

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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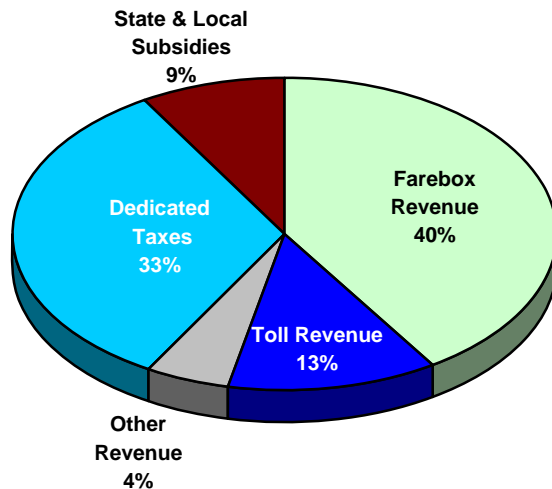
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I. MTA Consolidated 2007-2011 Financial Plan-Baseline

MTA 2008 Final Proposed Budget

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

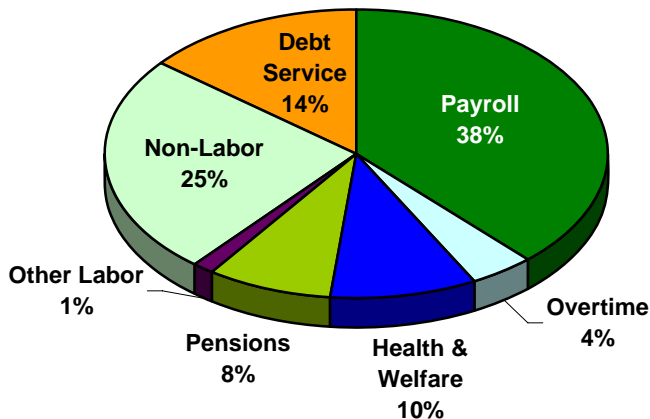
Where the Dollars Come From ...



| 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 |

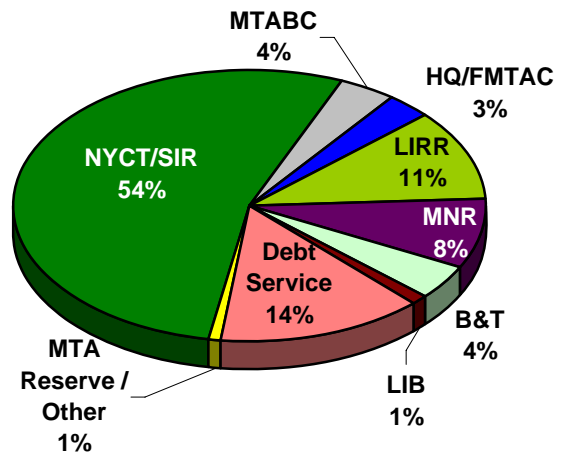
Where the Dollars Go ...

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 | \$13,834 |
| 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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