>The Department of Security has identified several locations where current coverage can be reduced or eliminated without adversely affecting the safety and security of employees or NYC Transit property. In addition, many of these locations will have security systems installed including HEETs, motorized gates, CCTVs, and Card Swipe Systems that will permit elimination of the Property Protection posts.</p>				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000094	FINAL07	0	11	21	21	21
Financial Impact	NYCTR	0000000094	FINAL07	\$ 0.000	\$ 0.647	\$ 1.404	\$ 1.618	\$ 1.618

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Other	Savings Date	1/1/2008
PEG / New Need ID	0000000093	Current Budget Year	2007	Status	Open
Program:	Station Rehabilitation - Reconfiguration Impacts			Agency Status	Pending
Description and Implementation Pla	Capital work being performed will allow the closure of the following booths and yield operating savings: Fulton St. A077, A081; Cortlandt St.-A051; South Ferry-R101.				
Background Details	A recent public hearing was held concerning proposed access changes at eight subway stations to be implemented in conjunction with station projects in the MTA Capital Program. The Public Hearing was held on 6/6/07 without any objections and NYCT is proceeding with the implementation plan. Among the changes covered by the public hearing is the conversion of four staffed booths to full-time unstaffed access with automated fare controls. Two of the booth conversions will take place at the Fulton Street complex (#2,#3,#4,#5,A,C,J,M,Z); the others are at the Cortlandt Street (R,W) and South Ferry (#1) stations.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000093	FINAL07	0	11	13	13	13
Financial Impact	NYCTR	0000000093	FINAL07	\$ 0.000	\$ 0.734	\$ 0.868	\$ 0.868	\$ 0.868

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	7/1/2007
Budget Reference	FINAL07	Category	Service Support	Savings Date	7/1/2007
PEG / New Need ID	0000000127	Current Budget Year	2007	Status	Open
Program:	Buses Extra List Economies			Agency Status	Pending
Description and Implementation Pla	Beginning in July 2007, DOB plans to use reports generated from UTS to more efficiently schedule back-up bus operators (bus operators who cover for those who call in sick).				
Background Details	The implementation of the Unified Timekeeping System (UTS) has enabled the Department of Buses (DOB) to improve the management and monitoring of the extra list by monitoring on a weekly/daily basis the number of extra list operators, their assigned report times, and "minimum wage" pay hours. Economies are predicated on reducing Held-In-Reserve to 1% of scheduled revenue service through constant monitoring and optimizing of assignments.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	NYCTR	0000000127	FINAL07	\$ 1.112	\$ 1.352	\$ 1.352	\$ 1.352	\$ 1.352

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	7/1/2007
Budget Reference	FINAL07	Category	Service Support	Savings Date	7/1/2007
PEG / New Need ID	0000000124	Current Budget Year	2007	Status	Open
Program:	Fare Media Card Stock Savings			Agency Status	Pending
Description and Implementation Pla	As a result of inventory reductions, fare media card stock budgets can be reduced in 2007 and 2009.				
Background Details	As a result of Revenue Control's move to the Consolidated Revenue Facility, economies can be realized in inventories of encoded MetroCards. There is no longer a need to maintain separate encoded inventories for two Revenue facilities.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000124	FINAL07	0	0	0	0	0
Financial Impact	NYCTR	0000000124	FINAL07	\$ 0.864	\$ 0.000	\$ 1.069	\$ 0.000	\$ 0.000

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	11/1/2007
Budget Reference	FINAL07	Category	Service Support	Savings Date	11/1/2007
PEG / New Need ID	0000000151	Current Budget Year	2007	Status	Open
Program:	Holiday Schedule Savings			Agency Status	Pending
Description and Implementation Pla	Modify bus service on major holidays.				
Background Details	<p>The Department of Buses (DOB), in conjunction with the Division of Operations Planning, will modify bus schedules on or around major holidays to align service with demand. The holiday schedules to be modified include: New Years Day, Martin Luther King Day, Thanksgiving Day, the Friday after Thanksgiving, Christmas Eve, Christmas Day and New Years Eve. Although ridership during this time exceeds weekend service levels, it is sufficiently reduced so that normal weekday operations are excessive. This proposal will provide an intermediate level of service, sufficient to meet ridership demands during these periods.</p>				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	NYCTR	0000000151	FINAL07	\$ 0.740	\$ 1.760	\$ 1.760	\$ 1.760	\$ 1.760

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Service Support	Savings Date	1/1/2008
PEG / New Need ID	0000000092	Current Budget Year	2007	Status	Open
Program:	PES Savings: Low-Utility Indicators			Agency Status	Pending
Description and Implementation Pla	Eliminate two surveys, saving Operations Planning staff (clerical and part-time traffic checker support).				
Background Details	Eliminate two surveys; Delay Announcements and Early Morning Station Cleanliness. Discontinuing these surveys will allow Operations Planning to reduce staffing (clerical and part-time traffic checker support). Both of these surveys have been difficult to upkeep in that monitoring the announcement of service delays is a problematic measure to collect (it is only measurable when delays are occurring) and the Early AM Station PES is duplicated in other AM peak measures which better reflect the experience of most riders.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000092	FINAL07	0	1	1	1	1
Financial Impact	NYCTR	0000000092	FINAL07	\$ 0.000	\$ 0.114	\$ 0.139	\$ 0.139	\$ 0.139

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Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	8/1/2007
Budget Reference	FINAL07	Category	Service Support	Savings Date	8/1/2007
PEG / New Need ID	0000000091	Current Budget Year	2007	Status	Open
Program:	Platform Coverage			Agency Status	Pending
Description and Implementation Pla	In July 2005, heightened security coverage was provided for assistance during an emergency evacuation. Rapid Transit Operations and Station Operations added staff at 20 key stations during the AM & PM peak hours, Mon-Fri.				
Background Details	Since the Emergency Exit Release Bar program has been completed, the need for assisted evacuation is no longer required. Platform Security coverage began in July 2005 to assist with passenger evacuations from stations in an emergency. At the same time, the Division of Stations began a program to install emergency exit release bars ("Panic Bars"), in order to maximize the emergency exiting capacity of existing gates. Installation has been completed, with approximately 1,350 gates equipped with release mechanisms, allowing elimination of staff staff assigned to aid in emergency evacuation.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000091	FINAL07	49	98	98	98	98
Financial Impact	NYCTR	0000000091	FINAL07	\$ 1.240	\$ 6.567	\$ 6.567	\$ 6.567	\$ 6.567

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Service Support	Savings Date	1/1/2008
PEG / New Need ID	0000000109	Current Budget Year	2007	Status	Open
Program:	RTO Field Support			Agency Status	Pending
Description and Implementation Pla	Savings will be derived in Rapid Transit Operations through a series of service support efficiencies.				
Background Details	There are three components to this proposal: First, Rapid Transit Operations (RTO) will eliminate 2 Superintendents and 8 Train Service Supervisors by increasing the span of control. Second, 4 Construction Flagger positions supporting MOW maintenance will be eliminated. Third, upon completion of the Bergen Street interlocking project, the Jay Street tower will be able to control this location and 5 Tower Operator positions can be eliminated.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000109	FINAL07	0	19	25	25	25
Financial Impact	NYCTR	0000000109	FINAL07	\$ 0.000	\$ 1.749	\$ 2.687	\$ 2.687	\$ 2.687

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	6/1/2007
Budget Reference	FINAL07	Category	Service Support	Savings Date	6/1/2007
PEG / New Need ID	0000000111	Current Budget Year	2007	Status	Open
Program:	Reduce OPTO Support			Agency Status	Pending
Description and Implementation Pla	Subdivision B will eliminate two OPTO Train Service Supervisors and transfer their responsibilities to the Crew Assignment and Field Offices.				
Background Details	One Person Train Operation (OPTO) administrative and field operational issues will be delegated to the Crew Assignment and Field Offices. The Crew Office will disseminate the OPTO qualification list and field locations will assume all responsibility for OPTO operations on their individual lines. Consequently, Subdivision B will eliminate Train Service Supervisors dedicated to supervising OPTO employees and handling OPTO operational issues.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000111	FINAL07	2	2	2	2	2
Financial Impact	NYCTR	0000000111	FINAL07	\$ 0.109	\$ 0.207	\$ 0.207	\$ 0.207	\$ 0.207

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Service Support	Savings Date	1/1/2008
PEG / New Need ID	0000000108	Current Budget Year	2007	Status	Open
Program:	Reduce Relief Staff - RTO			Agency Status	Pending
Description and Implementation Pla	RTO will reduce ten Train Operator positions that were associated with preventing Hours of Service violations.				
Background Details	Additional positions were budgeted to assist RTO in avoiding hours of service violations. Since then, strategies have been implemented by RTO's Crew & Field Offices in both Subdivisions A & B resulting in a reduction of hours of service violation incidences.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000108	FINAL07	0	10	10	10	10
Financial Impact	NYCTR	0000000108	FINAL07	\$ 0.000	\$ 0.797	\$ 0.797	\$ 0.797	\$ 0.797

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Service Support	Savings Date	1/1/2008
PEG / New Need ID	0000000090	Current Budget Year	2007	Status	Open
Program:	Road Dispatcher Economies			Agency Status	Pending
Description and Implementation Pla	The Department of Buses (DOB) will eliminate one dispatcher from each of 16 depots (every depot except for the two depots in Staten Island).				
Background Details	Beginning in January 2008, DOB will eliminate 16 dispatchers. Depending on the location, this will be achieved by consolidating AM/PM picks into mid-day coverage, reducing the number of fixed and mobile dispatchers, reducing weekend coverage, and eliminating one inside dispatcher.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000090	FINAL07	0	16	16	16	16
Financial Impact	NYCTR	0000000090	FINAL07	\$ 0.000	\$ 1.486	\$ 1.486	\$ 1.486	\$ 1.486

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	7/1/2007
Budget Reference	FINAL07	Category	Service Support	Savings Date	7/1/2007
PEG / New Need ID	0000000107	Current Budget Year	2007	Status	Open
Program:	Streamline Revenue Collections			Agency Status	Pending
Description and Implementation Pla	Reduction of six Collecting Agent (TA) positions can be realized effective 7/1/07				
Background Details	Streamline subway revenue collection by reducing the number of pick-ups per week at certain locations and by migrating from a train/truck operation to an all truck operation.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000107	FINAL07	6	6	6	6	6
Financial Impact	NYCTR	0000000107	FINAL07	\$ 0.204	\$ 0.400	\$ 0.400	\$ 0.400	\$ 0.400

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Service Support	Savings Date	1/1/2008
PEG / New Need ID	0000000112	Current Budget Year	2007	Status	Open
Program:	Traffic Checking Economies			Agency Status	Pending
Description and Implementation Pla	Annual Staten Island Rail ride checks will be eliminated. This initiative eliminates 7 part-time traffic checkers.				
Background Details	Eliminate annual Staten Island Rail ride checks and decrease the number of budgeted hours for special assignments (part-time Traffic Checker resources) from 10,000 to 4,000. The facility to perform special assignments which were primarily ad hoc traffic checks will be greatly reduced.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	NYCTR	0000000112	FINAL07	\$ 0.000	\$ 0.177	\$ 0.177	\$ 0.177	\$ 0.177

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Service Support	Savings Date	1/1/2008
PEG / New Need ID	0000000113	Current Budget Year	2007	Status	Open
Program:	Vacancy Savings - Service Delivery, Subways			Agency Status	Pending
Description and Implementation Pla	This proposal will achieve base pay and fringe benefits savings associated with 22 position vacancies in 2008 and 2009.				
Background Details	'The Department of Subways will maintain a vacancy level of 0.5% in 2008 and 2009 in the Service Delivery divisions as follows: Rapid Transit Operations (RTO) - 7 positions; and Stations - 15 positions. There will be no change to budgeted year-end quota.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	NYCTR	0000000113	FINAL07	\$ 0.000	\$ 1.868	\$ 1.868	\$ 0.000	\$ 0.000

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Post 2008 PEGs
(\$ in millions)

		2007		2008		2009		2010		2011	
		<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>
Administration											
Administrative Efficiencies - AFC Program Managem		0	0.000	0	0.000	3	0.294	3	0.294	3	0.294
Administrative Efficiencies - Labor Relations		0	0.000	0	0.000	3	0.271	3	0.271	3	0.271
Administrative Efficiencies - OMB		0	0.000	0	0.000	1	0.135	1	0.135	1	0.135
Administrative Efficiencies - Supply Logistics		0	0.000	0	0.000	1	0.088	1	0.088	1	0.088
Administrative Efficiencies-Controller (2009)		0	0.000	0	0.000	4	0.429	4	0.429	4	0.429
Administrative Efficiencies-Human Resources		0	0.000	0	0.000	9	0.896	9	0.896	9	0.896
Eliminate Tuition Refund Program		0	0.000	0	0.000	0	0.900	0	0.900	0	0.900
Workers' Comp Independent Medical Exam Cycle		0	0.000	0	0.000	0	0.440	0	0.440	0	0.440
Sub-Total	Administration	0	\$ 0.000	0	\$ 0.000	21	\$ 3.453	21	\$ 3.453	21	\$ 3.453
Service Support											
Decrease Ride Check Frequency		0	0.000	0	0.000	0	0.355	0	0.355	0	0.355
Eliminate 6 Sick Customer Response Program Statio		0	0.000	0	0.000	0	0.223	0	0.223	0	0.223
Revenue Control Efficiencies		0	0.000	0	0.000	22	1.508	22	1.508	22	1.508
Sub-Total	Service Support	0	\$ 0.000	0	\$ 0.000	22	\$ 2.086	22	\$ 2.086	22	\$ 2.086
Total Programs		0	\$ 0.000	0	\$ 0.000	43	\$ 5.539	43	\$ 5.539	43	\$ 5.539

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000114	Current Budget Year	2007	Status	Open
Program:	Administrative Efficiencies - AFC Program Management and Sales			Agency Status	Pending
Description and Implementation Pla	Reduce three positions, effective 1/1/09.				
Background Details	Eliminate positions from MVM Sales Reconciliation, MetroCard Information Management and MetroCard Sales. Savings will be accomplished through productivity savings to be identified through internal reviews and reassignment of incumbents.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000114	FINAL07	0	0	3	3	3
Financial Impact	NYCTR	0000000114	FINAL07	\$ 0.000	\$ 0.000	\$ 0.294	\$ 0.294	\$ 0.294

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000118	Current Budget Year	2007	Status	Open
Program:	Administrative Efficiencies - Labor Relations			Agency Status	Pending
Description and Implementation Pla	This proposal provides productivity savings through staffing efficiencies. Functions will be absorbed by existing staff. We anticipate that remaining staff will be sufficiently trained to absorb the eliminated positions' functions within the year.				
Background Details	This proposal eliminates 3 positions (Operating Supervisor, Special Inspector and Associate Staff Analyst) in 2009.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000118	FINAL07	0	0	3	3	3
Financial Impact	NYCTR	0000000118	FINAL07	\$ 0.000	\$ 0.000	\$ 0.271	\$ 0.271	\$ 0.271

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000119	Current Budget Year	2007	Status	Open
Program:	Administrative Efficiencies - OMB			Agency Status	Pending
Description and Implementation Pla	An internal review will be conducted to determine which position to eliminate and to develop an implementation plan.				
Background Details	Effective January 2009 eliminate one managerial position within the Office of Management and Budget. Functions are expected to be absorbed by remaining staff.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000119	FINAL07	0	0	1	1	1
Financial Impact	NYCTR	0000000119	FINAL07	\$ 0.000	\$ 0.000	\$ 0.135	\$ 0.135	\$ 0.135

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000120	Current Budget Year	2007	Status	Open
Program:	Administrative Efficiencies - Supply Logistics			Agency Status	Pending
Description and Implementation Pla	An implementation plan will be developed over the next 12 months, to incl. development of standardized reports and queries, increased support from centralized Admin. Div. (e.g., HR) & training of staff who will absorb the eliminated position's functions.				
Background Details	Effective January 2009 eliminate one analyst position within Supply Logistics' administrative unit. The position is responsible for processing payroll/timekeeping inquiries as well as operational reporting and coordinating training assignments. These functions will be absorbed by remaining staff.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000120	FINAL07	0	0	1	1	1
Financial Impact	NYCTR	0000000120	FINAL07	\$ 0.000	\$ 0.000	\$ 0.088	\$ 0.088	\$ 0.088

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000115	Current Budget Year	2007	Status	Open
Program:	Administrative Efficiencies-Controller (2009)			Agency Status	Pending
Description and Implementation Pla	Based on internal reviews to be conducted, the Controllers Office will seek productivity savings by eliminating four positions in 2009.				
Background Details	The Controller's office will review possible efficiencies to facilitate the elimination of four positions and gain productivity savings.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000115	FINAL07	0	0	4	4	4
Financial Impact	NYCTR	0000000115	FINAL07	\$ 0.000	\$ 0.000	\$ 0.429	\$ 0.429	\$ 0.429

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000116	Current Budget Year	2007	Status	Open
Program:	Administrative Efficiencies-Human Resources			Agency Status	Pending
Description and Implementation Pla	Identification of actual positions to be eliminated and an implementation plan will be developed over the next 12 months.				
Background Details	Effective January 2009 eliminate nine Human Resources positions. These functions will be absorbed by remaining staff. The planned reduction will eliminate (3) administrative managers, (3) laboratory technicians and (3) maintenance supervisors.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000116	FINAL07	0	0	9	9	9
Financial Impact	NYCTR	0000000116	FINAL07	\$ 0.000	\$ 0.000	\$ 0.896	\$ 0.896	\$ 0.896

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000121	Current Budget Year	2007	Status	Open
Program:	Eliminate Tuition Refund Program			Agency Status	Pending
Description and Implementation Pla	It is anticipated that elimination of the Tuition Refund Program will be implemented in a manner consistent with MTA-wide Policy regarding this employee benefit.				
Background Details	Eliminate NYCT's participation in the MTA agency wide Tuition Refund Program in order to meet 2008 Budget target savings. The program affords financial support to NYC Transit's non-hourly employees when acquiring both undergraduate and graduate degrees, as well as employees enrolled in certificate programs or programs to maintain or achieve professional certification or licenses directly related to the employees' job responsibilities.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	NYCTR	0000000121	FINAL07	\$ 0.000	\$ 0.000	\$ 0.900	\$ 0.900	\$ 0.900

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000122	Current Budget Year	2007	Status	Open
Program:	Workers' Comp Independent Medical Exam Cycle			Agency Status	Pending
Description and Implementation Pla	Increase the amount of time btwn Independent Medical Exams in Workers Comp. cases from 4 to 6 weeks. Prior to implementation, addtl study is req. to assess industry standard practice and possibly to conduct a pilot to assess impacts on emp. lost time.				
Background Details	The Independent Medical Examiner (IME) statute enacted in 2001 requires that employees receive three weeks written notice before the scheduling of an exam. As a result, NYC Transit schedules all claimants for medical exams immediately upon their beginning to lose time. A large number of the exams are canceled because employees return to work prior to the scheduled exam date. In addition, NYC Transit also schedules follow-up IME exams on four week cycles. Savings will be achieved by extending the amount of time between re-examinations from four to six weeks, thereby reducing the number of exams performed.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	NYCTR	0000000122	FINAL07	\$ 0.000	\$ 0.000	\$ 0.440	\$ 0.440	\$ 0.440

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Service Support	Savings Date	1/1/2009
PEG / New Need ID	0000000123	Current Budget Year	2007	Status	Open
Program:	Decrease Ride Check Frequency			Agency Status	Pending
Description and Implementation Pla	Decrease the frequency of the Ride Check Program, from a cycle of every 2.25/4.25 years to a 3/6 year cycle savings 14 Part Time Traffic Checker positions.				
Background Details	Prior to 2003, the Ride Check Program was on a 2/3 year cycle (review weekday service every two years and weekend service every three). Currently the program is on a 2.25/4.25 year cycle. In 2009, the length of time between ride checks will increase to a 3/6 year cycle, saving 14 part-time Traffic Checker positions. This savings will be made possible by data to be obtained from Automated Fare Collection and Service Management and Customer Information Systems.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	NYCTR	0000000123	FINAL07	\$ 0.000	\$ 0.000	\$ 0.355	\$ 0.355	\$ 0.355

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Service Support	Savings Date	1/1/2009
PEG / New Need ID	0000000125	Current Budget Year	2007	Status	Open
Program:	Eliminate 6 Sick Customer Response Program Stations			Agency Status	Pending
Description and Implementation Pla	Human Resources believes eliminating the program will not appreciably affect train delays, given the train service improvements the system has undergone in recent years.				
Background Details	Eliminate NYC Transit's Sick Customer Response Program in order to meet 2008 Budget target savings. The program assigns emergency medical technicians to six major subway stations at rush hours to assist sick customers and thereby help ensure that resulting train delays are minimized. Human Resources believes eliminating the program will not appreciably affect train delays, given the train service improvements the system has undergone in recent years.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	NYCTR	0000000125	FINAL07	\$ 0.000	\$ 0.000	\$ 0.223	\$ 0.223	\$ 0.223

MTA NEW YORK CITY TRANSIT
November Plan 2008 - 2011
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Service Support	Savings Date	1/1/2009
PEG / New Need ID	0000000126	Current Budget Year	2007	Status	Open
Program:	Revenue Control Efficiencies			Agency Status	Pending
Description and Implementation Pla	Eliminating the night shift in currency processing operations will result in the reduction of 10 pos. -- 2 Mgrs, 5 Supv Assoc. Cashiers, & 5 Assoc. Cashiers.				
Background Details	The combining of Subway booth and MVM collection services on the same route will result in the reduction of two routes or 10 Collecting Agents. The savings will be initiated in 2009 and assumes there will be no fare increase in 2008/2009. Additional savings can be achieved by eliminating the night shift in currency processing. Broadbanding the Associate Cashier and Supervisor Associate Cashier titles will create greater coverage flexibility within all Revenue Processing and MetroCard Production Operations thereby allowing for elimination of night shift currency processing operations, achieving additional savings.				

				2007	2008	2009	2010	2011
Total Headcount	NYCTR	0000000126	FINAL07	0	0	22	22	22
Financial Impact	NYCTR	0000000126	FINAL07	\$ 0.000	\$ 0.000	\$ 1.508	\$ 1.508	\$ 1.508

**MTA New York City Transit
November Financial Plan 2008-2011
Summary of Major Plan-to-Plan Changes**

Total Non-reimbursable and Reimbursable Baseline Positions:

2007: November Financial Plan vs. July Financial Plan

Total baseline positions are projected to increase by 487, comprised of a 506 non-reimbursable position increase and a 19 reimbursable position decrease. The non-reimbursable increase is primarily due to an increase of 482 positions in support of the Safety and Customer Satisfaction Pilot Programs.

2008-2011: November Financial Plan vs. July Financial Plan

Total baseline positions are projected to increase by 743 in 2008, 568 in 2009, 560 in 2010 and 437 in 2011. Non-reimbursable positions are projected to increase by 405 in 2008, 294 in 2009, 392 in 2010 and 357 in 2011. Reimbursable positions are projected to increase by 338 in 2008, 274 in 2009, 168 in 2010 and 80 in 2011. The non-reimbursable increases primarily include 523 positions each year in support of the Safety and Customer Satisfaction Pilot Programs partly offset by departmental savings of 120 positions in 2008, 160 positions in 2009, 120 positions in 2010 and 93 positions in 2011. The reimbursable increase is due primarily to: 108 positions in 2008, 93 positions in 2009 and 34 positions in 2010 in support of new R160 car purchases; 55 positions each year for additional RTO (Rapid Transit Operations) labor requirements; 40 positions in 2008 and 2009 to support Phase II of the Antenna Cable Replacement Project; 28 positions in 2008, 2009 and 2010 to support Phase II of the Signal Circuit Key-By Project and 29 positions each year to provide riders with customer service regarding diversion information.

MTA New York City Transit
November Financial Plan 2008-2011
Total Full-Time Positions and Full-Time Equivalents by Function and Department
Non-Reimbursable and Reimbursable

	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Administration						
Office of the EVP	26	27	27	27	25	24
Human Resources	496	393	384	384	384	384
Office of Management and Budget	33	37	39	39	39	39
Technology & Information Services	540	550	555	546	539	539
Materiel	269	271	271	271	268	268
Controller	238	237	237	237	237	237
Office of the President	5	6	6	6	6	6
Law	292	301	301	301	301	301
Corporate Communications	289	297	292	286	286	286
Non-Departmental	-	-	-	-	-	-
Labor Relations	107	208	206	206	206	206
Total Administration	2,295	2,327	2,318	2,303	2,291	2,290
Operations						
Subways Service Delivery	11,549	11,594	11,522	11,409	11,338	11,324
AFC Program Management & Sales	-	71	70	70	70	70
Buses	10,516	10,589	10,665	10,675	10,675	10,675
Paratransit	115	132	148	147	147	147
Operations Planning	413	427	451	441	441	441
Revenue Control	443	470	450	450	450	450
Total Operations	23,036	23,283	23,306	23,192	23,121	23,107
Maintenance						
Subways Service Delivery	2,903	2,923	2,959	2,883	2,895	2,907
Maintenance of Way & Rolling Stock	12,771	13,619	13,689	13,506	13,606	13,469
Buses	3,877	4,018	4,108	4,114	4,081	4,121
Revenue Control	133	137	137	137	137	137
Supply Logistics	558	557	568	568	568	568
System Safety	89	99	99	99	99	99
Non-Departmental	-	-	-	-	-	-
Total Maintenance	20,331	21,353	21,560	21,307	21,386	21,301
Engineering/Capital						
Capital Program Management	1,450	1,504	1,504	1,504	1,504	1,504
Total Engineering/Capital	1,450	1,504	1,504	1,504	1,504	1,504
Public Safety						
Subways Senior VP	584	116	118	115	114	111
Security	-	486	488	492	492	492
Total Public Safety	584	602	606	607	606	603
Baseline Total Positions	47,696	49,069	49,294	48,913	48,908	48,805
Non-Reimbursable	42,255	43,666	43,765	43,691	43,880	43,877
Reimbursable	5,441	5,403	5,529	5,222	5,028	4,928
Total Full-Time	47,453	48,850	49,082	48,716	48,711	48,608
Total Full-Time Equivalents	243	219	212	197	197	197
Impact of:						
2008 Program to Eliminate the Gap	-	(64)	(340)	(367)	(367)	(367)
Post 2008 Program to Eliminate the Gap	-	-	-	(43)	(43)	(43)
Total Positions	47,696	49,005	48,954	48,503	48,498	48,395
Non-Reimbursable	42,255	43,602	43,425	43,281	43,470	43,467
Reimbursable	5,441	5,403	5,529	5,222	5,028	4,928
Total Full-Time	47,453	48,788	48,756	48,320	48,315	48,212
Total Full-Time Equivalents	243	217	198	183	183	183

MTA New York City Transit
November Financial Plan 2008-2011
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Administration						
Managers/Supervisors	791	823	815	813	809	808
Professional, Technical, Clerical	1,472	1,471	1,470	1,457	1,449	1,449
Operational Hourlies	32	33	33	33	33	33
Total Administration	2,295	2,327	2,318	2,303	2,291	2,290
Operations						
Managers/Supervisors	2,499	2,606	2,643	2,586	2,571	2,565
Professional, Technical, Clerical	396	459	466	459	459	459
Operational Hourlies	20,141	20,218	20,197	20,147	20,091	20,083
Total Operations	23,036	23,283	23,306	23,192	23,121	23,107
Maintenance						
Managers/Supervisors	3,710	3,852	3,890	3,871	3,870	3,852
Professional, Technical, Clerical	1,182	1,185	1,202	1,157	1,140	1,124
Operational Hourlies	15,439	16,316	16,468	16,279	16,376	16,325
Total Maintenance	20,331	21,353	21,560	21,307	21,386	21,301
Engineering/Capital						
Managers/Supervisors	320	344	344	344	344	344
Professional, Technical, Clerical	1,128	1,158	1,158	1,158	1,158	1,158
Operational Hourlies	2	2	2	2	2	2
Total Engineering/Capital	1,450	1,504	1,504	1,504	1,504	1,504
Public Safety						
Managers/Supervisors	107	120	121	118	117	116
Professional, Technical, Clerical	83	87	88	87	87	85
Operational Hourlies	394	395	397	402	402	402
Total Public Safety	584	602	606	607	606	603
Total Baseline Positions						
Managers/Supervisors	7,427	7,745	7,813	7,732	7,711	7,685
Professional, Technical, Clerical	4,261	4,360	4,384	4,318	4,293	4,275
Operational Hourlies	36,008	36,964	37,097	36,863	36,904	36,845
Total Baseline Positions	47,696	49,069	49,294	48,913	48,908	48,805
Non-Reimbursable	42,255	43,666	43,765	43,691	43,880	43,877
Reimbursable	5,441	5,403	5,529	5,222	5,028	4,928
Total Full-Time	47,453	48,850	49,082	48,716	48,711	48,608
Total Full-Time Equivalents	243	219	212	197	197	197
Impact of:						
2008 Program to Eliminate the Gap	-	(64)	(340)	(367)	(367)	(367)
Post 2008 Program to Eliminate the Gap	-	-	-	(43)	(43)	(43)
Total Positions	47,696	49,005	48,954	48,503	48,498	48,395
Non-Reimbursable	42,255	43,602	43,425	43,281	43,470	43,467
Reimbursable	5,441	5,403	5,529	5,222	5,028	4,928
Total Full-Time	47,453	48,788	48,756	48,320	48,315	48,212
Total Full-Time Equivalents	243	217	198	183	183	183

MTA Bus Company

**MTA Bus Company
2008 Final Proposed Budget
November Financial Plan 2008-2011**

Mission Statement

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

Agency Overview

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

The transition of service of the seven private bus companies into MTABC began on January 3, 2005 with the transfer of operations of the former Liberty Lines Express, Inc. The transition was completed on February 20, 2006 as Triboro Coach Corporation became the seventh and final private bus company to join the operations of the MTABC. When the transition was completed, MTABC was operating over 1,250 buses serving approximately 350,000 riders daily. MTABC operates 46 local routes servicing the Bronx, Brooklyn and Queens, and 35 premium fare express routes between Manhattan and the Bronx, Brooklyn and Queens.

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

Between 2005 and early 2007, MTABC introduced 475 new “over-the-road” express buses into service, and a total of 76% of the express fleet has been replaced since the transition into MTABC commenced. In addition, the delivery of 284 new hybrid electric buses for local service was completed in October 2007.

With the new bus deliveries completed, a total of 759 new buses or almost 60% of the fleet have been replaced. The infusion of new buses into the MTABC fleet, in conjunction with the introduction of comprehensive maintenance programs designed to improve the reliability of the older buses inherited from the private bus companies, has allowed MTABC the opportunity to address a number of other critical areas: environmental initiatives, safety, security and skills training, the introduction of a centralized road operations unit to ensure consistent delivery of transportation services throughout MTABC depots, facility upgrades and improvements, and service/route improvements. As a new subsidiary of the MTA, MTABC has been able to successfully partner and utilize the established services of other agencies within the MTA to provide technical expertise in numerous areas, including bus and electronics maintenance, voice and data networks, human resources and medical services, to help achieve its objectives and better utilize existing resources.

Fixed route ridership levels have increased dramatically from the inception of service transition in 2005. Ridership was 92.2 million in 2005, 99.3 million in 2006 and 2007 levels are projected to be 106.8 million, or almost 16% higher than 2005 levels. This increase in ridership is attributable to the hundreds of new buses, improved on-time performance and maintenance, and targeted service enhancements. With continued service and reliability improvements, MTABC projects additional ridership gains in each of the years of the Plan.

Financial Overview

The 2007 MTA Bus Company Operating Budget proposal represented the development of its first comprehensive budget, and was the initial building block in targeting resources to address long standing operational deficiencies and to build a professional management structure. Transitioning seven different private companies with different collective bargaining agreements, bus fleets, facility conditions and workforce skills into a single, new public sector agency has provided for a unique and difficult challenge to balance service levels and productivity with cost efficiencies. The 2008 Final Proposed Budget continues the effort to bring Bus Company operations to a high level of performance.

2007 November Forecast

The November Plan reflects comparable assumptions regarding labor and non-labor expenses to those included in the July plan. Difficulties included in recruiting operating maintenance staff are resulting in payroll under-runs and overtime overruns. Service enhancements made across many local and express bus routes, and the resulting positive ridership gains, have been sustained throughout 2007. Proposed 2007 non-labor expenses have also tracked consistently from prior companies assumptions, where materials and supplies expenses tied to more extensive service levels and maintenance of older buses exceeded adopted budget assumptions.

2008 Final Proposed Budget – Baseline

In 2008, the Bus Company's main objectives will be to focus on continued reliability improvements to the bus fleet, successfully introduce new buses into the fleet, address the condition and security of its facilities, enhance the quality and attractiveness of bus service, fully handle all Bus Company financial reporting functions and upgrade the skills of its existing employees while introducing additional professional expertise into its operations. MTABC's 2008 Preliminary Budget includes total expenses before depreciation of \$406.1 million. Total revenues are projected to be \$156.7 million. Total baseline full-time positions are 3,511 (3,495 non-reimbursable and 16 reimbursable).

The major components of the 2008 MTABC Preliminary Budget are summarized as follows:

Labor

- Renewed management focus to fill critical operating vacancies in the mechanic/garage help titles (70) and depot management positions (approximately 35).
- A substantial reduction (39%) in the utilization of unscheduled overtime to meet service and maintenance levels.
- Supplementation of staff positions to meet the significant challenges in building an adequate support organization to meet public sector mandates.
- Expansion of popular service and information programs, in conjunction with improved schedule adjustments, to enhance the rider's transportation experience.
- Utilization of an engineering staff to manage the facilities projects funded through the MTABC's Capital Budget.

Non-Labor

OTPS expenses are decreasing in 2008 by \$18.2 million over 2007 levels due to several factors:

- Establishment of a reserve for public liability claims (\$11.0 million).
- Reduced reliance on maintenance contracts for facility and bus repairs (\$5.4 million).

- Lower materials and supplies expenses due to improved reliability of new bus fleet (\$5.0 million).
- Fuel costs – increased service levels (\$1.8 million)
- Insurance – higher worker's compensation policy costs (\$1.2 million)

2009-2011 Projections

The 2009-2011 projections reflect no change in headcount from the baseline 2008 Preliminary Budget Proposal. Salary and Wage projections incorporate CPI increases of 1.97% (2009), 1.95% (2010) and 2.0% (2011). Health and Welfare (H&W) expenses were increased 12.5% for 2008 based on the estimated 2007 per employee expense. For the 2009-2011 period, H&W expenses were increased by 9.2% per annum in accordance with New York State Department of Civil Service guidance.

Diesel fuel wholesale prices for 2008 are projected to decrease by 1.4% relative to 2007 levels, and decreases of 1.42% in 2009 from 2008 levels, 1.91% in 2010 from 2009 levels and 1.46% in 2011 from 2010 levels were included. Compressed Natural Gas (CNG) fuel expenses assume a 20.39% increase in 2008 over 2007 levels, an increase of 4.67% in 2009 over 2008 levels, and decreases of 4.55% in 2010 and 3.15% in 2011 from 2010 levels.

Other OTPS expense assumptions for 2009-2011 period reflect reductions in certain programs no longer required following the transition of operations, and CPI adjustments for inflation of 2.1% in 2008, 2.21% in 2009, 2.08% in 2010 and 2.13% in 2011 in accordance with Global Insight's CPI-U forecast.

Farebox revenue is projected to increase by 2.4% in 2008 over 2007 estimates, and increases of 2.4% in 2009, 2.1% in 2010 and 2.3% in 2011 over prior year revenue levels are forecasted. Ridership levels are projected to continue the gains experienced in 2006 and 2007. 2007 revenue improvements are attributable to MTABC initiatives to consistently meet service levels, provide enhanced service through selective route adjustments and the increased reliability of bus fareboxes.

MTA BUS COMPANY
November Financial Plan 2008 - 2011
Accrual Statement of Operations by Category
(\$ in millions)

Non-Reimbursable						
	2006	2007	2008			
	Actual	November Forecast	Final Proposed Budget	2009	2010	2011
Operating Revenue						
Farebox Revenue	\$125.135	\$137.502	\$140.834	\$144.161	\$147.246	\$150.646
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	\$16.457	\$15.540	\$15.866	\$16.217	\$16.554	\$16.907
Capital and Other Reimbursements	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Revenue	\$141.592	\$153.042	\$156.700	\$160.378	\$163.800	\$167.553
Operating Expenses						
<u>Labor:</u>						
Payroll	\$158.025	\$165.501	\$200.269	\$204.695	\$208.953	\$213.403
Overtime	35.747	32.402	19.813	20.250	20.672	21.112
Health and Welfare	25.827	36.726	43.573	47.582	51.959	56.739
Pensions	14.774	4.229	9.229	9.433	9.629	9.834
Other Fringe Benefits	2.229	15.740	16.291	16.651	16.997	17.359
Pattern Labor Provision	-	-	-	-	-	-
Reimbursable Overhead	-	(0.308)	(0.923)	(0.943)	(0.963)	(0.984)
Total Labor Expenses	\$236.602	\$254.290	\$288.251	\$297.667	\$307.247	\$317.465
<u>Non-Labor:</u>						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	\$17.995	\$25.904	\$27.739	\$28.008	\$27.192	\$26.622
Insurance	13.065	12.713	13.957	15.333	16.837	18.491
Claims	-	14.200	3.216	4.778	6.496	8.386
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	29.122	26.540	21.101	20.644	20.124	19.574
Professional Service Contracts	9.742	15.499	15.824	15.472	15.071	14.648
Materials & Supplies	29.104	39.421	34.386	35.855	36.513	37.243
Other Business Expenses	4.202	1.594	1.627	1.663	1.698	1.734
Total Non-Labor Expenses	\$103.230	\$135.871	\$117.851	\$121.754	\$123.932	\$126.698
<u>Other Expenses Adjustments:</u>						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$339.832	\$390.161	\$406.102	\$419.421	\$431.179	\$444.163
Depreciation	14.521	26.261	36.290	38.830	41.548	44.456
Other Post Employment Benefits	0.000	47.800	49.800	51.700	53.600	55.500
Total Expenses	\$354.353	\$464.222	\$492.192	\$509.951	\$526.327	\$544.119
Baseline Surplus/(Deficit)	(\$212.761)	(\$311.180)	(\$335.492)	(\$349.573)	(\$362.527)	(\$376.566)
2008 Program to Eliminate the Gap (PEGs)			0.750	1.446	1.489	1.526
Post 2008 Program to Eliminate the Gap (PEGs)						
Net Surplus/(Deficit)	(\$212.761)	(\$311.180)	(\$334.742)	(\$348.127)	(\$361.038)	(\$375.040)

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MTA BUS COMPANY
November Financial Plan 2008 - 2011
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2006	2007	2008			
	Actual	November Forecast	Final Proposed Budget	2009	2010	2011
Revenue						
Farebox Revenue	\$125.135	\$137.502	\$140.834	\$144.161	\$147.246	\$150.646
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	16.457	15.540	15.866	16.217	16.554	16.907
Capital and Other Reimbursements	-	9.884	24.238	32.360	23.855	23.031
Total Revenue	\$141.592	\$162.926	\$180.938	\$192.738	\$187.655	\$190.584
Expenses						
<u>Labor:</u>						
Payroll	\$158.025	\$165.924	\$201.118	\$206.041	\$210.342	\$214.834
Overtime	35.747	32.402	19.813	20.250	20.672	21.112
Health and Welfare	25.827	36.726	43.573	47.582	51.959	56.739
Pensions	14.774	4.256	9.313	9.520	9.719	9.926
Other Fringe Benefits	2.229	15.866	16.679	17.051	17.410	17.785
Pattern Labor Provision	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$236.602	\$255.174	\$290.496	\$300.444	\$310.102	\$320.396
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	17.995	25.904	27.739	28.008	27.192	26.622
Insurance	13.065	12.713	13.957	15.333	16.837	18.491
Claims	-	14.200	3.216	4.778	6.496	8.386
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	29.122	32.540	36.894	46.527	37.424	36.674
Professional Service Contracts	9.742	17.999	19.824	16.972	16.571	15.448
Materials & Supplies	29.104	39.921	36.586	38.055	38.713	39.443
Other Business Expenses	4.202	1.594	1.627	1.663	1.698	1.734
Total Non-Labor Expenses	\$103.230	\$144.871	\$139.844	\$151.337	\$144.932	\$146.798
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$339.832	\$400.045	\$430.340	\$451.781	\$455.034	\$467.194
Depreciation	14.521	26.261	36.290	38.830	41.548	44.456
Other Post Employment Benefits	0.000	47.800	49.800	51.700	53.600	55.500
Total Expenses	\$354.353	\$474.106	\$516.430	\$542.311	\$550.182	\$567.150
Baseline Surplus/(Deficit)	(\$212.761)	(\$311.180)	(\$335.492)	(\$349.573)	(\$362.527)	(\$376.566)
2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.750	1.446	1.489	1.526
Post 2008 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Net Surplus/(Deficit)	(\$212.761)	(\$311.180)	(\$334.742)	(\$348.127)	(\$361.038)	(\$375.040)

MTA BUS COMPANY
November Financial Plan 2008 - 2011
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2006	2007	2008			
	Actual	November	Final Proposed	2009	2010	2011
		Forecast	Budget			
Receipts						
Farebox Revenue	\$125.135	\$137.502	\$140.834	\$144.161	\$147.246	\$150.646
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	16.457	15.540	15.866	16.217	16.554	16.907
Capital and Other Reimbursements	0.000	9.884	24.238	32.360	23.855	23.031
Total Receipts	\$141.592	\$162.926	\$180.938	\$192.738	\$187.655	\$190.584
Expenditures						
<u>Labor:</u>						
Payroll	158.025	165.924	201.118	206.041	210.342	214.834
Overtime	35.747	32.402	19.813	20.250	20.672	21.112
Health and Welfare	25.827	36.726	43.573	47.582	51.959	56.739
Pensions	14.774	6.096	9.313	9.520	9.719	9.926
Other Fringe Benefits	2.229	15.866	16.679	17.051	17.410	17.785
Pattern Labor Provision						
GASB Account	0.000	2.648	2.967	3.305	3.579	3.948
Reimbursable Overhead						
Total Labor Expenditures	\$236.602	\$259.662	\$293.463	\$303.749	\$313.680	\$324.344
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains	17.995	27.744	27.739	28.008	27.192	26.622
Insurance	13.065	12.713	13.957	15.333	16.837	18.491
Claims	0.773	1.796	3.216	4.778	6.496	8.386
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	29.122	32.540	36.894	46.527	37.424	36.674
Professional Service Contracts	9.742	18.919	19.824	16.972	16.571	15.448
Materials & Supplies	29.104	39.921	36.586	38.055	38.713	39.443
Other Business Expenses	4.202	1.594	1.627	1.663	1.698	1.734
Total Non-Labor Expenditures	\$104.003	\$135.227	\$139.844	\$151.337	\$144.932	\$146.798
<u>Other Expenditure Adjustments:</u>						
Other						
Total Other Expenditure Adjustments	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenditures	\$340.605	\$394.888	\$433.307	\$455.086	\$458.613	\$471.142
Baseline Cash Deficit	(\$199.013)	(\$231.962)	(\$252.368)	(\$262.348)	(\$270.957)	(\$280.558)
2008 Program to Eliminate the Gap (PEGs)			0.750	1.446	1.489	1.526
Post 2008 Program to Eliminate the Gap (PEGs)						
Net Cash Deficit	(\$199.013)	(\$231.962)	(\$251.618)	(\$260.902)	(\$269.468)	(\$279.032)

MTA BUS COMPANY
November Financial Plan 2008 - 2011
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2006	2007	2008			
	Actual	November	Final Proposed	2009	2010	2011
		Forecast	Budget			
Receipts						
Farebox Revenue	(0.000)	-	-	-	-	-
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	-	-	-	-	-	-
Total Receipts	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
Payroll	-	-	-	-	-	-
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	(1.840)	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Pattern Labor Provision	-	-	-	-	-	-
GASB Account	-	(2.648)	(2.967)	(3.305)	(3.579)	(3.948)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	(\$4.488)	(\$2.967)	(\$3.305)	(\$3.579)	(\$3.948)
<u>Non-Labor:</u>						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	-	(1.840)	-	-	-	-
Insurance	-	-	-	-	-	-
Claims	(0.773)	12.404	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	(0.920)	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
Total Non-Labor Expenditures	(\$0.773)	\$9.644	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expenditures Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expenditures Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	(\$0.773)	\$5.156	(\$2.967)	(\$3.305)	(\$3.579)	(\$3.948)
Depreciation Adjustment	14.521	26.261	36.290	38.830	41.548	44.456
Other Post Employment Benefits	0.000	47.800	49.800	51.700	53.600	55.500
Baseline Total Cash Conversion Adjustments	\$13.748	\$79.217	\$83.123	\$87.225	\$91.569	\$96.008
2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.000	0.000	0.000
Post 2008 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Total Cash Conversion Adjustments	\$13.748	\$79.217	\$83.123	\$87.225	\$91.569	\$96.008

**MTA Bus Company
November Financial Plan 2008-2011
Year-to-Year Changes by Category**

TOTAL REVENUES

Farebox

2007 – 2011 - There is a \$3.3 million projected increase in the 2008 budget over the 2007 farebox estimate. A growth rate of 2.4% is forecasted for 2009 over 2008 levels, 2.1% in 2010 over 2009 levels and 2.3% in 2011 over 2010 levels, as improved bus reliability and more attractive service levels generate additional ridership.

Other Operating Revenue

2007 – 2011 - Slight increases in the level of advertising revenue received accounts for the increases in this category.

Capital and Other Reimbursements

2007 – 2011 - Delays in hiring and securing design contracts account for the lower level of reimbursable activity in 2007. In the 2008-2011 period, higher levels of reimbursable activity are projected, and annual changes are due to timing of facility upgrade work.

LABOR EXPENSES

Payroll / Overtime

2007 – 2008 - The reliance on overtime to offset operating and staff vacancies has continued, with corresponding base pay under-runs.

The 2008 phase-in of additional positions for service support, as well as the full year cost of expanded service levels and filling of vacancies, accounts for the increase in payroll, with corresponding sizable reductions in overtime. In the 2009-2011 period, projected CPI increases of 1.97% (2009), 1.95% (2010) and 2.00% (2011) were included. Headcount levels remain constant in the 2009-2011 period.

Health and Welfare

2007 – 2008 - Additional retiree costs as well as new positions for service expansion and support account for increases in 2008. CPI increases of 9.2% were incorporated into projections as the higher headcount levels are fully phased-in for the 2008-2011 period.

2009 – 2011 - CPI increases of 9.2% were incorporated into projections as the higher headcount levels are fully phased-in.

Pensions

2007 – 2011 - Initial pension valuation estimates for the last four private companies transitioning into MTA Bus will be identified in late 2007. Projections incorporate pro-rata estimates for the inclusion of the remaining private companies in the 2008-2011 period.

Other Fringe Benefits

2007 – 2008 - Additional positions for service expansion and service support account for the increases.

2009 – 2011 - Projected CPI increases of 2009 - 1.97%, 2010 - 1.95% and 2011 - 2.00% were incorporated into the estimates.

NON-LABOR EXPENSES

Fuel

2007 – 2008 - Expenses were adjusted upward to reflect additional service provided and higher vehicle revenue mileage.

2008 – 2011 - Projected fuel rates based on issued guidelines account for the annual changes between the plan years. Diesel fuel wholesale prices for 2008 are projected to decrease by 1.4% relative to 2007 levels, and decreases of 1.42% in 2009 from 2008 levels, 1.91% in 2010 from 2009 levels and 1.46% in 2011 from 2010 levels were included. Compressed Natural Gas (CNG) fuel expenses assume a 20.39% increase in 2008 over 2007 levels, an increase of 4.67 in 2009 over 2008 levels, and decreases of 4.55% in 2010 and 3.15% in 2011 from 2010 levels.

Insurance

2007 – 2011 - Less favorable pricing on the cost of vendor contracts to handle worker's compensation claims accounts for the projected annual increase.

Claims

2007 – 2011 - Anticipated increases in the volume and settlement of claims attributed to liability for MTA Bus since 2006 accounts for the projected cost escalation in the 2009-2011 period. The 2008 changes results from the 2007 establishment of a reserve account for public liability claims.

Maintenance and Other Operating Contracts

2007 – 2011 - Hiring of in-house maintenance staff to handle bus and facility repairs allows for a decrease in projected expenses beginning in 2008 over prior year levels. Expense assumptions reflect CPI adjustments for inflation of 2.1% in 2008, 2.21% in 2009, 2.08% in 2010 and 2.13% in 2011.

Professional Service Contracts

2007 – 2011 – The ramp up of reimbursable facility projects starting in 2008 accounts for the major changes in this category. Expense assumptions reflect CPI adjustments for inflation of 2.1% in 2008, 2.21% in 2009, 2.08% in 2010 and 2.13% in 2011.

Materials and Supplies

2007 – 2011 - The need to upgrade wheelchair and other systems on older buses will decrease after 2007 and in the 2008-2011 period, a stabilized level of material usage is projected with CPI increases reflected in those years. Expense assumptions reflect CPI adjustments for inflation of 2.1% in 2008, 2.21% in 2009, 2.08% in 2010 and 2.13% in 2011.

Other Business Expenses

2007 – 2011 - There were no major changes to this category. Expense assumptions reflect CPI adjustments for inflation of 2.1% in 2008, 2.21% in 2009, 2.08% in 2010 and 2.13% in 2011.

Other Post Employment Benefits

Re-estimates of projected costs in this expense category are reflected in the November Plan.

MTA BUS COMPANY
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
Revenue									
Farebox Revenue	\$137.502	\$140.834	\$3.332	\$144.161	\$3.327	\$147.246	\$3.085	\$150.646	\$3.400
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	15.540	15.866	0.326	16.217	0.351	16.554	0.337	16.907	0.353
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$153.042	\$156.700	\$3.658	\$160.378	\$3.678	\$163.800	\$3.422	\$167.553	\$3.753
Expenses									
Labor:									
Payroll	\$165.501	\$200.269	(\$34.768)	\$204.695	(\$4.426)	\$208.953	(\$4.258)	\$213.403	(\$4.451)
Overtime	32.402	19.813	12.589	20.250	(0.438)	20.672	(0.421)	21.112	(0.440)
Health and Welfare	36.726	43.573	(6.847)	47.582	(4.009)	51.959	(4.378)	56.739	(4.780)
Pensions	4.229	9.229	(5.000)	9.433	(0.204)	9.629	(0.196)	9.834	(0.205)
Other Fringe Benefits	15.740	16.291	(0.551)	16.651	(0.360)	16.997	(0.346)	17.359	(0.362)
Reimbursable Overhead	(0.308)	(0.923)	0.615	(0.943)	0.020	(0.963)	0.020	(0.984)	0.021
Total Labor Expenses	\$254.290	\$288.251	(\$33.961)	\$297.667	(\$9.416)	\$307.247	(\$9.579)	\$317.465	(\$10.218)
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	25.904	27.739	(1.835)	28.008	(0.269)	27.192	0.816	26.622	0.570
Insurance	12.713	13.957	(1.245)	15.333	(1.376)	16.837	(1.504)	18.491	(1.653)
Claims	14.200	3.216	10.984	4.778	(1.562)	6.496	(1.718)	8.386	(1.890)
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	26.540	21.101	5.439	20.644	0.457	20.124	0.520	19.574	0.550
Professional Service Contracts	15.499	15.824	(0.325)	15.472	0.352	15.071	0.401	14.648	0.424
Materials & Supplies	39.421	34.386	5.035	35.855	(1.469)	36.513	(0.659)	37.243	(0.730)
Other Business Expenses	1.594	1.627	(0.033)	1.663	(0.036)	1.698	(0.035)	1.734	(0.036)
Total Non-Labor Expenses	\$135.871	\$117.851	\$18.020	\$121.754	(\$3.903)	\$123.932	(\$2.178)	\$126.698	(\$2.766)
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$390.161	\$406.102	(\$15.942)	\$419.421	(\$13.319)	\$431.179	(\$11.758)	\$444.163	(\$12.984)
Depreciation	26.261	36.290	(10.029)	\$38.830	(2.540)	\$41.548	(2.718)	\$44.456	(2.908)
OPEB	47.800	49.800	(2.000)	\$51.700	(1.900)	\$53.600	(1.900)	\$55.500	(1.900)
Total Expenses	\$464.222	\$492.192	(\$27.971)	\$509.951	(\$17.759)	\$526.327	(\$16.376)	\$544.119	(\$17.792)
Baseline Net Surplus/(Deficit)	(\$311.180)	(\$335.492)	(\$24.312)	(\$349.573)	(\$14.082)	(\$362.527)	(\$12.953)	(\$376.566)	(\$14.039)
2008 PEG Program	0.000	0.750	0.750	1.446	0.696	1.489	0.043	1.526	0.037
Post-2008 PEG Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net Surplus/(Deficit)	(\$311.180)	(\$334.742)	(\$23.562)	(\$348.127)	(\$13.386)	(\$361.038)	(\$12.910)	(\$375.040)	(\$14.002)

REIMBURSABLE

[illegible]

MTA BUS COMPANY
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
Revenue									
Farebox Revenue	\$137.502	\$140.834	\$3.332	\$144.161	\$3.327	\$147.246	\$3.085	\$150.646	\$3.400
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	15.540	15.866	0.326	16.217	0.351	16.554	0.337	16.907	0.353
Capital and Other Reimbursements	9.884	24.238	14.354	32.360	8.122	23.855	(8.505)	23.031	(0.824)
Total Revenue	\$162.926	\$180.938	\$18.012	\$192.738	\$11.800	\$187.655	(\$5.082)	\$190.584	\$2.929
Expenses									
Labor:									
Payroll	\$165.924	\$201.118	(\$35.194)	\$206.041	(\$4.923)	\$210.342	(\$4.301)	\$214.834	(\$4.492)
Overtime	32.402	19.813	12.589	\$20.250	(0.438)	\$20.672	(0.421)	\$21.112	(0.440)
Health and Welfare	36.726	43.573	(6.847)	\$47.582	(4.009)	\$51.959	(4.378)	\$56.739	(4.780)
Pensions	4.256	9.313	(5.057)	\$9.520	(0.207)	\$9.719	(0.199)	\$9.926	(0.208)
Other Fringe Benefits	15.866	16.679	(0.813)	\$17.051	(0.372)	\$17.410	(0.359)	\$17.785	(0.374)
Reimbursable Overhead	0.000	0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000
Total Labor Expenses	\$255.174	\$290.496	(\$35.322)	\$300.444	(\$9.948)	\$310.102	(\$9.658)	\$320.396	(\$10.294)
Non-Labor:									
Traction and Propulsion Power			\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	25.904	27.739	(1.835)	28.008	(0.269)	27.192	0.816	26.622	0.570
Insurance	12.713	13.957	(1.245)	15.333	(1.376)	16.837	(1.504)	18.491	(1.653)
Claims	14.200	3.216	10.984	4.778	(1.562)	6.496	(1.718)	8.386	(1.890)
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	32.540	36.894	(4.354)	46.527	(9.633)	37.424	9.103	36.674	0.750
Professional Service Contracts	17.999	19.824	(1.825)	16.972	2.852	16.571	0.401	15.448	1.124
Materials & Supplies	39.921	36.586	3.335	38.055	(1.469)	38.713	(0.659)	39.443	(0.730)
Other Business Expenses	1.594	1.627	(0.033)	1.663	(0.036)	1.698	(0.035)	1.734	(0.036)
Total Non-Labor Expenses	\$144.871	\$139.844	\$5.027	\$151.337	(\$11.493)	\$144.932	\$6.405	\$146.798	(\$1.866)
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$400.045	\$430.340	(\$30.295)	\$451.781	(\$21.441)	\$455.034	(\$3.253)	\$467.194	(\$12.160)
Depreciation	26.261	36.290	(10.029)	38.830	(2.540)	41.548	(2.718)	44.456	(2.908)
OPEB	47.800	49.800	(2.000)	51.700	(1.900)	53.600	(1.900)	55.500	(1.900)
Total Expenses	\$474.106	\$516.430	(\$40.324)	\$542.311	(\$23.981)	\$550.182	(\$5.971)	\$567.150	(\$15.068)
Baseline Net Surplus/(Deficit)	(\$311.180)	(\$335.492)	(\$22.312)	(\$349.573)	(\$12.182)	(\$362.527)	(\$11.053)	(\$376.566)	(\$12.139)
2008 PEG Program	0.000	0.750	0.750	1.446	0.696	1.489	0.043	1.526	0.037
Post-2008 PEG Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net Surplus/(Deficit)	(\$311.180)	(\$334.742)	(\$21.562)	(\$348.127)	(\$11.486)	(\$361.038)	(\$11.010)	(\$375.040)	(\$12.102)

MTA BUS COMPANY
November Financial Plan 2008 - 2011
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
<u>Receipts</u>									
Farebox Revenue	\$137.502	\$140.834	\$3.332	\$144.161	\$3.327	\$147.246	\$3.085	\$150.646	\$3.400
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	15.540	15.866	0.326	16.217	0.351	16.554	0.337	16.907	0.353
Capital and Other Reimbursements	9.884	24.238	14.354	32.360	8.122	23.855	(8.505)	23.031	(0.824)
Total Receipts	\$162.926	\$180.938	\$18.012	\$192.738	\$11.800	\$187.655	(\$5.082)	\$190.584	\$2.929
<u>Expenditures</u>									
Labor:									
Payroll	\$165.924	\$201.118	(\$35.194)	206.041	(\$4.923)	210.342	(\$4.301)	214.834	(\$4.492)
Overtime	32.402	19.813	12.589	20.250	(0.438)	20.672	(0.421)	21.112	(0.440)
Health and Welfare	36.726	43.573	(6.847)	47.582	(4.009)	51.959	(4.378)	56.739	(4.780)
Pensions	6.096	9.313	(3.217)	9.520	(0.207)	9.719	(0.199)	9.926	(0.208)
Other Fringe Benefits	15.866	16.679	(0.813)	17.051	(0.372)	17.410	(0.359)	17.785	(0.374)
GASB Account	2.648	2.967	(0.319)	3.305	(0.338)	3.579	(0.274)	3.948	(0.369)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$259.662	\$293.463	(\$33.801)	\$303.749	(\$10.286)	\$313.680	(\$9.931)	\$324.344	(\$10.663)
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	27.744	27.739	0.005	28.008	(0.269)	27.192	0.816	26.622	0.570
Insurance	12.713	13.957	(1.245)	15.333	(1.376)	16.837	(1.504)	18.491	(1.653)
Claims	1.796	3.216	(1.420)	4.778	(1.562)	6.496	(1.718)	8.386	(1.890)
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	32.540	36.894	(4.354)	46.527	(9.633)	37.424	9.103	36.674	0.750
Professional Service Contracts	18.919	19.824	(0.905)	16.972	2.852	16.571	0.401	15.448	1.124
Materials & Supplies	39.921	36.586	3.335	38.055	(1.469)	38.713	(0.659)	39.443	(0.730)
Other Business Expenses	1.594	1.627	(0.033)	1.663	(0.036)	1.698	(0.035)	1.734	(0.036)
Total Non-Labor Expenditures	\$135.227	\$139.844	(\$4.617)	\$151.337	(\$11.493)	\$144.932	\$6.405	\$146.798	(\$1.866)
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$394.888	\$433.307	(\$38.418)	\$455.086	(\$21.780)	\$458.613	(\$3.526)	\$471.142	(\$12.529)
Baseline Net Cash Deficit	(\$231.962)	(\$252.368)	(\$20.406)	(\$262.348)	(\$9.980)	(\$270.957)	(\$8.609)	(\$280.558)	(\$9.601)
2008 PEG Program	0.000	0.750	0.750	1.446	0.696	1.489	0.043	1.526	0.037
Post-2008 PEG Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net Cash Deficit	(\$231.962)	(\$251.618)	(\$19.656)	(\$260.902)	(\$9.284)	(\$269.468)	(\$8.566)	(\$279.032)	(\$9.564)

**MTA Bus Company
November Financial Plan 2008-2011
Summary of Major Plan-to-Plan Changes**

1. REVENUE

- **Farebox**
 - Strong ridership has resulted in continued incremental increases in revenue and ridership categories. As a result there is a \$2.0 million increase in farebox revenue projections for 2007, \$2.6 million for 2008, \$3.2 million for 2009, \$3.4 million for 2010 and \$4.0 million for 2011 from the July Plan.
- **Other Operating Revenue**
 - Minor adjustments from the July Plan to projected revenues from advertising are included.
- **Capital and Other Reimbursements**
 - There is no change in Capital and other Reimbursement levels from the July Plan.

2. LABOR EXPENSES

- **Payroll / Overtime / Other Fringe**
 - 2007 - There is no change from the July Plan.
 - 2008 – 2011 - There is a slight increase in the 2009-2011 period from the July Plan due to slightly higher average rates of pay for bus operators. Salary and Wage projections incorporate CPI increases of 1.97% (2009), 1.95 % (2010) and 2.00% for 2011.
- **Health and Welfare**
 - Minor inflation – related adjustments from the July Plan were included. CPI increases of 9.2% were incorporated into projections for the 2008-2011 period.

- **Pension**
 - The 2008-2011 period reflects re-estimates for the inclusion of estimated pension costs for the other four private companies.

3. **NON-LABOR EXPENSES**

- **Fuel**
 - Fuel expenses were adjusted in the 2008-2011 period to reflect continued improvements in bus efficiency and rate guidelines. Diesel fuel wholesale prices for 2008 are projected to decrease by 1.4% relative to 2007 levels, and decreases of 1.42% in 2009 from 2008 levels, 1.91% in 2010 from 2009 levels and 1.46% in 2011 from 2010 levels were included. Compressed Natural Gas (CNG) fuel expenses assume a 20.39% increase in 2008 over 2007 levels, an increase of 4.67% in 2009 over 2008 levels, and decreases of 4.55% in 2010 and 3.15% in 2011 from 2010 levels.
- **Insurance/Claims**
 - There is no change from the July Plan for Insurance or Claims expenses.
- **Maintenance and Other Contracts**
 - A small reduction of one-time work to improve facility conditions is reflected in the November Plan.
- **Professional Service Contracts**
 - The changes in the 2008-2011 period are due to inflation – related assumptions. Expense assumptions reflect reductions in CPI adjustments for inflation of 2.1% in 2008, 2.21% in 2009, 2.08% in 2010 and 2.13% in 2011 in accordance with Global Insight's CPI-U forecast.
- **Materials and Supplies**
 - The changes in the 2008-2011 period are due to inflation-related assumptions. Expense assumptions reflect CPI adjustments for inflation of 2.1% in 2008, 2.21% in 2009, 2.08% in 2010 and 2.13% in 2011.

- **Other Business Expenses**

- The changes in the 2008-2011 period are due to CPI-related assumptions.

- **Other Post Employment Benefits**

- The re-estimate of projected expenses related to Other Post Employment Benefits is reflected within the November Plan.

MTA Bus Company
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	(\$233.949)	(\$254.705)	(\$265.632)	(\$276.655)	(\$287.565)
Baseline Changes					
Revenue					
Farebox Revenue	\$1.987	\$2.609	\$3.171	\$3.436	\$3.960
Toll Revenue					
Other Operating Revenue		(0.009)	0.029	0.050	0.073
Capital and Other Reimbursement					
Total Revenue Changes	\$1.987	\$2.599	\$3.200	\$3.487	\$4.033
Expenses					
Labor:					
Payroll			(0.481)	(0.756)	(1.043)
Overtime			(0.048)	(0.075)	(0.103)
Health and Welfare					
Pensions			(0.022)	(0.035)	(0.048)
Other Fringe Benefits			(0.039)	(0.062)	(0.085)
Reimbursable Overhead			0.002	0.003	0.005
Total Labor Expense Changes			(\$0.587)	(\$0.924)	(\$1.274)
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains		(0.307)	0.823	3.297	4.458
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts		0.013	(0.036)	(0.062)	(0.088)
Professional Service Contracts		0.009	(0.027)	(0.047)	(0.066)
Materials & Supplies		0.021	(0.086)	(0.047)	(0.048)
Other Business Expenses		0.001	(0.003)	(0.005)	(0.007)
Other Post Employment Benefits	(47.800)	(49.800)	(51.700)	(53.600)	(55.500)
Total Non-Labor Expense Changes	(\$47.800)	(\$50.063)	(\$51.028)	(\$50.464)	(\$51.252)
Total Expense Changes	(\$47.800)	(\$50.063)	(\$51.615)	(\$51.388)	(\$52.526)
Cash Adjustment Changes					
Other Post Employment Benefits	\$47.800	\$49.800	\$51.700	\$53.600	\$55.500
Total Cash Adjustment Changes	\$47.800	\$49.800	\$51.700	\$53.600	\$55.500
Total Baseline Changes	\$1.987	\$2.336	\$3.284	\$5.699	\$7.007
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	(\$231.962)	(\$252.368)	(\$262.348)	(\$270.957)	(\$280.558)

MTA Bus Company
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)					
Baseline Changes					
Revenue					
Farebox Revenue					
Toll Revenue					
Other Operating Revenue					
Capital and Other Reimbursement			0.002	0.003	0.005
Total Revenue Changes			\$0.002	\$0.003	\$0.005
Expenses					
<i>Labor:</i>					
Payroll					
Overtime					
Health and Welfare					
Pensions					
Other Fringe Benefits					
Reimbursable Overhead			(0.002)	(0.003)	(0.005)
Total Labor Expense Changes			(\$0.002)	(\$0.003)	(\$0.005)
<i>Non-Labor:</i>					
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					
Total Non-Labor Expense Changes					
Total Expense Changes			(\$0.002)	(\$0.003)	(\$0.005)
Cash Adjustment Changes					
Total Cash Adjustment Changes					
Total Baseline Changes			(\$0.000)	(\$0.000)	(\$0.000)
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)			(\$0.000)	(\$0.000)	(\$0.000)

MTA Bus Company
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	(\$233.949)	(\$254.705)	(\$265.632)	(\$276.655)	(\$287.565)
Baseline Changes					
Revenue					
Farebox Revenue	1.987	2.609	3.171	3.436	3.960
Toll Revenue					
Other Operating Revenue		(0.009)	0.029	0.050	0.073
Capital and Other Reimbursement			0.002	0.003	0.005
Total Revenue Changes	\$1.987	\$2.599	\$3.202	\$3.490	\$4.038
Expenses					
<i>Labor:</i>					
Payroll			(0.481)	(0.756)	(1.043)
Overtime			(0.048)	(0.075)	(0.103)
Health and Welfare					
Pensions			(0.022)	(0.035)	(0.048)
Other Fringe Benefits			(0.039)	(0.062)	(0.085)
Reimbursable Overhead					
Total Labor Expense Changes			(\$0.589)	(\$0.927)	(\$1.279)
<i>Non-Labor:</i>					
Traction and Propulsion Power					
Fuel for Buses and Trains		(0.307)	0.823	3.297	4.458
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts		0.013	(0.036)	(0.062)	(0.088)
Professional Service Contracts		0.009	(0.027)	(0.047)	(0.066)
Materials & Supplies		0.021	(0.086)	(0.047)	(0.048)
Other Business Expenses		0.001	(0.003)	(0.005)	(0.007)
Other Post Employment Benefits	(47.800)	(49.800)	(51.700)	(53.600)	(55.500)
Total Non-Labor Expense Changes	(\$47.800)	(\$50.063)	(\$51.028)	(\$50.464)	(\$51.252)
Total Expense Changes	(\$47.800)	(\$50.063)	(\$51.618)	(\$51.391)	(\$52.530)
Cash Adjustment Changes					
Farebox Revenue	-	-	-	-	-
Capital and Other Reimbursements	-	-	-	-	-
Payroll	-	-	-	-	-
Overtime	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Pensions	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-
Insurance	-	-	-	-	-
Claims	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-
Materials & Supplies	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-
Other Post Employment Benefits	\$47.800	\$49.800	\$51.700	\$53.600	\$55.500
Total Cash Adjustment Changes	\$47.800	\$49.800	\$51.700	\$53.600	\$55.500
Total Baseline Changes	\$1.987	\$2.336	\$3.284	\$5.698	\$7.007
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	(\$231.962)	(\$252.368)	(\$262.348)	(\$270.957)	(\$280.558)

MTA Bus Company
November Financial Plan 2008 - 2011
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	(\$233.949)	(\$254.705)	(\$265.632)	(\$276.655)	(\$287.565)
Non-Reimbursable Major Changes					
Revenue					
Farebox Revenue	1.987	2.609	3.171	3.436	3.960
Other Operating Revenue		(0.009)	0.029	0.050	0.073
Sub-Total Non-Reimbursable Revenue Changes	1.987	2.599	3.200	3.487	4.033
Expenses					
Re-estimates Including Impact of Revised Inflation	0.000	(0.263)	0.085	2.212	2.974
Inclusion of Other Post Employment Benefits	(47.800)	(49.800)	(51.700)	(53.600)	(55.500)
Sub-Total Non-Reimbursable Expense Changes	(\$47.800)	(\$50.063)	(\$51.615)	(\$51.388)	(\$52.526)
Total Non-Reimbursable Major Changes	(\$45.813)	(\$47.464)	(\$48.416)	(\$47.901)	(\$48.493)
Reimbursable Major Changes					
Revenue					
Sub-Total Reimbursable Revenue Changes	0.000	0.000	0.002	0.003	0.005
Expenses					
Sub-Total Reimbursable Expense Changes	0.000	0.000	(0.002)	(0.003)	(0.005)
Total Reimbursable Major Changes	\$0.000	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)
Total Accrual Changes	(\$45.813)	(\$47.464)	(\$48.416)	(\$47.902)	(\$48.493)
Cash Adjustment Changes					
Inclusion of Other Post Employment Benefits	47.800	49.800	51.700	53.600	55.500
Total Cash Adjustment Changes	\$47.800	\$49.800	\$51.700	\$53.600	\$55.500
Total Baseline Changes	\$1.987	\$2.336	\$3.284	\$5.698	\$7.007
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	(\$231.962)	(\$252.368)	(\$262.348)	(\$270.957)	(\$280.558)
Programs to Eliminate the Gap (PEGs)					
2008 PEGs - November Financial Plan	\$0.000	\$0.750	\$1.446	\$1.489	\$1.526
Post-2008 PEGs - November Financial Plan	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
2007 November Financial Plan - Net Cash Deficit	(\$231.962)	(\$251.618)	(\$260.902)	(\$269.468)	(\$279.032)

**MTA Bus Company
2008 Final Proposed Budget
November Financial Plan 2008-2011**

Utilization:

Fixed Route Ridership:

MTA Bus is experiencing a sizable increase in fixed rate ridership. We are projecting an annualized 7.6% increase for 2007 over 2006 levels based on September year to date levels.

This increase in ridership is attributable to the introduction of hundreds of new buses, improved on-time performance and maintenance reliability and targeted schedule enhancements on selected express and local routes.

The full year 2007 November Forecast was increased to 106.8 million riders. For 2008, the revised ridership was increased by 4.1 million riders over July Plan levels. This represents a 3.8% increase over projected 2007 ridership levels. Ridership increases of 4.0% for 2009, 3.8% for 2010 and 4.0% for 2011 are also projected.

Fixed Route Revenue:

Revenue is projected to be \$137.5 million in 2007. This is based on 106.8 million riders. Projected revenue in 2009-2011 period is reflective of the ridership gains forecast during that period.

MTA BUS COMPANY
November Financial Plan 2008 - 2011
RIDERSHIP/TRAFFIC VOLUME (UTILIZATION)
(\$ in millions)

	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
<u>Baseline</u>						
Fixed Route	99.253	106.833	110.893	115.329	119.712	124.501
Baseline Total Ridership	99.253	106.833	110.893	115.329	119.712	124.501
<u>Farebox Revenue</u>						
Fixed Route	125.135	137.502	140.834	144.161	147.246	150.646
Baseline Total Revenue	125.135	137.502	140.834	144.161	147.246	150.646
Total Ridership	99.253	106.833	110.893	115.329	119.712	124.501
Total Revenue	125.135	137.502	140.834	144.161	147.246	150.646

MTA BUS COMPANY
November Plan 2008 - 2011
Summary of 2008 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2007		2008		2009		2010		2011	
		<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>
Maintenance											
MCI Warranty Costs		0	0.000	0	0.750	0	1.446	0	1.489	0	1.526
Sub-Total	Maintenance	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.750</u>	<u>0</u>	<u>\$ 1.446</u>	<u>0</u>	<u>\$ 1.489</u>	<u>0</u>	<u>\$ 1.526</u>
Total Programs		<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.750</u>	<u>0</u>	<u>\$ 1.446</u>	<u>0</u>	<u>\$ 1.489</u>	<u>0</u>	<u>\$ 1.526</u>

MTA BUS COMPANY
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTBUS	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000001	Current Budget Year	2007	Status	Open
Program:	MCI Warranty Costs			Agency Status	Pending
Description and Implementation Pla	The MCI bus warranty will not be needed once maintenance staff is hired and trained.				
Background Details	A one year extension was placed in the 2007 budget for the 475 MCI buses delivered in 2006 and 2007. As new maintenance staff is hired and trained, the warranty will no longer be needed. Funds for this effort were budgeted in each year of the February Financial Plan, and are reduced in 2008 to reflect warranty expiration of the first two delivery orders in 2008, and expiration of the last two deliveries in 2009.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	MTBUS	0000000001	FINAL07	\$ 0.000	\$ 0.750	\$ 1.446	\$ 1.489	\$ 1.526

MTA BUS COMPANY
November Financial Plan 2008 - 2011
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Administration						
Office of the EVP	1	2	2	2	2	2
Human Resources	2	3	3	3	3	3
Office of Management and Budget	1	8	8	8	8	8
Technology & Information Services	9	12	12	12	12	12
Materiel	5	22	22	22	22	22
Controller	32	47	47	47	47	47
Office of the President	2	2	2	2	2	2
System Safety Administration	1	3	3	3	3	3
Law	10	17	17	17	17	17
Corporate Communications	6	7	7	7	7	7
Labor Relations	1	2	2	2	2	2
Non Departmental	0	0	40	40	40	40
Total Administration	70	125	165	165	165	165
Operations						
Buses	2,127	2,280	2,280	2,280	2,280	2,280
Operations Planning	2	11	11	11	11	11
Revenue Control	5	7	7	7	7	7
Total Operations	2,134	2,298	2,298	2,298	2,298	2,298
Maintenance						
Buses	799	951	951	951	951	951
Supply Logistics	44	64	64	64	64	64
Total Maintenance	843	1,015	1,015	1,015	1,015	1,015
Engineering/Capital						
Capital Program Management	1	11	23	23	23	23
Public Safety						
Office of the Senior Vice President	7	10	10	10	10	10
Total Positions	3,055	3,459	3,511	3,511	3,511	3,511
Non-Reimbursable	3,055	3,455	3,495	3,495	3,495	3,495
Reimbursable		4	16	16	16	16
Total Full-Time	3,055	3,459	3,511	3,511	3,511	3,511
Total Full-Time Equivalents						

MTA BUS COMPANY
November Financial Plan 2008 - 2011
Total Full-Time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP		2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Administration							
	Managers/Supervisors	11	37	53	53	53	53
	Professional, Technical, Clerical	59	88	112	112	112	112
	Operational Hourlies						
	Total Administration	70	125	165	165	165	165
Operations							
	Managers/Supervisors	197	271	271	271	271	271
	Professional, Technical, Clerical	51	51	51	51	51	51
	Operational Hourlies	1,886	1,976	1,976	1,976	1,976	1,976
	Total Operations	2,134	2,298	2,298	2,298	2,298	2,298
Maintenance							
	Managers/Supervisors	112	150	150	150	150	150
	Professional, Technical, Clerical	22	18	18	18	18	18
	Operational Hourlies	709	847	847	847	847	847
	Total Maintenance	843	1,015	1,015	1,015	1,015	1,015
Engineering/Capital							
	Managers/Supervisors	1	6	14	14	14	14
	Professional, Technical, Clerical	-	5	9	9	9	9
	Operational Hourlies	-	-	-	-	-	-
	Total Engineering/Capital	1	11	23	23	23	23
Public Safety							
	Managers/Supervisors	2	4	4	4	4	4
	Professional, Technical, Clerical	0	2	2	2	2	2
	Operational Hourlies	5	4	4	4	4	4
	Total Public Safety	7	10	10	10	10	10
Total Positions							
	Managers/Supervisors	323	468	492	492	492	492
	Professional, Technical, Clerical	132	164	192	192	192	192
	Operational Hourlies	2,600	2,827	2,827	2,827	2,827	2,827
	Total Baseline Positions	3,055	3,459	3,511	3,511	3,511	3,511

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Staten Island Railway

**MTA Staten Island Railway
2008 Final Proposed Budget
November Financial Plan 2008 - 2011**

MISSION STATEMENT

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

FINANCIAL OVERVIEW

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

The 2008 Final Proposed Budget and projections for the years 2009-2011 provide sufficient funding to maintain MTA's commitment to safety, security and the expansion of express service in mid-November 2007, which will add five express trains for the evening rush, for a total of thirteen evening express trains. Expanded morning service will begin in early December 2007 with the addition of three express trains, for a total of nine morning express trains. With no net cost to the budget, this is accomplished primarily through implementation of operational efficiencies that optimize the utilization of resources to achieve agency goals. Performance indicators including mean distance between failures and on-time performance remain within targeted levels.

2007 November Forecast-Baseline

MTA Staten Island Railway's 2007 November Forecast reflects total expenses before depreciation and Other Post-Employment Benefits of \$32.459 million, including \$31.103 million of non-reimbursable expenses and \$1.356 million of reimbursable expenses. Total revenues are projected to be \$7.275 million, of which \$5.919 million are operating revenues and \$1.356 million represent capital reimbursements. Total full-time positions are 286, including 283 non-reimbursable positions and 3 reimbursable positions.

The November forecast includes the following changes from the Mid-Year Forecast:

- A \$2.6 million increase in pension expense due to an updated actuarial valuation
- An inclusion of \$2.4 million of Other Post-Employment Benefit expenses based upon the adoption of GASB #45 in 2007
- Revised inflation assumptions resulting in an expense increase of \$0.379 million
- An increase in farebox revenue of \$0.148 million

2008 Final Proposed Budget - Baseline

MTA Staten Island Railway's 2008 Final Proposed Budget reflects total expenses before depreciation and Other Post-Employment Benefits of \$39.731 million, including

2008 Final Proposed Budget – Baseline (continued)

\$38.309 million of non-reimbursable expenses and \$1.422 million of reimbursable expenses. Total revenues are projected to be \$7.383 million, of which \$5.961 million are operating revenues and \$1.422 million represent capital reimbursements. Total full-time positions are 286, including 283 non-reimbursable positions and 3 reimbursable positions.

The 2008 Final Proposed Budget includes the following changes from the 2008 Preliminary Budget:

- A rescheduling of fleet maintenance expenses (R44 Life Extension) of \$5.5 million from 2008 to 2009 due to lead times for component parts purchasing
- A \$3.0 million increase in pension expense due to an updated actuarial valuation
- An inclusion of \$5.0 million of Other Post-Employment Benefit expenses based upon the adoption of GASB #45 in 2007
- Revised inflation assumptions resulting in an expense increase of \$0.337 million
- An increase in farebox revenue of \$0.145 million

The 2008 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described below, are projected to yield a deficit reduction of \$0.600 million and a position reduction of 10 in 2008.

2009-2011 Projections-Baseline

MTA Staten Island Railway's projections for 2009-2011 reflect total expenses before depreciation and Other Post-Employment benefits as follows: 2009=\$41.376 million, 2010=\$37.826 million and 2011=\$39.337 million. Non-reimbursable expenses before depreciation and Other Post-Employment benefits are projected as follows: 2009=\$39.889 million, 2010=\$36.281 million and 2011=\$37.732 million. Reimbursable expenses are projected as follows: 2009=\$1.487 million, 2010=\$1.545 million and 2011=\$1.605 million. Total revenues are projected as follows: 2009=\$8.059 million, 2010=\$8.146 million and 2011=\$8.251 million. Operating revenues are projected as follows: 2009=\$6.572 million, 2010=\$6.601 million and 2011=\$6.646 million. Capital reimbursements are projected as follows: 2009=\$1.487 million, 2010=\$1.545 million and 2011=\$1.605 million. Total full-time positions are projected to be 286 for each year 2009 through 2011. Non-reimbursable positions are projected to be 283 for each year. Reimbursable positions are projected to be 3 in each year.

Projections for 2009-2011 include the following changes from the July Financial Plan:

- A rescheduling of fleet maintenance expenses (R44 Life Extension) of \$5.5 million from 2008 to 2009 due to lead times for component parts purchasing
- Pension expense increases of \$3.0 million in 2009, \$3.4 million in 2010 and \$3.6 million in 2011 due to an updated actuarial valuation
- Inclusion of \$7.7 million in 2009, \$10.5 million in 2010 and \$13.3 million in 2011 of Other Post-Employment Benefit expenses based upon the adoption of GASB #45 in 2007
- Revised inflation assumptions resulting in expense increases of \$0.347 million in 2009, \$0.656 million in 2010 and \$0.819 million in 2011

2009-2011 Projections-Baseline (continued)

- Increases in farebox revenue of \$0.192 million in 2009, \$0.197 million in 2010 and \$0.202 million in 2011

The 2008 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described below, are projected to yield deficit reductions in each projection year of \$0.650 million and position reductions of 11.

Post-2008 Programs to Eliminate the GAP are projected to yield deficit reductions in each projection year of \$0.330 million and position reductions of 6.

Major assumptions and reconciliations are discussed later in this section.

GAP CLOSING MEASURES

2008/Post-2008 Programs to Eliminate the Gap (PEGs)

These programs in total project deficit reductions of \$0.600 million in 2008 and \$0.980 million for each projection year 2009-2011. Position reductions are projected at 10 at the end of 2008 and 17 at the end of each projection year 2009-2011. Major programs are summarized as follows:

2008 Programs to Eliminate the GAP

- **Overall Position Reductions** - Based upon an assessment of position requirements for operations support, maintenance and administrative functions, it was determined that 6 positions can be eliminated in 2008 with a savings of \$0.380 million. For the years 2009-2011, it was determined that 7 positions can be eliminated with an annual savings of \$0.430 million.
- **St. George Fare Collection** – It has been determined that, beginning 2008, 2 positions can be eliminated with annual savings of \$0.110 million each year by replacing these positions with two additional MVM's in the St. George Terminal.
- **Cleaning Efficiencies** – Beginning in 2008, it is projected that 2 positions can be eliminated with annual savings per year of \$0.110 million.

Post-2008 Programs to Eliminate the GAP

- **Administrative Efficiencies** – It has been determined that, beginning in 2009, 4 administrative positions can be eliminated with an annual savings of \$0.220 million each projection year.
- **Operations Reorganization** – Beginning 2009, it is projected that 2 positions can be eliminated and annual savings of \$0.110 million per projection year can be achieved through the managerial consolidation of cleaning services and transportation departments and the introduction of a PC-based control system.

MTA STATEN ISLAND RAILWAY
November Financial Plan 2008-2011
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2006	2007	2008			
	Actual	November	Final Proposed	2009	2010	2011
		Forecast	Budget			
Revenue						
Farebox Revenue	\$3.563	\$3.832	\$3.874	\$4.485	\$4.514	\$4.559
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.102	2.087	2.087	2.087	2.087	2.087
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$5.665	\$5.919	\$5.961	\$6.572	\$6.601	\$6.646
Expenses						
Labor:						
Payroll	14.896	15.168	15.810	16.557	16.878	17.213
Overtime	0.846	0.728	0.757	0.795	0.811	0.827
Health and Welfare	3.070	2.920	3.198	3.490	3.809	4.157
Pensions	2.147	4.384	4.733	4.995	5.434	5.674
Other Fringe Benefits	1.285	1.319	1.373	1.437	1.465	1.494
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$22.244	\$24.519	\$25.871	\$27.274	\$28.397	\$29.365
Non-Labor:						
Traction and Propulsion Power	1.876	2.507	2.539	2.735	3.263	3.491
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.315	0.307	0.424	0.370	0.404	0.539
Claims	0.186	0.247	0.252	0.258	0.263	0.269
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.824	2.224	7.881	7.861	2.530	2.619
Professional Service Contracts	0.333	0.331	0.338	0.345	0.352	0.360
Materials & Supplies	1.115	0.963	0.999	1.041	1.067	1.084
Other Business Expenses	0.003	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenses	\$5.652	\$6.584	\$12.438	\$12.615	\$7.884	\$8.367
Other Expenses Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$27.896	\$31.103	\$38.309	\$39.889	\$36.281	\$37.732
Depreciation	7.178	10.337	10.337	10.337	10.337	10.337
Other Post Employment Benefits	0.000	2.400	5.000	7.700	10.500	13.300
Total Expenses	\$35.074	\$43.840	\$53.646	\$57.926	\$57.118	\$61.369
Baseline Net Surplus/(Deficit)	(\$29.409)	(\$37.921)	(\$47.685)	(\$51.354)	(\$50.517)	(\$54.723)
2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.600	0.650	0.650	0.650
Post 2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.330	0.330	0.330
Net Surplus/(Deficit)	(\$29.409)	(\$37.921)	(\$47.085)	(\$50.374)	(\$49.537)	(\$53.743)

REIMBURSABLE

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MTA STATEN ISLAND RAILWAY
November Financial Plan 2008-2011
Accrual Statement of Operations by Category
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Revenue						
Farebox Revenue	\$3.563	\$3.832	\$3.874	\$4.485	\$4.514	\$4.559
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.102	2.087	2.087	2.087	2.087	2.087
Capital and Other Reimbursements	0.419	1.356	1.422	1.487	1.545	1.605
Total Revenue	\$6.084	\$7.275	\$7.383	\$8.059	\$8.146	\$8.251
Expenses						
Labor:						
Payroll	15.057	15.437	16.087	16.828	17.155	17.495
Overtime	0.964	1.341	1.388	1.459	1.488	1.517
Health and Welfare	3.167	3.248	3.556	3.881	4.236	4.623
Pensions	2.171	4.463	4.820	5.084	5.524	5.766
Other Fringe Benefits	1.304	1.386	1.442	1.509	1.539	1.569
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$22.663	\$25.875	\$27.293	\$28.761	\$29.942	\$30.970
Non-Labor:						
Traction and Propulsion Power	1.876	2.507	2.539	2.735	3.263	3.491
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.315	0.307	0.424	0.370	0.404	0.539
Claims	0.186	0.247	0.252	0.258	0.263	0.269
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.824	2.224	7.881	7.861	2.530	2.619
Professional Service Contracts	0.333	0.331	0.338	0.345	0.352	0.360
Materials & Supplies	1.115	0.963	0.999	1.041	1.067	1.084
Other Business Expenses	0.003	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenses	\$5.652	\$6.584	\$12.438	\$12.615	\$7.884	\$8.367
Other Expenses Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses before Depreciation	\$28.315	\$32.459	\$39.731	\$41.376	\$37.826	\$39.337
Depreciation	7.178	10.337	10.337	10.337	10.337	10.337
Other Post Employment Benefits	0.000	2.400	5.000	7.700	10.500	13.300
Total Expenses	\$35.493	\$45.196	\$55.068	\$59.413	\$58.663	\$62.974
Baseline Net Surplus/(Deficit)	(\$29.409)	(\$37.921)	(\$47.685)	(\$51.354)	(\$50.517)	(\$54.723)
2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.600	0.650	0.650	0.650
Post 2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.330	0.330	0.330
Net Surplus/(Deficit)	(\$29.409)	(\$37.921)	(\$47.085)	(\$50.374)	(\$49.537)	(\$53.743)

MTA STATEN ISLAND RAILWAY
November Financial Plan 2008-2011
Cash Receipts & Expenditures
(\$ in millions)

	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Receipts						
Farebox Revenue	\$3.535	\$3.832	\$3.874	\$4.485	\$4.514	\$4.559
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	1.957	2.087	2.087	2.087	2.087	2.087
Capital and Other Reimbursements	0.551	1.349	1.422	1.487	1.545	1.605
Total Receipts	\$6.043	\$7.268	\$7.383	\$8.059	\$8.146	\$8.251
Expenditures						
Labor:						
Payroll	14.963	15.437	16.087	16.828	17.155	17.495
Overtime	1.010	1.341	1.388	1.459	1.488	1.517
Health and Welfare	3.140	3.248	3.556	3.881	4.236	4.623
Pensions	2.171	4.463	4.820	5.084	5.524	5.766
Other Fringe Benefits	1.568	1.386	1.442	1.509	1.539	1.569
GASB Account	0.000	0.212	0.230	0.265	0.290	0.317
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$22.852	\$26.087	\$27.523	\$29.026	\$30.232	\$31.287
Non-Labor:						
Traction and Propulsion Power	1.876	2.507	2.539	2.735	3.263	3.491
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.360	0.307	0.424	0.370	0.404	0.539
Claims	0.422	0.247	0.252	0.258	0.263	0.269
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.581	2.388	7.881	7.862	2.531	2.621
Professional Service Contracts	0.299	0.358	0.338	0.344	0.351	0.358
Materials & Supplies	1.191	0.963	0.999	1.041	1.067	1.084
Other Business Expenses	(0.270)	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenditures	\$5.459	\$6.775	\$12.438	\$12.615	\$7.884	\$8.367
Other Expenditure Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$28.311	\$32.862	\$39.961	\$41.641	\$38.116	\$39.654
Baseline Net Cash Deficit	(\$22.268)	(\$25.594)	(\$32.578)	(\$33.582)	(\$29.970)	(\$31.403)
2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.600	0.650	0.650	0.650
Post 2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.330	0.330	0.330
Net Cash Deficit	(\$22.268)	(\$25.594)	(\$31.978)	(\$32.602)	(\$28.990)	(\$30.423)

MTA STATEN ISLAND RAILWAY
November Financial Plan 2008-2011
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Receipts						
Farebox Revenue	(\$0.028)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	(0.145)	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	0.132	(0.007)	0.000	0.000	0.000	0.000
Total Receipt Adjustments	(\$0.041)	(\$0.007)	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
Labor:						
Payroll	0.094	0.000	0.000	0.000	0.000	0.000
Overtime	(0.046)	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.027	0.000	0.000	0.000	0.000	0.000
Pensions	0.000	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	(0.264)	0.000	0.000	0.000	0.000	0.000
GASB Account	0.000	(0.212)	(0.230)	(0.265)	(0.290)	(0.317)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	(\$0.189)	(\$0.212)	(\$0.230)	(\$0.265)	(\$0.290)	(\$0.317)
Non-Labor:						
Traction and Propulsion Power	0.000	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	(0.045)	0.000	0.000	0.000	0.000	0.000
Claims	(0.236)	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.243	(0.164)	0.000	(0.001)	(0.001)	(0.002)
Professional Service Contracts	0.034	(0.027)	0.000	0.001	0.001	0.002
Materials & Supplies	(0.076)	0.000	0.000	0.000	0.000	0.000
Other Business Expenditures	0.273	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	\$0.193	(\$0.191)	\$0.000	(\$0.000)	\$0.000	(\$0.000)
Other Expenditure Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	(\$0.037)	(\$0.410)	(\$0.230)	(\$0.265)	(\$0.290)	(\$0.317)
Depreciation Adjustment	7.178	10.337	10.337	10.337	10.337	10.337
Other Post Employment Benefits	0.000	2.400	5.000	7.700	10.500	13.300
Baseline Total Cash Conversion Adjustments	\$7.141	\$12.327	\$15.107	\$17.772	\$20.547	\$23.320
2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.000	0.000	0.000
Post 2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$7.141	\$12.327	\$15.107	\$17.772	\$20.547	\$23.320

**MTA Staten Island Railway
November Financial Plan 2008-2011
Year-To-Year Changes by Category-Baseline Narrative**

TOTAL REVENUES

Farebox Revenue

- Farebox revenue improvements of 2008=\$0.042 million (1.1%), 2009=\$0.611 million (15.8%), 2010=\$0.029 million (0.6%) and 2011=\$0.045 million (1.0%) result from re-estimates of projected increases in ridership, which are mostly based on projected growth in NYC employment. The increase in 2009 over 2008 includes \$0.583 million from implementation of fare collection at the Tompkinsville Station effective 1/1/09.

Other Operating Revenue

- No changes.

Capital and Other Reimbursements

- Annual increases are projected from 2008 through 2011 to provide for reimbursement consistent with projected labor expense inflation.

TOTAL EXPENSES

Payroll

- Includes projected rate increases based upon MTA inflation assumptions as follows: 2009=1.97%, 2010=1.95%, and 2011=2.00%.

Overtime

- 2008-2011 payroll wage rate increase assumptions apply.

Health & Welfare

- Increases represent projected rate increases as follows: 2008=9.48%, 2009=9.14%, 2010=9.14%, and 2011=9.14%.

Pension

- Increases are consistent with wage rate increases and actuarial assumptions.

Other Fringe Benefits

- Inflation assumptions are consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- Reflects a projected New York Power Authority (NYPA) annual rate increase as follows: 2008=1.30%, 2009=7.70%, 2010=19.30%, and 2011=7.00%.

Insurance

- 2008-2011 assumptions provided by MTA.

Claims

- 2008-2011 inflation assumptions are based upon Global Insight's estimates as follows: 2008=2.10%, 2009=2.21%, 2010=2.08%, and 2011=2.13%.

Maintenance and Other Operating Contracts

- 2008-2011 inflation assumptions, excluding facility power, are based upon Global Insight's estimates as follows: 2008=2.10% 2009=2.21%, 2010=2.08%, and 2011=2.13%.
- Reflects projected New York Power Authority (NYPA) annual rate increases for facility power of: 2008=1.30%, 2009=7.70%, 2010=19.30%, and 2011=7.00%.
- 2008 and 2009 each include an estimated \$5.5 million of one-time fleet maintenance expenses to maintain the safety and reliability of the 64-car fleet until its anticipated replacement in 2014.

Professional Service Contracts

- 2008-2011 inflation assumptions are based upon Global Insight's estimates as follows: 2008=2.10% 2009=2.21%, 2010=2.08%, and 2011=2.13%.

Materials and Supplies

- 2008-2011 inflation assumptions are based upon Global Insight's estimates as follows: 2008=3.73%, 2009=4.18%, 2010=2.53%, and 2011=1.61%.

Other Business Expenses

- 2008-2011 inflation assumptions are based upon Global Insight's estimates as follows: 2008=2.10% 2009=2.21%, 2010=2.08%, and 2011=2.13%.

Depreciation

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

Other Post-Employment Benefits

- 2008-2011 assumptions provided by MTA.

TOTAL RECEIPTS**Farebox Revenue**

- Farebox revenue improvements of 2008=\$0.042 million (1.1%), 2009=\$0.611 million (15.8%), 2010=\$0.029 million (0.6%) and 2011=\$0.045 million (1.0%) result from re-estimates of projected increases in ridership, which are mostly based on projected growth in NYC employment. The increase in 2009 over 2008 includes \$0.583 million from implementation of fare collection at the Tompkinsville Station effective 1/1/09.

Other Operating Revenue

- No changes.

Capital and Other Reimbursements

- Annual increases are projected from 2008 through 2011 to provide for reimbursement consistent with projected labor expense inflation.

TOTAL EXPENDITURES**Payroll**

- Includes projected rate increases based upon MTA inflation assumptions as follows: 2009=1.97%, 2010=1.95%, and 2011=2.00%.

Overtime

- 2008-2011 payroll wage rate increase assumptions apply.

Health & Welfare

- Increases represent projected rate increases as follows: 2008=9.48%, 2009=9.14%, 2010=9.14%, and 2011=9.14%.

Pension

- Increases are consistent with wage rate increases and actuarial assumptions.

Other Fringe Benefits

- Inflation assumptions are consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- Reflects a projected New York Power Authority (NYPA) annual rate increase as follows: 2008=1.30%, 2009=7.70%, 2010=19.30%, and 2011=7.00%.

Insurance

- 2008-2011 assumptions provided by MTA.

Claims

- 2008-2011 inflation assumptions are based upon Global Insight's estimates as follows: 2008=2.10%, 2009=2.21%, 2010=2.08%, and 2011=2.13%.

Maintenance and Other Operating Contracts

- 2008-2011 inflation assumptions, excluding facility power, are based upon Global Insight's estimates as follows: 2008=2.10%, 2009=2.21%, 2010=2.08%, and 2011=2.13%.
- Reflects projected New York Power Authority (NYPA) annual rate increases for facility power of: 2008=1.30%, 2009=7.70%, 2010=19.30%, and 2011=7.00%.
- 2008 and 2009 each include an estimated \$5.5 million of one-time fleet maintenance expenses to maintain the safety and reliability of the 64-car fleet until its anticipated replacement in 2014.

Professional Service Contracts

- 2008-2011 inflation assumptions are based upon Global Insight's estimates as follows: 2008=2.10% 2009=2.21%, 2010=2.08%, and 2011=2.13%.

Materials and Supplies

- 2008-2011 inflation assumptions are based upon Global Insight's estimates as follows: 2008=3.73%, 2009=4.18%, 2010=2.53%, and 2011=1.61%.

Other Business Expenses

- 2008-2011 inflation assumptions are based upon Global Insight's estimates as follows: 2008=2.10% 2009=2.21%, 2010=2.08%, and 2011=2.13%.

MTA Staten Island Railway
November Financial Plan 2008-2011
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	Favorable/(Unfavorable)									
	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
Revenue										
Farebox Revenue	\$3.832	\$0.269	\$3.874	\$0.042	\$4.485	\$0.611	\$4.514	\$0.029	\$4.559	\$0.045
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.087	(0.015)	2.087	0.000	2.087	0.000	2.087	0.000	2.087	0.000
Capital and Other Reimbursements	1.356	0.937	1.422	0.066	1.487	0.065	1.545	0.058	1.605	0.060
Total Revenue	\$7.275	\$1.191	\$7.383	\$0.108	\$8.059	\$0.676	\$8.146	\$0.087	\$8.251	\$0.105
Expenses										
Labor:										
Payroll	\$15.437	(\$0.380)	\$16.087	(\$0.650)	\$16.828	(\$0.741)	\$17.155	(\$0.327)	\$17.495	(\$0.340)
Overtime	1.341	(0.377)	1.388	(0.047)	1.459	(0.071)	1.488	(0.029)	1.517	(0.029)
Health and Welfare	3.248	(0.081)	3.556	(0.308)	3.881	(0.325)	4.236	(0.355)	4.623	(0.387)
Pensions	4.463	(2.292)	4.820	(0.357)	5.084	(0.264)	5.524	(0.440)	5.766	(0.242)
Other Fringe Benefits	1.386	(0.082)	1.442	(0.056)	1.509	(0.067)	1.539	(0.030)	1.569	(0.030)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$25.875	(\$3.212)	\$27.293	(\$1.418)	\$28.761	(\$1.468)	\$29.942	(\$1.181)	\$30.970	(\$1.028)
Non-Labor:										
Traction and Propulsion Power	\$2.507	(\$0.631)	\$2.539	(\$0.032)	\$2.735	(\$0.196)	\$3.263	(\$0.528)	\$3.491	(\$0.228)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.307	0.008	0.424	(0.117)	0.370	0.054	0.404	(0.034)	0.539	(0.135)
Claims	0.247	(0.061)	0.252	(0.005)	0.258	(0.006)	0.263	(0.005)	0.269	(0.006)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	2.224	(0.400)	7.881	(5.657)	7.861	0.020	2.530	5.331	2.619	(0.089)
Professional Service Contracts	0.331	0.002	0.338	(0.007)	0.345	(0.007)	0.352	(0.007)	0.360	(0.008)
Materials & Supplies	0.963	0.152	0.999	(0.036)	1.041	(0.042)	1.067	(0.026)	1.084	(0.017)
Other Business Expenses	0.005	(0.002)	0.005	0.000	0.005	0.000	0.005	0.000	0.005	0.000
Total Non-Labor Expenses	\$6.584	(\$0.932)	\$12.438	(\$5.854)	\$12.615	(\$0.177)	\$7.884	\$4.731	\$8.367	(\$0.483)
Other Expenses Adjustments:										
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$32.459	(\$4.144)	\$39.731	(\$7.272)	\$41.376	(\$1.645)	\$37.826	\$3.550	\$39.337	(\$1.511)
Depreciation	10.337	(3.159)	10.337	0.000	10.337	0.000	10.337	0.000	10.337	0.000
Other Post Employment Benefits	2.400	(2.400)	5.000	(2.600)	7.700	(2.700)	10.500	(2.800)	13.300	(2.800)
Total Expenses	\$45.196	(\$9.703)	\$55.068	(\$9.872)	\$59.413	(\$4.345)	\$58.663	\$0.750	\$62.974	(\$4.311)
Baseline Net Surplus/(Deficit)	(\$37.921)	(\$8.512)	(\$47.685)	(\$9.764)	(\$51.354)	(\$3.669)	(\$50.517)	\$0.837	(\$54.723)	(\$4.206)
2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.600	(0.600)	0.650	(0.050)	0.650	0.000	0.650	0.000
Post 2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.000	0.330	(0.330)	0.330	0.000	0.330	0.000
Net Surplus/(Deficit)	(\$37.921)	(\$8.512)	(\$47.085)	(\$9.164)	(\$50.374)	(\$3.289)	(\$49.537)	\$0.837	(\$53.743)	(\$4.206)

MTA Staten Island Railway
November Financial Plan 2008 - 20011
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

	Favorable/(Unfavorable)									
	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
Cash Receipts & Expenditures										
<u>Receipts</u>										
Farebox Revenue	\$3.832	\$0.297	\$3.874	\$0.042	\$4.485	\$0.611	\$4.514	\$0.029	\$4.559	\$0.045
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.087	0.130	2.087	0.000	2.087	0.000	2.087	0.000	2.087	0.000
Capital and Other Reimbursements	1.349	0.798	1.422	0.073	1.487	0.065	1.545	0.058	1.605	0.060
Total Receipts	\$7.268	\$1.225	\$7.383	\$0.115	\$8.059	\$0.676	\$8.146	\$0.087	\$8.251	\$0.105
<u>Expenditures</u>										
Labor:										
Payroll	\$15.437	(\$0.474)	\$16.087	(\$0.650)	\$16.828	(\$0.741)	\$17.155	(\$0.327)	\$17.495	(\$0.340)
Overtime	1.341	(0.331)	1.388	(0.047)	1.459	(0.071)	1.488	(0.029)	1.517	(0.029)
Health and Welfare	3.248	(0.108)	3.556	(0.308)	3.881	(0.325)	4.236	(0.355)	4.623	(0.387)
Pensions	4.463	(2.292)	4.820	(0.357)	5.084	(0.264)	5.524	(0.440)	5.766	(0.242)
Other Fringe Benefits	1.386	0.182	1.442	(0.056)	1.509	(0.067)	1.539	(0.030)	1.569	(0.030)
GASB Account	0.212		0.230		0.265		0.290		0.317	
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$26.087	(\$1.235)	\$27.523	(\$1.436)	\$29.026	(\$1.503)	\$30.232	(\$1.206)	\$31.287	(\$1.055)
Non-Labor:										
Traction and Propulsion Power	\$2.507	(\$0.631)	\$2.539	(\$0.032)	\$2.735	(\$0.196)	\$3.263	(\$0.528)	\$3.491	(\$0.228)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.307	0.053	0.424	(0.117)	0.370	0.054	0.404	(0.034)	0.539	(0.135)
Claims	0.247	0.175	0.252	(0.005)	0.258	(0.006)	0.263	(0.005)	0.269	(0.006)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	2.388	(0.807)	7.881	(5.493)	7.862	0.019	2.531	5.331	2.621	(0.090)
Professional Service Contracts	0.358	(0.059)	0.338	0.020	0.344	(0.006)	0.351	(0.007)	0.358	(0.007)
Materials & Supplies	0.963	0.228	0.999	(0.036)	1.041	(0.042)	1.067	(0.026)	1.084	(0.017)
Other Business Expenses	0.005	(0.275)	0.005	0.000	0.005	0.000	0.005	0.000	0.005	0.000
Total Non-Labor Expenditures	\$6.775	(\$1.316)	\$12.438	(\$5.663)	\$12.615	(\$0.177)	\$7.884	\$4.731	\$8.367	(\$0.483)
Other Expenditure Adjustments:										
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$32.862	(\$4.551)	\$39.961	(\$7.099)	\$41.641	(\$1.680)	\$38.116	\$3.525	\$39.654	(\$1.538)
Baseline Net Cash Deficit	(\$25.594)	(\$3.326)	(\$32.578)	(\$6.984)	(\$33.582)	(\$1.004)	(\$29.970)	\$3.612	(\$31.403)	(\$1.433)
2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.600	(0.600)	0.650	(0.050)	0.650	0.000	0.650	0.000
Post 2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.000	0.330	(0.330)	0.330	0.000	0.330	0.000
Net Cash Deficit	(\$25.594)	(\$3.326)	(\$31.978)	(\$7.584)	(\$32.602)	(\$1.384)	(\$28.990)	\$3.612	(\$30.423)	(\$1.433)

**MTA Staten Island Railway
November Financial Plan 2008-2011
Summary of Plan-To-Plan Changes-Baseline Narrative**

2007: November Financial Plan vs. July Financial Plan

Revenue Re-estimates

- An increase in farebox revenue of \$0.148 million based on re-estimates of projected ridership growth.

Expense Re-estimates

- Pension expense increase of \$2.600 million based on an updated actuarial valuation.
- An inclusion of \$2.400 million of Other Post-Employment Benefit expenses based upon the adoption of GASB #45 in 2007.
- Revised inflation assumptions resulting in an expense increase of \$0.379 million.

Cash Adjustments

- Cash offset to Other Post-Employment Benefit expenses of \$2.400 million.

2008-2011: November Financial Plan vs. July Financial Plan

Revenue Re-estimates

- Increases in farebox revenue of \$0.145 million in 2008, \$0.192 million in 2009, \$0.197 million in 2010 and \$0.202 million in 2011 based upon re-estimates of projected ridership growth.

Expense Re-estimates

- Pension expense increases based on an updated actuarial valuation as follows: 2008=\$3.000 million, 2009=\$3.000 million, 2010=\$3.400 million and 2011=\$3.600 million.
- Inclusion of \$5.000 million in 2008, \$7.7 million in 2009, \$10.5 million in 2010 and \$13.3 million in 2011 of Other Post-Employment Benefit expenses based upon the adoption of GASB #45 in 2007.
- Revised inflation assumptions resulting in expense increases of \$0.337 million in 2008, \$0.347 million in 2009, \$0.656 million in 2010 and \$0.819 million in 2011.

Cash Adjustments

- Cash offset to Other Post-Employment Benefit expenses of \$5.000 million in 2008, \$7.700 million in 2009, \$10.500 million in 2010 and \$13.300 million in 2011.

MTA Staten Island Railway
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	(\$22.656)	(\$34.770)	(\$24.816)	(\$25.918)	(\$26.947)
Baseline Changes					
Revenue					
Farebox Revenue	0.148	0.145	0.192	0.197	0.202
Other Operating Revenue					
Capital and Other Reimbursement					
Total Revenue Changes	\$0.148	\$0.145	\$0.192	\$0.197	\$0.202
Expenses					
Labor:					
Payroll					
Health and Welfare					
Pensions	(2.600)	(3.000)	(3.000)	(3.400)	(3.600)
Other Fringe Benefits					
Reimbursable Overhead					
Total Labor Expense Changes	(\$2.600)	(\$3.000)	(\$3.000)	(\$3.400)	(\$3.600)
Non-Labor:					
Traction and Propulsion Power	(\$0.388)	(\$0.397)	(\$0.403)	(\$0.723)	(\$0.890)
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	0.001	0.000	0.000	(0.001)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(0.106)	5.380	(5.603)	(0.165)	(0.202)
Professional Service Contracts	0.000	0.000	0.000	(0.001)	(0.001)
Materials & Supplies	0.008	0.063	0.048	0.040	0.036
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
Other Post Employment Benefits	(\$2.400)	(\$5.000)	(\$7.700)	(\$10.500)	(\$13.300)
Total Non-Labor Expense Changes	(\$2.886)	\$0.047	(\$13.658)	(\$11.349)	(\$14.358)
Total Expense Changes	(\$5.486)	(\$2.953)	(\$16.658)	(\$14.749)	(\$17.958)
Cash Adjustment Changes					
Other Post Employment Benefits	2.400	5.000	7.700	10.500	13.300
Total Cash Adjustment Changes	\$2.400	\$5.000	\$7.700	\$10.500	\$13.300
Total Baseline Changes	(\$2.938)	\$2.192	(\$8.766)	(\$4.052)	(\$4.456)
 Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	 (\$25.594)	 (\$32.578)	 (\$33.582)	 (\$29.970)	 (\$31.403)

MTA Staten Island Railway
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Other Operating Revenue					
Capital and Other Reimbursement					
Total Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenses					
Labor:					
Payroll					
Health and Welfare					
Pensions					
Other Fringe Benefits					
Reimbursable Overhead					
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Materials & Supplies					
Other Business Expenses					
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
 Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	 \$0.000	 \$0.000	 \$0.000	 \$0.000	 \$0.000

MTA Staten Island Railway
November Financial Plan 2008 - 2011
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE					
	2007	2008	2009	2010	2011
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	(\$22.656)	(\$34.770)	(\$24.816)	(\$25.918)	(\$26.947)
Baseline Changes					
Revenue					
Farebox Revenue	\$0.148	\$0.145	\$0.192	\$0.197	\$0.202
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	0.000	0.000	0.000	0.000	0.000
Total Revenue Changes	\$0.148	\$0.145	\$0.192	\$0.197	\$0.202
Expenses					
Labor:					
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Health and Welfare	0.000	0.000	0.000	0.000	0.000
Pensions	(2.600)	(3.000)	(3.000)	(3.400)	(3.600)
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$2.600)	(\$3.000)	(\$3.000)	(\$3.400)	(\$3.600)
Non-Labor:					
Traction and Propulsion Power	(\$0.388)	(\$0.397)	(\$0.403)	(\$0.723)	(\$0.890)
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	0.001	0.000	0.000	(0.001)
Paratransit Service Contracts	0.000	0.000	0.000	(0.001)	(0.001)
Maintenance and Other Operating Contracts	(0.106)	5.380	(5.603)	(0.165)	(0.202)
Materials & Supplies	0.008	0.063	0.048	0.040	0.036
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
Other Post Employment Benefits	(2.400)	(5.000)	(7.700)	(10.500)	(13.300)
Total Non-Labor Expense Changes	(\$2.886)	\$0.047	(\$13.658)	(\$11.349)	(\$14.358)
Total Expense Changes	(\$5.486)	(\$2.953)	(\$16.658)	(\$14.749)	(\$17.958)
Cash Adjustment Changes					
Other Post Employment Benefits	2.400	5.000	7.700	10.500	13.300
Total Cash Adjustment Changes	\$2.400	\$5.000	\$7.700	\$10.500	\$13.300
Total Baseline Changes	(\$2.938)	\$2.192	(\$8.766)	(\$4.052)	(\$4.456)
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	(\$25.594)	(\$32.578)	(\$33.582)	(\$29.970)	(\$31.403)

MTA Staten Island Railway
November Financial Plan 2008 - 2011
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)	(\$22.656)	(\$34.770)	(\$24.816)	(\$25.918)	(\$26.947)
Non-Reimbursable Major Changes					
Revenue					
Fare Revenue Re-estimate	0.148	0.145	0.192	0.197	0.202
School Fare Reimbursement Re-estimate					
Sub-Total Non-Reimbursable Revenue Changes	\$0.148	\$0.145	\$0.192	\$0.197	\$0.202
Expenses					
Pension Expense Revision-Updated Actuarial Valuation	(2.600)	(3.000)	(3.000)	(3.400)	(3.600)
Rescheduling of Fleet Maintenance Expenses (R44 Life Extension)	0.000	5.500	(5.500)	0.000	0.000
Impact of Revised Inflation	(0.486)	(0.453)	(0.458)	(0.849)	(1.058)
Inclusion of Other Post-Employment Benefits-Adoption of GASB #45	(2.400)	(5.000)	(7.700)	(10.500)	(13.300)
Sub-Total Non-Reimbursable Expense Changes	(\$5.486)	(\$2.953)	(\$16.658)	(\$14.749)	(\$17.958)
Total Non-Reimbursable Major Changes	(\$5.338)	(\$2.808)	(\$16.466)	(\$14.552)	(\$17.756)
Reimbursable Major Changes					
Revenue					
Sub-Total Reimbursable Revenue Changes					
Expenses					
Inflation					
Sub-Total Reimbursable Expense Changes					
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$5.338)	(\$2.808)	(\$16.466)	(\$14.552)	(\$17.756)
Cash Adjustment Changes					
Other Post-Employment Benefits Offset to Expense Increase	2.400	5.000	7.700	10.500	13.300
Total Cash Adjustment Changes	\$2.400	\$5.000	\$7.700	\$10.500	\$13.300
Total Baseline Changes	(\$2.938)	\$2.192	(\$8.766)	(\$4.052)	(\$4.456)
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	(\$25.594)	(\$32.578)	(\$33.582)	(\$29.970)	(\$31.403)

**MTA Staten Island Railway
November Financial Plan 2008-2011
Summary of Plan to Plan Changes-Baseline Narrative**

Ridership (Utilization):

Re-estimates of non-student ridership is projected to increase above the July Financial Plan ridership by 0.127 million in 2007, 0.127 million in 2008, 0.165 million in 2009, 0.170 million in 2010 and 0.174 million in 2011.

**MTA Staten Island Railway
November Financial Plan 2008 - 2011
Ridership (Utilization)**

	2006 Actual	2007 November Forecast	Final Proposed Budget	2009	2010	2011
Baseline Total Ridership	3.783	4.007	4.043	4.522	4.547	4.586
<i>Impact of:</i>						
2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.000	0.000	0.000
Post 2008 Program to Eliminate the Gap (PEGs)						
Total Ridership	3.783	4.007	4.043	4.522	4.547	4.586

MTA STATEN ISLAND RAILWAY
November Plan 2008 - 2011
Summary of 2008 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2007		2008		2009		2010		2011	
		<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>
Administration											
Headcount Reductions		0	0.000	5	0.275	6	0.330	6	0.330	6	0.330
OTPS Efficiencies		0	0.000	0	0.067	0	0.062	0	0.062	0	0.062
Title Reclassification		0	0.000	0	0.033	0	0.033	0	0.033	0	0.033
Sub-Total	Administration	0	\$ 0.000	5	\$ 0.375	6	\$ 0.425	6	\$ 0.425	6	\$ 0.425
Cust Convenience & Amenities											
St. George Fare Collection		0	0.000	2	0.110	2	0.110	2	0.110	2	0.110
Sub-Total	Cust Convenience & Amenities	0	\$ 0.000	2	\$ 0.110	2	\$ 0.110	2	\$ 0.110	2	\$ 0.110
Maintenance											
Cleaning Efficiencies		0	0.000	2	0.110	2	0.110	2	0.110	2	0.110
Signal System Technical Support		0	0.000	1	0.005	1	0.005	1	0.005	1	0.005
Sub-Total	Maintenance	0	\$ 0.000	3	\$ 0.115	3	\$ 0.115	3	\$ 0.115	3	\$ 0.115
Total Programs		0	\$ 0.000	10	\$ 0.600	11	\$ 0.650	11	\$ 0.650	11	\$ 0.650

MTA STATEN ISLAND RAILWAY
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	SIRTA	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000007	Current Budget Year	2007	Status	Open
Program:	Headcount Reductions			Agency Status	Pending
Description and Implementation Pla	Based on a recent review and evaluation of the changes in functionality across all departmental responsibilities, a total of five (5) positions were identified for elimination through attrition in 2008 and one additional coach cleaner in 2009.				
Background Details	The manpower required to support operations, maintenance and administrative functions are periodically evaluated to justify need. Over time procedures, practices, operating functions, maintenance cycles and administrative support requirements change in response to new systems and technologies.				

				2007	2008	2009	2010	2011
Total Headcount	SIRTA	0000000007	FINAL07	0	5	6	6	6
Financial Impact	SIRTA	0000000007	FINAL07	\$ 0.000	\$ 0.275	\$ 0.330	\$ 0.330	\$ 0.330

MTA STATEN ISLAND RAILWAY
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	SIRTA	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000011	Current Budget Year	2007	Status	Open
Program:	OTPS Efficiencies			Agency Status	Pending
Description and Implementation Pla	In an effort to improve the efficient use of SIR resources, SIR will closely monitor forecasted departmental requirements and service contracts to ensure that proposed savings targets are realized from OTPS related area.				
Background Details	The Other Than Personal Services (OTPS) expenditures required to support operations, maintenance and administrative business areas are periodically evaluated to review the OTPS related requirements of these business areas. Over time, changes in procedures and practices can possibly result in expenditure savings in the OTPS category.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	SIRTA	0000000011	FINAL07	\$ 0.000	\$ 0.067	\$ 0.062	\$ 0.062	\$ 0.062

MTA STATEN ISLAND RAILWAY
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	SIRTA	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000010	Current Budget Year	2007	Status	Open
Program:	Title Reclassification			Agency Status	Pending
Description and Implementation Pla	Through attrition, certain "red circled" clerical titles (Chief Clerk) will be replaced with lower rated step rated positions; and two Signal Maintainer titles will be reclassified as Helper.				
Background Details	In 1971 the SIR took over operations from the B&O Railroad with all titles and rate classifications remaining intact. In the early 1980's labor agreements were modified to establish step rates for new employees while protecting current incumbents in "red circled" classification.				

				2007	2008	2009	2010	2011
Total Headcount								
Financial Impact	SIRTA	0000000010	FINAL07	\$ 0.000	\$ 0.033	\$ 0.033	\$ 0.033	\$ 0.033

MTA STATEN ISLAND RAILWAY
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	SIRTA	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Cust Convenience & Amenities	Savings Date	1/1/2008
PEG / New Need ID	0000000008	Current Budget Year	2007	Status	Open
Program:	St. George Fare Collection			Agency Status	Pending
Description and Implementation Pla	In an effort to improve the efficiency of terminal operations with no service impact, SIR has analyzed recent ridership counts taken for 24 hour weekday and weekend passenger flow.				
Background Details	The Staten Island Railway operates 24 hours, 7 days per week. Passengers pay to enter or leave the system only at the St. George terminal. Consequently, the booth in St. George is manned with two (2) employees to handle A.M. and P.M. weekday tours and one (1) employee for overnight and weekend customers. To supplement this need, MEM's and MVM's are available on both sides of the fare control line.				

				2007	2008	2009	2010	2011
Total Headcount	SIRTA	0000000008	FINAL07	0	2	2	2	2
Financial Impact	SIRTA	0000000008	FINAL07	\$ 0.000	\$ 0.110	\$ 0.110	\$ 0.110	\$ 0.110

MTA STATEN ISLAND RAILWAY
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	SIRTA	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000012	Current Budget Year	2007	Status	Open
Program:	Cleaning Efficiencies			Agency Status	Pending
Description and Implementation Pla	In an effort to meet the savings target, SIR will eliminate two cleaning positions.				
Background Details	It has been determined that cleaning efficiencies are obtainable and two positions can be eliminated.				

				2007	2008	2009	2010	2011
Total Headcount	SIRTA	0000000012	FINAL07	0	2	2	2	2
Financial Impact	SIRTA	0000000012	FINAL07	\$ 0.000	\$ 0.110	\$ 0.110	\$ 0.110	\$ 0.110

MTA STATEN ISLAND RAILWAY
November Plan 2008 - 2011
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	SIRTA	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	FINAL07	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000009	Current Budget Year	2007	Status	Open
Program:	Signal System Technical Support			Agency Status	Pending
Description and Implementation Pla	The new signal system includes an extensive, fiber optic based communications network. After considering alternatives, SIR contracted to NYCT Electronics Maintenance Division for system monitoring, board level/component repair and technical support.				
Background Details	The new Staten Island Railway Signal Modernization Project is completed. This has resulted in a substantial improvement in operational safety and service quality. The new signal system has improved operational flexibility and significantly reduces manpower requirements for special operations. However, to meet the increased maintenance demands in 2006, the Authority added five (5) Signal Maintainer positions to the budget.				

				2007	2008	2009	2010	2011
Total Headcount	SIRTA	0000000009	FINAL07	0	1	1	1	1
Financial Impact	SIRTA	0000000009	FINAL07	\$ 0.000	\$ 0.005	\$ 0.005	\$ 0.005	\$ 0.005

MTA STATEN ISLAND RAILWAY
November Plan 2008 - 2011
Summary of Post 2008 PEGs
(\$ in millions)

		2007		2008		2009		2010		2011	
		<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>
Administration											
Administrative Efficiencies		0	0.000	0	0.000	4	0.220	4	0.220	4	0.220
Operations Reorganization		0	0.000	0	0.000	2	0.110	2	0.110	2	0.110
Sub-Total	Administration	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>6</u>	<u>\$ 0.330</u>	<u>6</u>	<u>\$ 0.330</u>	<u>6</u>	<u>\$ 0.330</u>
Total Programs		<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>6</u>	<u>\$ 0.330</u>	<u>6</u>	<u>\$ 0.330</u>	<u>6</u>	<u>\$ 0.330</u>

MTA STATEN ISLAND RAILWAY
November Plan 2008 - 2011
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	SIRTA	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000014	Current Budget Year	2007	Status	Open
Program:	Administrative Efficiencies			Agency Status	Pending
Description and Implementation Pla	This proposal provides productivity savings through staffing efficiencies.				
Background Details	This proposal eliminates four (4) administrative positions through attrition.				

				2007	2008	2009	2010	2011
Total Headcount	SIRTA	0000000014	FINAL07	0	0	4	4	4
Financial Impact	SIRTA	0000000014	FINAL07	\$ 0.000	\$ 0.000	\$ 0.220	\$ 0.220	\$ 0.220

MTA STATEN ISLAND RAILWAY
November Plan 2008 - 2011
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	SIRTA	Financial Plan Category	Post PEG	Implementation Date	1/1/2009
Budget Reference	FINAL07	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000013	Current Budget Year	2007	Status	Open
Program:	Operations Reorganization			Agency Status	Pending
Description and Implementation Pla	Operating impacts are considered to be minimal as most train movement at terminals is routine and can be programmed and controlled by a PC-based system. Consolidation of Transportation and Cleaning services will change managerial work load.				
Background Details	Managerial consolidation of Cleaning Services and Transportation operating departments and the introduction of PC-based control of St. George and Tottenville Interlockings will result in a savings of 3 heads, including 2 train dispatchers and 1 superintendent. In addition, SIR is not adequately staffed to ensure a consistent level of rules compliance and quality service. This is attributed, in part, to what has traditionally been a reactive approach to rules compliance rather than a proactive approach to rules compliance rather than a proactive one. The reinvestment of 1 managerial position will provide improved rules compliance and oversight to several operating departments, including, but not limited to, Transportation, Cleaning Services, Signal, and Maintenance of Way, thereby improving the level of safety and the quality of service.				

				2007	2008	2009	2010	2011
Total Headcount	SIRTA	0000000013	FINAL07	0	0	2	2	2
Financial Impact	SIRTA	0000000013	FINAL07	\$ 0.000	\$ 0.000	\$ 0.110	\$ 0.110	\$ 0.110

**MTA Staten Island Railway
November Financial Plan 2008-2011
Summary of Plan to Plan Changes-Baseline Narrative**

Positions:

Full-time baseline positions in the November Plan are unchanged from the July Plan.

MTA STATEN ISLAND RAILWAY
November Financial Plan 2008 - 2011
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Administration						
Executive	10	11	11	11	11	11
General Office	12	13	13	13	13	13
Purchasing/Stores	7	7	7	7	7	7
Total Administration	29	31	31	31	31	31
Operations						
Transportation	90	94	94	94	94	94
Maintenance						
Mechanical	34	37	37	37	37	37
Car and Station Cleaning	19	20	20	20	20	20
Power/Signals	24	28	28	28	28	28
Maintenance of Way	49	52	52	52	52	52
Bridge and Buildings	23	22	22	22	22	22
Material Handling	2	2	2	2	2	2
Total Maintenance	151	161	161	161	161	161
Engineering/Capital						
None						
Public Safety						
None						
Baseline Total Positions	270	286	286	286	286	286
Non-Reimbursable	267	283	283	283	283	283
Reimbursable	3	3	3	3	3	3
Total Full-Time	270	286	286	286	286	286
Total Full-Time Equivalents						
<hr/>						
Impact of:						
2008 Program to Eliminate the Gap			10	11	11	11
Post 2008 Program to Eliminate the Gap			-	6	6	6
Total Positions	270	286	276	269	269	269
Non-Reimbursable	-	283	273	266	266	266
Reimbursable	-	3	3	3	3	3
Total Full-Time	270	286	276	269	269	269
Total Full-Time Equivalents	-	-	-	-	-	-

MTA STATEN ISLAND RAILWAY
November Financial Plan 2008 - 2011
Total Full-Time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP		2006 Actual	2007 November Forecast	2008 Final Proposed Budget	2009	2010	2011
Administration							
	Managers/Supervisors	14	14	14	14	14	14
	Professional, Technical, Clerical	15	17	17	17	17	17
	Operational Hourlies						
	Total Administration	29	31	31	31	31	31
Operations							
	Managers/Supervisors	7	7	7	7	7	7
	Professional, Technical, Clerical	4	4	4	4	4	4
	Operational Hourlies	79	83	83	83	83	83
	Total Operations	90	94	94	94	94	94
Maintenance							
	Managers/Supervisors	10	11	11	11	11	11
	Professional, Technical, Clerical	3	3	3	3	3	3
	Operational Hourlies	138	147	147	147	147	147
	Total Maintenance	151	161	161	161	161	161
Engineering/Capital							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Engineering/Capital	-	-	-	-	-	-
Public Safety							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Public Safety	-	-	-	-	-	-
Total Baseline Positions							
	Managers/Supervisors	31	32	32	32	32	32
	Professional, Technical, Clerical	22	24	24	24	24	24
	Operational Hourlies	217	230	230	230	230	230
	Total Baseline Positions	270	286	286	286	286	286