

MTA 2009 Final Proposed Budget November Financial Plan 2009 – 2012



Volume 2
November 2008



Metropolitan Transportation Authority

**MTA 2009 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2009-2012
VOLUME 2**

The MTA's November Plan is divided into two volumes. Volume 1 includes financial and headcount schedules supporting the complete MTA-Consolidated Financial Plan, including the baseline and the below-the-line Gap-Closing Program. Volume 1 also includes descriptions of the below-the-line actions, which include updated tax, fuel and pension forecasts, as well as the Letter by the Executive Director and the required Executive Director Certification.

Volume 2 includes MTA-Consolidated financial and headcount schedules as well as narratives that support the baseline projections included in the 2009 Final Proposed Budget and the Financial Plan for 2009 through 2012. Also included are the Agency sections which incorporate descriptions of Agency Programs, supporting baseline tables and details regarding proposed Agency PEG's. Volume 2 also includes required information related to the MTA Capital Program.

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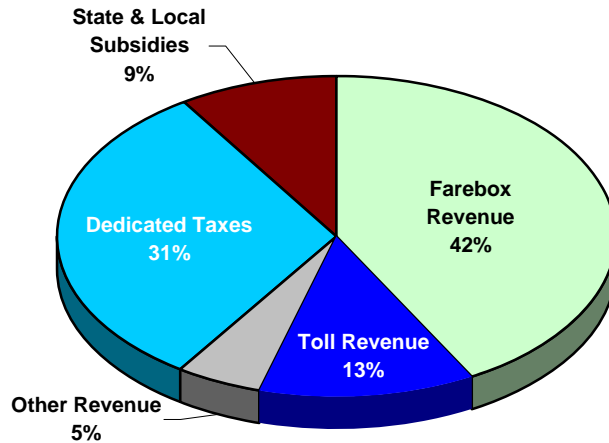
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I. MTA Consolidated 2008-2012 Financial Plan-Baseline

MTA 2009 Final Proposed Budget

Baseline Before Gap Closing Program

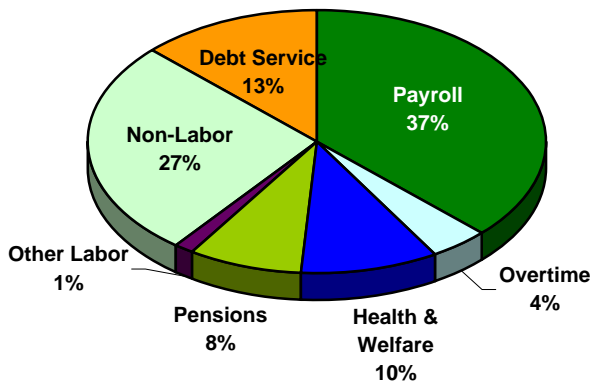
Where the Dollars Come From ...



By Revenue Source (\$ in millions)	
Farebox Revenue	\$4,229
Toll Revenue	1,264
Other Revenue	479
Dedicated Taxes	3,165
State & Local Subsidies	931
Total	\$10,067

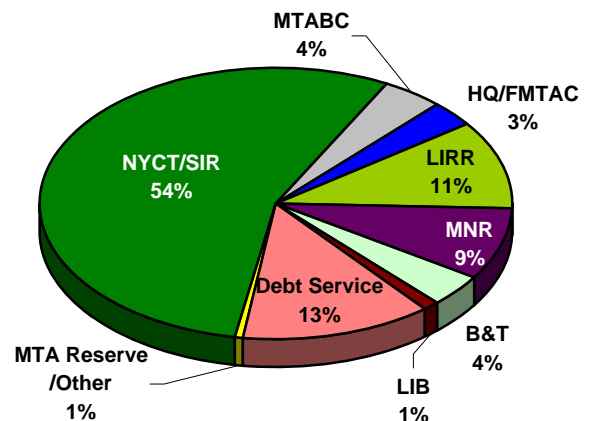
Where the Dollars Go ...

By Expense Category



By Expense Category (\$ in millions)	
Payroll	\$4,250
Overtime	471
Health & Welfare	1,108
Pensions	913
Other Labor	166
Non-Labor	3,035
Debt Service	1,474
Total	\$11,417

By MTA Agency



By MTA Agency (\$ in millions)	
NYCT/SIR	\$6,288
MTABC	475
HQ/FMTAC	336
LIRR	1,219
MNR	982
B&T	436
LIB	132
Debt Service	1,474
MTA Reserve/Other	75
Total	\$11,417

Expenses exclude Depreciation, OPEB obligation and Environmental Remediation.

The difference between revenues and expenses is (\$1,350) million. This is offset by cash flow timing adjustments, use of prior year cash balances, and below-the-line Gap Closing actions.

METROPOLITAN TRANSPORTATION AUTHORITY

November Financial Plan 2009 - 2012

MTA Consolidated Statement Of Operations By Category

(\$ in millions)

Line

No.

7	Non-Reimbursable						
8		2007	2008	2009			
9		Actual	November Forecast	Final Proposed Budget	2010	2011	2012
10	Operating Revenue						
11	Farebox Revenue	\$3,995	\$4,246	\$4,229	\$4,252	\$4,319	\$4,390
12	Toll Revenue	1,251	1,273	1,264	1,264	1,268	1,275
13	Other Revenue	480	460	479	500	526	556
14	Capital and Other Reimbursements	0	0	0	0	0	0
15	Total Operating Revenue	\$5,726	\$5,979	\$5,971	\$6,016	\$6,113	\$6,221
16							
17	Operating Expense						
18	Labor Expenses:						
19	Payroll	\$3,861	\$4,093	\$4,250	\$4,362	\$4,462	\$4,544
20	Overtime	482	490	471	478	489	499
21	Health & Welfare	617	686	752	819	886	958
22	OPEB Current Payment	270	327	356	387	423	463
23	Pensions	851	889	913	896	871	876
24	Other-Fringe Benefits	445	477	488	502	519	530
25	Reimbursable Overhead	(274)	(310)	(322)	(315)	(311)	(316)
26	Sub-total Labor Expenses	\$6,252	\$6,653	\$6,908	\$7,128	\$7,339	\$7,552
27							
28	Non-Labor Expenses:						
29	Traction and Propulsion Power	294	314	348	398	425	455
30	Fuel for Buses and Trains	193	321	334	307	300	321
31	Insurance	54	33	51	62	73	85
32	Claims	164	175	157	165	173	176
33	Paratransit Service Contracts	233	284	366	423	481	561
34	Maintenance and Other Operating Contracts	533	632	688	701	705	727
35	Professional Service Contracts	181	195	236	224	223	228
36	Materials & Supplies	516	542	602	635	661	645
37	Other Business Expenses	152	181	188	184	186	191
38	Sub-total Non-Labor Expenses	\$2,320	\$2,676	\$2,971	\$3,099	\$3,228	\$3,391
39							
40	Other Expense Adjustments:						
41	Other	(\$18)	(\$11)	(\$11)	(\$5)	(\$5)	(\$6)
42	General Reserve	0	0	75	75	75	75
43	Sub-total Other Expense Adjustments	(\$18)	(\$11)	\$64	\$70	\$70	\$69
44							
45	Total Operating Expense before Non-Cash Liability Adjs	\$8,554	\$9,319	\$9,943	\$10,297	\$10,637	\$11,012
46							
47	Depreciation	\$1,687	\$1,755	\$1,905	\$2,015	\$2,082	\$2,144
48	OPEB Obligation	1,291	1,313	1,379	1,436	1,495	1,556
49	Environmental Remediation	0	38	8	8	8	9
50							
51	Total Operating Expense	\$11,533	\$12,424	\$13,235	\$13,756	\$14,223	\$14,721
52							
53	Net Operating Deficit Before Subsidies and Debt Service	(\$5,807)	(\$6,445)	(\$7,263)	(\$7,739)	(\$8,110)	(\$8,500)
54							
55	Dedicated Taxes and State/Local Subsidies	\$4,559	\$4,289	\$4,095	\$4,102	\$4,205	\$4,335
56	Debt Service (excludes Service Contract Bonds)	(1,712)	(1,504)	(1,474)	(1,912)	(2,050)	(2,266)
57							
58	Net Deficit After Subsidies and Debt Service	(\$2,959)	(\$3,660)	(\$4,641)	(\$5,549)	(\$5,955)	(\$6,431)
59							
60	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$2,978	\$3,105	\$3,292	\$3,458	\$3,585	\$3,709
61	Conversion to Cash Basis: GASB Account	(71)	(57)	(60)	(63)	(66)	(69)
62	Conversion to Cash Basis: All Other	(389)	314	213	(4)	65	69
63							
64	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$442)	(\$297)	(\$1,197)	(\$2,157)	(\$2,370)	(\$2,722)

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2009 - 2012
MTA Consolidated Accrued Statement of Operations By Agency
(\$ in millions)

Line No	Non-Reimbursable	2008		2009		
		2007	November	Final Proposed		
		Actual	Forecast	Budget	2010	2011
					2012	
8	<u>Total Operating Revenue</u>					
10	New York City Transit	\$3,159	\$3,326	\$3,318	\$3,352	\$3,418
11	Bridges and Tunnels	1,263	1,285	1,276	1,276	1,280
12	Metro-North Railroad	511	541	549	558	575
13	Long Island Rail Road	513	545	544	544	550
14	MTA Bus Company	162	177	176	177	178
15	MTA Headquarters	51	51	52	53	54
16	Long Island Bus	42	44	45	45	45
17	Staten Island Railway	6	6	7	7	7
18	First Mutual Transportation Assurance Company	19	5	5	5	5
19	Total	\$5,726	\$5,979	\$5,971	\$6,016	\$6,113
20						
21	<u>Total Operating Expenses before Non-Cash Liability Adjs. ¹</u>					
22	New York City Transit	\$5,397	\$5,917	\$6,246	\$6,513	\$6,747
23	Bridges and Tunnels	369	425	436	466	471
24	Metro-North Railroad	836	906	982	1,020	1,063
25	Long Island Rail Road	1,046	1,142	1,219	1,225	1,254
26	MTA Bus Company	418	466	475	479	491
27	MTA Headquarters	298	303	340	339	350
28	Long Island Bus	123	127	132	138	141
29	Staten Island Railway	31	37	43	38	38
30	First Mutual Transportation Assurance Company	9	5	7	9	12
31	Other	27	(7)	64	70	70
32	Total	\$8,554	\$9,319	\$9,943	\$10,297	\$10,637
33						
34	<u>Depreciation</u>					
35	New York City Transit	\$1,061	\$1,109	\$1,185	\$1,267	\$1,322
36	Bridges and Tunnels	70	73	78	83	89
37	Metro-North Railroad	214	223	266	276	286
38	Long Island Rail Road	276	283	298	311	308
39	MTA Bus Company	30	30	37	40	42
40	MTA Headquarters	30	26	31	28	26
41	Long Island Bus	0	0	0	0	0
42	Staten Island Railway	7	10	10	10	10
43	First Mutual Transportation Assurance Company	0	0	0	0	0
44	Total	\$1,687	\$1,755	\$1,905	\$2,015	\$2,082
45						
46	<u>Other Post Employment Benefits</u>					
47	New York City Transit	\$991	\$1,010	\$1,055	\$1,099	\$1,145
48	Bridges and Tunnels	61	61	66	69	72
49	Metro-North Railroad	49	51	53	55	56
50	Long Island Rail Road	78	76	79	82	86
51	MTA Bus Company	46	45	52	54	56
52	MTA Headquarters	58	61	64	67	70
53	Long Island Bus	6	6	6	7	7
54	Staten Island Railway	2	3	3	3	3
55	Total	\$1,291	\$1,313	\$1,379	\$1,436	\$1,495
56						
57	<u>Environmental Remediation</u>					
58	New York City Transit	\$0	\$18	\$0	\$0	\$0
59	Metro-North Railroad	0	7	7	7	7
60	Long Island Rail Road	0	13	2	2	2
61	Total	\$0	\$38	\$8	\$8	\$8
62						
63	<u>Net Operating Income/(Deficit)</u>					
64	New York City Transit	(\$4,291)	(\$4,728)	(\$5,168)	(\$5,527)	(\$5,795)
65	Bridges and Tunnels	763	726	696	657	648
66	Metro-North Railroad	(587)	(646)	(758)	(799)	(837)
67	Long Island Rail Road	(887)	(969)	(1,054)	(1,076)	(1,098)
68	MTA Bus Company	(331)	(364)	(388)	(396)	(411)
69	MTA Headquarters	(336)	(339)	(383)	(381)	(391)
70	Long Island Bus	(87)	(88)	(93)	(100)	(104)
71	Staten Island Railway	(34)	(43)	(49)	(44)	(44)
72	First Mutual Transportation Assurance Company	11	(0)	(2)	(4)	(7)
73	Other	(27)	7	(64)	(70)	(70)
74	Total	(\$5,807)	(\$6,445)	(\$7,263)	(\$7,739)	(\$8,110)

Note: ¹ Excludes Debt Service

METROPOLITAN TRANSPORTATION AUTHORITY

November Financial Plan 2009 - 2012

MTA Consolidated Cash Receipts and Expenditures

(\$ in millions)

Line Number	CASH RECEIPTS AND EXPENDITURES	2007	2008	2009			
		Actual	November Forecast	Final Proposed Budget	2010	2011	2012
9							
10							
11	Receipts						
12	Farebox Revenue	\$4,048	\$4,293	\$4,270	\$4,291	\$4,357	\$4,428
13	Other Operating Revenue	502	565	508	532	558	587
14	Capital and Other Reimbursements	1,224	1,350	1,563	1,442	1,410	1,416
15	Total Receipts	\$5,774	\$6,209	\$6,341	\$6,265	\$6,324	\$6,431
16							
17	Expenditures						
18	<u>Labor:</u>						
19	Payroll	\$4,170	\$4,464	\$4,638	\$4,731	\$4,820	\$4,898
20	Overtime	551	570	531	537	549	559
21	Health and Welfare	637	732	788	858	928	1,002
22	OPEB Current Payment	257	311	334	363	398	436
23	Pensions	899	709	922	926	897	895
24	Other Fringe Benefits	508	547	560	573	586	600
25	Contribution to GASB Fund	71	57	60	63	66	69
26	Total Labor Expenditures	\$7,093	\$7,391	\$7,835	\$8,053	\$8,243	\$8,458
27							
28	<u>Non-Labor:</u>						
29	Traction and Propulsion Power	\$304	\$351	\$358	\$407	\$434	\$465
30	Fuel for Buses and Trains	192	321	334	307	300	320
31	Insurance	49	49	54	63	78	86
32	Claims	143	150	138	144	152	158
33	Paratransit Service Contracts	231	280	361	418	476	556
34	Maintenance and Other Operating Contracts	488	579	671	648	644	652
35	Professional Service Contracts	192	225	253	250	251	255
36	Materials & Supplies	700	673	727	751	740	741
37	Other Business Expenditures	248	181	191	190	198	195
38	Total Non-Labor Expenditures	\$2,547	\$2,811	\$3,085	\$3,178	\$3,274	\$3,428
39							
40	<u>Other Expenditure Adjustments:</u>						
41	Other	\$47	\$29	\$56	\$53	\$46	\$48
42	General Reserve	0	0	75	75	75	75
43	Total Other Expenditure Adjustments	\$47	\$29	\$131	\$128	\$121	\$123
44							
45	Total Expenditures	\$9,687	\$10,231	\$11,050	\$11,359	\$11,638	\$12,009
46							
47	Net Cash Deficit Before Subsidies and Debt Service	(\$3,912)	(\$4,022)	(\$4,709)	(\$5,094)	(\$5,314)	(\$5,578)
48							
49	Dedicated Taxes and State/Local Subsidies	\$4,618	\$4,712	\$4,458	\$4,223	\$4,355	\$4,464
50	Debt Service (excludes Service Contract Bonds)	(1,147)	(987)	(946)	(1,286)	(1,411)	(1,609)
51							
52	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$442)	(\$297)	(\$1,197)	(\$2,157)	(\$2,370)	(\$2,722)

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2009 - 2012
MTA Consolidated Cash Statement of Operations By Agency
(\$ in millions)

Line Number		2007	2008 November	2009 Final Proposed			
		<u>Actual</u>	<u>Forecast</u>	<u>Budget</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
8							
9	<u>Total Receipts</u>						
10	New York City Transit	\$3,987	\$4,199	\$4,316	\$4,231	\$4,274	\$4,354
11	Metro-North Railroad	709	777	750	766	772	792
12	Long Island Rail Road	734	856	846	837	840	842
13	MTA Bus Company	160	177	208	201	201	203
14	MTA Headquarters	88	105	118	129	135	138
15	Long Island Bus	51	50	52	52	51	52
16	Staten Island Railway	6	8	8	9	9	9
17	Capital Construction Company	19	33	37	37	36	37
18	First Mutual Transportation Assurance Company	19	5	5	5	5	5
19	Total	\$5,774	\$6,209	\$6,341	\$6,265	\$6,324	\$6,431
20							
21	<u>Total Expenditures</u>						
22	New York City Transit	\$6,285	\$6,631	\$7,084	\$7,348	\$7,560	\$7,802
23	Metro-North Railroad	1,115	1,140	1,206	1,245	1,287	1,327
24	Long Island Rail Road	1,273	1,435	1,530	1,533	1,533	1,585
25	MTA Bus Company	405	457	511	507	518	535
26	MTA Headquarters	414	362	418	426	437	451
27	Long Island Bus	133	137	140	144	147	151
28	Staten Island Railway	31	36	44	40	40	41
29	Capital Construction Company	19	33	37	37	36	37
30	First Mutual Transportation Assurance Company	19	5	5	5	5	5
31	Other	(8)	(5)	75	75	75	75
32	Total	\$9,687	\$10,231	\$11,050	\$11,359	\$11,638	\$12,009
33							
34	<u>Net Operating Surplus/(Deficit)</u>						
35	New York City Transit	(2,297)	(2,432)	(2,768)	(3,118)	(3,285)	(3,448)
36	Metro-North Railroad	(405)	(364)	(456)	(480)	(514)	(535)
37	Long Island Rail Road	(539)	(578)	(684)	(696)	(693)	(743)
38	MTA Bus Company	(245)	(280)	(302)	(306)	(317)	(332)
39	MTA Headquarters	(326)	(258)	(300)	(297)	(302)	(313)
40	Long Island Bus	(82)	(87)	(88)	(92)	(96)	(99)
41	Staten Island Railway	(25)	(28)	(36)	(31)	(31)	(32)
42	Capital Construction Company	(0)	0	0	0	0	0
43	First Mutual Transportation Assurance Company	0	0	0	0	0	0
44	Other	8	5	(75)	(75)	(75)	(75)
45	Total	(\$3,912)	(\$4,022)	(\$4,709)	(\$5,094)	(\$5,314)	(\$5,578)

Metropolitan Transportation Authority
November Financial Plan 2009 - 2012
MTA Consolidated November Financial Plan Compared with July Financial Plan
Cash Reconciliation
(\$ in millions)

	Favorable/(Unfavorable)				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
JULY BASELINE CASH BALANCE before PRIOR-YEAR CARRYOVER	(\$345)	(\$1,143)	(\$1,882)	(\$2,068)	(\$2,334)
Passenger/Toll Revenue	\$47	(\$17)	(\$44)	(\$32)	(\$7)
Other Baseline Changes:	<u>\$10</u>	<u>(\$52)</u>	<u>(\$127)</u>	<u>(\$123)</u>	<u>(\$189)</u>
<i>Overtime</i>	(21)	(15)	(13)	(15)	(15)
<i>Pensions</i>	72	(9)	(9)	(8)	(8)
<i>Other Fringe Benefits (incl. Worker's Comp.)</i>	(47)	(44)	(41)	(44)	(46)
<i>Energy</i>	(11)	(4)	(34)	(36)	(80)
<i>Claims</i>	(23)	(0)	(0)	(0)	(0)
<i>Inflation (Labor/OTPS)</i>	(1)	(33)	(40)	(57)	(72)
<i>Paratransit Service</i>	1	(50)	(57)	(41)	(34)
<i>Timing Adjustments</i>	(23)	25	(1)	(1)	(1)
<i>Cash Adjustments</i>	40	56	45	44	46
<i>Baseline Re-Estimates</i>	23	22	23	35	21
Net Baseline Change	<u>\$57</u>	<u>(\$69)</u>	<u>(\$171)</u>	<u>(\$155)</u>	<u>(\$196)</u>
General Reserve	\$38	\$0	\$0	\$0	\$0
Subsidies	(\$54)	\$49	(\$22)	(\$24)	(\$23)
Debt Service	\$9	(\$18)	(\$54)	(\$94)	(\$144)
Other	(\$1)	(\$16)	(\$28)	(\$29)	(\$26)
Total Baseline Change	<u>\$48</u>	<u>(\$54)</u>	<u>(\$275)</u>	<u>(\$302)</u>	<u>(\$389)</u>
NOVEMBER BASELINE CASH BALANCE before PRIOR-YEAR CARRYOVER	(\$297)	(\$1,197)	(\$2,157)	(\$2,370)	(\$2,722)

**METROPOLITAN TRANSPORTATION AUTHORITY
NOVEMBER FINANCIAL PLAN 2009-2012
BASELINE FAREBOX RECOVERY AND FAREBOX OPERATING RATIOS**

FAREBOX RECOVERY RATIOS

	2007 Actual	2008 November Forecast	2009 Final Proposed Budget	2010 Forecast	2011 Forecast	2012 Forecast
New York City Transit	41.8%	36.1%	34.1%	32.3%	31.5%	30.8%
Staten Island Railway	12.2%	10.3%	9.8%	11.1%	11.2%	11.0%
Long Island Rail Road	34.4%	29.8%	28.5%	27.3%	27.2%	26.8%
Metro-North Railroad	43.3%	38.2%	35.2%	33.8%	33.2%	32.9%
Long Island Bus	32.1%	31.1%	29.5%	28.4%	27.7%	27.1%
Bus Company	<u>31.0%</u>	<u>27.8%</u>	<u>26.5%</u>	<u>26.2%</u>	<u>25.7%</u>	<u>25.2%</u>
MTA Total Agency Average	40.2%	34.9%	32.9%	31.4%	30.8%	30.2%

FAREBOX OPERATING RATIOS

	2007 Actual	2008 November Forecast	2009 Final Proposed Budget	2010 Forecast	2011 Forecast	2012 Forecast
New York City Transit	54.8%	53.0%	49.9%	48.1%	47.1%	46.1%
Staten Island Railway	17.8%	16.1%	14.6%	17.3%	17.5%	17.0%
Long Island Rail Road	45.1%	43.8%	41.0%	41.1%	40.6%	39.7%
Metro-North Railroad	57.0%	55.4%	51.9%	50.8%	50.2%	49.8%
Long Island Bus	32.9%	33.2%	31.7%	30.5%	29.8%	29.2%
Bus Company	<u>33.5%</u>	<u>33.0%</u>	<u>32.2%</u>	<u>32.1%</u>	<u>31.6%</u>	<u>30.9%</u>
MTA Total Agency Average	52.1%	50.5%	47.5%	46.2%	45.4%	44.6%

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

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

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