

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	Final Proposed	2009	2010	2011
		Forecast	Budget			
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 Forecast	Final Proposed Budget	2009	2010	2011
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 \$.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.

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