

MTA 2009 Preliminary Budget July Financial Plan 2009 – 2012



Volume 2

July 2008



Metropolitan Transportation Authority

**MTA 2009 PRELIMINARY BUDGET
JULY FINANCIAL PLAN 2009-2012
VOLUME 2**

The MTA's July 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 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 Preliminary 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.

TABLE OF CONTENTS

VOLUME 2

I. MTA Consolidated 2008-2012 Financial Plan-Baseline

2009: Where the Dollars come From and Where the Dollars Go.....	I-1
2008-2012 Financial Plan: Statement of Operations by Category.....	I-2
2008-2011 Reconciliation to February Plan.....	I-6
Farebox Recovery and Operating Ratios.....	I-7

II. Major Assumptions 2009-2012 Projections-Baseline

Overview MTA Initiatives.....	II-1
Utilization (Revenue, Ridership, Vehicle Traffic).....	II-9
Subsidies.....	II-17
Debt Service.....	II-53
Debt Service Affordability Statement.....	II-57
Agency Baseline Assumptions.....	II-61
Positions (Headcount).....	II-83
Status of 2008 Agency PEGs.....	II-97

III. Other MTA Consolidated Materials-Baseline

2008-2012 Consolidated Statements of Operations by Category (Accrued (Non-Reimbursable and Reimbursable), Cash).....	III-1
Cash Conversion Detail.....	III-5
Year-to-Year Changes by Category.....	III-6
Non-Recurring Revenues and Savings, and MTA Reserves.....	III-7

IV. MTA Capital Program Information

2008 Program Funding by Elements, 2008 Project Commitments and Total Costs by Agency.....	IV-1
Forecast of Project Completions 2008-2011.....	IV-10
Project Completions with Net Operating Impacts Exceeding \$1 Million.....	IV-17

V. Agency Financial Plans

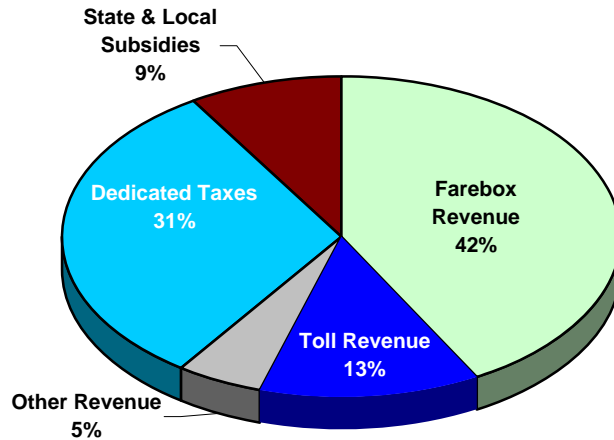
Bridges and Tunnels.....	V-1
Capital Construction Company.....	V-43
Long Island Bus.....	V-61
Long Island Rail Road.....	V-93
Metro-North Railroad.....	V-139
MTA Headquarters and Inspector General.....	V-187
First Mutual Transportation Assurance Co. (FMTAC).....	V-221
New York City Transit.....	V-233
MTA Bus Company.....	V-321
Staten Island Railway.....	V-355

I. MTA Consolidated 2008-2012 Financial Plan-Baseline

MTA 2009 Preliminary Budget

Baseline Before Gap Closing Program

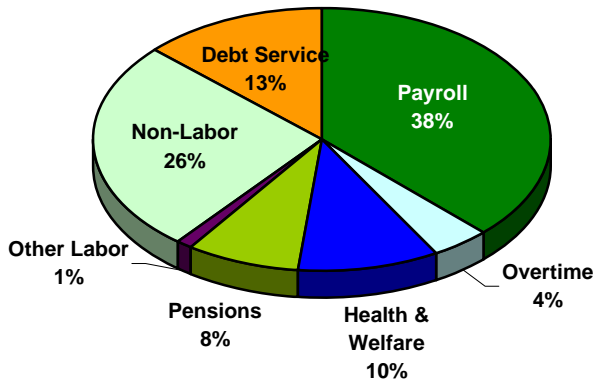
Where the Dollars Come From ...



By Revenue Source (\$ in millions)	
Farebox Revenue	\$4,228
Toll Revenue	1,281
Other Revenue	493
Dedicated Taxes	3,165
State & Local Subsidies	886
Total	\$10,053

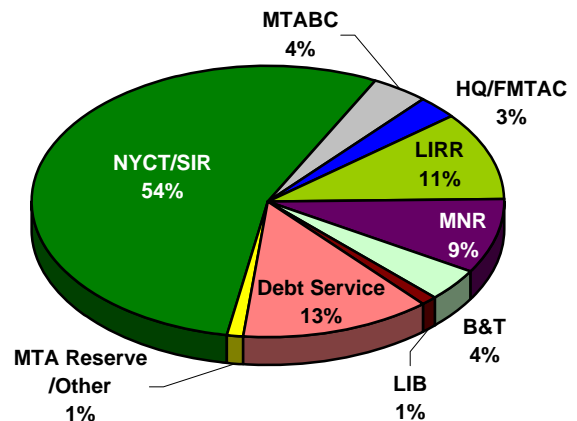
Where the Dollars Go ...

By Expense Category



By Expense Category (\$ in millions)	
Payroll	\$4,203
Overtime	456
Health & Welfare	1,111
Pensions	904
Other Labor	134
Non-Labor	2,914
Debt Service	1,455
Total	\$11,177

By MTA Agency



By MTA Agency (\$ in millions)	
NYCT/SIR	\$6,113
MTABC	440
HQ/FMTAC	308
LIRR	1,192
MNR	983
B&T	430
LIB	131
Debt Service	1,455
MTA Reserve/Other	124
Total	\$11,177

Expenses exclude Depreciation, OPEB obligation and Environmental Remediation.

The difference between revenues and expenses is (\$1,124) 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

July Financial Plan 2009 - 2012

MTA Consolidated Statement Of Operations By Category

(\$ in millions)

Line

No.

7	Non-Reimbursable						
8		2007	2008	2009			
9		Actual	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
10	Operating Revenue						
11	Farebox Revenue	\$3,995	\$4,196	\$4,228	\$4,277	\$4,333	\$4,381
12	Toll Revenue	1,251	1,276	1,281	1,282	1,286	1,291
13	Other Revenue	480	473	493	514	540	567
14	Capital and Other Reimbursements	0	0	0	0	0	0
15	Total Operating Revenue	\$5,726	\$5,945	\$6,002	\$6,074	\$6,159	\$6,239
16							
17	Operating Expense						
18	Labor Expenses:						
19	Payroll	\$3,861	\$4,073	\$4,203	\$4,314	\$4,403	\$4,476
20	Overtime	482	469	456	465	474	484
21	Health & Welfare	617	684	750	818	887	957
22	PEB Current Payment	270	326	361	391	427	465
23	Pensions	851	961	904	887	863	868
24	Other-Fringe Benefits	445	430	444	461	474	484
25	Reimbursable Overhead	(274)	(301)	(310)	(307)	(306)	(312)
26	Sub-total Labor Expenses	\$6,252	\$6,642	\$6,808	\$7,030	\$7,222	\$7,422
27							
28	Non-Labor Expenses:						
29	Traction and Propulsion Power	294	313	347	403	433	446
30	Fuel for Buses and Trains	193	311	331	269	256	250
31	Insurance	54	38	56	66	78	94
32	Claims	164	152	157	165	173	176
33	Paratransit Service Contracts	233	280	316	366	441	523
34	Maintenance and Other Operating Contracts	533	654	649	672	678	691
35	Professional Service Contracts	181	220	230	224	224	228
36	Materials & Supplies	516	559	592	641	666	646
37	Other Business Expenses	152	181	170	170	174	179
38	Sub-total Non-Labor Expenses	\$2,320	\$2,708	\$2,849	\$2,978	\$3,123	\$3,233
39							
40	Other Expense Adjustments:						
41	Other	(\$18)	(\$11)	(\$11)	(\$13)	(\$10)	(\$10)
42	General Reserve	0	38	75	75	75	75
43	Sub-total Other Expense Adjustments	(\$18)	\$26	\$64	\$62	\$65	\$65
44							
45	Total Operating Expense before Non-Cash Liability Adjs	\$8,554	\$9,376	\$9,721	\$10,070	\$10,409	\$10,720
46							
47	Depreciation	\$1,687	\$1,791	\$1,894	\$1,993	\$2,075	\$2,152
48	PEB Obligation	1,291	1,318	1,380	1,437	1,497	1,558
49	Environmental Remediation	0	26	8	9	9	10
50							
51	Total Operating Expense	\$11,533	\$12,511	\$13,004	\$13,509	\$13,990	\$14,440
52							
53	Net Operating Deficit Before Subsidies and Debt Service	(\$5,807)	(\$6,566)	(\$7,001)	(\$7,435)	(\$7,831)	(\$8,201)
54							
55	Dedicated Taxes and State/Local Subsidies	\$4,559	\$4,260	\$4,051	\$4,060	\$4,161	\$4,287
56	Debt Service (excludes Service Contract Bonds)	(1,712)	(1,513)	(1,455)	(1,858)	(1,956)	(2,122)
57							
58	Net Deficit After Subsidies and Debt Service	(\$2,959)	(\$3,820)	(\$4,406)	(\$5,232)	(\$5,626)	(\$6,037)
59							
60	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$2,978	\$3,135	\$3,282	\$3,438	\$3,581	\$3,720
61	Conversion to Cash Basis: GASB Account	(71)	(58)	(62)	(64)	(67)	(70)
62	Conversion to Cash Basis: All Other	(389)	397	42	(24)	44	53
63							
64	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$442)	(\$345)	(\$1,143)	(\$1,882)	(\$2,068)	(\$2,334)

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

Line No	Non-Reimbursable	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
8	<u>Total Operating Revenue</u>						
10	New York City Transit	\$3,159	\$3,286	\$3,316	\$3,364	\$3,419	\$3,468
11	Bridges and Tunnels	1,263	1,287	1,293	1,295	1,298	1,303
12	Metro-North Railroad	511	536	547	558	572	586
13	Long Island Rail Road	513	537	542	547	554	560
14	MTA Bus Company	162	177	181	185	189	193
15	MTA Headquarters	51	51	52	53	54	55
16	Long Island Bus	42	44	45	45	45	46
17	Staten Island Railway	6	6	7	7	7	7
18	First Mutual Transportation Assurance Company	19	19	19	19	20	20
19	Total	\$5,726	\$5,945	\$6,002	\$6,074	\$6,159	\$6,239
21	<u>Total Operating Expenses before Non-Cash Liability Adjs.¹</u>						
22	New York City Transit	\$5,397	\$5,943	\$6,074	\$6,373	\$6,614	\$6,819
23	Bridges and Tunnels	369	429	430	461	465	481
24	Metro-North Railroad	836	908	983	1,025	1,072	1,109
25	Long Island Rail Road	1,046	1,152	1,192	1,214	1,241	1,279
26	MTA Bus Company	418	426	440	451	462	476
27	MTA Headquarters	298	312	316	324	337	348
28	Long Island Bus	123	125	131	135	140	143
29	Staten Island Railway	31	40	40	35	37	38
30	First Mutual Transportation Assurance Company	9	1	3	5	8	7
31	Other	27	39	113	48	34	21
32	Total	\$8,554	\$9,376	\$9,721	\$10,070	\$10,409	\$10,720
34	<u>Depreciation</u>						
35	New York City Transit	\$1,061	\$1,134	\$1,204	\$1,274	\$1,344	\$1,414
36	Bridges and Tunnels	70	73	78	83	89	95
37	Metro-North Railroad	214	226	236	246	256	266
38	Long Island Rail Road	276	283	298	311	308	303
39	MTA Bus Company	30	35	37	40	42	42
40	MTA Headquarters	30	30	31	28	26	21
41	Long Island Bus	0	0	0	0	0	0
42	Staten Island Railway	7	10	10	10	10	10
43	First Mutual Transportation Assurance Company	0	0	0	0	0	0
44	Total	\$1,687	\$1,791	\$1,894	\$1,993	\$2,075	\$2,152
46	<u>Other Post Employment Benefits</u>						
47	New York City Transit	\$991	\$1,010	\$1,055	\$1,099	\$1,145	\$1,192
48	Bridges and Tunnels	61	61	66	69	72	76
49	Metro-North Railroad	49	51	53	55	56	58
50	Long Island Rail Road	78	78	81	84	87	91
51	MTA Bus Company	46	49	52	54	56	58
52	MTA Headquarters	58	61	64	67	70	73
53	Long Island Bus	6	6	6	7	7	8
54	Staten Island Railway	2	3	3	3	3	3
55	Total	\$1,291	\$1,318	\$1,380	\$1,437	\$1,497	\$1,558
57	<u>Environmental Remediation</u>						
58	New York City Transit	\$0	\$18	\$0	\$0	\$0	\$0
59	Metro-North Railroad	0	7	7	7	8	8
60	Long Island Rail Road	0	2	2	2	2	2
61	Total	\$0	\$26	\$8	\$9	\$9	\$10
63	<u>Net Operating Income/(Deficit)</u>						
64	New York City Transit	(\$4,291)	(\$4,819)	(\$5,017)	(\$5,382)	(\$5,683)	(\$5,957)
65	Bridges and Tunnels	763	724	719	681	672	652
66	Metro-North Railroad	(587)	(655)	(731)	(775)	(820)	(855)
67	Long Island Rail Road	(887)	(978)	(1,030)	(1,062)	(1,083)	(1,115)
68	MTA Bus Company	(331)	(333)	(348)	(359)	(371)	(383)
69	MTA Headquarters	(336)	(352)	(360)	(366)	(379)	(387)
70	Long Island Bus	(87)	(87)	(93)	(97)	(102)	(105)
71	Staten Island Railway	(34)	(47)	(46)	(41)	(43)	(44)
72	First Mutual Transportation Assurance Company	11	17	16	14	12	13
73	Other	(27)	(39)	(113)	(48)	(34)	(21)
74	Total	(\$5,807)	(\$6,566)	(\$7,001)	(\$7,435)	(\$7,831)	(\$8,201)

Note: ¹ Excludes Debt Service

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2009 - 2012

MTA Consolidated Cash Receipts and Expenditures

(\$ in millions)

Line Number	CASH RECEIPTS AND EXPENDITURES	2007	2008	2009			
		Actual	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
9							
10							
11	Receipts						
12	Farebox Revenue	\$4,048	\$4,245	\$4,271	\$4,317	\$4,372	\$4,421
13	Other Operating Revenue	502	579	524	547	574	600
14	Capital and Other Reimbursements	1,224	1,452	1,450	1,392	1,388	1,399
15	Total Receipts	\$5,774	\$6,276	\$6,246	\$6,256	\$6,335	\$6,420
16							
17	Expenditures						
18	<u>Labor:</u>						
19	Payroll	\$4,170	\$4,469	\$4,564	\$4,657	\$4,740	\$4,810
20	Overtime	551	535	519	528	537	548
21	Health and Welfare	637	731	788	858	930	1,003
22	OPEB Current Payment	257	310	339	368	401	438
23	Pensions	899	763	937	929	902	900
24	Other Fringe Benefits	508	539	549	562	575	586
25	Contribution to GASB Fund	71	58	62	64	67	70
26	Total Labor Expenditures	\$7,093	\$7,405	\$7,758	\$7,966	\$8,152	\$8,355
27							
28	<u>Non-Labor:</u>						
29	Traction and Propulsion Power	\$304	\$350	\$357	\$412	\$443	\$455
30	Fuel for Buses and Trains	192	312	331	268	256	250
31	Insurance	49	54	58	68	83	95
32	Claims	143	140	136	144	152	157
33	Paratransit Service Contracts	231	281	311	361	436	518
34	Maintenance and Other Operating Contracts	488	602	606	610	622	624
35	Professional Service Contracts	192	283	241	238	235	236
36	Materials & Supplies	700	686	741	762	758	754
37	Other Business Expenditures	248	179	178	180	189	186
38	Total Non-Labor Expenditures	\$2,547	\$2,885	\$2,959	\$3,043	\$3,174	\$3,275
39							
40	<u>Other Expenditure Adjustments:</u>						
41	Other	\$47	\$65	\$94	\$96	\$94	\$97
42	General Reserve	0	38	75	75	75	75
43	Total Other Expenditure Adjustments	\$47	\$102	\$169	\$171	\$169	\$172
44							
45	Total Expenditures	\$9,687	\$10,392	\$10,886	\$11,180	\$11,494	\$11,802
46							
47	Net Cash Deficit Before Subsidies and Debt Service	(\$3,912)	(\$4,116)	(\$4,641)	(\$4,924)	(\$5,159)	(\$5,382)
48							
49	Dedicated Taxes and State/Local Subsidies	\$4,618	\$4,774	\$4,472	\$4,324	\$4,460	\$4,568
50	Debt Service (excludes Service Contract Bonds)	(1,147)	(1,003)	(975)	(1,282)	(1,369)	(1,520)
51							
52	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$442)	(\$345)	(\$1,143)	(\$1,882)	(\$2,068)	(\$2,334)

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

Line Number		2007	2008 Mid-Year	2009 Preliminary			
		<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	\$4,230	\$4,215	\$4,216	\$4,262	\$4,317
11	Metro-North Railroad	709	790	753	765	789	809
12	Long Island Rail Road	734	836	840	837	841	843
13	MTA Bus Company	160	202	214	209	212	217
14	MTA Headquarters	88	109	108	111	114	116
15	Long Island Bus	51	50	52	51	52	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	19	19	19	20	20
19	Total	\$5,774	\$6,276	\$6,246	\$6,256	\$6,335	\$6,420
20							
21	<u>Total Expenditures</u>						
22	New York City Transit	\$6,285	\$6,686	\$6,937	\$7,220	\$7,453	\$7,651
23	Metro-North Railroad	1,115	1,162	1,205	1,251	1,316	1,356
24	Long Island Rail Road	1,273	1,433	1,505	1,518	1,518	1,568
25	MTA Bus Company	405	454	476	478	489	504
26	MTA Headquarters	414	389	409	422	434	447
27	Long Island Bus	133	136	137	141	146	149
28	Staten Island Railway	31	39	41	37	39	40
29	Capital Construction Company	19	33	37	37	36	37
30	First Mutual Transportation Assurance Company	19	19	19	19	20	20
31	Other	(8)	41	120	56	43	30
32	Total	\$9,687	\$10,392	\$10,886	\$11,180	\$11,494	\$11,802
33							
34	<u>Net Operating Surplus/(Deficit)</u>						
35	New York City Transit	(2,297)	(2,456)	(2,722)	(3,004)	(3,191)	(3,333)
36	Metro-North Railroad	(405)	(373)	(452)	(485)	(527)	(548)
37	Long Island Rail Road	(539)	(597)	(665)	(681)	(677)	(725)
38	MTA Bus Company	(245)	(252)	(262)	(269)	(277)	(287)
39	MTA Headquarters	(326)	(280)	(300)	(310)	(320)	(331)
40	Long Island Bus	(82)	(87)	(85)	(90)	(94)	(97)
41	Staten Island Railway	(25)	(31)	(33)	(29)	(30)	(31)
42	Capital Construction Company	(0)	0	0	0	0	0
43	First Mutual Transportation Assurance Company	0	(0)	0	0	0	0
44	Other	8	(41)	(120)	(56)	(43)	(30)
45	Total	(\$3,912)	(\$4,116)	(\$4,641)	(\$4,924)	(\$5,159)	(\$5,382)

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

	Favorable/(Unfavorable)			
	2008	2009	2010	2011
FEBRUARY BASELINE CASH BALANCE before PRIOR-YEAR CARRYOVER	(\$191)	(\$712)	(\$1,432)	(\$1,668)
New Needs/Investments	(\$41)	(\$77)	(\$67)	(\$73)
<i>New Service</i>	(6)	(13)	(14)	(14)
<i>Maintenance</i>	(18)	(40)	(28)	(33)
<i>Safety & Security</i>	(7)	(11)	(9)	(9)
<i>Other New Needs</i>	(10)	(13)	(15)	(17)
Other Adjustments	\$53	\$83	\$65	\$66
<i>Passenger/Toll Revenue</i>	5	(42)	(39)	(31)
<i>Cancel 2008 Service Enhancements</i>	27	60	60	60
<i>Baseline Re-estimates</i>	21	65	43	37
Uncontrollable Expenses	(\$187)	(\$176)	(\$109)	(\$85)
<i>Traction and Propulsion Power</i>	7	(4)	(7)	(14)
<i>Fuel for Buses and Trains</i>	(88)	(123)	(59)	(45)
<i>Other Energy Adjustments</i>	(15)	(31)	(27)	(27)
<i>Health & Welfare</i>	27	31	47	62
<i>Pensions</i>	(92)	(33)	(43)	(36)
<i>Paratransit Service</i>	(9)	(9)	(9)	(9)
<i>Paratransit Urban Tax Reimbursement</i>	(7)	(7)	(9)	(10)
<i>Insurance</i>	(9)	1	(2)	(5)
<i>Bond Service Fees</i>	(1)	(1)	(1)	(1)
Net Baseline Change	(\$175)	(\$170)	(\$111)	(\$92)
General Reserve	\$38	\$0	\$0	\$0
Subsidies	(\$98)	(\$300)	(\$406)	(\$417)
<i>Real Estate Taxes</i>	(201)	(242)	(282)	(305)
<i>MMTA</i>	(39)	(9)	(64)	(95)
<i>PBT</i>	(2)	(10)	(21)	(29)
<i>MRT Transfers/AMTAP</i>	36	43	34	78
<i>55/25 Pension Funding</i>	117	0	0	0
<i>City Subsidy for MTA Bus</i>	22	4	3	1
<i>B&T Operating Surplus Transfer</i>	(32)	(90)	(74)	(69)
<i>CDOT</i>	(1)	4	(2)	2
<i>Other</i>	1	1	1	0
Debt Service (excluding B&T)	\$42	\$34	\$61	\$99
Other	\$39	\$4	\$4	\$10
JULY BASELINE CASH BALANCE before PRIOR-YEAR CARRYOVER	(\$345)	(\$1,143)	(\$1,882)	(\$2,068)

Note: The July Plan shifts certain items to the baseline that were included below-the-line in the February Plan; these include: IESS and future Downsizing.

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

FAREBOX RECOVERY RATIOS

	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010 Forecast	2011 Forecast	2012 Forecast
New York City Transit	41.8%	35.3%	34.6%	32.9%	32.0%	31.1%
Staten Island Railway	12.2%	9.7%	10.4%	11.7%	11.5%	11.2%
Long Island Rail Road	34.4%	29.4%	28.7%	27.6%	27.5%	27.1%
Metro-North Railroad	43.3%	37.8%	35.9%	34.6%	33.8%	33.3%
Long Island Bus	32.1%	31.4%	30.1%	29.3%	28.5%	28.0%
Bus Company	<u>31.0%</u>	<u>29.0%</u>	<u>28.5%</u>	<u>28.4%</u>	<u>28.2%</u>	<u>28.0%</u>
MTA Total Agency Average	40.2%	34.4%	33.5%	32.1%	31.3%	30.6%

FAREBOX OPERATING RATIOS

	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010 Forecast	2011 Forecast	2012 Forecast
New York City Transit	54.8%	52.1%	51.3%	49.3%	48.1%	47.0%
Staten Island Railway	17.8%	14.6%	15.8%	18.7%	18.1%	17.6%
Long Island Rail Road	45.1%	42.6%	42.0%	41.8%	41.3%	40.5%
Metro-North Railroad	57.0%	54.7%	51.7%	50.7%	49.7%	49.2%
Long Island Bus	32.9%	33.7%	32.4%	31.6%	30.7%	30.2%
Bus Company	<u>33.5%</u>	<u>35.5%</u>	<u>35.1%</u>	<u>35.1%</u>	<u>35.0%</u>	<u>34.7%</u>
MTA Total Agency Average	52.1%	49.8%	48.8%	47.4%	46.4%	45.5%

Farebox recovery ratio has a long-term focus. It includes costs that are not funded in the current year, except in an accounting-ledger sense, but are, in effect, passed on to future years. Those costs include depreciation, 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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II. Major Assumptions 2009-2012 Projections- Baseline

Overview MTA Initiatives

OVERVIEW MTA INITIATIVES

The MTA and all of its agencies continually strive to improve the transit services we provide our customers throughout the entire regional commuting district, an area comprising twelve New York counties as well as parts of New Jersey and Connecticut. To advance this general goal, the MTA's senior staff has identified seven distinct but interrelated areas on which current and future MTA initiatives will focus. As such, these seven priority areas constitute both a directive for policy and, in and of themselves, an achievable set of goals. The 2009 Preliminary Budget shows that the MTA's agencies, individually and collectively, are making significant progress toward realizing these seven priorities.

Customer Service

NYCT will begin a comprehensive plan to improve the appearance and reliability of its elevators and escalators, an important step toward making our transit system more easily accessible to people with disabilities; NYCT will revise its current bus overhaul schedule from a 4-year to a 3-year cycle and will institute Select Bus Service (Bus Rapid Transit) fare collection, both measures that will go a long way toward improving the speed and quality of NYCT bus trips. NYCT also plans several service adjustments, beginning in the fall of 2008. These include: operating the 3 Line service late nights between Times Square and 148th Street; increased evening service on the 1, 4 and 6 Lines; increased hours of service on the W and B Lines; an extension of M Line service to Manhattan on weekday evenings; increased weekend service on the L Line and increased afternoon service on the 4 Line. For bus users, NYCT will also take the steps necessary to implement a bus rapid transit service; and, in partnership with MasterCard, NYCT will continue its participation in the SmartCard program on select routes.

LIRR will initiate a Low Adhesion Mitigation Strategy—including a budgeted \$2 million for vegetation management—that will prevent slip-slide conditions and further preserve the agency's remarkable on-time performance record.

LIB will strive to improve upon its Able-Ride Paratransit operations, which offer curb-to-curb transportation for eligible customers with disabilities. Major new LIB projects will center around the completion of the Paratransit Facility rehabilitation and the receipt of replacement fixed route and Paratransit buses. Additionally, the agency will improve customer communications by developing a web-based system to allow paratransit customers to look up the location of and estimated arrival time of the bus scheduled to pick them up. LIB also plans to expand various way-finding and signage projects to provide for its customers a bus system that is even easier to use.

Between 2005 and 2007, MTA Bus introduced 475 new over-the-road express buses into service, so that 60% of its fleet has by now been replaced. The

infusion of new buses into the MTABC fleet, in conjunction with the introduction of comprehensive maintenance programs, will significantly improve the reliability of the fleet and customer comfort.

The 2009 Preliminary Budget for MNR includes several renovation projects for Grand Central Terminal that will be undertaken through 2012 and that will maintain this facility's landmark status. MNR will also increase the reliability and capacity of the outdated customer telephone information system by introducing a new Interactive Voice Response system; and the railroad will make commuting more convenient by introducing hand-held computers for issuing tickets on-board.

For B&T, improving the reliability of its services means reducing regional traffic congestion and minimizing the median amount of time customers spend in queues, especially at peak times. The E-ZPass program, begun in the 1990's, responds to these needs. B&T has recently simplified the application process for E-ZPasses, and is also piloting the E-ZPass-on-the-Go program, both steps designed to increase the market share of E-ZPass and to help B&T maintain the already high level of customer satisfaction with the program.

Financial Stability

In formulating the July Plan, Agencies were instructed to adhere to the spending envelope contained in the February Financial Plan. Any expense growth beyond the levels in the February Plan (including any "New Need" program) had to be made up with internal savings. These internal savings could take the form of expense re-estimates or additional PEGs. The exception to this is that growth in "uncontrollable" areas including Health & Welfare, Pensions, Energy, Insurance and Paratransit would be permissible, as these categories are heavily dependent on rates determined by outside factors. In addition, the Agencies have now identified savings programs for 2009 and beyond that are consistent with the 1.5% annual reduction targets that they were given. Agencies were asked to identify savings that would not only reduce expenses in the short-term, but would also result in long-term improvements to MTA's financial picture. Much of these savings are being generated through the 2009 PEG Program and are not part of the baseline; but rather are included below-the-line as part of MTA gap-closing actions. The details of this program are included in a separate section of this report, "Gap Closing Programs". Other savings are captured in the baseline through favorable expense re-estimates.

One significant change to the February Plan is that the Service Enhancement Programs that were included within the Baseline have now been eliminated because of the sharp decline in MTA's real estate-related revenue streams. As a result, the bottom line has been reduced by \$27 million in 2008 and \$60 million annually beginning in 2009.

As reflected in the 2009 Preliminary Budget, NYCT will reduce costs significantly by achieving economies in the purchase of light duty vehicles and by meeting reduction targets on various inventory/non-inventory consumables. On the revenue side, NYCT will ensure that fare collection is in line with actual ridership by partnering with the NYPD in a concerted program to thwart fare evasion. Also part of NYCT's extensive PEG program are plans to achieve efficiencies in terminal car cleaning, station track cleaning, revenue collection/processing, administrative positions as well as economies in maintenance and other areas throughout the agency, without compromising standards or customer service.

SIR, which is part of NYCT, will realize administrative and organizational efficiencies that will allow slowing the rate at which the railroad fills vacant positions between 2009 and 2012, resulting in savings of over \$300,000 annually; additionally, the agency plans a pc-based interlocking control system that is expected to allow automatic dispatching and routing of trains at two terminals, resulting in savings of \$80,000 annually. The establishment and use of a medical assessment facility on Staten Island is expected to increase employee availability, and will also result in significant savings to the railroad.

Toward the attainment of fiscal soundness, LIRR will take measures designed to right-size inventory and employee health and welfare, while introducing new technology to streamline operations. In 2009, the railroad will also evaluate off-peak service and other supporting services to identify savings that are consistent with current service guidelines. LIRR will seek to lower expenses through better management of health and welfare retiree payments.

LIB will achieve savings by budgeting maintenance contracts and material needs in closer accordance with the receipt of new buses and by pursuing cost-reducing electricity conservation initiatives. Future savings will be realized by more efficiently planning the refueling schedules of buses, and by fueling more Paratransit buses at depot pumps.

MTA Bus has realized financial efficiencies by adopting PeopleSoft financial application modules that enable the agency to better identify factors driving expenses and therefore to perform more in-depth expenditure analysis. On the revenue side, the bus company has benefited from the implementation of a new MTA-wide advertising campaign.

MNR will improve revenues by introducing new train service that will not entail significant cost in the short term and that, in the long term, will have the potential to accelerate ridership growth. The railroad will also incorporate Kronos timekeeping at all of its facilities to improve the tracking and reporting of personnel costs; and it will employ GPS technology on its truck fleet to improve deployment, tracking and reporting of personnel and vehicles.

To counter the trend of rising construction costs, MTACC will reduce the scope and complexity of contracts and thus limit the number of subcontractors within a project. Contracts will also stipulate escalation clauses to account for rising materials prices. Additionally, schedules for large scale projects will be adjusted to encourage competition among contractors, and therefore to get more favorable bids on MTA projects.

Institutional Transformation

The most significant MTA initiative toward achieving institutional transformation will be the consolidation of the MTA's bus services. The MTA envisions establishing Regional Bus Operations that will allow its younger bus companies to leverage the resources of its older, more established agencies and to adopt their tried and true best practices. A more collaborative bus system will eliminate silos for greater accountability, will reduce administrative inefficiency and will improve customer service. The MTA Bus Company is partnering with Long Island Bus Company and NYCT's Department of Buses to make this happen.

Another dynamic maneuver toward institutional transformation will be implementation of a shared services business service center (BSC) that will combine select administrative functions for all MTA agencies and will use a single payroll system, as well as other technologies to process back-office transactions. In addition, the MTA Defined Benefit Pension plan, currently administered separately by six different agencies, will be centralized, resulting in significant savings and the elimination of duplicate functions.

Projects and Planning

The MTA looks forward to the development of several large-scale, long-term projects, including East Side Access, the Second Avenue Subway Project, the Fulton Street Transit Center and the No. 7 Line Extension. Construction of the New South Ferry Terminal Station, which has been ongoing for two years, should be complete in 2008. In addition, MTACC continues to implement projects funded from the system-wide security capital program.

Over the next few years, LIRR will be transformed by the East Side Access project, by the Hudson River Yard Development and by Brookfield Overbuild, large-scale projects that alone will transfigure the operational presence of the railroad.

MNR is progressing with the construction of a new train station at Yankee Stadium, which, according to the 2009 Preliminary Budget, should be operational by the spring of 2009. The railroad will provide a combination of shuttle and through service to and from the station on the Harlem, Hudson and New Haven

Lines for Yankee home games, and regular year-round service on the Hudson Line between the stadium and several destinations to the north. MNR also plans to maintain and improve the efficiency of its information communication network by upgrading supporting equipment, increasing its capacity, and installing additional security refinements.

Safety and Security

The MTA will greatly enhance the safety and security of its transportation network by inaugurating an Integrated Electronic Security System (IESS) and its supporting Command, Control, and Communication Centers (C3). The project will be directed by MTACC and will involve several agencies, including NYCT, LIRR, MTA B&T, and the MTA Police Department. The IESS/C3 program will consist of the installation of Closed Circuit TV systems to provide 24/7 recorded visual surveillance of MTA property, access control devices to identify people who are entering our facilities and intrusion detection devices to alert operators of people obtaining unwarranted entry to our properties.

Further progressing toward the goal of safety and security, NYCT will conduct hundreds of audits on construction and maintenance projects and, as part of the initiative to reduce customer slips and falls, will introduce a program of reports to the Chief Station Officers at which such accidents have occurred. NYCT will also perform undercover rides on its buses to ensure safety compliance and will develop a plan to increase the security of its overnight fleet storage.

In the area of Safety and Security, LIRR, too, plans to extend its recent success by devoting substantial resources to such initiatives as the TRACKS Program and Operation Lifesaver; and more than \$30 million has been earmarked in the 2009-2012 Financial Plan for the Platform Gap Mitigation Strategy.

MNR plans significant payroll expenditure on employee training and security, which will improve the safety of the railroad's customers and personnel. In addition, the agency has incorporated resources to support the maintenance and monitoring functions of new security systems in New York and Connecticut; and security services at outlying yard locations will be in place by the end of 2008.

B&T has excelled in the area of employee safety and will continue to carry out initiatives that will help assure the safe passage of its customers. The agency will devote significant resources to identifying collision hot-spots, re-evaluating and modifying traffic patterns in construction zones and improving roadway signage. In addition, B&T will use a combination of new personnel and overtime to better enforce truck weight restrictions on its suspension bridges, and it will maintain a regular facility presence to conduct credential checks.

MTA Headquarters will improve system security by continuing the use of Directed Patrols to increase police visibility and accessibility on board LIRR, MNR and SIRT OA and by deploying K-9 and Emergency Service units in greater force.

To improve the safety and security of its passengers and employees, LIB has upgraded most of its security-related infrastructure, including new perimeter fencing, strategically placed security bollards, and additional and upgraded CCTV systems. Through meetings and written communications, the workforce is frequently reminded and updated about personal, workplace and customer safety.

Sustainability

The MTA has intensified its focus on environmental issues by convening a Blue Ribbon Commission on Sustainability. Working with liaisons from the MTA agencies, the 21-member commission has developed sustainability benchmarks and goals in five key areas: Energy and Carbon, Facilities, Materials Flow, Water Management, and Smart Growth/Transit-Oriented Development (TOD). The Commission's Master Plan and Final Report will be issued at the end of 2008.

The agencies of the MTA, in accordance with the Blue Ribbon Commission, have decided to help structure Transit-Oriented Development projects (TODs) in several nearby communities. The goal is to cluster residential and commercial development—green development—within walking distance of mass transit, and thereby reduce the amount of energy our region consumes. Toward this end, MNR has issued a Request for Expressions of Interest (RFEI), inviting developers at its Beacon Station in Dutchess County to transform 18 acres into a self-sustaining, mixed-use project that will link downtown Beacon to a planned reclaimed riverfront. The RFEI design guidelines incorporate public use components identified in the Station Master Plan, including a parking garage with landscaped rooftop “garden” elements, an inter-modal plaza that's safe and attractive and an expanded and improved train station. A TOD is also underway in Westchester's village of Harrison, where MNR has recently held a public Open House to discuss Smart Growth plans for a downtown revitalization project. The project's goals are to improve MNR station access and increase downtown parking capacity, and to design a downtown business district that has a distinctive character, high quality urban and architectural design, and pedestrian and urban amenities.

As part of the effort toward sustainability, NYCT will complete the testing of cleaner biodiesel bus fuels at its West Farms and College Point Depots, and upon successful completion, will roll out the evaluation program at all depots. NYCT will also expand its recycling programs by identifying viable recycling outlets and procuring the necessary tools and equipment; and the agency will implement an eco-driving program that aims to minimize fuel consumption.

LIRR will dedicate funding toward environmentally friendly cleaning products and will advance its effort to achieve a light duty vehicle fleet that is 100 percent hybrid by 2011. LIRR is also working with Deer Park, Bayshore and Farmingdale on planning Transit- Oriented Developments (TODs).

LIB, which operates the largest 100% Clean Fuel Compressed Natural Gas (CNG) fleet in the eastern USA, will apply its 2009 CNG tax credit to offset its projected CNG fuel expenses; and the bus company plans other savings in 2009 from electricity conservation initiatives. MTA Bus and NYCT Bus are also qualifying for these credits.

MTA Bus has already introduced 284 new hybrid electric buses for local service, and an option for an additional 105 new hybrids has been exercised. Deliveries will begin in early 2009.

MTACC projects will include several provisions to save energy. One such measure is the installation of platform edge doors in the No. 7 Line Extension, which will separate the cooler station air from the warmer tunnel air. Other energy-saving ideas include stations that are designed for maximum day lighting, demand-controlled escalators, LED lighting in tunnels and use of an aluminum third rail, which has less electrical resistance than steel.

B&T has also made significant progress toward environmental sustainability by expanding its use of LED aviation obstruction lighting on bridges, by converting to bio-fuels for heating, by increasing its inventory of alternative fuel and hybrid vehicles, and by switching to “green” cleaners for tunnel washing and booth cleaning. Other B&T initiatives are now in various stages of implementation, including “green” improvement plans for all administrative buildings.

Workforce Development

The MTA will heed the recommendations of the Blue Ribbon Panel on Workforce Development, which suggested addressing organizational culture, workforce development, succession planning, employee availability, and labor-management relations. MTAHQ’s Organizational Development and Training Division, which now reports directly to the MTA Headquarters Chief of Staff, has been tasked with insuring that all MTA agencies are working to address issues raised in each of these areas. In addition to extending more opportunities to recognize the workforce, increasing communication through letters, and offering more training, focus groups and newsletters, some examples of relevant initiatives underway are described below.

To improve Employee/Management relations, NYCT will sponsor four bus operator action committee meetings and provide employee quality-of-life improvements at DOB facilities. NYCT has also established four labor management committees to address issues regarding wellness, health benefits,

employee availability and medical. Over 9,000 transit employees from its Maintenance of Way (MOW) and Rapid Transit Operations (RTO) divisions attended track safety training at safety stand downs in 2008. The agency will also focus effort on identifying anticipated retirements within senior ranks so that it is better able to devise and communicate plans for succession.

In anticipation of significant employee turnover, MNR will increase staff between 2009 and 2012 to administer employee training. The Mid-Year Forecast for 2008 also provided for a Learning Management System that will allow employees electronic access to the railroad's training programs.

MTAHQ, in collaboration with all of the agencies, will develop a Talent Management Strategy to be implemented MTA-wide. This Talent Management Strategy will identify and develop candidates for senior-level positions to ensure the continuity of managerial expertise and leadership skills in the organization. This is a growing concern at the MTA in light of the increasing number of baby boomers eligible to retire within the next three to five years. Efforts are also focuses on increasing training throughout the organization.

B&T is working with MTAHQ and other MTA agencies on several workforce development task forces and sub-committees. Among the initiatives being undertaken this year is a new management training program for maintenance personnel, a new Leadership Academy Program for mid-level managers, and the standardization of maintenance worker work rules.

Utilization

(Revenue, Ridership, Vehicle Traffic)

UTILIZATION

2008 Ridership, Traffic and Revenue

The 2008 Mid-Year Forecast for MTA consolidated ridership is projected to total 2,669 million passengers, while crossings at Bridges and Tunnels (B&T) facilities are projected to total 296 million vehicular crossings. New York City Transit (NYCT) combined subway and bus ridership for the 2008 Mid-Year Forecast accounts for 88% of MTA consolidated ridership, while ridership for Long Island Rail Road (LIRR) and Metro-North Railroad's (MNR) East-of-Hudson operations each account for 3%. MTA Bus Company (MTABC) ridership accounts for 4% of MTA consolidated ridership. Staten Island Railway (SIR) ridership is estimated to be 4 million (0.2% of MTA ridership) and Long Island Bus (LIB) fixed route ridership is estimated to be 33 million (1% of MTA ridership).

MTA consolidated farebox revenue for the 2008 Mid-Year Forecast is estimated to be \$4,143 million, and toll revenue is estimated to be \$1,276 million. NYCT combined subway and bus farebox revenue for the 2008 Mid-Year Forecast is expected to be \$2,941 million, while LIRR is projecting \$502 million in farebox revenue and MNR is projecting \$504 million in farebox revenue for its East-of-Hudson operations. SIR farebox revenue is estimated to be \$4 million, LIB fixed route farebox revenue is estimated to be \$41 million, and MTABC farebox revenue is expected to be \$151 million.

2008 Mid-Year Forecasts are based on actual results through May 2008 for B&T and through April 2008 for NYCT, LIRR, MNR, MTABC, LIB and SIR.

The 2008 Mid-Year Forecasts reflect cancellation and delays in several service enhancements that were expected to have an impact on utilization levels for NYCT and MNR. For NYCT, plans to increase hours of operation and extend service several bus routes was cancelled, as was additional weekday evening and weekend frequency on the 'G' subway line and plans to extend weekend 'M' subway service into Manhattan. Takeover of X23/24 service from a private carrier, expected to begin in 2008, has been delayed until 2010. These changes reduce NYCT – and MTA consolidated ridership and farebox revenue by 1 million trips and \$2 million in 2008.

Utilization impacts from MNR and LIRR service enhancements have also been removed from the baseline projections for the 2008 Mid-Year Forecast, totaling 0.1 million trips and \$1.2 million in farebox revenue for 2008.

The 2008 Mid-Year Forecast for MTA consolidated ridership is projected to increase by 58 million trips – a 2% increase – over 2007 MTA consolidated ridership. MTA ridership for the 2008 Mid-Year Forecast is expected to increase on all MTA operations from 2007 levels. Conversely, the 2008 Mid-Year Forecast for traffic at B&T facilities is expected to decline by 8 million crossings, a decrease of 3% over the 2007 traffic level. The 2008 Mid-Year Forecast for farebox revenue is projected to increase by \$202

million, a 5% increase, and is projected to be higher for each MTA agency. B&T toll revenue is expected to be \$26 million greater than 2007 toll revenue, a 2% increase.

Year to year increases in farebox and toll revenue reflect fare and toll increases that went into effect in March 2008. Fares for NYCT, SIR, LIB and MTABC changed on March 2. The \$2 cash, single ride ticket and regular Pay-Per-Ride fares did not change, but the Bonus Pay-Per-Ride MetroCard changed from a 20% bonus with a minimum purchase of \$10 to a 15% bonus with a minimum purchase of \$7. The prices of Unlimited Ride MetroCards also increased: the 1-Day Fun Pass increased from \$7 to \$7.50; the 7-Day Unlimited Ride MetroCard increased from \$24 to \$25, and; the 30-Day Unlimited Ride MetroCard increased from \$76 to \$81. The existing \$41 price of the 7-Day Express Bus Plus Unlimited MetroCard was unchanged. In addition, a 14-Day Unlimited Ride MetroCard priced at \$47 was introduced.

Fare changes for LIRR and MNR became effective on March 1, with prices of one-way, ten-trip, weekly and monthly tickets increasing to yield a 3.85% average change in ticket prices. City Ticket fares increased from \$3 to \$3.25, and the 5% Mail & Ride fare discount on the commuter railroad portion of the joint Monthly Commutation/Monthly Unlimited Ride MetroCard was retained.

B&T facility tolls increased on March 16. Cash tolls for passenger vehicles on major facilities and the Henry Hudson Bridge rose by 50 cents (and by \$1 for the one-way cash toll on the Verrazano-Narrows Bridge), and by 25 cents at the Rockaway facilities. Cash tolls for trucks also increased, depending on the number of vehicle axles, while trucks using E-ZPass now receive a 25% discount from the cash toll, an increase from the former 20% discount.

Ridership increases are also the result of New York City employment levels that, despite news reports of national and regional economic slowdowns, were higher during the first five months of 2008 relative to 2007. These year-over-year improvements in employment levels are not expected to continue during the remainder of 2008, as evident by the recent flattening of seasonally adjusted NYC employment levels. Ridership levels have also benefited from gasoline prices, which have adversely affected B&T vehicular traffic levels. According to the Automobile Association of America's fuel gauge report, the average price per gallon for regular grade gasoline in NYC has increased about 35% during the past twelve months, and up almost 30% just since January. These spikes have made automobile travel significantly more expensive, and traffic at B&T crossings has declined as vehicle usage has been reduced.

MTA consolidated ridership for the 2008 Mid-Year Forecast is expected to surpass the 2008 Adopted Budget projection by 23 million trips, a 1% increase, with all MTA agencies projecting increases in 2008 ridership relative to the Adopted Budget ridership levels. At B&T facilities, the Mid-Year Forecast projects 6 million fewer vehicular crossings, a 2% decrease, over the Adopted Budget forecast.

MTA consolidated farebox revenue in the 2008 Mid-Year Forecast is projected to improve by \$31 million from the 2008 Adopted Budget, a 1% increase, reflecting higher farebox revenue projections relative to the 2008 Adopted Budget for all MTA agencies. The 2008 Mid-Year Forecast for B&T toll revenue is projected to be \$26 million lower, a 2% decline, over the Adopted Budget forecast.

The decline in vehicular traffic and toll revenue at B&T facilities, compared with the Adopted Budget, is due to changes in travel as the price of gasoline has continued to rise. Compared with 2007, B&T traffic has fallen dramatically during the first five months of 2008, and the drop has grown each month. January 2008 traffic was 1.4% less than traffic in January 2007, and by May the drop-off had grown to 4.6% compared with May 2007.

The opposite is true for the other MTA agencies. Utilization improvements over the 2008 Adopted Budget levels reflect year-to-date ridership improvements and are at least in some part due to commutation shifts spurred by high prices for gasoline. It is expected that this trend will continue for the remainder of the year.

While overall NYCT Mid-Year Forecast estimates for ridership and farebox revenue are higher than projections in the Adopted Budget, the updated forecast reflects greater than expected Subway ridership and lower than expected Bus ridership trends during the first four months of 2008. These trends – 1% above budget for Subway ridership and 0.2% below budget for Bus ridership – are projected to continue for the remainder of 2008. Subway ridership in the Mid-Year Forecast is projected to be 17 million greater than the Adopted Budget forecast, while Bus ridership in the Mid-Year Forecast is estimated to be 2 million less than the Adopted Budget level. Farebox revenue has similarly changed as a result of the ridership re-estimates, with Subway farebox revenue increasing \$16 million over the Adopted Budget level and Bus farebox revenue projected to be \$8 million lower than the Adopted Budget forecast.

Plan to Plan changes in utilization result in slightly lower average fares for NYCT customers. Over the Plan period, the baseline Non-Student average fare – the average fare for all riders except those using student passes – is expected to be \$1.34 per trip, unchanged from the February Plan. The “Regular Rider” average fare – this average fare excludes utilization for students, express bus riders and those using senior/disabled fares – is expected to decline half of one cent from the February Plan, to \$1.36.

LIRR’s Mid-Year Forecast anticipates modest growth in ridership relative to the Adopted Budget, totaling 0.5 million additional trips for the year, a 1% increase, and \$4 million in additional farebox revenue, up 1% from the Adopted Budget level. MNR ridership is projected to surpass the Adopted Budget forecast by 2 million trips, a 2% improvement, and by \$11 million in farebox revenue, 2% greater than the Adopted Budget forecast.

The ridership forecast for MTA Bus has been increased by 6 million, a 5% improvement, and by \$7 million, a 5% increase, over the Adopted Budget ridership and farebox revenue levels. LIB is projecting an additional 0.3 million passengers over the Adopted

Budget level, a 1.0% improvement, and increased farebox revenue of \$0.4 million, a 1.0% increase over the Adopted Budget level. SIR is projecting an additional 0.4 million riders, a 9% improvement, and an additional \$0.5 million, a 12% increase, over the Adopted Budget levels.

2009 Ridership, Traffic and Revenue

The 2009 forecast for MTA consolidated ridership is projected to total 2,667 million passengers, while crossings at B&T facilities are projected to total 295 million vehicular crossings. NYCT combined subway and bus ridership is expected to be 2,340 million, while LIRR is projecting 87 million passengers and MNR is projecting 82 million passengers for its East-of-Hudson operations. SIR ridership is estimated to be 5 million, LIB fixed route ridership is estimated to be 33 million, and MTABC ridership is expected to be 120 million.

MTA consolidated farebox revenue for 2009 is estimated to be \$4,170 million, and toll revenue is estimated to be \$1,281 million. NYCT combined subway and bus farebox revenue is expected to be \$2,953 million, while LIRR is projecting \$505 million in farebox revenue and MNR is projecting \$511 million in farebox revenue for its East-of-Hudson operations. SIR farebox revenue is estimated to be \$5 million, LIB fixed route farebox revenue is estimated to be \$41 million, and MTABC farebox revenue is expected to be \$155 million.

Cancellation and delay of service enhancements reduce NYCT utilization by 3 million trips and \$5 million in farebox revenue during 2009, relative to the February Financial Plan. Removal of the utilization impacts from MNR and LIRR service enhancements have also reduced the baseline projections in 2009 by 0.2 million trips and \$1.5 million in farebox revenue.

MTA ridership and traffic trends from the 2008 Mid-Year Forecast to 2009 show mixed results, as do fare and toll revenue changes. Year to year, MTA consolidated ridership is down 2 million trips, a 0.1% decline, while B&T traffic is down 1 million vehicular crossings, a 0.4% decline. NYCT ridership is projected to decline from 2008 by 7 million trips, a 0.3% decline, and LIRR ridership is also expected to drop, declining by 100 thousand trips, a 0.1% decline, over 2008. Modest ridership increases are projected for MNR (700 thousand; 0.9%), LIB (300 thousand; 1%), and SIR (200 thousand; 5.3%). MTABC ridership is projected to grow by 3.5 million trips, a 3% increase.

Farebox revenue is projected to increase \$27 million over 2008, a 0.6% increase, and toll revenue is forecast to increase by \$5 million, a 0.4% increase. All MTA Agencies are expected to see farebox revenue increase from 2008 to 2009; despite forecasts for lower B&T traffic and ridership for NYCT and LIRR in 2009, the fully annualized impact of the March 2008 fare and toll increases are expected to yield year-over-year farebox and toll revenue increases for these operations.

MTA consolidated ridership for 2009 in the July Plan is expected to fall short of the February Plan projection by 4 million trips, a decrease of 0.2%. At B&T facilities, the July Plan for 2009 reflects 6 million fewer vehicular crossings, a 2% decrease, over the February Plan forecast. MTA consolidated farebox revenue for 2009 in the July Plan is forecast to be lower than projections in the February Plan by \$14 million, a 0.3% decrease. B&T toll revenue for 2009 is projected to be \$28 million, or 2%, below the February Plan forecast.

MTA agency forecasts for ridership and farebox revenue reflect the growth trends that are impacting the 2008 Mid-Year Forecast, primarily due to increased demand for public transportation in light of high gasoline prices. These same external variables continue to adversely affect B&T vehicular traffic and toll revenue in 2009. Also affecting 2009 utilization forecasts for all MTA agencies is the slowdown in the national and regional economies, which are expected to impact employment levels, particularly in New York City. For 2009, utilization forecasts assume NYC employment will remain unchanged from 2008, a more pessimistic projection than the one prepared by Global Insight in April 2008. Global Insight's forecast for 2009 projected NYC employment to grow by 0.6% over the 2008 employment level. However, with many firms – particularly those in the financial services area – announcing layoffs and poor corporate earnings, MTA has chosen a more conservative forecast.

2010 – 2012 Ridership, Traffic and Revenue

MTA consolidated ridership and vehicle crossings, along with both farebox and toll revenue, are expected to modestly increase in 2010 over 2009 levels. Consolidated ridership is projected to reach 2,693 million passengers, up 1%, while farebox revenue is estimated to reach \$4,216 million, an increase of 0.1%. B&T vehicle crossings are projected to be 296 million, a 0.3% annual increase, and toll revenue is estimated to increase to \$1,283 million, up 0.1%.

MTA consolidated ridership and vehicle crossing levels are expected to increase in 2011 and 2012, with consolidated ridership reaching 2,749 million in 2012, increasing by 1.1% in 2011 and by 0.9% in 2012. Vehicular crossings at B&T facilities are projected to reach 298 million in 2012, increasing by 0.4% in 2011 and by 0.5% in 2012. Consolidated farebox revenue is expected to reach \$4,315 million in 2012, up 1.2% in 2011 and 1.1% in 2012, while B&T toll revenue is projected to reach \$1,291 million by 2012, up 0.3% in 2011 and up 0.4% in 2012.

Compared with the February Plan, MTA consolidated ridership is projected to be 0.1% lower in 2010, followed by modest improvements of 0.1% in 2011 and 0.2% in 2012. The July Plan forecast for traffic at B&T facilities falls short of the February Plan forecast, down 2% each year. NYCT ridership is forecast to fall short of the February Plan by 0.3% in 2010 and by 0.1% in 2011, and outpace the February Plan by 0.1% in 2012. The July Plan for LIRR ridership falls of projections in the February Plan by 0.4% each year. Ridership projections in the July Plan outpace projections in the February

Plan for MNR (0.6% in 2010; 0.7% in 2011; 0.8% in 2012); MTABC (3.4%; 2.4%; 1.4% in 2012), SIR (8.8%; 8.7%; 9.2% in 2012), and; LIB (1.5% each year).

Plan-to-plan changes in farebox and toll revenue are similar to the ridership and traffic changes. MTA consolidated farebox revenue is expected to be 0.3% and 0.1% below the February Plan level in 2010 and 2011, respectively, followed by a 0.1% improvement over the February Plan in 2012. B&T toll revenue is projected to fall short of the February Plan forecasts by 2% each year. NYCT farebox revenue is forecast to fall short of the February Plan by 0.7% in 2010, 0.4% in 2011 and 0.2% in 2012. The July Plan for LIRR farebox revenue falls of projections in the February Plan by 0.2% each year. Farebox revenue projections in the July Plan outpace projections in the February Plan for MNR (0.5% in 2010; 0.4% in 2011; 0.8% in 2012); MTABC (4.4%; 4.3%; 3.3% in 2012), SIR (12.3%; 12.3%; 12.8% in 2012), and; LIB (1% each year).

MTA Consolidated Utilization

Plan-to-Plan Comparison

Baseline Before Gap-Closing Actions (in millions)

July Financial Plan					
	2008 Mid-Year Forecast	2009	2010	2011	2012
Traffic					
Bridges & Tunnels	296.0	294.8	295.6	296.8	298.4
Ridership					
Long Island Bus ¹	32.8	33.1	33.3	33.5	33.6
Long Island Rail Road	87.2	87.1	87.8	88.5	89.4
Metro-North Railroad ²	81.4	82.1	83.7	85.7	87.5
MTA Bus Company	116.5	120.0	123.6	127.3	131.1
New York City Transit ^{1,3}	2,346.8	2,340.0	2,359.5	2,383.4	2,402.3
Staten Island Railway	4.4	4.7	4.9	5.0	5.0
<i>Total Ridership</i>	<i>2,669.1</i>	<i>2,667.0</i>	<i>2,692.9</i>	<i>2,723.3</i>	<i>2,749.1</i>

February Financial Plan					
	2008 Adopted Budget	2009	2010	2011	2012
Traffic					
Bridges & Tunnels	302.2	301.2	302.0	303.3	304.6
Ridership					
Long Island Bus ¹	32.5	32.6	32.8	33.0	33.1
Long Island Rail Road	86.7	87.5	88.2	88.8	89.8
Metro-North Railroad ²	79.7	81.4	83.2	85.1	86.8
MTA Bus Company	110.7	115.1	119.5	124.3	129.2
New York City Transit ^{1,3}	2,332.5	2,350.1	2,367.8	2,386.0	2,399.3
Staten Island Railway	4.0	4.5	4.5	4.6	4.6
<i>Total Ridership</i>	<i>2,646.1</i>	<i>2,671.2</i>	<i>2,696.0</i>	<i>2,721.7</i>	<i>2,742.8</i>

Plan-to-Plan Changes: Favorable / (Unfavorable)					
	2008	2009	2010	2011	2012
Traffic					
Bridges & Tunnels	(6.3)	(6.4)	(6.5)	(6.4)	(6.2)
Ridership					
Long Island Bus ¹	0.3	0.5	0.5	0.5	0.5
Long Island Rail Road	0.5	(0.3)	(0.3)	(0.3)	(0.3)
Metro-North Railroad ²	1.7	0.8	0.5	0.6	0.7
MTA Bus Company	5.8	4.9	4.1	3.0	1.9
New York City Transit ^{1,3}	14.3	(10.1)	(8.3)	(2.6)	3.1
Staten Island Railway	0.4	0.1	0.4	0.4	0.4
<i>Total Ridership</i>	<i>23.0</i>	<i>(4.2)</i>	<i>(3.1)</i>	<i>1.6</i>	<i>6.2</i>

¹ Excludes Paratransit Operations.

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

³ Excludes Fare Media Liability.

MTA Consolidated Utilization

Plan-to-Plan Comparison

Baseline Before Gap-Closing Actions (in millions)

July Financial Plan					
	2008 Mid-Year Forecast	2009	2010	2011	2012
Toll Revenue					
Bridges & Tunnels	\$1,276.4	\$1,281.1	\$1,282.5	\$1,286.0	\$1,290.8
Fare Revenue					
Long Island Bus ¹	\$41.0	\$41.4	\$41.6	\$41.8	\$42.0
Long Island Rail Road	501.6	505.2	509.2	513.8	518.4
Metro-North Railroad ²	504.0	510.7	521.5	533.7	546.0
MTA Bus Company	151.4	154.8	158.2	161.6	165.2
New York City Transit ^{1,3}	2,940.5	2,952.8	2,980.8	3,012.9	3,038.2
Staten Island Railway	4.4	4.8	5.1	5.2	5.2
<i>Total Farebox Revenue</i>	<i>\$4,142.9</i>	<i>\$4,169.6</i>	<i>\$4,216.4</i>	<i>\$4,269.0</i>	<i>\$4,315.1</i>

February Financial Plan					
	2008 Adopted Budget	2009	2010	2011	2012
Toll Revenue					
Bridges & Tunnels	\$1,302.3	\$1,308.9	\$1,310.5	\$1,313.7	\$1,317.4
Fare Revenue					
Long Island Bus ¹	\$40.6	\$41.0	\$41.2	\$41.4	\$41.6
Long Island Rail Road	\$498.0	\$506.4	\$510.4	\$515.0	\$519.7
Metro-North Railroad ²	\$493.3	\$506.6	\$519.0	\$531.3	\$541.8
MTA Bus Company	\$144.2	\$148.3	\$151.5	\$155.0	\$159.9
New York City Transit ^{1,3}	\$2,931.8	\$2,977.1	\$3,000.8	\$3,025.4	\$3,043.2
Staten Island Railway	\$3.9	\$4.5	\$4.6	\$4.6	\$4.6
<i>Total Farebox Revenue</i>	<i>\$4,111.9</i>	<i>\$4,183.9</i>	<i>\$4,227.5</i>	<i>\$4,272.7</i>	<i>\$4,310.7</i>

Plan-to-Plan Changes: Favorable / (Unfavorable)					
	2008	2009	2010	2011	2012
Toll Revenue					
Bridges & Tunnels	(\$25.9)	(\$27.8)	(\$28.0)	(\$27.7)	(\$26.7)
Fare Revenue					
Long Island Bus ¹	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4
Long Island Rail Road	3.6	(1.2)	(1.2)	(1.2)	(1.3)
Metro-North Railroad ²	10.7	4.1	2.5	2.3	4.2
MTA Bus Company	7.2	6.4	6.6	6.6	5.3
New York City Transit ^{1,3}	8.7	(24.3)	(20.0)	(12.5)	(5.0)
Staten Island Railway	0.5	0.2	0.6	0.6	0.6
<i>Total Farebox Revenue</i>	<i>\$31.0</i>	<i>(\$14.3)</i>	<i>(\$11.2)</i>	<i>(\$3.8)</i>	<i>\$4.3</i>

¹ Excludes Paratransit Operations.

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

³ Excludes Fare Media Liability.

Subsidies

SUBSIDIES - Major Assumptions

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

As shown on the following tables, Dedicated Taxes & State and Local Subsidies for the 2008 Mid-Year Forecast total \$4.391 billion, on a cash basis, which is \$66 million below the 2008 Adopted Budget (February Plan) level. This is mostly due to substantial decreases in the real estate forecast, as well as reduced State appropriation of MMTOA for the MTA. The 2008 Mid-Year Forecast reflects decreases in the gross real estate tax forecast of \$201 million, as well as a decrease of \$39 million in MMTOA funds due to NYS's late State-wide reductions of aid to localities. This is being offset by a favorable variance for NYCT pension expenses of \$117 million, which reflects lump-sum refunds to union employees for prior contributions to the 55/25 pension program. The funds are being transferred from the GASB account to reimburse the NYCERS and MaBSTOA pension plan in 2008.

During the period 2009 to 2012, the July Financial Plan projects that overall Dedicated Taxes and State and Local Subsidies will decrease from the levels projected in the February Plan by \$210 in 2009, \$331 million in 2010, \$345 million in 2011. These decreases are largely due to changes in MRT and Urban Tax forecasts. In addition, beginning in 2009, the plan projects the elimination of AMTAP subsidies to the commuter railroads in the amount of \$20 million annually due to declining MRT-1 receipts (See explanation in the State and Local Subsidies Section that follows).

The Plan reflects technical adjustments for certain policy actions that are incorporated as part of the Subsidy baseline projections - Enhanced Security Training (\$6 million each year in 2008, 2009 and 2010), anticipated downsizing costs associated with future headcount reductions (\$41 million in each year 2009 and 2010), and MTA Bus Debt Service (\$25 million in 2008, \$23 million in 2009 and \$25 million in each year from 2010 through 2012) are funded from the MRT-2 collections. In addition, the plan assumes that the full amount of the cash defeasance loan to TBTA made in 2007 will be repaid to the MTA in 2009.

Gross subsidies include City Subsidy to MTA Bus. This reflects the current agreement with the City that it will cover MTA Bus' expenses. The City subsidy covers the operating deficit for MTA Bus. MMTOA, 18-b and Urban Taxes, that are designated for the former private buses subsidized by the City, are paid directly to the City and used by the City to partially fund MTA Bus.

MTA Consolidated Subsidies
July Financial Plan 2009 - 2012
Accrual Basis
(\$ in millions)

	2007 Actual	2008 Adopted Budget	2009	2010	2011	2012
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
Metro. Mass Transp. Oper. Asst. (MMTOA)	\$1,570.8	\$1,706.2	\$1,585.4	\$1,594.3	\$1,639.1	\$1,701.4
Petroleum Business Tax (PBT) Receipts	601.5	627.6	638.6	644.1	646.6	649.1
Mortgage Recording Tax (MRT)	686.9	482.7	461.5	457.4	470.5	477.9
MRT Transfer to Suburban Counties	(32.9)	(8.3)	(7.6)	(7.5)	(7.8)	(8.1)
Use of MRT Balances	(30.1)	45.0	10.0	0.0	0.0	0.0
Carryover Balances	0.0	0.0	0.0	0.0	0.0	0.0
Reimburse Agency Security Costs	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)
Interest	23.4	8.2	8.2	8.3	8.3	8.4
Urban Tax	893.7	554.2	483.1	472.7	486.7	518.9
Investment Income	<u>2.3</u>	<u>2.3</u>	<u>2.4</u>	<u>2.4</u>	<u>2.5</u>	<u>2.5</u>
	\$3,699.1	\$3,401.3	\$3,165.2	\$3,155.2	\$3,229.4	\$3,333.6
<i>State and Local Subsidies</i>						
State Operating Assistance	\$190.9	\$190.9	\$190.9	\$190.9	\$190.9	\$190.9
Local Operating Assistance	187.9	187.9	187.9	187.9	187.9	187.9
Nassau County Subsidy	10.8	10.5	10.5	10.5	10.5	10.5
CDOT Subsidy	63.9	73.2	86.9	97.0	112.6	121.4
Station Maintenance	141.6	144.0	146.9	149.8	152.8	156.0
AMTAP	<u>20.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$615.1	\$606.5	\$623.2	\$636.1	\$654.7	\$666.7
Sub-total Dedicated Taxes & State and Local Subsidies	\$4,314.2	\$4,007.8	\$3,788.4	\$3,791.3	\$3,884.1	\$4,000.3
City Subsidy for MTA Bus	\$245.0	\$251.9	\$262.4	\$268.9	\$276.9	\$286.8
Total Dedicated Taxes & State and Local Subsidies	\$4,559.2	\$4,259.7	\$4,050.8	\$4,060.2	\$4,161.0	\$4,287.1
<i>Inter-agency Subsidy Transactions</i>						
B&T Operating Surplus Transfer	\$406.4	\$327.6	\$273.5	\$247.1	\$234.4	\$210.5
MTA Subsidy to Subsidiaries	<u>41.8</u>	<u>40.9</u>	<u>42.7</u>	<u>38.3</u>	<u>39.5</u>	<u>40.5</u>
	\$448.2	\$368.5	\$316.2	\$285.3	\$273.9	\$251.1
GROSS SUBSIDIES	\$5,007.4	\$4,628.2	\$4,367.0	\$4,345.5	\$4,434.8	\$4,538.2

MTA Consolidated Subsidies
July Financial Plan 2009 - 2012
Summary of Changes Between July Plan and February Plan
Accrual Basis
(\$ in millions)

	2007	2008	2009	2010	2011
<u>Subsidies</u>					
<i>Dedicated Taxes</i>					
Metro. Mass Transp. Oper. Asst. (MMTOA)	\$0.0	(\$38.5)	(\$9.2)	(\$64.2)	(\$94.9)
Petroleum Business Tax (PBT) Receipts ¹	(7.1)	(1.9)	(10.2)	(21.3)	(28.8)
Mortgage Recording Tax (MRT)	(3.9)	(95.7)	(135.9)	(153.6)	(153.1)
MRT Transfer to Suburban Counties	10.9	7.3	6.8	4.6	4.1
Use of MRT Balances	(40.1)	35.0	0.0	0.0	0.0
Carryover Balances	3.8	0.0	0.0	0.0	0.0
Reimburse Agency Security Costs	0.0	0.0	0.0	0.0	0.0
Interest	21.9	6.6	6.6	6.6	6.6
Urban Tax	45.4	(108.6)	(109.8)	(130.3)	(153.1)
Investment Income	<u>(0.2)</u>	<u>(0.2)</u>	<u>(0.2)</u>	<u>(0.2)</u>	<u>(0.2)</u>
	\$30.7	(\$196.0)	(\$251.8)	(\$358.4)	(\$419.5)
<i>State and Local Subsidies</i>					
State Operating Assistance	\$0.0	(\$0.0)	\$0.0	\$0.0	\$0.0
Local Operating Assistance	0.0	0.0	0.0	0.0	0.0
Nassau County Subsidy	0.3	0.0	0.0	0.0	0.0
CDOT Subsidy - Effect of Fare Increase & PEGs	(2.3)	(1.1)	4.3	(1.8)	1.6
Station Maintenance	2.2	1.6	1.5	1.4	1.3
AMTAP	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>(0.2)</u>
	\$0.3	\$0.5	\$5.9	(\$0.4)	\$2.6
Sub-total Dedicated Taxes & State and Local Subsidies	\$31.0	(\$195.5)	(\$245.9)	(\$358.8)	(\$416.8)
City Subsidy for MTA Bus	\$13.0	\$3.8	\$5.8	\$3.8	\$2.3
Total Dedicated Taxes & State and Local Subsidies	\$44.0	(\$191.7)	(\$240.1)	(\$355.0)	(\$414.5)
<i>Inter-agency Subsidy Transactions</i>					
B&T Operating Surplus Transfer	\$24.9	(\$44.5)	(\$94.9)	(\$71.8)	(\$68.9)
MTA Subsidy to Subsidiaries	<u>0.3</u>	<u>(0.3)</u>	<u>(0.0)</u>	<u>(0.7)</u>	<u>(0.7)</u>
	\$25.2	(\$44.8)	(\$94.9)	(\$72.5)	(\$69.6)
GROSS SUBSIDIES	\$69.3	(\$236.6)	(\$335.0)	(\$427.5)	(\$484.2)

MTA Consolidated Subsidies
July Financial Plan 2009 - 2012
Cash Basis
(\$ in millions)

	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Subsidies						
Dedicated Taxes						
Metro. Mass Transp. Oper. Asst. (MMTOA)	\$1,622.2	\$1,706.2	\$1,585.4	\$1,594.3	\$1,639.1	\$1,701.4
Petroleum Business Tax (PBT) Receipts	611.1	626.6	638.1	643.8	646.4	648.9
Mortgage Recording Tax (MRT)	703.5	484.6	462.0	456.3	469.9	477.1
MRT Transfer to Suburban Counties	(36.4)	(12.2)	(8.3)	(7.6)	(7.5)	(7.8)
Use of MRT Balances	10.0	10.0	10.0	0.0	0.0	0.0
Carry Over/Adjustments	(5.0)	19.2	0.0	0.0	0.0	0.0
OPEB	0.0	0.0	61.2	64.2	67.1	70.2
Reimburse Agency Security Costs	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)
Downsizing	3.6	0.0	(40.5)	(40.5)	0.0	0.0
Enhanced Security Training	(6.2)	(6.2)	(6.2)	(6.2)	0.0	0.0
Service Marketing Campaign	(5.0)	5.0	0.0	0.0	0.0	0.0
MTA Bus Debt Service	(26.6)	(24.6)	(23.2)	(24.9)	(24.9)	(24.9)
Cash Defeasance Loan for TBTA	(90.8)	0.0	90.8	0.0	0.0	0.0
Other Outstanding 2007 Loans	36.9	0.0	0.0	0.0	0.0	0.0
Interest	23.4	8.2	8.2	8.3	8.3	8.4
Urban Tax	883.1	560.5	484.1	471.6	483.9	516.8
Investment Income	<u>2.3</u>	<u>2.3</u>	<u>2.4</u>	<u>2.4</u>	<u>2.5</u>	<u>2.5</u>
	\$3,709.4	\$3,363.1	\$3,247.6	\$3,145.3	\$3,268.3	\$3,376.2
State and Local Subsidies						
State Operating Assistance	\$190.9	\$190.9	\$190.9	\$190.9	\$190.9	\$190.9
Local Operating Assistance (18-b)	187.9	187.9	187.9	187.9	187.9	187.9
Nassau County Subsidy (includes 18-b local match)	10.8	10.5	10.5	10.5	10.5	10.5
CDOT Subsidy	61.2	73.2	86.9	97.0	112.6	121.4
Station Maintenance	138.5	141.9	144.7	147.7	150.5	153.6
AMTAP	<u>20.0</u>	<u>19.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$609.2	\$624.0	\$621.0	\$634.0	\$652.4	\$664.3
Other Subsidy Adjustments						
South Ferry	(35.0)	0.0	0.0	0.0	0.0	0.0
55/25 Pension Funding	0.0	117.4	0.0	0.0	0.0	0.0
Fulton Street/# 1 Train - Port Authority	(56.0)	(50.0)	(50.0)	0.0	0.0	0.0
NYCT Charge Back of MTA Bus Debt Service	0.0	(12.0)	(11.5)	(11.5)	(11.5)	(11.5)
Energy Hedging Strategy	(150.0)	79.0	83.0	0.0	0.0	0.0
Pension Pre-Payment	<u>(91.0)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	(\$332.0)	\$134.4	\$21.5	(\$11.5)	(\$11.5)	(\$11.5)
Sub-total Dedicated Taxes & State and Local Subsidies	\$3,986.6	\$4,121.5	\$3,890.0	\$3,767.8	\$3,909.3	\$4,029.0
City Subsidy for MTA Bus	\$185.0	\$269.9	\$260.7	\$267.8	\$275.5	\$285.2
Total Dedicated Taxes & State and Local Subsidies	\$4,171.6	\$4,391.4	\$4,150.7	\$4,035.6	\$4,184.8	\$4,314.2
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	\$406.3	\$341.2	\$279.0	\$249.7	\$235.6	\$212.9
MTA Subsidy to Subsidiaries	<u>39.8</u>	<u>40.9</u>	<u>42.7</u>	<u>38.3</u>	<u>39.5</u>	<u>40.5</u>
	\$446.2	\$382.1	\$321.6	\$288.0	\$275.1	\$253.4
GROSS SUBSIDIES	\$4,617.8	\$4,773.5	\$4,472.3	\$4,323.5	\$4,459.9	\$4,567.6

MTA Consolidated Subsidies
July Financial Plan 2009 - 2012
Summary of Changes Between July Plan and February Plan
Cash Basis
(\$ in millions)

	2007	2008	2009	2010	2011
<u>Subsidies</u>					
<i>Dedicated Taxes</i>					
Metro. Mass Transp. Oper. Asst. (MMTOA)	1.3	(38.5)	(9.2)	(64.2)	(94.9)
Petroleum Business Tax (PBT) Receipts	3.8	(2.4)	(10.5)	(21.3)	(29.0)
Mortgage Recording Tax (MRT)	1.2	(92.2)	(134.3)	(153.8)	(151.4)
MRT Transfer to Suburban Counties	0.0	22.2	23.7	24.1	24.7
Use of MRT Balances	0.0	0.0	0.0	0.0	0.0
Carry Over/Adjustments	(47.1)	19.2	0.0	0.0	0.0
OPEB	0.0	0.0	61.2	64.2	67.1
Reimburse Agency Security Costs	0.0	0.0	0.0	0.0	0.0
Downsizing	3.6	0.0	(40.5)	(40.5)	0.0
Enhanced Security Training	0.0	0.0	0.0	0.0	0.0
Service Marketing Campaign	0.0	0.0	0.0	0.0	0.0
MTA Bus Debt Service	0.0	0.0	0.0	0.0	0.0
Cash Defeasance Loan for TBTA	0.0	(11.5)	11.5	0.0	0.0
Other Outstanding 2007 Loans	0.0	0.0	0.0	0.0	0.0
Interest	21.9	6.6	6.6	6.6	6.6
Urban Tax	21.6	(108.7)	(108.1)	(128.2)	(153.4)
Investment Income	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
	\$6.2	(\$205.5)	(\$199.6)	(\$313.3)	(\$330.4)
<i>State and Local Subsidies</i>					
State Operating Assistance	0.0	(0.0)	0.0	0.0	0.0
Local Operating Assistance (18-b)	0.0	0.0	0.0	0.0	0.0
Nassau County Subsidy (includes 18-b local match)	0.3	0.0	0.0	0.0	0.0
CDOT Subsidy - Effect of Fare Increase & PEGs	(5.0)	(1.1)	4.3	(1.8)	1.6
Station Maintenance	1.3	1.8	1.6	1.5	1.3
AMTAP	0.0	(0.4)	(20.0)	(20.0)	(20.0)
	(\$3.5)	\$0.3	(\$14.1)	(\$20.2)	(\$17.2)
<i>Other Subsidy Adjustments</i>					
South Ferry	0.0	0.0	0.0	0.0	0.0
55/25 Pension Funding	0.0	117.4	0.0	0.0	0.0
Fulton Street/# 1 Train - Port Authority	0.0	0.0	0.0	0.0	0.0
NYCT Charge Back of MTA Bus Debt Service	0.0	0.0	0.0	0.0	0.0
Energy Hedging Strategy	0.0	0.0	0.0	0.0	0.0
Pension Pre-Payment	0.0	0.0	0.0	0.0	0.0
	\$0.0	\$117.4	\$0.0	\$0.0	\$0.0
Sub-total Dedicated Taxes & State and Local Subsidies	\$2.7	(\$87.8)	(\$213.7)	(\$333.5)	(\$347.6)
City Subsidy for MTA Bus	(47.0)	21.8	4.0	2.7	1.0
Total Dedicated Taxes & State and Local Subsidies	(\$44.3)	(\$66.0)	(\$209.7)	(\$330.8)	(\$346.6)
<i>Inter-agency Subsidy Transactions</i>					
B&T Operating Surplus Transfer	16.7	(31.9)	(89.9)	(74.1)	(69.2)
MTA Subsidy to Subsidiaries	(1.6)	(0.3)	(0.0)	(0.7)	(0.7)
	\$15.1	(\$32.2)	(\$89.9)	(\$74.8)	(\$69.9)
GROSS SUBSIDIES	(\$29.1)	(\$98.2)	(\$299.6)	(\$405.6)	(\$416.5)

METROPOLITAN MASS TRANSPORTATION OPERATING ASSISTANCE (MMTOA)

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

Total Statewide MMTOA taxes for 2008 are estimated at \$1,926.4 million, of which \$1,861.6 million is allotted for Downstate transit properties. Of the Downstate allotment, \$189.5 million is earmarked to fund the State's 18-b obligations. The percentage allocation of the Downstate share for NYCT/SIR represents 60.0% and the percentage allocation to the commuter railroads represent 27.3%. These shares are slightly lower than the February Plan levels based on the amounts appropriated in NYS's 2008-09 Enacted Budget. A portion was also allotted to Long Island Bus, MTA Bus and other downstate transportation properties.

2008 Mid-Year Forecast

The 2008 Mid-Year Forecast reflects New York State Enacted Budget appropriation for MTA's MMTOA of \$1,706.2 million, which is \$38.5 million below the February Plan level due to NYS's late State-wide reductions of aid to localities. The forecast also reflects an increase of \$135.4 million over the 2007 appropriation. Of the total estimated MMTOA cash receipts, \$1,102.2 million is appropriated for NYCT/SIR, \$549.2 million for the commuter railroads, and \$54.8 million for Long Island Bus. These amounts reflect the NY State Enacted Budget appropriation for MTA.

Overall gross receipts in the NYS' MMTOA account are slightly lower than the February Plan forecast due to lower Corporate Surcharge revenues attributable to a slowing economy.

In 2008, the State will fund \$189.5 million in 18-b obligations from MMTOA, which is \$3.0 million higher than the February Plan estimate. The February Plan assumed that the 18-b funding would remain at 2007 level.

In 2008, the percentage allocation of MTA's share of Downstate MMTOA is derived from the actual amounts appropriated by the State.

The July Plan continues the February Plan assumption that \$100.0 million of NYCT's MMTOA appropriation would be paid in two equal payments of \$50.0 million in 2008 and 2009, as part of the State's support for MTA projects in areas devastated by the World Trade Center Disaster. The 2008 and 2009 plan assumes \$50.0 million each year would be used for the #1 train underpinning project in collaboration with the Port Authority of New York and New Jersey.

2009

For 2009, total MTA MMTOA is estimated to be \$1,585.4 million, which is \$9.1 million lower than the February Plan level, and reflects NYS' reforecast of revenues. Of the total, \$1,021.7 million is earmarked for NYCT and SIR, \$512.6 million is earmarked for the commuter railroads and an additional \$51.2 million for Long Island Bus.

The Plan assumes that in 2008, the State's funding of its 18-b obligations will remain at the 2008 level of \$189.5 million, which is slightly increased from the February Plan level. The percentage allocations of MMTOA's downstate share that comes to the MTA represent 60.0% for NYCT/SIR and 27.3% for the commuter railroads, to reflect the 2008 levels.

The 2009 MTA forecast of the individual MMTOA taxes assumes the following tax growth rates from the 2008 level:

Sales Tax		3.5%
Petroleum Business Tax		1.9%
Corporate Franchise Tax		0.0%
Corporate Tax Surcharge		3.6%

This forecast reflects New York State's updated projections of MMTOA revenues as contained in the State's 2008-09 Enacted Budget, gross MMTOA tax yields for the downstate region; downstate collections are projected to decrease from the February Plan levels by \$31.9 million, \$56.7 million and \$89.2 million in 2009, 2010 and 2011, respectively.

2010 - 2012

For 2010 through 2012, the MTA MMTOA forecast is based on New York State's enacted budget projections of MMTOA revenues. In 2010, the July Plan projection for MMTOA is \$1,594.3 million, which is \$64.2 million below the February Plan forecast and just slightly higher than the 2009 estimate.

In 2011 and 2012, the July Plan forecasts for MTA MMTOA cash receipts are \$94.9 million and \$135.4 million lower than the February Plan levels, respectively.

The MTA 2010 through 2012 forecasts assume the following tax growth rates:

		2010	2011	2012
Sales Tax		3.6%	3.6%	3.8%
Petroleum Business Tax		1.2%	0.5%	0.9%
Corporate Franchise Tax		0.0%	0.0%	0.0%
Corporate Tax Surcharge		1.4%	1.9%	3.6%

MMTOA STATE DEDICATED TAXES
July Financial Plan 2009 - 2012
Tax Yield Distribution 2008 - 2012
(\$ in millions)

	ACTUAL	FORECAST				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Forecast of MMTOA Gross Receipts (SFY):</u>						
Sales Tax	\$743.6	\$780.4	\$807.4	\$836.8	\$867.2	\$899.8
PBT	138.2	144.0	146.7	148.5	149.3	150.5
Corporate Franchise	68.0	68.0	68.0	68.0	68.0	68.0
Corporate Surcharge	974.9	934.0	968.0	982.0	1,001.0	1,037.0
Investment Income	0.0	0.0	0.0	0.0	0.0	0.0
Total Gross Receipts Available for Allocation	\$1,924.7	\$1,926.4	\$1,990.1	\$2,035.3	\$2,085.5	\$2,155.3

Allocation of Total Gross Receipts to DownState:

Total Gross Receipts	\$1,924.7	\$1,926.4	\$1,990.1	\$2,035.3	\$2,085.5	\$2,155.3
Less: Upstate Share of PBT	(62.2)	(64.8)	(66.0)	(66.8)	(67.2)	(67.7)
Upstate Percent Share of Investment Income	3.23%	3.36%	3.32%	3.28%	3.22%	3.14%
Less: Upstate Share of Investment Income	0.0	0.0	0.0	0.0	0.0	0.0
Total Net DownState Share Available for Allocation	\$1,862.5	\$1,861.6	\$1,924.1	\$1,968.5	\$2,018.3	\$2,087.6
Less: 18-B Adjustment	(186.5)	(189.5)	(189.5)	(189.5)	(189.5)	(189.5)
Adjusted Total Net DownState Share for Allocation	\$1,676.0	\$1,672.1	\$1,734.6	\$1,779.0	\$1,828.8	\$1,898.1

Allocation of Total Net DownState Share to NYCT/SIR:

NYCT/SIR Share	60.07%	60.01%	60.01%	60.01%	60.01%	60.01%
From Total Net DownState Share	\$1,169.7	\$1,256.0	\$1,175.5	\$1,181.4	\$1,211.3	\$1,252.9
Less: 18-B Adjustment	(153.1)	(153.9)	(153.9)	(153.9)	(153.9)	(153.9)
Adjusted Total Net DownState Share	\$1,016.6	\$1,102.2	\$1,021.7	\$1,027.5	\$1,057.4	\$1,099.0
From Carryover	36.1	0.0	0.0	0.0	0.0	0.0
Total NYCT/SIR Share of Net DownState Share	\$1,052.7	\$1,102.2	\$1,021.7	\$1,027.5	\$1,057.4	\$1,099.0
Total SIR Share	3.2	3.5	3.3	3.3	3.4	3.5
Total NYCT Share of Net DownState Share	\$1,049.6	\$1,098.6	\$1,018.4	\$1,024.2	\$1,054.0	\$1,095.5

Allocation of Total Net DownState Share to MTA:

MTA Share	27.18%	27.25%	27.25%	27.25%	27.25%	27.25%
From Total Net DownState Share	\$529.2	\$570.4	\$533.8	\$536.5	\$550.0	\$568.9
Less: 18-B Adjustment	(19.9)	(21.2)	(21.2)	(21.2)	(21.2)	(21.2)
Adjusted Total Net DownState Share	\$509.3	\$549.2	\$512.6	\$515.3	\$528.8	\$547.7
From Carryover	13.9	0.0	0.0	0.0	0.0	0.0
Total MTA Share of Net DownState Share	\$523.2	\$549.2	\$512.6	\$515.3	\$528.8	\$547.7

\$1,575.925

Allocation of Total Net DownState Share to LIB:

LI Bus Share	2.41%	2.72%	2.72%	2.72%	2.72%	2.72%
From Total Net DownState Share	\$46.9	\$57.0	\$53.3	\$53.6	\$55.0	\$56.8
Less: Used for 18-B/other	(2.0)	(2.1)	(2.1)	(2.1)	(2.1)	(2.1)
Adjusted Total Net DownState Share	\$44.9	\$54.8	\$51.2	\$51.5	\$52.8	\$54.7
From Carryover	0.0	0.0	0.0	0.0	0.0	0.0
Total LIB Share of Net DownState Share	\$44.9	\$54.8	\$51.2	\$51.5	\$52.8	\$54.7

PETROLEUM BUSINESS TAXES (PBT) (Trust Fund Taxes)

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

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

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

2008 Mid-Year Forecast

The 2008 Mid-Year PBT estimate, on a cash basis, is \$626.6 million, which is \$2.4 million lower than the February Plan forecast and reflects NYS's enacted budget forecast. Of the total PBT allocation, 85% or \$532.6 million is earmarked for New York City Transit and 15% or \$94.0 million for the commuter railroads.

On an accrual basis, PBT estimates for 2008 are \$627.6 million. The accrual estimate is based on a one-month lag in the booking and collection of PBT proceeds.

2009 Forecast

The 2009 PBT cash projection is \$638.1 million, which is \$10.5 million lower than the February Plan estimate, reflecting NYS' enacted budget estimates of PBT revenues. Of the total PBT, \$542.4 million, or 85% is earmarked for New York City Transit, and \$95.7 million, or 15% is earmarked for the commuter railroads.

On an accrual basis, PBT is estimated to be \$638.6 million, an increase of \$8.8 million over the prior year's level.

Based on New York State's enacted budget projections of PBT revenues, beginning in 2009 and continuing throughout the Plan period, projected PBT revenues have declined from the February Plan levels.

2010 - 2012

For 2010 through 2012, PBT cash estimates are \$643.8 million, \$646.4 million and \$648.9 million, respectively. In each of the respective years, the PBT estimates are lower than the February Plan estimates by \$21.3 million, \$29.0 million and \$20.2 million, which reflect NYS's enacted budget forecast of PBT revenue estimate. The 2010 through 2012 forecasts inflate the previous year's level by 0.9%, 0.4% and 0.4% respectively.

On an accrual basis, PBT estimates for 2010 through 2012 are \$644.1 million, \$646.6 million and \$649.1 million respectively.

PETROLEUM BUSINESS TAX PROJECTIONS

July Financial Plan 2009 - 2012

Tax Yield Distribution 2008 -2012

(\$ in millions)

Line No		ACTUAL	FORECAST				
		2007	2008	2009	2010	2011	2012
9							
10	Total Net PBT Collections Available for Distribution	\$1,797.2	\$1,843.1	\$1,876.7	\$1,893.7	\$1,901.1	\$1,908.5
11							
12	<u>Distribution Shares:</u>						
13							
14	MTA Total	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%
15	Other Transit	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
16	Highway Trust Fund	63.0%	63.0%	63.0%	63.0%	63.0%	63.0%
17	General Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18							
19	Share Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
20							
21							
22	<u>Amount of Total Net Collections Available for the MTA:</u>						
23							
24	MTA Total	\$611.1	\$626.6	\$638.1	\$643.8	\$646.4	\$648.9
25							
26	<u>Accrued</u>						
27							
28	NYCT/SIR Share of MTA Total	\$511.3	\$533.5	\$542.8	\$547.4	\$549.6	\$551.7
29	Commuter Railroad Share of MTA Total	90.2	94.1	95.8	96.6	97.0	97.4
30							
31	MTA Total of Net Collections	\$601.5	\$627.6	\$638.6	\$644.1	\$646.6	\$649.1
32							
33	<u>Cash</u>						
34							
35	NYCT/SIR Share of MTA Total	\$519.4	\$532.6	\$542.4	\$547.3	\$549.4	\$551.6
36	Commuter Railroad Share of MTA Total	91.7	94.0	95.7	96.6	97.0	97.3
37							
38	MTA Total of Net Collections	\$611.1	\$626.6	\$638.1	\$643.8	\$646.4	\$648.9

MORTGAGE RECORDING TAXES (MRT)

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

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

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

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

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

Forecast Methodology

Forecasts of Mortgage Recording Tax receipts for the second half of 2008, and for 2009 through 2011, are based on tax receipt trends for mortgage originations projected by the City of New York in its May 2008 Executive Budget. An adjustment for the second half of 2008 was made to account for second quarter mortgage activity which was weaker than the City trend forecast anticipated and which MTA expects would continue into the third quarter; this adjustment is consistent with changes made to the City's forecasts that have been incorporated in its Adopted Budget. For 2012, MRT estimates are projected by utilizing 16 individual models; for each of eight jurisdictions – New York City and the seven suburban counties in the MTA region – there is an MRT-1 model and an MRT-2 model. These models, which are time-series regression models with a log-log specification, project tax receipts as a function of the ten-year U.S. Treasury Note rate and population of the jurisdiction.

2008 Mid-Year Forecast

The 2008 Mid-Year Forecast is based on June year-to-date actual cash receipts. The forecasts for the remaining six months of the year, based on City of New York trend projections and recent activity, have been added to the year-to-date actuals in order to obtain a 2008 Mid-Year Forecast.

MRT receipts on a cash basis are estimated at \$484.6 million, a decrease of \$218.9 million, or 31.1% from the 2007 level. MRT-1 receipts are projected to be \$317.1 million, a \$143.1 million (-31.1%) decrease over 2007, while MRT-2 receipts are projected to be \$167.4 million, a \$75.8 million (-31.2%) decline over 2007. These trends reflect significant weakening in commercial property transactions, along with the continued weakness in residential real estate that began in 2006. MRT-1 includes taxes collected on mortgages for both commercial properties and residential properties, while MRT-2 is paid only on residential properties with fewer than seven units in the structure.

The City of New York's Executive Budget, which is the basis of MTA projections for MRT through 2011, assumes total mortgage recording tax receipts will decline by 25.4% for City Fiscal Year (CFY) 2009; this projection was used to estimate combined MRT-1 receipts from New York City excluding Staten Island. The City's Executive Budget assumes residential mortgage recording tax receipts will decline 13.3% for CFY 2009; this trend assumption was used to estimate MRT-1 receipts for Staten Island and the suburban counties as well as MRT-2 receipts for the entire MTA region.

Overall, the combined MRT estimate reflects a decrease of \$92.2 million, or -16.0%, over the Adopted Budget projection. The MRT-1 estimate is \$56.3 lower (-15.1%) and the MRT-2 estimate is \$35.9 million lower (-17.7%) than the Adopted Budget projections.

2009 - 2012

Since MRT collections reached a record level of \$763 million in 2006 – with MRT-1 peaking in 2006 and MRT-2 peaking in 2005 – mortgage activity has slowed

considerably for both residential and commercial properties, and mortgage activity is expected to continue slowing through 2010 before modestly improving.

MRT receipts are expected to continue to decline from 2008 to 2009 by \$22.5 million, a 4.7% decline. MRT-1 is projected to decline \$21.0 million, a 6.6% decrease, while MRT-2 is projected to decline \$1.5 million, a 0.9% decrease. Declines are expected to continue in 2010 as MRT receipts fall another 1.2%, with MRT-1 down 1.4% and MRT-2 down 1.0%. By 2011, both residential and commercial activity are expected to reach sustainable levels, with MRT-1 receipts expected to increase 2.9% along with an increase of 3.1% in MRT-2 receipts; overall MRT receipts are expected to grow by 3.0% in 2011. In 2012, overall MRT receipts are expected increase 1.5% with MRT-1 up 1.7% and MRT-2 up 1.3%.

The City Executive Budget projects total mortgage recording tax receipts – used to project MRT-1 for New York City excluding Staten Island – will decline 25.4% during City Fiscal Year 2009, decline 2.4% in CFY 2010, decrease 1.3% in CFY 2011 and increase 6.1% during CFY 2012. The City Executive Budget assumes residential mortgage recording tax receipts – used for MRT-1 projections for Staten Island and the suburban counties along with MRT-2 projections for the full MTA region – will decline 13.3% in CFY 2009, increase 0.2% in CFY 2010, decrease 1.8% in CFY 2011 and increase 6.6% during CFY 2012.

For the 2012 Financial Plan projection, the ten-year U.S. Treasury Note rate is expected to be 5.39%, unchanged from the projected 2011 rate. Population is expected to increase in 2012, up 0.16% in New York City, up 0.21% in Nassau and Suffolk, up 0.03% in Westchester, up 0.82% in Putnam, up 0.55% in Dutchess, up 0.33% in Rockland and up 0.70% in Orange.

The Plan forecasts for 2009 through 2012 reflect these assumptions. Over the Financial Plan period, MRT receipts are projected to be \$462.0 million in 2009, \$456.3 million in 2010, \$469.9 million in 2011 and \$477.1 million in 2012. These projections are significantly lower than estimates incorporated in the February Financial Plan, with decreases of \$134.3 million in 2009 (-22.5%), \$153.8 million in 2010 (-25.2%), \$151.4 million in 2011 (-24.4%), and \$172.2 million in 2012 (-26.5%).

MRT-1 receipts are estimated to be \$296.1 million in 2009, \$292.0 million in 2010, \$300.6 million in 2011 and \$305.5 million in 2012. These levels are lower than projections in the February Financial Plan, ranging from \$82.3 million less in 2009 to \$105.6 million less in 2012. MRT-2 receipts have also been declined over the levels in the February Financial Plan – down between \$39.5 million and \$44.5 million each year – with receipts projected to be \$165.9 million in 2009, \$164.3 million in 2010, \$169.3 million in 2011 and \$171.6 million in 2012.

Additional Assumptions

The MTA General Reserve is funded by MRT-2. Like the February Plan, the July Plan reallocates \$40 million in unspent General Reserve earmarked for 2005 in equal installments in 2006 through 2009, with \$10 million reflected in each year. In addition,

the July Plan reduces the 2008 General Reserve level from the February Plan level of \$75.0 million to \$37.5 million. Beginning in 2009 through the plan period the July Plan maintains the general reserve level of \$75.0 million annually.

MRT-2 is also used to reimburse the agencies for certain security expenses from a fund managed by MTA Police. These funds are used for agency security projects that are capitally eligible and therefore will affect depreciation and asset values in the MTA Financial Statements. An amount of \$16.5 million annually has been earmarked in the Plan to cover these security expenses in each of the years from 2008 through 2012.

Technical Adjustments:

Consistent with the February Plan, the July Financial Plan continues to reflect the implementation into the baseline of certain policy actions that were previously handled below the line. The Plan continues to reflect the impact of these funds on agency transfers as follows:

Downsizing – The Downsizing Account was established in the 2007 Adopted Budget in anticipation of major cost reductions that would need to be implemented in order to achieve budget balance after 2007. The July Plan, like the February Plan, continues to assume that these funds would not be needed until 2009 and 2010.

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

Other MRT-2 Adjustments –

In addition to the adjustments above, the July Plan, like the February Plan, assumes that MRT-2 funds will be used to cover debt service cash flow requirements of the MTA Bus Company. For the period 2008 through 2012, the plan assumes \$24.6 million in 2008, \$23.2 million in 2009 and \$24.9 million annually thereafter.

In 2007, the MTA committed \$90.8 million in MRT-2 funds for a cash defeasance loan to TBTA. The 2008 July Plan assumes that the full amount of this loan will be paid back to the MTA by 2009.

MTAHQ accrued expenses are funded by MRT-1 receipts; as a result, Other Post Employment Benefits (OPEB) are now included in the calculation of MRT-1 distributions. The July Plan assumes that the cash value of the future OPEB liability for MTAHQ, beginning in 2008, would be transferred from MRT-1 to the MRT-2 Corporate Account. These funds are needed to balance MTAHQ on a cash basis as well as meet current and future corporate costs, including OPEB.

Summary of Mortgage Recording Tax Projections
July Financial Plan 2009 - 2012
Tax Yield Distribution 2008 - 2012
(\$ in millions)

Cash Basis	ACTUAL	FORECAST				
	2007	2008	2009	2010	2011	2012
MORTGAGE RECORDING TAX #261-1						

Receipts Available for Transfer to NYCT and CRs:

Total Gross Receipts	\$460.2	\$317.1	\$296.1	\$292.0	\$300.6	\$305.5
Carryover	0.0	0.0	0.0	0.0	0.0	0.0
Less: MTAHQ Operating Deficit	(280.369)	(351.623)	(359.518)	(365.929)	(378.614)	(387.376)
Receipts Available for Transfer	\$179.9	(\$34.5)	(\$63.4)	(\$73.9)	(\$78.1)	(\$81.8)
Adjustments	(25.0)	(20.0)	0.0	0.0	0.0	0.0
MRT-2 Required to Balance	0.0	54.5	63.4	73.9	78.1	81.8
Adjusted Receipts Available for Transfer	\$154.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Allocation of Net Receipts to NYCT/SIR Account:

NYCT/SIR Share	55%	55%	55%	55%	55%	55%
Carryover from MTAHQ Post-Close Adjustment	0.0	21.7	0.0	0.0	0.0	0.0
Total NYCT/SIR Net Cash Share	\$0.0	\$21.7	\$0.0	\$0.0	\$0.0	\$0.0
Total SIR Net Cash Share	0.3	0.0	0.0	0.0	0.0	0.0
Total NYCT Net Cash Share	\$0.0	\$21.7	\$0.0	\$0.0	\$0.0	\$0.0

Allocation of Net Receipts to Commuter Railroad Account:

Commuter Railroad Share	45%	45%	45%	45%	45%	45%
Carryover from MTAHQ Post-Close Adjustment	0.0	17.5	0.0	0.0	0.0	0.0
Less: Suburban Highway Fund	(20.0)	0.0	0.0	0.0	0.0	0.0
Total Commuter Railroad Net Cash Share	\$0.0	\$17.5	\$0.0	\$0.0	\$0.0	\$0.0

MORTGAGE RECORDING TAX #261-2

Receipts Available

Total Receipts to Corporate Account	\$243.3	\$167.4	\$165.9	\$164.3	\$169.3	\$171.6
Opening Fund Balance	30.0	20.0	10.0	0.0	0.0	0.0
OPEB Cash Adjustment	0.0	0.0	61.2	64.2	67.1	70.2
All Agency Security Pool	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)
Downsizing	3.6	0.0	(40.5)	(40.5)	0.0	0.0
Enhanced Security Training	(6.2)	(6.2)	(6.2)	(6.2)	0.0	0.0
Service Marketing Campaign	(5.0)	5.0	0.0	0.0	0.0	0.0
MTA Bus Debt Service	(26.6)	(24.6)	(23.2)	(24.9)	(24.9)	(24.9)
Outstanding 2006 Loans	36.9	0.0	0.0	0.0	0.0	0.0
Cash Defeasance Loan for TBTA	(90.8)	0.0	90.8	0.0	0.0	0.0
Reserve for Following Year/Cash Flow Provision	(20.0)	(10.0)	0.0	0.0	0.0	0.0
General Reserve	0.0	(37.5)	(75.0)	(75.0)	(75.0)	(75.0)
Investment Income	<u>23.4</u>	<u>8.2</u>	<u>8.2</u>	<u>8.3</u>	<u>8.3</u>	<u>8.4</u>
Total Receipts Available for Transfer	\$171.9	\$105.8	\$174.8	\$73.7	\$128.4	\$133.8

Use of Total Receipts:

DORF Opening Balance	\$3.8	\$4.5	\$4.5	\$4.5	\$4.5	\$4.5
Less: Transfer to MTA DORF Account	(20.1)	(16.7)	(12.8)	(12.0)	(11.9)	(12.3)
Less: Transfer to MTAHQ Funds	0.0	(54.5)	(63.4)	(73.9)	(78.1)	(81.8)
Net Receipts Available	\$155.6	\$39.1	\$103.0	(\$7.8)	\$42.9	\$44.1

URBAN TAXES

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

Forecast Methodology

Forecasts of Urban Tax receipts for the second half of 2008, and for 2009 through 2011, are based on tax receipt trends for commercial property transactions projected by the City of New York in its May 2008 Executive Budget. Two adjustments for 2008 were made to the trend forecast. An adjustment for the second half of 2008 was made to account for second quarter commercial real estate activity which was weaker than the City trend forecast anticipated and which MTA expects would continue into the third quarter; this adjustment is consistent with changes made to the City's forecasts that have been incorporated in its Adopted Budget. A second adjustment was made to account for receipts anticipated from the purchase of the GM Building and four other properties by Boston Properties for \$3.95 billion. For 2012, Urban Tax estimates are based on two forecasting models, one for the MRT and one for the RPTT. In these models, which are time-series regression models with a log-log specification, tax receipts are a function of the ninety-day U.S. Treasury Bill rate and New York City private-sector employment.

2008 Mid-Year Forecast

The revenue projections for the 2008 Mid-Year Forecast include actual cash tax receipts to the MTA through June 2008. Forecasts for the remaining six months of the year, based on the adjusted City of New York trend projections, have been added to the year-to-date actuals in order to obtain a 2008 Mid-Year Forecast.

Urban Tax receipts on a cash basis are estimated at \$560.5 million, a decrease of \$323.0 million, or 36.6% less than the 2007 level. This forecast reflects a substantially weakened commercial real estate market in New York City, and in particular the softening market receptivity for so-called high-priced trophy properties in Manhattan. The City of New York's Executive Budget assumes commercial MRT receipts will decrease by 34.9% for City Fiscal Year (CFY) 2009 while RPTT receipts will decrease by 26.9% for CFY 2009. After the release of the City trend projections, Urban Tax receipts continued to remain low for May and June – lower than even the City

projections anticipated. To reflect this, the Urban Tax projections for the second half of 2008 were further lowered to reflect actual receipts for March, April and May.

Additionally, in late May the GM Building and four other Manhattan properties were sold by Macklowe Properties to Boston Properties for a reported \$3.95 billion; \$35.6 million in Real Property Transfer Tax revenue has been added to the 2008 projection to reflect this transaction.

The 2008 Urban Tax estimate reflects a decrease of \$108.7 million, or 16.2%, over the projection in the Adopted Budget.

2009 - 2012

From a peak level of \$883.5 million in 2007, which was spurred by low interest rates and strong demand for commercial investment properties, Urban Tax receipts are expected to continue declining, by 13.6% in 2009 and by 2.6% in 2010, and then growing by 2.6% in 2011 and 6.8% in 2012.

Urban Tax projections in the Financial Plan for 2009 through 2011 are based on commercial real estate transaction projections in the City of New York Executive Budget, while the 2012 forecast is based on individual time-series models for the MRT and RPTT components that are based on the 3-month U.S. Treasury Bill rate and the New York City private-sector employment level.

The City Executive Budget projects commercial MRT receipts to decrease 34.9% during City Fiscal Year 2009, decline 5.2% during CFY 2010, decrease 0.7% for CFY 2011 and increase 5.5% in CFY 2012. Commercial RPTT receipts are forecast to decline 26.9% in CFY 2009, decline 5.4% in CFY 2010, decrease 0.6% in CFY 2011 and increase 4.5% in CFY 2012.

For the 2012 Financial Plan projection, the 3-month U.S. Treasury Bill rate is expected to be 4.59%, unchanged from 2011, while New York City private-sector employment is expected to grow 0.76% in 2012.

The Plan forecasts for 2009 through 2012 reflect these assumptions. Over the Financial Plan period, Urban Tax receipts are projected to be \$484.1 million in 2009, \$471.6 million in 2010, \$483.9 million in 2011 and \$516.8 million in 2012. These projections are lower than the estimates in the February Financial Plan, ranging from a decrease of \$108.1 million (18.2%) in 2009 to a \$153.4 million decline (24.1%) in 2011; the decline in 2012 is \$150.2 million (22.5%).

Urban Tax receipts have grown at unprecedented rates over the past three and half years: from 2003 to 2004, Urban Tax receipts doubled, and receipts doubled again from 2004 to 2006. Receipts increased by another 21% in 2007, and from 2007 through 2010 receipts are expected to decline by 47% before modestly increasing in subsequent

years. These receipts are generated by market conditions that can change dramatically, and significant declines have occurred before: after reaching a then-record level in 1987, Urban Tax receipts declined 85% over a five year period.

STATE AND LOCAL SUBSIDIES

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

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

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

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

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

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

2008 Mid-Year Forecast

In the 2008 Mid-Year Forecast, total State and Local cash subsidy receipts are estimated at \$624.0 million, a slight increase of \$0.3 million over the February Plan. The change is primarily due to a higher level of station maintenance subsidies, partially offset by unfavorable CDOT and AMTAP subsidies. The

AMTAP reduction of \$0.4 million was due to NYS' late State-wide reductions of aid to localities.

2009 – 2012

In 2009, 2010, 2011, and 2012 State and Local subsidy estimates are \$14.1 million, \$20.2 million, \$17.2 million and \$18.7 million lower than the prior years' level, respectively. The changes primarily represent elimination of AMTAP subsidies to the commuter railroads beginning in 2009, partially offset by favorable CDOT and/or station maintenance levels in each of the Plan years. The AMTAP grant to the commuter railroads is based on the amount MTA distributes to the state suburban highway fund as part of the MRT-1 fund allocations. Because of declining MRT-1 receipts, all MRT-1 receipts are needed to balance MTAHQ, which has first lien on all MRT-1 receipts; since there will not be any distributions to the state suburban highway fund, the corresponding AMTAP allocation would no longer be available during the plan period.

MTA SUBSIDY TO SUBSIDIARIES

In the 2008 Mid-Year Forecast, total estimated MTA subsidy payment to its subsidiaries on a cash basis is \$40.9 million, which is \$0.3 million lower than the February Plan Forecast. Staten Island Railroad's (SIR) share is \$26.9 million; Long Island Bus' (LIB) share is \$14.0 million.

For the 2008 Mid-Year Forecast, SIR's share reflects amounts needed to cover the operating deficit after all other subsidies and operating revenues are allocated.

In 2009, the forecast for MTA subsidy payment to LIB and SIR on a cash basis is \$42.7 million, which is consistent with the February Plan Forecast.

For each of the years 2010 through 2012, MTA subsidy to its subsidiaries is \$38.3 million, \$39.5 million and \$40.5 million respectively. The Long Island Bus portion remains at \$14.0 million in each year.

SUBSIDY AND OTHER TECHNICAL ADJUSTMENTS

In addition to the adjustments to MRT-2, which are discussed in the MRT Section, the July Plan includes other subsidy adjustments for 2008, 2009, 2010, 2011 and 2012.

NYCT pension expenses in the July Plan reflect lump-sum refunds to union employees who had previously made contributions to the 55/25 pension program. These refunds were part of the December 2005 labor agreement and subsequent arbitration award with union employees and NYCT. The 2008 payments, totaling \$117 million, were made by the NYCERS and MaBSTOA pension plans. The Mid-Year Forecast for NYCT subsidies includes a transfer of \$117 million from the GASB account to reimburse the NYCERS and MaBSTOA pension plans in 2008. In 2006, a portion of the GASB account was funded by one-time cash savings stemming from reductions in NYCT NYCERS costs; it was intended that these savings would be used for this purpose when the monies were deposited in the GASB account.

In 2008 and 2009, as previously noted in the MMTOA section and consistent with the February Plan, the plan assumes that \$100.0 million in two equal payments of \$50.0 million from MMTOA funds would be used to pay for the #1 train underpinning project. These adjustments assume the transfer of funds to the project budget, which is not part of the MTA operating budget.

The July Plan continues to assume that an energy hedging strategy or similar mechanism will be used to lock-in fuel prices. In 2007, \$150.0 million was prepaid for NYCT, LIRR and Metro-North's energy. The Plan continues to reflect a reduction in energy of \$79.0 million in 2008 and \$83.0 million in 2009 resulting in net savings of \$12.0 million from this strategy.

Consistent with the February Plan, the July Plan reflects the MTA's agreement with the City of New York to fund a portion of MTA Bus' debt service from New York City Transit subsidies, which account for \$12.0 million in 2008 and \$11.5 million in each year beginning in 2009 for the duration of the Plan period. These amounts reflect reimbursement to MTA Bus under a swap agreement with New York City Transit in which Federal capital grant moneys are paid directly to New York City Transit for the benefit of MTA Bus; NYCT applies these funds to cover its own capital projects and in turn reimburses MTA Bus.

MTA New York City Transit Subsidy Allocation
July Financial Plan 2009 - 2012
Cash Basis
(\$ in millions)

	2007	2008	2009	2010	2011	2012
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
Metropolitan Mass Transportation Operating Assist. (MMTOA)	\$1,049.6	\$1,098.6	\$1,018.4	\$1,024.2	\$1,054.0	\$1,095.5
Petroleum Business Tax (PBT) Receipts	519.4	532.6	542.4	547.3	549.4	551.6
Mortgage Recording Tax (MRT)	0.0	21.7	0.0	0.0	0.0	0.0
Urban Tax	<u>883.1</u>	<u>560.5</u>	<u>484.1</u>	<u>471.6</u>	<u>483.9</u>	<u>516.8</u>
	\$2,452.1	\$2,213.5	\$2,044.9	\$2,043.1	\$2,087.4	\$2,163.9
<i>State and Local Subsidies</i>						
State Operating Assistance	\$158.1	\$158.2	\$158.2	\$158.2	\$158.2	\$158.2
Local Operating Assistance	<u>158.2</u>	<u>158.2</u>	<u>158.2</u>	<u>158.2</u>	<u>158.2</u>	<u>158.2</u>
	\$316.2	\$316.4	\$316.4	\$316.4	\$316.4	\$316.4
South Ferry	(\$35.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
55/25 Pension Funding	\$0.0	\$117.4	\$0.0	\$0.0	\$0.0	\$0.0
Fulton Street #1 Train - Port Authority	(56.0)	(50.0)	(50.0)	0.0	0.0	0.0
NYCT Charge Back of MTA Bus Debt Service	0.0	(12.0)	(11.5)	(11.5)	(11.5)	(11.5)
Energy Hedging Strategy	<u>(117.8)</u>	<u>62.0</u>	<u>65.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	(\$208.8)	\$117.4	\$3.7	(\$11.5)	(\$11.5)	(\$11.5)
Total Dedicated Taxes & State and Local Subsidies	\$2,559.6	\$2,647.3	\$2,364.9	\$2,348.0	\$2,392.2	\$2,468.7
<i>Inter-agency Subsidy Transactions</i>						
Bridges and Tunnels Operating Surplus Transfer	\$156.4	\$114.4	\$80.0	\$65.6	\$58.7	\$47.4
GROSS SUBSIDIES	<u>\$2,716.0</u>	<u>\$2,761.8</u>	<u>\$2,444.9</u>	<u>\$2,413.6</u>	<u>\$2,451.0</u>	<u>\$2,516.1</u>

MTA Commuter Railroad Subsidy Allocation
July Financial Plan 2009 - 2012
Cash Basis
(\$ in millions)

	2007	2008	2009	2010	2011	2012
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
Metropolitan Mass Transportation Operating Assistance (MMTOA)	\$523.2	\$549.2	\$512.6	\$515.3	\$528.8	\$547.7
Petroleum Business Tax (PBT) Receipts	91.7	94.0	95.7	96.6	97.0	97.3
Mortgage Recording Tax (MRT)	0.0	17.5	0.0	0.0	0.0	0.0
Investment Income	<u>2.3</u>	<u>2.3</u>	<u>2.4</u>	<u>2.4</u>	<u>2.5</u>	<u>2.5</u>
	\$617.2	\$663.0	\$610.7	\$614.3	\$628.3	\$647.6
<i>State and Local Subsidies</i>						
State Operating Assistance	\$29.3	\$29.3	\$29.3	\$29.3	\$29.3	\$29.3
Local Operating Assistance	29.3	29.3	29.3	29.3	29.3	29.3
CDOT Subsidy	61.2	73.2	86.9	97.0	112.6	121.4
Station Maintenance	138.5	141.9	144.7	147.7	150.5	153.6
AMTAP	<u>20.0</u>	<u>19.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$278.1	\$293.2	\$290.2	\$303.2	\$321.6	\$333.5
Forward Energy Contracts	(\$32.2)	\$17.0	\$17.8	\$0.0	\$0.0	\$0.0
Pension Pre-Payment	<u>(91.0)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	(\$123.2)	\$17.0	\$17.8	\$0.0	\$0.0	\$0.0
Total Dedicated Taxes & State and Local Subsidies	\$772.0	\$973.2	\$918.7	\$917.5	\$949.9	\$981.1
<i>Inter-agency Subsidy Transactions</i>						
Bridges and Tunnels Operating Surplus Transfer	\$249.9	\$226.8	\$198.9	\$184.1	\$176.9	\$165.6
GROSS SUBSIDIES	\$1,022.0	\$1,200.0	\$1,117.6	\$1,101.6	\$1,126.8	\$1,146.7

MTA Long Island Bus Subsidy Allocation
July Financial Plan 2009 - 2012
Cash Basis
(\$ in millions)

	2007	2008	2009	2010	2011	2012
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
MMTOA Allocation	\$44.9	\$54.8	\$51.2	\$51.5	\$52.8	\$54.7
<i>State and Local Subsidies</i>						
State Operating Assistance	\$3.0	\$2.9	\$3.0	\$3.0	\$3.0	\$3.0
Nassau County Subsidy	<u>10.8</u>	<u>10.5</u>	<u>10.5</u>	<u>10.5</u>	<u>10.5</u>	<u>10.5</u>
	\$13.8	\$13.4	\$13.5	\$13.5	13.5	13.5
Total Dedicated Taxes & State and Local Subsidies	\$58.7	\$68.3	\$64.6	\$64.9	\$66.3	\$68.2
<i>Inter-agency Subsidy Transactions</i>						
MTA Subsidy to Subsidiaries	\$20.3	\$14.0	\$14.0	\$14.0	\$14.0	\$14.0
GROSS SUBSIDIES	\$79.0	\$82.3	\$78.6	\$78.9	\$80.3	\$82.2

MTA Staten Island Railway Subsidy Allocation
July Financial Plan 2009 - 2012
Cash Basis
(\$ in millions)

	2007	2008	2009	2010	2011	2012
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
Metropolitan Mass Transportation Operating Assistance (MMTOA)	\$4.5	\$3.5	\$3.3	\$3.3	\$3.4	\$3.5
Mortgage Recording Tax (MRT)	<u>0.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$4.8	\$3.5	\$3.3	\$3.3	\$3.4	\$3.5
<i>State and Local Subsidies</i>						
State Operating Assistance	\$0.6	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5
Local Operating Assistance	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
	\$1.1	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0
Total Dedicated Taxes & State and Local Subsidies	\$5.9	\$4.5	\$4.3	\$4.3	\$4.4	\$4.5
<i>Inter-agency Subsidy Transactions</i>						
MTA Subsidy to Subsidiaries	\$21.5	\$26.9	\$28.7	\$24.3	\$25.5	\$26.5
GROSS SUBSIDIES	\$27.3	\$31.4	\$32.9	\$28.5	\$29.9	\$31.0

MTA Headquarters Subsidy Allocation
July Financial Plan 2009 - 2012
Cash Basis
(\$ in millions)

	2007	2008	2009	2010	2011	2012
<u>Subsidies</u>						
<u>Dedicated Taxes</u>						
<u>Mortgage Recording Tax-1</u>						
Net Receipts After Agency Transfers	\$305.4	\$297.1	\$296.1	\$292.0	\$300.6	\$305.5
<u>Adjustments</u>						
Diversion of MRT to Suburban Counties	(\$20.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Carryover/Opening Balances/Interest	(5.0)	0.0	0.0	0.0	0.0	0.0
MRT-2 Required to Balance	0.0	54.5	63.4	73.9	78.1	81.8
<i>Total Adjustments</i>	<i>(\$25.0)</i>	<i>\$54.5</i>	<i>\$63.4</i>	<i>\$73.9</i>	<i>\$78.1</i>	<i>\$81.8</i>
Net Funding of MTA Headquarters	\$280.4	\$351.6	\$359.5	\$365.9	\$378.6	\$387.4
<u>Mortgage Recording Tax - 2</u>						
Net Receipts	\$253.3	\$177.4	\$175.9	\$164.3	\$169.3	\$171.6
<u>Adjustments</u>						
Funding of General Reserve	\$0.0	(\$37.5)	(\$75.0)	(\$75.0)	(\$75.0)	(\$75.0)
Diversion of MRT to Suburban Counties	(16.4)	(12.2)	(8.3)	(7.6)	(7.5)	(7.8)
Carryover/Opening Balances/Interest	23.4	8.2	8.2	8.3	8.3	8.4
OPEB Cash Adjustment	0.0	0.0	61.2	64.2	67.1	70.2
Agency Security Costs from MRT	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)
Transfer to MRT-1	0.0	(54.5)	(63.4)	(73.9)	(78.1)	(81.8)
Downsizing	3.6	0.0	(40.5)	(40.5)	0.0	0.0
Enhanced Security Training	(6.2)	(6.2)	(6.2)	(6.2)	0.0	0.0
Service Marketing Campaign	(5.0)	5.0	0.0	0.0	0.0	0.0
MTA Bus Debt Service	(26.6)	(24.6)	(23.2)	(24.9)	(24.9)	(24.9)
Outstanding 2006 Loans	36.9	0.0	0.0	0.0	0.0	0.0
Cash Defeasance Loan for TBTA	(90.8)	0.0	90.8	0.0	0.0	0.0
<i>Total Adjustments</i>	<i>(\$97.7)</i>	<i>(\$138.3)</i>	<i>(\$72.9)</i>	<i>(\$172.1)</i>	<i>(\$126.5)</i>	<i>(\$127.5)</i>
Unallocated MRT-2 Receipts	\$155.6	\$39.1	\$103.0	(\$7.8)	\$42.9	\$44.1

MTA Bus Company Subsidy Allocation
July Financial Plan 2009 - 2012
Cash Basis
(\$ in millions)

	2007	2008	2009	2010	2011	2012
<u>Subsidies</u>						
City Subsidy to MTA Bus Company	\$185.0	\$269.9	\$260.7	\$267.8	\$275.5	\$285.2

MTA BRIDGES & TUNNELS
MULTI-YEAR FINANCIAL PLAN
2009 - 2012
(\$ in millions)

NON-REIMBURSABLE

	ACTUAL	FORECAST				
	2007	2008	2009	2010	2011	2012
<u>Deductions from Net Operating Income:</u>						
Investment Income	\$5.558	\$2.551	\$2.259	\$4.564	\$5.185	\$5.185
Total Debt Service	463.748	497.482	555.015	556.584	568.110	581.075
Reserves	16.156	13.667	13.953	14.261	14.531	14.809
Capitalized Assets	6.314	17.745	18.604	13.502	13.757	14.020
GASB Reserves	1.670	1.845	2.036	2.238	2.283	2.329
Total Deductions from Net Operating Income	\$493.446	\$533.290	\$591.868	\$591.149	\$603.866	\$617.418
Net Income Available for Transfer to MTA and NYCT	\$406.443	\$327.640	\$273.540	\$247.071	\$234.374	\$210.529
<u>Distribution of Funds to MTA:</u>						
Investment Income in Current Year	\$5.558	\$2.551	\$2.259	\$4.564	\$5.185	\$5.185
Accrued Current Year Allocation	249.968	217.288	196.902	182.732	176.247	164.364
Total Accrued Amount Distributed to MTA	\$255.526	\$219.839	\$199.161	\$187.296	\$181.432	\$169.549
<u>Distribution of Funds to NYCT:</u>						
First \$24 million of Surplus reserved for NYCT	\$24.000	\$24.000	\$24.000	\$24.000	\$24.000	\$24.000
Additional Accrued Current Year Allocation	132.474	86.352	52.638	40.339	34.126	22.165
Total Accrued Amount Distributed to NYCT	\$156.474	\$110.352	\$76.638	\$64.339	\$58.126	\$46.165
<u>Actual Cash Transfer to MTA and NYCT:</u>						
From Current Year Surplus	\$249.945	\$226.804	\$198.941	\$184.149	\$176.896	\$165.552
Investment Income in Prior Year	8.637	5.558	2.551	2.259	4.564	5.185
Total Cash Amount Distributed to MTA	\$258.581	\$232.362	\$201.492	\$186.408	\$181.460	\$170.737
Total Cash Amount Distributed to NYCT	\$156.397	\$114.417	\$80.009	\$65.569	\$58.748	\$47.361

	ACTUAL	FORECAST				
	2007	2008	2009	2010	2011	2012
<u>Debt Service Detail by Agency:</u>						
B&T Own Purpose DS	\$140.544	\$157.756	\$180.829	\$187.614	\$199.848	\$212.615
NYCT Transportation DS	220.349	235.331	259.225	255.681	255.191	255.330
MTA Transportation DS	102.855	104.395	114.961	113.289	113.071	113.131
Total Debt Service by Agency	\$463.748	\$497.482	\$555.015	\$556.584	\$568.110	\$581.075

Total Accrued Amount for Transfer to MTA and NYCT:

Total Adjusted Net Income Available for Transfer	\$870.191	\$825.122	\$828.555	\$803.655	\$802.484	\$791.604
Less: B&T Total Debt Service	(140.544)	(157.756)	(180.829)	(187.614)	(199.848)	(212.615)
Less: first \$24 million reserved for NYCT	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)
Remainder of Total Accrued Amount for Transfer	\$705.647	\$643.366	\$623.726	\$592.041	\$578.636	\$554.989

Calculation of Actual Cash Transfer to MTA:

<u>Distribution of Remainder to MTA</u>						
Fifty Percent of Total Accrued Amount for Transfer	\$352.823	\$321.683	\$311.863	\$296.020	\$289.318	\$277.495
Less: MTA Total Debt Service	(102.855)	(104.395)	(114.961)	(113.289)	(113.071)	(113.131)
MTA's Accrued Current Year Allocation	\$249.968	\$217.288	\$196.902	\$182.732	\$176.247	\$164.364
<u>Cash Conversion of MTA's Accrued Amount</u>						
Current Year Amount	\$218.724	\$195.559	\$177.212	\$164.459	\$158.623	\$147.927
Balance of Prior Year	31.221	31.245	21.729	19.690	18.273	17.625
Cash Transfer to MTA	\$249.945	\$226.804	\$198.941	\$184.149	\$176.896	\$165.552

Calculation of Actual Cash Transfer to NYCT:

<u>Distribution of Remainder to NYCT</u>						
Fifty Percent of Total Accrued Amount for Transfer	\$352.823	\$321.683	\$311.863	\$296.020	\$289.318	\$277.495
Less: NYCT Total Debt Service	(220.349)	(235.331)	(259.225)	(255.681)	(255.191)	(255.330)
Plus: first \$24 million reserved for NYCT	24.000	24.000	24.000	24.000	24.000	24.000
NYCT's Accrued Current Year Allocation	\$156.474	\$110.352	\$76.638	\$64.339	\$58.126	\$46.165
<u>Cash Conversion of NYCT's Accrued Amount</u>						
Current Year Amount	\$141.375	\$99.317	\$68.974	\$57.905	\$52.314	\$41.549
Balance of Prior Year	15.023	15.100	11.035	7.664	6.434	5.813
Cash Transfer to NYCT	\$156.397	\$114.417	\$80.009	\$65.569	\$58.748	\$47.361

B & T Charged Debt Service Detail by Type:

<u>Project Debt Service</u>						
B & T Own Purpose Debt Service	\$140.544	\$157.756	\$180.829	\$187.614	\$199.848	\$212.615
NYCT Transportation Project Debt Service	220.349	235.331	259.225	255.681	255.191	255.330
MTA Transportation Project Debt Service	102.855	104.395	114.961	113.289	113.071	113.131
Total Project Debt Service	\$463.748	\$497.482	\$555.015	\$556.584	\$568.110	\$581.075
Business Service Center	\$0.000	\$0.000	\$0.000	\$0.000	\$1.691	\$4.049

SUMMARY
MTA LONG ISLAND BUS
MULTI-YEAR FINANCIAL PLAN
2009 - 2012
(\$ in millions)

Line
Number

	ACTUAL	FORECAST				
	2007	2008	2009	2010	2011	2012
<u>Revenue Summary:</u>						
Farebox Revenue	\$40.3	\$42.1	\$42.5	\$42.8	\$43.0	\$43.2
Other Revenue	1.4	2.3	2.1	2.2	2.5	2.6
State/Local Subsidies	58.7	68.3	64.6	64.9	66.3	68.2
Total Revenue Before MTA Subsidy	\$100.5	\$112.7	\$109.3	\$109.9	\$111.7	\$113.9
<u>Non-Reimbursable Expense Summary:</u>						
Labor Expenses	\$89.7	\$95.3	\$98.4	\$101.1	\$103.9	\$106.9
Non-Labor Expenses	33.0	29.7	32.8	34.2	35.9	36.1
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
OPEB Obligation	5.7	6.0	6.5	6.9	7.3	7.7
Environmental Remediation	0.0	0.0	0.0	0.0	0.0	0.0
Total Non-Reimbursable Expenses	\$128.4	\$130.9	\$137.7	\$142.2	\$147.1	\$150.7
Total Net Revenue	(\$27.9)	(\$18.3)	(\$28.3)	(\$32.3)	(\$35.4)	(\$36.8)
<u>Cash Adjustment Summary:</u>						
Operating Cash Adjustments	\$4.7	(\$0.0)	\$7.8	\$7.4	\$7.9	\$8.3
Subsidy Cash Adjustments	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Adjustment	\$4.7	(\$0.0)	\$7.8	\$7.4	\$7.9	\$8.3
Gross Cash Balance	(\$23.2)	(\$18.3)	(\$20.6)	(\$24.9)	(\$27.5)	(\$28.5)
MTA Internal Subsidy	20.3	14.0	14.0	14.0	14.0	14.0
Unspecified Actions to Reduce Deficit	0.0	0.0	2.6	4.4	1.1	0.6
Net Cash Balance from Previous Year	\$7.8	\$4.8	\$0.5	\$0.0	\$0.0	\$0.0
Baseline Net Cash Surplus/(Deficit)	\$4.8	\$0.5	(\$3.5)	(\$6.6)	(\$12.5)	(\$14.0)

SUMMARY
MTA STATEN ISLAND RAILWAY
MULTI-YEAR FINANCIAL PLAN
2009 - 2012
(\$ in millions)

Line Number		ACTUAL	FORECAST				
		2007	2008	2009	2010	2011	2012
9							
10	<u>Revenue Summary:</u>						
11							
12	Farebox Revenue	\$3.9	\$4.4	\$4.8	\$5.1	\$5.2	\$5.2
13	Other Revenue	2.1	2.1	2.1	2.1	2.1	2.1
14	State/City Subsidies	4.2	4.6	4.3	4.3	4.4	4.5
15							
16	Total Revenue Before MTA Subsidy	\$10.2	\$11.1	\$11.1	\$11.5	\$11.6	\$11.8
17							
18	<u>Non-Reimbursable Expense Summary:</u>						
19							
20	Labor Expenses	\$23.9	\$25.3	\$26.4	\$27.5	\$28.4	\$29.6
21	Non-Labor Expenses	6.7	15.0	13.1	8.0	8.4	8.4
22	Depreciation	7.1	10.3	10.3	10.3	10.3	10.3
23	OPEB Obligation	2.4	2.6	2.7	2.8	2.8	3.0
24	Environmental Remediation	0.0	0.0	0.0	0.0	0.0	0.0
25							
26	Total Non-Reimbursable Expenses	\$40.1	\$53.2	\$52.6	\$48.6	\$49.9	\$51.3
27							
28							
29	Total Net Revenue	(\$29.9)	(\$42.1)	(\$41.5)	(\$37.1)	(\$38.3)	(\$39.5)
30							
31	<u>Cash Adjustment Summary:</u>						
32							
33	Operating Cash Adjustments	\$9.0	\$15.4	\$12.8	\$12.8	\$12.8	\$13.0
34	Subsidy Cash Adjustments	(0.2)	(0.1)	0.0	0.0	0.0	0.0
35							
36	Total Cash Adjustment	\$8.7	\$15.3	\$12.8	\$12.8	\$12.8	\$13.0
37							
38	Gross Cash Balance	(\$21.2)	(\$26.9)	(\$28.7)	(\$24.3)	(\$25.5)	(\$26.5)
39							
40	MTA Internal Subsidy before PEGs	21.5	26.9	28.7	24.3	25.5	26.5
41							
42	Net Cash Balance from Previous Year	\$0.0	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2
43							
44							
45	Baseline Net Cash Surplus/(Deficit)	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2

SUMMARY
MTA BUS COMPANY
MULTI-YEAR FINANCIAL PLAN
2009 - 2012
(\$ in millions)

Line Number		ACTUAL	FORECAST				
		2007	2008	2009	2010	2011	2012
9							
10	<u>Revenue Summary:</u>						
11							
12	Farebox Revenue	\$139.8	\$151.4	\$154.8	\$158.2	\$161.6	\$165.2
13	Other Revenue	21.9	26.0	26.5	27.1	27.6	28.2
14							
15	Total Revenue Before MTA Subsidy	\$161.7	\$177.4	\$181.3	\$185.2	\$189.2	\$193.3
16							
17	<u>Non-Reimbursable Expense Summary:</u>						
18							
19	Labor Expenses	\$297.7	\$310.0	\$316.8	\$325.5	\$334.2	\$343.6
20	Non-Labor Expenses	119.9	116.3	123.6	125.1	127.9	132.3
21	Depreciation	30.0	34.7	37.1	40.2	42.2	42.2
22	Other Post Employment Benefits	45.7	49.0	51.7	53.6	55.5	57.8
23							
24	Total Non-Reimbursable Expenses	\$493.2	\$510.1	\$529.2	\$544.3	\$559.9	\$575.9
25							
26							
27	Total Net Revenue	(\$331.5)	(\$332.6)	(\$347.9)	(\$359.1)	(\$370.7)	(\$382.5)
28							
29	Cash Adjustments	\$86.5	\$80.7	\$85.5	\$90.2	\$93.8	\$95.7
30							
31	Total Cash Adjustment	\$86.5	\$80.7	\$85.5	\$90.2	\$93.8	\$95.7
32							
33	Gross Cash Balance	(\$245.0)	(\$251.9)	(\$262.4)	(\$268.9)	(\$276.9)	(\$286.8)
34							
35	<u>City Subsidy</u>						
36	Accrued	245.0	251.9	262.4	268.9	276.9	286.8
37	Cash	185.0	269.9	260.7	267.8	275.5	285.2
38	CFA	(60.0)	18.0	(1.8)	(1.1)	(1.3)	(1.7)
39							
40	Net Cash Balance from Previous Year	\$0.0	\$0.0	\$18.0	\$16.2	\$15.2	\$13.8
41							
42							
43	Baseline Net Cash Surplus/(Deficit)	(\$60.0)	\$18.0	\$16.2	\$15.2	\$13.8	\$12.2

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Debt Service

Debt Service in the Financial Plan

- The following table reflects debt service projections for 2008 through 2012 associated with *approved* Capital Programs. The table compares all MTA and TBTA debt service in the MTA February 2008 Financial Plan with newly revised estimates for this July 2008 Financial Plan (this excludes State Service Contract and Convention Center debt service which is fully paid by New York State).

Debt Service Forecast (in millions) ⁽¹⁾			
Year	February Plan Debt Service	July Plan Debt Service	Difference Favorable/(Unfavorable)
2008	\$1,529	\$1,513	\$16
2009	1,432	1,455	(23)
2010	1,862	1,851	11
2011	1,974	1,922	52
2012	2,084	2,025	59
Total:	\$8,882	\$8,767	\$116

(1) The above table includes the effect of cash defeasance in 2008 and 2009..

- Additionally, a preliminary estimate of debt service has been included in the detailed table below for borrowing for expenditures associated with a 2010-2014 Capital Program. For forecasting purposes, it was assumed that the core Capital Program would inflate at CPI and be funded in a similar fashion as the 2005-2009 Capital Program and the remainder of the local share of Second Avenue Subway Phase 1 and East Side Access projects would be financed. Debt service impact during the Financial Plan period would be minimal at about \$7 million in 2010, \$33 million in 2011 and \$97 million in 2012. These estimates are based on a borrowing forecast of \$2.2 billion during the 2010-2012 period for a future 2010-2014 Capital Program.
- The effects of the cash defeasance transaction completed in September have been incorporated into the debt service budget. \$299.3 million of cash and \$4.3 million already set-aside in the debt service accounts were used to create the requisite escrow. Savings are calculated to be \$2.1 million in 2007, \$37.5 million in 2008 and \$283.3 million in 2009. In order to defease TBTA's debt, \$90.8 million of excess MRT receipts were used in 2007 as an interagency loan. TBTA will need to repay this over to the MRT accounts. The 90.8 million repayment has no effect on consolidated debt service listed on the table below. However, TBTA's debt service listed in the TBTA's section of this Financial Plan has been increased by that amount.

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

Debt Issuance Assumptions:

Forecasted Borrowing Schedule	2008	2009	2010	2011	2012
New Money Bonds *(\$ in millions)	944	2,464	1,824	1,614	2,489
Assumed Fixed-Rates					
Transportation Revenue Bonds	4.99%	5.12%	5.20%	5.23%	5.24%
Dedicated Tax Fund Bonds	4.74%	4.86%	4.94%	4.96%	4.98%
Triborough Bridge & Tunnel Authority	4.74%	4.86%	4.94%	4.96%	4.98%
Assumed Variable Rates	4.00%	4.00%	4.00%	4.00%	4.00%
Weighted Average Interest Rates **					
Transportation Revenue Bonds	4.84%	4.95%	5.02%	5.04%	5.05%
Dedicated Tax Fund Bonds	4.63%	4.73%	4.80%	4.82%	4.83%
Triborough Bridge & Tunnel Authority	4.63%	4.73%	4.80%	4.82%	4.83%

* 2010 to 2012 include assumed borrowing for the 2010-2014 Capital Programs. 2008 borrowing is only for the remainder of the year.

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

- All debt is assumed to be issued as 30-year level debt, principal amortized over the life of the bonds.
- Current fixed-rate estimates derived from prevailing Fair Market Yield Curves for A- and AA- Transportation issuers using Bloomberg Information Service. Financial Plan years 2008– 2012 derived by applying changes in U.S. Municipal Forward Curves to prevailing transportation curves (as of June 16, 2008).
- Split of fixed-rate debt versus variable rate debt each year is 85% / 15%.
- New bond issues calculated interest rate at time of issuance use weighted average of fixed and variable assumptions (actual fixed-rates in table above assumed for fixed-rate bonds).
- Cost of issuance is 2% of gross bonding amount.
- New money bonds for currently approved transit and commuter projects assumed issued 25% under the DTF credit and 75% under the Transportation credit.
- All bonds issued to finance TBTA capital projects issued under the TBTA General Revenue Resolution.
- No reserve funds.

Metropolitan Transportation Authority
July Financial Plan 2009 - 2012
Summary of Total Budgeted Debt Service
(\$ in millions)

Line Number		ACTUAL	FORECAST				
		2007	2008	2009	2010	2011	2012
9	<u>New York City Transit:</u>						
10							
11	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$324.504	\$431.184	\$329.222	\$405.507	\$398.797	\$406.471
12	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	18.049	79.773	145.183	187.647	231.927
13	2 Broadway Certificates of Participation - NYCT Share	21.205	17.439	21.888	21.894	21.898	21.904
15	Transportation Resolution Commercial Paper	11.801	12.412	16.847	16.847	16.847	27.347
16	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	207.226	215.141	173.128	211.185	211.409	211.204
17	<u>Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs</u>	<u>0.000</u>	<u>5.870</u>	<u>25.936</u>	<u>47.196</u>	<u>60.995</u>	<u>75.382</u>
19	<i>Sub-Total MTA Paid Debt Service</i>	\$564.736	\$700.095	\$646.794	\$847.812	\$897.593	\$974.235
20							
21	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$139.430	\$153.486	\$142.078	\$174.969	\$174.468	\$174.401
22	<u>Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds</u>	<u>83.691</u>	<u>83.110</u>	<u>77.100</u>	<u>81.785</u>	<u>81.814</u>	<u>82.035</u>
23	<i>Sub-Total B&T Paid Debt Service</i>	\$223.121	\$236.596	\$219.178	\$256.755	\$256.283	\$256.436
24							
25	Total NYCT Debt Service	\$787.856	\$936.691	\$865.972	\$1,104.567	\$1,153.876	\$1,230.671
26							
27	<u>Commuter Railroads:</u>						
28							
29	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$323.719	\$252.953	\$261.520	\$322.117	\$316.787	\$322.883
30	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	2.914	18.002	37.873	45.571	45.571
31	Transportation Resolution Commercial Paper	7.932	7.722	10.534	10.534	10.534	17.099
32	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	40.699	40.274	32.826	40.042	40.084	40.046
33	<u>Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs</u>	<u>0.000</u>	<u>0.948</u>	<u>5.853</u>	<u>19.073</u>	<u>28.337</u>	<u>28.337</u>
35	<i>Sub-Total MTA Paid Debt Service</i>	\$372.350	\$304.811	\$328.735	\$429.639	\$441.313	\$453.935
36							
37	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$62.409	\$68.440	\$63.200	\$77.831	\$77.608	\$77.579
38	<u>Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds</u>	<u>36.474</u>	<u>36.515</u>	<u>33.875</u>	<u>35.933</u>	<u>35.946</u>	<u>36.043</u>
39	<i>Sub-Total B&T Paid Debt Service</i>	\$98.882	\$104.955	\$97.075	\$113.764	\$113.554	\$113.621
40							
41	Total CRR Debt Service	\$471.233	\$409.766	\$425.809	\$543.404	\$554.867	\$567.556
42							
43	<u>Bridges and Tunnels:</u>						
44							
45	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$107.724	\$123.240	\$111.917	\$137.826	\$137.432	\$137.378
46	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	33.356	32.830	30.456	32.307	32.318	32.405
47	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	4.337	14.958	26.806	37.206
48	2 Broadway Certificates of Participation - TBTA Share	2.753	2.466	3.095	3.096	3.097	3.098
50							
51	Total B&T Debt Service	\$143.832	\$158.536	\$149.805	\$188.186	\$199.652	\$210.087
52							
53	<u>MTA Bus:</u>						
54							
55	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$5.865	\$7.875	\$7.130	\$8.782	\$8.637	\$8.803
56	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	2.198	5.138	5.879	5.879	5.879
57	Transportation Resolution Commercial Paper	2.944	3.074	4.194	4.194	4.194	6.807
58							
59	Total MTA Bus Debt Service	\$8.809	\$13.147	\$16.461	\$18.855	\$18.710	\$21.490
60							
61	Total MTA HQ Debt Service for 2 Broadway Certificates of Participation	\$2.898	\$2.393	\$3.003	\$3.004	\$3.004	\$3.005

Metropolitan Transportation Authority
July Financial Plan 2009 - 2012
Summary of Total Budgeted Debt Service
(\$ in millions)

Line Number		FORECAST					
		ACTUAL 2007	2008	2009	2010	2011	2012
62							
63	<u>MTA Total:</u>						
64							
65	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$654.088	\$692.012	\$597.872	\$736.406	\$724.221	\$738.157
66	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	247.925	255.415	205.954	251.227	251.493	251.250
67	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	309.562	345.166	317.195	390.627	389.508	389.358
68	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	153.521	152.455	141.431	150.025	150.078	150.483
69	2 Broadway Certificates of Participation	26.856	22.298	27.986	27.994	27.999	28.006
70	Transportation Resolution Commercial Paper	22.678	23.208	31.575	31.575	31.575	51.253
71	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	23.161	102.912	188.936	239.097	283.377
72	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	6.817	31.789	66.270	89.332	103.719
73	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	4.337	14.958	26.806	37.206
75							
76	Total Debt Service	\$1,414.628	\$1,520.533	\$1,461.051	\$1,858.016	\$1,930.109	\$2,032.808
77							
78	<u>MTA Investment Income by Resolution</u>						
79							
80	Investment Income from Transportation Debt Service Fund	\$0.000	(\$3.405)	(\$2.856)	(\$3.771)	(\$3.926)	(\$4.163)
81	Investment Income from Dedicated Tax Fund Debt Service Fund	0.000	(1.279)	(0.969)	(1.294)	(1.389)	(1.446)
82	Investment Income from TBTA (B&T) General Revenue Debt Service Fund	0.000	(1.545)	(1.310)	(1.653)	(1.696)	(1.738)
83	Investment Income from TBTA (B&T) Subordinate Revenue Debt Service Fund	0.000	(1.061)	(0.576)	(0.611)	(0.612)	(0.613)
84	Investment Income from 2 Broadway Certificates of Participation Debt Service Fund	0.000	0.000	0.000	0.000	0.000	0.000
85							
86	Total MTA Wide Investment Income	\$0.000	(\$7.290)	(\$5.711)	(\$7.329)	(\$7.622)	(\$7.961)
87							
88	<u>MTA Wide Net Total</u>						
89							
90	Net Transportation Revenue Bonds Debt Service	\$654.088	\$711.768	\$697.929	\$921.571	\$959.393	\$1,017.371
91	Transportation Resolution Commercial Paper	22.678	23.208	31.575	31.575	31.575	51.253
92	Net Dedicated Tax Fund Bonds Debt Service	247.925	260.953	236.774	316.203	339.436	353.522
93	Net TBTA (B&T) General Revenue Bonds Debt Service	309.562	343.622	320.221	403.931	414.618	424.826
94	Net TBTA (B&T) Subordinate Revenue Bonds Debt Service	153.521	151.394	140.855	149.414	149.467	149.869
95	Net 2 Broadway Certificates of Participation Debt Service	26.856	22.298	27.986	27.994	27.999	28.006
96							
97	Total MTA Wide Net Debt Service for Approved Capital Programs	\$1,414.628	\$1,513.243	\$1,455.339	\$1,850.687	\$1,922.487	\$2,024.848
98							
99	MTA Wide Debt Service Associated with 2010-2014 Capital Programs	\$0.000	\$0.000	\$0.000	\$6.838	\$33.051	\$97.468
100							
101	Total MTA Wide Net Debt Service including 2010-2014 Capital Programs	\$1,711.816	\$1,513.243	\$1,455.339	\$1,857.526	\$1,955.538	\$2,122.316

Debt Service Affordability Statement

MTA 2009 - 2012 Financial Plan

Debt Affordability Statement

\$ in millions

Forecasted Debt Service and Borrowing Schedule		Notes	2007	2008	2009	2010	2011	2012
Combined MTA/TBTA Forecasted Debt Service Schedule		1, 2, 3	1,685.0	1,490.9	1,427.4	1,829.5	1,927.5	2,094.3
Forecasted New Money Bonds Issued		4	1,978.7	1,665.2	2,463.6	1,614.6	1,020.4	1,111.1

Forecasted Debt Service by Credit		Notes	2007	2008	2009	2010	2011	2012
Transportation Revenue Bonds								
Pledged Revenues		5	\$8,569.9	\$8,515.8	\$8,209.4	\$8,189.7	\$8,316.5	\$8,467.8
Debt Service		9	832.6	735.0	729.5	953.1	991.0	1,068.6
Debt Service as a % of Pledged Revenues			10%	9%	9%	12%	12%	13%
Dedicated Tax Fund Bonds								
Pledged Revenues		6	\$611.1	\$626.6	\$638.1	\$643.8	\$646.4	\$648.9
Debt Service		9	299.2	261.0	236.8	316.2	339.4	353.5
Debt Service as a % of Pledged Revenues			49%	42%	37%	49%	53%	54%
Triborough Bridge and Tunnel Authority General Revenue Bonds								
Pledged Revenues		7	\$899.9	\$860.9	\$865.4	\$838.2	\$838.2	\$827.9
Debt Service		9	390.2	343.6	320.2	403.9	414.6	424.8
Debt Service as a % of Total Pledged Revenues			43%	40%	37%	48%	49%	51%
Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds								
Pledged Revenues		8	\$509.6	\$517.3	\$545.2	\$434.3	\$423.6	\$403.1
Debt Service		9	163.0	151.4	140.9	149.4	149.5	149.9
Debt Service as a % of Total Pledged Revenues			32%	29%	26%	34%	35%	37%

Cumulative Debt Service (Excluding State Service Contract Bonds)		Notes	2007	2008	2009	2010	2011	2011
Total Debt Service			\$1,685.0	\$1,490.9	\$1,427.4	\$1,829.5	\$1,927.5	\$2,094.3
Operating Revenues and Subsidies			10,285.1	10,205.1	10,053.0	10,133.9	10,319.9	10,525.9
Total Debt Service as a % of Operating Revenues and Subsidies			16%	15%	14%	18%	19%	20%
Fare and Toll Revenues			5,245.9	5,472.8	5,509.0	5,559.8	5,618.5	5,672.2
Total Debt Service as a % of Fare and Toll Revenue			32%	27%	26%	33%	34%	37%
Non-reimbursable expenses			11,532.6	12,511.4	13,003.6	13,508.6	13,990.1	14,440.3
Total Debt Service as % of Non-reimbursable expenses			15%	12%	11%	14%	14%	15%

Notes on the following page are integral to this table.

Notes

- 1** Unhedged tax-exempt variable rate debt forecast at 4.00%.
- 2** Synthetic fixed-rate debt assumed at swap rate.
- 3** Total debt service excludes COPS lease payments. All debt service numbers reduced by expected investment income.
- 4** New money bonds amortized as 30-year level debt. New debt issued assumed 75% fixed-rate and 25% variable rate. Actual 2008 issuance to date is included with the forecast.
- 5** Transportation Revenue Bonds pledged revenues consist generally of the following: fares and other miscellaneous revenues from the transit and commuter systems, including advertising, rental income and certain concession revenues (not including Grand Central Terminal and Penn Station); revenues from the distribution to the transit and commuter system of TBTA surplus; State and local general operating subsidies; special tax-supported operating subsidies after the payment of debt service on the MTA Dedicated Tax Fund Bonds; New York City urban tax for transit; station maintenance and service reimbursements; and revenues from the investment of capital program funds. Pledged revenues secure Transportation Revenue Bonds before the payment of operating and maintenance expenses. Starting in 2006, revenues, expenses and debt service for MTA Bus have also been included.
- 6** Dedicated Tax Fund pledged revenues consist generally of the following: petroleum business tax, motor fuel tax and motor vehicle fees deposited into the Dedicated Mass Transportation Trust Fund for the benefit of the MTA; and the petroleum business tax, district sales tax, franchise taxes and temporary franchise surcharges deposited into the Metropolitan Mass Transportation Operating Assistance Account for the benefit of the MTA. Thereafter, such payments are available to pay debt service on the MTA Transportation Revenue Bonds, and then any remaining amounts are available to be used to meet operating costs of the transit system, the commuter system, and SIRTQA.
- 7** Triborough Bridge and Tunnel Authority General Revenue Bond pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels. Pledged revenues secure TBTA General Revenue Bonds after the payment of TBTA operating and maintenance expenses, including certain reserves.
- 8** Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels, after the payment of debt service on the TBTA General Revenue Bonds.
- 9** Debt service schedules for each credit are attached as addendum hereto.

Special Notes

- (1) Debt service associated with the 2010-2014 Capital programs is included in the table above.
- (2) Includes effect of cash defeasance implemented in September 2007.

Metropolitan Transportation Authority (including Triborough Bridge and Tunnel Authority)

Total Budgeted Annual Debt Service
All Issuance to June 9,2008 (\$ in millions)

	Transportation Revenue Resolution			Dedicated Tax Fund Resolution			TBTA General Revenue Resolution			TBTA Subordinate Resolution			MTA and TBTA Debt Service		
Fiscal Year	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined
2008	715.2	23.2	738.4	255.4	6.8	262.2	345.2	-	345.2	152.5	-	152.5	1,468.3	30.0	1,498.2
2009	629.4	102.9	732.4	206.0	31.8	237.7	317.2	4.3	321.5	141.4	-	141.4	1,294.0	139.0	1,433.1
2010	768.0	195.6	963.6	251.2	66.3	317.5	390.6	15.1	405.7	150.0	-	150.0	1,559.9	277.0	1,836.9
2011	755.8	271.2	1,027.0	251.5	89.3	340.8	389.5	27.7	417.2	150.1	-	150.1	1,546.9	388.3	1,935.2
2012	789.4	377.6	1,167.0	251.2	103.7	355.0	389.4	40.5	429.8	150.5	-	150.5	1,580.5	521.8	2,102.3
2013	783.9	542.8	1,326.7	253.2	117.7	370.9	390.2	54.2	444.4	150.0	-	150.0	1,577.3	714.8	2,292.1
2014	778.0	749.5	1,527.5	251.3	128.6	379.9	389.2	69.2	458.4	150.0	-	150.0	1,568.5	947.3	2,515.8
2015	778.8	959.4	1,738.1	251.6	135.4	387.0	389.3	84.3	473.6	150.3	-	150.3	1,570.0	1,179.1	2,749.1
2016	778.3	1,139.7	1,918.0	251.7	137.8	389.5	388.9	97.4	486.4	150.1	-	150.1	1,568.9	1,375.0	2,943.9
2017	778.0	1,265.1	2,043.1	251.6	137.8	389.5	389.4	106.7	496.1	152.8	-	152.8	1,571.9	1,509.6	3,081.5
2018	778.4	1,333.5	2,111.8	251.9	137.8	389.8	389.2	111.7	500.8	146.5	-	146.5	1,566.0	1,583.0	3,149.0
2019	778.8	1,363.3	2,142.1	245.4	137.8	383.3	389.0	113.9	502.9	142.9	-	142.9	1,556.1	1,615.1	3,171.2
2020	777.6	1,372.6	2,150.3	247.6	137.8	385.5	389.4	114.6	504.0	142.6	-	142.6	1,557.3	1,625.0	3,182.3
2021	777.9	1,373.9	2,151.7	247.1	137.8	385.0	386.6	114.7	501.2	143.0	-	143.0	1,554.6	1,626.4	3,181.0
2022	776.6	1,373.9	2,150.4	244.2	137.8	382.1	389.3	114.7	503.9	142.9	-	142.9	1,553.0	1,626.4	3,179.3
2023	786.3	1,373.9	2,160.2	247.5	137.8	385.3	385.1	114.7	499.7	142.7	-	142.7	1,561.5	1,626.4	3,187.9
2024	786.4	1,373.9	2,160.3	247.3	137.8	385.1	389.2	114.7	503.9	143.2	-	143.2	1,566.1	1,626.4	3,192.4
2025	787.2	1,373.9	2,161.1	247.5	137.8	385.3	389.1	114.7	503.8	142.4	-	142.4	1,566.2	1,626.4	3,192.6
2026	796.3	1,373.9	2,170.2	247.6	137.8	385.4	387.7	114.7	502.4	142.7	-	142.7	1,574.4	1,626.4	3,200.7
2027	806.9	1,373.9	2,180.7	247.5	137.8	385.3	387.6	114.7	502.2	142.8	-	142.8	1,584.8	1,626.4	3,211.1
2028	806.9	1,373.9	2,180.8	247.6	137.8	385.4	389.3	114.7	503.9	142.9	-	142.9	1,586.7	1,626.4	3,213.0
2029	806.6	1,373.9	2,180.4	247.6	137.8	385.4	387.3	114.7	501.9	142.8	-	142.8	1,584.2	1,626.4	3,210.6
2030	806.9	1,373.9	2,180.7	247.6	137.8	385.5	389.3	114.7	504.0	142.8	-	142.8	1,586.6	1,626.4	3,213.0
2031	804.4	1,373.9	2,178.3	246.3	137.8	384.2	411.6	114.7	526.3	140.5	-	140.5	1,602.8	1,626.4	3,229.2
2032	707.7	1,373.9	2,081.5	228.1	137.8	366.0	330.4	114.7	445.1	108.3	-	108.3	1,374.5	1,626.4	3,000.8
2033	403.7	1,373.9	1,777.6	97.6	137.8	235.5	108.7	114.7	223.4	-	-	-	610.1	1,626.4	2,236.4
2034	403.9	1,373.9	1,777.7	58.8	137.8	196.7	108.7	114.7	223.4	-	-	-	571.4	1,626.4	2,197.8
2035	376.4	1,373.9	1,750.3	45.5	137.8	183.4	107.3	114.7	222.0	-	-	-	529.3	1,626.4	2,155.6
2036	192.5	1,373.9	1,566.4	22.3	137.8	160.1	100.0	114.7	214.7	-	-	-	314.9	1,626.4	1,941.2
2037	161.6	1,373.9	1,535.4	-	137.8	137.8	99.9	114.7	214.5	-	-	-	261.5	1,626.4	1,887.8
2038	106.6	1,350.7	1,457.3	-	131.0	131.0	86.5	114.7	201.1	-	-	-	193.1	1,596.4	1,789.5
2039	51.3	1,270.9	1,322.2	-	106.1	106.1	-	110.3	110.3	-	-	-	51.3	1,487.3	1,538.6
2040	51.3	1,178.2	1,229.5	-	71.6	71.6	-	99.6	99.6	-	-	-	51.3	1,349.4	1,400.6
2041	51.3	1,102.6	1,153.9	-	48.5	48.5	-	86.9	86.9	-	-	-	51.3	1,238.1	1,289.3
2042	-	996.3	996.3	-	34.1	34.1	-	74.2	74.2	-	-	-	-	1,104.6	1,104.6
2043	-	831.0	831.0	-	20.1	20.1	-	60.4	60.4	-	-	-	-	911.6	911.6
2044	-	624.4	624.4	-	9.3	9.3	-	45.4	45.4	-	-	-	-	679.1	679.1
2045	-	414.5	414.5	-	2.4	2.4	-	30.4	30.4	-	-	-	-	447.3	447.3
2046	-	234.1	234.1	-	0.0	0.0	-	17.2	17.2	-	-	-	-	251.4	251.4
2047	-	108.8	108.8	-	-	-	-	8.0	8.0	-	-	-	-	116.8	116.8
2048	-	40.4	40.4	-	-	-	-	3.0	3.0	-	-	-	-	43.4	43.4
2049	-	10.5	10.5	-	-	-	-	0.8	0.8	-	-	-	-	11.3	11.3
2050	-	1.3	1.3	-	-	-	-	0.1	0.1	-	-	-	-	1.3	1.3

Notes:

Does not include debt service for State Service Contract Bonds and Convention Center Bonds, which is paid by NY State. Also excludes COPS lease payments.
Includes interest budgeted for Transportation Revenue Commercial Paper and debt service on bonds that will defease the CP in 2012
Forecasted Investment Income is not included above.
Debt service associated with the 2010-2014 Capital programs is included in the table above
Includes effect of cash defeasance implemented in September 2007.

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Agency Baseline Assumptions

Agency Baseline Assumptions

The 2009 Preliminary Budget and 2009-2012 Financial Plan updates the February Financial Plan and includes one additional year (2012).

In formulating the July Plan, Agencies were instructed to adhere to the spending envelope contained in the February Financial Plan. Any expense growth beyond the levels in the February Plan (including any “New Need” program) had to be made up with internal savings. These internal savings could take the form of expense re-estimates or additional PEGs. The exception to this is that growth in “uncontrollable” areas including Health & Welfare, Pensions, Energy, Insurance and Paratransit would be permissible, as these categories are heavily dependent on rates determined by outside factors. In addition, the Agencies have now identified savings programs for 2009 and beyond that are consistent with the 1.5% annual reduction targets that they were given. Agencies were asked to identify savings that would not only reduce expenses in the short-term, but would also result in long-term improvements to MTA’s financial picture. Much of these savings are being generated through the 2009 PEG Program and are not part of the baseline; but rather are included below-the-line as part of MTA gap-closing actions. The details of this program are included in a separate section of this report, “Gap Closing Programs”. Other savings are captured in the baseline through favorable expense re-estimates.

One significant change to the February Plan is that the Service Enhancement Programs that were included within the Baseline have now been cancelled because of the sharp decline in MTA’s real estate-related revenue streams. As a result, the bottom line has been reduced by \$27 million in 2008 and \$60 million annually beginning in 2009.

As evidenced on the following chart, the growth in uncontrollable expenses, especially fuel, is having a significantly adverse impact on the MTA bottom line. The 2009 PEG Program and other baseline re-estimates are offsetting some of this growth, including the early impact (in 2008) of those PEGS that are starting this year. The chart also demonstrates that excluding the uncontrollable expense growth, the MTA is favorable when compared with the February Financial Plan in every year. The impact of favorable 2007 results contributes to the offset as well.

Metropolitan Transportation Authority
Agency Financials Compared With The February Plan
Includes 2009 Agency PEGs *
(\$ in millions)

	Favorable/(Unfavorable)			
	2008	2009	2010	2011
New Needs/Investments	(\$41)	(\$77)	(\$67)	(\$73)
New Service	(6)	(13)	(14)	(14)
Maintenance	(18)	(40)	(28)	(33)
Safety & Security	(7)	(11)	(9)	(9)
Other New Needs	(10)	(13)	(15)	(17)
Baseline Re-estimates	\$21	\$65	\$43	\$37
Favorable 2007 Results	\$12			
2009 PEG Program	\$19	\$89	\$87	\$95
Total Change before Uncontrollable Expenses and Revenues and the Cancellation of MTA Service Enhancements	\$11	\$77	\$63	\$60
Cancel 2008 Service Enhancements	27	60	60	60
Total Change before Uncontrollable Expenses and Revenues	38	137	123	120
Uncontrollable Expenses and Revenues				
Traction and Propulsion Power	7	(4)	(7)	(14)
Fuel for Buses and Trains	(88)	(123)	(59)	(45)
Other Energy Adjustments	(15)	(31)	(27)	(27)
Passenger/Toll Revenue	5	(42)	(39)	(31)
Health & Welfare	27	31	47	62
Pensions **	(92)	(33)	(43)	(36)
Paratransit Service	(9)	(9)	(9)	(9)
Paratransit Urban Tax Reimbursement	(7)	(7)	(9)	(10)
Insurance	(9)	1	(2)	(5)
Bond Service Fees	(1)	(1)	(1)	(1)
Total Uncontrollable Expenses and Revenues	(\$182)	(\$218)	(\$148)	(\$116)

* Excludes subsidies, depreciation, debt service, and certain other liability adjustments.

** 2008 Pensions include a one-time payment to NYCERS and MaBSTOA for refunds associated with the 55/25 retirement program.

The 2009 Baseline Net Operating Deficit before Subsidies, Debt Service and Gap Closing Actions of \$7,001 million is \$435.0 million higher than the 2008 Mid-Year Forecast primarily as a result of an increase in expenses. The change in Depreciation, OPEB and Environmental Remediation expenses accounts for \$148 million of the year to year change. Operating Revenues are improving by less than 1% (\$57 million). Total expenses Before Depreciation, OPEB and Environmental Remediation are growing \$345 million, or 3.7%. Some \$152 million of this increase to the baseline, of which \$123 million is fuel, is the result of a 9.7%¹ growth in “uncontrollable” baseline expenses (excludes debt service, policy actions and PEGs). The remaining expenses grow at 2.4% due primarily to contractual wage increases of 3.0% at the commuter railroads, and higher materials costs due to the continued increase in maintenance efforts and rise in material prices. Over the 2008 to 2012 period, accrued baseline expenses, before below-the-line gap-closing actions, grow at an average annual rate of 3.7%. “Uncontrollable” expenses are projected to grow over the period by 6.6%, while “controllable” expenses will grow by only 2.3%.

As mentioned earlier, the baseline excludes MTA Gap Closing actions which are described in a separate volume of this report. Inclusion of these actions would lower the growth rate in 2009 to 3.6% and growth over the 2008-2012 period to an average increase of 2.7%. Controllable expenses would increase only 0.4% in 2009 with average annual growth of only 0.8%.

The February 2008 Plan incorporated into its baseline the 2008 Program to Eliminate the Gap (PEG) savings. A re-estimate of these PEGS for the July Plan includes a very slight improvement (less than \$1 million in total) in the value of these PEGs over the Plan period. The values of these programs in the July Plan are \$50 million in 2008, \$63 million in 2009, \$58 million in 2010, \$55 million in 2011 and \$54 million in 2012. These programs remain in the baseline and are monitored quarterly.

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

¹ This and related calculations for “uncontrollable” expense growth excludes a one-time lump sum pension payment made in 2008, which is totally funded by the GASB account (see Subsidies Section).

AGENCY BASELINE
JULY CHANGES FROM FEBRUARY PLAN

Favorable/(Unfavorable)

(\$ in millions)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
New Needs/Investments	(\$41)	(\$77)	(\$67)	(\$73)
New Service	(6)	(13)	(14)	(14)
Maintenance	(18)	(40)	(28)	(33)
Safety & Security	(7)	(11)	(9)	(9)
Other New Needs	(10)	(13)	(15)	(17)
Other Adjustments	\$53	\$83	\$65	\$66
Passenger/Toll Revenue	5	(42)	(39)	(31)
Cancel 2008 Service Enhancements	27	60	60	60
Baseline Re-estimates	21	65	43	37
Uncontrollable Expenses	(\$187)	(\$176)	(\$109)	(\$85)
Traction and Propulsion Power	7	(4)	(7)	(14)
Fuel for Buses and Trains	(88)	(123)	(59)	(45)
Other Energy Adjustments	(15)	(31)	(27)	(27)
Health & Welfare	27	31	47	62
Pensions	(92)	(33)	(43)	(36)
Paratransit Service	(9)	(9)	(9)	(9)
Paratransit Urban Tax Revenue	(7)	(7)	(9)	(10)
Insurance	(9)	1	(2)	(5)
Bond Service Fees	(1)	(1)	(1)	(1)
Net Baseline Change	(\$175)	(\$170)	(\$111)	(\$92)

Overall, the baseline cash deficit is increasing over the plan period due primarily to increases in uncontrollable expenses, particularly Fuel and Pension costs. Pension costs in 2008 were primarily impacted by the refund to NYCT union employees for prior-period pension contributions (see discussion in pension section). Anticipated reductions in toll and farebox revenue are also having a significant impact. These results combined with the steep declines in our real estate-related subsidies have significantly worsened the MTA financial outlook. As a result, the MTA will postpone those planned service enhancements that were included in the February 2008 Financial Plan.

The recent run-up on fuel prices is having an especially harsh impact on MTA finances. When compared with the February Plan, the cost of fuel for buses and trains is higher by \$88 million in 2008 and \$123 million in 2009. When compared with 2007, fuel costs in 2008 are expected to increase \$118 million. Higher fuel prices have also increased

occupancy and maintenance costs and resulted in lower toll revenue. The 2008 Mid-Year Forecast for B&T toll revenue is projected to be \$26 million lower, a 2% decline, over the Adopted Budget forecast. These same external variables continue to adversely affect B&T vehicular traffic and toll revenue in 2009. B&T toll revenue for 2009 is projected to be \$28 million, or 2%, below the February Plan forecast.

Partially offsetting some of these adverse impacts is the short-term improvement in passenger revenue. MTA consolidated farebox revenue in the 2008 Mid-Year Forecast is projected to improve by \$31 million from the 2008 Adopted Budget, a 1% increase, reflecting higher ridership projections for all MTA agencies. Utilization improvements over the 2008 Adopted Budget levels reflect year-to-date ridership improvements and are at least in some part due to commutation shifts spurred by high prices for gasoline. However, also affecting 2009 utilization forecasts for all MTA agencies is the slowdown in the national and regional economies, which is expected to negatively impact employment levels, particularly in New York City. For 2009, utilization forecasts assume NYC employment will remain unchanged from 2008, a more pessimistic projection than the one prepared by Global Insight in April 2008. MTA consolidated farebox revenue for 2009 in the July Plan is forecast to be lower than projections in the February Plan by \$14 million, a 0.3% decrease.

The 2009 Preliminary Baseline Budget includes modest service increases, all of which were funded internally by the Agencies. Much of the increase is at NYCT which will be providing additional off-peak subway service on several lines and express service to Shea Stadium. The LIRR will be adding cars on certain over-crowded trains. Metro-North is adjusting its 2009 Service levels on both the East and West of Hudson to match projected ridership. It will also be adding Yankee Stadium service; however the impact of that is captured in the PEG section of this report.

The MTA is continuing to improve the reliability and performance of its fleet and infrastructure through increased maintenance. The 2009 Preliminary Budget includes a significant increase in resources to address maintenance needs, all of which are funded internally by Agency cost reductions.

NYCT will be increasing the frequency of its bus overhaul schedule from a four-year to a three-year cycle, which will more closely align the timing of overhauls with major component life expectancies. The Staten Island Maintenance Action Plan will significantly improve the reliability and appearance of buses on Staten Island. In addition, NYCT will be adding resources for Elevator and Escalator maintenance.

Metro-North will be establishing a life cycle maintenance plan for its new M-7 fleet and will be implementing an expanded gear box overhaul program. In 2010 it will be adding positions to support a new maintenance facility shop complex in New Haven. Metro-North will continue to perform the extraordinary maintenance tasks in Grand Central Terminal which are necessary to maintain its Landmark status and preserve the GCT retail revenue stream. The LIRR will be implementing an improved station maintenance plan and is spending additional monies to mitigate Gap issues on the platforms.

The establishment of Regional Bus operations (an important component of institutional transformation) is expected to improve the bus maintenance practices at NYCT, LI Bus and MTA Bus through the utilization of technical services resources and best practices. MTA Bus performance will also be aided by the delivery of 105 new hybrid-electric buses beginning in 2009 to replace older local buses.

Safety & Security costs are increasing in each year of the Plan due primarily to track safety and bus operator training at NYCT, public address system testing at the LIRR, and the installation of CCTV equipment at various MNR New Haven Line stations.

Other new needs include increases for workforce development at NYCT, improvements in warranty management and inventory control at the LIRR, increases for information systems and fees associated with higher credit card usage at MNR, and MTA Bus improvements to its traffic checking operations.

Other Baseline Re-estimates are favorable in every year of the Plan as Agencies are making every effort to reduce expenses. Some of these actions taken include payroll re-estimates, training adjustments, cash and timing adjustments and reductions in operating capital expenditures. NYCT is delaying the implementation of the X23/X24 Service transfer (from NYCDOT) in Staten Island until the opening of the Charleston Depot. Other express bus service increases in Staten Island will be delayed one year.

The rate of growth for Health & Welfare costs is decreasing in every year of the Plan due to lower inflation rate assumptions. Paratransit costs are increasing as NYCT is required to cover the mobilization and oversight of additional service providers. In addition, the cost for paratransit insurance has also increased.

Integrated Electronic Security Systems (IESS) – The MTA is enhancing and expanding its security and safety systems. A large part of this initiative includes the MTA Capital Construction development of an Integrated Electronic Security System (IESS). This project provides for the deployment of various electronic technologies at critical and sensitive MTA facilities with the aim of detecting, deterring, identifying, delaying, and/or preventing terrorist security threats by tying these technologies to Command, Control, and Communications “C3” Centers coupled with a coordinated response. The IESS program involves a number of MTA agencies including; New York City Transit, Long Island Railroad, Metro-North, MTA Bridges and Tunnels and the MTA Police Department. In addition there are other security system initiatives that are projected to come on line over 2009-2012. Both the IESS and pending security projects will have operating budget impacts associated with the system’s operations and maintenance. In the February Plan, IESS was captured as a Policy Action. These expenditures and associated headcount changes are now captured in MTA baseline cash; however, the change is excluded from the Plan-to-Plan cash reconciliation. These costs are \$8 million in 2008, \$29 million in 2009, \$33 million in 2010, \$31 million in 2011, and \$31 million in 2012.

Accrued Baseline Assumptions

The following presents Agency baseline assumptions supporting the MTA Consolidated Statement of Operations. Additional detail is available in each Agency section.

2008 Mid-Year Forecast

In its 2008 Mid-Year Forecast, the MTA projects a Net Operating Deficit Before Subsidies and Debt Service of \$6,566 million, \$161 million worse than the Adopted Budget. Total Operating Revenue and Total Operating Expenses were \$ 3 million and \$158 million worse, respectively.

Revenue

Farebox Revenue is expected to be \$31 million (1%) higher than the 2008 Adopted Budget, primarily reflecting higher ridership growth. Toll Revenue is expected to be \$26 million (2%) worse due to the impact of higher gasoline prices.

Expenses

Payroll expenses are expected to decrease \$27 million from the Adopted Budget due primarily to vacancies at MTA Bus and programmatic changes at the LIRR. These vacancies are resulting in a corresponding increase in Overtime costs.

Pension costs are expected to increase \$92 million from the Adopted Budget primarily due to the impact of a refund to NYCT union employees for prior pension contributions and higher actuarial assumptions that were partially offset by the elimination of the pension reserve and one-time lower projections for the MTA defined benefit plan.

The cost of Fuel for Buses and Trains is increasing \$88 million. The General Reserve is being halved since the year is approximately half over and the monies have not been needed so far.

2009 Preliminary Budget

MTA's 2009 Preliminary Baseline Budget projects a Net Operating Deficit before Subsidies and Debt Service of \$7,001 million. Total Operating Revenue of \$6,002 million is only \$57 million higher than the 2008 Mid-Year Forecast due to a slow-down in projected increases for farebox and toll revenue. When compared with the 2009 Forecast in the February Plan, revenue is \$49 million worse higher due to lower ridership resulting from an expected decrease in employment statistics. Moreover, the impact of higher fuel prices is expected to have a continuing impact on B&T toll revenue.

Total 2009 Operating Expenses of \$13,004 million are \$493 million higher than the 2008 Mid-Year Forecast due to increases in Fuel, Pension, Materials, Paratransit and inflationary payroll (including contractual requirements). When compared with the 2009

Forecast in the February Plan, expenses are \$151 million higher. Virtually all of this increase is the result of higher uncontrollable expenses, especially Fuel.

2010 – 2012 Forecast

The July Forecast includes increases to the baseline in the out years mainly as a result of higher costs for Fuel, Pensions and Maintenance that are partially offset by lower costs for Health & Welfare. In addition, it includes lower projections for Toll/Fare and Other Revenue.

The following pages provide a more detailed description of the assumptions used in formulating the 2009 Preliminary Budget and the forecasts for the years 2010 through 2012. Additional detail can be found in individual Agency sections.

OTHER OPERATING REVENUE

Other Operating Revenue growth from 2008 through 2012 was influenced by a number of different factors including government reimbursements, fees and contractual and inflationary increases.

NYCT's year-to-year increases are primarily due to advertising revenue, NYC reimbursements for Paratransit expenses and non-recurring cash receipts. At MNR, the increase of \$4.1 million in 2009 reflects the resumption of retail and event activities in the newly restored Vanderbilt Hall, a lower level of funding for the GCT restoration projects during the year and higher revenues from parking expansions and advertising. The increases in 2010-2012 reflect contracted increases in advertising revenue and higher GCT retail revenue, offset by a higher provision for GCT restoration projects. The LIRR's year-to-year growth is primarily due to scrap sales, interest on overnight deposits, Mineola Parking and special services revenue. B&T's Other Operating Revenue in 2008 is projected at \$11.0 million and is estimated to increase by \$1.1 million in 2009 primarily due to lower 2008 income from the Battery Parking Garage resulting from a one-time expense for a new revenue control system. Year-to-year increases at MTA Bus are due to additional advertising revenue. The minor fluctuations in year-to-year increases for LI Bus are based on contract rates tied to advertising and grant funding.

The 2008-2012 July Plan decreases, compared with the February Plan, are primarily the result of NYCT's reduction in Urban Tax revenue dedicated to Paratransit operations based upon a weakening NYC commercial real estate market. These decreases are partially offset by an increase at MTA Bus, mainly due to advertising. There is also an increase at the LIRR in 2008-2012 largely due to higher scrap sales, interest on overnight deposits, rent and Mineola Parking.

PAYROLL

MTA consolidated payroll expenses from 2008 through 2012 are influenced by a number of factors including position levels, Global Insight inflation assumptions, labor agreements, deferred salaries & wages, and capital project activity. Overall, wage increases for represented employees generally follow the pattern established by the TWU contract. The current TWU contract agreement for represented employees at NYCT is 3.5% in 2008. Metro-North assumptions are based on a recently negotiated labor settlement (3.5%, 3.0%, 1.05%, and 2.0% from 2008 to 2011, respectively). The LIRR's recently settled labor agreement saw its 2009 contractual rate increase to 3.0%; however, the 3.0% is for an 18 month period which saves money in the following year. For the out-year baseline projection, in which there is no current labor agreement, agencies are using CPI.

2008 Mid-Year Forecast

Consolidated payroll expenses of \$4,073 million are forecasted to be \$28 million or 0.7% lower than the 2008 February Plan. The decrease is mainly due to MTA Bus which has had difficulty executing its hiring plan. Consequently, its 2008 Mid-Year Forecast for payroll has been reduced by \$15 million. The reduction in the LIRR's forecast by nearly \$10 million was mostly due to programmatic changes and capital work re-estimates. MNR's payroll expenses decrease by \$6 million mainly due to favorable vacancy levels and the impact of Capital Program activity. NYCT's payroll increase of \$1 million was in part due to unbudgeted cash adjustments.

2009 Preliminary Budget

MTA consolidated payroll expenses of \$4,203 million are \$130 million (3.2%) more than 2008. This change is primarily caused by assumed labor rate increases and an increase of 398 non-reimbursable positions in 2009 compared with 2008.

Payroll expenses are forecast to be \$22 million lower than the February Plan for 2009. The decreases are composed of NYCT (\$18 million), MNR (\$4 million) and the LIRR (\$1 million).

Both NYCT and the LIRR payroll decreases are largely the result of non-reimbursable position reductions, which decrease by 99 and 36, respectively, from the February Plan and revised labor assumptions. MNR's payroll expense decreases are in part the result of a continuation of capital project levels similar to the 2008 Mid-Year Forecast.

2010 – 2012 Forecasts

Consolidated payroll expenses in 2010 of \$4,314 million are \$111 million (2.6%) more than 2009. On a year-to-year basis, payroll expenses in 2011 and 2012 of \$4,403 million and \$4,476 million increase \$89 million (2.1%) and \$73 million (1.7%) from the respective previous years. These increases are due mostly to assumed labor rate inflators.

Compared with the February Plan, consolidated payroll expenses decrease by \$20 million in 2010 and \$19 million in 2011. MNR's payroll decreases by \$10 million in 2010 and \$8 million in 2011 due in part to the result of a continuation of capital project levels similar to the 2008 Mid-Year Forecast. NYCT's payroll decreases in 2010 and 2011 by \$9 million and \$12 million. NYCT's changes are mostly due to the favorable impact of position decreases from various re-estimates including the cancellation of service enhancements. Changes from the February Plan at other agencies are generally continuations of those identified above for 2008 and 2009.

OVERTIME

MTA consolidated overtime expenses from 2008 to 2012 are influenced by a number of factors including position levels, Global Insight inflation assumptions, labor agreements, deferred salaries & wages, and capital project activity. Overall, wage increases for represented employees generally follow the pattern established by the TWU contract.

2008 Mid-Year Forecast

Consolidated overtime expenses of \$469 million are forecasted to be \$27 million more than the February Plan. The MTA Bus Mid-Year Forecast is \$16 million higher than the February Plan due to vacancies and availability shortfalls. The LIRR's overtime expenses increase \$7 million over the February Plan based upon higher actual expenses during the first several months of 2008 resulting from vacancies and open job coverage. B&T's overtime increases by \$2 million as a result of vacancies and staffing needs. MNR's overtime is nearly \$2 million more than the February Plan based upon actual results for the first several months of 2008 when MNR had higher overtime for maintenance and vacancy coverage.

2009 Preliminary Budget

Consolidated overtime expenses of \$456 million are \$13 million (2.8%) less than 2008. This decrease is due to incident and non-recurring trends in the 2008 Mid-Year forecast that are not expected to continue into 2009 such as unscheduled overtime requirements for vacancy coverage at MTA Bus and the other agencies. This decrease in overtime is partially offset by increased represented labor rate assumptions.

Consolidated overtime expenses are forecasted to be \$2 million more than the figures identified in the February Plan. MNR's overtime increases by over \$2 million reflecting the impact of additional maintenance and overhaul programs and additional coverage requirements. LIRR overtime costs increase by nearly \$2 million from the February Plan largely due to re-estimates of planned activities, additional coverage requirements and unanticipated maintenance and repairs. NYCT's overtime assumption decreases by nearly \$2 million from the February Plan due to a re-estimate of overtime requirements. B&T's overtime decreases by over \$1 million due to the anticipation of fewer vacancies.

2010 – 2012 Forecasts

Consolidated overtime expenses in 2010 of \$465 million are \$9 million (1.97%) more than 2009. This change is primarily caused by an assumed labor rate increase of 2.05% (3.0% for the LIRR and MNR through June 15). On a year-to-year basis, overtime expenses increase \$9 million (1.94%) in 2011 and \$10 million (2.11%) in 2012. These increases closely reflect assumed labor rate inflators of 1.94% in 2011 and 2.04% in 2012.

The consolidated overtime assumption for 2010 is \$3 million more than the February Plan. Compared with the February Plan, overtime increases by \$3 million in 2011. Increases in 2010 and 2011 are mainly caused by overtime re-estimates at MNR and the LIRR which has increased combined expenses by \$4 million in those years largely due to higher wage assumptions and re-estimate of overtime requirements. Changes from the February Plan at other agencies are generally continuations of those identified above for 2008 and 2009.

HEALTH & WELFARE

Year-to-year increases are primarily driven by inflators provided by The NYS Department of Civil Service (DCS). For individual coverage, an increase of 4.5% is applied over 2007 premium rates, an increase of 9.7% for 2009, and an increase of 6.6% for 2010-2012. For family coverage, an increase of 5.9% is applied over 2007 premium rates, an increase of 9.9% for 2009, and an increase of 7.3% for 2010-2012.

Also contributing to the Health & Welfare variances are changes in employee levels and a higher assumed rate for NYCT's HIP and GHI plans.

Decreases from the February Plan in the years 2008-2012 are primarily the result of lower projected rate increases and the current payments for retired employee's health and welfare expenses being separately reported under the Other Than Post-Employment Benefits (OPEB) line.

OTHER POST EMPLOYMENT BENEFITS (OPEB) and GASB FUND

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

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

To provide the valuation of the various elements, the MTA engaged the firm of Milliman Consultants and Actuaries. The results of their report were reviewed and approved by the MTA's independent auditors, Deloitte and Touche LLP and PricewaterhouseCoopers, LLC.

The impact over a 22 year period per Milliman's actuarial report grows to an overall impact of a Frozen Accrued Liability of approximately \$13,415 million. These balances, which will be recalculated every two years to reflect any adjustments or changes in the MTA's demographic information, have been recognized and accounted for in MTA Consolidated Financial Statements beginning in 2007.

While the GASB standard only requires the disclosure of this future liability, the MTA has created a GASB fund which appears only on the Cash Receipts and Expenditures Statement and not on the accrual-based Statement of Operations. On June of 2008, the MTA Board approved the establishment of the "MTA Retiree Welfare Benefits Trust" to govern the administration and investment of the OPEB trust assets. Contributions to this fund began in 2006 and include additional revenues generated by increased real-estate-related tax activity (MRT-2).

The July Plan projects Agency contributions of \$60 million in 2008, \$64 million in 2009, \$66 million in 2010, \$69 million in 2011, and \$72 million in 2012. Included in these contributions are the Health & Welfare contributions made by those represented employees required to do so.

The July Financial Plan reflects the pay-as-you-go component for OPEBs in the expense category called "OPEB Current Payment". The accrued liability is captured in a separate line called "OPEB Obligation" which appears only on the Statement of Operations and not on the Cash Receipts and Expenditures statement.

CONSOLIDATED PENSIONS

MTA Consolidated Pensions July Financial Plan (\$ in millions)					
	2008	2009	2010	2011	2012
Accrual					
Non-Reimbursable	\$961	\$904	\$887	\$863	\$868
Reimbursable	49	47	44	45	45
Total Accrual	1,010	951	931	908	913
Cash	763	937	929	902	900

Year-to-Year Changes:

Consolidated pension expenses decrease from 2008 to 2009 due to the 2008 impact of NYCT's 55/25 refund to union employees (see plan-to-plan discussion). The impact, \$117 million in 2008, decreases to \$7 million in 2009 and then remains \$9 million, thereafter. Between 2009 and 2011, consolidated pension expenses generally

decrease due to reductions in NYCERS and MaBSTOA payroll expenses. NYCERS reductions reflect the valuation assumptions by the City's Chief Actuary. The MaBSTOA decreases are the result of assumed savings in projected amortization payments resulting from funds transferred from the MTA to the plan in 2006. Partly offsetting these year-to-year reductions are general increases in the MTA Defined Benefit Plan (MTA DB Plan) that affect multiple agencies. Other pension plans change little from year-to-year.

Cash significantly differs from accrued expenses in 2008. In 2007, the MTA made a prepayment of \$200 million to the MaBSTOA, MTA DB and LIRR Pension plans. This resulted in \$216 million in lower costs in 2008. As a result, cash pension expenses increases significantly from 2008 to 2009. After 2008, the differences between cash and accrual are primarily due to B&T's pension expenses that are not included in the cash pension figures (The B&T Financial Plan is presented on an accrual basis only; the impact of B&T on cash is reflected in the B&T Operating Surplus Transfer). Year-to-year cash increases generally reflect accrued expenses.

Plan-to-Plan Changes:

July Financial Plan vs. February Financial Plan Favorable / (Unfavorable) (\$ in millions)				
	2008	2009	2010	2011
Non-Reimbursable	(\$92)	(\$33)	(\$43)	(\$36)
Reimbursable	(1)	(4)	(1)	(1)
Total Accrual	(93)	(37)	(44)	(37)
Cash	(\$103)	(\$31)	(\$39)	(\$32)

2008 pension expenses increase \$93 million from the February Plan. \$117 million of this increase reflects higher 2008 expenses for NYCT's NYCERS and MaBSTOA plans representing a refund to union employees who had previously made contributions to the 55/25 program. This refund was part of the December 2005 labor agreement and subsequent arbitration award with the unions and NYCT. Most of the impact is concentrated in 2008 with lesser impacts thereafter. The July Plan for NYCT's subsidies includes a transfer of \$117 million from the GASB account to reimburse the NYCERS and MaBSTOA plans in 2008. In 2006, a portion of the GASB account was funded by one-time cash savings stemming from reductions in NYCT NYCERS costs; it was intended that these savings would be used for this purpose when the monies were deposited in the GASB account. The use of these monies to fund the lump-sum payments is reflected as a subsidy credit in 2008.

NYCT's expenses also increase in 2008 by a net \$28 million due to revised assumptions for the MaBSTOA Plan, primarily mortality. Expenses at the MTA DB Plan

and the LIRR Plans each increase about \$5 million due to recently available 2007 actuarial valuations. The MTA DB valuation resulted in \$23 million of lower expenses in 2007 which have been captured in consolidated pension figures as lower expenses in 2008. These lower expenses were primarily due to the 2007 valuation not reflecting the impact of certain MNR employees, formerly in MNR's discontinued Defined Contribution Plan, who opted to join the MTA DB Plan. The true impact of these employees will be reflected in future valuations.

From 2009 to 2011, plan-to-plan changes are primarily driven by the changes at NYCT. These include the impact of the 55/25 refund, resulting in \$9 million in additional expenses per year after 2008, and higher MaBSTOA expenses for revised assumptions, resulting in \$28 million more per year. Also, higher investment expenses for the NYCERS Plan result in \$8 million in additional expenses in 2009, increasing to \$16 million in 2011. From 2009 to 2011, expenses for the LIRR Plans and the MTA DB Plan continue to increase by about \$5 million each due to revised 2007 actuarial valuations.

A \$40 million annual pension reserve was included in MTAHQ's 2007 Adopted Budget. This reserve was meant to cover anticipated increases to agencies' pension expenses resulting from future actuarial valuations. In July 2007, the reserve was partially distributed due to the results of 2006 actuarial valuations. The remaining reserve in the MTAHQ Plan was valued at \$24 million in 2007, \$23 million in 2008, \$20 million in 2009, \$17 million in 2010 and \$13 million in 2011. Due to the impact of recently available 2007 actuarial valuations the entire reserve has been removed from the July Plan's HQ budget, and is used to partially offset the increases noted above.

TRACTION AND PROPULSION POWER

MTA has a Long-Term Agreement ("LTA") through 2017 with the New York Power Authority ("NYPA") to supply electricity within the City of New York and Westchester County. The LTA dedicates many of NYPA's assets to serve its New York City governmental customers including two power plants in New York City, dedicated transmission lines from upstate, and a purchase power agreement with Entergy for below market nuclear energy. The above described assets limit the exposure of volatility in the energy markets but do not eliminate it completely. In that regard, the MTA, City of New York and other government customers have worked with NYPA to implement a hedge program, with customers responsible for marginal gains or losses due to market prices.

NYPA has provided cost of service projections for 2008-2011. Rates for 2009 and 2010 increase substantially from 2008 as a result of expiring power contracts and the closing of the Astoria Poletti power plant. Global Insight forecasts were applied in 2012.

LIPA reports an increase of 2.0% in 2008, 6.1% in 2009, 5.0% in 2010 and 0.3% in 2011. CL&P reports an increase of 8.0% in 2008, decreases of 2.8% and 6.1% in 2009

and 2010, respectively, and an increase of 1.0% in 2011. Global Insight forecasts were applied in 2012.

Con Edison delivers the NYPA power in New York City and Westchester. As a result of the most recent Con Ed rate case, costs for 2008 are expected to increase by 24.0%, 15.0% for 2009, 7.0% for 2010 and 10.0% for 2011. Global Insight forecasts were applied in 2012.

The LIRR updated its usage based on current and historical performance in addition to the aforementioned rate increases. MNR's forecast also reflects current consumption trends as well as the incorporation of service additions. In years 2010-2012, MNR has incorporated the net effect of the Equipment Replacement Plans for the New Haven and Harlem and Hudson Lines. Changes over the period are primarily due to the incorporation of the new M8 cars into New Haven Line service offset by the gradual retirement of the M2 car fleet.

Compared to the February Plan, the LIRR is favorable by approximately \$11 million in each year of the Plan primarily due to an audit adjustment of \$9 million for the recording of LIPA expenses (please reference the LIRR section for more details) as well as the removal of planned service enhancements of over \$1 million during the period. LIRR's favorable adjustment partially offset unfavorable results at all other MTA Agencies starting in 2009 as a result of revised projections for traction and propulsion power. Compared to the February Plan, expenses are favorable by \$7 million in 2008, but grow unfavorable by \$4 million in 2009, \$7 million 2010 and \$14 million 2011.

FUEL FOR BUSES AND TRAINS

Fuel prices have reached historic highs in 2008 and are having a significant impact on current and future costs. Adjusted for inflation, prices are now higher than during the energy crisis and recession of the early 1980's. MTA uses the New York Mercantile Exchange's (NYMEX) futures and option contracts to forecast future price changes for diesel fuel and natural gas. The forecasts extend out 36 months for diesel and 60 months for natural gas.

Using NYMEX projections as a basis, in May 2008 MTA instructed Agencies to apply a projected rate increase of 1.5% in 2009 and a rate decrease of 3.1% in 2010, with rates remaining flat in 2011. Global Insight forecasts as of April 2008 are applied in 2012. MNR also incorporated the cost for its service plan enhancements.

In light of recent increases in prices and an unstable market for fuel, additional increases of \$33 million, in 2008 and \$50 million in 2009 have been incorporated into the MTA Consolidated July Financial Plan projections over and above the amounts in the Agency Plans. These additional amounts are based on Global Insight's latest

forecast² for fuel, which anticipates fuel prices peaking during the second half of 2009. The Global Insight forecast then projects declining costs through 2012, with decreases of \$15 million, \$33 million and \$47 million in 2010, 2011 and 2012, respectively; these changes have been incorporated into the MTA Consolidated July Financial Plan projections. These estimates are updates to Agency projections to reflect the most current data available, and therefore, are not captured in individual Agency submissions.

Compared to the February Plan, expenses for fuel, which include those adjustments made to the MTA Consolidated July Plan projections, are unfavorable by \$88 million, or 39.3% in 2008, \$123 million, or 59.2% in 2009, \$59 million, or 28.1% in 2010, and \$45 million, or 21.6% in 2011.

INSURANCE

Year-to-year increases in Insurance expenses are primarily driven by a 10% per annum market-rate increase based on an assessment of market conditions made by MTA's Risk Management Department. In 2008, expenses are lower than the outer years due to the purchase in 2007 of several policies, such as All-Agency Property and Sabotage and Terrorism, on an eighteen-month basis that are not due for renewal until May 2009. In 2011, the additional increase in Insurance expenses reflects the renewal of several multi-year policies, including All-Agency Environmental Liability, Travel Accident, Lead Abatement and Comprehensive Automotive Liability policies.

Compared to the February Plan, Insurance expenses are lower in the July Plan for years 2008-2010 primarily due to an expense adjustment in 2008 at MTAHQ and overall lower expenses at all MTA Agencies, except NYCT, as determined by the latest MTA Risk Management estimates. NYCT's expenses are higher in all years of the Plan primarily due to increases in the Paratransit (Access-a-Ride) policy in anticipation of the addition of new carriers. Additionally, this policy is being driven by a 15% per annum rate increase, which is based on an assessment of actuarial data, including historical losses and projected ridership growth.

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

CLAIMS

For all agencies, Claims expenses are based on inflationary assumptions as well as historical performance. Claims expenses are higher in 2009 than in 2008 primarily due

² The forecast through 2010 was derived using inflators from Global Petroleum Monthly, June 2008 (released on July 8, 2008). Forecasts for 2011 and 2012 were derived using inflators from U.S. Economic Outlook, July 2008.

to FMTAC as expenses are determined by actuarial projections of the actual claims expense paid and any adjustments to reserves. On a year-to-year basis, NYCT's forecast includes an annual inflation rate of 2.5% in addition to historical performance and 2008 includes a \$3.7 million favorable cash timing adjustment from 2007. These expense increases are offset by decreases at MTA Bus reflecting the application of guideline CPI's. MNR is also favorable in 2009 and is stable in 2010-2012 reflecting current claims trends.

On a plan-to-plan basis, FMTAC is unfavorable compared to the February Plan due to revised ultimate loss projections from actuarial projections. MNR also made unfavorable adjustments in 2008 to reflect current trends.

PARATRANSIT SERVICE CONTRACTS

Expenses increase from \$280 million in 2008 to \$523 million in 2012 or 86.8% over the period. The annual percentage increase per year is 13.0% in 2009, 15.7% in 2010, 20.4% in 2011 and 18.6% in 2012. The primary driver of these expense increases is projected annual ridership growth of 15% and cost-per-trip inflation projections based upon current carrier contracts.

Compared to the February Plan, Paratransit costs increase in each year from 2008 to 2012 primarily due to a productivity decrease caused by the accumulation of additional vendors needed to help meet increased capacity requirements. There are increases of \$8 million in 2008 and \$9 million in each year from 2009 to 2012.

MAINTENANCE AND OTHER OPERATING CONTRACTS

Expenses for Maintenance and Other Operating Contracts for all MTA Agencies are inflated by Global Insight's CPI-U forecasts in each year from 2009 through 2012.

In addition to these inflationary increases, NYCT includes the NYPA/Con Edison energy rate increases of 11.4% in 2009, 18.1% in 2010, 7.3% in 2011, and 1.3% in 2012 for non-traction power electric costs (e.g., facilities).

For 2008 to 2009, the LIRR includes additional expenses for M7 Threshold plates.

For MNR, 2009-2012 includes fluctuating costs for East and West of Hudson locomotive overhauls. In 2009 these costs increase by \$3.6 million; 2010-2012 include reductions of \$3.0 million, \$1.2 million and \$5.6 million, respectively, as program costs wind down or are completed. Also, included in 2009 are additional costs for office space renovations, GCT maintenance, and security monitoring services. In addition, West of Hudson subsidy payments increased by \$2 million in 2010 and \$1 million in 2011 and 2012, respectively, due to contract cost escalations and increases in services. 2010-2012 includes equipment disposal costs primarily for M2 cars.

B&T's expenses are \$16 million lower in 2009 than 2008 primarily due to lower maintenance spending resulting from the acceleration of work for the Bronx-Whitestone Queens Approach and revised estimates for 2008 projects. Other expenses contributing to this favorable variance are lower EZPass Customer Service Center (CSC) expenses due to a new operating contract. In 2010, expenses are \$6.6 million higher than 2009 due primarily to higher major maintenance and bridge painting expenses. In 2011, expenses are \$7.2 million lower than 2010 primarily due to a reduction in bridge painting expenses after the completion of work at the Henry Hudson, Triborough and Throgs Neck Bridges. In 2012, expenses are \$11.1 million higher than 2011 primarily due to higher bridge painting expenses resulting from anticipated construction start-up for new painting work.

SIR's expenses for 2009-2012 reflect the NYPA annual increases consistent with the Global Insight inflation forecast. 2009 and 2010 include an estimated \$11 million of one-time fleet maintenance expenses to maintain the safety and reliability of the 64-car fleet until anticipated replacement in 2014.

Compared with the February Plan, NYCT expenses are unfavorable in 2008-2012 due to the increased cost of heating fuel.

B&T is unfavorable in 2008 compared with the February Plan due to higher expenses for both maintenance and bridge painting due mainly to the carryover from work begun in 2007. 2009-2012 is favorable due to the full implementation of a new contract for the E-ZPass CSC. In addition, there are lower bridge painting needs in 2009 (\$6.0 million) due to the rescheduling of work to 2008. In 2012, there is a reduction of \$5.6 million due to a re-estimate of painting needs in that year.

MTAHQ expenses were favorable in 2008 compared with the February Plan due to lower maintenance and repair work for MTA Headquarters facilities.

On a plan-to-plan basis, MTA Bus expenses are unfavorable in 2008 by \$5.1 million due to one-time operating contract additions and renewals.

PROFESSIONAL SERVICE CONTRACTS

Increases in Professional Service Contracts for all agencies for 2009 through 2012 are inflated primarily by Global Insight's Regional CPI-U forecasts.

B&T's expenses in 2009 are \$4.1 million higher than 2008 primarily due to the addition of a cashless toll study and re-estimates of MTA chargeback expenses for increased technical support. MTA Bus' increase of \$3.9 million in 2009 is due to a new traffic checking contract. MNR's increase of \$2.9 million in 2009 includes the restoration of a cost provision for general advertising fees and an adjustment to MTA Police charges. NYCT's year-to-year increases are largely due to inflation and 2008 includes a \$1.9

million unfavorable cash timing adjustment from 2007. Expenses at MTAHQ are higher in 2008 than 2009 due to one-time West Side Yard development fees. The LIRR experiences a favorable \$0.7 million from 2008 to 2009 primarily associated with expenses related to various new Information Technology initiatives.

With the exception of 2009, overall decreases from the February Plan are primarily driven by the LIRR due to the capitalization of certain Information Technology initiatives. There is also a decrease at MTA Bus due to expense re-estimates and the application of favorable CPI's. Plan-to-Plan increases in 2009 are driven by B&T resulting from higher bond service fees, an assessment of cashless tolling and higher MTA chargeback expenses largely for Transcom membership dues.

MATERIALS & SUPPLIES

All-Agency increases in Materials and Supplies for 2009 through 2012 are inflated primarily by Global Insight's Regional CPI-U forecasts.

Materials and Supplies costs increase \$34 million or 6% between 2008 and 2009. MNR's expense increase of \$18 million in 2009 from 2008 results from the M-7 five year Life Cycle Maintenance (LCM) program, office space renovations, and the overhaul of M1 cars. NYCT year-to-year increases were primarily due to the timing of subway and bus fleet maintenance programs. B&T's expenses increase in 2009, 2010, and 2011 by \$1.5 million, \$17 million, and \$2.7 million, respectively, result from an E-ZPass replacement program. For 2012, expenses are \$8.0 million lower primarily due to lower tag replacement requirements than in previous years. The LIRR reflects an increase between 2008 and 2009 primarily due to East Side Access material costs.

Compared to the February Plan, expenses are favorable for MTA Bus by \$7.6 million in 2008 due to an expense re-estimate. NYCT is \$30 million favorable in 2009 primarily due to a delay in the receipt of material required to replace the R62 fleet group boxes (propulsion system). These savings will be offset by increases of \$14.3 million in 2011 and \$14.2 million in 2012, as the replacement program begins. For the LIRR, Material & Supplies expenses change each year due to unbudgeted East Side Access material and a re-estimate of material costs associated with Life Cycle Maintenance (LCM) program. MNR's expenses increase in 2008-2011 due to higher material usage, component prices, and the establishment of the M-7 LCM program.

OTHER BUSINESS EXPENSES

Increases in Other Business Expenses in 2009-2012 are inflated primarily by MTA Regional CPI-U forecasts provided by Global Insight.

The consolidated decrease of \$11 million in 2009 from 2008 is driven by a reclassification of expenses primary to Maintenance and Other Operating Contracts at

MTAHQ. There is a minor decrease in 2009 and an increase in 2010 of \$2.0 million at MNR primarily due to increased credit card fees associated with higher ridership and an increase in customer use of credit cards to purchase tickets. The LIRR decrease of \$0.3 million from 2008 to 2009 reflects changes in credit/debit authorization fees (allowing debit and credit card sales at the ticket windows). NYCT's changes in 2009-2012 reflect inflationary increases.

July Plan expenses changed compared with the February Plan in 2008 through 2011 by an increase of \$10.0 million in 2008, an increase of \$0.3 million in 2009, a decrease of \$2.0 million in 2010 and a decrease of \$2.0 million in 2011. The significant increase in 2008 is primarily driven by MTAHQ due to unfavorable inter-company activity. MTA Bus also had unfavorable increases in 2008 due to program re-estimates. MNR's increases in 2008 reflect higher credit card fees associated with higher ridership and an increase in credit card usage.

ENVIRONMENTAL REMEDIATION

The July Plan reflects the implementation of the Governmental Accounting Standard Board Statement No. 49 ("GASB-49") -- the "Accounting and Financial Reporting for Pollution Remediation Obligations". The purpose of this new reporting requirement is for governmental bodies to provide the public with better information about the financial impact of environmental cleanups. Liabilities and expenses were estimated using an "expected cash flow" measurement technique. In the MTA Consolidated Financial Statements for the first quarter ending, March 31, 2008, the MTA recorded expenses of \$21.8 million and a total accrued liability of \$98.3 million.

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Positions (Headcount)

BASELINE POSITIONS (Headcount)

This section excludes below-the-line Agency PEG reductions.

Plan-to-Plan (2008) Mid-Year Forecast

MTA consolidated baseline positions of 70,672 are 290 lower than the 2008 Adopted Budget. Non-Reimbursable positions are forecast to decrease by 416 and Reimbursable positions to increase by 126. Total positions decrease by 341 at NYCT and 101 at MNR, while positions increase by 72 at the LIRR, 11 at MTA HQ, 3 at B&T and 2 at SIR. Positions decrease in Operations (-393) and Maintenance (-124), and increase in Administration (+110), Engineering (+39), and Public Safety (+78), which includes 64 IESS positions.

NYCT's decrease is composed of 448 Non-Reimbursable position reductions and 107 Reimbursable position increases. Positions decrease in Operations (-422), Maintenance (-15) and Engineering (-1), and increase in Administration (+79) and Public Safety (+18). The bulk of the position reduction is due to the elimination of the MTA Service Enhancement initiative (-427), partially offset by increases related to New Needs (+128). Among these New Needs are 66 positions for Elevator and Escalator improvement, track safety refresher training, bus rapid transit fare collection, and the Staten Island Maintenance Action Plan. An additional 62 positions are for added service in order to bring subway service loads within Board-approved loading guidelines. Position increases in Administration include "in-house" support staff for new technology information systems such as Communication Based Train Control (CBTC), Automated Train Supervision (ATS-A), and the Paratransit Automated Vehicle Locator (AVL) system. Administration positions also increase as a result of staffing required for Training, Workforce Development and MTA Bus Support.

MNR's decrease is made up of reductions of 70 Non-Reimbursable positions and 31 Reimbursable positions. Positions decrease in Maintenance (-95), Administration (-8) and Engineering (-2), and increase in Operations (+4). Position reductions reflect the use of an outside contractor for safety monitoring functions and Mid-Year Forecast adjustments related to the timing of capital project requirements, delays in the implementation of new security control systems, and an increase in the number of retirees. Partially offsetting these reductions was a Mid-Year Forecast adjustment increasing the number of on-board train service employees in the latter part of the year.

The LIRR's increase is made up of 29 Non-Reimbursable positions and 43 Reimbursable positions. Positions increase in Operations (+19), Administration (+15) and Engineering (+54), and decrease in Maintenance (-16). Increases of 111 positions are primarily for capital project and other reimbursable activity, Information Technology Operations Management System (OMS) development and support, and the Transportation East End management restructure and Train Movement initiative. These increases are partially offset by reductions related to adjustments in the gap mitigation program (27 positions), and the elimination of the Service Enhancement Initiative (11 positions).

MTA HQ's increase is made up of 4 Non-Reimbursable positions and 7 Reimbursable positions. Positions increase in Administration (+15) and decrease in Public Safety (-4). The increase in Administrative positions is primarily due to the consolidation of MTA Agencies' defined benefit plans into a centralized PeopleSoft Pension Administration System, increased responsibilities of the Deferred Compensation department, and implementation of the recommendations of the Blue Ribbon Commission on Sustainability.

Plan-to-Plan (2009) Preliminary Budget

Total baseline positions are increasing by 195 compared with the February Plan. Non-Reimbursable positions increase by 3 and Reimbursable positions by 192. Positions increase by 57 at the LIRR, 14 at MTA HQ, 3 at B&T, 2 at SIR and 1 at MNR, while positions decrease by 11 at NYCT. Additionally, IESS positions increase by 129 over the February Plan.

The LIRR's increase is composed of a 36 Non-Reimbursable position reduction and a 93 Reimbursable position increase. Positions increase in Engineering (+62) and Administration (+17), and drop in Operations (-15) and Maintenance (-7). Position increases of 141 are partially offset by reductions of 84. Positions increase as a result of electrician apprenticeship program revisions, signal system and diesel fleet maintenance, Life Cycle Maintenance (LCM) program changes, inspections mandated by the Federal Railroad Administration (FRA), station maintenance, warranty management, and the continuation of 2008 July Plan initiatives (listed above). These increases are partially offset by reductions of 84 positions related to the timing of hires and training programs (-36), elimination of the Service Enhancement Initiative (-35) and the continuation of 2008 July Plan reductions listed above.

NYCT's decrease is made up of reductions of 99 Non-Reimbursable positions and increases of 88 Reimbursable positions. Positions drop in Operations (-388) and Engineering (-33), and increase in Maintenance (+280), Administration (+111), and Public Safety (+19). Most of the change in positions is due to a reduction of 427 positions related to the elimination of the MTA Service Enhancement initiative. This reduction is mostly offset by position increases for additional capital work (+88), labor contract apprentice program requirements (+38), subway fleet scheduled maintenance (+37), and the continuation of 2008 July Plan initiatives listed above (+205).

MTA HQ's increase is made up of 3 Non-Reimbursable positions and 11 Reimbursable positions and Positions increase in Administration (+18) and decrease in Public Safety (-4). Position increases result from the continuation of 2008 July Plan initiatives (listed above).

Plan-to-Plan (2010 – 2011)

When compared with the February Plan, positions are lower in 2010 (-8) and higher in 2011 (+137). Positions decrease in 2010 at NYCT (-120) and MNR (-93), and increase at the LIRR (+42), MTA HQ (+17), B&T (+3), and SIR (+2). Additionally, IESS positions increase by 141 over the February Plan.

NYCT's decrease in 2010 and 2011 reflects the elimination of 427 positions related to the MTA Service Enhancement Fund partially offset by increases resulting from the continuation of 2008 July Plan initiatives (listed above).

MNR's decrease in 2010 and 2011 primarily reflects reductions in the New Haven Maintenance Facility Shop Complex, Security Plan adjustments, changes in service and quality control programs, changes related to the Harmon Shop replacement master plan, signal improvements on the Danbury branch, and Harlem/Hudson power improvements. These reductions are partially offset by increased training personnel and the management of the Grand Central Terminal Building Maintenance 2nd shift.

The LIRR's increase in 2010 and 2011 is primarily due to a continuation of 2008 July Plan initiatives (listed above), partially offset by the elimination of the Service Enhancement Initiative (-35) and a continuation of 2008 July Plan reductions (listed above).

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2009 - 2012
Baseline Change Between 2008 February Financial Plan vs. 2008 July Financial Plan
Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency

	Favorable/(Unfavorable) Variance			
Category	2008	2009	2010	2011
<i>Baseline Total Positions</i>	290	(195)	8	(137)
NYC Transit	341	11	120	59
Long Island Rail Road	(72)	(57)	(42)	(81)
Metro-North Railroad	101	(1)	93	57
Bridges & Tunnels	(3)	(3)	(3)	(10)
Headquarters	(11)	(14)	(17)	(19)
Long Island Bus	0	0	0	0
Staten Island Railway	(2)	(2)	(2)	(2)
Capital Construction Company	0	0	0	0
Bus Company	0	0	0	0
Integrated Electronic Security Systems (IESS)*	(64)	(129)	(141)	(141)
<i>Non-Reimbursable</i>	416	(3)	172	(37)
NYC Transit	448	99	197	81
Long Island Rail Road	(29)	36	31	(19)
Metro-North Railroad	70	(1)	93	57
Bridges & Tunnels	(3)	(3)	(3)	(10)
Headquarters	(4)	(3)	(3)	(3)
Long Island Bus	0	0	0	0
Staten Island Railway	(2)	(2)	(2)	(2)
Capital Construction Company	0	0	0	0
Bus Company	0	0	0	0
Integrated Electronic Security Systems (IESS)*	(64)	(129)	(141)	(141)
<i>Reimbursable</i>	(126)	(192)	(164)	(100)
NYC Transit	(107)	(88)	(77)	(22)
Long Island Rail Road	(43)	(93)	(73)	(62)
Metro-North Railroad	31	0	0	0
Bridges & Tunnels	0	0	0	0
Headquarters	(7)	(11)	(14)	(16)
Long Island Bus	0	0	0	0
Staten Island Railway	0	0	0	0
Capital Construction Company	0	0	0	0
Bus Company	0	0	0	0
Integrated Electronic Security Systems (IESS)*	0	0	0	0
<i>Total Full-Time</i>	287	(191)	12	(133)
NYC Transit	338	15	124	63
Long Island Rail Road	(72)	(57)	(42)	(81)
Metro-North Railroad	101	(1)	93	57
Bridges & Tunnels	(3)	(3)	(3)	(10)
Headquarters	(11)	(14)	(17)	(19)
Long Island Bus	0	0	0	0
Staten Island Railway	(2)	(2)	(2)	(2)
Capital Construction Company	0	0	0	0
Bus Company	0	0	0	0
Integrated Electronic Security Systems (IESS)*	(64)	(129)	(141)	(141)
<i>Total Full-Time-Equivalents</i>	3	(4)	(4)	(4)
NYC Transit	3	(4)	(4)	(4)
Long Island Rail Road	0	0	0	0
Metro-North Railroad	0	0	0	0
Bridges & Tunnels	0	0	0	0
Headquarters	0	0	0	0
Long Island Bus	0	0	0	0
Staten Island Railway	0	0	0	0
Capital Construction Company	0	0	0	0
Bus Company	0	0	0	0
Integrated Electronic Security Systems (IESS)*	0	0	0	0

*IESS is in addition to Agency baselines.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2009 - 2012
Baseline Change Between 2008 February Financial Plan vs. 2008 July Financial Plan
Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency

	Favorable/(Unfavorable) Variance			
Function	2008	2009	2010	2011
Administration	(110)	(126)	(138)	(141)
NYC Transit	(79)	(111)	(111)	(111)
Long Island Rail Road	(15)	(17)	(17)	(17)
Metro-North Railroad	8	4	(5)	(6)
Bridges & Tunnels	(1)	(1)	(1)	(1)
Headquarters	(15)	(18)	(21)	(23)
Long Island Bus	0	0	0	0
Staten Island Railway	0	0	0	0
Capital Construction Company	(12)	13	13	13
Bus Company	4	4	4	4
Operations	393	393	430	417
NYC Transit	422	388	380	371
Long Island Rail Road	(19)	15	15	15
Metro-North Railroad	(4)	(4)	41	37
Bridges & Tunnels	0	0	0	0
Headquarters	0	0	0	0
Long Island Bus	0	0	0	0
Staten Island Railway	(2)	(2)	(2)	(2)
Capital Construction Company	0	0	0	0
Bus Company	(4)	(4)	(4)	(4)
Maintenance	124	(276)	(87)	(216)
NYC Transit	15	(280)	(164)	(216)
Long Island Rail Road	16	7	22	(17)
Metro-North Railroad	95	(1)	57	26
Bridges & Tunnels	(2)	(2)	(2)	(9)
Headquarters	0	0	0	0
Long Island Bus	0	0	0	0
Staten Island Railway	0	0	0	0
Capital Construction Company	0	0	0	0
Bus Company	0	0	0	0
Engineering/Capital	(39)	(42)	(42)	(42)
NYC Transit	1	33	33	33
Long Island Rail Road	(54)	(62)	(62)	(62)
Metro-North Railroad	2	0	0	0
Bridges & Tunnels	0	0	0	0
Headquarters	0	0	0	0
Long Island Bus	0	0	0	0
Staten Island Railway	0	0	0	0
Capital Construction Company	12	(13)	(13)	(13)
Bus Company	0	0	0	0
Public Safety	(78)	(144)	(155)	(155)
NYC Transit	(18)	(19)	(18)	(18)
Long Island Rail Road	0	0	0	0
Metro-North Railroad	0	0	0	0
Bridges & Tunnels	0	0	0	0
Headquarters	4	4	4	4
Long Island Bus	0	0	0	0
Staten Island Railway	0	0	0	0
Capital Construction Company	0	0	0	0
Bus Company	0	0	0	0
Integrated Electronic Security Systems (IESS)	(64)	(129)	(141)	(141)

Metropolitan Transportation Authority
July Financial Plan 2009 - 2012
Baseline Change Between 2009 February Financial Plan vs. 2009 July Financial Plan
Full-time Positions and Full-time Equivalents by Occupational Group and Agency

		Favorable/(Unfavorable) Variance														
FUNCTION/OCCUPATIONAL GROUP		2008 JFP	2008 FFP	2008	2009 JFP	2009 FFP	2009	2010 JFP	2010 FFP	2010	2011 JFP	2011 FFP	2011	2012 JFP	2012 FFP	2012
Administration																
	Managers/Supervisors	1,856	1,821	(35)	1,856	1,822	(34)	1,851	1,818	(33)	1,849	1,816	(33)	1,848	1,814	(34)
	Professional, Technical, Clerical	3,256	3,189	(67)	3,260	3,175	(85)	3,268	3,170	(98)	3,271	3,170	(101)	3,273	3,170	(103)
	Operational Hourlies	70	62	(8)	69	62	(7)	69	62	(7)	69	62	(7)	69	62	(7)
	Total Administration	5,182	5,072	(110)	5,185	5,059	(126)	5,188	5,050	(138)	5,189	5,048	(141)	5,190	5,046	(144)
Operations																
	Managers/Supervisors	3,315	3,311	(4)	3,264	3,246	(18)	3,242	3,231	(11)	3,237	3,225	(12)	3,235	3,224	(11)
	Professional, Technical, Clerical	1,074	1,074	-	1,080	1,071	(9)	1,078	1,084	6	1,078	1,084	6	1,078	1,084	6
	Operational Hourlies	26,700	27,097	397	26,686	27,106	420	26,668	27,103	435	26,689	27,112	423	26,702	27,123	421
	Total Operations	31,089	31,482	393	31,030	31,423	393	30,988	31,418	430	31,004	31,421	417	31,015	31,431	416
Maintenance																
	Managers/Supervisors	4,846	4,943	97	4,913	4,926	13	4,899	4,928	29	4,883	4,904	21	4,827	4,855	28
	Professional, Technical, Clerical	2,678	2,673	(5)	2,652	2,636	(16)	2,624	2,613	(11)	2,605	2,592	(13)	2,597	2,589	(8)
	Operational Hourlies	23,204	23,236	32	23,390	23,117	(273)	23,442	23,337	(105)	23,454	23,230	(224)	23,050	22,975	(75)
	Total Maintenance	30,728	30,852	124	30,955	30,679	(276)	30,965	30,878	(87)	30,942	30,726	(216)	30,474	30,419	(55)
Engineering/Capital																
	Managers/Supervisors	537	490	(47)	540	484	(56)	540	484	(56)	540	484	(56)	540	484	(56)
	Professional, Technical, Clerical	1,505	1,513	8	1,498	1,512	14	1,498	1,512	14	1,498	1,512	14	1,498	1,512	14
	Operational Hourlies	2	2	-	2	2	-	2	2	-	2	2	-	2	2	-
	Total Engineering/Capital	2,044	2,005	(39)	2,040	1,998	(42)	2,040	1,998	(42)	2,040	1,998	(42)	2,040	1,998	(42)
Public Safety																
	Managers/Supervisors	143	127	(16)	142	126	(16)	142	126	(16)	142	126	(16)	142	126	(16)
	Professional, Technical, Clerical	119	122	3	120	122	2	120	122	2	120	122	2	120	122	2
	Operational Hourlies	1,303	1,302	(1)	1,298	1,297	(1)	1,297	1,297	-	1,297	1,297	-	1,297	1,297	-
	Integrated Electronic Security Systems (IESS)	64	-	(64)	129	-	(129)	141	-	(141)	141	-	(141)	141	-	(141)
	Total Public Safety	1,629	1,551	(78)	1,689	1,545	(144)	1,700	1,545	(155)	1,700	1,545	(155)	1,700	1,545	(155)
Baseline Total Positions																
	Managers/Supervisors	10,697	10,692	(5)	10,715	10,604	(111)	10,674	10,587	(87)	10,651	10,555	(96)	10,592	10,503	(89)
	Professional, Technical, Clerical	8,632	8,571	(61)	8,610	8,516	(94)	8,588	8,501	(87)	8,572	8,480	(92)	8,566	8,477	(89)
	Operational Hourlies	51,279	51,699	420	51,445	51,584	139	51,478	51,801	323	51,511	51,703	192	51,120	51,459	339
	Integrated Electronic Security Systems (IESS)	64	-	(64)	129	-	(129)	141	-	(141)	141	-	(141)	141	-	(141)
	Baseline Total Positions	70,672	70,962	290	70,899	70,704	(195)	70,881	70,889	8	70,875	70,738	(137)	70,419	70,439	20

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2009 - 2012
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Agency

Category	2007 Actual	2008 Mid-Year Forecast	2009	2010	2011	2012
Baseline Total Positions	69,117	70,672	70,899	70,881	70,875	70,419
NYC Transit	48,910	49,235	49,171	49,049	49,002	48,513
Long Island Rail Road	6,471	6,963	7,030	7,048	7,027	7,011
Metro-North Railroad	5,855	6,034	6,189	6,260	6,313	6,361
Bridges & Tunnels	1,772	1,819	1,819	1,819	1,826	1,826
Headquarters	1,347	1,465	1,470	1,473	1,475	1,476
Long Island Bus	1,103	1,153	1,153	1,153	1,153	1,153
Staten Island Railway	268	278	277	277	277	277
Capital Construction Company	90	150	150	150	150	150
Bus Company	3,301	3,511	3,511	3,511	3,511	3,511
Integrated Electronic Security Systems (IESS)*	0	64	129	141	141	141
Non-Reimbursable	62,940	63,283	63,746	63,945	64,108	63,663
NYC Transit	44,025	43,633	43,884	43,975	44,088	43,611
Long Island Rail Road	5,829	6,071	6,094	6,119	6,109	6,093
Metro-North Railroad	5,386	5,418	5,542	5,613	5,666	5,714
Bridges & Tunnels	1,720	1,766	1,766	1,766	1,773	1,773
Headquarters	1,324	1,422	1,423	1,423	1,423	1,423
Long Island Bus	1,090	1,139	1,139	1,139	1,139	1,139
Staten Island Railway	265	275	274	274	274	274
Capital Construction Company	0	0	0	0	0	0
Bus Company	3,301	3,495	3,495	3,495	3,495	3,495
Integrated Electronic Security Systems (IESS)*	0	64	129	141	141	141
Reimbursable	6,177	7,389	7,153	6,936	6,767	6,756
NYC Transit	4,885	5,602	5,287	5,074	4,914	4,902
Long Island Rail Road	642	892	936	929	918	918
Metro-North Railroad	469	616	647	647	647	647
Bridges & Tunnels	52	53	53	53	53	53
Headquarters	23	43	47	50	52	53
Long Island Bus	13	14	14	14	14	14
Staten Island Railway	3	3	3	3	3	3
Capital Construction Company	90	150	150	150	150	150
Bus Company	0	16	16	16	16	16
Integrated Electronic Security Systems (IESS)*	0	0	0	0	0	0
Total Full-Time	68,737	70,363	70,598	70,580	70,574	70,118
NYC Transit	48,630	49,040	48,984	48,862	48,815	48,326
Long Island Rail Road	6,471	6,963	7,030	7,048	7,027	7,011
Metro-North Railroad	5,850	6,029	6,184	6,255	6,308	6,356
Bridges & Tunnels	1,772	1,819	1,819	1,819	1,826	1,826
Headquarters	1,347	1,465	1,470	1,473	1,475	1,476
Long Island Bus	1,008	1,044	1,044	1,044	1,044	1,044
Staten Island Railway	268	278	277	277	277	277
Capital Construction Company	90	150	150	150	150	150
Bus Company	3,301	3,511	3,511	3,511	3,511	3,511
Integrated Electronic Security Systems (IESS)*	0	64	129	141	141	141
Total Full-Time-Equivalents	380	309	301	301	301	301
NYC Transit	280	195	187	187	187	187
Long Island Rail Road	0	0	0	0	0	0
Metro-North Railroad	5	5	5	5	5	5
Bridges & Tunnels	0	0	0	0	0	0
Headquarters	0	0	0	0	0	0
Long Island Bus	95	109	109	109	109	109
Staten Island Railway	0	0	0	0	0	0
Capital Construction Company	0	0	0	0	0	0
Bus Company	0	0	0	0	0	0
Integrated Electronic Security Systems (IESS)*	0	0	0	0	0	0
Business Service Center - Savings	0	33	33	33	367	620
Business Service Center - HQ Additions	0	(55)	(100)	(100)	(413)	(371)
Net Agency-Wide Impact	0	(22)	(67)	(67)	(46)	249

*IESS is in addition to Agency baselines.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2009 - 2012
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency

Function	2007 Actual	2008 Mid-Year Forecast	2009	2010	2011	2012
Administration	4,883	5,182	5,185	5,188	5,189	5,190
NYC Transit	2,540	2,523	2,536	2,525	2,522	2,521
Long Island Rail Road	649	735	741	743	744	744
Metro-North Railroad	710	740	744	753	754	755
Bridges & Tunnels	140	144	144	144	144	144
Headquarters	616	699	704	707	709	710
Long Island Bus	85	96	96	96	96	96
Staten Island Railway	27	29	29	29	29	29
Capital Construction Company	21	55	30	30	30	30
Bus Company	95	161	161	161	161	161
Operations	30,940	31,089	31,030	30,988	31,004	31,015
NYC Transit	23,171	23,181	23,123	23,060	23,055	23,048
Long Island Rail Road	2,043	2,092	2,079	2,079	2,079	2,079
Metro-North Railroad	1,755	1,843	1,855	1,876	1,897	1,915
Bridges & Tunnels	760	800	800	800	800	800
Headquarters	0	0	0	0	0	0
Long Island Bus	758	777	777	777	777	777
Staten Island Railway	91	94	94	94	94	94
Capital Construction Company	0	0	0	0	0	0
Bus Company	2,362	2,302	2,302	2,302	2,302	2,302
Maintenance	29,883	30,728	30,955	30,965	30,942	30,474
NYC Transit	21,284	21,564	21,582	21,535	21,496	21,015
Long Island Rail Road	3,704	3,997	4,070	4,086	4,064	4,048
Metro-North Railroad	3,285	3,338	3,475	3,516	3,547	3,576
Bridges & Tunnels	394	398	398	398	405	405
Headquarters	0	0	0	0	0	0
Long Island Bus	243	261	261	261	261	261
Staten Island Railway	150	155	154	154	154	154
Capital Construction Company	0	0	0	0	0	0
Bus Company	823	1,015	1,015	1,015	1,015	1,015
Engineering/Capital	1,883	2,044	2,040	2,040	2,040	2,040
NYC Transit	1,431	1,468	1,436	1,436	1,436	1,436
Long Island Rail Road	75	139	140	140	140	140
Metro-North Railroad	105	113	115	115	115	115
Bridges & Tunnels	177	190	190	190	190	190
Headquarters	0	0	0	0	0	0
Long Island Bus	15	16	16	16	16	16
Staten Island Railway	0	0	0	0	0	0
Capital Construction Company	69	95	120	120	120	120
Bus Company	11	23	23	23	23	23
Public Safety	1,528	1,629	1,689	1,700	1,700	1,700
NYC Transit	484	499	494	493	493	493
Long Island Rail Road	0	0	0	0	0	0
Metro-North Railroad	0	0	0	0	0	0
Bridges & Tunnels	301	287	287	287	287	287
Headquarters	731	766	766	766	766	766
Long Island Bus	2	3	3	3	3	3
Staten Island Railway	0	0	0	0	0	0
Capital Construction Company	0	0	0	0	0	0
Bus Company	10	10	10	10	10	10
Integrated Electronic Security Systems (IESS)	0	64	129	141	141	141

Metropolitan Transportation Authority
July Financial Plan 2009 - 2012
Baseline Total Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP		2007 Actuals	2008 Mid-Year Forecast	2009	2010	2011	2012
Administration							
	Managers/Supervisors	1,692	1,856	1,856	1,851	1,849	1,848
	Professional, Technical, Clerical	3,063	3,256	3,260	3,268	3,271	3,273
	Operational Hourlies	128	70	69	69	69	69
	Total Administration	4,883	5,182	5,185	5,188	5,189	5,190
Operations							
	Managers/Supervisors	3,175	3,315	3,264	3,242	3,237	3,235
	Professional, Technical, Clerical	1,054	1,074	1,080	1,078	1,078	1,078
	Operational Hourlies	26,711	26,700	26,686	26,668	26,689	26,702
	Total Operations	30,940	31,089	31,030	30,988	31,004	31,015
Maintenance							
	Managers/Supervisors	4,800	4,846	4,913	4,899	4,883	4,827
	Professional, Technical, Clerical	2,528	2,678	2,652	2,624	2,605	2,597
	Operational Hourlies	22,555	23,204	23,390	23,442	23,454	23,050
	Total Maintenance	29,883	30,728	30,955	30,965	30,942	30,474
Engineering/Capital							
	Managers/Supervisors	449	537	540	540	540	540
	Professional, Technical, Clerical	1,432	1,505	1,498	1,498	1,498	1,498
	Operational Hourlies	2	2	2	2	2	2
	Total Engineering/Capital	1,883	2,044	2,040	2,040	2,040	2,040
Public Safety							
	Managers/Supervisors	121	143	142	142	142	142
	Professional, Technical, Clerical	98	119	120	120	120	120
	Operational Hourlies	1,309	1,303	1,298	1,297	1,297	1,297
	Integrated Electronic Security Systems (IESS)	-	64	129	141	141	141
	Total Public Safety	1,528	1,629	1,689	1,700	1,700	1,700
Baseline Total Positions							
	Managers/Supervisors	10,237	10,697	10,715	10,674	10,651	10,592
	Professional, Technical, Clerical	8,175	8,632	8,610	8,588	8,572	8,566
	Operational Hourlies	50,705	51,279	51,445	51,478	51,511	51,120
	Integrated Electronic Security Systems (IESS)	-	64	129	141	141	141
	Baseline Total Positions	69,117	70,672	70,899	70,881	70,875	70,419

BASELINE POSITIONS (Headcount)

This section excludes below-the-line Agency PEG reductions.

Year-to-Year (2009 vs 2008)

The MTA consolidated 2009 baseline reflects positions of 70,899, which are 227 more than 2008. Non-Reimbursable positions increase by 463 and Reimbursable positions decrease by 236. Positions increase by 155 at MNR, 67 at the LIRR and 5 at MTA HQ, while positions decrease by 64 at NYCT and 1 at SIR. Additionally, IESS positions increase by 65 over 2008 (129 versus 64).

MNR's increase is made up of 124 Non-Reimbursable and 31 Reimbursable positions. Positions increase in Maintenance (+137), Operations (+12), Administration (+4) and Engineering (+2). Position increases are related to staffing in support of the new M8 car procurements, the M7 five-year life cycle maintenance program, maintenance support of new security systems, Mid-Hudson station improvements, additional training personnel, Grand Central Terminal maintenance, and fleet management.

The LIRR's increase is made up of 44 Reimbursable positions and 23 Non-Reimbursable positions. Positions increase in Maintenance (+73), Administration (+6) and Engineering/Capital (+1), and decrease in Operations (-13). Position increases are primarily due to Maintenance of Equipment initiatives related to FRA mandates, the apprenticeship program, gap mitigation, and capital program activities.

NYCT's decrease is composed of 251 Non-Reimbursable position increases and 315 Reimbursable position reductions. Positions decrease in Operations (-58), Engineering (-32) and Security (-5), and increase in Maintenance (+18) and Administration (+13). Reimbursable position reductions are primarily due to reductions in tunnel lighting, delays in Scheduled Maintenance System (SMS) work (on behalf of SIR), R160 acceptance testing, and a reduction in Capital Program Management forces. The increase in Non-Reimbursable positions is mainly due to the opening of the Charleston Annex, an increase in the Scheduled Maintenance System (SMS), and an increase in Signal Helpers to reduce overtime.

Year-to-Year (2010 – 2012)

Total forecasted position levels drop by 480 from the end of 2009 to the end of 2012. Positions decrease by 18 in 2010, 6 in 2011, and 456 in 2012. Agencies with the largest position changes at the end of the three-year period are NYCT with a decrease of 658, and MNR with an increase of 172.

NYCT's decrease is made up of decreases of 385 Reimbursable positions and 273 Non-Reimbursable positions. Reimbursable positions decrease due to the warranty period ending (and consequently capital funding) for the R160 subway cars, as well as completion of the following projects: Antenna Cable Replacement, Battery Cable Replacement, Signal Circuit Key-By, R68/68A Passenger Emergency Intercom, and

various security projects. Non-reimbursable positions drop as a result of reduced staffing requirements for the Scheduled Maintenance System (SMS).

MNR's increase is made up entirely of Non-Reimbursable positions. Positions increase in Maintenance (+101), Operations (+60) and Administration (+11). Position increases primarily result from increased maintenance positions to support the new M8 cars, the establishment of a second shift coach shop at Harmon, on-board train service positions required for new train service, staffing required to support security improvements, maintenance positions to support completed right-of-way and facility improvements, and positions to support signal improvements on the Danbury branch.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2009 - 2012
Year to Year Changes for Positions by Function and Agency
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents

Function	2007	2008	Change 2008-2007	2009	Change 2009-2008	2010	Change 2010-2009	2011	Change 2011-2010	2012	Change 2012-2011
Baseline Total Positions	69,117	70,672	(1,555)	70,899	(227)	70,881	18	70,875	6	70,419	456
NYC Transit	48,910	49,235	(325)	49,171	64	49,049	122	49,002	47	48,513	489
Long Island Rail Road	6,471	6,963	(492)	7,030	(67)	7,048	(18)	7,027	21	7,011	16
Metro-North Railroad	5,855	6,034	(179)	6,189	(155)	6,260	(71)	6,313	(53)	6,361	(48)
Bridges & Tunnels	1,772	1,819	(47)	1,819	0	1,819	0	1,826	(7)	1,826	0
Headquarters	1,347	1,465	(118)	1,470	(5)	1,473	(3)	1,475	(2)	1,476	(1)
Long Island Bus	1,103	1,153	(50)	1,153	0	1,153	0	1,153	0	1,153	0
Staten Island Railway	268	278	(10)	277	1	277	0	277	0	277	0
Capital Construction Company	90	150	(60)	150	0	150	0	150	0	150	0
Bus Company	3,301	3,511	(210)	3,511	0	3,511	0	3,511	0	3,511	0
Integrated Electronic Security Systems (IESS)*	0	64	(64)	129	(65)	141	(12)	141	0	141	0
Non-Reimbursable	62,940	63,283	(343)	63,746	(463)	63,945	(199)	64,108	(163)	63,663	445
NYC Transit	44,025	43,633	392	43,884	(251)	43,975	(91)	44,088	(113)	43,611	477
Long Island Rail Road	5,829	6,071	(242)	6,094	(23)	6,119	(25)	6,109	10	6,093	16
Metro-North Railroad	5,386	5,418	(32)	5,542	(124)	5,613	(71)	5,666	(53)	5,714	(48)
Bridges & Tunnels	1,720	1,766	(46)	1,766	0	1,766	0	1,773	(7)	1,773	0
Headquarters	1,324	1,422	(98)	1,423	(1)	1,423	0	1,423	0	1,423	0
Long Island Bus	1,090	1,139	(49)	1,139	0	1,139	0	1,139	0	1,139	0
Staten Island Railway	265	275	(10)	274	1	274	0	274	0	274	0
Capital Construction Company	0	0	0	0	0	0	0	0	0	0	0
Bus Company	3,301	3,495	(194)	3,495	0	3,495	0	3,495	0	3,495	0
Integrated Electronic Security Systems (IESS)*	0	64	(64)	129	(65)	141	(12)	141	0	141	0
Reimbursable	6,177	7,389	(1,212)	7,153	236	6,936	217	6,767	169	6,756	11
NYC Transit	4,885	5,602	(717)	5,287	315	5,074	213	4,914	160	4,902	12
Long Island Rail Road	642	892	(250)	936	(44)	929	7	918	11	918	0
Metro-North Railroad	469	616	(147)	647	(31)	647	0	647	0	647	0
Bridges & Tunnels	52	53	(1)	53	0	53	0	53	0	53	0
Headquarters	23	43	(20)	47	(4)	50	(3)	52	(2)	53	(1)
Long Island Bus	13	14	(1)	14	0	14	0	14	0	14	0
Staten Island Railway	3	3	0	3	0	3	0	3	0	3	0
Capital Construction Company	90	150	(60)	150	0	150	0	150	0	150	0
Bus Company	0	16	(16)	16	0	16	0	16	0	16	0
Integrated Electronic Security Systems (IESS)*	0	0	0	0	0	0	0	0	0	0	0
Total Full-Time	68,737	70,363	(1,626)	70,598	(235)	70,580	18	70,574	6	70,118	456
NYC Transit	48,630	49,040	(410)	48,984	56	48,862	122	48,815	47	48,326	489
Long Island Rail Road	6,471	6,963	(492)	7,030	(67)	7,048	(18)	7,027	21	7,011	16
Metro-North Railroad	5,850	6,029	(179)	6,184	(155)	6,255	(71)	6,308	(53)	6,356	(48)
Bridges & Tunnels	1,772	1,819	(47)	1,819	0	1,819	0	1,826	(7)	1,826	0
Headquarters	1,347	1,465	(118)	1,470	(5)	1,473	(3)	1,475	(2)	1,476	(1)
Long Island Bus	1,008	1,044	(36)	1,044	0	1,044	0	1,044	0	1,044	0
Staten Island Railway	268	278	(10)	277	1	277	0	277	0	277	0
Capital Construction Company	90	150	(60)	150	0	150	0	150	0	150	0
Bus Company	3,301	3,511	(210)	3,511	0	3,511	0	3,511	0	3,511	0
Integrated Electronic Security Systems (IESS)*	0	64	(64)	129	(65)	141	(12)	141	0	141	0
Total Full-Time-Equivalents	380	309	71	301	8	301	0	301	0	301	0
NYC Transit	280	195	85	187	8	187	0	187	0	187	0
Long Island Rail Road	0	0	0	0	0	0	0	0	0	0	0
Metro-North Railroad	5	5	0	5	0	5	0	5	0	5	0
Bridges & Tunnels	0	0	0	0	0	0	0	0	0	0	0
Headquarters	0	0	0	0	0	0	0	0	0	0	0
Long Island Bus	95	109	(14)	109	0	109	0	109	0	109	0
Staten Island Railway	0	0	0	0	0	0	0	0	0	0	0
Capital Construction Company	0	0	0	0	0	0	0	0	0	0	0
Bus Company	0	0	0	0	0	0	0	0	0	0	0
Integrated Electronic Security Systems (IESS)*	0	0	0	0	0	0	0	0	0	0	0

*IESS is in addition to Agency baselines.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2009 - 2012
Year to Year Changes for Positions by Function and Agency
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2007	2008	Change 2008-2007	2009	Change 2009-2008	2010	Change 2010-2009	2011	Change 2011-2010	2012	Change 2012-2011
Administration	4,883	5,182	(299)	5,185	(3)	5,188	(3)	5,189	(1)	5,190	(1)
NYC Transit	2,540	2,523	17	2,536	(13)	2,525	11	2,522	3	2,521	1
Long Island Rail Road	649	735	(86)	741	(6)	743	(2)	744	(1)	744	0
Metro-North Railroad	710	740	(30)	744	(4)	753	(9)	754	(1)	755	(1)
Bridges & Tunnels	140	144	(4)	144	0	144	0	144	0	144	0
Headquarters	616	699	(83)	704	(5)	707	(3)	709	(2)	710	(1)
Long Island Bus	85	96	(11)	96	0	96	0	96	0	96	0
Staten Island Railway	27	29	(2)	29	0	29	0	29	0	29	0
Capital Construction Company	21	55	(34)	30	25	30	0	30	0	30	0
Bus Company	95	161	(66)	161	0	161	0	161	0	161	0
Operations	30,940	31,089	(149)	31,030	59	30,988	42	31,004	(16)	31,015	(11)
NYC Transit	23,171	23,181	(10)	23,123	58	23,060	63	23,055	5	23,048	7
Long Island Rail Road	2,043	2,092	(49)	2,079	13	2,079	0	2,079	0	2,079	0
Metro-North Railroad	1,755	1,843	(88)	1,855	(12)	1,876	(21)	1,897	(21)	1,915	(18)
Bridges & Tunnels	760	800	(40)	800	0	800	0	800	0	800	0
Headquarters	0	0	0	0	0	0	0	0	0	0	0
Long Island Bus	758	777	(19)	777	0	777	0	777	0	777	0
Staten Island Railway	91	94	(3)	94	0	94	0	94	0	94	0
Capital Construction Company	0	0	0	0	0	0	0	0	0	0	0
Bus Company	2,362	2,302	60	2,302	0	2,302	0	2,302	0	2,302	0
Maintenance	29,883	30,728	(845)	30,955	(227)	30,965	(10)	30,942	23	30,474	468
NYC Transit	21,284	21,564	(280)	21,582	(18)	21,535	47	21,496	39	21,015	481
Long Island Rail Road	3,704	3,997	(293)	4,070	(73)	4,086	(16)	4,084	22	4,048	16
Metro-North Railroad	3,285	3,338	(53)	3,475	(137)	3,516	(41)	3,547	(31)	3,576	(29)
Bridges & Tunnels	394	398	(4)	398	0	398	0	405	(7)	405	0
Headquarters	0	0	0	0	0	0	0	0	0	0	0
Long Island Bus	243	261	(18)	261	0	261	0	261	0	261	0
Staten Island Railway	150	155	(5)	154	1	154	0	154	0	154	0
Capital Construction Company	0	0	0	0	0	0	0	0	0	0	0
Bus Company	823	1,015	(192)	1,015	0	1,015	0	1,015	0	1,015	0
Engineering/Capital	1,883	2,044	(161)	2,040	4	2,040	0	2,040	0	2,040	0
NYC Transit	1,431	1,468	(37)	1,436	32	1,436	0	1,436	0	1,436	0
Long Island Rail Road	75	139	(64)	140	(1)	140	0	140	0	140	0
Metro-North Railroad	105	113	(8)	115	(2)	115	0	115	0	115	0
Bridges & Tunnels	177	190	(13)	190	0	190	0	190	0	190	0
Headquarters	0	0	0	0	0	0	0	0	0	0	0
Long Island Bus	15	16	(1)	16	0	16	0	16	0	16	0
Staten Island Railway	0	0	0	0	0	0	0	0	0	0	0
Capital Construction Company	69	95	(26)	120	(25)	120	0	120	0	120	0
Bus Company	11	23	(12)	23	0	23	0	23	0	23	0
Public Safety	1,528	1,629	(101)	1,689	(60)	1,700	(11)	1,700	0	1,700	0
NYC Transit	484	499	(15)	494	5	493	1	493	0	493	0
Long Island Rail Road	0	0	0	0	0	0	0	0	0	0	0
Metro-North Railroad	0	0	0	0	0	0	0	0	0	0	0
Bridges & Tunnels	301	287	14	287	0	287	0	287	0	287	0
Headquarters	731	766	(35)	766	0	766	0	766	0	766	0
Long Island Bus	2	3	(1)	3	0	3	0	3	0	3	0
Staten Island Railway	0	0	0	0	0	0	0	0	0	0	0
Capital Construction Company	0	0	0	0	0	0	0	0	0	0	0
Bus Company	10	10	0	10	0	10	0	10	0	10	0
Integrated Electronic Security Systems (IESS)	0	64	(64)	129	(65)	141	(12)	141	0	141	0

Metropolitan Transportation Authority
July Financial Plan 2009 - 2012
Year to Year Changes for Positions by Function and Occupational Group
Baseline Total Full-time Positions and Full-time Equivalents

FUNCTION/OCCUPATIONAL GROUP		Actual 2007	2008	Change 2008-2007	2009	Change 2009-2008	2010	Change 2010- 2009	2011	Change 2011-2010	2012	Change 2012-2011	2012	Change 2012- 2011
Administration														
	Managers/Supervisors	1,692	1,856	(164)	1,856	-	1,851	5	1,849	2	1,848	1	-	1,816
	Professional, Technical, Clerical	3,063	3,256	(193)	3,260	(4)	3,268	(8)	3,271	(3)	3,273	(2)	-	3,170
	Operational Hourlies	128	70	58	69	1	69	-	69	-	69	-	-	62
	Total Administration	4,883	5,182	(299)	5,185	(3)	5,188	(3)	5,189	(1)	5,190	(1)	-	5,048
Operations														
	Managers/Supervisors	3,175	3,315	(140)	3,264	51	3,242	22	3,237	5	3,235	2	-	3,225
	Professional, Technical, Clerical	1,054	1,074	(20)	1,080	(6)	1,078	2	1,078	-	1,078	-	-	1,084
	Operational Hourlies	26,711	26,700	11	26,686	14	26,668	18	26,689	(21)	26,702	(13)	-	27,112
	Total Operations	30,940	31,089	(149)	31,030	59	30,988	42	31,004	(16)	31,015	(11)	-	31,421
Maintenance														
	Managers/Supervisors	4,800	4,846	(46)	4,913	(67)	4,899	14	4,883	16	4,827	56	-	4,904
	Professional, Technical, Clerical	2,528	2,678	(150)	2,652	26	2,624	28	2,605	19	2,597	8	-	2,592
	Operational Hourlies	22,555	23,204	(649)	23,390	(186)	23,442	(52)	23,454	(12)	23,050	404	-	23,230
	Total Maintenance	29,883	30,728	(845)	30,955	(227)	30,965	(10)	30,942	23	30,474	468	-	30,726
Engineering/Capital														
	Managers/Supervisors	449	537	(88)	540	(3)	540	-	540	-	540	-	-	484
	Professional, Technical, Clerical	1,432	1,505	(73)	1,498	7	1,498	-	1,498	-	1,498	-	-	1,512
	Operational Hourlies	2	2	-	2	-	2	-	2	-	2	-	-	2
	Total Engineering/Capital	1,883	2,044	(161)	2,040	4	2,040	-	2,040	-	2,040	-	-	1,998
Public Safety														
	Managers/Supervisors	121	143	(22)	142	1	142	-	142	-	142	-	-	126
	Professional, Technical, Clerical	98	119	(21)	120	(1)	120	-	120	-	120	-	-	122
	Operational Hourlies	1,309	1,303	6	1,298	5	1,297	1	1,297	-	1,297	-	-	1,297
	Integrated Electronic Security Systems (IESS)	-	64	(64)	129	(65)	141	(12)	141	-	141	-	-	-
	Total Public Safety	1,528	1,629	(101)	1,689	(60)	1,700	(11)	1,700	-	1,700	-	-	1,545
Baseline Total Positions														
	Managers/Supervisors	10,237	10,697	(460)	10,715	(18)	10,674	41	10,651	23	10,592	59	-	10,555
	Professional, Technical, Clerical	8,175	8,632	(457)	8,610	22	8,588	22	8,572	16	8,566	6	-	8,480
	Operational Hourlies	50,705	51,279	(574)	51,445	(166)	51,478	(33)	51,511	(33)	51,120	391	-	51,703
	Integrated Electronic Security Systems (IESS)	-	64	(64)	129	(65)	141	(12)	141	-	141	-	-	-
	Baseline Total Positions	69,117	70,672	(1,555)	70,899	(227)	70,881	18	70,875	6	70,419	456	-	70,738

Status of 2008 Agency PEGs

STATUS OF THE 2008 PEGs

As reflected on the chart below, the February Plan included within its baseline, 2008 Program to Eliminate the GAP (PEG) savings of \$51 million and 338 positions in 2008. Savings increase to \$62 million in 2009 and then fall to \$58 million in 2010 and \$55 million in 2011. PEG position savings increase to 366 positions in 2009 and remain constant through 2011. In the July Plan the value of these PEGs was slightly increased by \$0.5 million in 2008, and by \$0.8 million in 2009. Long Island Bus re-estimated the savings associated with its "CNG tax credit" PEG upward by \$0.7 million and \$0.8 million in 2008 and 2009. B&T re-estimated its "Reductions of Headcount in the Operations Dept." PEG downward by \$0.2 million in 2008 to reflect changes in the estimated date of attrition (from March, 2008 to October, 2008).

METROPOLITAN TRANSPORTATION AUTHORITY				
July Financial Plan 2009 - 2012				
Summary of the 2008 PEG Program				
(\$ in millions)				
	February Plan		July Plan	
	Positions	Dollars	Positions	Dollars
2007	62	\$8	62	\$8
2008	338	\$51	338	\$50
2009	366	\$62	366	\$63
2010	366	\$58	230	\$58
2011	366	\$55	230	\$55

In addition to the 2008 PEG Program re-estimates listed above, the July Financial Plan includes re-estimates to the 2005 and 2007 PEG Programs. SIR re-estimated the savings associated with its 2005 "Tompkinsville Fare Collection" PEG due to delays in construction work at Tompkinsville station. This resulted in a reduction to savings of \$0.2 million in 2009, and then increases to savings of \$0.1 million in 2010 and 2011. B&T re-estimated the savings associated with its 2007 "Net Reduction of Headcount in the Operations Department" PEG downward by \$1.0 million in 2008 and upward by \$0.1 million in each of the out-years to reflect changes in the estimated date of attrition (from March, 2008 to October, 2008).

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III. Other MTA Consolidated Materials-Baseline

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2009 - 2012

MTA Consolidated Statement Of Operations By Category

(\$ in millions)

Line

No.

7	Non-Reimbursable						
8		2007	2008	2009			
9		Actual	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
10	Operating Revenue						
11	Farebox Revenue	\$3,995	\$4,196	\$4,228	\$4,277	\$4,333	\$4,381
12	Toll Revenue	1,251	1,276	1,281	1,282	1,286	1,291
13	Other Revenue	480	473	493	514	540	567
14	Capital and Other Reimbursements	0	0	0	0	0	0
15	Total Operating Revenue	\$5,726	\$5,945	\$6,002	\$6,074	\$6,159	\$6,239
16							
17	Operating Expense						
18	Labor Expenses:						
19	Payroll	\$3,861	\$4,073	\$4,203	\$4,314	\$4,403	\$4,476
20	Overtime	482	469	456	465	474	484
21	Health & Welfare	617	684	750	818	887	957
22	PEB Current Payment	270	326	361	391	427	465
23	Pensions	851	961	904	887	863	868
24	Other-Fringe Benefits	445	430	444	461	474	484
25	Reimbursable Overhead	(274)	(301)	(310)	(307)	(306)	(312)
26	Sub-total Labor Expenses	\$6,252	\$6,642	\$6,808	\$7,030	\$7,222	\$7,422
27							
28	Non-Labor Expenses:						
29	Traction and Propulsion Power	294	313	347	403	433	446
30	Fuel for Buses and Trains	193	311	331	269	256	250
31	Insurance	54	38	56	66	78	94
32	Claims	164	152	157	165	173	176
33	Paratransit Service Contracts	233	280	316	366	441	523
34	Maintenance and Other Operating Contracts	533	654	649	672	678	691
35	Professional Service Contracts	181	220	230	224	224	228
36	Materials & Supplies	516	559	592	641	666	646
37	Other Business Expenses	152	181	170	170	174	179
38	Sub-total Non-Labor Expenses	\$2,320	\$2,708	\$2,849	\$2,978	\$3,123	\$3,233
39							
40	Other Expense Adjustments:						
41	Other	(\$18)	(\$11)	(\$11)	(\$13)	(\$10)	(\$10)
42	General Reserve	0	38	75	75	75	75
43	Sub-total Other Expense Adjustments	(\$18)	\$26	\$64	\$62	\$65	\$65
44							
45	Total Operating Expense before Non-Cash Liability Adjs	\$8,554	\$9,376	\$9,721	\$10,070	\$10,409	\$10,720
46							
47	Depreciation	\$1,687	\$1,791	\$1,894	\$1,993	\$2,075	\$2,152
48	PEB Obligation	1,291	1,318	1,380	1,437	1,497	1,558
49	Environmental Remediation	0	26	8	9	9	10
50							
51	Total Operating Expense	\$11,533	\$12,511	\$13,004	\$13,509	\$13,990	\$14,440
52							
53	Net Operating Deficit Before Subsidies and Debt Service	(\$5,807)	(\$6,566)	(\$7,001)	(\$7,435)	(\$7,831)	(\$8,201)
54							
55	Dedicated Taxes and State/Local Subsidies	\$4,559	\$4,260	\$4,051	\$4,060	\$4,161	\$4,287
56	Debt Service (excludes Service Contract Bonds)	(1,712)	(1,513)	(1,455)	(1,858)	(1,956)	(2,122)
57							
58	Net Deficit After Subsidies and Debt Service	(\$2,959)	(\$3,820)	(\$4,406)	(\$5,232)	(\$5,626)	(\$6,037)
59							
60	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$2,978	\$3,135	\$3,282	\$3,438	\$3,581	\$3,720
61	Conversion to Cash Basis: GASB Account	(71)	(58)	(62)	(64)	(67)	(70)
62	Conversion to Cash Basis: All Other	(389)	397	42	(24)	44	53
63							
64	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$442)	(\$345)	(\$1,143)	(\$1,882)	(\$2,068)	(\$2,334)

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2009 - 2012

MTA Consolidated Statement Of Operations By Category

(\$ in millions)

Line Number						
7	Reimbursable					
8		2007	2008	2009		
9		Actual	Mid-Year Forecast	Preliminary Budget	2010	2011
10	Operating Revenue					
11	Farebox Revenue	\$0	\$0	\$0	\$0	\$0
12	Toll Revenue	0	0	0	0	0
13	Other Revenue	0	0	0	0	0
14	Capital and Other Reimbursements	1,251	1,412	1,414	1,382	1,358
15	Total Operating Revenue	\$1,251	\$1,412	\$1,414	\$1,382	\$1,390
16						
17	Operating Expense					
18	Labor Expenses:					
19	Payroll	\$465	\$521	\$533	\$524	\$524
20	Overtime	104	92	89	89	90
21	Health & Welfare	43	47	53	55	60
22	OPEB Current Payment	1	1	1	2	2
23	Pensions	46	49	47	44	45
24	Other-Fringe Benefits	117	130	132	128	129
25	Reimbursable Overhead	276	299	308	306	306
26	Sub-total Labor Expenses	\$1,052	\$1,139	\$1,163	\$1,149	\$1,154
27						
28	Non-Labor Expenses:					
29	Traction and Propulsion Power	\$0	\$0	\$0	\$0	\$0
30	Fuel for Buses and Trains	0	0	0	0	0
31	Insurance	7	6	5	5	6
32	Claims	0	0	0	0	0
33	Paratransit Service Contracts	0	0	0	0	0
34	Maintenance and Other Operating Contracts	65	75	78	68	69
35	Professional Service Contracts	26	70	34	33	31
36	Materials & Supplies	100	119	131	123	95
37	Other Business Expenses	0	3	3	3	3
38	Sub-total Non-Labor Expenses	\$198	\$273	\$251	\$233	\$204
39						
40	Other Expense Adjustments:					
41	Other	\$0	\$0	\$0	\$0	\$0
42	Sub-total Other Expense Adjustments	\$0	\$0	\$0	\$0	\$0
43						
44	Total Operating Expense	\$1,251	\$1,412	\$1,414	\$1,382	\$1,358
45						
46	Baseline Surplus/(Deficit)	\$0	\$0	\$0	\$0	(\$0)

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2009 - 2012

MTA Consolidated Statement Of Operations By Category

(\$ in millions)

Line Number						
7	Non-Reimbursable / Reimbursable					
8		2007	2008	2009		
9		Actual	Mid-Year Forecast	Preliminary Budget	2010	2011
10	Operating Revenue					2012
11	Farebox Revenue	\$3,995	\$4,196	\$4,228	\$4,277	\$4,333
12	Toll Revenue	1,251	1,276	1,281	1,282	1,286
13	Other Revenue	480	473	493	514	540
14	Capital and Other Reimbursements	1,251	1,412	1,414	1,382	1,358
15	Total Operating Revenue	\$6,977	\$7,357	\$7,416	\$7,455	\$7,517
16						\$7,628
17	Operating Expense					
18	Labor Expenses:					
19	Payroll	\$4,327	\$4,594	\$4,736	\$4,839	\$4,927
20	Overtime	586	561	545	554	564
21	Health & Welfare	659	731	803	874	947
22	OPEB Current Payment	271	327	362	393	428
23	Pensions	897	1,010	950	931	908
24	Other-Fringe Benefits	562	560	576	589	603
25	Reimbursable Overhead	1	(2)	(1)	(1)	(0)
26	Sub-total Labor Expenses	\$7,304	\$7,781	\$7,970	\$8,179	\$8,376
27						\$8,601
28	Non-Labor Expenses:					
29	Traction and Propulsion Power	\$294	\$313	\$347	\$403	\$433
30	Fuel for Buses and Trains	193	311	331	269	256
31	Insurance	61	45	61	72	84
32	Claims	164	152	157	165	173
33	Paratransit Service Contracts	233	280	316	366	441
34	Maintenance and Other Operating Contracts	598	729	727	741	746
35	Professional Service Contracts	207	290	263	257	255
36	Materials & Supplies	616	677	723	764	761
37	Other Business Expenses	152	184	174	174	177
38	Sub-total Non-Labor Expenses	\$2,518	\$2,981	\$3,100	\$3,211	\$3,326
39						\$3,444
40	Other Expense Adjustments:					
41	Other	(\$18)	(\$11)	(\$11)	(\$13)	(\$10)
42	General Reserve	0	38	75	75	75
43	Sub-total Other Expense Adjustments	(\$18)	\$26	\$64	\$62	\$65
44						\$65
45	Total Operating Expense before Non-Cash Liability Adjs.	\$9,805	\$10,788	\$11,135	\$11,452	\$11,767
46						\$12,110
47	Depreciation	\$1,687	\$1,791	\$1,894	\$1,993	\$2,075
48	OPEB Obligation	1,291	1,318	1,380	1,437	1,497
49	Environmental Remediation	0	26	8	9	9
50						10
51	Total Operating Expense	\$12,783	\$13,923	\$14,417	\$14,890	\$15,348
52						\$15,830
53	Net Operating Deficit Before Subsidies and Debt Service	(\$5,807)	(\$6,566)	(\$7,001)	(\$7,435)	(\$7,831)
54						(\$8,201)
55	Dedicated Taxes and State/Local Subsidies	\$4,559	\$4,260	\$4,051	\$4,060	\$4,161
56	Debt Service (excludes Service Contract Bonds)	(1,712)	(1,513)	(1,455)	(1,858)	(1,956)
57						(2,122)
58	Net Deficit After Subsidies and Debt Service	(\$2,959)	(\$3,820)	(\$4,406)	(\$5,232)	(\$5,626)
59						(\$6,037)
60	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$2,978	\$3,135	\$3,282	\$3,438	\$3,581
61	Conversion to Cash Basis: GASB Account	(71)	(58)	(62)	(64)	(67)
62	Conversion to Cash Basis: All Other	(389)	397	42	(24)	44
63						53
64	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$442)	(\$345)	(\$1,143)	(\$1,882)	(\$2,068)
65						(\$2,334)

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2009 - 2012

MTA Consolidated Cash Receipts and Expenditures

(\$ in millions)

Line Number	CASH RECEIPTS AND EXPENDITURES	2007	2008	2009			
		Actual	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
9							
10							
11	Receipts						
12	Farebox Revenue	\$4,048	\$4,245	\$4,271	\$4,317	\$4,372	\$4,421
13	Other Operating Revenue	502	579	524	547	574	600
14	Capital and Other Reimbursements	1,224	1,452	1,450	1,392	1,388	1,399
15	Total Receipts	\$5,774	\$6,276	\$6,246	\$6,256	\$6,335	\$6,420
16							
17	Expenditures						
18	<u>Labor:</u>						
19	Payroll	\$4,170	\$4,469	\$4,564	\$4,657	\$4,740	\$4,810
20	Overtime	551	535	519	528	537	548
21	Health and Welfare	637	731	788	858	930	1,003
22	OPEB Current Payment	257	310	339	368	401	438
23	Pensions	899	763	937	929	902	900
24	Other Fringe Benefits	508	539	549	562	575	586
25	Contribution to GASB Fund	71	58	62	64	67	70
26	Total Labor Expenditures	\$7,093	\$7,405	\$7,758	\$7,966	\$8,152	\$8,355
27							
28	<u>Non-Labor:</u>						
29	Traction and Propulsion Power	\$304	\$350	\$357	\$412	\$443	\$455
30	Fuel for Buses and Trains	192	312	331	268	256	250
31	Insurance	49	54	58	68	83	95
32	Claims	143	140	136	144	152	157
33	Paratransit Service Contracts	231	281	311	361	436	518
34	Maintenance and Other Operating Contracts	488	602	606	610	622	624
35	Professional Service Contracts	192	283	241	238	235	236
36	Materials & Supplies	700	686	741	762	758	754
37	Other Business Expenditures	248	179	178	180	189	186
38	Total Non-Labor Expenditures	\$2,547	\$2,885	\$2,959	\$3,043	\$3,174	\$3,275
39							
40	<u>Other Expenditure Adjustments:</u>						
41	Other	\$47	\$65	\$94	\$96	\$94	\$97
42	General Reserve	0	38	75	75	75	75
43	Total Other Expenditure Adjustments	\$47	\$102	\$169	\$171	\$169	\$172
44							
45	Total Expenditures	\$9,687	\$10,392	\$10,886	\$11,180	\$11,494	\$11,802
46							
47	Net Cash Deficit Before Subsidies and Debt Service	(\$3,912)	(\$4,116)	(\$4,641)	(\$4,924)	(\$5,159)	(\$5,382)
48							
49	Dedicated Taxes and State/Local Subsidies	\$4,618	\$4,774	\$4,472	\$4,324	\$4,460	\$4,568
50	Debt Service (excludes Service Contract Bonds)	(1,147)	(1,003)	(975)	(1,282)	(1,369)	(1,520)
51							
52	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$442)	(\$345)	(\$1,143)	(\$1,882)	(\$2,068)	(\$2,334)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2009 - 2012
Cash Conversion Detail
(\$ in millions)

	<u>2007</u> <u>Actual</u>	<u>2008</u> <u>Mid-Year</u> <u>Forecast</u>	<u>2009</u> <u>Preliminary</u> <u>Budget</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Depreciation</u>						
New York City Transit	\$1,061	\$1,134	\$1,204	\$1,274	\$1,344	\$1,414
Metro-North Railroad	214	226	236	246	256	266
Long Island Rail Road	276	283	298	311	308	303
MTA Bus Company	30	35	37	40	42	42
MTA Headquarters	30	30	31	28	26	21
Staten Island Railway	7	10	10	10	10	10
Bridges & Tunnels	70	73	78	83	89	95
<i>Sub-Total</i>	<i>1,687</i>	<i>1,791</i>	<i>1,894</i>	<i>1,993</i>	<i>2,075</i>	<i>2,152</i>
<u>Other Post Employment Benefits</u>						
New York City Transit	\$991	\$1,010	\$1,055	\$1,099	\$1,145	\$1,192
Metro-North Railroad	49	51	53	55	56	58
Long Island Rail Road	78	78	81	84	87	91
MTA Bus Company	46	49	52	54	56	58
MTA Headquarters	58	61	64	67	70	73
Bridges & Tunnels	61	61	66	69	72	76
Long Island Bus	6	6	6	7	7	8
Staten Island Railway	2	3	3	3	3	3
<i>Sub-Total</i>	<i>1,291</i>	<i>1,318</i>	<i>1,380</i>	<i>1,437</i>	<i>1,497</i>	<i>1,558</i>
<u>Environmental Remediation</u>						
New York City Transit	0	18	0	0	0	0
Metro-North Railroad	0	7	7	7	8	8
Long Island Rail Road	0	2	2	2	2	2
<i>Sub-Total</i>	<i>0</i>	<i>26</i>	<i>8</i>	<i>9</i>	<i>9</i>	<i>10</i>
<u>Operating</u>						
New York City Transit	(59)	201	35	6	3	18
Metro-North Railroad	(80)	(1)	(16)	(19)	(27)	(25)
Long Island Rail Road	(6)	18	(16)	(15)	9	(6)
MTA Bus Company	11	(3)	(3)	(4)	(4)	(4)
MTA Headquarters	(78)	(19)	(36)	(40)	(37)	(38)
Long Island Bus	(1)	(6)	1	1	1	1
Staten Island Railway	(1)	2	(0)	(0)	(0)	(0)
First Mutual Transportation Assurance Company	(11)	(17)	(16)	(14)	(12)	(13)
Other	53	13	16	19	19	21
<i>Sub-Total</i>	<i>(171)</i>	<i>189</i>	<i>(35)</i>	<i>(67)</i>	<i>(48)</i>	<i>(47)</i>
<u>Subsidies</u>						
New York City Transit	(229)	114	8	(11)	(14)	(13)
Commuter Railroads	(170)	61	18	(1)	(2)	(1)
Headquarters	161	(48)	(9)	(9)	42	45
MTA Bus Company	(60)	18	(2)	(1)	(1)	(2)
Long Island Bus	8	5	1	0	0	0
Staten Island Railway	2	0	0	0	0	0
<i>Sub-Total</i>	<i>(289)</i>	<i>150</i>	<i>15</i>	<i>(22)</i>	<i>25</i>	<i>30</i>
Total Cash Conversion	\$2,518	\$3,474	\$3,263	\$3,350	\$3,558	\$3,703

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2009 - 2012
Changes Year-to-Year By Category

Favorable/(Unfavorable)

Line Number		2008 Mid-Year Forecast	Change 2008 - 2007	2009 Preliminary Budget	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
7	Non-Reimbursable										
8											
9											
10	Operating Revenue										
11	Farebox Revenue	\$4,196	\$201	\$4,228	\$31	\$4,277	\$49	\$4,333	\$55	\$4,381	\$49
12	Toll Revenue	1,276	26	1,281	5	1,282	1	1,286	3	1,291	5
13	Other Revenue	473	(7)	493	21	514	21	540	26	567	26
14	Capital and Other Reimbursements	0	0	0	0	0	0	0	0	0	0
15	Total Operating Revenue	\$5,945	\$219	\$6,002	\$57	\$6,074	\$72	\$6,159	\$85	\$6,239	\$80
16											
17	Operating Expense										
18	Labor Expenses:										
19	Payroll	\$4,073	(\$212)	\$4,203	(\$129)	\$4,314	(\$112)	\$4,403	(\$89)	\$4,476	(\$73)
20	Overtime	469	13	466	13	465	(9)	474	(9)	484	(10)
21	Health & Welfare	684	(67)	750	(66)	818	(68)	887	(68)	957	(71)
22	OPEB Current Payment	326	(55)	361	(35)	391	(30)	427	(35)	465	(39)
23	Pensions	961	(110)	904	58	887	17	863	24	868	(5)
24	Other-Fringe Benefits	430	15	444	(14)	461	(17)	474	(13)	484	(10)
25	Reimbursable Overhead	(301)	27	(310)	8	(307)	(3)	(306)	(1)	(312)	6
26	Sub-total Labor Expenses	\$6,642	(\$390)	\$6,808	(\$166)	\$7,030	(\$222)	\$7,222	(\$192)	\$7,422	(\$201)
27											
28	Non-Labor Expenses:										
29	Traction and Propulsion Power	\$313	(\$18)	\$347	(\$35)	\$403	(\$56)	\$433	(\$30)	\$446	(\$12)
30	Fuel for Buses and Trains	311	(119)	331	(20)	269	62	256	12	250	6
31	Insurance	38	16	56	(18)	66	(10)	78	(12)	94	(16)
32	Claims	152	12	157	(5)	165	(9)	173	(8)	176	(4)
33	Paratransit Service Contracts	280	(47)	316	(36)	366	(50)	441	(75)	523	(82)
34	Maintenance and Other Operating Contracts	654	(121)	649	5	672	(23)	678	(5)	691	(13)
35	Professional Service Contracts	220	(39)	230	(10)	224	5	224	1	228	(4)
36	Materials & Supplies	559	(43)	592	(34)	641	(49)	666	(25)	646	20
37	Other Business Expenses	181	(29)	170	11	170	(0)	174	(4)	179	(4)
38	Sub-total Non-Labor Expenses	\$2,708	(\$388)	\$2,849	(\$142)	\$2,978	(\$128)	\$3,123	(\$145)	\$3,233	(\$110)
39											
40	Other Expense Adjustments:										
41	Other	(\$11)	7	(\$11)	0	(\$13)	(2)	(\$10)	3	(\$10)	0
42	General Reserve	38	(38)	75	(38)	75	0	75	0	75	0
43	Sub-total Other Expense Adjustments	\$26	(\$31)	\$64	(\$37)	\$62	(\$2)	\$65	\$3	\$65	\$0
44											
45	Total Operating Expense before Non-Cash Liability Adjs.	\$9,376	(\$822)	\$9,721	(\$345)	\$10,070	(\$349)	\$10,409	(\$339)	\$10,720	(\$311)
46											
47	Depreciation	1,791	(104)	1,894	(103)	1,993	(98)	2,075	(82)	2,152	(77)
48	OPEB Obligation	1,318	(27)	1,380	(62)	1,437	(57)	1,497	(60)	1,558	(61)
49	Environmental Remediation	26	(26)	8	18	9	(1)	9	(0)	10	(1)
50											
51	Total Operating Expense	\$12,511	(\$979)	\$13,004	(\$492)	\$13,509	(\$505)	\$13,990	(\$481)	\$14,440	(\$450)
52											
53	Net Operating Deficit Before Subsidies and Debt Service	(\$6,566)	(\$759)	(\$7,001)	(\$435)	(\$7,435)	(\$433)	(\$7,831)	(\$396)	(\$8,201)	(\$370)
54											
55	Dedicated Taxes and State/Local Subsidies	\$4,260	(\$299)	\$4,051	(\$209)	\$4,060	\$9	\$4,161	\$101	\$4,287	\$126
56	Debt Service (excludes Service Contract Bonds)	(1,513)	199	(1,455)	58	(1,858)	(402)	(1,956)	(98)	(2,122)	(167)
57	Net Deficit After Subsidies and Debt Service	(\$3,820)	(\$860)	(\$4,406)	(\$586)	(\$5,232)	(\$826)	(\$5,626)	(\$394)	(\$6,037)	(\$411)
58											
59	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$3,135	\$157	\$3,282	\$147	\$3,438	\$156	\$3,581	\$142	\$3,720	\$139
60	Conversion to Cash Basis: GASB Account	(58)	14	(62)	(4)	(64)	(3)	(67)	(3)	(70)	(3)
61	Conversion to Cash Basis: All Other	397	786	42	(354)	(24)	(66)	44	68	53	9
62	Net Cash Balance from Previous Year	495	(442)	150	(345)	0	(150)	0	0	0	0
63	Baseline Net Cash Balance	\$150	(\$345)	(\$993)	(\$1,143)	(\$1,882)	(\$889)	(\$2,068)	(\$186)	(\$2,334)	(\$266)

METROPOLITAN TRANSPORTATION AUTHORITY
JULY FINANCIAL PLAN 2009-2012
NON-RECURRING REVENUES AND SAVINGS - BASELINE
(\$ in millions)

Non-recurring revenues and savings with a value of \$1 million or more in calendar years 2008 through 2012.

Agency	2008 Mid-Year Forecast		2009 Preliminary Budget	2010 Plan	2011 Plan	2012 Plan
Bridges & Tunnels	\$	- None	\$	- None	\$	- None
Subtotal	\$	-	\$	-	\$	-
Long Island Bus	\$	- None	\$	- None	\$	- None
Subtotal	\$	-	\$	-	\$	-
Long Island Rail Road	\$	74.5 Prepayment of 2008 Pension by MTA in 2007	\$	- None	\$	- None
Subtotal	\$	74.5	\$	-	\$	-
Metro-North Railroad	\$	23.8 Prepayment of 2008 Pension by MTA in 2007	\$	- None	\$	- None
	\$	- 0	\$	- None	\$	- None
Subtotal	\$	23.8	\$	-	\$	-
Staten Island Railway	\$	2.2 Prepayment of 2008 Pension by MTA in 2007	\$	- None	\$	- None
Subtotal	\$	2.2	\$	-	\$	-
MTA Capital Construction Company	\$	- None	\$	- None	\$	- None
Subtotal	\$	-	\$	-	\$	-
MTA Headquarters	\$	7.6 Prepayment of 2008 Pension by MTA in 2007	\$	- None	\$	- None
Subtotal	\$	7.6	\$	-	\$	-

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

METROPOLITAN TRANSPORTATION AUTHORITY
JULY FINANCIAL PLAN 2009-2012
NON-RECURRING REVENUES AND SAVINGS - BASELINE
(\$ in millions)

Non-recurring revenues and savings with a value of \$1 million or more in calendar years 2008 through 2012.

Agency	2008 Mid-Year Forecast		2009 Preliminary Budget	2010 Plan	2011 Plan	2012 Plan
New York City Transit						
TAB Fund Drawdown	\$ 38.7	Accumulated Transit Adjudication Bureau Fund Drawdown	\$ - None	\$ - None	\$ - None	\$ - None
2007 Pension Prepayment	\$ 108.0	Prepayment of 2008 Pension by MTA in 2007				
Subtotal	<u>\$ 146.7</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MTA Bus						
			\$ - None	\$ - None	\$ - None	\$ - None
Subtotal	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MTA Transactions	\$ -		\$ -	\$ - None	\$ - None	\$ - None
Energy Hedging Strategy	\$ 79.0		\$ 83.0	\$ -		
Debt Service Defeasance	\$ 37.5		\$ 283.3			
55/25 Pension Funding	\$ 117.4		\$ -			
Subtotal	<u>\$ 233.9</u>		<u>\$ 366.3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Non-Recurring Resources (>or = \$1million)	\$ 488.6		\$ 366.3	\$ -	\$ -	\$ -

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

METROPOLITAN TRANSPORTATION AUTHORITY
JULY FINANCIAL PLAN 2009-2012
MTA OPERATING BUDGET RESERVES - BASELINE
(\$ in millions)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>MTA Consolidated:</u>					
<i>MTA General Reserve</i>	\$38	\$75	\$75	\$75	\$75
<i>Pension Valuation Provision</i> ¹	24	1	0	(2)	(3)
<i>Fuel Provision</i> ²	33	50	(15)	(33)	(47)

Note: The plan includes setting aside funds to be deposited in a special GASB account. This is discussed in detail in the consolidated Agency Baseline Assumptions section. Also the February Plan captured \$150 million as a reduction to 2007 subsidies pending implementation of an initiative to reduce volatility by locking in fuel prices. Potential benefits from the transaction are being captured within subsidies in 2008 (\$79 million) and 2009 (\$83 million) in anticipation of future fuel savings. This item is not technically a reserve.

¹ A provision has been established in the consolidated pension line for the impact of the 2007 MTA Defined Benefit Plan valuation which has only recently become available. The revised projections result in slight changes from the assumptions in the agencies' plans for 2008 to 2012. This provision will be allocated in the MTA's November Plan.

² This item is not technically a reserve. Higher forecasts for fuel were received after the agency proposed plan estimates were prepared. Therefore the consolidated plan reflects the additional costs as a centralized provision.

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IV. MTA Capital Program Information

New York City Transit
2008 Commitment Summary
\$ in millions

ACEP	Project Description	2008 Commitments	MTA Funding	Federal Funding	Local Funding
2000-2004					
T40404/M2	Fare Media Modernization Phase 1	0.50	0.50		
	Element Total	\$0.50	\$0.50	\$0.00	\$0.00
T40411/15	Employee Facilities: 125 Street/8 Av Completion Work	3.07	3.07		
T40411/2C	Station Rehab: Gun Hill Rd Stn Completion: Intermodal	6.13	6.13		
	Element Total	\$9.20	\$9.20	\$0.00	\$0.00
T40703/SB	Stillwell Av Terminal: Miscellaneous Work	0.79	0.79		
	Element Total	\$0.79	\$0.79	\$0.00	\$0.00
T40803/9C	Fixed Block Signals: Concourse Ln Wrap-up	1.54	1.54		
	Element Total	\$1.54	\$1.54	\$0.00	\$0.00
T41203/FG	Charleston Annex Depot In Staten Island	143.84	0.00	143.84	
	Element Total	\$143.84	\$0.00	\$143.84	\$0.00
T41604/I3	Raised Floor Livingston Plaza	0.22	0.22		
	Element Total	\$0.22	\$0.22	\$0.00	\$0.00
N40904/II	Station Improvements: Willets Pt - Shea Stadium/FLS	8.63	8.63		
	Element Total	\$8.63	\$8.63	\$0.00	\$0.00
2005-2009					
S50701/02	Sir: Station Structural Repairs 4 Locations	6.19	5.293		0.897
S50701/07	Station Construction. New Station - Arthur Kill	0.02	0.02		
S50701/08	Sir: Repair 6 Bridges And Viaduct	18.68	4.68		14.00
S50701/10	Sir: Tompkinsville Fare Collection	1.30	1.30		
	Element Total	\$26.19	\$11.29	\$0.00	\$14.90
T50101/03	Purchase 292 'B' Div Cars (R160 Option2)	566.58	326.48	240.1	
	Element Total	\$566.58	\$326.48	\$240.10	\$0.00
T50302/04	Repl Integrated Farebox Unit Components	5.00	5.00		
T50302/12	Purchase 190 Articulated Buses	69.35	69.35		
T50302/16	Purchase 179 Paratransit Vehicles - 2008	11.98	11.98		
T50302/17	Purchase 126 Over-the-road Express Buses (2007)	72.55	72.55		
	Element Total	\$158.88	\$158.88	\$0.00	\$0.00
T50404/01	Fare Control Modernization: Smart Card Implementation	43.9	43.9		
T50404/02	AFC Replacement Phase 2: Electric Boards	5.00	5.00		
T50404/03	Replace High Production Encoding Machines	6.47	6.47		
T50404/04	Fare Marketing/Distribution Equipment: Purchase 32 Heets	1.50	1.50		
	Element Total	\$56.87	\$56.87	\$0.00	\$0.00
T50407/05	Replace 2 Escalators Roosevelt Av /QBL	0.90	0.90		
	Element Total	\$0.90	\$0.90	\$0.00	\$0.00
T50411/03	Station Rehab: Avenue M - Brighton Line	22.98	22.98		
T50411/04	Station Rehab: Neck Road: Brighton Line - Brooklyn	21.75	21.75		
T50411/05	Station Rehab: Avenue H: Brighton Line	28.47	28.47		
T50411/06	Station Rehab: Avenue J/ Brighton Line	25.94	25.94		
T50411/07	Station Rehab: Avenue U: Brighton Line - Brooklyn	25.21	25.21		
T50411/08	Station Rehab: Bleecker Street - Lexington Av Line	15.02	0	15.02	
T50411/13	Station Structural Remediation: Kings Highway/ Brighton Line	23.37	23.37		
T50411/14	Station Structural Remediation: Newkirk Av Station Phase 2 - Brt	20.55	20.55		
T50411/17	Station Rehab: Fort Hamilton Parkway: West End Line	0.23	0.23		
T50411/18	Station Rehab: 71st Street: West End Line	0.16	0.16		
T50411/19	Station Rehab: 79th Street: West End Line	0.254	0.254		
T50411/20	Station Rehab: 18th Avenue: West End Line	0.41	0.41		
T50411/21	Station Rehab: 20th Avenue: West End Line	0.10	0.1		
T50411/24	Station Rehab: 62nd Street: West End Line	0.04	0.04		
T50411/25	Station Rehab: Bay Parkway: West End Line	0.13	0.13		

New York City Transit
2008 Commitment Summary
\$ in millions

ACEP	Project Description	2008 Commitments	MTA Funding	Federal Funding	Local Funding
T50411/26	Station Rehab: 9th Avenue: West End Line	0.08	0.08		
T50411/28	Station Work: 50 St - West End Line	0.06	0.06		
T50411/29	Station Work: 55th St - West End Line	0.06	0.06		
T50411/31	Station Rehab: Bay 50th Street: West End Line	0.41	0.41		
T50411/32	Station Rehab: 25th Avenue: West End Line	0.41	0.41		
T50411/36	Station Rehab: Smith-9th Street - Prospect park Line	23.2	23.2		
T50411/37	Water Condition Remedy: 2008	3.94	3.94		
T50411/38	Station Rehab: Morrison-Sound View Aves: Pelham Ln - IRT	16.73	3.73	13.00	
T50411/43	Station Rehab: Buhre Avenue: Pelham Line - IRT	15.48	4.48	11.00	
T50411/44	Station Rehab: Middletown Road: Pelham Line - IRT	14.27	4.27	10.00	
T50411/45	Station Rehab: Zerega Avenue: Pelham Line - IRT	15.24	4.24	11.00	
T50411/46	Station Rehab: Castle Hill Avenue: Pelham Line - IRT	15.97	4.97	11.00	
T50411/47	Station Rehab: Parkchester/e 177th St: Pelham Line - IRT	18.83	4.83	14.00	
T50411/48	Station Rehab: St. Lawrence Av: Pelham Line - IRT	15.38	4.38	11.00	
T50411/49	Station Rehab: Elder Avenue: Pelham Line - IRT	14.84	4.84	10.00	
T50411/50	Station Rehab: Whitlock Avenue: Pelham Line - IRT	12.41	3.41	9.00	
T50411/55	Station Rehab: Beach 67 Street (Gaston)/Far Rockaway	6.26	6.26		
T50411/56	Station Rehab: Beach 60 Street / Far Rockaway	6.43	6.43		
T50411/57	Station Rehab: Beach 44 Street (Frank Ave)/Far Rock	6.33	6.33		
T50411/58	Station Rehab: Beach 36 St (Edgemere) - Far Rockaway	6.02	6.02		
T50411/59	Station Rehab: Beach 25 Street (Wavecrest) - Far Rockaway	5.98	5.98		
T50411/60	Station Rehab: Mott Avenue/ Far Rockaway	5.82	5.82		
T50411/61	Station Rehab: Beach 90 (Holland) - Rockaway Line	6.20	6.20		
T50411/62	Station Rehab: Beach 98 (Playland) - Rockaway Line	6.84	6.84		
T50411/63	Station Rehab: Beach 105 (Seaside) - Rockaway Line	7.04	7.04		
T50411/74	Station Rehab: E. 180th Street/ White Plains Road	29.600	6.10	23.50	
T50411/84	Station Rehab: 8th Avenue - Sea Beach Line	0.10	0.10		
T50411/85	Station Rehab: Fort Hamilton Parkway - Sea Beach Line	0.10	0.10		
T50411/86	Station Rehab: 18th Avenue - Sea Beach Line	0.10	0.10		
T50411/88	Station Rehab: New Utrecht - Sea Beach Line	0.10	0.10		
T50411/93	Station Normal Replacement: Pelham Bay Pkwy/Pelham	3.65	3.65		
Element Total		\$442.49	\$303.97	\$138.52	\$0.00
T50413/02	ADA: Bway-Lafayette/Bleecker St Complex	12.59	0.97	11.62	
T50413/05	ADA: Kings Highway - Brighton Line	6.24	6.24		
T50413/10	ADA: Bay Parkway - West End Line	0.01	0.01		
T50413/17	ADA: Mott Avenue: Far Rockaway Line	9.67	9.67		
T50413/19	ADA: E. 180th Street - White Plains Road	6.51	1.30	5.21	
Element Total		\$35.02	\$18.19	\$16.83	\$0.00
T50414/02	Intermodal/Transfer Facilities: Bleecker St/Bdway-Lafayette Transfer	36.79	7.48	29.31	
T50414/09	Station Signage	2.45	2.45		
T50414/10	Construct/Rehab 11 Scrubber Rms At 5 Locs	3.88	3.88		
T50414/11	Platform Rehab: 4 Locations - Pelham Line	4.60	4.6		
T50414/18	Station Rehab: 86 St - 4th Av Line	0.35	0.00	0.35	
Element Total		\$48.07	\$18.41	\$29.66	\$0.00
T50502/10	Replace Mainline Track: 2008	146.66	34.2	97.46	15.00
T50502/11	Track Force Account: 2008	35.00	0.00		35.00
T50502/12	Welded Rail Program: 2008	11.35	3.36	7.99	
T50502/13	Mainline Track Rehabilitation: 2009	1.25	1.25		
Element Total		\$194.26	\$38.81	\$105.45	\$50.00
T50503/04	I/H Track Reconstr: 30 Switches (2008)	37.41	9.61	27.80	
T50503/05	I/H Track Reconstr: 36 Switches: 2009	2.00	2.00		
Element Total		\$39.41	\$11.61	\$27.80	\$0.00
T50602/08	Tunnel Lighting Rehabilitation: IND 6th Av LCL Trks: 34st- W4 St	0.45	0.45		
T50602/09	Tunnel Lighting Rehabilitation: Bergen Interlocking To W4 St/ 6 Av Line	39.54	8.54	31.00	
T50602/10	Tunnel Lighting Rehabilitation: Bklyn Bridge-City Hall To 33 St - Lex	51.54	51.54		
T50602/11	Tunnel Lighting Rehabilitation: Phase III - Wall Street To Chambers Street	8.59	8.59		
Element Total		\$100.12	\$69.12	\$31.00	\$0.00
T50603/03	Vent Plant: Jackson Avenue/Queens	64.11	13.11	51.00	

New York City Transit
2008 Commitment Summary
\$ in millions

ACEP	Project Description	2008 Commitments	MTA Funding	Federal Funding	Local Funding
T50603/04	Ventilation Facilities: 55th St - 8th Ave Line	3.37	3.37		
T50603/05	New Fan Plant: N. of W 4th St, 8th Av Line	0.58	0.58		
T50603/06	New Fan Plant: Queens Blvd Line	35.98	35.98		
	Element Total	\$104.04	\$53.04	\$51.00	\$0.00
T50604/03	Pumping Facilities: Deep Wells Rehab : Fulton Line	10.87	10.87		
T50604/08	Lenox Well Points: Rehab/Replacement (ph II)	5.14	5.14		
	Element Total	\$16.01	\$16.01	\$0.00	\$0.00
T50703/03	Repaint Bronx Park East To 241 St - WPR	21.16	11.16	10.00	
T50703/07	Culver Viaduct Phase II	102.72	102.72		
T50703/12	Ocean Pkwy Viaduct- Brighton Ln Phase II	7.17	7.17		
T50703/18	Rockaway Viaduct, Phase 2 - Rockaway Line	29.98	29.98		
T50703/24	Line Structure Overcoating: 103 St Station To S. Main St. Portal: Fls	10.73	10.73		
T50703/26	Line Structure Rehabilitation: Rehab Retaining Walls - Sea Beach Line	0.28	0.28		
T50703/33	Flooding Mitigation - Various Locations	10.50	10.50		
	Element Total	\$182.54	\$172.54	\$10.00	\$0.00
T50803/03	Stop Cable Replacement: Phase 3	22.67	0.00	22.67	
T50803/07	Signal Key-by Circuit Mod: Phase II	27.75	27.75		
T50803/08	CBTC: Install CBTC: Flushing Line	250.67	250.67		
T50803/09	Station Time Signal Enhancement/lex Ln	4.00	0.00	4.00	
T50803/12	Signal Systems: Modernize 4th Av Interlocking/Culver Ln	66.60	66.6		
T50803/14	Modernize Interlockings: Lex Av, 5Av/ QBL	97.70	19.7	78.00	
T50803/17	Fire Suppression At 29 Signal Relay Room	11.22	11.22		
T50803/18	Signal Systems Mod: 71 Av & Union Tpke Intrclknsgs/Qns Ln	128.60	128.6		
T50803/19	CBTC-Canarsie: Equip 64 R-160 Cars	12.00	12		
T50803/20	CBTC-Canarsie: Automatic Signal Removals	3.00	3		
T50803/23	CBTC Test Track: Culver Line	1.45	1.45		
	Element Total	\$625.66	\$520.99	\$104.67	\$0.00
T50806/04	Copper Cable Upgrade: Steinway Tube	8.39	8.39		
T50806/10	VHF Radio System Upgrade (Phase1)	122.14	122.14		
T50806/13	Stations Wireless Mobile Technology Ph1	2.45	2.45		
	Element Total	\$132.98	\$132.98	\$0.00	\$0.00
T50902/01	Repl Power Transformers at 2 Locs	9.23	9.23		
T50902/06	Rockwell Place Substation	20.52	20.52		
T50902/09	Rehab 3 IRT Substation Enclosures	6.52	6.52		
T50902/10	Substations: S. Railroad Ave Ind/Queens Line	19.95	4.65	15.30	
T50902/11	Meserole Av Substation: Ind/Crosstown Line	19.70	19.7		
T50902/12	Underground SS Hatchways (27 Locs)	0.05	0.05		
T50902/16	Modernize Greeley Substation	21.82	4.82	17.00	
T50902/17	Jay St Substation: Dc Feeders / CBH #579	5.45	5.45		
T50902/20	Substations: 10th Street Ind/Smith Street Line	1.21	1.21		
	Element Total	\$104.45	\$72.15	\$32.30	\$0.00
T50904/11	Traction Power Scada Upgrade IRT	2.00	2.00		
	Element Total	\$2.00	\$2.00	\$0.00	\$0.00
T51004/01	207th St - Ph1 Contract2: Heating System	10.66	0.66	10.00	
T51004/01	207th St O/H Shop - Central AC Shop	146.97	81.64	65.33	
	Element Total	\$157.63	\$82.30	\$75.33	\$0.00
T51102/02	Portal, Leads & Retaining Wall 38th St Yard	19.70	19.7		
T51102/04	Yard CCTV	6.30	6.3		
T51102/10	Yard Hydrants: Various Locations	15.07	15.07		
	Element Total	\$41.07	\$41.07	\$0.00	\$0.00
T51105/04	I/H Yard Track Rehabilitation : 2008	2.77	0.82	1.95	
T51105/05	Yard Track Rehabilitation: 2009	0.25	0.25		
	Element Total	\$3.02	\$1.07	\$1.95	\$0.00
T51106/04	Replace 17 Yard Switches: 2008	8.43	3.53	4.90	

New York City Transit
2008 Commitment Summary
\$ in millions

ACEP	Project Description	2008 Commitm ents	MTA Funding	Federal Funding	Local Funding
T51106/05	Replace 17 Yard Switches: 2009	0.67	0.67		
	Element Total	\$9.10	\$4.20	\$4.90	\$0.00
T51203/03	Ulmer Park Depot Rehabilitation	1.34	1.34		
	Element Total	\$1.34	\$1.34	\$0.00	\$0.00
T51204/05	AVL: Option 1: 3-4 Depots	17.36	0	17.36	
T51204/06	Replace Bus Radio System	1.66	1.66		
T51204/08	Bus Rapid Transit - Phase 1	21.95	17.95	4.00	
T51204/10	10 Bus Washers at KB, GH, MV, CS	0.92	0.92		
	Element Total	\$41.89	\$20.53	\$21.36	\$0.00
T51302/03	Work Train & Special Equipment: Purchase 2 New Ballast Regulators	7.20	7.20		
T51302/04	Replace Rubber Tire Vehicles 2008-2009	12.64	12.64		
	Element Total	\$19.84	\$19.84	\$0.00	\$0.00
T51602/02	Capital Revolving Fund: 2008	5.00	0.00		5.00
	Element Total	\$5.00	\$0.00	\$0.00	\$5.00
T51604/04	PBX Network Upgrade And IP Management	16.09	16.09		
T51604/06	Wide Token Ring Replacement/Ethernet Con	4.34	4.34		
	Element Total	\$20.43	\$20.43	\$0.00	\$0.00
T51605/15	Capital Accounting Sys Tech Conversion	2.03	2.03		
T51605/16	Signal Systems Mod Roosevelt Interlocking - DES	0.83	0.83		
T51605/16	Signal Systems Modernization: 42st 8th Av Interlocking - DES	0.84	0.84		
T51605/16	Escalator Repl. 3 Locations: Bowery, Whitehall & E. Bway - DES	1.09	1.09		
T51605/16	Signal Systems Modernization 30th St 8th Av Interlocking - DES	1.28	1.28		
T51605/16	Signal Systems Mod: 71st Av & Union Turnpike Interlock - DES	2.55	2.55		
T51605/18	Test Pits Service Contract (2007)	2.16	2.16		
T51605/19	Engineering Services (2008)	4.54	4.54		
T51605/20	Scope Development 2008	8.54	8.54		
T51605/21	Concrete Batch Plant Inspection (2008)	0.06	0.06		
	Element Total	\$23.92	\$23.92	\$0.00	\$0.00
T51606/04	Fire Alarms & Sprinklers 3 Dos Locations	13.23	13.23		
T51606/09	Groundwater And Soil Remediation: Consultant Srvcs: Ust & Remediation 2008	7.05	7.05		
T51606/10	Asbestos Waste Disposal I/Q	0.97	0.97		
	Element Total	\$21.25	\$21.25	\$0.00	\$0.00
T51607/15	Vehicle Locator For Revenue Fleet	0.36	0.36		
T51607/24	Employee Facilities: Parkchester/e 177 St - Pelham	5.38	1.38	4.00	
T51607/25	Employee Facilities: 207th Street Station/8th Av Line	8.05	8.05		
T51607/26	Employee Facilities: East 180th Street - WPR	4.10	1.1	3.00	
T51607/35	DOS Roof Replacement Phase 1	9.02	9.02		
T51607/44	Employee Facilities: West 4 Street (I/H)	11.54	11.54		
T51607/47	Consolidated Employee Facilities Church Ave /Culver	0.40	0.40		
	Element Total	\$38.85	\$31.85	\$7.00	\$0.00
NYC Transit and Staten Island Railway 2008 Commitment Total		\$3,384.54	\$2,272.93	\$1,041.71	\$69.90

Long Island Rail Road
2008 Commitment Summary
All \$ in Millions

ACEP	Project Description	2008 Commitments	MTA Funding	Federal Funding	Local Funding
2000-2004					
L404024R	East River Tunnel Rehab	2.37	2.37		
L404024Y	East River Tunnel Ventilation	0.23	0.23		
	Element Total	\$ 2.60	\$ 2.60	\$ -	\$ -
L40603Y9	EIS/Design Main Line Branch	3.70	3.70		
	Element Total	\$ 3.70	\$ 3.70	\$ -	\$ -
N40905FR	East Hampton Station	0.12	0.12		
	Element Total	\$ 0.12	\$ 0.12	\$ -	\$ -
2005-2009					
L50101M7	M7 Procurement - 158 Cars	4.14	4.14		
	Element Total	\$ 4.14	\$ 4.14	\$ -	\$ -
L5020425	Jamaica Fit-Out Phase 2	7.46	7.46		
L502042B	Broadway Platform Replacement	0.50	0.00	0.5	
L502042C	Seaford Platform Replacement	0.28	0.00	0.28	
L502042T	Escalator and Elevator Replacement	0.01	0.01		
L502042U	Elevator Replacement Program	0.26	0.26		
	Element Total	\$ 8.51	\$ 7.73	\$ 0.78	\$ -
L5020526	Ronkonkoma Parking Improvement	3.46	3.46		
	Element Total	\$ 3.46	\$ 3.46	\$ -	\$ -
L50301E9	ACL Direct Fixation	53.38	53.38		
L50301R2	Drainage Control	3.55	3.55		
L50301R3	Fencing	0.04	0.04		
L50301R4	Demolitions	0.09	0.09		
L50301R6	Track Stability/Retaining Wall	3.66	3.66		
L50301R7	Amott Culvert	2.76	2.76		
L50301T4	2008 Annual Track Program	51.52	28.32	23.2	
	Element Total	\$ 115.00	\$ 91.80	\$ 23.20	\$ -
L50401B1	Bridge Rehabilitation Program	2.05	2.05		
L50401B4	Atlantic Viaduct	75.11	3.38	71.73	
L50401B6	Shinnecock Canal/North Highway	1.21	1.21		
L50401B7	Broadway(PW)/150 St(Jamaica)	1.15	1.15		
L50401B8	Woodhaven/Queens Blvd Bridges	0.85	0.85		
L50401B9	DB Bridge - Design	0.20	0.20		
	Element Total	\$ 80.56	\$ 8.83	\$ 71.73	\$ -
L50402VA	ERT Fire & Life Safety	14.76	14.76		
	Element Total	\$ 14.76	\$ 14.76	\$ -	\$ -
L50501S6	Improved Radio Coverage/Infras	0.34	0.34		
L50501S8	Audio/Visual Paging System (AV	4.97	2.37	2.6	
L50501S9	Communications Pole Line Repla	0.20	0.00	0.2	
	Element Total	\$ 5.52	\$ 2.72	\$ 2.80	\$ -
L50502SA	Wayside Event Recorders	0.24	0.24		
L50502SB	Babylon Branch Signal Improvem	0.64	0.00	0.64	
L50502SL	Jay, Hall & Dunton Micropro	0.50	0.00	0.5	
L50502SV	Valley Interlocking - Phase II	0.70	0.00	0.7	
L50502SX	Babylon - Speonk Signalization	1.22	0.00	1.22	
	Element Total	\$ 3.30	\$ 0.24	\$ 3.06	\$ -
L5060161	Diesel Locomotive Shop Upgrade	5.14	5.14		
L506016C	Hillside Facility/Bldg Rehab	3.00	3.00		
L506016H	M of W Repair Facility	12.03	12.03		
L506016Y	LCM Shop Design And Construction	0.30	0.30		
L506016Y	LCM-Shop Design and Cnstruction	38.88	38.88		
	Element Total	\$ 59.34	\$ 59.34	\$ -	\$ -
L50701PC	Power System Upgrade	3.31	3.31		
L50701PG	Replace 3 Substations	4.32	0.00	4.32	
L50701PH	Demo/Const 5 Substations	0.04	0.00	0.04	
L50701PU	Signal Power Motor Generators	0.71	0.71		
	Element Total	\$ 8.39	\$ 4.03	\$ 4.36	\$ -
L509048A	Substations Environmental Reme	1.75	1.75		
L509048L	Program Administation	23.70	23.70		
L509048M	Independent Engineer	0.15	0.15		
L509048N	APPL Insurance	0.88	0.88		
L509048R	GP-38 Diesel Simulator	1.79	1.79		
L509048T	Jamaica Interlocking Study	5.40	5.40		
L50904OP	Program Development	0.02	0.02		
	Element Total	\$ 33.69	\$ 33.69	\$ -	\$ -
N50905HB	Bayshore Overpass	0.58	0.58		
N50905HG	River Avenue Bridge	0.20	0.20		
N50905HH	Lynbrook Taxi Stand	0.09	0.09		
	Element Total	\$ 0.86	\$ 0.86	\$ -	\$ -
Long Island Rail Road 2008 Commitment Total		343.94	238.01	105.93	0.00

Metro-North Railroad
2008 Commitment Summary
\$ in millions

ACEP	Project Description	2008 Commitments	MTA Funding	Federal Funding	Local Funding
2000-2004					
M402-02-08	Hudson Line Overpass Improvements	0.12	0.00		0.12
M402-02-16	Yankee Stadium Station	5.13	5.13		
	Element Total	\$ 5.25	\$ 5.13	\$ -	\$ 0.12
2005-2009					
M501-01-07	M-8 NHL Purchase - 210+90 Cars MN Share	0.08	0.08		
M501-01-09	End Door Coach Midlife Overhaul - 40 Cars	0.02	0.02		
M501-01-11	West of Hudson Locomotives	7.20	7.20		
	Element Total	\$ 7.30	\$ 7.30	\$ -	\$ -
M501-03-08	Replace Obsolete Work Equipment	0.80	0.80		
	Element Total	\$ 0.80	\$ 0.80	\$ -	\$ -
M502-01-02	GCT Leaks Remediation	1.77	1.77		
M502-01-05	GCT Elevator Rehabilitation Phase III	2.93	2.93		
M502-01-08	GCT Water Conveyance Utilities Improvements	0.88	0.88		
	Element Total	\$ 5.58	\$ 5.58	\$ -	\$ -
M502-02-01	Hudson Line Stations Improvements Phase II	1.13	0.00	1.13	
M502-02-02	Croton Harmon/Peekskill Station Improvements	0.13	0.13		
M502-02-03	Poughkeepsie Station Building	6.59	1.29	5.30	
M502-02-05	New Haven Line (NYS) Stations Improvements	29.72	0.00	29.72	
M502-02-06	Station Building Rehabilitation	6.92	1.92	5.00	
M502-02-07	Station and Platform Informational Signs	0.77	0.77		
	Element Total	\$ 45.26	\$ 4.11	\$ 41.14	\$ -
M502-03-01	Parking Rehabilitation	2.09	2.09		
M502-03-03	Cortlandt Parking & Access Improvements	5.79	0.00	1.75	4.04
		\$ 7.88	\$ 2.09	\$ 1.75	\$ 4.04
M503-01-02	Turnouts Mainline/High Speed	7.18	0.00	7.18	
M503-01-03	GCT Turnout and Switch Renewal	2.94	1.44	1.50	
M503-01-04	Turnouts Yards	0.69	0.00	0.69	
M503-01-05	M of W Equipment	5.28	5.28		
M503-01-09	Drainage and Undercutting	0.75	0.75		
M503-01-13	2008 Cyclical Track Program	10.40	2.40	8.00	
	Element Total	\$ 27.24	\$ 9.87	\$ 17.37	\$ -
M503-02-01	Replace/Repair Undergrade Bridge Program	3.12	1.62	1.50	
M503-02-02	Rehabilitate Culverts/Railtop Culverts	1.30	1.30		
M503-02-03	D.C. Substation/Signal House	0.40	0.40		
M503-02-05	Replace Timbers Undergrade Bridges	0.73	0.73		
M503-02-08	Right-of-Way Fencing	0.70	0.70		
M503-02-09	Remove Obsolete Facilities	0.80	0.80		
M503-02-13	Bridge Walkways	0.30	0.30		
M503-02-15	Catenary Painting NHL (NYS)	1.87	1.87		
M503-02-16	Employee Welfare and Storage Facilities	2.16	2.16		
	Element Total	\$ 11.38	\$ 9.88	\$ 1.50	\$ -
M503-03-01	West of Hudson Track Program	10.47	5.47	5.00	
M503-03-02	West of Hudson Improvements	0.69	0.69		
M503-03-03	Moodna/Woodbury Viaducts	5.25	5.25		
M503-03-04	Otisville Tunnel	1.01	1.01		
M503-03-05	Undergrade Bridge Program West of Hudson	2.21	2.01	0.20	
		\$ 19.62	\$ 14.42	\$ 5.20	\$ -
M504-01-05	Replace CTC Systems (OCC/ECC)	4.82	4.82		
M504-01-07	Signal System Replacement	0.05	0.05		
M504-01-11	C&S Cable Replacement GCT to Mott Haven	3.23	3.23		
M504-01-12	Vital Processor System (GCT)	3.70	3.70		
M504-01-16	Replace Interlocking/Siding -West of Hudson	0.86	0.00	0.86	
M504-01-17	PBX Replacement	1.75	1.75		
	Element Total	\$ 14.41	\$ 13.55	\$ 0.86	\$ -
M505-01-01	Substation Bridge 23	1.68	1.68		
M505-01-06	Replace Motor Alternators	4.75	4.75		
M505-01-08	Harlem and Hudson Lines Power Improvements	2.83	2.83		
M505-01-10	Install Sectionalizing Switches GCT	4.90	0.70	4.20	
	Element Total	\$ 14.15	\$ 9.95	\$ 4.20	\$ -
M506-01-03	Harmon Shop Replacement (Master Plan)	0.38	0.00	0.38	
M506-01-06	Poughkeepsie Yard Improvements	0.02	0.02		
M506-01-07	Shops and Yards Miscellaneous Environmental Improvements	0.34	0.34		
	Element Total	\$ 0.73	\$ 0.35	\$ 0.38	\$ -
M508-01-02	Systemwide Lead/Asbestos Abatement	1.10	1.10		
M508-01-03	Environmental Remediation	0.43	0.43		
M508-01-04	Railroad Protective Liability	0.10	0.10		
M508-01-06	Program Administration	7.94	7.94		
M508-01-07	Program Scope Development	1.28	1.28		
M508-01-09	Customer and Employee Communications Projects	0.35	0.35		
	Element Total	\$ 11.19	\$ 11.19	\$ -	\$ -
Metro North Railroad 2008 Commitment Total		\$ 170.79	\$ 94.23	\$ 72.40	\$ 4.16

MTA Police Department
 2008 Commitment Summary
 All \$ in Millions

MTA Police Department
2008 Commitment Summary
\$ in millions

ACEP	Project Description	2008 Commitments	MTA Funding	Federal Funding	Local Funding
2005-2009					
N5100101	Suffolk County Facility	6.10	6.10		
N5100104	K-9 Facility	7.06	7.06		
N5100106	Emergency Service Units	0.45	0.45		
N5100109	Public Safety Radio	36.96	36.96		
N5100110	Communications Center Back up	2.22	2.22		
N5100113	Access Control	1.20	1.20		
N5100115	Merrick Facility	0.75	0.75		
	Element Total	\$ 54.73	\$ 54.73	\$ -	\$ -

	MTA Police Department 2008 Commitment Total	\$54.73	54.73	0.00	0.00
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MTA Bus Company
2008 Commitment Summary
\$ in millions

ACEP	Project Description	2008 Commit ments	MTA Funding	Federal Funding	Local Funding
2000-2004					
U4030209	72 Articulated Buses	46.42	46.42		
	Element Total	\$46.42	\$46.42	\$0.00	\$0.00
2005-2009					
U5030203	New Roof and Ventilation System at LGA	25.27	5.27	20.00	
U5030204	Power Upgrades/Emergency Generators	13.86	2.77	11.09	
U5030207	Environmental Remediation	6.29	0.00		6.29
U5030208	New Bus/Employee Parking Lot at JFK	3.23	0.65	2.59	
U5030209	Upgrade Outdoor Parking Area at Baisley Park	6.93	1.39	5.54	
U5030210	Security and Alarms	2.83	0.35	2.48	
U5030298	Engineering Construction Management Services	5.00	1.00	4.00	
U5030299	Engineering Design Services	5.00	1.00	4.00	
	Element Total	\$68.41	\$12.43	\$49.70	\$6.29
MTA Bus Company 2008 Commitment Total		\$114.83	\$58.85	\$49.70	\$6.29

Bridges and Tunnels
2008 Commitment Summary
All \$ in Millions

Bridges and Tunnels
2008 Commitment Summary
\$ in millions

ACEP	Project Description	2008 Commitments	MTA Funding	Federal Funding	Local Funding
2000-2004					
D402BW89	Reconstr. all Approaches/Lower Garage Rehab	5.75	5.75		
	Element Total	\$ 5.75	\$ 5.75	\$ -	\$ -
2005-2009					
D501VN32	Structural Steel Repairs	10.95	10.95		
	Element Total	\$ 10.95	\$ 10.95	\$ -	\$ -
D502BW89	Elevated & On Grade (Bx) Appr.	175.23	175.23		
	Element Total	\$ 175.23	\$ 175.23	\$ -	\$ -
D502HH04	Replace Cross Drainage	2.36	2.36		
	Element Total	\$ 2.36	\$ 2.36	\$ -	\$ -
D502TN49	Suspended Span Deck Repl	2.77	2.77		
D502TN50	Replace Concrete Deck	72.44	72.44		
D502TN82	Rehab of Orthotropic Deck	1.79	1.79		
	Element Total	\$ 77.01	\$ 77.01	\$ -	\$ -
D502VN80	Rehab Decks on Suspended Spans	1.79	1.79		
D502VN80	Relocation of Utilities for Rehab Work on Upper Level Decks on Suspended Spans	43.29	43.29		
	Element Total	\$ 45.07	\$ 45.07	\$ -	\$ -
D503AW35	Weather Information Systems	0.10	0.10		
D503AW37	Operation Centers TS Systems	3.15	3.15		
D503AW48	2nd Generation E-Zpass In-Lane	0.92	0.92		
D503AW52	Adv. Automated Traffic Detect.	0.15	0.15		
	Element Total	\$ 4.33	\$ 4.33	\$ -	\$ -
D503VN03	New Toll Plaza - Design	5.50	5.50		
	Element Total	\$ 5.50	\$ 5.50	\$ -	\$ -
D504AW28	Scope Development	0.09	0.09		
D504AW80	Variable Message Signs	1.09	1.09		
D504AW97	Traffic Studies	2.00	2.00		
	Element Total	\$ 3.18	\$ 3.18	\$ -	\$ -
D504QM30	Electric Upgrade - Vent Bldgs	2.25	2.25		
	Element Total	\$ 2.25	\$ 2.25	\$ -	\$ -
D505AW12	Hazardous Material Abatement	0.21	0.21		
	Element Total	\$ 0.21	\$ 0.21	\$ -	\$ -
D505QM01	Service & FE Building Rehab	8.79	8.79		
	Element Total	\$ 8.79	\$ 8.79	\$ -	\$ -
D505TB59	Rehab of Building 104	66.93	66.93		
	Element Total	\$ 66.93	\$ 66.93	\$ -	\$ -
D506AW21	Program Administration	2.44	2.44		
D506AW28	Scope Development	1.11	1.11		
	Element Total	\$ 3.55	\$ 3.55	\$ -	\$ -
2008-2013					
D603AW46	Violations Enhancement System	7.09	7.09		
D603AW47	Digital Video Surveillance Sys	2.00	2.00		
D603AW48	2nd Generation E-Zpass In-Lane	0.40	0.40		
D603AW49	E-Zpass Systems Infrastructure	0.50	0.50		
D603AW52	Adv. Automated Traffic Detect.	2.50	2.50		
	Element Total	\$ 12.49	\$ 12.49	\$ -	\$ -
Bridges and Tunnels 2008 Commitment Total		\$ 423.61	\$ 423.61	\$ -	\$ -

New York City Transit
Completions: 2008-2011
(\$ millions)

Project ID	Project Description	Complete 08-11	Project Allocation
T51606/07	FIRE PROTECTION: FIRE ALARMS & SPRINKLERS 2 DOB LOCATIONS	Jan-09	\$5.20
T51203/02	DEPOT REHABILITATION: CASTLETON DEPOT	Jan-09	\$12.64
T51102/01	YARD LIGHTING: YARD LIGHTING: ENY, CANARSIE, PITKIN	Jan-09	\$18.21
T50404/04	FARE MARKETING/DISTRIBUTION EQUIPMENT: PURCHASE 32 HEETS	Jan-09	\$1.50
T40806/P2	PUBLIC ADDRESS/CUSTOMER INFO SYSTEMS: PA/CIS: 156 STATIONS-IRT	Jan-09	\$161.64
T50806/08	ANTENNA CABLE REPLACEMENT: ANTENNA CABLE REPLACEMENT PHASE II NR	Jan-09	\$45.11
T40413/CH	STATION ACCESSIBILITY (ADA): PHASE 1 PREP: 57 ST/ BWAY BMT(CARNEGIE)	Feb-09	\$1.31
T51204/05	MISC: DEPARTMENT OF BUSES: AVL: OPTION 1: 3-4 DEPOTS	Feb-09	\$17.36
T50604/07	WATER CONDITIONS REMEDY: XTOWN DEEP WELLS:CLEAN/INSPECT 6 (PH1)	Mar-09	\$1.91
T50604/04	WATER CONDITIONS REMEDY: NOSTRAND DEEP WELLS:CLEANING DESIGN PH I	Mar-09	\$2.74
T40703/SB	ELEVATED STRUCTURE REHABILITATION: STILLWELL AV TERMINAL:MISCELLANEOUS WORK	Mar-09	\$0.98
T50407/04	ESCALATOR REPLACEMENT: 5 ESCALATORS: VAN WYCK-ARCHER AVE LINE	Mar-09	\$19.84
T50703/09	SUBWAY TUNNEL REHABILITATION: WHITEHALL TO CANAL ST - BROADWAY LINE	Mar-09	\$32.50
S50701/10	SIR: PASSENGER STATIONS: TOMPKINSVILLE FARE COLLECTION	Mar-09	\$1.95
T40806/D2	COMMUNICATIONS CABLE AND EQUIPMENT: ATM NETWORK SYSTEM: B DIV-253 STATIONS	Mar-09	\$90.79
T50604/02	PUMPING FACILITIES: PUMPS: 3 LOCATIONS, 6TH AV LINE	Mar-09	\$21.67
T40404/M4	FARE CONTROL MODERNIZATION: AFC REPLACEMENT PH 1:STATION CONTROLLERS	Mar-09	\$10.00
T50806/01	COMMUNICATIONS CABLE AND EQUIPMENT: DATA NETWORK II-IND/BMT-ATM OPTN-253STNS	Mar-09	\$172.46
T50806/01	ASBESTOS ABATEMENT: ASBESTOS ABATEMENT:DATA NETWORK B OPTION	Mar-09	\$8.54
T50407/02	ESCALATOR REPLACEMENT: 10 ESCALATORS: PARSONS BLVD-ARCHER AV	Mar-09	\$35.06
T51602/02	CAPITAL REVOLVING FUND: CAPITAL REVOLVING FUND - 2006	Mar-09	\$5.00
T51102/06	YARD REHABILITATION: YARD FENCING UPGRADES	Mar-09	\$10.22
T50602/07	TUNNEL LIGHTING REHABILITATION: 207TH ST TO 168TH ST-8TH AV LINE	Apr-09	\$30.61
T50703/08	SUBWAY TUNNEL REHABILITATION: 168TH ST TO INWOOD-207TH ST - 8TH AV LN	Apr-09	\$43.31
T51605/06	MATERIEL: CONCRETE BATCH PLANT INSPECTION	Apr-09	\$1.05
T50902/08	SUBSTATIONS (IND): E 193RD STREET IND/CONCOURSE LINE	Apr-09	\$20.08
S50701/08	SIR: STRUCTURES: REPAIR 6 BRIDGES AND VIADUCT	Apr-09	\$19.72
T51204/07	DEPOT REHABILITATION: LIFTS: STENGEL/MANHATTANVILLE	Apr-09	\$8.53
T51605/01	CAPITAL PROGRAM MANAGEMENT: INDEP ENG'G CONSULTANT SVCES:4/07-3/09	Apr-09	\$9.61
T50602/11	TUNNEL LIGHTING REHABILITATION: PHASE III-WALL STREET TO CHAMBERS STREET	Apr-09	\$8.96
T51004/01	CAR MAINTENANCE SHOPS: 207ST OH PH1 CONTRACT2: HEATING SYSTEM	Apr-09	\$10.66
T50414/03	INTERMODAL/TRANSFER FACILITIES: MYRTLE-WYCKOFF INTERMODAL FACILITY	Apr-09	\$8.60
T51606/01	ASBESTOS ABATEMENT: ASBESTOS ABATEMENT I/Q (OSS): 2006	May-09	\$5.83
T50902/12	MISC: POWER: UNDERGROUND SS HATCHWAYS (5 LOCS)	May-09	\$5.97
T50703/04	LINE STRUCTURE OVERCOATING: 162 STREET TO 190 STREET: JEROME LINE	May-09	\$16.77
T51606/12	ASBESTOS ABATEMENT: ASBESTOS ABATE: PRIORITY VI	Jun-09	\$6.88
T51607/02	CONSOLIDATED EMPLOYEE FACILITIES:SUBWAYS: COLUMBUS CIRCLE, IND & IRT DIVISIONS	Jun-09	\$10.57
T50411/10	STATION REHABILITATION: 59TH STREET: 8TH AV LINE-IND	Jun-09	\$55.73
T50411/09	STATION REHABILITATION: 59TH STREET: BROADWAY/7TH AV LINE	Jun-09	\$37.81
T50413/03	STATION ACCESSIBILITY (ADA): COLUMBUS CIRCLE COMPLEX	Jun-09	\$2.92
T50411/12	STATION REHABILITATION: STN RAILINGS SUBWAY STN REHAB-2005-2006	Jun-09	\$2.12
T50806/02	COMMUNICATIONS CABLE AND EQUIPMENT: SAM-52 LOCATIONS	Jun-09	\$19.60
T31604/CP	CAPITAL PROGRAM MANAGEMENT SYSTEMS: CAPITAL SYSTEMS INTEGRATION	Jun-09	\$13.85
T51204/11	DEPOT REHABILITATION: BUS LIFTS AT VARIOUS LOCATIONS	Jun-09	\$8.80
T51204/13	DEPOT EQUIPMENT AND MACHINERY: DEPOT EQUIPMENT 2009	Jun-09	\$10.00
T41302/O4	WORK TRAIN & SPECIAL EQUIPMENT: 36 CWR FLATCARS & 18 FLATCARS	Jul-09	\$14.96
T51004/09	SHOP EQUIPMENT AND MACHINERY: REPLACE SHOP EQUIPMENT	Jul-09	\$7.00
T51607/04	CONSOLIDATED EMPLOYEE FACILITIES:SUBWAYS: JAMAICA YARD TOWER	Jul-09	\$4.38
T50414/10	STATION NORMAL REPLACEMENT: CONSTR/REHAB 11 SCRUBBER RMS AT 5 LOCS	Jul-09	\$4.20
T50604/01	PUMPING FACILITIES: 10 LOCATIONS, QUEENS BLVD LINE	Jul-09	\$44.25
T51604/07	INFORMATION TECHNOLOGY: KRONOS TIMEKEEPING: RTO FACILITIES	Jul-09	\$2.00
T40603/6B	VENTILATION FACILITIES: 2 VENT PLANTS:W53ST/6AV& PARK AV/53ST LN	Jul-09	\$80.00
T50101/02	NEW SUBWAY CARS: PURCHASE 620 'B' DIV CARS(R-160 OPTION1)	Aug-09	\$1,247.95
T50902/01	SUBSTATION EQUIPMENT (IND): REPL POWER TRANSFORMERS, 2 LOCS	Aug-09	\$13.34
T51607/25	CONSOLIDATED EMPLOYEE FACILITIES:SUBWAYS: 207TH STREET STATION /8TH AV LINE	Aug-09	\$8.18
T50803/09	RAPID TRANSIT OPERATIONS: STATION TIME SIGNAL ENHANCEMENT/LEX LN	Sep-09	\$4.83
S40701/15	SIR: PASSENGER STATIONS: STATION SECURITY INITIATIVES	Oct-09	\$18.38
T51605/08	CAPITAL PROGRAM MANAGEMENT: CONCRETE CYLINDER TESTING (2006)	Oct-09	\$0.33
T50602/06	TUNNEL LIGHTING REHABILITATION: 42ND-96TH ST: BROADWAY/7TH AV LINE	Nov-09	\$40.91
T50604/05	PUMPING FACILITIES: PUMPS: 3 LOCATIONS, PROSPECT PK LINE	Nov-09	\$23.19
S50701/06	SIR: MISCELLANEOUS PROJECTS: 4 DIESEL LOCOMOTIVES	Nov-09	\$8.32
S50701/02	SIR: PASSENGER STATIONS: STATION STRUCTURAL REPAIRS 4 LOCATIONS	Dec-09	\$7.46
T50902/07	SUBSTATIONS (IND): CATON AVENUE IND/PROSPECT PARK LINE	Dec-09	\$25.64
T31503/QP	ADDED CAPACITY: PROPERTY:63RD ST CONNECTION TO QBL	Dec-09	\$18.06
T50502/13	MAINLINE TRACK REHABILITATION: 2009: REPLACE MAINLINE TRACK	Dec-09	\$147.82
T50902/09	SUBSTATION ENCLOSURES (IRT-BMT): REHAB 3 IRT SUBSTN ENCLOSURES	Dec-09	\$7.99
T51105/05	YARD TRACK REHABILITATION: IN-HOUSE YARD TRACK REHABILITATION: 2009	Dec-09	\$3.12
T40302/E1	NEW BUSES: SUSPENSION UPGRADE OF 570 MCI BUSES	Dec-09	\$9.49
T50703/11	LINE STRUCTURE REHABILITATION: REHAB EMERG EXITS 2007-09: 75 LOCS	Dec-09	\$18.74
T51106/05	YARD TRACK SWITCHES: REPLACE 17 YARD SWITCHES: 2009	Dec-09	\$9.39
T51302/01	RUBBER-TIRED VEHICLES: REPLACE RUBBER TIRE VEHICLES 2006-2007	Dec-09	\$13.18
T51604/01	INFORMATION TECHNOLOGY: REHAB: 7 NODE SITE FACILITIES	Dec-09	\$10.63
T50503/05	MAINLINE TRACK SWITCHES: I/H TRACK RECONSTR: 36 SWITCHES (2009)	Dec-09	\$45.88
T41203/FG	NEW DEPOTS & FACILITIES: CHARLESTON ANNEX IN STATEN ISLAND	Jan-10	\$137.82
S40701/05	SIR: TRACK: REPAIR THRUSPANS:AMBOY RD,BAY ST BRIDGES	Jan-10	\$1.04
T50703/12	ELEVATED STRUCTURE REHABILITATION: OCEAN PKWY VIADUCT- BRIGHTON LN PHASE II	Jan-10	\$7.17
T51605/28	CAPITAL PROGRAM MANAGEMENT: CONSTRUCTION SUPP SERVICES RESERVE	Feb-10	\$2.19

New York City Transit
Completions: 2008-2011
(\$ millions)

Project ID	Project Description	Complete 08-11	Project Allocation
T51607/35	ROOFING REPAIR & REPLACEMENT: DOS ROOF REPLACEMENT PHASE 1	Feb-10	\$10.52
T51606/04	FIRE PROTECTION: FIRE ALARMS & SPRINKLERS 3 DOS LOCATIONS	Feb-10	\$14.11
T50904/08	POWER DISTRIBUTION FACILITIES: REHAB 2 CIRCUIT BREAKER HOUSES	Feb-10	\$11.07
T41302/P4	WORK TRAIN & SPECIAL EQUIPMENT: PURCHASE 9 DIESEL-ELECTRIC LOCOMOTIVES	Mar-10	\$32.11
T51302/05	WORK TRAIN & SPECIAL EQUIPMENT: PURCHASE 19 NEW LOCOMOTIVES	Mar-10	\$70.47
T50302/06	NEW BUSES: 745 HYBRID ELECTRIC BUSES	Mar-10	\$419.89
T51602/02	CAPITAL REVOLVING FUND: CAPITAL REVOLVING FUND - 2007	Mar-10	\$5.00
U40302/08	NEW BUSES: PURCHASE 105 HYBRID-ELECTRIC BUSES(2007)	Mar-10	\$60.85
T50604/08	WATER CONDITIONS REMEDY: LENOX WELL POINTS: REHAB/REPLCMT (PH II)	Apr-10	\$6.09
T50902/06	SUBSTATIONS (IND): ROCKWELL PLACE SUBSTATION:POWER EQUIPMNT	Apr-10	\$22.11
T50803/03	MAINTENANCE OF WAY: STOP CABLE REPLACEMENT(46 LOCS)-8 AV LN	Apr-10	\$2.21
T50803/16	SIGNAL SYSTEMS: MODERNIZE 3 INTERLOCKINGS, 8TH AVE. LINE	Apr-10	\$138.93
T50902/01	SUBSTATION EQUIPMENT (IND): REPL POWER TRANSFORMRS, 73 ST-CPW SUBSTN	Apr-10	\$2.99
T50902/05	SUBSTATIONS (IND): REHAB: DYCKMAN SUBSTATION	Apr-10	\$36.61
T50902/10	SUBSTATIONS (IND): SO RAILROAD AVE IND/QUEENS LINE	May-10	\$22.52
T51606/05	ASBESTOS ABATEMENT: ASBESTOS AIR MONITORING 2006	Jun-10	\$4.80
T50703/14	SUBWAY TUNNEL REHABILITATION: LEXINGTON TO 42ND ST: BROADWAY LINE-BMT	Jul-10	\$27.88
T50803/17	FIRE PROTECTION: FIRE SUPPRESSION AT 29 SIGNAL RELAY ROOM	Jul-10	\$12.08
T40803	MAINLINE TRACK REHABILITATION: I/H TRACK: CANARSIE LINE WRAP-UP	Jul-10	\$2.89
T50602/09	TUNNEL LIGHTING REHABILITATION: BERGEN INTERLOCKING TO W4 ST / 6 AV LINE	Jul-10	\$40.81
S50701/07	SIR: PASSENGER STATIONS: STATION CONST.NEW STA:ARTHUR KILL	Aug-10	\$8.85
T50902/11	SUBSTATIONS (IND): MESEROLE AV IND/CROSSTOWN LINE	Aug-10	\$21.22
T50803/19	COMMUNICATION-BASED TRAIN CONTROL: CBTC-CANARSIE: EQUIP 64 R-160 CARS	Aug-10	\$12.00
T50803/20	COMMUNICATION-BASED TRAIN CONTROL: CBTC-CANARSIE: AUTOMATIC SIGNAL REMOVALS	Aug-10	\$3.00
T51102/10	YARD REHABILITATION: YARD HYDRANTS: VARIOUS LOCATIONS	Aug-10	\$16.18
T50413/11	STATION ACCESSIBILITY (ADA): 96TH STREET: BROADWAY/7TH AV LINE	Sep-10	\$28.47
T50411/27	STATION REHABILITATION: 96TH STREET/BROADWAY-7TH AV LINE-MANH	Sep-10	\$62.76
T51607/08	CONSOLIDATED EMPLOYEE FACILITIES:SUBWAYS: 96TH STREET:BROADWAY-7TH AV LINE	Sep-10	\$5.06
T51102/03	SIGNAL SYSTEMS: YARD SIGNALS: CORONA-FLUSHING LINE	Sep-10	\$101.98
T41204/BC	NEW DEPOTS & FACILITIES: MANHATTANVILLE CNG - DESIGN ONLY	Sep-10	\$2.53
T50703/24	LINE STRUCTURE OVERCOATING: 103 ST STATION TO S.MAIN ST. PORTAL: FLS	Oct-10	\$10.93
T50604/03	PUMPING FACILITIES: DEEP WELLS REHAB : FULTON LINE	Oct-10	\$12.62
T50902/17	SUBSTATIONS (IND): JAY ST SUBSTATION: DC FEEDERS / CBH #579	Oct-10	\$7.83
T50603/01	VENTILATION FACILITIES: VENT PLANT:WEST 30TH STREET/6TH AVENUE	Oct-10	\$93.70
T50904/13	POWER DISTRIBUTION FACILITIES: NEW DUCT BANK: LENOX AV 141 ST - 148 ST	Oct-10	\$8.00
T50803/03	MAINTENANCE OF WAY: STOP CABLE REPLACEMENT: PHASE2	Nov-10	\$28.53
T50703/03	LINE STRUCTURE OVERCOATING: REPAINT BRONX PARK EAST TO 241 ST - WPR	Dec-10	\$21.68
T50904/03	CONTROL AND BATTERY CABLE: REPLACE CABLE:4 SUBSTATION CONTROL ZONES	Dec-10	\$48.09
T50414/09	STATION SIGNAGE: STATION SIGNAGE	Dec-10	\$2.70
T51607/44	CONSOLIDATED EMPLOYEE FACILITIES:SUBWAYS: WEST 4 STREET EFR (I/H)	Dec-10	\$11.54
T51606/02	GROUNDWATER AND SOIL REMEDIATION: GROUNDWATER AND SOIL REMEDIATION (2005)	Jan-11	\$6.23
T50411/16	STATION RECONSTRUCTION: REHAB: TIMES SQ, PHASE III-TSS	Jan-11	\$7.28
T51606/04	FIRE PROTECTION: FIRE ALARMS & SPRINKLERS 2 DOS LOCATIONS	Feb-11	\$0.97
T50413/12	STATION ACCESSIBILITY (ADA): JAY & LAWRENCE ST TRANSFERS	Mar-11	\$18.26
T50411/23	STATION REHABILITATION: JAY STREET: FULTON STREET LINE	Mar-11	\$64.14
T50414/06	INTERMODAL/TRANSFER FACILITIES: PASSENGER TRANSFER: JAY & LAWRENCE ST	Mar-11	\$65.29
T50413/09	STATION ACCESSIBILITY (ADA): JAY STREET: FULTON STREET LINE	Mar-11	\$16.46
T51602/02	CAPITAL REVOLVING FUND: CAPITAL REVOLVING FUND - 2008	Mar-11	\$5.00
T51605/18	CAPITAL PROGRAM MANAGEMENT: TEST PITS SERVICE CONTRACT (2007)	Apr-11	\$2.22
T51605/13	CAPITAL PROGRAM MANAGEMENT: BORING SERVICES: MANHATTAN, BRONX (2007)	Apr-11	\$1.58
T51605/12	CAPITAL PROGRAM MANAGEMENT: BORING SERVICES: BKLYN, QNS, SI (2007)	Apr-11	\$1.32
T50703/17	LINE STRUCTURE OVERCOATING: PORTAL TO EOL: PELHAM LINE	Apr-11	\$28.16
T50703/29	LINE STRUCTURE: STRIPPING AND REPAINTING: PORTAL TO 41 AV - ASTORIA LINE	Apr-11	\$17.57
T50902/18	SUBSTATION ENCLOSURES (IRT-BMT): SUBSTATION ENCLOSURES (5 LOCATIONS)	Apr-11	\$13.57
T51102/04	YARD REHABILITATION: YARD CCTV	May-11	\$8.13
T50602/10	TUNNEL LIGHTING REHABILITATION: BKLYN BRIDGE-CITY HALL TO 33 ST - LEX	May-11	\$52.63
T50603/02	VENTILATION FACILITIES: WRAP UP: 8 LOCATIONS/ARCHER AVENUE	Jun-11	\$75.06
T51606/09	GROUNDWATER AND SOIL REMEDIATION: CONSULTANT SRVCS: UST & REMEDIATION 2008	Jul-11	\$7.05
T40404/M6	FARE CONTROL MODERNIZATION: AFC SYSTEM WRAP-UP	Sep-11	\$10.50
T51607/36	ROOFING REPAIR & REPLACEMENT: DOS ROOF REPLACEMENT PHASE 2	Oct-11	\$15.48
T50703/06	ELEVATED STRUCTURE REHABILITATION: 9TH AVE TO BAY 50TH STREET/WEST END LINE	Oct-11	\$25.56
T50904/12	POWER DISTRIBUTION FACILITIES: E. 180TH STREET CIRCUIT BREAKER HOUSE	Nov-11	\$14.26
T50803/11	SIGNAL SYSTEMS: WHITE PLAINS RD PHS 3:E 180 ST INTRLCCKNG	Nov-11	\$279.18
T50413/05	STATION ACCESSIBILITY (ADA): KINGS HIGHWAY-BRIGHTON LINE	Nov-11	\$6.84
T50411/05	STATION REHABILITATION: AVENUE H: BRIGHTON LINE-BROOKLYN	Nov-11	\$32.16
T50411/06	STATION REHABILITATION: AVENUE J: BRIGHTON LINE-BROOKLYN	Nov-11	\$28.05
T50411/07	STATION REHABILITATION: AVENUE U: BRIGHTON LINE-BROOKLYN	Nov-11	\$27.03
T50411/13	STATION STRUCTURAL REMEDIATION: KINGS HIGHWAY: BRIGHTON LINE-BKLYN	Nov-11	\$25.17
T50414/04	STATION STRUCTURAL REMEDIATION: PLATFORM REHAB-4 STATIONS-BRIGHTON LINE	Nov-11	\$0.48
T50411/14	STATION STRUCTURAL REMEDIATION: NEWKIRK AV STATION PHASE 2 - BRT	Nov-11	\$21.99
T50411/03	STATION REHABILITATION: AVENUE M: BRIGHTON LINE-BROOKLYN	Nov-11	\$25.01
T50411/04	STATION REHABILITATION: NECK ROAD: BRIGHTON LINE-BROOKLYN	Nov-11	\$23.85
T51302/03	WORK TRAIN & SPECIAL EQUIPMENT: PURCHASE 2 NEW BALLAST REGULATORS	Dec-11	\$7.79
T50803/14	SIGNAL SYSTEMS: MODERNIZE INTERLOCKINGS: LEX AV, 5AV/QBL	Dec-11	\$102.73
T50803/02	MAINTENANCE OF WAY: SIGNAL CONTROL MODS, PHASE III	Dec-11	\$43.25

Long Island Rail Road
Completions: 2008-2011
(\$ millions)

Project ID	Project Description	Complete 08-11	Project Allocation
L402042F	SHEA STADIUM -SHORT TERM IMPROVEMENTS	Jan-08	\$1.43
L50701P6	ELECTRICAL SYSTEMS - EMERGENCY GENERATOR	Jan-08	\$0.20
L4060339	RICHMOND HILL INVESTMENT	Feb-08	\$22.52
L506016M	BABYLON YARD RECONFIGURATION	Mar-08	\$12.16
L4020424	ATLANTIC TERMINAL	May-08	\$89.08
L5020423	ATLANTIC TERMINAL PHASE 2	May-08	\$11.00
L4020433	ROSEDALE STATION	May-08	\$3.90
L40502K5	JAMAICA INTERLOCKINGS	May-08	\$13.27
A401011L	M-3 OVERHAULS	Jun-08	\$26.00
L506016N	LONG ISLAND CITY - PHASE 2	Jul-08	\$17.65
L502042B	BROADWAY STATION PLATFORM REHABILITATION	Sep-08	\$14.42
L405025J	QUEENS INTERLOCKING	Sep-08	\$48.90
L4020434	VALLEY STREAM STATION REHABILITATION	Oct-08	\$5.48
L40703C1	"F" CIRCUIT BREAKER HOUSE	Dec-08	\$5.84
L50701P6	BRIDGE ELECTRICAL SYSTEM REPLACEMENT	Dec-08	\$0.69
L50301T4	2008 ANNUAL TRACK PROGRAM	Dec-08	\$51.52
L50502SX	BABYLON TO SPEONK SIGNALIZATION	Dec-08	\$16.30
L404024Y	East River Tunnel Ventilation	Feb-09	\$89.75
L50301R7	Amott Culvert	Feb-09	\$3.24
L407032I	Valley Strm/Isl Pk Subst Recon	Apr-09	\$25.25
L509048C	LIC Car Wash Environmental Rem	Apr-09	\$0.93
L50502SV	Valley Interlocking - Phase II	May-09	\$51.42
L502042C	Seaford Platform Replacement	Jun-09	\$14.00
L50502SL	Jay, Hall & Dunton Micropro	Aug-09	\$42.01
L50206VB	PS Third Rail & Signals	Sep-09	\$11.43
L5020526	Ronkonkoma Parking Improvement	Oct-09	\$3.91
L509048R	GP-38 Diesel Simulator	Oct-09	\$1.89
L502042G	Babylon Branch Stair Replaceme	Dec-09	\$4.50
L50301E1	Track Equipment	Dec-09	\$30.92
L50701P8	Signal Load Electrical System	Dec-09	\$1.42
L50701PA	Replace Substation DC Breakers	Dec-09	\$3.82
L50701PB	Replace Substation Batteries	Dec-09	\$1.36
L50701PG	Replace 3 Substations	Dec-09	\$37.04
L50701PJ	Third Rail System - Cable	Dec-09	\$5.05
L50701PK	Third Rail Protection Board	Dec-09	\$8.62
L50701PM	Composite Third Rail	Dec-09	\$20.39
L50701PS	Signal Power Line Replacement	Dec-09	\$3.90
L50701PT	Power Pole Line Replacement	Dec-09	\$2.57
L50701PU	Signal Power Motor Generators	Dec-09	\$2.08
L50301R1	Culverts	Dec-09	\$4.00
L50301R4	Demolitions	Dec-09	\$1.76
L50501S7	Fiber Optic Network	Dec-09	\$70.12
L50501S9	Communications Pole Line Repla	Dec-09	\$7.27
L50301T5	2009 Annual Track Program	Dec-09	\$41.50
L506016H	M of W Repair Facility	Jan-10	\$13.37
L50701PH	Demo/Const 5 Substations	Jan-10	\$49.71
L506016K	Rolling Stock Support Equipmnt	Mar-10	\$16.32
L50502SG	Signal Normal Replacement Prog	Mar-10	\$5.45
L5020425	Jamaica Fit-Out Phase 2	May-10	\$12.03
L50402VA	ERT Fire & Life Safety	May-10	\$105.30
L50401B4	Atlantic Viaduct	Jun-10	\$93.38
L50301R3	Fencing	Jul-10	\$2.53
L50401B8	Woodhaven/Queens Blvd Bridges	Aug-10	\$18.02
L50502SB	Babylon Branch Signal Improvem	Aug-10	\$30.60
L50401B1	Bridge Rehabilitation Program	Sep-10	\$5.90
L50401B3	Powell Creek & Hog Island Chan	Sep-10	\$9.77
L50401B5	Junction Blvd Abutment PW	Sep-10	\$20.26
L502042U	Elevator Replacement Program	Oct-10	\$3.30
L506016C	Hillside Facility/Bldg Rehab	Oct-10	\$3.30
L50401B6	Shinnecock Canal/North Highway	Oct-10	\$15.27
L50502SC	Centralized Train Control-Ph 1	Nov-10	\$16.00
L40502E5	DOT Grade Crossings	Dec-10	\$7.11
L50701PC	Power System Upgrade	Dec-10	\$12.32
L50301R6	Track Stability/Retaining Wall	Dec-10	\$4.06
L50501S6	Improved Radio Coverage/Infras	Dec-10	\$15.29
L50502SA	Wayside Event Recorders	Dec-10	\$6.30
L50401B7	Broadway(PW)/150 St(Jamaica)	Jan-11	\$11.17
L502042T	Escalator Replacement Program	Feb-11	\$4.08
L506016P	Babylon Car Wash	Feb-11	\$18.10
L506016Y	LCM-Shop Design and Cnstruction	Mar-11	\$34.92
L50206VC	PS Emp Fac Yards & Buildings	Mar-11	\$7.18
L50501S8	Audio/Visual Paging System (AV	Jun-11	\$34.94
L50301R2	Drainage Control	Sep-11	\$4.00
L50301E9	ACL Direct Fixation	Nov-11	\$61.47
L50502SW	Babylon to Patchogue	Dec-11	\$17.00

Metro-North Railroad
Completions: 2008-2011
(\$ millions)

Project ID	Project Description	Complete 08-11	Project Allocation
A4010107	West of Hudson Comet II Overhaul	Mar-08	\$7.56
M5030112	2007 Cyclical Track Program	Mar-08	\$12.49
M4020202	Automated Ticket Selling -Express TVM's	Jun-08	\$6.23
M5010101	Spec/Purch Diesel Locomotives (1unit)	Nov-08	\$8.50
M5030107	Rockslope Remediation	Sep-08	\$5.70
M3020517	GCT Leaks Remediation Design	Oct-08	\$1.95
M4020101	GCT Leaks Remediation	Oct-08	\$3.70
M5060105	Highbridge Yard Car Wash Facility	Nov-08	\$16.43
M5010109	End Door Remanufacture (First 22 units)	Dec-08	\$12.47
M5010308	Replace Obsolete Equipment	Dec-08	\$1.80
M5040105	Replace CTC Systems (OCC/ECC)	Feb-09	\$26.42
M4020313	North White Plains Parking - EIS	Mar-09	\$2.35
M5020101	GCT Trainshed Structural Repairs	Mar-09	\$18.01
M5020208	Ticket Selling Machines	Mar-09	\$3.47
M5030113	2008 Cyclical Track Program	Mar-09	\$10.40
M5040117	PBX Replacement	Mar-09	\$2.01
M5010110	M-9 Specification Development	May-09	\$1.00
M5010109	End Door Coach Midlife Overhaul - 18 Remaining Cars	Jun-09	\$10.17
M5030304	Otisville Tunnel	Jun-09	\$1.01
M5040110	Upgrade Grade Crossings	Jun-09	\$0.95
M5050110	Install Sectionalizing Switches GCT	Jul-09	\$5.10
M5060106	Poughkeepsie Yard Improvements	Jul-09	\$1.72
M5030302	West of Hudson Improvements	Oct-09	\$3.45
M5050105	Replace Substation Batteries	Oct-09	\$0.74
M5030213	Bridge Walkways	Nov-09	\$2.10
M5040112	Vital Processor System (GCT)	Nov-09	\$6.21
M5040114	Replace High Cycle Rate Relays	Nov-09	\$0.75
M5040115	Replace Track Relays	Nov-09	\$2.47
A4010102	M-2 Car Remanufacture	Dec-09	\$26.35
M4020216	Yankee Stadium Station	Dec-09	\$53.00
M4040107	Optimize Signal Relay Circuits	Dec-09	\$2.56
M5010102	M-2 Critical Systems - 241 Cars	Dec-09	\$8.82
M5020102	GCT Leaks Remediation	Dec-09	\$1.80
M5020108	GCT Water Conveyance Utilities Improvements	Dec-09	\$1.60
M5030104	Turnouts Yards	Dec-09	\$5.24
M5030106	Rebuild Retaining Walls	Dec-09	\$1.68
M5030202	Rehabilitate Culverts/Railtop Culverts	Dec-09	\$3.13
M5030203	D.C. Substation/Signal House	Dec-09	\$2.10
M5030205	Replace Timbers Undergrade Bridges	Dec-09	\$2.11
M5030212	Clearance Inventory and Video	Dec-09	\$0.88
M5030218	Systemwide Flood Control	Dec-09	\$0.50
M5030301	West of Hudson Track Program	Dec-09	\$36.60
M5040111	C&S Cable Replacement GCT to Mott Haven	Dec-09	\$3.80
M5040113	Refurbish/Replace Electric Switch Machines	Dec-09	\$0.95
M5040116	Replace Interlocking/Siding -West of Hudson	Dec-09	\$2.10
M5050104	Aluminum 3rd Rail and E-Rail GCT Lower Level	Dec-09	\$2.98
M5080107	Program Scope Development	Dec-09	\$11.10
M5010105	M-6 Midlife Remanufacture Spec Develop	Jan-10	\$0.60
M5020206	Station Building Rehabilitation	Jan-10	\$8.27
M5030208	Right-of-Way Fencing	Feb-10	\$2.11
M5030216	Employee Welfare and Storage Facilities	Feb-10	\$2.41
M5030114	2009 Cyclical Track Program	Mar-10	\$11.30
M5020105	GCT Elevator Rehabilitation Phase III	Apr-10	\$4.10
M5050102	Substation Retrofit - Harlem and Hudson Lines	Apr-10	\$12.68
M5030105	M of W Equipment	Jun-10	\$10.08
M5030305	Undergrade Bridge Program West of Hudson	Jun-10	\$6.44
M5080102	Systemwide Lead/Asbestos Abatement	Jun-10	\$5.50
M5080103	Environmental Remediation	Jun-10	\$2.20
M4020303	Parking Rehabilitation	Jul-10	\$0.46
M5020203	Poughkeepsie Station Building	Aug-10	\$7.50
M5020202	Croton Harmon/Peekskill Station Improvements	Sep-10	\$5.44
M5030107	Rock Slope Remediation - East of Hudson	Sep-10	\$5.64
M5030209	Remove Obsolete Facilities	Sep-10	\$4.27
M5030109	Drainage and Undercutting	Oct-10	\$7.70
M4030205	Rehab/Replace Overhead Bridges	Nov-10	\$2.41
M5020302	Parking Expansion	Dec-10	\$12.00
M5030102	Turnouts Mainline/High Speed	Dec-10	\$38.32
M5030103	GCT Turnout and Switch Renewal	Dec-10	\$11.86
M5030215	Catenary Painting NHL (NYS)	Dec-10	\$2.95
M5030303	Moodna/Woodbury Viaducts	Dec-10	\$5.40
M5050106	Replace Motor Alternators	Dec-10	\$6.00
M5050109	Rehab Harlem and Hudson Lines Substations	Dec-10	\$13.46
M5080109	Customer and Employee Communications Projects	Dec-10	\$8.73
M5020207	Station and Platform Informational Signs	Mar-11	\$0.95
M5050103	Replace Harlem River Lift Bridge Breaker Houses	Mar-11	\$3.98
M5020303	Cortlandt Parking & Access Improvements	Apr-11	\$28.77
M5020205	New Haven Line (NYS) Stations Improvements	Sep-11	\$31.63
M5010104	M-4 Midlife Remanufacture - 54 Cars	Dec-11	\$9.96
M5040107	Signal System Replacement	Dec-11	\$27.21

MTA Police Department
Completions: 2008-2011
(\$ millions)

Project ID	Project Description	Complete 08-11	Project Allocation
N5100106	Emergency Service Units	Nov-08	\$0.45
N5100115	Merrick Facility	Jan-09	\$0.75
N5100110	Communications Center Back up	Mar-09	\$2.22
N5100101	Suffolk County Facility	Jan-10	\$6.10
N5100104	K-9 Facility	Mar-10	\$7.06
N5100109	Public Safety Radio	Mar-11	\$36.96
N5100113	Access Control	Dec-11	\$1.20

MTA Bus Company
Completions: 2008-2011
(\$ millions)

Project ID	Project Description	Complete 08-11	Project Allocation
U4030299	Design/Consultant Services	Jun-08	\$ 8.71
U4030210	Service Vehicles	Sep-08	\$ 1.17
U5030207	Environmental Remediation	Dec-08	\$ 6.29
U5030208	New Bus/Employee Parking Lot at JFK	Aug-09	\$ 3.23
U50302BB	New Roof and Ventilation System at Eastchester Mtce Bldg	Oct-09	\$ 3.09
U50302AA	New Roof and Ventilation System at Baisley Park	Nov-09	\$ 7.28
U50302DD	New Roof and Ventilation System at Far Rockaway	Dec-09	\$ 4.70
U5030210	Security and Alarms	Dec-09	\$ 2.83
U5030209	Upgrade Outdoor Parking Area at Baisley Park	Mar-10	\$ 6.93
U4030108	105 Hybrid Buses	Apr-10	\$ 60.85
U5030299	Engineering Design Services	May-10	\$ 5.00
U5030298	Engineering Construction Management Services	May-10	\$ 5.00
U5030204	Power Upgrades/Emergency Generators	May-10	\$ 13.86
U5030203	New Roof and Ventilation System at La Guardia	May-10	\$ 10.19
U4030209	72 Articulated Buses	Jun-10	\$ 46.42

Bridges and Tunnels
Completions: 2008-2011
(\$ millions)

Project ID	Project Description	Complete 08-11
D404AW34	Installation of Security System	Jan-08
D403AW37	Operation Center @RI and Other Facilities	Jun-08
D404QM80	Replace and Rehab Exhaust and Supply Fans	Jun-08
D505BB47	New Sewer Connection-Governors Island	Jul-08
D505BB15	Expand and Upgrade Control Center	Dec-08
D402TB64	Replacement of Decks at Randall's Island and Ward's Island Viaduct and new Ramps	Jan-09
D401MP02	Structural Steel Repairs	Mar-09
D401TB66	Dehumidification of Anchorages and Additional Strand Re-Anchoring	May-09
D405BB80	BB80 - Manhattan, Brooklyn and Governors Island Vent Bldg at the Brooklyn Battery Tunnel	Jun-09
D502VN17	Rehabilitation of Lower level Approaches and Rehabilitation of Lily Pond Avenue	Aug-09
D501BW85	Critical Panel Unwrapping	Nov-09
D501BW86	Partial Replacement of Suspender Ropes	Nov-09
D504AW82	Installation of Alternative Fuel Storage Tanks VN & TN	Dec-09
D501CB08	Deck & Structural Rehabilitation	May-10
D502HH04	Replacement of Cross Drainage between NB/SB Parkway	Jun-10
D502HH80	Lower Level Deck Replacement at the Henry Hudson Bridge	Jun-10
D501VN32	Structural Steel Repairs	Jun-10
D503AW49	E-Zpass Systems Infrastructure Replacement	Jul-10
D503AW35	Weather Information Systems Upgrade	Aug-10
D501TN85	Suspension System Investigation, Steel Repairs, Painting and Catwalk Replacement	Oct-10
D503AW52	Advanced Automated Traffic Detection	Jan-11
D502TN50	Replacement of Concrete Deck and Rehabilitation Of the Abutment and Retaining Walls, Queens Approach	Jan-11
D503HH85	Upper Level Toll Plaza Deck Replacements	Mar-11
D504AW80	Variable Message Signs	May-11
D502TN82	Rehabilitation of Orthotropic Deck-Phase B	Jul-11
D501TN87	Anchorage and Tower Protection at TNB	Jul-11
D505QM01	QSB & FE Buildings Rehabilitation and Upgrade	Sep-11
D503AW48	2nd Generation E-Zpass	Nov-11
D502TB65	Deck Replacement Bronx: Toll Plaza, New Ramps	Nov-11
D505TB59	Rehabilitation of Building 104	Dec-11

OPERATING IMPACTS EXCEEDING \$1 MILLION FOR CAPITAL PROJECTS REACHING BENEFICIAL USE 2008 – 2011

Note: The following operating budget impact (OBI) assumptions for projects reaching beneficial use in 2008 through 2011 is unchanged from the February 2008 submission. On July 23rd, the MTA Board will be considering for approval an amendment to the 2005-2009 Capital Program, which may affect the status of some of the projects listed below. As necessary, updated OBIs will be presented in November 2008 to reflect actions taken on both the Capital Plan Amendment and the July Financial Plan.

NEW YORK CITY TRANSIT CAPITAL PROJECTS

Project: New South Ferry Station (*New for 2008 submission*)

This is a new subway station, replacing the operations of the previous South Ferry station. The new station is larger, has escalators, elevators, HVAC, and functions as a true terminal station. The station is scheduled to start service on December 19, 2008, but impacts in 2008 should be minimal due to late year timing. Full impacts begin in 2009 (\$3.7 million).

Project: Purchase 745 Hybrid Electric Buses (*New for 2008 submission*)

Hybrid Buses are more expensive to maintain than the standard diesel buses. An additional 110-172 positions per year are needed in this period; all the positions reflect maintainer positions, while the OTPS expenses are maintenance materials. However, some of the expense is offset by diesel fuel savings. The increased impacts begin in 2008 (\$.99 million), but full impacts begin in 2010 (\$27.6 million) as all buses enter their major maintenance cycles.

Project: Charleston Depot Annex

This is a new bus depot. 72 positions are added, reflecting the fixed overhead of operating a depot. Beginning in 2009, 10 of the positions include security guards, who will provide 24x7 coverage. Initial operating impacts begin in 2008 (\$1.2 million), but full impacts begin with completion of the project in December 2009, totaling about \$5.8 million annually. (*Note: as discussed above, the OBI information for this project will be next updated in November to reflect actions taken by the Board in July.*)

Project: Grand Avenue Bus Maintenance Facility

This is a new bus depot and central maintenance facility. 108 new positions are reflected: 83 positions reflect the fixed overhead of operating a depot and central maintenance facility and the additional 25 positions reflect the fixed overhead for Supply Logistics (NYCT's distribution division). The OTPS costs include 24x7 security coverage. Full impacts begin in 2008 (\$11.2 million).

Project: Paratransit AVL

Maintain assets associated with Paratransit AVL, includes contract maintenance as well as in-house support. Impacts begin in 2008, with costs reaching \$1.2 million in 2010.

Project: Public Address/Customer Information Screens – 156 IRT Stations

Total impacts begin in 2009, reflecting 20 positions (\$2.6 million). Impacts appear in two areas. The TIS area includes vendor software maintenance and resources to support the active directory of the PA/CIS application (\$1.2 million). The Electronics Maintenance Division (EMD) includes \$1.4 million to maintain assets associated with the enhanced public address system.

LONG ISLAND RAIL ROAD CAPITAL PROJECTS

There are no capital projects entering beneficial use in 2008-2011 that have an impact on the LIRR's operating budget over \$1.0 million.

METRO-NORTH RAILROAD CAPITAL PROJECTS

There are no capital projects entering beneficial use in 2008-2011 that have an impact on the MNR's operating budget over \$1.0 million.

MTA POLICE DEPARTMENT CAPITAL PROJECTS

There are no capital projects entering beneficial use in 2008-2011 that have an impact on the MTAPD's operating budget over \$1.0 million.

V. Agency Financial Plans

Bridges and Tunnels

MTA Bridges and Tunnels
2009 Preliminary Budget
July Financial Plan 2009–2012

MISSION STATEMENT/MAJOR HIGHLIGHTS

MTA Bridges and Tunnels (B&T) performs a unique and vital function on behalf of regional mobility. With the operation of its seven bridges and two tunnels, B&T is an essential link for vehicular highway transportation in the New York City metropolitan region, while also providing significant financial support for mass transit. On an average day, more than 800,000 vehicles use the nine crossings, generating more than \$1.3 billion in annual toll revenue.

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

MTA Bridges & Tunnels continues to be a strong source of fiscal stability for the MTA. For 2008 and 2009, B&T projects that it will contribute \$669.9 million and \$650.2 million, respectively in Support to Mass Transit. Since becoming part of the MTA in 1968, a total of \$15.4 billion (through 2007) has been contributed to transit by B&T.

B&T is able to generate this financial support while providing high levels of customer satisfaction for travelers utilizing its facilities. In its most recent customer satisfaction survey taken during the fall of 2007, B&T's customers rated their overall satisfaction at 6.7 out of 10. Satisfaction with the performance of the agency's E-ZPass system was 8.2. This is consistent with B&T's historical performance, despite near record high traffic and significant construction at several facilities.

One factor that continues to drive customer satisfaction is the reduction in median queue time during peak periods. E-ZPass has enabled B&T to maintain low average peak hour queue times while managing much higher levels of traffic than existed prior to implementation of electronic toll collection. Approximately 76% of all weekday B&T traffic and 87% of all

weekday truck traffic use E-ZPass. Through April 2008, these high market shares have played an important role in keeping median vehicle queue time at levels that are significantly lower than B&T's goal.

Since first being installed in the mid-1990's, E-ZPass has been a transformative initiative for motorists in the New York area, not only because it enabled them to pay their tolls electronically, but because it was built as an interoperable system that allowed drivers who signed up to use their tag on any E-ZPass member agency's facility. What started out primarily as a New York, New Jersey, Pennsylvania regional system has now expanded to 24 agencies in 13 states and one border crossing, including Ohio, which became a member of the E-ZPass Interagency Group this past year. Motorists can now travel from Maine to Virginia and west to Illinois without having to stop to pay tolls.

Two of the biggest challenges facing B&T today in terms of toll collection are how to keep increasing its E-ZPass market share and how to reconfigure its toll plazas to help reduce traffic congestion in the region. To help increase market share, B&T recently began providing potential customers with a simplified one-page E-ZPass application, an initiative that was substantiated by market research efforts that found the long-standing "traditional" application a barrier to signing up for many people. B&T is also piloting E-ZPass-on-the-Go this year—an initiative that enables customers to purchase a prepaid E-ZPass tag and account kit at participating retailers. Approximately 15% of new accounts in April and May were opened through E-ZPass-on-the-Go.

In regard to toll plazas, B&T is in the initial stages of studying the feasibility of cashless tolling at its facilities. The agency is also studying the possibility of implementing one-way tolls on the Henry Hudson, Cross Bay and Marine Parkway Bridges. Among the issues to be explored in these planning studies are the likely effect on traffic flow and the potential effect on net income.

While fiscal stability and the other priority areas discussed above are of critical importance to B&T, there is no higher priority for the agency than the safety of its employees and customers. By emphasizing safe work practices and regularly providing safety training, B&T employees are working safer than ever. In 2007, B&T won the Chairman's Safety Award for Outstanding Achievement in Safety, which is presented to the MTA agency with the most improved rate of lost time and restricted duty incidents. In addition, the Triborough Bronx was rewarded for going 520 consecutive days without injury. The lost time injury rate in 2007 for B&T was 2.5 per 200,000 hours versus 3.2 in 2006.

So far this year, B&T is continuing to excel in this area. As of March 2008, year-to-date lost time injuries were only 6 as compared to 16 for the same period last year. This represents a decrease in the occurrence of lost time injuries by 38% and a rate of injury of 1.3 per 200,000 hours, thus far outperforming the lowest recorded rating of 2.2.

B&T also continues to carry out initiatives that help assure the safe passage of its customers, including identifying collision hotspots, re-evaluating and modifying traffic patterns in construction zones and improving roadway signage. Through March 2008, the collision rate was 4.08 per million vehicles, exceeding the first quarter goal of 4.12. For the same period, the collision rate with injury was 0.77, also exceeding the first quarter goal of 0.94.

To better enforce weight restrictions and ensure the safety and structural integrity of the facilities a new truck weight enforcement program was initiated last year on B&T's suspension bridges. The program uses a combination of new personnel and overtime to perform vehicle weight and safety inspections and provide a regular facility presence to conduct credential checks. From August of 2007 (when the program began) through May 2008, more than 43,000 trucks were inspected.

Sustainability is now another critical priority area for the MTA and B&T is taking steps to operate in a more environmentally-friendly way and thereby help preserve our natural resources. While one of the most significant B&T initiatives in this area was the introduction of E-ZPass, other recent actions have also reduced electrical consumption, carbon emissions, pollution and waste including:

- replacement of bridge tower aviation and obstruction lights with light emitting diode (LED) technology;
- participation in peak load reduction programs;
- conversion to bio-fuels for heating and operation of diesel-powered engines;
- increased inventory of alternative fuel and hybrid vehicles ahead of Executive Order 111 requirements;
- environmentally-preferred purchasing as the new standard purchasing model, including 100% adherence to Energy Star equipment purchases;
- use of remanufactured toner cartridges; and
- switch to a "Green" cleaner for tunnel washing and toll booth cleaning.

In the past year, an interdepartmental "Green" Council was formed to help guide, track and measure B&T's sustainability efforts. Among the B&T

initiatives now in various stages of implementation/development being monitored by this group are:

- the conversion of the Verrazano-Narrows Bridge necklace lights to LED technology with plans to expand the project to other bridge facilities;
- the installation of a third E-85 fueling station to service southern facilities with ethanol;
- Leadership in Energy and Environmental Design (LEED) certification and LEED silver for new construction and substantial reconstruction projects;
- the use of photo-voltaic roof-top and wall solar panels;
- variable frequency drives for tunnel venting fans; and
- “Green” improvement plans for all administrative buildings and other applications for LED lighting technology.

Finally, to successfully move forward in each of these priority areas, a productive, motivated and well-trained workforce is essential. B&T is working with MTAHQ and the other MTA agencies on several workforce development task forces and sub-committees. Among the initiatives being undertaken this year is a new management training program for Maintenance personnel, a new Leadership Academy Program for mid-level managers; and the standardization of maintenance worker work rules.

FINANCIAL OVERVIEW

The July Financial Plan calls for revenue reductions against the Adopted Budget primarily due to toll revenue losses experienced from March through May. During these months, traffic declined by 2.4% compared to the same period in 2007, while the Adopted Budget assumed a drop of only 0.2%. The Adopted Budget included nominal growth of 0.3% in March and April primarily due to unfavorable weather in 2007. The original forecast for May projected a 1.1% drop attributed to the toll increase implemented on March 16th and downward adjustments for very favorable weather in May 2007. The actual year-to-year traffic declines were 1.6% in March and April combined and 4.7% in May.

There have been no extraordinary events so far this year, and weather conditions were largely as expected in March and April. May saw an exceptional number of rain days and relatively colder temperatures, but these factors alone do not explain a 4.7% drop in traffic from the prior year. In fact, the weather was highly favorable over the Memorial Day holiday weekend this year, but traffic was still down by 2.3%, even though last year's holiday was far less weather-friendly. The downturn in traffic has

therefore primarily been due to economic factors, the most conspicuous of which has been the high price of gasoline. Gas prices recently surpassed historic highs. Average local prices went from \$3.16 per gallon in February (\$0.84, or 36% above the prior year) to \$3.86 per gallon in May (\$0.79, or 24% above the prior year). Adjusted for inflation, prices are now higher than during the energy crisis and recession of the early-1980s. In addition, seasonally adjusted local employment has been essentially flat compared to 2007, while some nominal growth had been projected for the Adopted Budget.

Given these indicators, the toll revenue forecast developed for the July Financial Plan includes the following assumptions:

- Traffic from June through the end of the year is expected to decline 3.6% on average compared to the same period in 2007.
- Gas prices will remain high throughout the financial plan period, but there will not be additional unfavorable impacts to traffic past 2008.
- Regional employment will remain flat through 2009 and will grow annually thereafter at the modest rates projected by Global Insight.

B&T's Baseline Net Operating Income for the 2008 Mid-Year Forecast is projected to be \$860.9 million, \$29.1 million lower than the 2008 Adopted Budget. This consists of \$1,305.9 million in revenue less \$445.0 million in expenses. Total Support to Mass Transit for the 2008 Mid-Year Forecast is projected to be \$669.9 million, \$33.2 million lower than the 2008 Adopted Budget.

Baseline Net Operating Income for the 2009 Preliminary Plan is projected to be \$865.4 million; \$24.3 million lower than the February Financial Plan, before factoring in the Program to Eliminate the Gap (PEG). This consists of \$1,311.5 million in revenue less \$446.1 million in expenses. Total Support to Mass Transit is projected to be \$650.2 million; \$45.7 million lower than the February Financial Plan.

In 2010, Baseline Net Operating Income is projected to be \$838.2 million, \$23.5 million lower than the February Financial Plan, before factoring in the Program to Eliminate the Gap (PEG). Total Support to Mass Transit for 2010 is projected to be \$622.9 million, \$27.5 million lower than the February Financial Plan.

For 2011, Baseline Net Operating Income is projected to be \$838.2 million, \$21.4 million lower than the February Financial Plan, before factoring in the Program to Eliminate the Gap. Total Support to Mass Transit is projected to be \$619.5 million, which is \$14.7 million lower than the February Financial Plan.

For 2012, Baseline Net Operating Income is projected to be \$827.9 million, \$21.4 million lower than the February Financial Plan, before factoring in the Program to Eliminate the Gap. Total Support to Mass Transit is projected to be \$601.5 million, \$8.2 million lower than the February Financial Plan.

2008 Mid-Year Forecast

In the 2008 Mid-Year Forecast, a total of \$860.9 million is projected in Baseline Net Operating Income compared to \$890.0 in the 2008 Adopted Budget.

Total revenues are \$1,305.9 million, which is \$26.7 million less than the Adopted Budget. Toll revenue accounts for 98% of all revenues and is projected at \$1,276.4 million, which is \$25.9 million less than the original estimate. As mentioned earlier, paid traffic declined over the first five months of the year and is expected to continue to decline for the remainder of the year, primarily due to record high gas prices and a slowdown in the local economy. Investment income has also been down due to lower short-term investment yields on fund balances and is projected to be \$2.9 million lower than the Adopted Budget level. These losses are partially offset by expected gains of \$1.7 million in receipts from the Battery Parking Garage, which is generating more revenue due to decreased local competition. An additional \$0.4 million is also anticipated from various other revenue sources and capital reimbursements.

The 2008 Mid-Year expenses are \$445.0 million, which is composed of \$225.5 million in labor costs and \$219.5 million in non-labor expenses. Total expenses are \$2.4 million higher than the Adopted Budget. Labor expenses are lower by \$1.0 million due to lower health and welfare expenses (now separated into two categories: health and welfare and other post-employment benefit (OPEB) current payment) primarily because of a reduction in the CPIU rate (\$2.6 million), and increased overtime expenses (\$2.0 million) primarily resulting from higher vacancies and other workload and staffing needs. In addition, pension costs (\$0.6 million) are lower due to a write-off of a pension reserve.

Higher non-labor expenses (\$3.6 million) are largely due to increases in both major maintenance (\$2.3 million) and bridge painting (\$3.8 million) reflecting carryover of work begun in 2007, re-estimates of some projects and acceleration of a planned tower painting project at the Bronx Whitestone from 2009 to 2008. In addition, there is an increase in bond service fees (\$1.0 million) primarily due to a new bond issue which closed in March of this year. This is offset by lower expenses from MTA's re-estimates for insurance (\$1.5 million) and lower expenses for E-ZPass Customer Service Center (\$1.8 million) as a result of lower than anticipated transition costs for a new contract beginning in 2009.

The new needs for the 2008 Mid-Year include the following:

- A new position (\$0.034 million) to handle the workload associated with additional timekeeping needs.
- Two maintainer positions are being added to ensure continued maintenance support for the Harlem River Lift Span. A 24-month pilot project for this need was initiated in 2006 and a determination has now been made to make the on-sight maintenance support permanent.

In 2008, the baseline headcount is 1,819, which includes 53 capitably reimbursable positions and 3 new positions for the new needs mentioned above.

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

2009 Preliminary Budget - Baseline

In the 2009 Preliminary Budget, a total of \$865.4 million is projected in Baseline Net Operating Income for 2009, before factoring in the savings from PEGs, compared to \$889.7 million in the Adopted Budget.

Revenues are \$1,311.5 million, which are \$29.5 million lower than the Adopted Budget primarily due to a \$27.8 million decrease to the toll revenue forecast, reflecting lower baseline traffic volume resulting from the unfavorable traffic trend in 2008 and downward revisions to the projection for regional employment. Investment income has been reduced by \$3.3 million to incorporate Global Insight's lower forecast for short-term investment yield rates. The favorable 2008 trends at the Battery Parking Garage are expected to continue into 2009, which will produce \$1.7 million more in parking fees.

Expenses are \$446.1 million, which are composed of \$236.0 million in labor costs and \$210.1 million in non-labor expenses. Overall expenses are \$5.2 million lower than the February Financial Plan. Labor costs are projected to decrease by \$0.8 million, due primarily to an upward revision of pension estimates (\$2.6 million), offset by lower health and welfare expenses (\$2.4 million) due to a reduction in the CPIU rate, and lower overtime expenses (\$1.1 million) due to fewer vacancies anticipated than in the previous year.

Non-labor expenses will decrease by \$4.4 million primarily due to lower bridge painting expenses (\$6.0 million), a reflection of accelerating the tower painting project at the Bronx Whitestone to 2008. In addition, major maintenance expenses are lower (\$2.3 million) due primarily to revised project schedules and re-estimates. Offsetting the lower non-labor expenses are increases in planning studies (\$4.5 million) for an assessment of cashless tolling and higher bond service fees (\$1.0 million) for additional debt offerings.

In 2009, total headcount remains at 1,819, which include 53 reimbursable positions.

The 2009 preliminary budget also includes below-the-line gap closing actions of \$0.3 million, which are discussed later in this document, under Gap Closing Measures.

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

2010-2012 Projections

The 2010 projection for Baseline Net Operating Income is \$838.2 million before factoring in the savings from PEGs, compared to \$861.7 million in the February Financial Plan. This consists of \$1,315.9 million in revenues, less \$477.7 million in expenses. The expenses are comprised of \$245.0 million in labor costs and \$232.7 million in non-labor expenses. Overall expenses are \$3.8 million lower than the February Financial Plan.

Total baseline planned headcount in 2010 before factoring in the Program to Eliminate the Gap remains at 1,819, which includes 53 capitolly reimbursable positions.

The 2011 projection for Baseline Net Operating Income, before factoring in the savings from PEGs, is \$838.2 million compared to \$859.7 million in the February Financial Plan. This consists of \$1,320.6 million in revenues, offset by \$482.4 million in expenses. The expenses are comprised of \$254.4 million in labor costs and \$228.0 million in non-labor expenses.

In 2012, the projection for Baseline Net Operating Income is \$827.9 million compared to \$849.3 million in the February Financial Plan. This consists of \$1,326.0 million in revenues, offset by \$498.1 million in expenses. The expenses are comprised of \$264.2 million in labor costs and \$233.9 million in non-labor expenses.

The full impact of the new needs started in 2009 will amount to \$0.313 million in 2010.

In 2011, a new need includes:

- As part of the ongoing major reconstruction of the Triborough Bridge complex, the construction and renovation of a new building on Randall's/Ward Island (which will house B&T engineers and other administrative personnel who currently occupy the Robert Moses Building) will be carried out over the next three to four years. After the renovation is completed, it is anticipated that seven Maintainer positions and associated non-labor costs (\$0.86 million) will be required, including costs associated with electric power, heating, and general maintenance.

The full impact of the new needs started in 2011 will amount to \$0.860 million in 2011 and \$1.632 million in 2012, the end of the financial period. No new needs are currently planned for 2012.

In 2011, before factoring in PEGs, the total baseline planned headcount will increase to 1,826, which includes the 53 capially-reimbursable positions, and the 7 additional positions for the new need mentioned above.

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

GAP CLOSING MEASURES

2009 PEG Actions

New PEG actions to be phased in during 2009 are projected to generate a total of \$0.264 million in cost reductions, which annualize to more than \$0.313 million each year thereafter. The program consists of the following initiatives:

- An evaluation of the Human Resources managerial structure has determined that they can reduce their supervisory staff by one position. This plan is projected to save \$0.127 million in labor cost beginning in 2009 and \$0.131 million each year thereafter.

- The Controllers Department evaluated their caseload and work flow and determined they can reduce their staff by one Accountant position, which became vacant due to retirement. The remaining two positions will absorb the responsibilities accomplished by this position. This plan is projected to save \$0.124 million in labor costs in 2009 and each year thereafter.
- The Controllers Department evaluated their Accounts Payable structure and determined that based on current workload and payment voucher trends, they will be able to reduce their staff by one position. This plan is projected to save \$0.013 million in labor cost in 2009 and \$0.054 million each year thereafter.

As a result of the PEGs itemized above, the baseline headcount will decrease by 3 positions in 2009 and 2010 to 1,816, which includes 53 capitally reimbursable positions. In 2011 and beyond, headcount will be reduced from 1,826 to 1,823 with 53 capitally reimbursable positions.

Post-2009 PEG Actions

Unspecified PEGs are scheduled to begin in 2010 and thereafter.

MTA BRIDGES AND TUNNELS
July Financial Plan 2009-2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Operating Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	1,250.549	1,276.407	1,281.117	1,282.482	1,285.981	1,290.8
Other Operating Revenue	12.807	11.015	12.077	12.220	12.373	12.6
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.0
Investment Income	5.558	2.551	2.259	4.564	5.185	5.2
Total Revenue	\$1,268.914	\$1,289.973	\$1,295.453	\$1,299.266	\$1,303.539	\$1,308.513
Operating Expenses						
<u>Labor:</u>						
Payroll	\$113.837	\$122.851	\$128.846	\$133.074	\$137.581	\$142.323
Overtime	25.146	26.650	23.915	24.269	24.803	25.313
Health and Welfare	18.415	19.980	22.087	23.702	25.569	27.460
OPEB Current Payment	10.218	11.764	12.923	13.844	14.830	15.887
Pensions	18.204	19.576	23.321	24.020	24.659	25.359
Other Fringe Benefits	17.742	15.456	15.893	16.594	17.191	17.815
Reimbursable Overhead	(6.806)	(6.749)	(7.033)	(7.170)	(7.314)	(7.460)
Total Labor Expenses	\$196.755	\$209.528	\$219.953	\$228.333	\$237.320	\$246.696
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	9.126	8.273	8.846	10.383	11.346	12.416
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	135.400	173.254	157.460	164.036	156.865	167.954
Professional Service Contracts	12.366	18.554	22.625	19.418	18.463	20.065
Materials & Supplies	14.008	17.110	18.562	35.558	38.268	30.289
Other Business Expenses	1.370	2.325	2.599	3.319	3.037	3.145
Total Non-Labor Expenses	\$172.270	\$219.515	\$210.093	\$232.713	\$227.979	\$233.870
<u>Other Expense Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adj	\$369.025	\$429.043	\$430.045	\$461.046	\$465.299	\$480.566
Add: Depreciation	\$69.793	\$72.700	\$77.800	\$83.200	\$89.000	\$95.200
OPEB Obligation	61.283	61.300	65.900	69.200	72.400	75.800
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$500.101	\$563.043	\$573.745	\$613.446	\$626.699	\$651.566
Less: Depreciation	69.793	72.700	77.800	83.200	89.000	95.200
OPEB Obligation	61.283	61.300	65.900	69.200	72.400	75.800
Total Expenses	\$369.025	\$429.043	\$430.045	\$461.046	\$465.299	\$480.566
Baseline Income/(Deficit)	\$899.889	\$860.930	\$865.408	\$838.220	\$838.240	\$827.947
2009 Agency Program to Eliminate the Gap	\$0.000	\$0.000	\$0.264	\$0.313	\$0.323	\$0.334
Post-2009 Agency Program to Eliminate the Gap	0.000	0.000	0.000	2.010	11.308	16.962
Net Income/(Deficit)	\$899.889	\$860.930	\$865.672	\$840.543	\$849.871	\$845.243
Business Service Center	\$0.000	\$0.000	\$0.000	\$0.000	\$1.691	\$4.049

MTA BRIDGES AND TUNNELS
July Financial Plan 2009-2012
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	16.057	15.927	16.091	16.657	17.065	17.529
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$16.057	\$15.927	\$16.091	\$16.657	\$17.065	\$17.529
Expenses						
<u>Labor:</u>						
Payroll	\$5.761	\$5.938	\$5.733	\$6.013	\$6.133	\$6.256
Overtime	0.556	0.116	0.049	0.135	0.100	0.100
Health and Welfare	1.575	1.578	1.697	1.733	1.878	2.036
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	0.333	0.843	0.862	0.907	0.923	0.942
Other Fringe Benefits	1.025	0.703	0.717	0.699	0.717	0.735
Reimbursable Overhead	6.806	6.749	7.033	7.170	7.314	7.460
Total Labor Expenses	\$16.057	\$15.927	\$16.091	\$16.657	\$17.065	\$17.529
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expense Adjustments:</u>						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation	\$16.057	\$15.927	\$16.091	\$16.657	\$17.065	\$17.529
Add: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$16.057	\$15.927	\$16.091	\$16.657	\$17.065	\$17.529
Less: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$16.057	\$15.927	\$16.091	\$16.657	\$17.065	\$17.529
Net Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Business Service Center	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BRIDGES AND TUNNELS
July Financial Plan 2009-2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE
Page 1 of 2

	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	1,250.549	1,276.407	1,281.117	1,282.482	1,285.981	1,290.776
Other Operating Revenue	12.807	11.015	12.077	12.220	12.373	12.552
Capital and Other Reimbursements	16.057	15.927	16.091	16.657	17.065	17.529
Investment Income	5.558	2.551	2.259	4.564	5.185	5.185
Total Revenue	\$1,284.971	\$1,305.900	\$1,311.544	\$1,315.923	\$1,320.604	\$1,326.042
Expenses						
<u>Labor:</u>						
Payroll	\$119.599	\$128.789	\$134.579	\$139.087	\$143.714	\$148.578
Overtime	25.703	26.766	23.964	24.404	24.903	25.413
Health and Welfare	19.990	21.558	23.784	25.435	27.447	29.496
OPEB Current Payment	10.218	11.764	12.923	13.844	14.830	15.887
Pensions	18.537	20.420	24.182	24.927	25.582	26.301
Other Fringe Benefits	18.767	16.159	16.611	17.293	17.908	18.550
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$212.813	\$225.455	\$236.044	\$244.989	\$254.385	\$264.225
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	9.126	8.273	8.846	10.383	11.346	12.416
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	135.400	173.254	157.460	164.036	156.865	167.954
Professional Service Contracts	12.366	18.554	22.625	19.418	18.463	20.065
Materials & Supplies	14.008	17.110	18.562	35.558	38.268	30.289
Other Business Expenses	1.370	2.325	2.599	3.319	3.037	3.145
Total Non-Labor Expenses	\$172.270	\$219.515	\$210.093	\$232.713	\$227.979	\$233.870
<u>Other Expense Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adj	\$385.082	\$444.970	\$446.136	\$477.703	\$482.364	\$498.095
Add: Depreciation	69.793	72.700	77.800	83.200	89.000	95.200
OPEB Obligation	61.283	61.300	65.900	69.200	72.400	75.800
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$516.158	\$578.970	\$589.836	\$630.103	\$643.764	\$669.095
Less: Depreciation	69.793	72.700	77.800	83.200	89.000	95.200
OPEB Obligation	61.283	61.300	65.900	69.200	72.400	75.800
Total Expenses	385.082	444.970	446.136	477.703	482.364	498.095
Baseline Net Income/(Deficit)	\$899.889	\$860.930	\$865.408	\$838.220	\$838.240	\$827.947
2009 Agency Program to Eliminate the Gap	\$0.000	\$0.000	\$0.264	\$0.313	\$0.323	\$0.334
Post-2009 Agency Program to Eliminate the Gap	0.000	0.000	0.000	2.010	11.308	16.962
Net Income/(Deficit)	\$899.889	\$860.930	\$865.672	\$840.543	\$849.871	\$845.243
Business Service Center	\$0.000	\$0.000	\$0.000	\$0.000	\$1.691	\$4.049

MTA BRIDGES AND TUNNELS
July Financial Plan 2009-2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE
Page 2 of 2

	2007 <u>Actual</u>	2008 Mid-Year <u>Forecast</u>	2009 Preliminary <u>Budget</u>	2010	2011	2012
Baseline Income/(Deficit)	\$899.889	\$860.930	\$865.408	\$838.220	\$838.240	\$827.947
<u>Deductions from Income:</u>						
Less: Capitalized Assets	\$6.314	\$17.745	\$18.604	\$13.502	\$13.757	\$14.020
Reserves	16.156	13.667	13.953	14.261	14.531	14.809
GASB Reserves	1.670	1.845	2.036	2.238	2.283	2.329
Adjusted Baseline Income/(Deficit)	\$875.749	\$827.673	\$830.814	\$808.219	\$807.669	\$796.789
Less: Debt Service	463.748	497.482	555.015	556.584	568.110	581.075
Income Available for Distribution	\$412.001	\$330.191	\$275.799	\$251.635	\$239.559	\$215.714
<u>Distributable To:</u>						
MTA - Investment Income	5.558	\$2.551	\$2.259	\$4.564	\$5.185	\$5.185
MTA - Distributable Income	249.968	217.288	196.902	182.732	176.247	164.364
NYCT - Distributable Income	156.474	110.352	76.638	64.339	58.126	46.165
Total Distributable Income:	\$412.001	\$330.191	\$275.799	\$251.635	\$239.559	\$215.714
<u>Actual Cash Transfers:</u>						
MTA - Investment Income	8.637	5.558	2.551	2.259	4.564	5.185
MTA - Transfers	249.945	226.801	198.941	184.149	176.896	165.552
NYCT - Transfers	156.397	114.414	80.009	65.569	58.748	47.361
Total Cash Transfers:	\$414.979	\$346.772	\$281.501	\$251.977	\$240.207	\$218.098
<u>SUPPORT TO MASS TRANSIT:</u>						
Total Revenues	\$1,284.971	\$1,305.900	\$1,311.544	\$1,315.923	\$1,320.604	\$1,326.042
Less: Net Operating Expenses	385.082	444.970	446.136	477.703	482.364	498.095
2009 Agency Program to Eliminate the Gap	0.000	0.000	0.264	0.313	0.323	0.334
Post-2009 Agency Program to Eliminate the Gap	0.000	0.000	0.000	2.010	11.308	16.962
Net Operating Income:	\$899.889	\$860.930	\$865.672	\$840.543	\$849.871	\$845.243
<u>Deductions from Operating Income:</u>						
B&T Debt Service	\$140.544	\$157.756	\$180.829	\$187.614	\$199.848	\$212.615
Capitalized Assets	6.314	17.745	18.604	13.502	13.757	14.020
Reserves	16.156	13.667	13.953	14.261	14.531	14.809
GASB Reserves	1.670	1.845	2.036	2.238	2.283	2.329
Total Deductions from Operating Income:	\$164.684	\$191.013	\$215.422	\$217.615	\$230.420	\$243.773
Total Support to Mass Transit:	\$735.205	\$669.917	\$650.249	\$622.928	\$619.452	\$601.470

MTA BRIDGES AND TUNNELS
Summary Reconciliation to the February Plan
(\$ in millions)

	Favorable/(Unfavorable)			
	2008	2009	2010	2011
February Financial Plan Baseline Income	\$890.044	\$889.677	\$861.686	\$859.676
New Needs	(\$0.034)	(\$0.059)	(\$0.061)	(\$0.922)
Service/Customer Service	0.000	0.000	0.000	0.000
Maintenance	0.000	0.000	0.000	0.000
Other (Administration)	(0.034)	(0.059)	(0.061)	(0.922)
Baseline Re-estimates	(\$6.384)	\$4.304	\$5.317	\$7.669
2009 PEG Program	<u>\$0.000</u>	<u>\$0.264</u>	<u>\$0.313</u>	<u>\$0.323</u>
Total Changes before Other Adjustments & Uncontrollable Exp.	(\$6.418)	\$4.509	\$5.569	\$7.069
Other Adjustments (includes inflation)	(\$25.921)	(\$27.806)	(\$27.996)	(\$27.729)
Passenger/Toll Revenue	(25.921)	(27.806)	(27.996)	(27.729)
Total Changes before Uncontrollable Expenses	(\$32.339)	(\$23.297)	(\$22.427)	(\$20.660)
Uncontrollable Expenses (includes inflation)	\$3.225	(\$0.708)	(\$0.726)	(\$0.453)
Energy	(0.446)	(0.850)	(0.776)	(1.382)
Pensions	0.551	(2.590)	(2.711)	(2.724)
Health & Welfare	2.616	2.410	3.399	4.451
Insurance	1.528	1.339	0.384	0.231
Bond Service Fees	(1.024)	(1.017)	(1.022)	(1.028)
July Financial Plan including 2009 PEG Program*	\$860.930	\$865.672	\$838.533	\$838.563

*Excludes Post-2009 Unspecified PEGs

MTA Bridges and Tunnels
July Financial Plan 2009-2012
Year-to-Year Changes by Category - Accrual Basis

YEAR-TO-YEAR CHANGES: 2009-2012

Toll Revenue

- Revenues are estimated at \$1,276.4 million in 2008, \$1,281.1 million in 2009, \$1,282.5 million in 2009, \$1,286.0 million in 2011 and \$1,290.8 million in 2012. Revenue increases in 2009 primarily due to the full year's impact of the toll increase implemented on March 16, 2008. The forecast assumes no growth in regional employment in 2009 and modest growth from 2010 to 2012 as reflected in the projections issued by Global Insight.
- Paid traffic is expected to reach 296.0 million vehicles in 2008. Traffic in 2009 assumes no growth in regional employment and is projected to decline over the prior year due primarily to the leap year in 2008. The forecast from 2010 through 2012 incorporates the most recent projections for regional employment and inflation provided by Global Insight, and adjusts for the leap year in 2012. Paid traffic is forecast at 294.8 million vehicles in 2009, 295.6 million in 2010, 296.8 million in 2011 and 298.4 million in 2012.

Other Operating Revenue

- Other Operating Revenue is projected at \$11.0 million in 2008 and is estimated to increase by \$1.1 million in 2009 primarily due to lower 2008 income from the Battery Parking Garage (BPG) resulting from a one-time expense for a new revenue control system, and minor fluctuations in other income sources.
- Other Operating Revenue increases between \$0.1 and \$0.2 million each year from 2010 through 2012, primarily reflecting expected modest growth in parking receipts from the BPG.

Capital and Other Reimbursements

- Income from Capital and Other Reimbursements is expected to increase slightly based on re-estimates from \$15.9 million in 2008 to \$16.1 million in 2009.
- Capital and Other Reimbursements increase by \$0.2 million in 2009 and \$0.4 million per year for 2011 and 2012, due to CPIU adjustments.

Investment Income

- The Investment Income plan for 2008 through 2012 reflects earnings on estimated fund balances based on Global Insight's forecasts for short-term investment yields. Projected Investment Income is estimated at \$2.6 million in 2008 and \$2.3 million in 2009.

- Short-term investment yields are expected to return to more favorable levels in 2010. Investment income is subsequently projected to grow to \$4.6 million in 2010 and \$5.2 million in both 2011 and 2012.

Payroll

- In 2009, there is an increase of \$5.8 million over 2008 due to CPIU (\$3.5 million), salary adjustments including contractual step-up increases and the ability to fill vacancies for Bridge and Tunnel Officers (BTOs) and Sergeants (SGTs) from a newly certified civil service list (\$2.3 million).
- Thereafter, expenses increase by contractual step-up increases (\$1.8 million), and CPIU, \$2.8 million in 2010, \$2.7 million in 2011, and \$2.9 million in 2012. There is also a new need that begins in 2011 (\$0.3 million) for 7 additional positions to maintain a newly renovated building on Randall's/Ward Island that will be used to relocate B&T engineers and other administrative personnel who currently occupy part of the Robert Moses Building on Randall's Island.

Overtime

- In 2009, there is a \$2.8 million decrease from 2008 in overtime expenses largely due to being able to fill vacancies for BTOs and SGTs from newly certified civil service lists.
- Thereafter, the year-over-year increases of \$0.4 million in 2010, \$0.5 million in 2011, and \$0.5 million in 2012 are the result of CPIU adjustments.

Health and Welfare

- In 2009, there is a \$2.2 million increase from 2008 in Health and Welfare expenses. This increase is mainly due to a CPIU of 8.84% for medical expenses and for new hires.
- The year-over-year increases from 2010 to 2012 are \$1.7 million, \$2.0 million, and \$2.0 million, respectively. A CPIU of 7.1% has been added to each year from 2009 on, based on factors provided by the MTA.

OPEB Current Payment

- In 2009, there is a \$1.2 million increase from 2008 OPEB Current Payments. This increase is mainly due to a CPIU of 8.84% for medical expenses.
- The year-over-year increases from 2010 to 2012 are \$0.9 million, \$1.0 million, and \$1.1 million, respectively. A CPIU of 7.1% has been added to each year from 2009 on, based on factors provided by the MTA.

Pension

- In 2009, there is a \$3.8 million increase from 2008, based on the latest NYCERS estimates received. The increases of \$0.7 million per year from 2009 to 2012 are due to CPIU.

Other Fringe Benefits

- The year-over-year increases from 2008 to 2012 are mainly due to the effect of CPIU inflators.

Insurance

- Insurance expenses increase between \$0.6 million and \$1.1 million annually from 2009 through 2012 based on MTA Risk Management's most recent estimates.

Maintenance and Other Operating Contracts

- In 2009, expenses are projected to be \$15.8 million lower than 2008 primarily due to lower major maintenance spending (\$8.5 million) resulting from acceleration of work for the Bronx-Whitestone Bridge Queens Approach and revised estimates for 2008 projects; lower bridge painting expenses (\$9.1 million) for acceleration of painting at the Bronx Whitestone Bridge tower from 2009 to 2008 and the completion of painting at the Verrazano Narrows and Triborough Bridges. Other expenses contributing to this variance are lower E-ZPass Customer Service Center (CSC) expenses (\$1.2 million) due to the new operating contract, offset by an increase in maintenance costs (\$1.8 million) for the Authority's facility-based security system in 2008 and CPIU increases (\$1.7 million).
- In 2010, expenses are \$6.6 million higher than 2009 due primarily to higher major maintenance (\$2.6 million) and bridge painting expenses (\$1.5 million). Other increases include E-ZPass CSC operating costs (\$1.0 million) due to program growth and CPIU increases (\$1.6 million).
- For 2011, expenses are \$7.2 million lower than 2010 primarily due to a reduction in bridge painting expenses (\$10.9 million) after the completion of work at the Henry Hudson, Triborough and Throgs Neck Bridges. This will be offset by higher CSC operating costs (\$1.1 million) due to program growth and CPIU and other increases (\$2.6 million).
- For 2012, expenses are \$11.1 million higher than 2011 primarily due to higher bridge painting expenses (\$8.0 million) resulting from anticipated construction start-up for new painting work, offset by higher expenses for the CSC operating costs (1.0 million) due to program growth, CPIU and other increases (\$2.1 million).
- CPIU increases are 3.46% in 2008, 1.59% in 2009, 1.59% in 2010, 1.67% in 2011 and 1.90% in 2012 based on forecasts for national inflation provided by Global Insight.

Professional Service Contracts

- In 2009, expenses are \$4.1 million higher than 2008 primarily due to the addition of a cashless toll study (\$3.3 million) beginning in 2009 and ending in 2010, re-estimates of MTA chargeback expenses for increased technical support (\$0.5 million), and CPIU increases.
- In 2010, expenses are lower by \$3.2 million due primarily to a reduction in planning studies.
- For 2011 the lower expenses (\$1.0 million) are a result of a further reduction in planning studies.
- For 2012 the higher expenses (\$1.6 million) primarily reflect higher planning study needs for an anticipated origin and destination study.
- CPIU increases are 3.46% in 2008, 1.59% in 2009, 1.59% in 2010, 1.67% in 2011 and 1.90% in 2012 based on forecasts for national inflation provided by Global Insight.

Materials and Supplies

- In 2009, expenses are \$1.5 million higher primarily for an increase in E-ZPass tags (\$2.1 million) that will be used to undertake a new tag replacement program in 2010 for tags that reach their eighth year in service, offset by CPIU adjustments and numerous small reductions in various accounts.
- The 2010 expenses are \$17.0 million greater primarily due to the inventory demands of the E-ZPass tag replacement program (\$16.0 million). This was offset by CPIU adjustments.
- For 2011, expenses are \$2.7 million greater due primarily to the increase in E-ZPass tag purchases (\$2.3 million) for the tag replacement program.
- Finally, for 2012, expenses are \$8.0 million lower primarily due to lower tag replacement requirements than in previous years.
- CPIU increases are 3.46% in 2008, 1.59% in 2009, 1.59% in 2010, 1.67% in 2011 and 1.90% in 2012 based on forecasts for national inflation provided by Global Insight.

Other Business Expenses

- For 2009 through 2012, the higher expenses reflect CPIU increases.
- CPIU increases are 3.46% in 2008, 1.59% in 2009, 1.59% in 2010, 1.67% in 2011 and 1.90% in 2012 based on forecasts for national inflation provided by Global Insight.

MTA BRIDGES AND TUNNELS
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,276.407	1,281.117	4.710	1,282.482	1.365	1,285.981	3.499	1,290.776	4.795
Other Operating Revenue	11.015	12.077	1.063	12.220	0.143	12.373	0.153	12.552	0.179
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Investment Income	2.551	2.259	(0.292)	4.564	2.305	5.185	0.621	5.185	-
Total Revenue	\$ 1,289.973	\$ 1,295.453	\$ 5.481	\$ 1,299.266	\$ 3.813	\$ 1,303.539	\$ 4.273	\$ 1,308.513	\$ 4.974
Expenses									
Labor:									
Payroll	\$ 122.851	\$ 128.846	\$ (5.996)	\$ 133.074	\$ (4.228)	\$ 137.581	\$ (4.507)	\$ 142.323	\$ (4.742)
Overtime	26.650	23.915	2.735	24.269	(0.354)	24.803	(0.534)	25.313	(0.509)
Health and Welfare	19.980	22.087	(2.107)	23.702	(1.615)	25.569	(1.867)	27.460	(1.891)
OPEB Current Payment	11.764	12.923	(1.159)	13.844	(0.921)	14.830	(0.986)	15.887	(1.057)
Pensions	19.576	23.321	(3.745)	24.020	(0.699)	24.659	(0.639)	25.359	(0.700)
Other Fringe Benefits	15.456	15.893	(0.437)	16.594	(0.700)	17.191	(0.598)	17.815	(0.623)
Reimbursable Overhead	(6.749)	(7.033)	0.284	(7.170)	0.137	(7.314)	0.143	(7.460)	0.146
Total Labor Expenses	\$ 209.528	\$ 219.953	\$ (10.425)	\$ 228.333	\$ (8.380)	\$ 237.320	\$ (8.987)	\$ 246.696	\$ (9.376)
Non-Labor:									
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	8.273	8.846	(0.573)	10.383	(1.537)	11.346	(0.963)	12.416	(1.070)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	173.254	157.460	15.793	164.036	(6.576)	156.865	7.171	167.954	(11.090)
Professional Service Contracts	18.554	22.625	(4.072)	19.418	3.207	18.463	0.955	20.065	(1.602)
Materials & Supplies	17.110	18.562	(1.452)	35.558	(16.996)	38.268	(2.711)	30.289	7.979
Other Business Expenses	2.325	2.599	(0.274)	3.319	(0.720)	3.037	0.282	3.145	(0.108)
Total Non-Labor Expenses	\$ 219.515	\$ 210.093	\$ 9.422	\$ 232.713	\$ (22.621)	\$ 227.979	\$ 4.734	\$ 233.870	\$ (5.891)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses before Depreciation and GASB Adjs.	\$ 429.043	\$ 430.045	\$ (1.003)	\$ 461.046	\$ (31.001)	\$ 465.299	\$ (4.253)	\$ 480.566	\$ (15.267)
Add: Depreciation	\$ 72.700	\$ 77.800	\$ (5.100)	\$ 83.200	\$ (5.400)	\$ 89.000	\$ (5.800)	\$ 95.200	\$ (6.200)
Add: OPEB Obligation	61.300	65.900	(4.600)	69.200	(3.300)	72.400	(3.200)	75.800	(3.400)
Add: Environmental Remediation	-	-	-	-	-	-	-	-	-
Total Expenses after Depreciation and GASB Adjs.	\$ 563.043	\$ 573.745	\$ (10.703)	\$ 613.446	\$ (39.701)	\$ 626.699	\$ (13.253)	\$ 651.566	\$ (24.867)
Less: Depreciation	72.700	77.800	(5.100)	83.200	(5.400)	89.000	(5.800)	95.200	(6.200)
Less: OPEB Obligation	61.300	65.900	(4.600)	69.200	(3.300)	72.400	(3.200)	75.800	(3.400)
Total Expenses	\$ 429.043	\$ 430.045	\$ (1.003)	\$ 461.046	\$ (31.001)	\$ 465.299	\$ (4.253)	\$ 480.566	\$ (15.267)
Baseline Net Income/(Deficit)	\$ 860.930	\$ 865.408	\$ 4.478	\$ 838.220	\$ (27.187)	\$ 838.240	\$ 0.020	\$ 827.947	\$ (10.293)
2009 Program to Eliminate the Gap (PEGs)	\$ -	\$ 0.264	\$ 0.264	\$ 0.313	\$ 0.049	\$ 0.323	\$ 0.010	\$ 0.334	\$ 0.011
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	2.010	2.010	11.308	9.298	16.962	5.654
Net Income/(Deficit)	\$ 860.930	\$ 865.672	\$ 4.742	\$ 840.543	\$ (25.128)	\$ 849.871	\$ 9.328	\$ 845.243	\$ (4.628)
Business Service Center	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.691	\$ 1.691	\$ 4.049	\$ 2.358

REIMBURSABLE

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MTA BRIDGES AND TUNNELS
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE
(Page 1 of 2)

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,276.407	1,281.117	4.710	1,282.482	1.365	1,285.981	3.499	1,290.776	4.795
Other Operating Revenue	11.015	12.077	1.063	12.220	0.143	12.373	0.153	12.552	0.179
Capital and Other Reimbursements	15.927	16.091	0.164	16.657	0.566	17.065	0.408	17.529	0.464
Investment Income	2.551	2.259	(0.292)	4.564	2.305	5.185	0.621	5.185	-
Total Revenue	\$ 1,305.900	\$ 1,311.544	\$ 5.644	\$ 1,315.923	\$ 4.379	\$ 1,320.604	\$ 4.681	\$ 1,326.042	\$ 5.438
Expenses									
Labor:									
Payroll	\$ 128.789	\$ 134.579	\$ (5.790)	\$ 139.087	\$ (4.508)	\$ 143.714	\$ (4.627)	\$ 148.578	\$ (4.865)
Overtime	26.766	23.964	2.802	24.404	(0.440)	24.903	(0.499)	25.413	(0.509)
Health and Welfare	21.558	23.784	(2.226)	25.435	(1.651)	27.447	(2.012)	29.496	(2.049)
OPEB Current Payment	11.764	12.923	(1.159)	13.844	(0.921)	14.830	(0.986)	15.887	(1.057)
Pensions	20.420	24.182	(3.763)	24.927	(0.744)	25.582	(0.656)	26.301	(0.719)
Other Fringe Benefits	16.159	16.611	(0.452)	17.293	(0.682)	17.908	(0.615)	18.550	(0.642)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$ 225.455	\$ 236.044	\$ (10.588)	\$ 244.989	\$ (8.946)	\$ 254.385	\$ (9.395)	\$ 264.225	\$ (9.841)
Non-Labor:									
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	8.273	8.846	(0.573)	10.383	(1.537)	11.346	(0.963)	12.416	(1.070)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	173.254	157.460	15.793	164.036	(6.576)	156.865	7.171	167.954	(11.090)
Professional Service Contracts	18.554	22.625	(4.072)	19.418	3.207	18.463	0.955	20.065	(1.602)
Materials & Supplies	17.110	18.562	(1.452)	35.558	(16.996)	38.268	(2.711)	30.289	7.979
Other Business Expenses	2.325	2.599	(0.274)	3.319	(0.720)	3.037	0.282	3.145	(0.108)
Total Non-Labor Expenses	\$ 219.515	\$ 210.093	\$ 9.422	\$ 232.713	\$ (22.621)	\$ 227.979	\$ 4.734	\$ 233.870	\$ (5.891)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses before Depreciation and GASB Adjs.	\$ 444.970	\$ 446.136	\$ (1.166)	\$ 477.703	\$ (31.566)	\$ 482.364	\$ (4.661)	\$ 498.095	\$ (15.731)
Add: Depreciation	\$ 72.700	\$ 77.800	\$ (5.100)	\$ 83.200	\$ (5.400)	\$ 89.000	\$ (5.800)	\$ 95.200	\$ (6.200)
Add: OPEB Obligation	61.300	65.900	(4.600)	69.200	(3.300)	72.400	(3.200)	75.800	(3.400)
Add: Environmental Remediation	-	-	-	-	-	-	-	-	-
Total Expenses after Depreciation and GASB Adjs.	\$ 578.970	\$ 589.836	\$ (10.866)	\$ 630.103	\$ (40.266)	\$ 643.764	\$ (13.661)	\$ 669.095	\$ (25.331)
Less: Depreciation	72.700	77.800	(5.100)	83.200	(5.400)	89.000	(5.800)	95.200	(6.200)
Less: OPEB Obligation	61.300	65.900	(4.600)	69.200	(3.300)	72.400	(3.200)	75.800	(3.400)
Total Expenses	\$ 444.970	\$ 446.136	\$ (1.166)	\$ 477.703	\$ (31.566)	\$ 482.364	\$ (4.661)	\$ 498.095	\$ (15.731)
Baseline Net Income/(Deficit)	\$ 860.930	\$ 865.408	\$ 4.478	\$ 838.220	\$ (27.187)	\$ 838.240	\$ 0.020	\$ 827.947	\$ (10.293)
2009 Program to Eliminate the Gap (PEGs)	\$ -	\$ 0.264	\$ 0.264	\$ 0.313	\$ 0.049	\$ 0.323	\$ 0.010	\$ 0.334	\$ 0.011
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	2.010	2.010	11.308	9.298	16.962	5.654
Net Income/(Deficit)	\$ 860.930	\$ 865.672	\$ 4.742	\$ 840.543	\$ (25.128)	\$ 849.871	\$ 9.328	\$ 845.243	\$ (4.628)
Business Service Center	-	-	-	-	-	1.691	1.691	4.049	2.358

MTA BRIDGES AND TUNNELS
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE
(Page 2 of 2)

	Favorable/(Unfavorable)									
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011	
Baseline Net Income/(Deficit)	\$ 860.930	\$ 865.408	\$ 4.478	\$ 838.220	\$ (27.187)	\$ 838.240	\$ 0.020	\$ 827.947	\$ (10.293)	
<u>Deductions from Income:</u>										
Less: Capitalized Assets	\$ 17.745	\$ 18.604	\$ (0.859)	\$ 13.502	\$ 5.102	\$ 13.757	\$ (0.255)	\$ 14.020	\$ (0.263)	
Reserves	13.667	13.953	(0.286)	14.261	(0.308)	14.531	(0.270)	14.809	(0.278)	
GASB 45 Reserves	1.845	2.036	(0.191)	2.238	(0.202)	2.283	(0.045)	2.329	(0.046)	
Adjusted Baseline Net Income/(Deficit)	\$ 829.518	\$ 832.851	\$ 3.333	\$ 810.457	\$ (22.393)	\$ 809.952	\$ (0.505)	\$ 799.118	\$ (10.834)	
Less: Debt Service			-		-		-		-	
Income Available for Distribution	\$ 829.518	\$ 832.851	\$ 3.333	\$ 810.457	\$ (22.393)	\$ 809.952	\$ (0.505)	\$ 799.118	\$ (10.834)	
Distributable To:										
MTA - Investment Income	\$ 2.551	\$ 2.259	\$ 0.292	\$ 4.564	\$ (2.305)	\$ 5.185	\$ (0.621)	\$ 5.185	\$ -	
MTA - Distributable Income	217.288	196.902	20.386	182.732	14.170	176.247	6.485	164.364	11.883	
NYCT - Distributable Income	110.352	76.638	33.714	64.339	12.299	58.126	6.213	46.165	11.961	
Total Distributable Income:	\$ 330.191	\$ 275.799	\$ 54.392	\$ 251.635	\$ 24.164	\$ 239.559	\$ 12.076	\$ 215.714	\$ 23.845	
Actual Cash Transfers:										
MTA - Investment Income	\$ 5.558	\$ 2.551	\$ 3.007	\$ 2.259	\$ 0.292	\$ 4.564	\$ (2.305)	\$ 5.185	\$ (0.621)	
MTA - Transfers	226.801	198.941	27.860	184.149	14.792	176.896	7.253	165.552	11.344	
NYCT - Transfers	114.414	80.009	34.404	65.569	14.440	58.748	6.821	47.361	11.387	
Total Cash Transfers:	\$ 346.772	\$ 281.501	\$ 65.271	\$ 251.977	\$ 29.524	\$ 240.207	\$ 11.769	\$ 218.098	\$ 22.109	
SUPPORT TO MASS TRANSIT:										
Total Revenues	\$1,305.900	\$1,311.544	\$5.644	\$1,315.923	\$4.379	\$1,320.604	\$4.681	\$1,326.042	\$5.438	
Less: Net Operating Expenses	444.970	446.136	(1.166)	477.703	(31.566)	482.364	(4.661)	498.095	(15.731)	
2009 Program to Eliminate the Gap (PEGs)	-	0.264	0.264	0.313	0.049	0.323	0.010	0.334	0.011	
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	2.010	2.010	11.308	9.298	16.962	5.654	
Net Operating Income:	\$ 860.930	\$ 865.672	\$ 4.742	\$ 840.543	\$ (27.138)	\$ 849.871	\$ 0.030	\$ 845.243	\$ (10.282)	
Deductions from Operating Income:										
B&T Debt Service	\$157.756	\$180.829	(\$23.073)	\$187.614	(\$6.785)	\$199.848	(\$12.234)	\$212.615	(\$12.766)	
Capitalized Assets	17.745	18.604	(0.859)	13.502	5.102	13.757	(0.255)	14.020	(0.263)	
Reserves	13.667	13.953	(0.286)	14.261	(0.308)	14.531	(0.270)	14.809	(0.278)	
GASB 45 Reserves	1.845	2.036	(0.191)	2.238	(0.202)	2.283	(0.045)	2.329	(0.046)	
Total Deductions from Operating Inc:	\$ 191.013	\$ 215.422	\$ (24.409)	\$ 217.615	\$ (2.193)	\$ 230.420	\$ (12.804)	\$ 243.773	\$ (13.353)	
Total Support to Mass Transit:	\$ 669.917	\$ 650.249	\$ (19.667)	\$ 622.928	\$ (29.332)	\$ 619.452	\$ (12.774)	\$ 601.470	\$ (23.635)	

MTA Bridges and Tunnels
July Financial Plan 2009 - 2012
Summary of Major Changes between Financial Plans
(\$ in millions)

Non-Reimbursable and Reimbursable Major Changes

2008: July Financial Plan vs. February Financial Plan

Revenue

Revenue adjustments from the February Plan result in a decrease of \$25.9 million. The major changes include:

- Lower toll revenues (\$25.9 million) due to decreased traffic volumes stemming primarily from record high gas prices and a slowdown in the local economy.
- Higher income from the Battery Parking Garage (BPG) (\$1.7 million) primarily due to stronger demand resulting from decreased local competition.
- Higher Other Operating Revenues (\$0.4 million) primarily due to E-ZPass administrative fees.
- Decrease in Investment Income based on reduction in rates (\$2.9 million).

Expense

Expenses are projected to be \$2.4 million greater than the February Plan due to higher non-labor expenses (\$3.6 million) offset by lower labor costs (\$1.2 million). The major variances include:

Labor

- Higher overtime costs (\$2.0 million) due primarily to higher than planned vacancies and other workload and staffing needs.
- Lower Health and Welfare (when combined with the Other Post-Employment Benefits (OPEB) Current Payment) due to a reduction in CPIU rates and higher than planned vacancies (\$2.6 million). Current payments for retired employees' health and welfare expenses (\$11.8 million) are now separately reported under Other Than Post-Employment Benefits (OPEB).
- Reduction in pension (\$0.6 million) costs due to a write-off of a pension reserve.

Non-Labor

- Lower Insurance expenses (\$1.5 million) due to re-estimates from MTA Risk Management.

- Higher Maintenance and Other Operating Costs (\$3.7 million) resulting primarily from higher expenses for both major maintenance (\$2.3 million) and bridge painting (\$3.8 million) due mainly to carryover from work begun in 2007, re-estimates of some projects and acceleration of the Bronx Whitestone tower painting project from 2009 to 2008. These were offset by lower expenses for the customer service center (\$1.8 million) due to lower than anticipated transition costs.
- Higher Professional Services Contract expenses (\$1.0 million) resulting primarily from higher bond service fees (\$1.0 million) for a new bond issue completed in March of this year and the addition to planning studies expenses (\$0.7 million) for a toll study. These were offset by re-estimates for legal service fees (\$0.3 million) and advertising cost (\$0.3 million)
- Increase in Material and Supplies (\$0.4 million) due mainly to higher gas and diesel fuel prices (\$0.2 million) and procurement credit card purchases (\$0.1 million).

2009-2012: July Financial Plan vs. February Financial Plan

Revenue changes from the February Plan over the 2009 to 2012 period include:

- Decreased Toll Revenues (\$27.8 million in 2009, \$28.0 million in 2010, \$27.7 million in 2011, and \$26.7 million in 2012) based on lower baseline traffic volume resulting from the unfavorable traffic trend in 2008 and downward revisions to the projections for regional employment.
- Other Operating Revenues are higher in 2009 primarily due to projected one-time expenses at the Battery Parking Garage (BPG) that will reduce net income. Growth from 2010 on is primarily due to assumed continued economic improvement in lower Manhattan and the subsequent positive effects on BPG operations. Higher revenues from the BPG in 2009-2012 primarily due to stronger demand at the BPG resulting from decreased local competition and CPIU adjustments.
- Unfavorable re-estimates of investment income based on Global Insight's lower short-term interest rate forecasts.

Expense

Labor

Net reduction in labor expenses for each year of the financial plan are based on the following changes:

- Higher payroll expenses due to changes in CPIU rates from 2009 to 2010. In 2011, 7 positions are added to perform maintenance of the newly renovated building on Randall's/Ward Island that will be used to relocate B&T engineers and other administrative personnel who currently occupy part of the Robert Moses Building on Randall's Island.

- Lower Overtime due primarily to fewer vacancies anticipated as a result of the new civil service lists for Bridge and Tunnel Officers (BTOs) and Sergeants (SGTs).
- Lower expenses for Health & Welfare from 2009 to 2012 (when combined with Other Post-Employment Benefits Current Payment) due primarily to reductions in CPIU rates. Current expenses for retired employees' health and welfare expenses are now separately reported under Other Than Post-Employment Benefits (OPEB).
- Increase in Pension costs for 2009 due to re-estimate from NYCERS and CPIU thereafter in 2010, 2011 and 2012.

Non-Labor

Reductions in non-labor expenses for each year of the financial plan are based on the following changes:

- Lower expenses for Insurance from 2009 to 2011 and an increase in 2012 as a result of re-estimates from MTA.
- Changes for Maintenance and Other Operating Contracts include lower expenses for E-ZPass Customer Service Center in 2009 to 2012 due primarily to full implementation of a new contract. In addition, there are lower bridge painting needs in 2009 (\$6.0 million) due primarily to the rescheduling of work to 2008. In 2010 and 2011, bridge painting is adjusted by CPIU. In 2012, there is a reduction of \$5.6 million due to a re-estimate of painting needs in that year.
- Changes for Professional Services Contracts include higher bond service fees from 2009 to 2012 for a new bond issue completed in March 2008; increase in 2009 and 2010 for an assessment of cashless tolling; and higher MTA chargeback expenses from 2009 to 2012 mainly for Transcom membership dues.
- Changes for Materials and Supplies include re-estimates of E-ZPass tag purchases for new accounts and the tag swap program. In 2012, E-ZPass tag costs are greater pending the award of a new competitively bid contract and the costs of a potential change in technology.

Reimbursable Major Changes

2008: July Financial Plan vs. February Financial Plan

Revenue

Higher capital reimbursements of \$0.2 million based on the amount of capital work being performed.

Expense

Higher capital-reimbursable expenses of \$0.2 million based on the amount of capital work being performed.

2009-2012: July Financial Plan vs. February Financial Plan

Revenue

Lower capital reimbursements of \$0.2 million in 2009 based on the amount of capital work being performed.

Expense

Lower capital-reimbursable expenses of \$0.2 million in 2009 based on the amount of capital work being performed.

MTA BRIDGES AND TUNNELS
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Net Operating Income	\$890.044	\$889.677	\$861.686	\$859.676	\$849.332
Baseline Changes					
Revenue					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	(25.921)	(27.806)	(27.996)	(27.729)	(26.651)
Other Operating Revenue	1.881	1.807	1.824	1.841	1.876
Capital and Other Reimbursement	0.000	0.000	0.000	0.000	0.000
Investment Income	(2.893)	(3.328)	(1.045)	(0.424)	(0.402)
Total Revenue Changes	(\$26.933)	(\$29.327)	(\$27.217)	(\$26.312)	(\$25.177)
Expenses					
<i>Labor:</i>					
Payroll	\$0.380	(\$0.224)	(\$0.196)	(\$0.297)	(\$0.545)
Overtime	(2.029)	1.081	1.108	1.085	1.061
Health and Welfare	14.380	15.333	17.243	19.281	21.655
OPEB Current Payment	(11.764)	(12.923)	(13.844)	(14.830)	(15.887)
Pensions	0.551	(2.590)	(2.711)	(2.724)	(2.744)
Other Fringe Benefits	(0.078)	(0.022)	(0.016)	(0.021)	(0.028)
Reimbursable Overhead	-	-	-	-	-
Total Labor Expense Changes	\$1.440	\$0.655	\$1.584	\$2.492	\$3.512
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	1.528	1.339	0.384	0.231	(0.364)
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(3.827)	8.617	3.179	1.970	7.689
Professional Service Contracts	(0.962)	(5.603)	(2.139)	(0.910)	(2.226)
Materials & Supplies	(0.365)	0.285	1.669	1.706	(4.132)
Other Business Expenses	0.004	(0.235)	(0.926)	(0.612)	(0.688)
Total Non-Labor Expense Changes	(\$3.621)	\$4.402	\$2.168	\$2.385	\$0.280
Other Expenses	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjustments	(\$2.181)	\$5.058	\$3.752	\$4.877	\$3.792
Depreciation	(\$6.000)	(\$6.500)	(\$6.900)	(\$7.400)	(\$9.500)
OPEB Obligation	1.500	0.000	0.000	0.000	0.000
Environmental Remediation	-	-	-	-	-
Total Expense after Depreciation and GASB Adjustments	(\$6.681)	(\$1.442)	(\$3.148)	(\$2.523)	(\$5.708)
Depreciation	(\$6.000)	(\$6.500)	(\$6.900)	(\$7.400)	(\$9.500)
OPEB Obligation	1.500	-	-	-	-
Total Expense Changes	(\$2.181)	\$5.058	\$3.752	\$4.877	\$3.792
Cash Adjustment Changes					
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$29.114)	(\$24.269)	(\$23.466)	(\$21.435)	(\$21.385)
Baseline 2008 July Financial Plan - Net Operating Income	\$860.930	\$865.408	\$838.220	\$838.240	\$827.947

MTA BRIDGES AND TUNNELS
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Net Operating Income	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	0.207	(0.165)	0.000	0.207	0.000
Investment Income	0.000	0.000	0.000	0.000	0.000
Total Revenue Changes	\$0.207	(\$0.165)	\$0.000	\$0.000	\$0.000
Expenses					
<i>Labor:</i>					
Payroll	(\$0.207)	\$0.165	\$0.000	\$0.000	\$0.000
Overtime	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.000	0.000	0.000	0.000	0.000
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000
Pensions	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$0.207)	\$0.165	\$0.000	\$0.000	\$0.000
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Expenses	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjustments	(\$0.207)	\$0.165	\$0.000	\$0.000	\$0.000
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Environmental Remediation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense after Depreciation and GASB Adjustments	(\$0.207)	\$0.165	\$0.000	\$0.000	\$0.000
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	-	-	-	-	-
Total Expense Changes	(\$0.207)	\$0.165	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes					
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2008 July Financial Plan - Net Operating Income	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BRIDGES AND TUNNELS
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Net Operating Income	\$890.044	\$889.677	\$861.686	\$859.676	\$849.332
Baseline Changes					
Revenue					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	(25.921)	(27.806)	(27.996)	(27.729)	(26.651)
Other Operating Revenue	1.881	1.807	1.824	1.841	1.876
Capital and Other Reimbursement	0.207	(0.165)	0.000	0.000	0.000
Investment Income	(2.893)	(3.328)	(1.045)	(0.424)	(0.402)
Total Revenue Changes	(\$26.726)	(\$29.492)	(\$27.217)	(\$26.312)	(\$25.177)
Expenses					
<i>Labor:</i>					
Payroll	\$0.173	(\$0.059)	(\$0.196)	(\$0.297)	(\$0.545)
Overtime	(2.029)	1.081	1.108	1.085	1.061
Health and Welfare	14.380	15.333	17.243	19.281	21.655
OPEB Current Payment	(11.764)	(12.923)	(13.844)	(14.830)	(15.887)
Pensions	0.551	(2.590)	(2.711)	(2.724)	(2.744)
Other Fringe Benefits	(0.078)	(0.022)	(0.016)	(0.021)	(0.028)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	\$1.233	\$0.820	\$1.584	\$2.492	\$3.512
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	1.528	1.339	0.384	0.231	(0.364)
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(3.827)	8.617	3.179	1.970	7.689
Professional Service Contracts	(0.962)	(5.603)	(2.139)	(0.910)	(2.226)
Materials & Supplies	(0.365)	0.285	1.669	1.706	(4.132)
Other Business Expenses	0.004	(0.235)	(0.926)	(0.612)	(0.688)
Total Non-Labor Expense Changes	(\$3.621)	\$4.402	\$2.168	\$2.385	\$0.280
Other Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjustments	(\$2.388)	\$5.223	\$3.752	\$4.877	\$3.792
Depreciation	(\$6.000)	(\$6.500)	(\$6.900)	(\$7.400)	(\$9.500)
OPEB Obligation	1.500	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000	0.000
Total Expense after Depreciation and GASB Adjustments	(\$6.888)	(\$1.277)	(\$3.148)	(\$2.523)	(\$5.708)
Depreciation	(\$6.000)	(\$6.500)	(\$6.900)	(\$7.400)	(\$9.500)
OPEB Obligation	1.500	-	-	-	-
Total Expense Changes	(\$2.388)	\$5.223	\$3.752	\$4.877	\$3.792
Cash Adjustment Changes					
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$29.114)	(\$24.269)	(\$23.466)	(\$21.435)	(\$21.385)
Baseline 2008 July Financial Plan - Net Operating Income	\$860.930	\$865.408	\$838.220	\$838.240	\$827.947

MTA BRIDGES AND TUNNELS
July Financial Plan 2009 - 2012
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Net Operating Income	\$890.044	\$889.677	\$861.686	\$859.676	\$849.332
<i>Non-Reimbursable Major Changes</i>					
Revenue					
Vehicle Toll Revenue	(25.921)	(27.806)	(27.996)	(27.729)	(26.651)
Battery Parking Garage	1.747	1.738	1.757	1.776	1.813
Investment Income	(2.893)	(3.328)	(1.045)	(0.424)	(0.402)
All Other Operating Revenue	0.341	(0.096)	0.067	0.064	0.064
Sub-Total Non-Reimbursable Revenue Changes	(\$26.726)	(\$29.492)	(\$27.217)	(\$26.312)	(\$25.177)
Expenses					
Overtime	(\$2.029)	\$1.081	\$1.108	\$1.085	\$1.061
Health & Welfare + OPEB Current Payment	2.616	2.410	3.399	4.451	5.768
Pension	0.551	(2.590)	(2.711)	(2.724)	(2.744)
<i>All Other Labor Expenses</i>	<i>0.095</i>	<i>(0.080)</i>	<i>(0.212)</i>	<i>(0.320)</i>	<i>(0.573)</i>
Insurance	1.528	1.339	0.384	0.231	(0.364)
Major Maintenance	(2.349)	2.281	0.132	0.178	0.170
Bridge Painting	(3.810)	5.983	(0.062)	(0.271)	5.634
E-ZPass Customer Service Center	1.826	0.223	3.103	2.592	2.020
E-ZPass Tags	(0.068)	0.246	2.142	2.656	(3.168)
Bond Service Fees	(1.024)	(1.028)	(1.051)	(1.072)	(1.099)
Planning Studies	(0.654)	(4.587)	(1.062)	(0.046)	(1.348)
<i>All Other Non-Labor Expenses</i>	<i>0.930</i>	<i>(0.056)</i>	<i>(1.419)</i>	<i>(1.883)</i>	<i>(1.565)</i>
Sub-Total Non-Reimbursable Expense Changes	(\$2.388)	\$5.223	\$3.752	\$4.877	\$3.792
Total Non-Reimbursable Major Changes	(\$29.114)	(\$24.269)	(\$23.466)	(\$21.435)	(\$21.385)
<i>Reimbursable Major Changes</i>					
Revenue					
Capital and Other Reimbursements	0.207	(0.165)	0.000	0.000	0.000
Sub-Total Reimbursable Revenue Changes	\$0.207	(\$0.165)	\$0.000	\$0.000	\$0.000
Expenses					
Reimbursable Payroll	(0.207)	0.165	0.000	0.000	0.000
Sub-Total Reimbursable Expense Changes	(\$0.207)	\$0.165	\$0.000	\$0.000	\$0.000
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$29.114)	(\$24.269)	(\$23.466)	(\$21.435)	(\$21.385)
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$29.114)	(\$24.269)	(\$23.466)	(\$21.435)	(\$21.385)
Baseline 2008 July Financial Plan - Net Operating Income	\$860.930	\$865.408	\$838.220	\$838.240	\$827.947

MTA Bridges and Tunnels July Financial Plan 2009-2012

OTHER ASSUMPTIONS

Ridership/Traffic Volume (Utilization)

Paid traffic volume is projected to reach 296.0 million vehicles in 2008, 2.8% less than the Adopted Budget level of 302.2 million vehicles. From March through May, traffic declined by 2.4% compared to the same period in 2007, while the Adopted Budget assumed a drop of only 0.2%. The Adopted Budget included nominal growth of 0.3% in March and April primarily due to unfavorable weather in 2007. The original forecast for May projected a 1.1% drop attributed to the toll increase implemented on May 16th and downward adjustments for very favorable weather in May 2007. The actual year-to-year traffic declines were 1.6% in March and April combined and 4.7% in May.

There have been no extraordinary events so far this year, and weather conditions were largely as expected in March and April. May saw an exceptional number of rain days and relatively colder temperatures, but these factors alone do not explain a 4.7% drop in traffic from the prior year. In fact, the weather was highly favorable over the Memorial Day holiday weekend this year, but traffic was still down by 2.3%, even though last year's holiday was far less weather-friendly. The downturn in traffic has therefore primarily been due to economic factors, the most conspicuous of which has been the high price of gasoline. Gas prices recently surpassed historic highs. Average local prices went from \$3.16 per gallon in February (\$0.84, or 36% above the prior year) to \$3.86 per gallon in May (\$0.79, or 24% above the prior year). Adjusted for inflation, prices are now higher than during the energy crisis and recession of the early-1980s. In addition, seasonally adjusted local employment has been essentially flat compared to 2007, while some nominal growth had been projected for the Adopted Budget.

Given the indicators discussed above, the traffic forecast developed for the July Financial Plan includes the following assumptions:

- Traffic from June through the end of the year is expected to decline 3.6% on average compared to the same period in 2007.
- Gas prices will remain high throughout the financial plan period, but there won't be additional unfavorable impacts past 2008.
- Regional employment will remain flat through 2009 and will grow annually thereafter at the modest rates projected by Global Insight.

Paid traffic is forecast at 294.8 million vehicles in 2009 and the decline over the prior year is primarily due to the leap year in 2008. Traffic rises to 295.6 million in 2010, 296.8 million in 2011 and, adjusting for the next leap year, to 298.4 million in 2012.

MTA BRIDGES AND TUNNELS
July Financial Plan 2009-2012
RIDERSHIP/TRAFFIC VOLUME (UTILIZATION)
(\$ in millions)

	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Baseline Total Toll Revenue	\$1,250.549	\$1,276.407	\$1,281.117	\$1,282.482	\$1,285.981	\$1,290.776
<i>Impact of:</i>						
2009 PEG Program	0.000	0.000	0.000	0.000	0.000	0.000
Post-2009 PEG Program	0.000	0.000	0.000	0.000	0.000	0.000
Total Toll Revenue	\$1,250.549	\$1,276.407	\$1,281.117	\$1,282.482	\$1,285.981	\$1,290.776
 Baseline Total Traffic	 304.364	 295.963	 294.781	 295.568	 296.849	 298.434
<i>Impact of:</i>						
2009 PEG Program	0.000	0.000	0.000	0.000	0.000	0.000
Post-2009 PEG Program	0.000	0.000	0.000	0.000	0.000	0.000
Total Traffic	304.364	295.963	294.781	295.568	296.849	298.434

MTA BRIDGES AND TUNNELS
Mid-year forecast for 2008
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2008		2009		2010		2011		2012	
		<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											
Eliminate Accounts Payable Position in the Controller's		0	0.000	1	0.013	1	0.054	1	0.056	1	0.058
Eliminate Accountant Position in the Controller's Office		0	0.000	1	0.124	1	0.128	1	0.132	1	0.137
Reduction of Human Resources Department Headcount		0	0.000	1	0.127	1	0.131	1	0.135	0	0.139
Sub-Total	Administration	<u>0</u>	<u>\$ 0.000</u>	<u>3</u>	<u>\$ 0.264</u>	<u>3</u>	<u>\$ 0.313</u>	<u>3</u>	<u>\$ 0.323</u>	<u>2</u>	<u>\$ 0.334</u>
Total Programs		<u>0</u>	<u>\$ 0.000</u>	<u>3</u>	<u>\$ 0.264</u>	<u>3</u>	<u>\$ 0.313</u>	<u>3</u>	<u>\$ 0.323</u>	<u>2</u>	<u>\$ 0.334</u>

MTA BRIDGES AND TUNNELS
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	BRTUN	Financial Plan Category	PEG	Implementation Date	10/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	10/1/2009
PEG / New Need ID	0000000026	Current Budget Year	2008	Status	Open
Program:	Eliminate Accounts Payable Position in the Controller's Office			Agency Status	Pending
Description and Implementation Pla	One position will be eliminated in the 4th Quarter of 2009, and the associated duties will be absorbed by the existing staff.				
Background Details	The Controller's Office is evaluating their Accounts Payable structure and believes, based on current workload and payment voucher trends, that they will be able to reduce their staff by one position.				

				2008	2009	2010	2011	2012
Total Headcount	BRTUN	0000000026	MYF08	0	1	1	1	1
Financial Impact	BRTUN	0000000026	MYF08	\$ 0.000	\$ 0.013	\$ 0.054	\$ 0.056	\$ 0.058

MTA BRIDGES AND TUNNELS
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	BRTUN	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000025	Current Budget Year	2008	Status	Open
Program:	Eliminate Accountant Position in the Controller's Office			Agency Status	Pending
Description and Implementation Pla	Reduce headcount by one Accountant position. The existing staff will absorb the associated responsibilities.				
Background Details	The Controller's Office evaluated their caseload and work flow and determined they can reduce their staff by one Account position, which will become vacant due to retirement. The remaining two positions will absorb the responsibilities accomplished by this position.				

				2008	2009	2010	2011	2012
Total Headcount	BRTUN	0000000025	MYF08	0	1	1	1	1
Financial Impact	BRTUN	0000000025	MYF08	\$ 0.000	\$ 0.124	\$ 0.128	\$ 0.132	\$ 0.137

MTA BRIDGES AND TUNNELS
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	BRTUN	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000024	Current Budget Year	2008	Status	Open
Program:	Reduction of Human Resources Department Headcount			Agency Status	Pending
Description and Implementation Pla	The position of Manager of Employment Services will be eliminated beginning in 2009, and the associated duties will be absorbed by the existing staff.				
Background Details	Human Resources has evaluated their managerial structure and believes they can reduce their supervisory staff by oe position. Currently, the Employment Services Division consists of two Employment Specialists, a newly created HR Administrator, and the Manager of Employment Services.				

				2008	2009	2010	2011	2012
Total Headcount	BRTUN	0000000024	MYF08	0	1	1	1	0
Financial Impact	BRTUN	0000000024	MYF08	\$ 0.000	\$ 0.127	\$ 0.131	\$ 0.135	\$ 0.139

MTA BRIDGES AND TUNNELS
Mid-year forecast for 2008
Summary of Post 2009 PEGs
(\$ in millions)

		2008		2009		2010		2011		2012	
		<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>
Other											
UNSPECIFIED		0	0.000	0	0.000	0	2.010	0	11.308	0	16.962
Sub-Total	Other	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 2.010</u>	<u>0</u>	<u>\$ 11.308</u>	<u>0</u>	<u>\$ 16.962</u>
Total Programs		<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 2.010</u>	<u>0</u>	<u>\$ 11.308</u>	<u>0</u>	<u>\$ 16.962</u>

MTA BRIDGES AND TUNNELS

Mid-year forecast for 2008

Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	BRTUN	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000027	Current Budget Year	2008	Status	Open
Program:	UNSPECIFIED			Agency Status	Pending
Description and Implementation Pla	Unspecified				
Background Details	Unspecified				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	BRTUN	0000000027	MYF08	\$ 0.000	\$ 0.000	\$ 2.010	\$ 11.308	\$ 16.962

MTA Bridges and Tunnels July Financial Plan 2009-2012

OTHER ASSUMPTIONS

Position Table

The authorized headcount for the 2008 Mid-Year Forecast is 1,819 and is an increase of three positions from the 2008 Adopted Budget. This is a result of a new position in Human Resources to handle the workload associated with additional timekeeping needs, and two new maintainer positions for the Harlem River Lift Span based on the successful completion of a pilot program to provide continued maintenance support for the facility.

The number of positions will remain constant until 2011 when seven maintenance positions will be added to service the newly renovated building that will be used to relocate B&T engineers and other administrative personnel who, after construction begins on the reconfiguration of the Triborough Bridge complex, will no longer be able to occupy the Robert Moses Building on Randall's Island. This New Need will bring the headcount to 1,826.

From 2012 to 2014, the number of positions will remain constant.

2009 PEG Actions

The 2009 PEGs consist of the reduction of one managerial position in Human Resources that was proposed during the 2007 July Plan, an Associate Accountant position and one Accounts Payable Clerk position, both in the Controllers Department.

The inclusion of the PEGs proposed during the 2009 July Financial Plan will result in a net reduction of three positions bringing the headcount back down to the pre-PEG 2008 Adopted Budget number of 1,816. The headcount remains the same for 2010. In 2011, headcount will increase to 1,823 with the addition of the seven maintenance positions for the new need and will remain the same in 2012.

MTA BRIDGES AND TUNNELS
July Financial Plan 2009-2012
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
Executive	3	3	3	3	3	3
Law	9	9	9	9	9	9
CFO ⁽¹⁾	36	37	37	37	37	37
Labor Relations	5	5	5	5	5	5
Procurement & Materials	40	42	42	42	42	42
Staff Services ⁽²⁾	46	47	47	47	47	47
EEO	1	1	1	1	1	1
Total Administration	140	144	144	144	144	144
Operations						
Revenue Management	43	45	45	45	45	45
Operations (Non-Security)	717	755	755	755	755	755
Total Operations	760	800	800	800	800	800
Maintenance						
Maintenance	115	114	114	114	121	121
Operations - Maintainers	176	173	173	173	173	173
Procurement & Materials	12	14	14	14	14	14
Technology	55	61	61	61	61	61
Internal Security - Tech Svcs	36	36	36	36	36	36
Total Maintenance	394	398	398	398	405	405
Engineering/Capital						
Engineering & Construction	160	171	171	171	171	171
Health & Safety	8	10	10	10	10	10
Planning & Budget Capital	9	9	9	9	9	9
Total Engineering/Capital	177	190	190	190	190	190
Public Safety						
Operations (Security)	266	245	245	245	245	245
Internal Security - Operations	35	42	42	42	42	42
Total Public Safety	301	287	287	287	287	287
Total Baseline Positions	1,772	1,819	1,819	1,819	1,826	1,826
<i>Non-Reimbursable</i>	1,720	1,766	1,766	1,766	1,773	1,773
<i>Reimbursable</i>	52	53	53	53	53	53
<i>Total Full-Time</i>	1,772	1,819	1,819	1,819	1,826	1,826
<i>Total Full-Time Equivalents</i>	0	0	0	0	0	0
<hr/>						
Impact of:						
2009 Program to Eliminate the Gap	0	0	(3)	(3)	(3)	(3)
Post-2009 Program to Eliminate the Gap	0	0	0	0	0	0
Total Positions	1,772	1,819	1,816	1,816	1,823	1,823
<i>Non-Reimbursable</i>	1,720	1,766	1,763	1,763	1,770	1,770
<i>Reimbursable</i>	52	53	53	53	53	53
<i>Total Full-Time</i>	1,772	1,819	1,816	1,816	1,823	1,823
<i>Total Full-Time Equivalents</i>	0	0	0	0	0	0
Business Service Center	0	0	0	0	(16)	(41)

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

⁽²⁾ includes Human Resources and Administration staff.

MTA BRIDGES AND TUNNELS
July Financial Plan 2009-2012
Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
Managers/Supervisors	42	45	45	45	45	45
Professional, Technical, Clerical	98	99	99	99	99	99
Operational Hourlies	-	-	-	-	-	-
Total Administration	140	144	144	144	144	144
Operations						
Managers/Supervisors	52	55	55	55	55	55
Professional, Technical, Clerical	55	56	56	56	56	56
Operational Hourlies ⁽¹⁾	653	689	689	689	689	689
Total Operations	760	800	800	800	800	800
Maintenance						
Managers/Supervisors	30	33	33	33	34	34
Professional, Technical, Clerical	53	59	59	59	59	59
Operational Hourlies ⁽¹⁾	311	306	306	306	312	312
Total Maintenance	394	398	398	398	405	405
Engineering/Capital						
Managers/Supervisors	36	40	40	40	40	40
Professional, Technical, Clerical	141	150	150	150	150	150
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	177	190	190	190	190	190
Public Safety						
Managers/Supervisors	13	14	14	14	14	14
Professional, Technical, Clerical	22	28	28	28	28	28
Operational Hourlies ⁽¹⁾	266	245	245	245	245	245
Total Public Safety	301	287	287	287	287	287
Total Baseline Positions						
Managers/Supervisors	173	187	187	187	188	188
Professional, Technical, Clerical	369	392	392	392	392	392
Operational Hourlies	1,230	1,240	1,240	1,240	1,246	1,246
Total Baseline Positions	1,772	1,819	1,819	1,819	1,826	1,826

Capital Construction Company

**MTA Capital Construction Company
2009 Preliminary Budget
July Financial Plan 2009-2012**

Mission Statement

The mission of the MTA Capital Construction Company (MTACC) is to serve the mobility needs of customers of the Metropolitan Transportation Authority (MTA) for the 21st Century by planning, designing, and building projects in a timely, creative and cost-effective manner. Our work will enhance the options and quality of the MTA network and serve the changing transportation needs of its customers.

MTACC is the MTA's construction management organization responsible for the management of the largest transit system-wide expansion program in the region. MTACC manages the East Side Access, the Second Avenue Subway, No. 7 Line Extension, Lower Manhattan Fulton Street Transit Center, the new South Ferry Terminal Station complex, and system-wide capital security projects. The Company's responsibilities include project design, third-party and in-house force account construction, project controls, overall programmatic support, and coordination of user requirements for each of these projects.

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

Highlights

In 2007 MTACC committed over \$2.7 billion to contracts. Contracts totaling over \$800 million were awarded to ESA including major work within and beneath Grand Central Terminal. April of 2007 marked the groundbreaking commencement of Second Avenue Subway project (SAS). The first contract has been awarded and construction of the new tunnels under Second Avenue between 92nd and 63rd Streets is underway. The first two contracts awarded on the Fulton Street Transit Center are in progress (including station rehabilitation). The construction of the new South Ferry Terminal Station has been underway for the last two years and is scheduled for completion in 2008. The No. 7 Line Extension reached a funding agreement between the MTA and New York City and a \$1.2 billion contract for the No. 7 Line Extension was awarded. In addition, MTACC continued the implementation of projects funded from the system-wide security capital program.

MTA Capital Construction participated on the MTA's Blue Ribbon Panel for Construction Excellence. The Panel highlighted the rising costs affecting the capital construction program. Recent experience shows that the cost for large projects are now being heavily influenced by shortages of experienced owner and industry resources, the impacts of inflation fueled by the global demand for materials, a devalued US dollar, the size of contracts, contractor bonding limitations, a city-wide construction boom and other factors largely beyond our immediate control. To address these trends, MTACC is managing the program as efficiently as possible.

- The scope of our contracts is being evaluated with the goal of making them as small as possible and to make sure that the type of work within a contract is comparable. This will result in increased competition for the work. This will also limit the number of subcontractors contained within any single contract and thereby reduce the costs of these contracts
- The project cost estimates have been revised to account for the higher cost factors discussed above. Furthermore, when certain materials were projected to exceed the general rate of escalation, we opted for an escalation clause for such materials in our contract.
- The schedules for these large scale projects have been adjusted to account for an increase in the number of contracts to complete each project. The benefits of earlier in-service dates against were weighed against the cost of more ambitious schedules and the associated risk of getting little or no competition.
- Project scopes are being evaluated to insure that we are only building what we need to build in order to achieve the critical transportation benefits that each of these projects will bring to the region.

MTA Capital Construction has had a number of successes implementing sustainable measures into project designs and construction practices this year. Platform edge doors, which will serve to separate the cooler station air from the warmer tunnel air, will be installed in the No. 7 Line Extension 34th Street Station. The designs of stations for Second Avenue Subway are also being modified to support the future installation of Platform Edge Doors. (Effective use of Platform Edge Doors rely on automatic train control systems, therefore Platform Edge Doors can only be installed once the full length of Second Avenue Subway is complete.) Energy savings will also be realized from:

- Stations designed for maximum day lighting
- Use of aluminum third rail, which has less electrical resistance than steel
- Demand-controlled escalators
- LED lighting in the tunnels
- Efficient lighting technologies in station areas
- Energy star equipment

MTACC participates in MTA's Blue Ribbon Commission on Sustainability and is pursuing other sustainable opportunities with external partners such as NYCDEP (for use of municipal water mains and sewers as heat sinks) and Con Edison (the "Smart Grid" initiative).

MTACC is undertaking a number of workforce development initiatives. This is particularly important to the company given the labor trends highlighted above as well as the relatively new nature of the Company.

MTACC's goal for capital commitments in 2008 totals \$2 billion. MTACC has accelerated the pace of hiring to meet the rising work load demand. New executive leadership is anticipated by mid-year to carry the agency forward and steward the projects through complex construction.

Financial Overview

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

It is the goal of MTACC to minimize the number of full-time employees in order to maintain a cost efficient program management structure. MTACC is hiring a core staff to directly manage the design and construction of the over \$16 billion in capital projects it is responsible for. MTACC continues to draw from the expertise and support services available in other MTA agencies to supplement the core staff and support design and construction management. In addition, MTACC will utilize consultant services to provide staff support in lieu of hiring.

2008 Mid-Year Forecast

MTACC's 2008 Mid-Year Forecast is \$32.940 million reflecting a 4.2% decrease from the 2008 Adopted Budget. Labor Costs are projected at \$21.847 million, 4.7% higher than the 2008 Adopted Budget, with a projected staffing level of 150 by year end.

Staff includes 55 MTACC positions who support the system expansion projects and cannot charge directly to a specific project; 38 for the East Side Access project; 20 for the Second Avenue Subway project; 12 for the Lower Manhattan projects; and 25 for Security projects. MTACC is working with the MTA and employee recruitment agencies to develop strategies to recruit staff with the experience and technical skills required for these complex construction projects. Matrixed employees (employees of other agencies under temporary management by MTACC) and consultants will continue to support MTACC in lieu of hiring full time staff.

Non-Labor costs are projected at \$11.092 million, a decrease of 3.4% from 2008 Adopted Budget. These costs are non-project specific and are for the provision of company-wide construction support from specialty contractors and oversight agencies. Such expenditures may not be eligible for reimbursement by the Federal Transit Administration and will be funded through MTACC Administration. Remaining funds have been budgeted for engineering and legal services, cultural resource management, independent compliance monitor, independent engineer, archeological and environmental services, reimbursement of NYCT for administrative support staff and services, and other project office costs including computer equipment and MTACC network creation, mobile communications devices and supplies.

2009 Preliminary Budget - Baseline

In 2009 MTACC's main objective will be to continue major construction and design of the MTA's system expansion projects. By 2009 all system expansion projects will be in construction, with over \$8 billion in commitments underway or completed. MTACC projects 2009 costs at \$37.272 million, an increase of 4.5% over the 2008 Adopted Budget, and a year end headcount of 150.

Labor and fringe expenses are projected at \$26.993 million, an 11.4% increase from the 2008 Adopted Budget. Labor costs increase due to the projected hiring of employees by year end of 2008. Allocation of staff and timing of start dates have been revised from the Adopted Budget. Staff includes 55 MTACC positions who support the system expansion projects and cannot charge directly to a specific project; 38 for the East Side Access project; 20 for the Second Avenue Subway project; 12 for the Lower Manhattan projects; and 25 for Security projects.

Non-Labor costs are projected at \$10.279 million, a 3.0% increase from the 2008 Adopted Budget. This increase is to continue engineering services, independent engineer and independent compliance monitor services, reimbursement of NYCT for administrative support staff and services, temporary expert services (such as indefinite quantity consultants and firms to support project controls, change order and claims management), workforce development through employing training and other office costs such as communications and computer equipment.

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

2010 - 2012 Projections

During this time period MTACC will be managing multiple construction sites and billions of dollars in construction contracts.

MTACC costs for 2010 are projected to increase by 2.1% over 2009 due to an increase in expenditures for independent engineer and temporary support services. From 2011-2012 the overall projections will decrease by 3.8% and 4.1%, respectively comprised of increased labor costs by 9.2% from 2009 and 6.8% due to inflation.

Year-end staffing levels of 150 employees, remains constant through 2012.

Non-labor expenses decrease by 14.1% in 2010 from the 2009 projected level and 28.9% in 2011. This decrease reflects a reduction in professional services and equipment. Archeological expenditures will taper off due to the progress in our mega projects, specifically Lower Manhattan. Normal replacement for employees' computer equipment will be in effect as opposed to orders for new staff and network requirements.

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

MTA CAPITAL CONSTRUCTION
July Financial Plan 2009-2012
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2007	2008	2009			
	Actual	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	19.104	32.940	37.272	37.158	36.328	37.145
Total Revenue	\$19.104	\$32.940	\$37.272	\$37.158	\$36.328	\$37.145
Expenses						
<u>Labor:</u>						
Payroll	\$8.510	\$13.796	\$17.366	\$17.722	\$18.066	\$18.435
Overtime	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	1.177	1.884	2.445	2.579	2.712	2.882
Pensions	1.219	1.431	1.786	1.840	1.897	1.960
Other Fringe Benefits	3.209	4.736	5.396	5.544	5.691	5.877
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$14.115	\$21.847	\$26.993	\$27.686	\$28.365	\$29.153
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	1.003	1.081	0.096	0.106	0.117	0.128
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	3.493	8.573	8.730	8.025	6.654	6.725
Materials & Supplies	0.040	0.075	0.067	0.068	0.069	0.070
Other Business Expenses	0.453	1.363	1.385	1.273	1.122	1.068
Total Non-Labor Expenses	\$4.989	\$11.092	\$10.279	\$9.472	\$7.962	\$7.992
<u>Other Expenses Adjustments:</u>						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$19.104	\$32.940	\$37.272	\$37.158	\$36.328	\$37.145
Depreciation						
Total Expenses	\$19.104	\$32.940	\$37.272	\$37.158	\$36.328	\$37.145
Baseline Surplus/(Deficit)	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Business Service Center					\$0.207	\$0.207

MTA CAPITAL CONSTRUCTION
July Financial Plan 2009-2012
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2007	2008	2009			
	<u>Actual</u>	<u>Mid-Year</u>	<u>Preliminary</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	19.104	32.940	37.272	37.158	36.328	37.145
Total Receipts	\$19.104	\$32.940	\$37.272	\$37.158	\$36.328	\$37.145
Expenditures						
<u>Labor:</u>						
Payroll	\$8.510	\$13.796	\$17.366	\$17.722	\$18.066	\$18.435
Overtime	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	1.177	1.884	2.445	2.579	2.712	2.882
Pensions	1.219	1.431	1.786	1.840	1.897	1.960
Other Fringe Benefits	3.209	4.736	5.396	5.544	5.691	5.877
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$14.115	\$21.847	\$26.993	\$27.686	\$28.365	\$29.153
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	1.003	1.081	0.096	0.106	0.117	0.128
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	3.493	8.573	8.730	8.025	6.654	6.725
Materials & Supplies	0.040	0.075	0.067	0.068	0.069	0.070
Other Business Expenses	0.453	1.363	1.385	1.273	1.122	1.068
Total Non-Labor Expenditures	\$4.989	\$11.092	\$10.279	\$9.472	\$7.962	\$7.992
<u>Other Expenditure Adjustments:</u>						
Other - Restricted Cash Adjustment						
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$19.104	\$32.940	\$37.272	\$37.158	\$36.328	\$37.145
Baseline Cash Deficit	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Business Service Center					\$0.207	\$0.207

[illegible]

**MTA Capital Construction Company
July Financial Plan 2009-2012
Year-to-Year Changes by Category 2008-2012
Reimbursable**

Revenue

Capital and Other Reimbursements:

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

Expenses

Payroll:

- 2008 payroll costs reflect a projected year-end staffing level of 150. Majority of new hires will occur in the third and fourth quarters of 2008. 2009 payroll costs increase by 25.9% based on annual full staff levels of 150.
- 2010, 2011 and 2012 year end staffing levels remain constant at 150.

Other Fringe Benefits:

- Health and Welfare, Pensions and Other Fringe Benefits costs in 2008 increased from 2007 to coincide with the adjusted year-end staffing levels of 150. In 2009, these costs will increase by 29.8%, 24.8%, 13.9%, respectively, to reflect a full year of staffing levels of 150 employees.
- 2009 through 2012 Benefits expenditures remain constant and are escalated by inflation rates.

Insurance:

- 2008 includes insurance expenses for the All-Agency Protective Liability Program for all MTACC projects.

- 2009 costs are based on renegotiated rates and significantly decrease by 91.1%. Costs remain constant 2010 through 2012, escalated by approximately 10% each year.

Professional Service Contracts:

- In 2008, costs increase by more than \$5 million from the February Financial Plan, due to anticipated costs commensurate to the timeline of projects. The increase is primarily due to expenditures for specialty contractors, oversight agencies, legal support, environmental and archeological resources, contractual employees such as URS consultants and miscellaneous project related costs.
- Costs remain fairly constant 2009 with a decline in 2010 through 2012 due to the reduction of projected environmental and archeological resources and miscellaneous consulting fees.

Materials and Supplies:

- 2008 costs include safety equipment for field employees and general office supplies. 2009 through 2012 costs are based on 2008 projections and are escalated by inflation rates.

Other Business Expenses:

- 2008 costs are comprised of wireless communication devices for staff, employee recruitment fees and automotive purchases. Additional expenditures include the procurement of office furniture and computer equipment for staff, printers, copiers, occupancy for Security Program field office and establishing an MTACC network.
- Costs decrease by 10.8% in 2009 because major procurements such as communication devices, automobiles, intranet printers, copiers, MTACC Network and the majority of computer equipment will be procured in 2008.
- 2009 through 2012 costs are escalated by inflations rates.

REIMBURSABLE

[illegible]

CASH RECEIPTS & EXPENDITURES

[illegible]

MTA Capital Construction Company
July Financial Plan 2009-2012
Summary of Changes Between Financial Plans 2008-2011

2008: July Financial Plan vs. February Financial Plan

The July Financial Plan is \$1.457 million (4.2%) lower than the February Adopted Budget. This decrease in expenditures is due to delays in hiring and a decrease of non-labor expenditures. The 2008 July Plan is projecting a staffing level of 150 by year end. The 150 staffing level has been MTACC's consistent target since its inception. Although the headcount, by year end of 2008, is expected to remain the same as the February Financial Plan, labor costs have decreased by \$1.071 due to the reallocation and reorganization of staffing and employee start dates. The majority of new hires are anticipated to start in the fourth quarter of 2008 causing one to two months of a full staff. Non-Labor costs are decreased by \$0.368 million, a 3.4% decrease, offset by an increase in other business expenses. Additional expenses are comprised of the Security Program field office set-up and occupancy along with purchases of mobile communication devices with improved consistent service and an additional company vehicle for MTACC's executive staff member. Professional services expenses have been restructured to account for the timeline of projects and company-wide construction support from specialty contractors, oversight agencies, legal support, environmental and archeological resources, allowing for a decrease in overall costs in this category. The actual costs of the establishment of MTACC network were lower than anticipated due to industry improvements in equipment and servers available at the time of implementation.

2009 - 2011: July Financial Plan vs. February Financial Plan

Projections for 2009 have increased by \$1.610 million, 4.5% from the February Financial Plan. MTACC costs reflect anticipated progress in major construction of capital projects and full staff levels of 150 beginning in 2009. Revised staffing plan and start dates result in increased labor expenses of \$2.762 million (11.4%) higher than the February Plan. Overall Non-labor expenditures are \$1.152 million lower, 3.0%, for company-wide construction support. There are increases within Other Business Expenses predominantly due to computer and communication equipment for full staff, photographic and video services to track progress for all MTACC field construction sites, archeological services, independent engineering costs and temporary expert services (hiring indefinite quantity consultant firms and individuals to support project controls, claims and change orders) for specific project needs. An offset of lower renegotiated agency insurance costs and legal fees have resulted in a favorable variance from the February Financial Plan. 2010-2011 staffing levels remain constant at 150. Labor and non-labor costs are slightly higher than the February Adopted budget and have increased by 2.1% in 2010. Overall budgeted expenses will decrease in 2011 by 4.1% due to a decline in archeological and independent engineering services.

MTA CAPITAL CONSTRUCTION
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Capital and Other Reimbursement	(\$1.457)	\$1.610	\$.765	(\$1.429)	(\$1.569)
Total Revenue Changes	(\$1.457)	\$1.610	\$.765	(\$1.429)	(\$1.569)
Expenses					
<i>Labor:</i>					
Payroll	\$1.432	(\$1.631)	(\$1.680)	(\$1.703)	(\$1.744)
Health and Welfare	\$.848	\$.820	\$1.277	\$1.811	\$1.887
Pensions	\$.492	\$.264	\$.320	\$.380	\$.371
Other Fringe Benefits	(\$1.701)	(\$2.216)	(\$2.240)	(\$2.289)	(\$2.430)
Reimbursable Overhead					
Total Labor Expense Changes	\$1.071	(\$2.762)	(\$2.323)	(\$1.801)	(\$1.916)
<i>Non-Labor:</i>					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance	\$.023	\$1.118	\$1.230	\$1.353	\$1.488
Claims	\$.000	\$.000	\$.000	\$.000	\$.000
Paratransit Service Contracts	\$.000	\$.000	\$.000	\$.000	\$.000
Maintenance and Other Operating Contracts	\$.000	\$.000	\$.000	\$.000	\$.000
Professional Services	\$.888	\$.747	\$.915	\$2.402	\$2.468
Materials & Supplies	\$.001	\$.010	\$.010	\$.010	\$.010
Other Business Expenses	(\$.525)	(\$.723)	(\$.596)	(\$.536)	(\$.481)
Total Non-Labor Expense Changes	\$.386	\$1.152	\$1.558	\$3.229	\$3.485
Total Expense Changes	\$1.457	(\$1.610)	(\$.765)	\$1.429	\$1.569
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION
July Financial Plan 2009 - 2012
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Reimbursable Major Changes</i>					
Revenue					
Sub-Total Non-Reimbursable Revenue Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Expenses					
Sub-Total Non-Reimbursable Expense Changes	\$.000	\$.000	\$.000	\$.000	\$.000
<i>Total Non-Reimbursable Major Changes</i>	\$.000	\$.000	\$.000	\$.000	\$.000
<i>Reimbursable Major Changes</i>					
Revenue	(\$1.457)	\$1.610	\$.765	(\$1.429)	(\$1.569)
Sub-Total Reimbursable Revenue Changes	(\$1.457)	\$1.610	\$.765	(\$1.429)	(\$1.569)
Expenses	\$1.457	(\$1.610)	(\$.765)	\$1.429	\$1.569
Sub-Total Reimbursable Expense Changes	\$1.457	(\$1.610)	(\$.765)	\$1.429	\$1.569
<i>Total Reimbursable Major Changes</i>	\$.000	\$.000	\$.000	\$.000	\$.000
<i>Total Accrual Changes</i>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Cash Adjustment Changes</i>					
<i>Total Cash Adjustment Changes</i>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Baseline Changes</i>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

**MTA Capital Construction Company
2009 Preliminary Budget
July Financial Plan 2009-2012**

Summary of Assumptions Regarding Staffing Positions

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

The balance of our staffing needs will be met with a mix of employees matrixed* to the company from other agencies or provided by third party consultants. The actual mix of MTACC employees, matrixed employees and consultant staff is dependent upon the particular needs of each project and the availability of the proper resource.

MTACC has carefully timed the hiring of employees to correspond with the needs of the projects. Hiring lags have occurred for a number of reasons, in the last few years. First, MTACC has faced many challenges in filling key project positions. These positions include high level Program Executives, Program and Construction Management staff, specialty trades, and project controls. Due to the high volume of construction, in the New York region, competition for high quality employees is tight. We are working closely with the MTA Human Resources Department to develop strategies to attract the appropriate resources. In addition, contract awards were re-sequenced and repackaged in an effort to increase competition. This has resulted in some delayed awards and hiring was deferred to reflect the revised project schedules.

The majority of MTACC's vacant positions have candidates already selected or are actively being recruited for. MTACC will have the opportunity to revisit the agency's goals and strategies when the new MTACC president begins. The 150 core staff is a target that may be under-filled or exceeded depending on the mix of construction and design activities underway. MTACC's goal is to continue to keep project management costs below the industry standard.

The 2009 Year-End Staffing level remains constant at 150 employees. The breakdown is as follows: 55 MTACC administrative positions and 95 project positions implementing East Side Access, Second Avenue Subway, Lower Manhattan, No. 7 Line and the system-wide security program.

**Employees of other agencies under temporary management by MTACC*

MTA CAPITAL CONSTRUCTION
July Financial Plan 2009-2012
Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
MTACC	21	55	30	30	30	30
Engineering/Capital						
MTACC	19	12	25	25	25	25
East Side Access	22	38	38	38	38	38
Security	9	17	25	25	25	25
Second Avenue Subway	9	13	20	20	20	20
Lower Manhattan Project	10	15	12	12	12	12
Total Engineering/Capital	69	95	120	120	120	120
Total Baseline Positions	90	150	150	150	150	150
<i>Non-Reimbursable</i>	-	-	-	-	-	-
<i>Reimbursable</i>	90	150	150	150	150	150
<i>Total Full-Time</i>	90	150	150	150	150	150
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-
Business Service Center					(3)	(3)

MTA CAPITAL CONSTRUCTION
July Financial Plan 2009-2012
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP		2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration							
	Managers/Supervisors	-	-	-	-	-	-
	Professional, Technical, Clerical	21	55	30	30	30	30
	Operational Hourlies	-	-	-	-	-	-
	Total Administration	21	55	30	30	30	30
Operations							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies ⁽¹⁾						
	Total Operations	-	-	-	-	-	-
Maintenance							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies ⁽¹⁾						
	Total Maintenance	-	-	-	-	-	-
Engineering/Capital							
	Managers/Supervisors	-	-	-	-	-	-
	Professional, Technical, Clerical	69	95	120	120	120	120
	Operational Hourlies	-	-	-	-	-	-
	Total Engineering/Capital	69	95	120	120	120	120
Public Safety							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies ⁽¹⁾						
	Total Public Safety	-	-	-	-	-	-
Total Baseline Positions							
	Managers/Supervisors	-	-	-	-	-	-
	Professional, Technical, Clerical	90	150	150	150	150	150
	Operational Hourlies	-	-	-	-	-	-
	Total Baseline Positions	90	150	150	150	150	150

Long Island Bus

MTA Long Island Bus 2009 Preliminary Budget July Financial Plan 2009 - 2012

Mission Statement and Highlights of Operations

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

LI Bus operates the largest 100% Clean Fuel, Compressed Natural Gas (CNG) fleet in the eastern USA. This benefits the environment, passengers and the 96 communities that it serves. The fleet size of 332 buses also provides service to 47 Long Island Rail Road stations, 5 New York City Transit subway stations, shopping centers, colleges, museums, parks, theaters and beaches throughout our area. Compared to 2006, ridership results in 2007 were flat. Strong fourth quarter ridership was not enough to offset the high 2006 benchmark, the slowing economy and a series of bad weather days in the first half of 2007. However, year-to-date through May 2008, fixed route ridership results have shown a positive 3.2% gain over same period 2007. Part of this increase is attributable to unprecedented high fuel costs resulting in some commuters gravitating towards public transportation to offset fuel expenses.

The Able-Ride Paratransit fleet is comprised of 89 fully equipped buses that offer curb-to-curb transportation for eligible customers with disabilities and who are unable to use the fixed route bus system. Through a certification program and innovative scheduling, a reduction in denial rates and missed trips goals has been met. Similar to fixed route, Paratransit ridership has increased year-to-date May, 4.2% over the same period of 2007.

The LI Bus' team is actively participating in one of the key MTA goals of institutional transformation as we partner with the other two bus agencies to benefit from economies, best practices and provide overall better regional bus service delivery. Various "way finding" and other signage projects are in progress and will be expanded as part of the capital program. These combined efforts will assist LI Bus in achieving the goal of improving customer service. In focus also, are training and coaching initiatives aimed at supporting the all agency workforce development goal.

LI Bus uses compressed natural gas in its entire fixed route fleet. As part of the sustainability effort, the non-revenue fleet also has an increasing compliment of hybrid vehicles. Conservation initiatives relative to electricity and HVAC usage will be expanded to include the use of a high capacity battery for the fueling of buses.

Most of LI Bus' security related infrastructures have been upgraded. This includes new perimeter fencing, strategically placed security bollards, additional and upgraded CCTV

systems. Through meetings and written communications, the workforce is frequently reminded and updated about personal, workplace and customer safety.

Major LI Bus specific projects center around completing the Paratransit Facility rehabilitation, the receipt of replacement fixed route and Paratransit buses, procurement of a time and attendance system, review of scheduled non-revenue miles and various expense reduction initiatives.

With capital funding, LI Bus is continuing to enhance its physical and technological infrastructure to maximize efficiency and longevity.

FINANCIAL OVERVIEW

LI Bus has maintained quality and consistent service levels while managing the impact of escalating uncontrollable expenses, fairly static subsidy levels and increasing service demands. Annual PEG requirements have been achieved and the additional savings generated have contributed to the deficit reduction.

Year-to-date May 2008 ridership has shown an upward trend and has contributed \$.4 million to the July forecasted farebox revenue.

The volatility of fuel and utility rates continue to impact the cost of operations. Adjustments were made to acknowledge year-to-date higher rates and to prepare forecasts reflective of approved inflator guidelines. There is also an indirect impact on the cost of parts, material and service contract.

Of the three major capital programs identified for completion in 2008, the Paratransit replacement bus purchase is complete and the Paratransit facility rehabilitation is on schedule. The third item, fixed bus replacement, is currently about three months behind schedule. However, there are capital items on the Transportation Improvement Program (TIP) that are not fully funded.

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

2008 Mid-Year Forecast

The 2008 baseline budget line items were adjusted to reflect new rate guidelines and April year-to-date results. There are no new programmatic needs and favorable variances were factored into the new baseline calculations.

Of significance in the revenue category is an increase in actual and forecasted revenue that added \$.4 million to the full year farebox revenue forecast. This is however offset by the loss of anticipated grant funding.

The net change in the labor category is a decrease of \$1.6 million mainly due to favorable Health and Welfare year-to-date results and lower rates used in the reforecast.

Non-labor expenses are increasing \$0.9 million due to higher fuel costs. This was solely caused from increased unit cost in that usage was in line with budget amounts. The positive variances generated in non-labor categories other than fuel were due to the application of lower CPI rates in the July 2008 plan.

A combination of prior period and higher than forecasted CNG tax rebates produced a favorable \$3.5 million variance.

OPEB obligation amounts were re-estimated creating an unfavorable \$1.1 million variance.

2009 – Preliminary Budget – Baseline

The baseline revenue in the July plan is projected to be \$51.6 million of which \$42.5 million is expected from farebox receipts. This reflects an increase of \$.4 million over the February plan due to the projected increase in ridership. Year-to-date, farebox revenue is trending 5.1% (fixed route) and 4.2% (Paratransit) above 2007. This impact was included in the reforecast for riders and associated revenue.

Other Operating revenue was negatively affected by the loss of grant funding while Capital Reimbursements contributed a minor positive offset.

Favorable Health and Welfare rates used in the July plan generated \$1.6 million in savings. Slightly higher CPI guidelines caused minor increases in the other labor line items.

The escalating fuel costs continue to negatively impact non-labor expenses causing a line item increase of \$0.5 million.

There were no programmatic changes included in the 2009 preliminary budget.

The projected 2009 tax credit derived from the use of CNG as propulsion fuel was used as an offset to projected CNG propulsion fuel expenses.

2010 – 2012 Projections

Revenue projections are based on a .5% annual increase in farebox revenue, with no future fare increases factored. Other revenue reflects known or anticipated grant funding as well as revenue from perennial revenue sources such as advertising.

There are no projected programmatic changes and as such, the forecasted expenses in this plan period are impacted by the guideline rates issued for the individual budget line items and/or categories.

Based on the current PEG program, hourly headcount will be reduced by two maintainer helper positions. All other title groups are budgeted at current levels.

2009 PEG Actions

Programs consistent with reducing the 2009 deficit by \$1.5 million were identified. Savings to maintenance contracts and material needs were done relative to the scheduled receipt of new buses. Additional reductions were targeted from electricity conservation initiatives and 2008 PEG re-estimates.

Carry-over savings into the future plan years will be generated from the reduction of two maintainer helper positions, the result of a change in bus fueling schedules, and the move to fuel more Paratransit buses from depot fuel pumps.

MTA LONG ISLAND BUS
July Financial Plan 2009- 2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2007	2008	2009			
	<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Preliminary Budget</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Operating Revenue						
Farebox Revenue	\$ 40.321	\$ 42.125	\$ 42.547	\$ 42.760	\$ 42.974	\$ 43.189
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	1.448	2.251	2.138	2.245	2.451	2.560
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$41.769	\$44.376	\$44.685	\$45.005	\$45.425	\$45.749
Operating Expenses						
<u>Labor:</u>						
Payroll	\$ 60.499	\$ 64.490	\$ 65.905	\$ 67.256	\$ 68.561	\$ 69.960
Overtime	6.355	5.548	5.661	5.777	5.889	6.010
Health and Welfare	11.106	12.107	13.402	14.407	15.485	16.641
OPEB-2008	-	-	-	-	-	-
Pensions	5.016	5.777	5.903	6.024	6.140	6.266
Other Fringe Benefits	6.735	7.357	7.514	7.668	7.817	7.976
Pattern Labor Provision						
GASB Account						
Reimbursable Overhead						
Total Labor Expenses	\$89.711	\$95.279	\$98.385	\$101.132	\$103.893	\$106.853
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains	\$ 11.576	\$ 11.947	\$ 11.938	\$ 12.863	\$ 13.822	\$ 13.784
Insurance	0.377	0.517	0.327	0.365	0.628	0.425
Claims	6.291	3.483	3.537	3.602	3.672	3.745
Paratransit Service Contracts	-					
Maintenance and Other Operating Contracts	9.076	10.069	10.387	10.559	10.695	10.875
Professional Service Contracts	1.881	1.982	2.021	2.063	2.103	2.146
Materials & Supplies	3.759	4.734	4.193	4.358	4.518	4.691
Other Business Expenses	0.028	0.415	0.423	0.432	0.440	0.449
Total Non-Labor Expenses	\$32.988	\$33.147	\$32.827	\$34.241	\$35.879	\$36.115
<u>Other Expenses Adjustments:</u>						
Other		\$ (3.469)				
Total Other Expense Adjustments	\$0.000	(\$3.469)	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$122.699	\$124.957	\$131.212	\$135.373	\$139.772	\$142.968
Depreciation						
OPEB Post-2008	5.700	5.990	6.461	6.856	7.344	7.723
Environmental Remediation						
Total Expenses	\$128.399	\$130.947	\$137.673	\$142.229	\$147.116	\$150.691
Baseline Surplus/(Deficit)	(\$86.630)	(\$86.571)	(\$92.988)	(\$97.224)	(\$101.691)	(\$104.942)
2009 Program to Eliminate the Gap (PEGs)		-	0.640	0.540	0.400	0.340
Post-2009 Program to Eliminate the Gap (PEGs)				1.491	2.982	4.473
Net Surplus/(Deficit)	(\$86.630)	(\$86.571)	(\$92.348)	(\$95.193)	(\$98.309)	(\$100.129)
Business Service Center					\$1.473	\$1.637

MTA LONG ISLAND BUS
July Financial Plan 2009- 2012
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	<u>2007</u> <u>Actual</u>	<u>2008</u> <u>Mid-Year</u> <u>Forecast</u>	<u>2009</u> <u>Preliminary</u> <u>Budget</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenue						
Farebox Revenue						
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue						
Capital and Other Reimbursements	5.782	5.975	6.866	7.018	7.180	7.353
Total Revenue	\$5.782	\$5.975	\$6.866	\$7.018	\$7.180	\$7.353
Expenses						
<u>Labor:</u>						
Payroll	\$ 0.754	\$ 0.901	\$ 0.928	\$ 0.947	\$ 0.965	\$ 0.985
Overtime	-	-	-	-	-	-
Health and Welfare	0.309	0.322	0.353	0.379	0.407	0.437
OPEB-2008	1.200	1.310	1.439	1.544	1.656	1.777
Pensions	0.122	0.074	0.076	0.078	0.079	0.081
Other Fringe Benefits	0.097	0.067	0.069	0.070	0.072	0.073
Pattern Labor Provision						
GASB Account						
Reimbursable Overhead						
Total Labor Expenses	\$2.482	\$2.674	\$2.865	\$3.018	\$3.179	\$3.353
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance						
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts						
Professional Service Contracts						
Materials & Supplies	3.300	3.300	4.000	4.000	4.000	4.000
Other Business Expenses						
Total Non-Labor Expenses	\$3.300	\$3.300	\$4.000	\$4.000	\$4.000	\$4.000
<u>Other Expenses Adjustments:</u>						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$5.782	\$5.974	\$6.865	\$7.018	\$7.179	\$7.353
Depreciation						
Total Expenses	\$5.782	\$5.974	\$6.865	\$7.018	\$7.179	\$7.353
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Business Service Center					\$0.000	\$0.000

MTA LONG ISLAND BUS
July Financial Plan 2009- 2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2007	2008	2009			
	<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Preliminary Budget</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenue						
Farebox Revenue	\$ 40.321	\$ 42.125	\$ 42.547	\$ 42.760	\$ 42.974	\$ 43.189
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	1.448	2.251	2.138	2.245	2.451	2.560
Capital and Other Reimbursements	5.782	5.975	6.866	7.018	7.180	7.353
Total Revenue	\$47.551	\$50.351	\$51.551	\$52.023	\$52.605	\$53.102
Expenses						
<u>Labor:</u>						
Payroll	\$ 61.253	\$ 65.391	\$ 66.833	\$ 68.203	\$ 69.527	\$ 70.945
Overtime	6.355	5.548	5.661	5.777	5.889	6.010
Health and Welfare	11.415	12.429	13.755	14.786	15.893	17.078
OPEB-2008	1.200	1.310	1.439	1.544	1.656	1.777
Pensions	5.138	5.851	5.979	6.101	6.220	6.347
Other Fringe Benefits	6.832	7.424	7.583	7.738	7.888	8.049
Pattern Labor Provision	-	-	-	-	-	-
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$92.193	\$97.953	\$101.250	\$104.150	\$107.073	\$110.205
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	11.576	11.947	11.938	12.863	13.822	13.784
Insurance	0.377	0.517	0.327	0.365	0.628	0.425
Claims	6.291	3.483	3.537	3.602	3.672	3.745
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	9.076	10.069	10.387	10.559	10.695	10.875
Professional Service Contracts	1.881	1.982	2.021	2.063	2.103	2.146
Materials & Supplies	7.059	8.034	8.193	8.358	8.518	8.691
Other Business Expenses	0.028	0.415	0.423	0.432	0.440	0.449
Total Non-Labor Expenses	\$36.288	\$36.447	\$36.827	\$38.241	\$39.879	\$40.115
<u>Other Expenses Adjustments:</u>						
Other	\$ -	\$ (3.469)	\$ -	\$ -	\$ -	\$ -
Total Other Expense Adjustments	\$0.000	(\$3.469)	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$128.481	\$130.931	\$138.077	\$142.391	\$146.951	\$150.321
Depreciation	-	-	-	-	-	-
OPEB Post-2008	5.700	5.990	6.461	6.856	7.344	7.723
Environmental Remediation	-	-	-	-	-	-
Total Expenses	\$134.181	\$136.921	\$144.538	\$149.247	\$154.295	\$158.044
Baseline Surplus/(Deficit)	(\$86.630)	(\$86.570)	(\$92.988)	(\$97.224)	(\$101.691)	(\$104.942)
2009 Program to Eliminate the Gap (PEGs)	-	-	0.640	0.540	0.400	0.340
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	1.491	2.982	4.473
Net Surplus/(Deficit)	(\$86.630)	(\$86.570)	(\$92.348)	(\$95.193)	(\$98.309)	(\$100.129)
Business Service Center					\$1.473	\$1.637

MTA LONG ISLAND BUS
July Financial Plan 2009- 2012
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES

	2007	2008	2009			
	Actual	Mid-Year	Preliminary	2010	2011	2012
		Forecast	Budget			
Receipts						
Farebox Revenue	\$ 40.218	\$ 41.962	\$ 43.147	\$ 42.650	\$ 42.863	\$ 43.077
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	4.183	2.201	2.088	2.195	2.401	2.510
Capital and Other Reimbursements	6.397	5.688	6.533	6.647	6.768	6.898
Total Receipts	\$50.798	\$49.851	\$51.768	\$51.492	\$52.032	\$52.485
Expenditures						
<u>Labor:</u>						
Payroll	\$ 62.450	\$ 67.556	\$ 66.443	\$ 67.863	\$ 69.181	\$ 70.593
Overtime	5.989	5.727	5.630	5.741	5.851	5.970
Health and Welfare	11.470	12.378	13.699	14.725	15.827	17.006
OPEB-2008	1.200	1.310	1.439	1.544	1.656	1.777
Pensions	5.047	5.686	5.808	5.924	6.037	6.157
Other Fringe Benefits	7.051	8.268	7.539	7.696	7.844	8.003
Pattern Labor Provision						
GASB Account	0.298	0.308	0.318	0.327	0.338	0.345
Reimbursable Overhead						
Total Labor Expenditures	\$93.505	\$101.233	\$100.876	\$103.821	\$106.734	\$109.850
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains	\$ 11.958	\$ 11.672	\$ 11.660	\$ 12.569	\$ 13.521	\$ 13.478
Insurance	1.271	0.750	0.327	0.365	0.628	0.425
Claims	7.269	4.913	3.486	3.548	3.612	3.684
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	8.890	10.494	10.210	10.379	10.511	10.687
Professional Service Contracts	1.596	2.200	1.942	1.977	2.009	2.050
Materials & Supplies	7.279	8.284	8.088	8.251	8.409	8.580
Other Business Expenses	0.926	0.392	0.398	0.407	0.412	0.420
Total Non-Labor Expenditures	\$39.189	\$38.705	\$36.112	\$37.495	\$39.103	\$39.324
<u>Other Expenditure Adjustments:</u>						
Other	-	(3.469)	-	-	-	-
Total Other Expenditure Adjustments	\$0.000	(\$3.469)	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$132.694	\$136.469	\$136.988	\$141.316	\$145.836	\$149.175
Baseline Cash Deficit	(\$81.896)	(\$86.618)	(\$85.221)	(\$89.824)	(\$93.805)	(\$96.690)
2009 Program to Eliminate the Gap (PEGs)	-	-	0.640	0.540	0.400	0.340
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	1.491	2.982	4.473
Net Cash Deficit	(\$81.896)	(\$86.618)	(\$84.581)	(\$87.793)	(\$90.423)	(\$91.877)
Business Service Center					\$1.473	\$1.637

MTA LONG ISLAND BUS
July Financial Plan 2009- 2012
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS

	2007	2008	2009			
	Actual	Mid-Year	Preliminary	2010	2011	2012
		Forecast	Budget			
Receipts						
Farebox Revenue	\$ (0.103)	\$ (0.163)	\$ 0.600	\$ (0.110)	\$ (0.111)	\$ (0.112)
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	2.735	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)
Capital and Other Reimbursements	0.615	(0.287)	(0.333)	(0.371)	(0.412)	(0.455)
Total Receipts	\$3.247	(\$0.500)	\$0.217	(\$0.531)	(\$0.573)	(\$0.617)
Expenditures						
<u>Labor:</u>						
Payroll	\$ (1.197)	\$ (2.165)	\$ 0.390	\$ 0.340	\$ 0.346	\$ 0.352
Overtime	0.366	(0.179)	0.031	0.036	0.038	0.040
Health and Welfare	(0.055)	0.051	0.056	0.061	0.066	0.072
OPEB-2008	-	-	-	-	-	-
Pensions	0.091	0.165	0.171	0.177	0.183	0.190
Other Fringe Benefits	(0.219)	(0.844)	0.044	0.042	0.044	0.046
Pattern Labor Provision	-	-	-	-	-	-
GASB Account	(0.298)	(0.308)	(0.318)	(0.327)	(0.338)	(0.345)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	(\$1.312)	(\$3.280)	\$0.374	\$0.329	\$0.339	\$0.355
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	(0.382)	0.275	0.278	0.294	0.301	0.306
Insurance	(0.894)	(0.233)	-	-	-	-
Claims	(0.978)	(1.430)	0.051	0.054	0.060	0.061
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	0.186	(0.425)	0.177	0.180	0.184	0.188
Professional Service Contracts	0.285	(0.218)	0.079	0.086	0.094	0.096
Materials & Supplies	(0.220)	(0.250)	0.105	0.107	0.109	0.111
Other Business Expenditures	(0.898)	0.023	0.025	0.025	0.028	0.029
Total Non-Labor Expenditures	(\$2.901)	(\$2.258)	\$0.715	\$0.746	\$0.776	\$0.791
<u>Other Expenditures Adjustments:</u>						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Expenditures Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation and GASb Adjs.	(\$0.966)	(\$6.038)	\$1.306	\$0.544	\$0.542	\$0.529
Depreciation Adjustment	-	-	-	-	-	-
OPEB Post-2008	5.700	5.990	6.461	6.856	7.344	7.723
Environmental Remediation	-	-	-	-	-	-
Baseline Total Cash Conversion Adjustments	\$4.734	(\$0.048)	\$7.767	\$7.400	\$7.886	\$8.252
2009 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Total Cash Conversion Adjustments	\$4.734	(\$0.048)	\$7.767	\$7.400	\$7.886	\$8.252
Business Service Center						

MTA LONG ISLAND BUS
Summary Reconciliation to the February Plan
(\$ in millions)

	Favorable/(Unfavorable)			
	2008	2009	2010	2011
February Financial Plan Baseline Cash Deficit	(\$83.243)	(\$88.832)	(\$90.638)	(\$94.943)
New Needs	\$0.000	\$0.000	\$0.000	\$0.000
Service/Customer Service	0.000	0.000	0.000	0.000
Maintenance	0.000	0.000	0.000	0.000
Other	0.000	0.000	0.000	0.000
Baseline Re-estimates	(\$4.486)	\$2.006	(\$0.850)	(\$0.856)
2009 PEG Program	<u>\$0.000</u>	<u>\$0.640</u>	<u>\$2.031</u>	<u>\$3.382</u>
Total Change before Other Adjustments and Uncontrollable Expenses	(\$4.486)	\$2.646	\$1.181	\$2.526
Other Adjustments	\$0.435	\$0.443	\$0.446	\$0.448
Passenger/Toll Revenue	0.435	0.443	0.446	0.448
Total Changes before Uncontrollable Expenses	(\$4.051)	\$3.089	\$1.627	\$2.974
Uncontrollable Expenses				
Energy (All Categories)	(1.035)	(0.518)	(0.878)	(1.026)
Paratransit	0.000	0.000	0.000	0.000
Pensions	0.000	0.002	0.000	0.000
Health & Welfare	1.646	1.606	2.016	2.485
Insurance	<u>0.065</u>	<u>0.072</u>	<u>0.080</u>	<u>0.087</u>
Total Uncontrollable Expenses	\$0.676	\$1.162	\$1.218	\$1.546
July Financial Plan (Cash) including 2009 PEG Program	(\$86.618)	(\$84.581)	(\$87.793)	(\$90.423)

**MTA Long Island Bus
2009 Preliminary Budget
July Financial Plan 2009 - 2012
Year-to-Year Summary of Changes**

Accrual and Cash

Until sustained future funding issues are resolved, the current budget plan does not assume any changes in current overall service/operation levels.

Farebox revenue changes were positive and are based on favorable ridership and revenue forecasts. Annual .5% incremental increases in farebox revenue are projected through the 2012 plan period.

Annual changes in Other Operating Revenues are reflective of estimated grant funding levels and changes in contract rates tied to advertising and other non-operating revenue sources.

The two main components of the Capital and Other Reimbursement categories are reimbursement for capital personnel and preventive maintenance expenses. The labor portion is affected by the identical CPI guidelines as non-reimbursable.

This plan also assumes the availability of an additional \$.7 million in grant funding to offset preventive maintenance expenses, starting in 2009.

All the baseline assumptions related to annual changes in labor contracts, fleet, facility and equipment maintenance were consistent with the July 2008 inflators. The aforementioned swap of a payroll between 2009 and 2008 due to calendar posting date was transparent in the report.

Changes in projected fuel expenses are based on issued annual rate guidelines.

OPEB and PEG allocations vary based on actuarial estimates and program scope.

MTA LONG ISLAND BUS
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
<u>Revenue</u>									
Farebox Revenue	\$42.125	\$42.547	\$0.422	\$42.760	\$0.213	\$42.974	\$0.214	\$43.189	\$0.215
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	2.251	2.138	(0.113)	2.245	0.107	2.451	0.206	2.560	0.109
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Total Revenue	\$44.376	\$44.685	\$0.309	\$45.005	\$0.320	\$45.425	\$0.420	\$45.749	\$0.324
<u>Expenses</u>									
Labor:									
Payroll	\$64.490	\$65.905	\$1.415	\$67.256	\$1.351	\$68.561	\$1.305	\$69.960	\$1.399
Overtime	5.548	5.661	0.113	5.777	0.116	5.889	0.112	6.010	0.120
Health and Welfare	12.107	13.402	1.295	14.407	1.004	15.485	1.079	16.641	1.156
OPEB-2008	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	5.777	5.903	0.126	6.024	0.121	6.140	0.117	6.266	0.125
Other Fringe Benefits	7.357	7.514	0.157	7.668	0.154	7.817	0.149	7.976	0.159
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$95.279	\$98.385	\$3.106	\$101.132	\$2.747	\$103.893	\$2.761	\$106.853	\$2.960
Non-Labor:									
Traction and Propulsion Power									
Fuel for Buses and Trains	\$11.947	\$11.938	(\$0.009)	\$12.863	\$0.925	\$13.822	\$0.959	\$13.784	(\$0.038)
Insurance	0.517	0.327	(0.190)	0.365	0.037	0.628	0.264	0.425	(0.203)
Claims	3.483	3.537	0.054	3.602	0.065	3.672	0.070	3.745	0.073
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	10.069	10.387	0.318	10.559	0.172	10.695	0.136	10.875	0.180
Professional Service Contracts	1.982	2.021	0.039	2.063	0.041	2.103	0.040	2.146	0.043
Materials & Supplies	4.734	4.193	(0.541)	4.358	0.165	4.518	0.160	4.691	0.173
Other Business Expenses	0.415	0.423	0.008	0.432	0.009	0.440	0.008	0.449	0.009
Total Non-Labor Expenses	\$33.147	\$32.827	(\$0.320)	\$34.241	\$1.414	\$35.879	\$1.637	\$36.115	\$0.237
Other Expenses Adjustments:									
Other	(\$3.469)	\$0.000	\$3.469	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	(\$3.469)	\$0.000	\$3.469	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$124.957	\$131.212	\$6.255	\$135.373	\$4.161	\$139.772	\$4.398	\$142.968	\$3.196
Depreciation			-		-		-		-
OPEB Post-2008	5.990	6.461	0.471	6.856	0.395	7.344	0.488	7.723	0.379
Environmental Remediation	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$130.947	\$137.673	\$6.726	\$142.229	\$4.556	\$147.116	\$4.886	\$150.691	\$3.575
Baseline Net Surplus/(Deficit)	(\$86.571)	(\$92.988)	(\$6.417)	(\$97.224)	(\$4.236)	(\$101.691)	(\$4.466)	(\$104.942)	(\$3.251)
2009 Agency Program to Eliminate the Gap	0.000	0.640	0.640	0.540	(0.100)	0.400	(0.140)	0.340	(0.060)
Post-2009 Agency Program to Elim. the Gap	0.000	0.000	-	1.491	1.491	2.982	1.491	4.473	1.491
Net Surplus/(Deficit)	(\$86.571)	(\$92.348)	(\$5.777)	(\$95.193)	(\$2.845)	(\$98.309)	(\$3.115)	(\$100.129)	(\$1.820)

MTA Long Island Bus
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
<u>Revenue</u>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue									
Other Operating Revenue	-	-	0.000	-	0.000	-	0.000	-	0.000
Capital and Other Reimbursements	5.975	6.866	0.891	7.018	0.153	7.180	0.162	7.353	0.174
Total Revenue	\$5.975	\$6.866	\$0.891	\$7.018	\$0.153	\$7.180	\$0.162	\$7.353	\$0.174
<u>Expenses</u>									
Labor:									
Payroll	\$0.901	\$0.928	\$0.027	\$0.947	\$0.019	\$0.965	\$0.018	\$0.985	\$0.020
Overtime	-	-	0.000	-	0.000	-	0.000	-	0.000
Health and Welfare	0.322	0.353	0.031	0.379	0.026	0.407	0.028	0.437	0.030
OPEB-2008	1.310	1.439	0.129	1.544	0.105	1.656	0.112	1.777	0.121
Pensions	0.074	0.076	0.002	0.078	0.002	0.079	0.002	0.081	0.002
Other Fringe Benefits	0.067	0.069	0.002	0.070	0.001	0.072	0.001	0.073	0.001
Pattern Labor Provision	-	-	0.000	-	0.000	-	0.000	-	0.000
GASB Account	-	-	0.000	-	0.000	-	0.000	-	0.000
Reimbursable Overhead	-	-	0.000	-	0.000	-	0.000	-	0.000
Total Labor Expenses	\$2.674	\$2.865	\$0.191	\$3.018	\$0.153	\$3.179	\$0.162	\$3.353	\$0.173
Non-Labor:									
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	0.000	-	0.000	-	0.000	-	0.000
Insurance	-	-	0.000	-	0.000	-	0.000	-	0.000
Claims	-	-	0.000	-	0.000	-	0.000	-	0.000
Paratransit Service Contracts	-	-	0.000	-	0.000	-	0.000	-	0.000
Maintenance and Other Operating Contracts	-	-	0.000	-	0.000	-	0.000	-	0.000
Professional Service Contracts	-	-	0.000	-	0.000	-	0.000	-	0.000
Materials & Supplies	3.300	4.000	0.700	4.000	0.000	4.000	0.000	4.000	0.000
Other Business Expenses	-	-	0.000	-	0.000	-	0.000	-	0.000
Total Non-Labor Expenses	\$3.300	\$4.000	\$0.700	\$4.000	\$0.000	\$4.000	\$0.000	\$4.000	\$0.000
Other Expenses Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$5.974	\$6.865	\$0.891	\$7.018	\$0.153	\$7.179	\$0.162	\$7.353	\$0.173
Depreciation			0.000		0.000		0.000		0.000
Total Expenses	\$5.974	\$6.865	\$0.891	\$7.018	\$0.153	\$7.179	\$0.162	\$7.353	\$0.173
Baseline Net Surplus/(Deficit)	\$0.000	\$0.000	(\$0.000)	\$0.000	(\$0.000)	\$0.000	(\$0.000)	\$0.000	\$0.000
2009 Agency Program to Eliminate the Gap	0.000	0.000	(0.000)	0.000	(0.000)	0.000	(0.000)	0.000	0.000
Post-2009 Agency Program to Elim. the Gap	-	-	0.000	-	0.000	-	0.000	-	0.000
Net Surplus/(Deficit)	\$0.000	\$0.000	(\$0.000)	\$0.000	(\$0.000)	\$0.000	(\$0.000)	\$0.000	\$0.000

MTA Long Island Bus
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
<u>Receipts</u>									
Farebox Revenue	\$41.962	\$43.147	\$1.185	\$42.650	(\$0.497)	\$42.863	\$0.213	\$43.077	\$0.214
Vehicle Toll Revenue	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Operating Revenue	2.201	2.088	(0.113)	2.195	0.107	2.401	0.206	2.510	0.109
Capital and Other Reimbursements	5.688	6.533	0.845	6.647	0.115	6.768	0.121	6.898	0.131
Total Receipts	\$49.851	\$51.768	\$1.917	\$51.492	(\$0.275)	\$52.032	\$0.540	\$52.485	\$0.453
<u>Expenditures</u>									
Labor:									
Payroll	\$67.556	\$66.443	(\$1.113)	\$67.863	\$1.420	\$69.181	\$1.317	\$70.593	\$1.412
Overtime	5.727	5.630	(0.097)	5.741	0.111	5.851	0.110	5.970	0.118
Health and Welfare	12.378	13.699	1.321	14.725	1.025	15.827	1.102	17.006	1.180
OPEB-2008	1.310	1.439	0.129	1.544	0.105	1.656	0.112	1.777	0.121
Pensions	5.686	5.808	0.122	5.924	0.117	6.037	0.112	6.157	0.120
Other Fringe Benefits	8.268	7.539	(0.729)	7.696	0.157	7.844	0.148	8.003	0.159
Pattern Labor Provision	-	-	0.000	-	0.000	-	0.000	-	0.000
GASB Account	0.308	0.318	0.010	0.327	0.009	0.338	0.011	0.345	0.007
Reimbursable Overhead	-	-	0.000	-	0.000	-	0.000	-	0.000
Total Labor Expenditures	\$101.233	\$100.876	(\$0.357)	\$103.821	\$2.944	\$106.734	\$2.913	\$109.850	\$3.117
Non-Labor:									
Traction and Propulsion Power									
Fuel for Buses and Trains	\$11.672	\$11.660	(\$0.012)	\$12.569	\$0.909	\$13.521	\$0.952	\$13.478	(\$0.043)
Insurance	0.750	0.327	(0.423)	0.365	0.037	0.628	0.264	0.425	(0.203)
Claims	4.913	3.486	(1.427)	3.548	0.062	3.612	0.064	3.684	0.072
Paratransit Service Contracts	-	-	0.000	-	0.000	-	0.000	-	0.000
Maintenance and Other Operating Contracts	10.494	10.210	(0.284)	10.379	0.169	10.511	0.132	10.687	0.176
Professional Service Contracts	2.200	1.942	(0.258)	1.977	0.034	2.009	0.032	2.050	0.041
Materials & Supplies	8.284	8.088	(0.196)	8.251	0.163	8.409	0.158	8.580	0.171
Other Business Expenses	0.392	0.398	0.006	0.407	0.009	0.412	0.005	0.420	0.008
Total Non-Labor Expenditures	\$38.705	\$36.112	(\$2.593)	\$37.495	\$1.383	\$39.103	\$1.607	\$39.324	\$0.222
Other Expenditure Adjustments:									
Other	(\$3.469)	\$0.000	\$3.469	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	(\$3.469)	\$0.000	\$3.469	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$136.469	\$136.988	\$0.520	\$141.316	\$4.328	\$145.836	\$4.520	\$149.175	\$3.339
Baseline Net Cash Deficit	(\$86.618)	(\$85.221)	\$1.397	(\$89.824)	(\$4.603)	(\$93.805)	(\$3.980)	(\$96.690)	(\$2.885)
2009 Agency Program to Eliminate the Gap									
	-	0.640	0.640	0.540	(0.100)	0.400	(0.140)	0.340	(0.060)
Post-2009 Agency Program to Elim. the Gap									
	-	-	0.000	1.491	1.491	2.982	1.491	4.473	1.491
Net Cash Deficit	(\$86.618)	(\$84.581)	\$2.037	(\$87.793)	(\$3.212)	(\$90.423)	(\$2.629)	(\$91.877)	(\$1.454)

**MTA Long Island Bus
2009 Preliminary Budget
July Financial Plan 2009 - 2012
Summary of Major Plan-to-Plan Changes**

Accrual

There were no programmatic changes from the February plan and variances reflect changes in CPI rates and forecasted revenue.

Positive ridership and farebox revenue trends in the first four months of 2008 influenced the forecasted increase in farebox revenue for both services. The \$.4 million projected increase to the July farebox baseline impacted the future plan years as a modest .5% annual increase was maintained throughout the plan period.

The non-receipt of anticipated grant funding targeted for reverse commute service enhancements, caused a negative \$.3 million variance in the Other Operating Revenue category. This also created a ripple effect in the 2009 – 2012 plan periods.

Labor expense variances were dominated by the lower rates applied to Health and Welfare in the July Plan. These rates (average 9.8% for 2009 and 7.0% for 2010 – 2012) produced favorable variances in each of the Plan years. The 2009 projected reduction is \$1.5 million net of adjustments made to OPEB. Slightly higher guideline rates in the other labor categories produced small negative variances with the net result for the labor category being a favorable \$1.6 million.

The 2008 July baseline for fuel was adjusted to reflect actual rates being applied to the February plan usage. The fuel budget category consists of fuel types (Diesel, CNG, Oil and Lubricants) that have different inflator rates. The lower variances generated in the 2009 - 2012 period reflect the application of negative inflators on prior year's base per the July CPI guidelines.

Lower insurance premiums produced positive variances in all the plan years.

Baseline changes to other non-labor categories (contracts, materials & supplies) benefited from lower inflators. However, energy related items such as electricity, heating and non-revenue fuel are included in the maintenance contract and material budget grouping and their adjusted 2008 baseline caused minor negative offsets to the gains of the other detailed line items.

To reflect the receipt of prior year CNG Tax rebates, \$3.5 million was shown as an expense offset in the "Other Expenses Adjustments" line item. This created a positive variance to the February baseline expenses.

OPEB obligation amounts were separated from Health and Welfare expenses in the July Plan and the estimated annual contributions are shown above the line. All other OPEB obligation amounts are shown below the line.

The 2009 PEG program was added to the July plan.

Cash

With one exception, plan to plan cash changes mirrored the changes to accrual and unique cash flow timing requirements.

The exception entails the swapping of one payroll from 2009 back into 2008. Due to the January 1, 2009 pay-date falling on a holiday, 2008 will have 27 bi-weekly pay periods. The final 2008 payroll was credited to 2009 in the February plan hence the technical adjustment to capture it in 2008.

MTA LONG ISLAND BUS
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	(\$83.243)	(\$88.832)	(\$90.638)	(\$94.943)	(\$98.438)
Baseline Changes					
Revenue					
Farebox Revenue	\$0.435	\$0.443	\$0.446	\$0.448	\$0.450
Vehicle Toll Revenue	-	-	-	-	-
Other Operating Revenue	(\$0.331)	(\$0.351)	(\$0.052)	(\$0.054)	(\$0.053)
Capital and Other Reimbursement	-	-	-	-	-
Total Revenue Changes	\$1.104	\$0.092	\$0.394	\$0.394	\$0.397
Expenses					
Labor:					
Payroll	(\$0.001)	(\$0.024)	(\$0.090)	(\$0.052)	(\$0.080)
Overtime	(0.000)	(0.002)	(0.008)	(0.005)	(0.007)
Health and Welfare	1.646	1.616	1.993	2.423	2.915
OPEB-2008	-	-	-	-	-
Pensions	(0.000)	(0.002)	(0.008)	(0.004)	(0.007)
Other Fringe Benefits	0.002	(0.001)	(0.008)	(0.004)	(0.007)
Reimbursable Overhead	-	-	-	-	-
Total Labor Expense Changes	\$1.647	\$1.587	\$1.879	\$2.358	\$2.814
Non-Labor:					
Traction and Propulsion Power	-	-	-	-	-
Fuel for Buses and Trains	(\$1.057)	(\$0.536)	(\$0.902)	(\$1.106)	(\$0.986)
Insurance	0.065	0.072	0.080	0.087	0.096
Claims	(0.000)	-	-	-	0.000
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	0.064	(0.010)	(0.035)	0.000	0.030
Professional Service Contracts	(0.000)	0.004	0.005	0.009	0.010
Materials & Supplies	0.009	(0.597)	(0.607)	(0.605)	(0.615)
Other Business Expenses	(0.000)	0.000	0.001	0.001	0.002
Total Non-Labor Expense Changes before Depreciation and GASB Adjs.	(\$0.920)	(\$1.067)	(\$1.459)	(\$1.614)	(\$1.463)
Depreciation					
OPEB Post-2008	(\$1.090)	(\$1.461)	(\$1.556)	(\$1.944)	(\$2.123)
CNG Tax credits (greater than forecast)	\$3.469				
Total Expense Changes	\$3.105	(\$0.941)	(\$1.136)	(\$1.200)	(\$0.772)
Cash Adjustment Changes					
Farebox Revenue	(\$0.000)	(\$0.000)	\$0.000	\$0.000	(\$0.000)
Capital and Other Reimbursement	(0.001)	(0.001)	(0.000)	(0.000)	-
Payroll	(2.501)	2.502	(0.000)	0.000	0.000
Overtime	(0.212)	0.212	(0.000)	0.000	(0.000)
Health and Welfare	0.000	(0.000)	0.000	0.000	(0.000)
Pensions	0.000	(0.000)	0.000	(0.000)	0.000
Other Fringe Benefits	(0.884)	0.284	0.000	(0.000)	0.000
Fuel for Buses and Trains	(1.129)	0.000	0.000	0.000	0.000
Insurance	(0.233)	-	-	-	-
Claims	(1.478)	-	-	-	(0.000)
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	(0.599)	0.000	0.000	(0.000)	0.000
Professional Service Contracts	(0.287)	0.000	0.000	0.000	0.000
Materials & Supplies	(0.353)	(0.000)	(0.000)	(0.000)	-
Other Business Expenses	0.000	0.000	(0.000)	0.000	0.000
OPEB Post-2008	1.090	1.461	1.556	1.944	2.123
Total Cash Adjustment Changes	(\$6.585)	\$4.459	\$1.557	\$1.944	\$2.123
Total Baseline Changes	(\$3.375)	\$3.610	\$0.814	\$1.138	\$1.748
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$86.618)	(\$85.221)	(\$89.824)	(\$93.805)	(\$96.690)

MTA Long Island Bus
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Capital and Other Reimbursement	0.002	0.012	(0.021)	(0.060)	(0.104)
Total Revenue Changes	\$0.002	\$0.012	(\$0.021)	(\$0.060)	(\$0.104)
Expenses					
Labor:					
Payroll	0.000	0.000	(0.001)	(0.000)	(0.000)
Overtime	0.000	0.000	0.000	0.000	0.000
Health and Welfare	1.310	1.429	1.567	1.718	1.884
OPEB-2008	(1.310)	(1.439)	(1.544)	(1.656)	(1.777)
Pensions	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$0.002)	(\$0.012)	\$0.020	\$0.060	\$0.104
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	(\$0.002)	(\$0.012)	\$0.020	\$0.060	\$0.104
Cash Adjustment Changes					
Farebox Revenue					
Capital and Other Reimbursement					
Payroll					
Overtime					
Health and Welfare					
Pensions					
Other Fringe Benefits					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Professional Service Contracts					
Materials & Supplies					
Other Business Expenses					
Rounding					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	(\$0.000)	(\$0.000)	\$0.000
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	(\$0.000)	(\$0.000)	\$0.000

MTA LONG ISLAND BUS
July Financial Plan 2009 - 2012
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2008	0	2009	0	2010	0	2011	0	2012
Baseline 2008 February Financial Plan - Net Operating Income	(\$83.243)		(\$88.832)		(\$90.638)		(\$94.943)		(\$98.438)
<i>Non-Reimbursable Major Changes</i>									
Revenue									
Additional Farebox	\$0.435		\$0.443		\$0.446		\$0.448		\$0.450
Net loss between Grant funding and Contract work	(0.331)		(0.351)		(0.052)		(0.054)		(0.053)
Adjustments for reimbursable benefit expenses	-		-		-		-		-
Sub-Total Non-Reimbursable Revenue Changes	\$0.104		\$0.092		\$0.394		\$0.394		\$0.397
Expenses									
Payroll, Overtime, Pension & Fringe - CPI effect	(\$0.001)		(\$0.029)		(\$0.114)		(\$0.065)		(\$0.101)
Health & Welfare savings due to lower CPI	1.646		1.616		1.993		2.423		2.915
OPEB Post-2008	(1.090)		(1.461)		(1.556)		(1.944)		(2.123)
Fuel	(1.057)		(0.536)		(0.902)		(1.106)		(0.986)
CNG Tax Credit	3.469								
All other	0.138		(0.531)		(0.556)		(0.508)		(0.477)
Sub-Total Non-Reimbursable Expense Changes	\$3.105		(\$0.941)		(\$1.135)		(\$1.200)		(\$0.772)
Total Non-Reimbursable Major Changes	\$3.209		(\$0.849)		(\$0.741)		(\$0.806)		(\$0.375)
<i>Reimbursable Major Changes</i>									
Revenue									
Adjustments for reimbursable benefit expenses	0.002		0.012		(0.021)		(0.060)		(0.104)
Sub-Total Reimbursable Revenue Changes	0.002		0.012		(0.021)		(0.060)		(0.104)
Expenses									
CPI on labor items	(0.002)		(0.002)		(0.003)		(0.002)		(0.002)
Health & Welfare CPI /OPEB impact	-		(0.010)		0.023		0.062		0.106
Sub-Total Reimbursable Expense Changes	(0.002)		(0.012)		0.020		0.060		0.104
Total Reimbursable Major Changes	\$0.000		\$0.000		(\$0.001)		\$0.000		\$0.000
Total Accrual Changes	\$3.209		(\$0.849)		(\$0.742)		(\$0.806)		(\$0.375)
Cash Adjustment Changes									
Capital Reimbursements - Personnel	(0.001)								
Swap of one payroll from 2009 to 2008 due to calendar	(2.997)		2.999						
Workers Compensation timing from 2007	(0.600)								
Re-classification of CNG Tax credit	(1.129)								
Insurance timing from 2007	(0.233)								
Claims timing from 2007	(1.476)								
Contracts - timing from 2007	(1.238)								
OPEB Post-2008	1.090		1.461		1.556		1.944		2.123
Total Cash Adjustment Changes	(\$6.584)		\$4.460		\$1.556		\$1.944		\$2.123
Total Baseline Changes	(\$3.375)		\$3.611		\$0.814		\$1.138		\$1.748
Baseline 2008 July Financial Plan - Net Operating Income	(\$86.618)		(\$85.221)		(\$89.824)		(\$93.805)		(\$96.690)

**MTA Long Island Bus
2009 Preliminary Budget
July Financial Plan 2009 - 2012**

RIDERSHIP/UTILIZATION ASSUMPTIONS

Fixed Route:

The 2007 ridership and revenue results were flat compared to 2006, partially due to the expected temporary fall-off in riders after a fare increase and other weather and economic factors. Ridership, however, exceeded 32 million and several one day records were achieved during the second half of the year.

As of year-to-date May 2008, the LI Bus fixed route system has achieved a 3.2% increase in ridership and a 5.1% increase in revenue over same period 2007. This positive variance was used to adjust the full year forecast, adding .3 million riders and \$.4 million in revenue.

The sustained escalation in fuel prices has caused a shift towards LI Bus service, creating more demand for peak service. This coupled with the growing need for job access/reverse commute service, gap closures and bus-rail connection services, trends well for ridership growth.

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

Paratransit (Demand Response)

After multiple years of significant increases in year-to-year ridership results, the 2007 results were flat. However, an upward trend is evident in the year-to-date 2008 numbers. Ridership shows a 4.0% increase while revenue increased 4.2% over the same period 2007.

With these increases factored into the July Plan numbers, both ridership and revenue reflect the most recent trend. There was no significant increase in registrants, so repeat usage by current customers is credited for the overall increase.

The July Plan forecast shows a .5% annual increase over the plan period.

MTA Long Island Bus
July Financial Plan 2009- 2012
Ridership/Traffic Volume (Utilization)
(in millions)

	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
<u>RIDERSHIP</u>						
Fixed Route	32.088	32.811	33.139	33.305	33.471	33.639
Paratransit	0.352	0.361	0.363	0.365	0.366	0.368
Baseline Total Ridership	32.440	33.172	33.502	33.669	33.838	34.007
<i>Impact of:</i> 2009 Program to Eliminate the Gap (PEGs) Post-2009 Program to Eliminate the Gap (PEGs)						
Total Ridership	32.440	33.172	33.502	33.669	33.838	34.007
<u>FAREBOX REVENUE</u>						
Fixed Route	\$ 39.217	\$ 41.002	\$ 41.418	\$ 41.626	\$ 41.834	\$ 42.043
Paratransit	\$ 1.104	\$ 1.123	\$ 1.129	\$ 1.134	\$ 1.140	\$ 1.146
Baseline Total Revenue	\$40.321	\$42.125	\$42.547	\$42.760	\$42.974	\$43.189
<i>Impact of:</i> 2009 Program to Eliminate the Gap (PEGs) Post-2009 Program to Eliminate the Gap (PEGs)						
Total Revenue	\$40.321	\$42.125	\$42.547	\$42.760	\$42.974	\$43.189

MTA LONG ISLAND BUS
Mid-year forecast for 2008
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2008		2009		2010		2011		2012	
		<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
Maintenance											
Repair & Maintenance Contracts Savings		0	0.000	0	0.080	0	0.000	0	0.000	0	0.000
Savings on Structural Repairs and Material needs (Fi		0	0.000	0	0.160	0	0.140	0	0.050	0	0.030
Utility Savings - Electricity		0	0.000	2	0.130	2	0.130	2	0.130	2	0.130
Sub-Total	Maintenance	0	\$ 0.000	2	\$ 0.370	2	\$ 0.270	2	\$ 0.180	2	\$ 0.160
Other											
Fueling of Pararansit Vehicles		0	0.000	0	0.070	0	0.070	0	0.070	0	0.070
Warranty Recovery		0	0.000	0	0.200	0	0.200	0	0.150	0	0.110
Sub-Total	Other	0	\$ 0.000	0	\$ 0.270	0	\$ 0.270	0	\$ 0.220	0	\$ 0.180
Total Programs		0	\$ 0.000	2	\$ 0.640	2	\$ 0.540	2	\$ 0.400	2	\$ 0.340

MTA LONG ISLAND BUS
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIBUS	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000016	Current Budget Year	2008	Status	Open
Program:	Repair & Maintenance Contracts Savings			Agency Status	Pending
Description and Implementation Pla	Savings in Repair and Maintenance Contracts due to the replacement of 70% of the Paratransit fleet with new buses. This represents a 5% reduction for partial 2008 credit and 8% for full 2009 benefit.				
Background Details	Prior to the receipt of new buses, over 70% of the fleet had reached the recommended replacement criteria, thereby generating additional repair and maintenance expenses.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIBUS	0000000016	MYF08	\$ 0.000	\$ 0.080	\$ 0.000	\$ 0.000	\$ 0.000

MTA LONG ISLAND BUS
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIBUS	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2009
PEG / New Need ID	0000000017	Current Budget Year	2008	Status	Open
Program:	Fueling of Pararansit Vehicles			Agency Status	Pending
Description and Implementation Pla	Target 12 in-route buses daily to be fueled at the Mitchel Field Depot diesel fuel station. The intent is to benefit from lower unit cost versus using external vendors (gas stations).				
Background Details	Due to the logistics of daily "demand response" service, it is more practical to re-fuel at vendor gas stations.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIBUS	0000000017	MYF08	\$ 0.000	\$ 0.070	\$ 0.070	\$ 0.070	\$ 0.070

MTA LONG ISLAND BUS
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIBUS	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	2/1/2009
PEG / New Need ID	0000000018	Current Budget Year	2008	Status	Open
Program:	Savings on Structural Repairs and Material needs (Fixed Route)			Agency Status	Pending
Description and Implementation Pla	Savings from lower Structural/Body Repair and Material needs as new Fixed Route Buses are put in service.				
Background Details	Delays in fixed route replacement buses caused the extended use of older buses that resulted in additional repair expenses.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIBUS	0000000018	MYF08	\$ 0.000	\$ 0.160	\$ 0.140	\$ 0.050	\$ 0.030

MTA LONG ISLAND BUS
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIBUS	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Other	Savings Date	7/1/2009
PEG / New Need ID	0000000019	Current Budget Year	2008	Status	Open
Program:	Warranty Recovery			Agency Status	Pending
Description and Implementation Pla	As new replacement buses enter service and are under warranty, enhanced warranty tracking initiatives will be implemented.				
Background Details	All of the current fleet are out of warranty.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIBUS	0000000019	MYF08	\$ 0.000	\$ 0.200	\$ 0.200	\$ 0.150	\$ 0.110

MTA LONG ISLAND BUS
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIBUS	Financial Plan Category	PEG	Implementation Date	1/4/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/4/2009
PEG / New Need ID	0000000020	Current Budget Year	2008	Status	Open
Program:	Utility Savings - Electricity			Agency Status	Pending
Description and Implementation Pla	Savings generated by charging on-site high capacity battery during lower rate/low peak hours and fueling buses on battery power during high rate/peak periods. Two maintainer helper positions eliminated in off-peak.				
Background Details	Fueling of buses were mainly done during off-peak hour (nights) requiring the hiring of an additional shift of maintainer helpers.				

				2008	2009	2010	2011	2012
Total Headcount	LIBUS	0000000020	MYF08	0	2	2	2	2
Financial Impact	LIBUS	0000000020	MYF08	\$ 0.000	\$ 0.130	\$ 0.130	\$ 0.130	\$ 0.130

MTA LONG ISLAND BUS
Mid-year forecast for 2008
Summary of Post 2009 PEGs
(\$ in millions)

		2008		2009		2010		2011		2012	
		<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>
Other											
Unspecified		0	0.000	0	0.000	0	1.491	0	2.982	0	4.473
Sub-Total	Other	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 1.491</u>	<u>0</u>	<u>\$ 2.982</u>	<u>0</u>	<u>\$ 4.473</u>
Total Programs		<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 1.491</u>	<u>0</u>	<u>\$ 2.982</u>	<u>0</u>	<u>\$ 4.473</u>

MTA LONG ISLAND BUS
Mid-year forecast for 2008
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	LIBUS	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000021	Current Budget Year	2008	Status	Open
Program:	Unspecified			Agency Status	Pending

Description and Implementation Pla

Background Details

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIBUS	0000000021	MYF08	\$ 0.000	\$ 0.000	\$ 1.491	\$ 2.982	\$ 4.473

**MTA Long Island Bus
2009 Preliminary Budget
July Financial Plan 2009 - 2012**

Positions:

Starting in 2009, the proposed 2009 PEG requires the reduction of two maintainer helper headcount.

All other budgeted headcount were unchanged from the prior plan period. Future headcount needs will be contingent upon approved funding in support of enhanced service and support levels.

MTA LONG ISLAND BUS
July Financial Plan 2009- 2012
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
Administration - All Other	31	33	33	33	33	33
Administration - Safety	10	11	11	11	11	11
Finance	18	21	21	21	21	21
Legal	9	9	9	9	9	9
IT	17	22	22	22	22	22
Total Administration	85	96	96	96	96	96
Operations						
Admin (F/R)	22	24	24	24	24	24
Admin (Para)	4	4	4	4	4	4
Bus stops	2	2	2	2	2	2
Scheduling (F/R)	3	3	3	3	3	3
Scheduling (Para)	13	13	13	13	13	13
Reservationists (Para)	12	12	12	12	12	12
TIC	8	9	9	9	9	9
Dipatchers	41	43	43	43	43	43
Bus Operators (F/R)	534	536	536	536	536	536
Bus Operators (Para)	119	131	131	131	131	131
Total Operations	758	777	777	777	777	777
Maintenance						
Admin	10	12	12	12	12	12
Line Supervisors	18	19	19	19	19	19
Mechanics (F/R)	117	123	123	123	123	123
Mechanics (Para)	3	3	3	3	3	3
Mech. Helpers/Cleaners (F/R)	62	68	68	68	68	68
Cleaners (Para)	6	7	7	7	7	7
Storeroom	12	12	12	12	12	12
P & E (F/R)	9	10	10	10	10	10
P & E (Para)	0	1	1	1	1	1
Farebox	6	6	6	6	6	6
Total Maintenance	243	261	261	261	261	261
Engineering/Capital						
Engineers	2	2	2	2	2	2
Capital	13	14	14	14	14	14
Total Engineering/Capital	15	16	16	16	16	16
Public Safety						
Security	2	3	3	3	3	3
Total Baseline Positions	1,103	1,153	1,153	1,153	1,153	1,153
<i>Non-Reimbursable</i>	1,090	1,139	1,139	1,139	1,139	1,139
<i>Reimbursable</i>	13	14	14	14	14	14
<i>Total Full-Time</i>	1,008	1,044	1,044	1,044	1,044	1,044
<i>Total Full-Time Equivalents</i>	95	109	109	109	109	109
Impact of:						
2009 Program to Eliminate the Gap (PEGs)	-	-	2	2	2	2
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Total Positions	1,103	1,153	1,151	1,151	1,151	1,151
<i>Non-Reimbursable</i>	1,090	1,139	1,137	1,137	1,137	1,137
<i>Reimbursable</i>	13	14	14	14	14	14
<i>Total Full-Time</i>	1,008	1,044	1,042	1,042	1,042	1,042
<i>Total Full-Time Equivalents</i>	95	109	109	109	109	109
Business Service Center					(15)	(15)

MTA LONG ISLAND BUS
July Financial Plan 2009- 2012
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP		2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration							
	Managers/Supervisors	37	42	42	42	42	42
	Professional, Technical, Clerical	48	54	54	54	54	54
	Operational Hourlies						
	Total Administration	85	96	96	96	96	96
Operations							
	Managers/Supervisors	63	64	64	64	64	64
	Professional, Technical, Clerical	42	44	44	44	44	44
	Operational Hourlies	653	669	669	669	669	669
	Total Operations	758	777	777	777	777	777
Maintenance							
	Managers/Supervisors	26	27	27	27	27	27
	Professional, Technical, Clerical	4	4	4	4	4	4
	Operational Hourlies	213	230	230	230	230	230
	Total Maintenance	243	261	261	261	261	261
Engineering/Capital							
	Managers/Supervisors	7	7	7	7	7	7
	Professional, Technical, Clerical	8	9	9	9	9	9
	Operational Hourlies						
	Total Engineering/Capital	15	16	16	16	16	16
Public Safety							
	Managers/Supervisors	-	1	1	1	1	1
	Professional, Technical, Clerical	2	2	2	2	2	2
	Operational Hourlies						
	Total Public Safety	2	3	3	3	3	3
Total Baseline Positions							
	Managers/Supervisors	133	141	141	141	141	141
	Professional, Technical, Clerical	104	113	113	113	113	113
	Operational Hourlies	866	899	899	899	899	899
	Total Baseline Positions	1,103	1,153	1,153	1,153	1,153	1,153

Long Island Rail Road

MTA LONG ISLAND RAIL ROAD
2009 Preliminary Budget
July Financial Plan 2009-2012

Mission Statement and Highlights of Operations

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. In order to accomplish this mission, it strategically allocates limited resources to achieve eight critical goals that are linked to the seven MTA's core values/priorities. They are:

- Improve customer and employee safety and security
- Improve customer satisfaction
- Improve service reliability
- Improve cost-effectiveness
- Improve the customer experience through infrastructure investment
- Develop and expand regional approaches to transportation issues
- Maintain a professional, well-trained and motivated workforce
- Contribute to the establishment of an environmentally "green" community

FINANCIAL OVERVIEW

While external factors such as a sluggish regional economy continue to place pressure on the MTA's finances, the LIRR has worked diligently to prepare this 2009 Preliminary Budget and 2009-2012 Financial Plan, which advances its core goals while at the same time exhibiting fiscal constraint. The Budget and Plan demonstrate the Rail Road's commitment to its customers, by including funding for a series of bold initiatives that will dramatically improve their experience.

Customer Safety and Security: The LIRR's recent record in the area of safety and security has been excellent. 2007 customer injury and employee lost time and restricted duty injury rates were the lowest in years at 6.58 customer injuries per one million customers and 2.31 accidents per 200,000 worker hours, respectively. Through the first quarter of 2008, each was down more than 30 percent over last year.

The 2009 Preliminary Budget contains substantial resources dedicated to continuing this progress. In 2009, the railroad will continue safety initiatives such as the T.R.A.C.K.S Program and Operation Lifesaver. This is part of the Safety Department's \$3.1 million budget. In addition, more than \$30 million is earmarked in the 2009 – 2012 Financial Plan for the LIRR's Platform Gap Mitigation Strategy, including installing new and wider threshold plates on rail cars and adding rubbing board to station platforms to achieve a smaller Gap standard.

Customer Satisfaction: There are numerous ways in which the LIRR can improve the experience of the more than 85 million customers that ride its trains each year. They run the gamut from adding service to upgrading existing facilities. President Helena E. Williams has identified customer service as a critical priority and the 2009 Preliminary Budget reflects this reality. The railroad continues to implement the Customer Communication Initiative that was launched in 2008. This includes providing train crews with cell phones, the creation of a 24/7 Public Information Office, and the installation of new message boards in Penn Station and Jamaica Station. Through 2009, this effort is expected to cost \$6.9 million. In addition, customer satisfaction is achieved through deploying 118 station cleaners and 372 car cleaners to clean and maintain the parts of the railroad customer's use on a daily basis. In 2009, key departments that impact Customer Satisfaction include Passenger Services, \$58.1 million and Public Affairs, \$11.7 million.

Service Reliability: The LIRR's on-time performance record of 94.1 percent for 2007 was the best since modern record keeping started in 1979. This was made possible by the dedicated work of its employees, particularly those responsible for maintaining the fleet and right of way in a state of good repair. The Railroad's fleet of M7 cars was especially reliable, achieving a mean distance between failures of 325,203 miles – far better than expected. Through the first quarter of 2008, on-time performance and mean distance between failures was even better than it was in the prior year.

The 2009 Preliminary Budget contains the resources necessary for the LIRR to maintain a high level of service reliability. In 2009, the Maintenance of Equipment Department, which is responsible for maintaining all rolling stock equipment, has a budget of \$328.9 million. This level supports the ongoing Life Cycle Maintenance (LCM) program. The Engineering Department, which has a \$154.3 million budget in 2009, maintains all infrastructure elements, such as track, signals, and power. Over the past few years, the LIRR has made investments to upgrade and expand the signal system. The 2009 budget reflects additional resources to ensure that the new systems are properly maintained. Another key ingredient of the LIRR's service reliability initiative is its Low Adhesion Mitigation Strategy, which is necessary to prevent slip-slide conditions and extend wheel life. A key element of the strategy is vegetation management and an average of \$1.8 million is budgeted each year in support of this effort.

Infrastructure Investment: Planning for capital projects must include identifying and providing for ongoing operating needs. Several capital projects with new state of the art technology components are coming on line during the financial plan. These projects were evaluated, and additional resources are being provided, to ensure that the railroad is prepared to operate and maintain the new assets.

In addition to the new initiatives outlined above, the railroad is poised to undergo many system infrastructure changes and improvements that will alter the operational footprint of the railroad during the next few years. East Side Access, Hudson River Yard Development, and Brookfield Overbuild are just a few of the major changes that will transform the railroad. The railroad has made several internal changes in order to

ensure the necessary resources and organizational structure is in place to support these major projects.

Environmental Sustainability: Contributing to the establishment of an environmentally “green” community is a key priority guiding future investment and strategic planning. As a critical piece of the New York Metropolitan Area’s public transportation network, the LIRR is committed to drawing increasing numbers of people away from energy inefficient and highly pollutant automobiles for their travel.

The LIRR will dedicate funding toward environmentally friendly cleaning products. In addition, the railroad will further advance its effort to achieve a light duty vehicle fleet that is 100 percent hybrid by 2011 by allocating \$0.6 million to purchase 23 hybrid vehicles in 2009.

Cost-Effectiveness: As noted earlier, the LIRR will pursue these efforts while at the same time streamlining operations and containing costs. The Preliminary 2009 Budget achieves the LIRR’s 1.5 percent targeted reduction through several initiatives, including those designed to right-size inventory and contain employee health and welfare costs. The introduction of new technology will further streamline operations.

The financial projections in the attached statements reflect the most current projections by the LIRR for the balance of 2008, carrying out into 2012.

2008 Mid-Year Forecast

The LIRR’s 2008 Mid-Year Forecast is comprised of non-reimbursable revenue totaling \$537.4 million and non-reimbursable expenses including depreciation, other post employment benefits and environmental remediation of \$1.515 billion that generate an operating deficit of \$(977.5) million. The 2008 Mid-Year reimbursable revenue and expenses each total \$195.8 million.

The Baseline Accrued Deficit is \$5.4 million better than the 2008 Adopted Budget. The Baseline Cash Deficit is unfavorable \$(13.7) million to the adopted budget, which is mainly due to timing of payments from 2007.

Total Non-Reimbursable revenue is \$(7.1) million unfavorable to the 2008 adopted budget. Farebox Revenue is favorable by \$3.6 million due to higher commutation ridership. Other Operating Revenue (excluding Lease Line Right Of Way Revenue) is favorable by \$2.0 million due to higher advertising guarantee, scrap sales, interest on overnight deposits and a one-time legal settlement. Leased Line Right of Way revenue is unfavorable by \$(12.7) million due to a change in Accounting methodology.

Total Non-Reimbursable Non-Labor expenses (excluding depreciation and OPEB) are favorable by \$15.6 million, or 4.2%, and Labor expenses are favorable by \$8.4 million. The favorable non-labor expenses are driven by a change in methodology in recording

outstanding Traction and Propulsion Power liabilities, and labor expenses are primarily favorable due to lower Health and Welfare rates.

The major cash adjustment from the February plan is an increase in labor expenses as a result of back-pay for the 2007 union contract settlements and Carman agreement.

2009 Preliminary Budget - Baseline

The goals and objectives contained in the 2009 Preliminary Budget are consistent with the LIRR's mission and its aim to continue to improve service attributes. Among the key goals for 2009 are improving on-time performance to 94.5% and maintaining fleet-wide mean distance between failures (MDBF) of 100,000 miles. The budget plan also reflects a continuing commitment to improve both employee and customer safety and security, with projected improvements of 5% for each. Other key assumptions incorporated in the baseline are discussed in a later section, along with reconciliation to the February Financial Plan.

The 2009 Revenue budget totals \$767.4 million; Non-reimbursable revenue makes up \$542.1 million of the total and Reimbursable revenues are \$225.2 million. The total expense budget is \$1.797 billion, of which \$1.417 billion is for operating expenses and the balance is associated with such non-cash items as depreciation, other post employment benefits and environmental remediation. Non-reimbursable operating expenses total \$1.192 billion in 2009, while Reimbursable expenses are \$225.2 million in the accrued statements.

The cash budget for 2009 incorporates \$839.6 million in cash receipts and \$1.505 billion in cash disbursements. The baseline net cash requirement is \$(665.3) million, as driven by operating expenses paid for in 2009, revenues received in 2009, 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 2009 Preliminary Budget are higher than in the 2008 Mid-Year Forecast. Total revenues of \$767.4 million are \$34.2 million higher than in the Mid-Year Forecast, with Non-reimbursable revenues rising by \$4.7 million and Reimbursable revenues up by \$29.5 million. Baseline Ridership in 2009 declines over the 2008 Mid-Year Forecast by (0.1) million rides, or (0.1%). Overall, Farebox Revenue increases due to the full year impact of the March 2008 fare increase. Operating expenses before depreciation of \$1.417 billion reflect growth of \$68.8 million over the 2008 Mid-Year Forecast, \$39.3 million of which is in non-reimbursable expenses. While the resulting total operating baseline deficit rises \$52.2 million to \$(1.030) billion in 2009, the projected baseline cash deficit (or subsidy requirement) of \$(665.3) million in 2009 is higher by \$68.5 million.

Full-time positions total 7,030 in the 2009 Preliminary Budget, with 6,094 non-reimbursable positions and 936 reimbursable positions. Compared to the 2008 Mid-Year Forecast, this reflects a total increase of 67 positions, 23 non-reimbursable positions and 44 reimbursable positions, consistent with anticipated levels of capital funding in 2009.

The major New Needs identified in the 2009 Budget focus on safety and security, customer service and financial stability. Additional resources are being dedicated to several FRA Mandates including 2B inspections of the Public Address System and Emergency Access windows on C3 coaches, a combined \$2.4 million. Several new needs either directly or indirectly focus on customer service, including dedicating more resources to improving diesel fleet operations, maintenance support of the first phase of the Centralized Train Control Systems, increased Transportation management on the East End and for Train Movement through Jamaica, and increased station maintenance, \$2.1 million. In order to improve financial stability, a major focus will be made to improve inventory and warranty management, \$0.6 million.

2010-2012 Projections

The baseline projections for 2010 through 2012 reflect no notable changes to the LIRR's commitment to its customers. Goals are still in place to continue improving key performance measures in safety, with annual 5% improvements for both employees and customers, and MDBF, which remains at 100,000 miles fleet-wide. Projections are to maintain an on-time performance rating of 94.5%. During this period, the LIRR will continue its LCM 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 2010-2012 reflect these various impacts. Non-reimbursable revenues grow less than 1.2% in any year, while Reimbursable revenues decreases by 2.1% in 2010, 12.1% in 2011 and then increase by 6.4% in 2012.

The pace of expense growth is higher, driven by high rates of increase above normal inflation in health and welfare (active and retirees), Traction and Propulsion power, and insurance throughout the plan. Non-reimbursable expenses (before depreciation) grow by 1.8% from \$1.192 billion in 2009 to \$1.214 billion in 2010. They continue to rise by 2.2% in 2011 and 3.1% in 2012, reaching \$1.279 billion. Reimbursable expenses decline by 2.1% (\$4.8 million) in 2010 and 12.1% in 2011, and then increase by 6.4% in 2012, reaching \$206.2 million.

The baseline positions in these projections increase in 2010 by 18 positions over 2009, and then a decrease of 21 positions in 2011 and another decrease of 16 positions in 2012. The increase in 2010 is associated with trainees in the Maintenance of Equipment Department (timing of training program). The decrease in 2011 and 2012 represent

completion of such initiatives as the threshold plates, M7 horns and armrests, as well as changes in Capital reimbursable activity. For the period from 2009 to 2012, reimbursable positions decline by 1.9%, or 18 positions. For the same period, non-reimbursable positions increase by 25 positions in 2010, but then decline to 2009 levels by 2012.

Appearing in a separate section is a discussion of the major assumptions in the 2010-2012 forecasts and reconciliations to the February plan for the years through 2012.

GAP CLOSING MEASURES

2009 PEG Actions

For 2009, Programs to Eliminate the Gaps (PEGs) totaling \$7.7 million have been identified in a below-the-line section of the Preliminary Budget, all but \$0.7 million of which are expense based. \$5.1 million in these PEGs have been identified to start in 2008.

On the expense side, these PEGs include the decision to have only one gang assigned to tree trimming (remaining work to be conducted by third party vendors), based on preliminary test results not moving forward with outfitting the M7 fleet with sanders, evaluation of off peak service and other supporting services to identify savings which are consistent with current service guidelines and better management of health and welfare retiree payments.

On the revenue side, a greater emphasis will be placed on generating higher real estate revenue and better oversight of the free rail pass policy.

Post 2009 PEG Actions

The PEG actions taken in 2009 are largely carried forward into 2010 – 2012. Several new PEGs include the Jay, Hall and Dunton Tower consolidation as part of the first phase of the Centralized Train Control project and savings as a result of implementing a corporate wide time and attendance system. The identified PEGs total \$1.0 million in 2010 – 2012, respectively. In addition, there are unspecified PEGs of \$21.6 million in 2010, \$16.9 million in 2011 and \$38.2 million in 2012.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2009- 2012
Accrual Statement of Operations by Category
(\$ in millions)

Non-Reimbursable						
	2007	2008	2009			
	Actual	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
Operating Revenue						
Farebox Revenue	\$479.4	\$501.6	\$505.2	\$509.2	\$513.8	\$518.4
Toll Revenue						
Other Operating Revenue	33.4	35.9	36.9	38.2	40.1	41.8
Capital and Other Reimbursements	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	\$512.8	\$537.4	\$542.1	\$547.4	\$553.9	\$560.2
Operating Expenses						
<u>Labor:</u>						
Payroll	\$384.0	\$411.2	\$433.0	\$439.4	\$448.8	\$459.7
Overtime	84.1	87.4	81.7	82.4	82.9	84.3
Health and Welfare	66.7	73.3	84.1	91.0	97.0	103.9
OPEB Current Payment	40.4	46.7	52.5	57.0	61.9	67.1
Pensions	113.9	113.2	115.5	118.4	118.5	120.1
Other Fringe Benefits	81.6	87.8	92.2	95.1	96.6	99.1
Reimbursable Overhead	(26.8)	(24.6)	(26.2)	(28.2)	(29.6)	(30.9)
Total Labor Expenses	\$744.0	\$795.0	\$832.9	\$854.9	\$875.9	\$903.5
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$70.7	\$71.3	\$77.1	\$83.5	\$87.4	\$91.6
Fuel for Buses and Trains	16.3	24.1	24.4	24.4	24.4	24.4
Insurance	17.3	15.6	16.6	17.9	19.3	20.8
Claims	11.0	15.1	15.4	15.8	15.8	16.1
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	65.1	68.1	74.9	70.6	71.7	74.0
Professional Service Contracts	16.8	29.4	28.6	28.7	24.2	24.5
Materials & Supplies	100.0	125.1	113.3	109.1	113.1	115.3
Other Business Expenses	5.3	8.8	8.6	8.7	8.9	9.1
Total Non-Labor Expenses	\$302.5	\$357.5	\$358.9	\$358.7	\$364.8	\$375.9
<u>Other Expenses Adjustments:</u>						
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation and GASB Adjs.	\$1,046.4	\$1,152.4	\$1,191.8	\$1,213.6	\$1,240.7	\$1,279.3
Depreciation	276.0	283.4	297.9	310.6	307.7	303.4
OPEB Obligation	77.5	77.6	80.7	83.9	87.3	90.8
Environmental Remediation	0.0	1.5	1.5	1.5	1.5	1.5
Total Expenses	\$1,399.9	\$1,514.9	\$1,571.9	\$1,609.7	\$1,637.2	\$1,675.0
Baseline Surplus/(Deficit)	(\$887.1)	(\$977.5)	(\$1,029.7)	(\$1,062.3)	(\$1,083.3)	(\$1,114.8)
2009 Program to Eliminate the Gap (PEGs)	0.0	5.1	7.7	5.3	5.7	6.5
Post 2009 Program to Eliminate the Gap (PEGs)	0.0	0.0	0.0	22.6	17.9	39.3
Net Surplus/(Deficit)	(\$887.1)	(\$972.4)	(\$1,022.1)	(\$1,034.4)	(\$1,059.7)	(\$1,069.1)
Business Service Center	0.0	5.0	5.0	5.0	6.7	7.4

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2009- 2012
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2007 <u>Actual</u>	2008 <u>Mid-Year Forecast</u>	2009 <u>Preliminary Budget</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenue						
Farebox Revenue						
Toll Revenue						
Other Operating Revenue						
Capital and Other Reimbursements	\$164.7	\$195.8	\$225.2	\$220.4	\$193.8	\$206.2
Total Revenue	\$164.7	\$195.8	\$225.2	\$220.4	\$193.8	\$206.2
Expenses						
<u>Labor:</u>						
Payroll	\$62.4	\$75.3	\$82.6	\$82.5	\$84.2	\$86.2
Overtime	15.2	14.0	10.5	10.2	10.1	10.3
Health and Welfare	10.4	13.4	14.7	14.6	15.8	16.7
OPEB Current Payment	0.0	0.0	0.0	0.0	0.0	0.0
Pensions	23.2	23.9	21.3	18.7	18.9	19.0
Other Fringe Benefits	13.4	16.6	18.0	17.9	19.2	20.4
Reimbursable Overhead	26.8	24.6	26.2	28.2	29.6	30.9
Total Labor Expenses	\$151.3	\$167.8	\$173.2	\$172.1	\$177.9	\$183.5
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.1	\$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
Insurance	0.4	0.8	0.6	0.6	0.6	0.6
Claims	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
Maintenance and Other Operating Contracts	7.1	9.6	8.0	8.2	7.4	7.6
Professional Service Contracts	0.5	0.9	0.3	0.3	0.3	0.3
Materials & Supplies	5.0	16.8	42.6	38.6	7.2	13.7
Other Business Expenses	0.3	(0.0)	0.5	0.6	0.5	0.5
Total Non-Labor Expenses	\$13.3	\$28.0	\$52.0	\$48.3	\$16.0	\$22.8
<u>Other Expenses Adjustments:</u>						
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation	\$164.7	\$195.8	\$225.2	\$220.4	\$193.8	\$206.2
Depreciation	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses	\$164.7	\$195.8	\$225.2	\$220.4	\$193.8	\$206.2
Net Surplus/(Deficit)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Business Service Center	0.0	0.0	0.0	0.0	0.0	0.0

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2009- 2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Revenue						
Farebox Revenue	\$479.4	\$501.6	\$505.2	\$509.2	\$513.8	\$518.4
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	33.4	35.9	36.9	38.2	40.1	41.8
Capital and Other Reimbursements	164.7	195.8	225.2	220.4	193.8	206.2
Total Revenue	\$677.5	\$733.2	\$767.4	\$767.8	\$747.7	\$766.5
Expenses						
<u>Labor:</u>						
Payroll	\$446.4	\$486.5	\$515.6	\$521.9	\$533.0	\$545.9
Overtime	99.3	101.3	92.2	92.6	93.0	94.7
Health and Welfare	77.1	86.7	98.8	105.6	112.8	120.6
OPEB Current Payment	40.4	46.7	52.5	57.0	61.9	67.1
Pensions	137.1	137.1	136.8	137.0	137.4	139.1
Other Fringe Benefits	95.0	104.4	110.1	112.9	115.8	119.5
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenses	\$895.3	\$962.8	\$1,006.1	\$1,027.0	\$1,053.8	\$1,086.9
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$70.8	\$71.3	\$77.1	\$83.5	\$87.4	\$91.6
Fuel for Buses and Trains	16.3	24.1	24.4	24.4	24.4	24.4
Insurance	17.7	16.4	17.2	18.5	19.9	21.4
Claims	11.0	15.1	15.4	15.8	15.8	16.1
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	72.2	77.7	82.8	78.8	79.0	81.6
Professional Service Contracts	17.3	30.2	28.9	29.0	24.5	24.8
Materials & Supplies	105.0	141.9	155.9	147.7	120.3	129.0
Other Business Expenses	5.6	8.8	9.1	9.3	9.4	9.6
Total Non-Labor Expenses	\$315.8	\$385.5	\$410.9	\$407.0	\$380.7	\$398.7
<u>Other Expenses Adjustments:</u>						
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation and GASB Adjs.	\$1,211.1	\$1,348.2	\$1,417.0	\$1,434.1	\$1,434.5	\$1,485.6
Depreciation	276.0	283.4	297.9	310.6	307.7	303.4
OPEB Obligation	77.5	77.6	80.7	83.9	87.3	90.8
Environmental Remediation	0.0	1.5	1.5	1.5	1.5	1.5
Total Expenses	\$1,564.6	\$1,710.7	\$1,797.1	\$1,830.1	\$1,831.0	\$1,881.3
Baseline Surplus/(Deficit)	(\$887.1)	(\$977.5)	(\$1,029.7)	(\$1,062.3)	(\$1,083.3)	(\$1,114.8)
2009 Program to Eliminate the Gap (PEGs)	0.0	5.1	7.7	5.3	5.7	6.5
Post 2009 Program to Eliminate the Gap (PEGs)	0.0	0.0	0.0	22.6	17.9	39.3
Net Surplus/(Deficit)	(\$887.1)	(\$972.4)	(\$1,022.1)	(\$1,034.4)	(\$1,059.7)	(\$1,069.1)
Business Service Center	0.0	5.0	5.0	5.0	6.7	7.4

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2009- 2012
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Receipts						
Farebox Revenue	\$510.6	\$531.3	\$534.9	\$538.9	\$543.5	\$548.2
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	33.9	83.0	53.0	54.2	56.2	58.0
Capital and Other Reimbursements	189.5	221.8	251.7	243.9	241.3	236.7
Total Receipts	\$734.0	\$836.1	\$839.6	\$837.0	\$841.0	\$842.9
Expenditures						
<u>Labor:</u>						
Payroll	\$426.2	\$503.1	\$514.6	\$520.8	\$531.9	\$544.9
Overtime	95.0	101.3	92.2	92.6	93.0	94.7
Health and Welfare	72.1	93.1	98.8	105.6	112.8	120.6
OPEB Current Payment	36.5	50.5	52.5	57.0	61.9	67.1
Pensions	138.2	62.6	136.8	137.0	137.4	139.1
Other Fringe Benefits	93.4	105.8	110.1	112.9	115.8	119.5
GASB Account	6.7	7.2	7.8	8.4	9.1	9.8
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	\$868.1	\$923.5	\$1,012.8	\$1,034.4	\$1,061.8	\$1,095.6
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$72.4	\$108.8	\$86.4	\$92.8	\$96.7	\$100.9
Fuel for Buses and Trains	15.2	24.8	24.4	24.4	24.4	24.4
Insurance	22.7	24.9	23.1	24.7	27.3	28.3
Claims	13.5	15.9	13.6	14.0	14.0	14.3
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	68.7	91.4	88.7	82.6	83.4	84.7
Professional Service Contracts	22.8	37.9	30.3	31.0	24.2	23.8
Materials & Supplies	149.1	167.6	187.2	175.9	148.0	156.7
Other Business Expenses	6.7	8.2	8.5	8.7	8.8	9.0
Total Non-Labor Expenditures	\$371.1	\$479.6	\$462.3	\$454.1	\$426.9	\$442.2
<u>Other Expenditure Adjustments:</u>						
Other	29.7	29.8	29.8	29.8	29.8	29.8
Total Other Expenditure Adjustments	\$29.7	\$29.8	\$29.8	\$29.8	\$29.8	\$29.8
Total Expenditures	\$1,269.0	\$1,432.9	\$1,504.9	\$1,518.2	\$1,518.5	\$1,567.6
Cash Timing and Availability Adjustment	(4.3)	0.0	0.0	0.0	0.0	0.0
Baseline Cash Deficit	(\$539.3)	(\$596.8)	(\$665.3)	(\$681.2)	(\$677.5)	(\$724.6)
2009 Program to Eliminate the Gap (PEGs)	0.0	5.1	7.7	5.3	5.7	6.5
Post 2009 Program to Eliminate the Gap (PEGs)	0.0	0.0	0.0	22.6	17.9	39.3
Net Cash Deficit	(\$539.3)	(\$591.7)	(\$657.6)	(\$653.4)	(\$653.8)	(\$678.9)
Business Service Center	0.0	5.0	5.0	5.0	6.7	7.4

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2009- 2012
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2007	2008	2009			
	Actual	Mid-Year	Preliminary	2010	2011	2012
		Forecast	Budget			
Receipts						
Farebox Revenue	\$31.2	\$29.8	\$29.7	\$29.7	\$29.7	\$29.8
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	0.5	47.2	16.0	16.0	16.1	16.2
Capital and Other Reimbursements	24.8	26.0	26.5	23.4	47.5	30.5
Total Receipts	\$56.5	\$102.9	\$72.3	\$69.2	\$93.3	\$76.5
Expenditures						
<u>Labor:</u>						
Payroll	\$20.2	(\$16.6)	\$1.1	\$1.1	\$1.1	\$1.1
Overtime	4.3	0.0	(0.0)	(0.0)	0.0	(0.0)
Health and Welfare	5.0	(6.4)	(0.0)	(0.0)	(0.0)	0.0
OPEB Current Payment	3.9	(3.8)	(0.0)	0.0	0.0	(0.0)
Pensions	(1.1)	74.5	0.0	0.0	0.0	0.0
Other Fringe Benefits	1.6	(1.4)	(0.0)	(0.0)	(0.0)	(0.0)
GASB Account	(6.7)	(7.2)	(7.8)	(8.4)	(9.1)	(9.8)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	\$27.2	\$39.2	(\$6.7)	(\$7.3)	(\$8.0)	(\$8.7)
<u>Non-Labor:</u>						
Traction and Propulsion Power	(\$1.7)	(\$37.5)	(\$9.3)	(\$9.3)	(\$9.3)	(\$9.3)
Fuel for Buses and Trains	1.0	(0.8)	0.0	0.0	0.0	0.0
Insurance	(5.0)	(8.6)	(5.9)	(6.2)	(7.5)	(6.9)
Claims	(2.5)	(0.9)	1.8	1.8	1.8	1.9
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	3.5	(13.7)	(5.9)	(3.7)	(4.3)	(3.1)
Professional Service Contracts	(5.5)	(7.7)	(1.4)	(2.0)	0.2	1.0
Materials & Supplies	(44.1)	(25.7)	(31.3)	(28.2)	(27.7)	(27.7)
Other Business Expenditures	(1.1)	0.6	0.6	0.6	0.6	0.6
Total Non-Labor Expenditures	(\$55.3)	(\$94.2)	(\$51.4)	(\$47.1)	(\$46.2)	(\$43.5)
<u>Other Expenditures Adjustments:</u>						
Other	(29.7)	(29.8)	(29.8)	(29.8)	(29.8)	(29.8)
Total Other Expenditures Adjustments	(\$29.7)	(\$29.8)	(\$29.8)	(\$29.8)	(\$29.8)	(\$29.8)
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	(\$1.4)	\$18.2	(\$15.6)	(\$15.0)	\$9.4	(\$5.5)
Depreciation Adjustment	276.0	283.4	297.9	310.6	307.7	303.4
OPEB Obligation	77.5	77.6	80.7	83.9	87.3	90.8
Environmental Remediation	0.0	1.5	1.5	1.5	1.5	1.5
Cash Timing and Availability Adjustment	(4.3)	0.0	0.0	0.0	0.0	0.0
Baseline Total Cash Conversion Adjustments	\$347.8	\$380.7	\$364.5	\$381.0	\$405.9	\$390.2
2009 Program to Eliminate the Gap (PEGs)	0.0	0.0	0.0	0.0	0.0	0.0
Post 2009 Program to Eliminate the Gap (PEGs)	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Conversion Adjustments	\$347.8	\$380.7	\$364.5	\$381.0	\$405.9	\$390.2
Business Service Center	0.0	0.0	0.0	0.0	0.0	0.0

MTA Long Island Rail Road
Summary Reconciliation to the February Plan
(\$ in millions)

	Favorable/(Unfavorable)			
	2008	2009	2010	2011
February Financial Plan Baseline Cash Deficit	(\$583.1)	(\$660.4)	(\$685.7)	(\$704.6)
New Needs	(\$4.3)	(\$6.7)	(\$5.4)	(\$5.6)
Service/Customer Service	(\$0.5)	(\$1.4)	(\$1.5)	(\$1.5)
Maintenance	(\$0.3)	(\$1.6)	(\$1.5)	(\$1.6)
Other	(\$3.5)	(\$3.7)	(\$2.4)	(\$2.5)
Baseline Re-estimates	(\$13.3)	(\$1.9)	(\$0.9)	\$15.5
2009 PEG Program	<u>\$5.1</u>	<u>\$7.7</u>	<u>\$5.3</u>	<u>\$5.7</u>
Total Change before Other Adjustments and Uncontrollable Expenses	(\$12.6)	(\$1.0)	(\$1.0)	\$15.7
Other Adjustments	\$8.3	\$4.3	\$4.4	\$4.5
Passenger/Toll Revenue	\$3.5	(\$1.3)	(\$1.4)	(\$1.4)
Elimination of MTA Service Enhancements	\$4.7	\$5.6	\$5.8	\$5.9
Total Changes before Uncontrollable Expenses	(\$4.3)	\$3.3	\$3.4	\$20.2
Uncontrollable Expenses				
Energy	(\$5.1)	(\$6.6)	(\$6.6)	(\$5.2)
Pensions	(\$6.8)	(\$5.5)	(\$4.1)	(\$2.9)
Health & Welfare	\$10.2	\$10.5	\$16.1	\$19.8
Insurance	(\$2.6)	\$1.0	\$1.0	\$1.0
Total Uncontrollable Expenses	(\$4.3)	(\$0.6)	\$6.3	\$12.7
July Financial Plan including 2009 PEG Program	(\$591.7)	(\$657.6)	(\$675.9)	(\$671.8)

**MTA Long Island Rail Road
2009 Preliminary Budget
July Financial Plan 2009 – 2012
Year-to-Year Changes by Category - Accrual and Cash**

Revenue

Farebox Revenue

- The regional economy and employment trends are the primary drivers.
- Farebox revenue is increasing by 0.7% in 2009 over 2008, despite a projected (0.1)% reduction in ridership, due to the full year impact of the March 2008 fare increase.
- Passenger revenue forecasts in the outer years 2010 - 2012 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 2008 budget, primarily due to scrap sales, interest on overnight deposits, Mineola Parking and special services revenue.
- Leased Line Right of Way revenue is lower due to a change in Accounting methodology.
- Projected to grow each year primarily through contractual and inflationary increases.

Capital and Other Reimbursements

- Reflects the 2005 - 2009 Capital Program and other project activity including overbuilds and East Side Access materials.

Expenses

Payroll

- 2009 - 2012 includes increases for management employees of 3.00%, 2.05%, 1.94% and 2.04%, respectively.
- 2009 - 2012 includes increases for represented employees of 3.00%, 2.05%, 1.94% and 2.04%, respectively.
- Headcount changes each year are associated with new needs, changes in programs and Capital Program activity.

Overtime

- 2008 - 2009 decrease is primarily associated with lower maintenance overtime, change in Capital Program activity and reduction in open job coverage overtime due to new hires.
- 2010 - 2012 increases reflect CPI increases and changes in Capital Program activity.

Health & Welfare

- 2009 reflects an annual rate increase of approximately 9.9% over 2008.
- 2010 - 2012 reflects annual rate increases of approximately 6.8%.
- 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 2007 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

- 2008 is based on actuals through March.
- 2009 - 2012 reflects price inflators provided by MTA and historical performance.

Fuel

- 2008 is based on actuals through March.
- 2009 - 2012 reflects price inflators and historical performance.

Insurance

- 2008 is based on actual results through March, which reflect favorable insurance premium payments.
- 2009 - 2012 reflects price inflators.

Claims

- 2008 reflects actual experience through March and the anticipated settlement and payout of claims for the balance of the year.
- 2009 - 2012 reflects inflationary increases.

Maintenance and Other Operating Contracts

- 2008 – 2009 reflects additional expenses for M7 Threshold plates.
- 2009 – 2010 reflects completion of M7 Threshold plates.
- 2010 - 2012 reflects inflationary increases.

Professional Service Contracts

- The change from 2008 to 2009 is primarily associated with expenses related to various Information Technology initiatives.
- 2010 – 2011 reflects the completion of the PeopleSoft Financial Software Implementation.
- 2009 – 2011 reflects changes in System Initiative projects.

Material and Supplies

- The increase in materials from 2008 - 2009 is primarily East Side Access material.
- 2009 – 2011 reflects lower East Side Access material costs.

Other Business Expenses

- 2008 - 2009 reflects changes in credit/debit card authorization fees.
- 2009 - 2012 includes inflationary increases.

Depreciation

- Reflects depreciation of current assets as well as estimates for capital projects based on their beneficial use.

Cash Adjustments**Expense**

- Pension – cash payments versus accrued expenses.
- Insurance and Claims & Suits – payments versus accrued expenses.
- 2008 - 2012 - timing of material purchases versus charge-outs.
- Depreciation and other non-cash adjustments for each year 2008 - 2012.
- Traction and Propulsion Power – 2008 includes potential prior period payments, 2004 – 2007, for LIPA.
- 2008 reflects replacement of the Queens and Hall In-Tie switches.
- 2008 – 2012 reflects capitalization of various IT Initiatives.

MTA LONG ISLAND RAILROAD
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$501.6	\$505.2	\$3.6	\$509.2	\$4.0	\$513.8	\$4.6	\$518.4	\$4.6
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	35.9	36.9	1.1	38.2	1.3	40.1	1.9	41.8	1.7
Capital and Other Reimbursements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	\$537.4	\$542.1	\$4.7	\$547.4	\$5.3	\$553.9	\$6.5	\$560.2	\$6.4
Expenses									
Labor:									
Payroll	\$411.2	\$433.0	(\$21.8)	\$439.4	(\$6.3)	\$448.8	(\$9.4)	\$459.7	(\$10.9)
Overtime	87.4	81.7	5.7	82.4	(0.7)	82.9	(0.5)	84.3	(1.5)
Health and Welfare	73.3	84.1	(10.8)	91.0	(6.9)	97.0	(6.0)	103.9	(6.9)
OPEB Current Payment	46.7	52.5	(5.8)	57.0	(4.5)	61.9	(4.8)	67.1	(5.3)
Pensions	113.2	115.5	(2.3)	118.4	(2.8)	118.5	(0.1)	120.1	(1.7)
Other Fringe Benefits	87.8	92.2	(4.4)	95.1	(2.9)	96.6	(1.5)	99.1	(2.5)
Reimbursable Overhead	(24.6)	(26.2)	1.5	(28.2)	2.0	(29.6)	1.4	(30.9)	1.3
Total Labor Expenses	\$795.0	\$832.9	(\$37.9)	\$854.9	(\$22.1)	\$875.9	(\$21.0)	\$903.5	(\$27.6)
Non-Labor:									
Traction and Propulsion Power	\$71.3	\$77.1	(\$5.8)	\$83.5	(\$6.4)	\$87.4	(\$3.9)	\$91.6	(\$4.2)
Fuel for Buses and Trains	24.1	24.4	(0.4)	24.4	0.0	24.4	0.0	24.4	0.0
Insurance	15.6	16.6	(1.0)	17.9	(1.3)	19.3	(1.4)	20.8	(1.5)
Claims	15.1	15.4	(0.4)	15.8	(0.4)	15.8	0.0	16.1	(0.3)
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	68.1	74.9	(6.7)	70.6	4.3	71.7	(1.1)	74.0	(2.3)
Professional Service Contracts	29.4	28.6	0.7	28.7	(0.1)	24.2	4.5	24.5	(0.3)
Materials & Supplies	125.1	113.3	11.9	109.1	4.2	113.1	(4.0)	115.3	(2.2)
Other Business Expenses	8.8	8.6	0.3	8.7	(0.1)	8.9	(0.2)	9.1	(0.2)
Total Non-Labor Expenses	\$357.5	\$358.9	(\$1.4)	\$358.7	\$0.2	\$364.8	(\$6.1)	\$375.9	(\$11.1)
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 and GASB Adjs.	\$1,152.4	\$1,191.8	(\$39.3)	\$1,213.6	(\$21.9)	\$1,240.7	(\$27.1)	\$1,279.3	(\$38.7)
Depreciation	283.4	297.9	(14.5)	310.6	(12.7)	307.7	2.9	303.4	4.3
OPEB Obligation	77.6	80.7	(3.1)	83.9	(3.2)	87.3	(3.4)	90.8	(3.5)
Environmental Remediation	1.5	1.5	0.0	1.5	0.0	1.5	0.0	1.5	0.0
Total Expenses	\$1,514.9	\$1,571.9	(\$56.9)	\$1,609.7	(\$37.8)	\$1,637.2	(\$27.5)	\$1,675.0	(\$37.9)
Baseline Net Surplus/(Deficit)	(\$977.5)	(\$1,029.7)	(\$52.2)	(\$1,062.3)	(\$32.5)	(\$1,083.3)	(\$21.1)	(\$1,114.8)	(\$31.5)
2009 PEG Program	5.1	7.7	2.6	5.3	(2.3)	5.7	0.4	6.5	0.7
Post 2009 PEGs	0.0	0.0	0.0	22.6	22.6	17.9	(4.7)	39.3	21.4
Net Surplus/(Deficit)	(\$972.4)	(\$1,022.1)	(\$49.6)	(\$1,034.4)	(\$12.3)	(\$1,059.7)	(\$25.3)	(\$1,069.1)	(\$9.4)
Business Service Center	5.0	5.0	0.0	5.0	0.0	6.7	1.7	7.4	0.7

REIMBURSABLE

[illegible]

MTA LONG ISLAND RAILROAD
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

			Favorable/(Unfavorable)							
	Change		Change		Change		Change		Change	
	2008	2009	2009 - 2008	2010	2010 - 2009	2011	2011 - 2010	2012	2012 - 2011	
<u>Receipts</u>										
Farebox Revenue	\$531.3	\$534.9	\$3.6	\$538.9	\$4.0	\$543.5	\$4.6	\$548.2	\$4.6	
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other Operating Revenue	83.0	53.0	(30.1)	54.2	1.2	56.2	2.0	58.0	1.9	
Capital and Other Reimbursements	221.8	251.7	29.9	243.9	(7.8)	241.3	(2.6)	236.7	(4.5)	
Total Receipts	\$836.1	\$839.6	\$3.5	\$837.0	(\$2.6)	\$841.0	\$4.0	\$842.9	\$1.9	
<u>Expenditures</u>										
Labor:										
Payroll	\$503.1	\$514.6	(\$11.4)	\$520.8	(\$6.2)	\$531.9	(\$11.1)	\$544.9	(\$12.9)	
Overtime	101.3	92.2	9.1	92.6	(0.4)	93.0	(0.4)	94.7	(1.7)	
Health and Welfare	93.1	98.8	(5.7)	105.6	(6.8)	112.8	(7.2)	120.6	(7.9)	
OPEB Current Payment	50.5	52.5	(2.1)	57.0	(4.5)	61.9	(4.8)	67.1	(5.3)	
Pensions	62.6	136.8	(74.2)	137.0	(0.2)	137.4	(0.3)	139.1	(1.7)	
Other Fringe Benefits	105.8	110.1	(4.4)	112.9	(2.8)	115.8	(2.9)	119.5	(3.7)	
GASB Account	7.2	7.8	(0.6)	8.4	(0.6)	9.1	(0.7)	9.8	(0.7)	
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total Labor Expenditures	\$923.5	\$1,012.8	(\$89.3)	\$1,034.4	(\$21.5)	\$1,061.8	(\$27.4)	\$1,095.6	(\$33.8)	
Non-Labor:										
Traction and Propulsion Power	\$108.8	\$86.4	\$22.4	\$92.8	(\$6.4)	\$96.7	(\$3.9)	\$100.9	(\$4.2)	
Fuel for Buses and Trains	24.8	24.4	0.4	24.4	0.0	24.4	0.0	24.4	0.0	
Insurance	24.9	23.1	1.9	24.7	(1.7)	27.3	(2.6)	28.3	(1.0)	
Claims	15.9	13.6	2.3	14.0	(0.4)	14.0	0.0	14.3	(0.3)	
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	91.4	88.7	2.7	82.6	6.2	83.4	(0.8)	84.7	(1.3)	
Professional Service Contracts	37.9	30.3	7.6	31.0	(0.7)	24.2	6.8	23.8	0.4	
Materials & Supplies	167.6	187.2	(19.7)	175.9	11.3	148.0	27.9	156.7	(8.7)	
Other Business Expenses	8.2	8.5	(0.3)	8.7	(0.2)	8.8	(0.1)	9.0	(0.2)	
Total Non-Labor Expenditures	\$479.6	\$462.3	\$17.3	\$454.1	\$8.2	\$426.9	\$27.2	\$442.2	(\$15.3)	
Other Expenditure Adjustments:										
Other	29.8	29.8	0.0	29.8	0.0	29.8	0.0	29.8	0.0	
Total Other Expenditure Adjustments	\$29.8	\$29.8	\$0.0	\$29.8	\$0.0	\$29.8	\$0.0	\$29.8	\$0.0	
Total Expenditures	\$1,432.9	\$1,504.9	(\$72.0)	\$1,518.2	(\$13.4)	\$1,518.5	(\$0.2)	\$1,567.6	(\$49.1)	
Baseline Net Cash Deficit	(\$596.8)	(\$665.3)	(\$68.5)	(\$681.2)	(\$16.0)	(\$677.5)	\$3.8	(\$724.6)	(\$47.2)	
2009 PEG Program										
Post 2009 PEGs	0.0	0.0	0.0	22.6	22.6	17.9	(4.7)	39.3	21.4	
Net Cash Deficit	(\$591.7)	(\$657.6)	(\$65.9)	(\$653.4)	\$4.3	(\$653.8)	(\$0.5)	(\$678.9)	(\$25.1)	
Business Service Center	5.0	5.0	0.0	5.0	0.0	6.7	1.7	7.4	0.7	

**MTA Long Island Rail Road
2009 Preliminary Budget
July Financial Plan 2009 - 2012
Summary of Changes between Financial Plans by Category**

2008: July Financial Plan vs. February Financial Plan

2008 July Financial Plan is based on actual performance through March with projections for April through December based on current trends and known activities.

Revenue

- Ridership, 0.5 million, and Passenger Revenue, \$3.6 million, favorable to plan.
- Higher advertising guarantee, scrap sales and interest on overnight deposits.
- Capital and other reimbursements are higher primarily resulting from changes in capital project activity and unbudgeted East Side Access Material.

Expense

- Payroll and benefits – decreased from February Plan due to a decrease in health and welfare costs, partially offset by actuarial re-evaluation of pension liabilities.
- Lower Traction and Propulsion Power due to an audit adjustment.
- Higher Fuel for Trains due to higher diesel rates.
- Lower professional services due to capitalization of certain IT Initiatives.
- All other non-payroll expenses have been re-estimated based on planned activities and timing of service contracts.

2009 - 2012: July Financial Plan vs. February Financial Plan

Revenue

- 2009 - 2012 decrease in ridership of (0.4)%, partially offset by increase in average yield per passenger of 0.1%.
- Higher scrap material sales, special services revenue, interest on over-night deposit and Mineola parking revenue, partially offset by lower parking revenue.
- Capital and other reimbursements are higher primarily resulting from changes in capital project activity and unbudgeted East Side Access Material.

Expense

- Payroll and benefits – increased from February Plan in 2009 and 2010 due to actuarial re-evaluation of pension liabilities, new needs, and capital program activity, partially offset by lower rates for health and welfare. The reduction in 2011 and 2012 is primarily associated with lower health and welfare rates.
- Traction Power is lower in 2009 - 2012 due to an audit adjustment. Diesel Fuel is higher primarily resulting from increased rates.
- Material & Supplies changes each year due to unbudgeted East Side Access material and re-estimate of material costs associated with LCM.
- All other non-payroll expenses have been re-estimated based on planned activities, changes in service contracts and adjustments to inflationary increases.

MTA LONG ISLAND RAILROAD
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	(\$583.1)	(\$660.4)	(\$685.7)	(\$704.6)	(\$743.5)
Baseline Changes					
Revenue					
Farebox Revenue	\$3.6	(\$1.2)	(\$1.2)	(\$1.2)	(\$1.3)
Vehicle Toll Revenue					
Other Operating Revenue	(10.7)	(11.1)	(11.2)	(11.1)	(11.1)
Capital and Other Reimbursement	0.0	0.0	0.0	0.0	0.0
Total Revenue Changes	(\$7.1)	(\$12.3)	(\$12.4)	(\$12.4)	(\$12.3)
Expenses					
Labor:					
Payroll and Overtime	\$2.5	\$0.6	\$0.3	(\$0.5)	(\$1.4)
Health and Welfare	9.9	7.9	10.3	13.5	16.8
OPEB Current Payment	3.8	4.8	7.9	9.1	10.0
Pensions	(5.9)	(2.3)	(3.0)	(1.9)	(2.1)
Other Fringe Benefits	1.9	0.5	(0.2)	0.1	(0.2)
Reimbursable Overhead	(3.8)	(1.2)	0.7	0.4	0.3
Total Labor Expense Changes	\$8.4	\$10.2	\$16.1	\$20.7	\$23.5
Non-Labor:					
Traction and Propulsion Power	\$10.7	\$10.2	\$10.9	\$11.9	\$11.1
Fuel for Buses and Trains	(4.7)	(6.6)	(6.9)	(7.1)	(7.3)
Insurance	1.6	1.9	2.2	2.4	2.7
Claims	0.0	(0.0)	(0.0)	(0.0)	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	(2.3)	(8.2)	0.3	(1.5)	(1.7)
Professional Service Contracts	5.8	3.5	0.2	(0.6)	(1.2)
Materials & Supplies	4.1	0.2	(0.9)	(6.5)	(1.2)
Other Business Expenses	0.4	0.5	0.7	0.5	0.5
Total Non-Labor Expense Changes	\$15.6	\$1.6	\$6.4	(\$0.9)	\$3.0
Total Expense Changes before Depreciation and GASB Adjs.	\$23.9	\$11.8	\$22.5	\$19.9	\$26.5
Depreciation	(6.6)	(10.7)	(7.6)	(6.3)	(11.9)
OPEB Obligation	(3.4)	(6.2)	(8.7)	(11.5)	(13.3)
Environmental Remediation	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)
Total Expense Changes	\$12.4	(\$6.6)	\$4.6	\$0.6	(\$0.2)
Cash Adjustment Changes					
LIPA potential settlement net revenue	6.4	3.4	3.4	3.4	3.4
Union Contract & Carmen Settlements	(19.0)				
Health & Welfare - prior year payments	(10.2)				
Fuel - prior year payment	(0.8)				
Insurance - timing of policy renewals	(1.7)	0.3	0.3	0.2	0.2
Claims & Suits - prior year payments	(2.7)				
Maint & Other Op Contracts - prior year	(2.1)				
Prof Services - prior year payments	(2.2)				
Other material adjustments	6.3				
Operating Funded Capital (IT Cap)	(6.5)	(8.6)	(3.8)	(2.1)	(0.1)
Depreciation, OPEB & Envir. Remediation	11.5	18.4	17.8	19.3	26.7
Non-cash expense adjustments (Misc. Charges & Credits)	5.8	4.8	2.3	2.0	2.0
All Other	(0.3)	0.4	0.3	0.5	0.8
Total Cash Adjustment Changes	(\$15.3)	\$18.8	\$20.4	\$23.4	\$33.0
Total Baseline Changes	(\$9.9)	(\$0.1)	\$12.6	\$11.6	\$20.5
Baseline 2008 July Financial Plan - Operating Cash	(\$593.0)	(\$660.5)	(\$673.1)	(\$693.1)	(\$723.0)

MTA LONG ISLAND RAILROAD
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February 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	\$17.0	\$53.3	\$49.3	\$16.1	\$22.6
Total Revenue Changes	\$17.0	\$53.3	\$49.3	\$16.1	\$22.6
Expenses					
Labor:					
Payroll and Overtime	(\$3.5)	(\$9.0)	(\$8.4)	(\$7.8)	(\$8.0)
Health and Welfare	(1.4)	(2.2)	(1.6)	(2.0)	(2.1)
OPEB Current Payment	0.0	0.0	0.0	0.0	0.0
Pensions	(0.8)	(3.1)	(1.1)	(1.0)	(0.7)
Other Fringe Benefits	(2.0)	(2.7)	(2.0)	(2.4)	(2.5)
Reimbursable Overhead	3.8	1.2	(0.7)	(0.4)	(0.3)
Total Labor Expense Changes	(\$4.0)	(\$15.9)	(\$13.8)	(\$13.5)	(\$13.6)
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	(0.1)	0.2	0.2	0.2	0.2
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	1.7	0.6	1.7	1.6
Professional Service Contracts	(0.6)	(0.0)	(0.1)	(0.0)	(0.0)
Materials & Supplies	(12.7)	(39.2)	(36.0)	(4.4)	(10.7)
Other Business Expenses	0.5	(0.0)	(0.2)	(0.1)	(0.1)
Total Non-Labor Expense Changes	(\$12.9)	(\$37.5)	(\$35.5)	(\$2.6)	(\$9.0)
Total Expense Changes	(\$17.0)	(\$53.3)	(\$49.3)	(\$16.1)	(\$22.6)
Cash Adjustment Changes					
ESA material timing	(\$3.7)	(\$4.8)	(\$8.2)	\$15.6	(\$1.6)
Total Cash Adjustment Changes	(\$3.7)	(\$4.8)	(\$8.2)	\$15.6	(\$1.6)
Total Baseline Changes	(\$3.7)	(\$4.8)	(\$8.2)	\$15.6	(\$1.6)
Baseline 2008 July Financial Plan - Operating Cash	(\$3.7)	(\$4.8)	(\$8.2)	\$15.6	(\$1.6)

MTA LONG ISLAND RAILROAD
July Financial Plan 2009 - 2012
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	(\$583.1)	(\$660.4)	(\$685.7)	(\$704.6)	(\$743.5)
<i>Non-Reimbursable Major Changes</i>					
Farebox Revenue	3.6	(1.2)	(1.2)	(1.2)	(1.3)
Other Operating Revenue (primarily Scrap sales, Interest on Overnight deposits, Rent and Mineola Parking)	2.1	1.7	1.6	1.6	1.7
Leased Line Revenue (Change in Accounting methodology)	(12.7)	(12.8)	(12.8)	(12.8)	(12.8)
Sub-Total Non-Reimbursable Revenue Changes	(7.1)	(12.3)	(12.4)	(12.4)	(12.3)
Traction and Propulsion Power (primarily change in accounting methodology for prior period payables.)	10.7	10.2	10.9	11.9	11.1
Health & Welfare Retiree re-estimate	3.8	4.8	7.9	9.1	10.0
IT New Initiative Non-Payroll Funding and IT Capitalization	9.5	6.4	0.8	0.3	(1.4)
New Hire Training Adjustment	0.3	1.6	1.4	1.5	1.5
Insurance	1.6	1.9	2.2	2.4	2.7
Pension - Latest Actuarial Estimate	(5.9)	(2.3)	(3.0)	(1.9)	(2.1)
Higher Diesel Fuel rates	(4.9)	(6.4)	(6.7)	(6.9)	(7.2)
FRA Mandates	(1.7)	(2.1)	(1.3)	(1.3)	(1.4)
GAP Initiatives	4.7	(2.5)	0.0	(2.3)	(2.4)
Joint Facilities - AMTRAK	(0.4)	(1.4)	(1.4)	(1.5)	(1.5)
Jamaica Derailment	(1.1)				
Timing of M3 Propulsion	4.3			(4.5)	
Network Strategy Study	(1.5)				
Obsolete C3 HVAC Controller Mod		(0.9)			
Electrician Apprenticeship program		(0.7)	0.2	0.1	0.1
Inflationary Gasoline and Other Contracts	(0.7)	(0.9)	(1.2)	(1.3)	(1.4)
Additional Station Maintenance		(0.6)	(0.6)	(0.6)	(0.6)
Management restructure - East End coverage and Train Movement	(0.3)	(0.6)	(0.6)	(0.7)	(0.7)
Jay/Hall/Dunton Consolidation and New Supervisory Control System		(0.4)	(0.4)	(0.4)	(0.4)
Service Enhancements revision	4.5	5.3	5.4	5.5	5.6
Miscellaneous Other (Primarily favorable Health & Welfare rates)	1.1	0.6	8.9	10.4	14.4
Sub-Total Non-Reimbursable Expense Changes	\$23.9	\$11.8	\$22.5	\$19.9	\$26.5
<i>Total Non-Reimbursable Major Changes</i>	\$16.9	(\$0.5)	\$10.0	\$7.5	\$14.2
<i>Reimbursable Major Changes</i>					
Revenue					
Capital and Other Reimbursement	17.0	53.3	49.3	16.1	22.6
Sub-Total Reimbursable Revenue Changes	\$17.0	\$53.3	\$49.3	\$16.1	\$22.6
Expenses					
East Side Access Material	(7.5)	(39.5)	(35.4)	(4.5)	(10.8)
Pensions	(0.8)	(3.1)	(1.1)	(1.0)	(0.7)
Project Activity	(8.6)	(10.7)	(12.8)	(10.7)	(11.1)
Sub-Total Reimbursable Expense Changes	(\$17.0)	(\$53.3)	(\$49.3)	(\$16.1)	(\$22.6)
<i>Total Reimbursable Major Changes</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Accrual Changes</i>	\$16.9	(\$0.5)	\$10.0	\$7.5	\$14.2
<i>Cash Adjustment Changes</i>					
<i>Non-Reimbursable</i>					
LIPA potential settlement net revenue	\$6.4	\$3.4	\$3.4	\$3.4	\$3.4
Union Contract & Carmen Settlements	(19.0)				
Health & Welfare - prior year payments	(10.2)				
Fuel - prior year payment	(0.8)				
Insurance - timing of policy renewals	(1.7)	0.3	0.3	0.2	0.2
Claims & Suits - prior year payments	(2.7)				
Maint & Other Op Contracts - prior year	(2.1)				
Prof Services - prior year payments	(2.2)				
Other material adjustments	6.3				
Operating Funded Capital (IT Cap)	(6.5)	(8.6)	(3.8)	(2.1)	(0.1)
Non-cash expense adjustments (Misc. Charges & Credits)	5.8	4.8	2.3	2.0	2.0
All Other	(0.3)	0.4	0.3	0.5	0.8
<i>Reimbursable</i>					
ESA material reimbursement timing	(\$3.7)	(\$4.8)	(\$8.2)	\$15.6	(\$1.6)
<i>Total Cash Adjustment Changes</i>	(\$30.6)	(\$4.4)	(\$5.6)	\$19.7	\$4.7
<i>Total Baseline Changes</i>	(\$13.7)	(\$4.9)	\$4.4	\$27.2	\$18.9
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$596.8)	(\$665.3)	(\$681.2)	(\$677.5)	(\$724.6)

**MTA Long Island Rail Road
2009 Preliminary Budget
July Financial Plan 2009 – 2012**

RIDERSHIP/UTILIZATION PROJECTIONS

- The regional economy and employment are the primary drivers of passenger ridership and revenue in 2009.
- Ridership projections for the outer years 2010-2012 reveal modest annual growth.

MTA Long Island Rail Road
July Financial Plan 2009 - 2012
Ridership/Traffic Volume (Utilization)
(in millions)

	2007 Actuals	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011*	2012
Baseline Total Ridership	86.1	87.2	87.1	87.8	88.5	89.4
<i>Impact of:</i>						
2009 PEG Program			0.1	0.2	0.2	0.2
Post-2009 PEG Program						
Total Ridership	86.1	87.2	87.2	88.0	88.6	89.6

* May not add due to rounding

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2008		2009		2010		2011		2012	
		<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											
Defer Origin and Destination Study		0	0.000	0	1.000	0	0.000	0	0.000	0	0.000
Eliminate Mail Messenger in Penn Station		0	0.000	1	0.081	1	0.083	1	0.086	1	0.090
Eliminate Main Line Advertising Campaign		0	0.500	0	0.000	0	0.000	0	0.000	0	0.000
Health Insurance "Opt Out" Buy Back Program		0	0.000	0	0.500	0	0.500	0	0.500	0	0.500
Improved Oversight of Health & Welfare Retiree		0	0.000	0	0.500	0	0.500	0	0.500	0	0.500
Sub-Total	Administration	0	\$ 0.500	1	\$ 2.081	1	\$ 1.083	1	\$ 1.086	1	\$ 1.090
Maintenance											
Defer Low Profile Crane		0	0.959	0	0.000	0	0.000	0	0.000	0	0.000
MU Sanders		2	2.885	4	3.044	4	0.263	4	0.270	4	0.279
Modify Tree Trimming Program		9	0.750	9	1.000	9	1.000	9	0.500	9	0.500
Sub-Total	Maintenance	11	\$ 4.594	13	\$ 4.044	13	\$ 1.263	13	\$ 0.770	13	\$ 0.779
Other											
Increase Real Estate Revenue		0	0.000	0	0.250	0	0.500	0	0.500	0	0.500
Increased Oversight of Free Rail Pass Policy		0	0.000	0	0.400	0	0.800	0	0.800	0	0.800
Sub-Total	Other	0	\$ 0.000	0	\$ 0.650	0	\$ 1.300	0	\$ 1.300	0	\$ 1.300
Service											
Service Adjustments		0	0.000	0	0.800	0	1.582	0	2.462	0	3.195
Sub-Total	Service	0	\$ 0.000	0	\$ 0.800	0	\$ 1.582	0	\$ 2.462	0	\$ 3.195
Service Support											
Passenger Services- Ticket Receiver (Penn Station)		0	0.000	1	0.080	1	0.082	1	0.085	1	0.087

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2008		2009		2010		2011		2012	
		<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>
Sub-Total	Service Support	0	\$ 0.000	1	\$ 0.080	1	\$ 0.082	1	\$ 0.085	1	\$ 0.087
Total Programs		11	\$ 5.094	15	\$ 7.655	15	\$ 5.310	15	\$ 5.703	15	\$ 6.451

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000079	Current Budget Year	2008	Status	Open
Program:	Defer Origin and Destination Study			Agency Status	Ready
Description and Implementation Pla	Funding was made available in the Nov. 2007 Financial Plan to update the Origin & Destination Study. The O & D Study consists of two components: station passenger counts and survey data.				
Background Details	Defer updating the Origin and Destination study and reallocate funding towards the Network Strategy Study.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000079	MYF08	\$ 0.000	\$ 1.000	\$ 0.000	\$ 0.000	\$ 0.000

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000071	Current Budget Year	2008	Status	Open
Program:	Eliminate Mail Messenger in Penn Station			Agency Status	Ready
Description and Implementation Pla	Eliminate the mail messenger position at Penn Station.				
Background Details	Reduction is based on new procedures for the handling of paychecks and lost and found.				

				2008	2009	2010	2011	2012
Total Headcount	LIRRD	0000000071	MYF08	0	1	1	1	1
Financial Impact	LIRRD	0000000071	MYF08	\$ 0.000	\$ 0.081	\$ 0.083	\$ 0.086	\$ 0.090

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Administration	Savings Date	7/1/2008
PEG / New Need ID	0000000080	Current Budget Year	2008	Status	Open
Program:	Eliminate Main Line Advertising Campaign			Agency Status	Ready
Description and Implementation Pla	Funding was made available in the November 2007 Financial Plan to support the ESA Operational Readiness/ Public Awareness Program.				
Background Details	Public awareness funding is not needed in 2008. Funding will be reallocated for the Network Strategy Study.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000080	MYF08	\$ 0.500	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000078	Current Budget Year	2008	Status	Open
Program:	Health Insurance "Opt Out" Buy Back Program			Agency Status	Ready
Description and Implementation Pla	Increase Health Insurance "Opt-Out" Buyback Level to reduce Health Insurance enrollment costs to \$2000 (family) and \$750 (individual). Also, offer an Opt-out to employees who are going from Family to Single coverage.				
Background Details	Present Opt-Out Benefit level is \$1100 (family) and \$500 (individual) which have not change since inception of program. This is offered to employees to Opt-Out of coverage for Health Insurance. Also, there presently is no Opt-out incentive for employees to reduce coverage from Family to Single.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000078	MYF08	\$ 0.000	\$ 0.500	\$ 0.500	\$ 0.500	\$ 0.500

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000082	Current Budget Year	2008	Status	Open
Program:	Improved Oversight of Health & Welfare Retiree			Agency Status	Ready
Description and Implementation Pla	Health and Welfare payments made to retirees are based on eligibility requirements that change over time. As a result, it is necessary to recalculate projected Health and Welfare payments for retirees on a periodic basis.				
Background Details	Savings based on Process Re-Engineering Study of 2007 payments and baseline retiree eligibility.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000082	MYF08	\$ 0.000	\$ 0.500	\$ 0.500	\$ 0.500	\$ 0.500

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Maintenance	Savings Date	7/1/2008
PEG / New Need ID	0000000081	Current Budget Year	2008	Status	Open
Program:	Defer Low Profile Crane			Agency Status	Ready
Description and Implementation Pla	The purchase of a Low Profile crane to be used for train derailments in tunnels was funded in the 2007 November Financial Plan.				
Background Details	The Long Island Rail Road has determined that the Low Profile crane that had been initially identified does not meet operating requirements.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000081	MYF08	\$ 0.959	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Maintenance	Savings Date	7/1/2008
PEG / New Need ID	0000000070	Current Budget Year	2008	Status	Open
Program:	MU Sanders			Agency Status	Ready
Description and Implementation Pla	Planned installation of sanders on the M7 fleet to improve rail adhesion and prevent slip slide and flat wheels.				
Background Details	Based on preliminary findings of the Low Adhesion Study and the results of a pilot MU sander initiative, the Long Island Rail Road will defer future installation.				

				2008	2009	2010	2011	2012
Total Headcount	LIRRD	0000000070	MYF08	2	4	4	4	4
Financial Impact	LIRRD	0000000070	MYF08	\$ 2.885	\$ 3.044	\$ 0.263	\$ 0.270	\$ 0.279

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Maintenance	Savings Date	7/1/2008
PEG / New Need ID	0000000074	Current Budget Year	2008	Status	Open
Program:	Modify Tree Trimming Program			Agency Status	Ready
Description and Implementation Pla	Currently 2 gangs (18 positions) are scheduled to begin tree trimming during the second half of 2008. This was to supplement tree trimming work performed by private contractors.				
Background Details	This reduction will reduce the in-house tree trimming forces from 2 gangs to 1 gang. The LIRR will continue to use private contractors to do tree trimming.				

				2008	2009	2010	2011	2012
Total Headcount	LIRRD	0000000074	MYF08	9	9	9	9	9
Financial Impact	LIRRD	0000000074	MYF08	\$ 0.750	\$ 1.000	\$ 1.000	\$ 0.500	\$ 0.500

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	6/1/2009
Budget Reference	MYF08	Category	Other	Savings Date	6/1/2009
PEG / New Need ID	0000000075	Current Budget Year	2008	Status	Open
Program:	Increase Real Estate Revenue			Agency Status	Ready
Description and Implementation Pla	The LIRR currently generates approximately \$5.0 million in real estate revenue exclusive of Penn Station.				
Background Details	Identify stations where excess space is underutilized and to seek out potential vendors. The PEG assumes a 5% increase in revenue in 2009 and a 10% increase in 2010.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000075	MYF08	\$ 0.000	\$ 0.250	\$ 0.500	\$ 0.500	\$ 0.500

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	6/1/2009
Budget Reference	MYF08	Category	Other	Savings Date	6/1/2009
PEG / New Need ID	0000000076	Current Budget Year	2008	Status	Open
Program:	Increased Oversight of Free Rail Pass Policy			Agency Status	Ready
Description and Implementation Pla	Current policy and regulatory requirements require the Railroad to issue free rail passes.				
Background Details	Increase oversight of Free Rail Pass application process in order to eliminate potential fare abuse.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000076	MYF08	\$ 0.000	\$ 0.400	\$ 0.800	\$ 0.800	\$ 0.800

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	6/1/2009
Budget Reference	MYF08	Category	Service	Savings Date	6/1/2009
PEG / New Need ID	0000000077	Current Budget Year	2008	Status	Open
Program:	Service Adjustments			Agency Status	Ready
Description and Implementation Pla	The Long Island Rail Road provides a range of services to customers. The Railroad provides a substantial level of off-peak train service during mid-day, evenings and on weekends.				
Background Details	To achieve budget savings, the Railroad will evaluate off peak and other supporting services and identify potential opportunities for savings which are consistent with current service guidelines. Service adjustments would be managed to avoid any negative impact to ridership.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000077	MYF08	\$ 0.000	\$ 0.800	\$ 1.582	\$ 2.462	\$ 3.195

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Service Support	Savings Date	1/1/2009
PEG / New Need ID	0000000072	Current Budget Year	2008	Status	Open
Program:	Passenger Services- Ticket Receiver (Penn Station)			Agency Status	Ready
Description and Implementation Pla	Eliminate a Ticket Receiver position at Penn Station.				
Background Details	The LIRR will eliminate one Ticket Receiver position at Penn Station. The Ticket Receiver position handles ticket stock and receipts for train crews. The operational impact will be minimal.				

				2008	2009	2010	2011	2012
Total Headcount	LIRRD	0000000072	MYF08	0	1	1	1	1
Financial Impact	LIRRD	0000000072	MYF08	\$ 0.000	\$ 0.080	\$ 0.082	\$ 0.085	\$ 0.087

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of Post 2009 PEGs
(\$ in millions)

		2008		2009		2010		2011		2012	
		<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											
Reduce Timekeeping/ Payroll Coordinators		0	0.000	0	0.000	4	0.400	4	0.412	4	0.424
Sub-Total	Administration	0	\$ 0.000	0	\$ 0.000	4	\$ 0.400	4	\$ 0.412	4	\$ 0.424
Other											
Jay/Hall/Dunton Tower Consolidation		0	0.000	0	0.000	5	0.500	5	0.510	5	0.520
Unspecified Other PEGs		0	0.000	0	0.000	0	21.593	0	16.906	0	38.244
Sub-Total	Other	0	\$ 0.000	0	\$ 0.000	5	\$ 22.093	5	\$ 17.416	5	\$ 38.764
Service Support											
Passenger Services-Ticket Clerk (Penn Station)		0	0.000	0	0.000	1	0.082	1	0.085	1	0.087
Sub-Total	Service Support	0	\$ 0.000	0	\$ 0.000	1	\$ 0.082	1	\$ 0.085	1	\$ 0.087
Total Programs		0	\$ 0.000	0	\$ 0.000	10	\$ 22.575	10	\$ 17.913	10	\$ 39.275

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2010
PEG / New Need ID	0000000084	Current Budget Year	2008	Status	Open
Program:	Reduce Timekeeping/ Payroll Coordinators			Agency Status	Pending
Description and Implementation Pla	The initiative to establish a unified Corporate Time and Attendance system is scheduled to achieve beneficial use starting in 2009 with full corporate wide implementation by mid 2010.				
Background Details	The new system is expected to reduce the number of payroll coordinators by 25%.				

				2008	2009	2010	2011	2012
Total Headcount	LIRRD	0000000084	MYF08	0	0	4	4	4
Financial Impact	LIRRD	0000000084	MYF08	\$ 0.000	\$ 0.000	\$ 0.400	\$ 0.412	\$ 0.424

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000083	Current Budget Year	2008	Status	Open
Program:	Jay/Hall/Dunton Tower Consolidation			Agency Status	Pending
Description and Implementation Pla	In 2009, the LIRR will be taking the current Jay, Hall, and Dunton towers off line and replacing them with a new state of the art "Mini-Theater" located in the Jamaica Central Control building.				
Background Details	The consolidation of operations will result in the elimination of five Transportation positions.				

				2008	2009	2010	2011	2012
Total Headcount	LIRRD	0000000083	MYF08	0	0	5	5	5
Financial Impact	LIRRD	0000000083	MYF08	\$ 0.000	\$ 0.000	\$ 0.500	\$ 0.510	\$ 0.520

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of Post PEGs Worksheet
(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000085	Current Budget Year	2008	Status	Open
Program:	Unspecified Other PEGs			Agency Status	Pending
Description and Implementation Pla					
Background Details					

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000085	MYF08	\$ 0.000	\$ 0.000	\$ 21.593	\$ 16.906	\$ 38.244

MTA LONG ISLAND RAIL ROAD
Mid-year forecast for 2008
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	MYF08	Category	Service Support	Savings Date	1/1/2010
PEG / New Need ID	0000000073	Current Budget Year	2008	Status	Open
Program:	Passenger Services-Ticket Clerk (Penn Station)			Agency Status	Pending
Description and Implementation Pla	Eliminate a Ticket Clerk position at Penn Station.				
Background Details	The LIRR will eliminate one Ticket Clerk position at Penn Station. The Ticket Clerk position will not be eliminated until 2010. The operational impact will be minimal.				

				2008	2009	2010	2011	2012
Total Headcount	LIRRD	0000000073	MYF08	0	0	1	1	1
Financial Impact	LIRRD	0000000073	MYF08	\$ 0.000	\$ 0.000	\$ 0.082	\$ 0.085	\$ 0.087

**MTA Long Island Rail Road
2009 Preliminary Budget
July Financial Plan 2009 – 2012**

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
July Financial Plan 2009- 2012
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration					
Executive VP	3	3	3	3	3
Labor Relations	11	11	11	11	11
Procurement & Logistics (excl. Stores)	88	91	91	91	91
Human Resources	104	103	103	103	103
Strategic Investments	44	44	44	44	44
Diversity Management	3	3	3	3	3
President	4	4	4	4	4
VP & Chief Financial Officer	109	109	108	108	108
Information Technology	172	175	178	179	179
VP - East Side Access & Special Projects	23	24	24	24	24
Market Dev. & Public Affairs	70	70	70	70	70
Gen. Counsel & Secretary	35	35	35	35	35
System Safety	23	23	23	23	23
VP Operations/Oper. S/A & Serv. Planning	46	46	46	46	46
	735	741	743	744	744
Operations					
Transportation	1,909	1,896	1,896	1,896	1,896
Passenger Service (Ticket Clerks & Agents)	183	183	183	183	183
Total Operations	2,092	2,079	2,079	2,079	2,079
Maintenance					
Engineering	1,737	1,720	1,717	1,706	1,690
Equipment	1,974	2,059	2,078	2,067	2,067
Passenger Service (excl. Ticket Selling)	193	193	193	193	193
Procurement (Stores)	93	98	98	98	98
Total Maintenance	3,997	4,070	4,086	4,064	4,048
Engineering/Capital					
Capital Program Management	66	66	66	66	66
Force Account Management	73	74	74	74	74
	139	140	140	140	140
Total Baseline Positions	6,963	7,030	7,048	7,027	7,011
<i>Non-Reimbursable</i>	6,071	6,094	6,119	6,109	6,093
<i>Reimbursable</i>	892	936	929	918	918
<i>Total Full-Time</i>	6,963	7,030	7,048	7,027	7,011
<i>Total Full-Time Equivalents</i>	0	0	0	0	0
<hr/>					
Impact of:					
2009 Program to Eliminate the Gap	11	15	15	15	15
Post 2009 Program to Eliminate the Gap	0	0	10	10	10
Total Positions	6,952	7,015	7,023	7,002	6,986
<i>Non-Reimbursable</i>	6,060	6,079	6,094	6,084	6,068
<i>Reimbursable</i>	892	936	929	918	918
<i>Total Full-Time</i>	6,952	7,015	7,023	7,002	6,986
<i>Total Full-Time Equivalents</i>					
Business Service Center	0	0	0	61	61

MTA LONG ISLAND RAILROAD
July Financial Plan 2009- 2012
Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP		2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
	Managers/Supervisors	348	354	354	354	354
	Professional, Technical, Clerical	387	387	389	390	390
	Operational Hourlies	-	-	-	-	-
	Total Administration	735	741	743	744	744
Operations						
	Managers/Supervisors	268	276	277	277	277
	Professional, Technical, Clerical	171	174	173	173	173
	Operational Hourlies	1,653	1,629	1,629	1,629	1,629
	Total Operations	2,092	2,079	2,079	2,079	2,079
Maintenance						
	Managers/Supervisors	681	740	740	740	738
	Professional, Technical, Clerical	277	286	286	286	286
	Operational Hourlies	3,039	3,044	3,060	3,038	3,024
	Total Maintenance	3,997	4,070	4,086	4,064	4,048
Engineering/Capital						
	Managers/Supervisors	117	126	126	126	126
	Professional, Technical, Clerical	22	14	14	14	14
	Operational Hourlies	-	-	-	-	-
	Total Engineering/Capital	139	140	140	140	140
Public Safety						
	Managers/Supervisors					
	Professional, Technical, Clerical					
	Operational Hourlies					
	Total Public Safety	-	-	-	-	-
Total Baseline Positions						
	Managers/Supervisors	1,414	1,496	1,497	1,497	1,495
	Professional, Technical, Clerical	857	861	862	863	863
	Operational Hourlies	4,692	4,673	4,689	4,667	4,653
	Total Baseline Positions	6,963	7,030	7,048	7,027	7,011

Metro-North Railroad

**MTA METRO-NORTH RAILROAD
2009 PRELIMINARY BUDGET
JULY FINANCIAL PLAN 2009-2012**

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.

This mission statement and its accompanying statement of values have guided Metro-North's decision making for two decades. Today, the railroad is additionally guided by seven strategic areas identified by the MTA. These seven areas are the essential elements each agency must use to create and execute effective goals and objectives. For the first time, they provide and define a broader framework for the MTA family as a whole. These seven areas are: customer service, safety & security, workforce development, projects & planning, financial stability, sustainability and institutional transformation.

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 in the Bronx 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, 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 84.2 million customers in 2009 over 385 route miles, to and from 121 stations, operating 664 trains on an average weekday East of Hudson, and 71 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 achieve the railroad's goals in support of the strategic focus areas noted above. 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 July Financial Plan 2009-2012 reflect the savings/cost avoidance measures implemented in the 2008 adopted budget. They also reflect measures for 2009-2012 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 in accordance with Metro-North's coordinated strategies to increase service quality and quantity and in conjunction with current regional economic forecasts.

As part of its strategic planning, Metro-North has also identified emerging new needs that support strategic focus areas. Examples of these programs are highlighted below:

Customer Service

- New train service is added each year during the 2009-2012 period.
- Equipment overhauls, M7 life cycle maintenance, expanded Gearbox overhauls and labor and material resources to support the new M8 cars are new needs that ensure service reliability.
- A new Interactive Voice Response system (IVR) will be implemented by 2009 to increase the capacity and reliability of the outdated customer telephone information system.
- Upgrades to Metro-North's Fiber Optic Network will improve efficiency of communication systems.
- The phased replacement of Hudson Rail Link shuttle buses will begin in 2008 and will continue through 2012 to ensure the reliability and adequate capacity of this successful connecting service.
- Hand Held Computers for On-Board Ticket Sales will be implemented in 2008 to replace the issuance of manually generated tickets. This system will increase the efficiency of revenue collection and reporting, provide customers with additional payment options through the acceptance of credit cards, and create another mode of communication for on-board personnel to improve customer service.

Safety and Security

- Metro-North has incorporated the resources to support the maintenance and monitoring functions associated with the implementation of new security systems in New York and Connecticut.
- Security services at outlying yard locations will be fully implemented by the end of 2008.

Workforce Development

- Increased staff to administer employee training has been added in 2009-2012 in anticipation of significant employee turnover of the Metro-North workforce over the next five years.
- A Learning Management System has been included in the 2008 Mid Year forecast to improve the delivery (via employee electronic access to training programs across the railroad) and management of training programs.

Project and Planning

- To maintain and improve the efficiency of Metro-North's information communication network, upgrades to supporting equipment, an increase in capacity and the installation of additional security refinements have been planned for implementation starting in 2009.

Financial Stability

- Increase passenger revenues through the implementation of new train service that improves financial performance and accelerates long-term ridership growth.
- Incorporate new sources of non-passenger revenue as a result of recently negotiated agreements for the placement of advertising in bar cars and GCT passageways.
- Expand the implementation of Kronos timekeeping at all facilities to improve the tracking and reporting on personnel costs.
- GPS technology will be added to Metro-North's truck fleet to improve the deployment, tracking and reporting on assigned personnel and vehicles.
- Remove completed program costs from the financial plan. In 2010, labor and material resources for the M3 CSR program have been phased-out as this program winds down and locomotive overhaul and expanded Gearbox maintenance costs have been removed from the financial plan as scheduled work is completed.
- To effectively meet financial plan targets, cost efficiencies focus on reducing those programs designed to take advantage of opportunities to improve performance rather than reductions that diminish the existing service. To this end, planned additions in car cleaning and on-board train coverage that supplement current operation requirements have been deferred.

The financial plan also includes current expenditure trends and continuation of critical operating functions. Consequently, rising costs for energy, steel prices and insurance coverage, as well the financial impact of negotiated wage agreements through June

2010 is incorporated. In addition to these economic factors, cost provisions have been added or maintained for West of Hudson subsidies, security projects, revenue-generating service initiatives, and operating support costs to maintain capital-funded improvements to infrastructure and facilities. To preserve the retail revenue stream in GCT and maintain this facility in landmark status, several GCT renovation projects have also been added through 2012. Similar to the costs required for the overall GCT retail operation and its management, the cost of GCT restoration/renovation projects are netted in the Financial Plan against GCT Retail Revenue.

2008 MID YEAR FORECAST

The 2008 Mid Year Non-Reimbursable Forecast reflects revenue projections totaling \$536.2 million, and expenses, including depreciation, of \$1,191.7 million that generate an operating deficit of \$655.5 million. Cash adjustments of \$282.9 million reduce that amount to a cash deficit of \$372.6 million, of which \$299.4 million represents MTA share and \$73.2 million ConnDOT share. The Mid Year Reimbursable revenue and expense projections total \$213.0 million.

The Mid Year Forecast subsidy requirements for non-reimbursable operations are \$22.4 million lower than Adopted 2008 Budget. The reduction reflects higher revenues of \$11.2 million, lower health and welfare costs, the net effect of higher employee vacancy levels and favorable impacts from capital project activity in the form of higher overhead cost recoveries and higher cash receipts due to the timing of payments. These favorable changes are offset by higher credit card fees associated with higher ridership and an increase in credit card usage (\$1.8 million), increasing material costs due to rising prices and maintenance needs (\$3.0 million) and higher fuel prices.

In addition to these cost trend adjustments, programmatic changes in the Mid Year Forecast reflect Customer Service improvements that have been completed, or will be completed by year-end, including the initiation of additional train service in April, the introduction of hand held computers for on-board ticket sales starting in June, equipment overhaul programs, the integration of new buses into the Hudson Rail Link connecting service, and upgrades to the telephone information system. In consideration of current financial constraints, additional train service enhancements, regional ticketing initiatives and station communication programs have been eliminated. Safety and Security program funding has been maintained for the use of security services at outlying locations and new maintenance forces and support services for security monitoring systems have been rescheduled for deployment in 2009. To enhance Workforce Development costs for a Learning Management System have been added to improve the delivery and management of training programs. To maintain Financial Stability, the Mid Year Forecast includes the cost trend adjustments noted above as well as several new programs to improve the tracking of labor costs and vehicle deployment. In addition, office space renovation and concrete tie replacement have been cut back or rescheduled to reduce 2008 expenditure levels.

2009 PRELIMINARY BUDGET-BASELINE

The 2009 Preliminary Non-Reimbursable Budget reflects revenue projections totaling \$547.0 million, and expenses, including depreciation, of \$1,278.1 million that generate an operating deficit of \$731.1 million. Cash adjustments of \$279.4 million reduce that amount to a cash deficit of \$451.7 million, of which \$364.8 million represents the MTA share and \$86.9 million the ConnDOT share. The 2009 Proposed Reimbursable revenues and expenses total \$175.7 million.

The Non-Reimbursable revenue projections reflect current fares and current trends in both Farebox and Other Operating Revenue. In 2009, a slowing customer growth rate of .9% reflects projected declines in regional employment and economic activity that are offset by Metro-North efforts to promote ridership. To this end, 2009 Customer Service initiatives to increase service have been retained, as have efforts to increase parking and maintain connecting services to Metro-North stations. In addition, funding of new programs to expand the fiber optic information network, establish a five-year M7 life cycle maintenance program, and the phased increase in maintenance support staff for new M8 cars will ensure the continued reliability of equipment and service delivery. In consideration of current financial constraints, additional train service enhancements, regional ticketing initiatives and station communication programs have been eliminated. As noted above, Safety and Security support for new security monitoring systems in New York State and Connecticut have been added in 2009. Workforce Development efforts will be strengthened by the addition of Training staff in recognition of anticipated changes in Metro-North's employee base. Project and Planning initiatives in the non-reimbursable 2009 financial plan include the funding of improvements to Metro-North's information communication network via upgrades to outdated equipment, an increase in data capacity and the installation of additional security refinements. To maintain Financial Stability, current cost trends are incorporated to reflect rising energy and healthcare costs, increasing material prices, and the rescheduling of several provisional programs such as office renovations and concrete tie replacement. In addition, expenditure reductions have been made for vehicle replacements, major maintenance projects in GCT, and the deferral of quality control positions and a new GCT Fire Brigade. In addition, non-passenger revenues are increasing in 2009 based on a full year of 2008 price increases for commissary services and newly instituted advertising in bar cars and GCT passageways.

2010-2012 PROJECTIONS

The Non-Reimbursable revenue projections total \$558.1 million in 2010, \$571.6 million in 2011, and \$585.9 million in 2012. Non-Reimbursable expense projections, including depreciation, total \$1,332.6 million in 2010, \$1,391.6 million in 2011, and \$1,441.1 million in 2012. These revenue and expense projections generate a baseline operating

deficit of \$774.5 million in 2010, \$820.1 million in 2011, and \$855.2 million in 2012. Cash adjustments of \$289.1 million in 2010, \$292.9 million in 2011, and \$307.4 million in 2012 reduce the amounts to a baseline cash deficit projection of \$485.4 million in 2010, \$527.1 million in 2011, and \$547.8 million in 2012. The MTA share of the baseline cash deficits totals \$388.4 million in 2010, \$414.5 million in 2011, and \$426.4 million in 2012, while the ConnDOT share totals \$97.0 million, \$112.6 million, and \$121.4 million, respectively. The Reimbursable revenues and expenses total \$ 175.9 million in 2010, \$185.1 million in 2011, and \$190.8 million in 2012.

The 2010-2012 expenditure projections will allow Metro-North to continue Customer Service initiatives that maintain existing train service levels, add new service on all lines, continue service reliability programs that maintain rolling stock, and establish a TVM satellite facility to better serve New Haven Line customers. Financial Stability measures include the deferral of 2010 initiatives to add car cleaning and on-board service coverage, additional reductions for vehicle and concrete tie replacements, and the incorporation of current trends to reflect rising energy, healthcare and material prices. Major assumptions reflected in the 2010-2012 projections and reconciliation to the February Plan is furnished later in this document.

GAP CLOSING MEASURES

2009 – 2012 PROGRAMS TO ELIMINATE THE GAP (PEGs)

PEG reductions proposed for 2009 – 2012 consist of savings realized due to a change in equipment Metro-North now plans to use for the shuttle service to Yankee Stadium (and the resulting elimination of the M1 CSR Program, \$5.4 million in 2009), the incorporation of the Metro-North station at Yankee Stadium into full service (a net subsidy reduction of \$1.0 million in 2009), and the elimination of several cost increase provisions. The provisions were to increase maintenance forces to support the new Harmon Shop complex (\$.8 million in 2009), MTA Police Service costs on the NH 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 GCT barrier separations (\$.2 million). These items, included in the February Plan, will not be required at this time. In addition, cost reductions of \$5.0 million, to be completed in 2010 will be specifically identified by year-end.

MTA Metro-North Railroad
July Financial Plan 2009 - 2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2007 Actual	2008 Mid Year Forecast	2009 Preliminary Budget	2010	2011	2012
Operating Revenue						
Farebox Revenue	\$476.6	\$504.0	\$510.7	\$521.5	\$533.7	\$546.0
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	34.5	32.2	36.3	36.6	37.9	39.9
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	\$511.1	\$536.2	\$547.0	\$558.1	\$571.6	\$585.9
Operating Expenses						
Labor:						
Payroll	\$358.9	\$380.7	\$398.3	\$409.6	\$421.4	\$433.3
Overtime	49.1	53.2	55.8	57.2	58.6	60.0
Health and Welfare	68.8	67.8	75.4	81.9	88.7	95.7
OPEB Current Payment	0.0	9.4	10.5	11.4	12.3	13.4
Pensions	40.6	38.7	41.1	43.0	45.5	47.5
Other Fringe Benefits	72.1	76.6	80.1	82.5	85.3	87.8
Reimbursable Overhead	(40.8)	(42.0)	(42.1)	(42.5)	(42.7)	(43.5)
Total Labor	\$548.7	\$584.3	\$619.0	\$642.9	\$669.2	\$694.2
Non-Labor:						
Traction and Propulsion Power	\$61.0	\$65.5	\$74.2	\$87.9	\$97.2	\$102.2
Fuel for Buses and Trains	15.1	23.8	21.7	21.9	22.3	22.8
Insurance	13.1	12.2	13.2	14.5	15.8	20.9
Claims	10.8	12.6	12.0	12.0	12.0	12.0
Paratransit Service Contracts						
Maintenance and Other Operating Contracts	80.6	95.0	106.4	106.3	109.0	107.3
Professional Service Contracts	19.2	21.6	24.5	25.2	25.6	26.0
Materials & Supplies	75.7	79.9	98.3	99.0	104.3	106.0
Other Business Expenses	11.9	13.2	13.1	15.1	16.2	17.3
Total Non-Labor	\$287.4	\$323.9	\$363.5	\$381.8	\$402.5	\$414.5
Other Expenses Adjustments:						
Other						
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation	\$836.0	\$908.2	\$982.6	\$1,024.7	\$1,071.7	\$1,108.6
Depreciation	\$213.6	\$226.0	\$236.0	\$246.0	\$256.0	\$266.0
OPEB Obligation	48.9	51.0	53.0	54.7	56.3	58.2
Environmental Remediation	0.0	6.5	6.5	7.2	7.6	8.3
Total Expenses	\$1,098.5	\$1,191.7	\$1,278.1	\$1,332.6	\$1,391.6	\$1,441.1
Baseline Surplus/(Deficit)	(\$587.5)	(\$655.5)	(\$731.1)	(\$774.5)	(\$820.1)	(\$855.2)
Cash Conversion Adjustments:						
Depreciation	\$213.6	\$226.0	\$236.0	\$246.0	\$256.0	\$266.0
Operating/Capital	(11.9)	(25.7)	(17.6)	(16.5)	(15.7)	(16.0)
Other Cash Adjustments	(15.2)	82.6	61.0	59.6	52.6	57.4
Total Cash Conversion Adjustments	\$186.4	\$282.9	\$279.4	\$289.1	\$292.9	\$307.4
Baseline Cash Surplus/(Deficit)	(\$401.0)	(\$372.6)	(\$451.7)	(\$485.4)	(\$527.1)	(\$547.8)
Post-2009 Agency Program to Eliminate the Gap	\$0.0	\$0.0	\$0.0	\$9.3	\$18.5	\$27.8
2009 Agency Program to Eliminate the Gap	0.0	0.0	9.2	9.3	9.3	9.3
Total PEG's	\$0.0	\$0.0	\$9.2	\$18.5	\$27.8	\$37.0
Net Surplus/(Deficit)	(\$401.0)	(\$372.6)	(\$442.5)	(\$466.9)	(\$499.4)	(\$510.8)
Business Service Center	\$0.0	\$0.4	\$2.5	\$2.5	\$8.7	\$9.2

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MTA Metro-North Railroad
July Financial Plan 2009 - 2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2007 Actual	2008 Mid Year Forecast	2009 Preliminary Budget	2010	2011	2012
Revenue						
Farebox Revenue	\$476.6	\$504.0	\$510.7	\$521.5	\$533.7	\$546.0
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	34.5	32.2	36.3	36.6	37.9	39.9
MNR - MTA	105.5	106.8	111.3	114.1	117.3	120.9
MNR - CDOT	47.7	85.3	49.8	46.8	52.5	54.1
MNR - Other	26.5	20.9	14.7	15.0	15.4	15.8
Capital and Other Reimbursements	179.6	213.0	175.7	175.9	185.1	190.8
Total Revenue	\$690.7	\$749.3	\$722.7	\$734.0	\$756.7	\$776.7
Expenses						
Labor:						
Payroll	\$397.0	\$420.4	\$438.2	\$449.7	\$462.7	\$475.4
Overtime	66.3	66.9	69.7	71.2	72.9	74.6
Health and Welfare	78.0	76.6	85.3	92.7	100.6	108.8
OPEB Current Payment	0.0	9.4	10.5	11.4	12.3	13.4
Pensions	46.2	43.5	45.9	48.0	50.8	53.0
Other Fringe Benefits	81.2	85.6	89.0	91.4	94.6	97.3
Reimbursable Overhead	1.2	(2.1)	(1.1)	(1.1)	(0.5)	(0.5)
Total Labor	\$670.0	\$700.3	\$737.5	\$763.3	\$793.4	\$821.9
Non-Labor:						
Traction and Propulsion Power	\$61.0	\$65.5	\$74.2	\$87.9	\$97.2	\$102.2
Fuel for Buses and Trains	15.1	23.8	21.7	21.9	22.3	22.8
Insurance	18.3	16.7	17.7	19.0	20.6	25.8
Claims	10.8	12.6	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	100.4	115.0	121.6	120.5	124.7	123.2
Professional Service Contracts	22.2	58.6	28.6	29.4	29.8	30.3
Materials & Supplies	106.4	114.6	130.8	130.5	139.6	142.8
Other Business Expenses	11.5	14.2	14.1	16.1	17.2	18.3
Total Non-Labor	\$345.7	\$420.9	\$420.8	\$437.3	\$463.4	\$477.5
Other Adjustments:						
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Other Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation	\$1,015.7	\$1,121.2	\$1,158.3	\$1,200.6	\$1,256.9	\$1,299.4
Depreciation	\$213.6	\$226.0	\$236.0	\$246.0	\$256.0	\$266.0
OPEB Obligation	48.9	51.0	53.0	54.7	56.3	58.2
Environmental Remediation	0.0	6.5	6.5	7.2	7.6	8.3
Total Expenses	\$1,278.2	\$1,404.7	\$1,453.8	\$1,508.5	\$1,576.8	\$1,631.9
Baseline Surplus/(Deficit)	(\$587.5)	(\$655.5)	(\$731.1)	(\$774.5)	(\$820.1)	(\$855.2)
Cash Conversion Adjustments:						
Depreciation	\$213.6	\$226.0	\$236.0	\$246.0	\$256.0	\$266.0
Operating/Capital	(11.9)	(25.7)	(17.6)	(16.5)	(15.7)	(16.0)
Other Cash Adjustments	(15.2)	82.6	61.0	59.6	52.6	57.4
Total Cash Conversion Adjustments	\$186.4	\$282.9	\$279.4	\$289.1	\$292.9	\$307.4
Baseline Cash Surplus/(Deficit)	(\$401.0)	(\$372.6)	(\$451.7)	(\$485.4)	(\$527.1)	(\$547.8)
Post-2009 Agency Program to Eliminate the Gap	\$0.0	\$0.0	\$0.0	\$9.3	\$18.5	\$27.8
2009 Agency Program to Eliminate the Gap	0.0	0.0	9.2	9.3	9.3	9.3
Total PEG's	0.0	0.0	9.2	18.5	27.8	37.0
Net Surplus/(Deficit)	(\$401.0)	(\$372.6)	(\$442.5)	(\$466.9)	(\$499.4)	(\$510.8)
Business Service Center	\$0.0	\$0.4	\$2.5	\$2.5	\$8.7	\$9.2

**MTA Metro-North Railroad
July Financial Plan 2009 - 2012
Cash Receipts & Expenditures
(\$ in millions)**

CASH RECEIPTS AND EXPENDITURES						
	2007 Actual	2008 Mid Year Forecast	2009 Preliminary Budget	2010	2011	2012
Receipts						
Farebox Revenue	\$485.5	\$512.4	\$518.7	\$529.5	\$541.9	\$554.3
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	57.3	54.1	57.7	60.1	62.5	63.9
MNR - MTA	99.6	112.3	110.5	113.7	116.9	120.4
MNR - CDOT	36.7	93.9	50.0	47.0	52.7	54.3
MNR - Other	30.3	16.9	16.2	14.9	15.3	15.7
Capital and Other Reimbursements	166.6	223.1	176.7	175.7	184.8	190.4
Total Receipts	\$709.4	\$789.6	\$753.1	\$765.3	\$789.2	\$808.6
Expenditures						
Labor:						
Payroll	\$417.5	\$412.8	\$423.1	\$434.9	\$448.5	\$464.1
Overtime	63.2	68.3	69.9	71.4	73.5	75.8
Health and Welfare	86.8	88.5	98.6	107.1	115.9	125.2
OPEB Current Payment	0.0	0.0	0.0	0.0	0.0	0.0
Pensions	61.8	31.2	57.9	60.3	63.5	66.0
Other Fringe Benefits	86.6	86.9	88.7	91.2	94.6	98.2
GASB Account	0.0	5.8	6.5	7.2	8.0	8.7
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor	\$715.8	\$693.6	\$744.7	\$772.3	\$804.1	\$838.1
Non-Labor:						
Traction and Propulsion Power	\$63.7	\$65.5	\$74.2	\$87.9	\$97.2	\$102.2
Fuel for Buses and Trains	15.1	23.8	21.7	21.9	22.3	22.8
Insurance	18.9	19.2	17.7	19.0	21.4	25.7
Claims	11.1	12.8	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	115.4	139.0	142.7	141.0	144.1	142.2
Professional Service Contracts	22.6	64.9	35.4	34.7	36.4	37.2
Materials & Supplies	130.3	119.8	132.8	133.5	144.2	147.3
Other Business Expenses	21.7	23.7	23.4	28.5	34.5	28.8
Total Non-Labor	\$398.8	\$468.6	\$460.2	\$478.5	\$512.3	\$518.3
Other Adjustments:						
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Cash Timing and Availability Adjustment	(4.2)	0.0	0.0	0.0	0.0	0.0
Total Other Adjustments	(\$4.2)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenditures	\$1,110.4	\$1,162.2	\$1,204.8	\$1,250.8	\$1,316.3	\$1,356.4
Baseline Cash Deficit	(\$401.0)	(\$372.6)	(\$451.7)	(\$485.4)	(\$527.1)	(\$547.8)
Subsidies						
MTA	(\$339.9)	(\$299.4)	(\$364.8)	(\$388.4)	(\$414.5)	(\$426.4)
CDOT	(61.2)	(73.2)	(86.9)	(97.0)	(112.6)	(121.4)
Total Subsidies	(\$401.0)	(\$372.6)	(\$451.7)	(\$485.4)	(\$527.1)	(\$547.8)
Post-2009 Agency Program to Eliminate the Gap	\$0.0	\$0.0	\$0.0	\$9.3	\$18.5	\$27.8
2009 Agency Program to Eliminate the Gap	0.0	0.0	9.2	9.3	9.3	9.3
Total PEG's	\$0.0	\$0.0	\$9.2	\$18.5	\$27.8	\$37.0
Net Surplus/Deficit	(\$401.0)	(\$372.6)	(\$442.5)	(\$466.9)	(\$499.4)	(\$510.8)
MTA share of PEGS	\$0.0	\$0.0	\$6.8	\$13.6	\$20.4	\$27.2
CDOT share of PEGS	0.0	0.0	2.4	4.9	7.4	9.8
Total PEGS	\$0.0	\$0.0	\$9.2	\$18.5	\$27.8	\$37.0
Subsidies						
MTA	(\$339.9)	(\$299.4)	(\$358.0)	(\$374.8)	(\$394.1)	(\$399.2)
CDOT	(61.2)	(73.2)	(84.5)	(92.1)	(105.2)	(111.6)
Total Subsidies	(\$401.0)	(\$372.6)	(\$442.5)	(\$466.9)	(\$499.4)	(\$510.8)
Business Service Center	\$0.0	\$0.4	\$2.5	\$2.5	\$8.7	\$9.2

[illegible]

**MTA Metro-North Railroad
Summary Reconciliation to the February Plan
(\$ in millions)**

	Favorable/(Unfavorable)			
	2008	2009	2010	2011
February Financial Plan Baseline Cash Deficit	(\$395.0)	(\$436.5)	(\$481.5)	(\$515.5)
New Needs	(\$8.0)	(\$17.2)	(\$13.0)	(\$14.1)
Service/Customer Service	(1.8)	(3.1)	(4.0)	(3.7)
Maintenance	(3.0)	(12.2)	(7.0)	(9.1)
Other	(3.1)	(2.0)	(2.0)	(1.4)
Baseline Re-estimates	\$11.5	(\$7.7)	\$3.1	\$0.2
2009 PEG Program	\$0.0	\$9.2	\$9.3	\$9.3
Total Changes before Other Adjustments and Uncontrollable Expenses (see Note 1)	\$3.6	(\$15.8)	(\$0.7)	(\$4.6)
Other Adjustments	\$16.7	\$12.8	\$8.5	\$8.5
Passenger/Toll Revenue	10.7	4.1	2.5	2.3
Elimination of MTA Service Enhancements	6.1	8.7	6.0	6.2
Total Changes before Uncontrollable Expenses	\$20.3	(\$3.0)	\$7.8	\$3.9
Uncontrollable Expenses				
Energy	(\$3.0)	(\$7.8)	(\$11.6)	(\$17.4)
Pensions	0.1	(0.4)	0.1	0.3
Health & Welfare	4.3	4.4	8.3	10.4
Insurance	0.8	0.8	0.7	0.5
Total Uncontrollable Expenses	\$2.2	(\$3.1)	(\$2.5)	(\$6.2)
July Financial Plan including 2009 PEG Program	(\$372.6)	(\$442.5)	(\$476.2)	(\$517.9)

(1) The combined 2008 - 2009 period appears to be unfavorable; however, it does not include the \$15.6 million carryover of favorable 2007 expense results.

**MTA METRO-NORTH RAILROAD
2009 PRELIMINARY BUDGET
JULY FINANCIAL PLAN 2009-2012
YEAR-TO-YEAR CHANGES BY CATEGORY BASELINE NARRATIVE**

FAREBOX REVENUE

Non-Reimbursable

- Projected ridership growth of 4.0% in 2008, 0.9% in 2009, 2.0% in 2010 2.3% in 2011, and 2.2% in 2012 are primarily responsible for higher Farebox Revenue.
- Reduced rate of customer growth in 2009 reflects projected declines in regional employment and economic growth.
- 2009-2012 ridership growth includes the impacts of customer service initiatives that expand train service, parking and connecting services.

Reimbursable

- Not applicable

Cash

- 2008-2012 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 increase reflects higher net GCT retail tenant revenues, an increase in revenues from Vanderbilt Hall prior to the start of the restoration project, increases from other station rentals and concessions, as well as an increase in commissary prices effective May 1, 2008.
- 2009 revenue increase reflects the resumption of retail and event activities in Vanderbilt Hall (under restoration in 2008), higher revenues from parking expansions and new advertising initiatives including bar car wraps and framed advertising posters in GCT North and other passageways, and a lower level of funding for GCT restoration projects during the year
- 2010-2012 reflects contracted escalations in advertising revenues and higher GCT retail revenue, offset by a higher provision for GCT restoration projects.

Reimbursable

- Not applicable

Cash

- 2008-2012 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.

- 2009 accrued expenditures (and receipts) are based upon the latest projection of capital project activity. Lower reimbursements in 2009 are attributed to the completion of the NHL Diesel Locomotive Acquisition and the winding down of the NHL End Door Bombardier Coach Mid Life Overhaul and NHL Concrete Tie project.
- 2010-2012 accrued expenditures (and receipts) are based on a continuation of 2009 project cost levels adjusted for the elimination of significant project changes and the impact of inflation. The 2010 reimbursements reflect completion of the Shell-at-Grade project in early 2009.

Cash

- 2008 include adjustments for receipt timing differences. In addition, 2008-2012 includes cash adjustments to MTA and CDOT receipts for reimbursable portion of GASB contribution.

PAYROLL

Non-Reimbursable

- Non Agreement salaries in 2009 include cost of living increases of 3.0%. In 2010-2012 Non Agreement salaries include CPI-based increases of 2.05%, 1.94% and 2.04% respectively.
- 2009 includes additional management personnel to support workforce development initiatives, safety and security programs, GCT building maintenance, and fleet management (\$.8 million).
- Agreement wages include a negotiated salary increase of 3.0% spanning January 2009 through June 15, 2010. For 2010–2012 CPI-based increases are

applied starting June 16 of each year at annual rates of 2.05% in 2010, 1.94% in 2011 and 2.04% in 2012.

- 2009 includes additional labor costs for Safety and Security improvements that support new security monitoring systems in New York and Connecticut, and GCT barrier maintenance (\$.9 million). Also included are Customer Service staffing additions required to provide increased train service on all lines (\$2.3 million), and maintenance personnel to support the M7 five-year life cycle maintenance program (\$.5 million), and the phased acquisition of new M8 cars (\$.3 million).
- 2010 includes staffing for Customer Service programs related to new M8 cars (\$2.5 million), added maintenance forces for a second shift at the New Haven service and inspection shop (\$.5 million), and increased train service on all lines (2.7 million). Support staff for various Safety and Security projects include, Train Sheds/Halls fire safety and security system maintenance (\$1.7 million). These increases are partially offset by a reduction in maintenance forces of (\$1.0 million) due to the winding down of the M3 CSR program.
- 2011-2012 includes additional staff to increase service on all lines (\$1.6 and \$1.4 million respectively), support signal improvements on the Danbury branch. (\$.4 million) and continue the staffing for additional M8 cars (\$1.9 million). These increases are partially offset by a reduction in maintenance forces of \$.3 million in 2011 due to 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

Cash

- Cash includes payments of \$.6 million in 2008 (excluding fringe) for 2007 accrued RWA for one unsettled union. 2008-2012 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

- Agreement wages include a negotiated salary increase of 3.0% spanning January 2009 through June 15, 2010. For 2010–2012 CPI-based increases are applied starting June 16 of each year at annual rates of 2.05% in 2010, 1.94% in 2011 and 2.04% in 2012.
- In 2009-2012 also includes additional overtime for on-board coverage requirements due to increases in service levels and 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

HEALTH AND WELFARE

Non-Reimbursable

- 2008 forecast reflects revised net premium rate increases for the NYS Empire Plan for employees with family coverage of 5.9% and for individual coverage of 4.5%.
- 2009-2012 include estimated annual premium increases for NYS Empire Plan health care and insurance premiums of 9.8% in 2009 and 7.1 % for 2010-2012, and as well as changes in enrollment levels, retirees and employees on leave of absence status. Adjustments in staffing levels due to programmatic changes are incorporated into each year of the financial plan for Maintenance Improvements, Service Enhancements, Customer Service Amenities, Security, and Administration.

Reimbursable

- Projected inflationary increases follow the same pattern as non-reimbursable costs noted above.

Cash

- 2008-2012 cash adjustments include current and former management employee contributions toward health insurance costs.

OPEB CURRENT PAYMENT (GASB 45)

Non-Reimbursable

- Other Post Employment Benefit (OPEB) current payments reflect Metro-North's estimated annual cost of healthcare for current retirees. The estimated annual costs for 2009-2012 are \$9.4 million in 2009, \$10.5 million in 2010, \$11.4 million in 2011 and \$12.3 million in 2012.

Reimbursable

- No Cost.

PENSIONS

Non-Reimbursable and Reimbursable

- The 2008-2012 pension costs represent the inclusion of all non-represented and most represented Metro-North employees in the MTA Defined Benefit Plan (DB Plan). Those employees not joining the DB Plan are participants in the MTA

401K Plan. Metro-North's projected share of the incremental funding requirements for the DB Plan is based on a draft projection prepared by actuarial consultants several 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 employees.

Cash

- 2008 includes a reduction to cash requirements due to the prepayment of 2008 pension costs by the MTA in 2007 (\$23.8 million)
- 2008-2012 adjustments include the difference between expense accruals and cash disbursements, and agreement employee contribution to the Defined Benefit Pension Plan.

OTHER FRINGE BENEFITS

Non-Reimbursable

- Railroad Retirement tax rates for Tier I and II remain constant for 2009-2012 at 7.65% and 12.1%, respectively.
- Maximum earnings level for Tier I is estimated at \$105,369 in 2009, \$108,530 in 2010, \$111,760 in 2011, and \$115,140 in 2012.
- Maximum earnings level for Tier II is estimated at \$78,177 in 2009, \$80,522, in 2010, and \$ 82,938 in 2011, and \$85,426 in 2012.
- 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

- 2008-2012 adjustments include difference between expense accruals and cash disbursements.

GASB Account

Cash

- 2008-2012 includes cash expenditures to fund a contribution to a special GASB 45 (Government Accounting Standards Board) fund earmarked for post-retirement liabilities of "Other than Pension Benefits".

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 2009 are based on a percentage share of direct labor costs charged to reimbursable projects. 2010-2012 overhead costs are based on the continuation of 2009 forecast levels, adjusted for inflation-based increases in labor costs.
- Material handling and equipment recovery increases are predicated on CPI-based inflation rates from 2009-2012 at 1.59%, 1.59%, 1.67% and 1.90% respectively.

TRACTION AND PROPULSION POWER

Non-Reimbursable

- 2008 forecasted prices reflect a 1.3% increase in NYPA supplied power and an 8.0% increase in CL&P rates and a 24% increase in Con Ed delivery rates.
- In 2009-2012 cost increases reflect anticipated price increases from NYPA, CL&P and NYSEG. As a result, annual increases are estimated at 11.5% in 2009, 16.1% in 2010, 8.6% in 2011, and 1.3% in 2012.
- 2010-2012 incorporates the net effect of the Equipment Replacement Plans for the NHL and H&H service, which adds \$.5 million in 2010 and 2011, and \$1.7 million in 2012. Changes over this period are primarily due to the incorporation of the new M8 cars into NHL service offset by the gradual retirement of the M2 car fleet.
- Service additions increase propulsion costs by \$.9 million in 2009 and 2010 and \$.8 million in 2011, and \$1.0 million in 2012.

Reimbursable

- No Cost.

Cash

- No adjustments.

FUEL FOR BUSES AND TRAINS

Non-Reimbursable

- 2008 estimated prices have been increased by 21% over the 2008 Budget.
- Fuel Prices reflect higher rates in 2009 of 1.2%, a declining rate in 2010 of 2.8% and stable prices in 2011, followed by an increase of 1.9% in 2012.
- 2009-2012 incorporates the cost of Service Plan increases.

Reimbursable

- No Cost.

Cash

- No adjustments

INSURANCE

Non-Reimbursable and Reimbursable

- Increases in 2009-2012 reflect revised insurance premium estimates.

Cash

- 2008-2012 reflects increase in force account payments as well as All-Agency insurance costs. 2008-2012 also includes the difference between expense accruals and cash payments.

CLAIMS

Non-Reimbursable

- 2009 - 2012 reflect current claims trends.

Reimbursable

- No Cost

Cash

- 2009-2012 payments reflect current claim settlement trends.

MAINTENANCE AND OTHER CONTRACTS

Non-Reimbursable

- CPI increases in 2009-2012 of 1.59%, 1.59% 1.67%, and 1.9% are applied respectively.
- 2009-2012 includes fluctuating costs for East and West of Hudson locomotive overhauls as work is performed or completed. In 2009 these costs increase \$3.6 million; 2010-2012 include reductions of \$3.0 million, \$1.2 million and \$5.6 million respectively as program costs wind down or are completed.
- 2009 includes cost provisions for office space renovations (\$1.0 million), GCT maintenance (\$.5 million), and security monitoring services (\$.9 million).
- 2009–2012 includes rising West of Hudson subsidy payments related to contract cost escalations and increases in service.
- 2010-2012 includes equipment disposal costs primarily for M2 cars of \$.8 million, \$1.8 million, and \$1.2 million.

Reimbursable

- CPI increases in 2009-2012 follow the same pattern as non-reimbursable costs noted above.
- In 2010, expenditures reflect the completion of the Shell-At-Grade project in early 2009. Minor decreases in 2008 through 2009 reflect this project winding down.

Cash

- 2008 cash adjustments include the elimination of non-cash GASB 49 environmental accruals and payment of 2007 accruals for equipment overhauls and computer maintenance. 2008-2012 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

- CPI increases in 2009-2012 of 1.59%, 1.59% 1.67%, and 1.9% are applied respectively
- 2009-2010 includes the restoration of a cost provision for general advertising fees (\$.4 million added in each year).
- 2009 includes the restoration of the 2005 reduction of MTA police service charges for the NH Line (\$1.3 million).

Reimbursable

- CPI increases in 2009-2012 follow the same pattern as non-reimbursable costs noted above.
- The 2009 decrease is due to the completion of NHL Diesel Locomotive Acquisition and winding down of the NHL End Door Bombardier Coach Mid Life Overhaul projects.

MATERIAL AND SUPPLIES

Non-Reimbursable

- Inflationary increases based on the Chained Price Index for Industrial Building Materials were applied in 2009-2012 of 4.54%, 3.91% 4.36%, and 4.52% respectively
- 2009 includes \$1.5 million earmarked for office space renovation at 347 Madison Avenue, the Graybar building, and 525 Broadway (in North White Plains).
- 2008-2012 includes the net cost impacts of Metro-North's equipment maintenance and replacement strategies that are driven by Customer Service goals to maintain and improve service reliability and performance.
 - 2008 adds \$3.0 million for Gear Box Overhauls, which is to be completed in 2010.
 - 2009 includes \$7.2 million for M7 five-year life cycle maintenance, \$5.2 million for the overhaul of 30 M1 cars, and a reduction of \$1.1 million for the M3 overhaul program.
 - 2010 includes additional material requirements for the M7 seat change-out program (\$5.1 million), and the NHL Equipment Replacement program (\$4.4 million for new M8 cars), offset by cost reductions for the completion of the M1 CSR program (\$5.1 million),

the winding down of the M3 overhaul program (\$5.2 million) and the completion of expanded maintenance requirements for Gear Boxes.

- 2011 includes additional material requirements for the NHL Equipment Replacement program (\$4.4 million for new M8 cars), offset by cost reductions for the completion of the M3 CSR program (\$1.9 million) and the retirement of 30 M1 cars from H&H service (\$2.4 million).
- 2012 includes a reduction in costs additions for the NHL Equipment Replacement program (\$4.4 million for new M8 cars)

Reimbursable

- CPI increases in 2009-2012 follow the same pattern as non-reimbursable costs noted above.
- In 2009 reduced expenditures reflect the winding down of the NHL Concrete Tie project.

Cash

- Cash adjustments reflect differences between expense accruals and cash requirements:
 - 2008-2009 include reductions in cash requirements due to 2007 advance inventory purchases (\$3.5 million in 2008 and \$ 2.0 million in 2009)
 - 2008-2012 adjustment for obsolete material reserve (\$.6 million per year)

OTHER BUSINESS EXPENSES

Non-Reimbursable

- CPI increases in 2009-2012 of 1.59%, 1.59% 1.67%, and 1.9% are applied respectively
- 2009-2012 primarily reflects increasing credit card fees due to higher ridership and an increase in customer use of credit cards to purchase tickets.

Reimbursable

- CPI increases in 2009-2012 follow the same pattern as non-reimbursable costs noted above.

Cash

- 2008-2012 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, the reclassification of a credit for defective concrete ties as a receipt to Other Operating Revenue, and safety shoe and tool allowance to the Payroll category.

DEPRECIATION

Non-Reimbursable

- 2009-2012 includes provisions for the incorporation of new assets including the introduction of M8s in the latter part of 2009.

Reimbursable

- No Cost

OPEB OBLIGATION (GASB 45)

Non-Reimbursable

- 2009 -2012 includes provisions of \$53.0 million, \$54.7 million, \$56.3 million, and \$58.2 million respectively pertaining to GASB 45 representing estimated annual cost of Post Retirement Benefits for future retirees.
-

Reimbursable

- No Cost.

ENVIRONMENTAL REMEDIATION (GASB 49)

Non-Reimbursable

- 2009-2012 includes provisions of \$6.5 million, \$7.2 million, \$7.6 million, and \$8.3 million respectively pertaining to estimated expected outlays for pollution remediation associated with capital projects.

Reimbursable

- No Cost

MTA METRO-NORTH RAILROAD
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$504.0	\$510.7	\$6.7	\$521.5	\$10.8	\$533.7	\$12.2	\$546.0	\$12.4
Vehicle Toll Revenue									
Other Operating Revenue	32.2	36.3	4.1	36.6	0.3	37.9	1.3	39.9	1.9
Capital and Other Reimbursements									
Total Revenue	\$536.2	\$547.0	\$10.7	\$558.1	\$11.1	\$571.6	\$13.5	\$585.9	\$14.3
Expenses									
Labor:									
Payroll	\$380.7	\$398.3	(\$17.6)	\$409.6	(\$11.2)	\$421.4	(\$11.9)	\$433.3	(\$11.8)
Overtime	53.2	55.8	(2.6)	57.2	(1.4)	58.6	(1.4)	60.0	(1.4)
Health and Welfare	67.8	75.4	(7.6)	81.9	(6.5)	88.7	(6.8)	95.7	(7.0)
OPEB Current Payment	9.4	10.5	(1.1)	11.4	(0.9)	12.3	(1.0)	13.4	(1.0)
Pensions	38.7	41.1	(2.4)	43.0	(1.9)	45.5	(2.6)	47.5	(2.0)
Other Fringe Benefits	76.6	80.1	(3.5)	82.5	(2.3)	85.3	(2.8)	87.8	(2.5)
Reimbursable Overhead	(42.0)	(42.1)	0.1	(42.5)	0.4	(42.7)	0.2	(43.5)	0.9
Total Labor Expenses	\$584.3	\$619.0	(\$34.7)	\$642.9	(\$23.9)	\$669.2	(\$26.3)	\$694.2	(\$24.9)
Non-Labor:									
Traction and Propulsion Power	\$65.5	\$74.2	(\$8.7)	\$87.9	(\$13.7)	\$97.2	(\$9.4)	\$102.2	(\$5.0)
Fuel for Buses and Trains	23.8	21.7	2.0	21.9	(0.1)	22.3	(0.5)	22.8	(0.5)
Insurance	12.2	13.2	(1.0)	14.5	(1.3)	15.8	(1.4)	20.9	(5.1)
Claims	12.6	12.0	0.6	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
Maintenance and Other	95.0	106.4	(11.4)	106.3	0.1	109.0	(2.7)	107.3	1.8
Professional Service Contracts	21.6	24.5	(2.9)	25.2	(0.7)	25.6	(0.4)	26.0	(0.4)
Materials & Supplies	79.9	98.3	(18.4)	99.0	(0.6)	104.3	(5.4)	106.0	(1.6)
Other Business Expenses	13.2	13.1	0.1	15.1	(2.0)	16.2	(1.0)	17.3	(1.1)
Total Non-Labor Expenses	\$323.9	\$363.5	(\$39.6)	\$381.8	(\$18.2)	\$402.5	(\$20.7)	\$414.5	(\$11.9)
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 and GASB Adjs.	\$908.2	\$982.6	(\$74.4)	\$1,024.7	(\$42.1)	\$1,071.7	(\$47.0)	\$1,108.6	(\$36.9)
Depreciation	\$226.0	\$236.0	(\$10.0)	\$246.0	(\$10.0)	\$256.0	(\$10.0)	\$266.0	(\$10.0)
OPEB Obligation	\$51.0	\$53.0	(\$2.0)	\$54.7	(\$1.7)	\$56.3	(\$1.6)	\$58.2	(\$1.9)
Environmental Remediation	\$6.5	\$6.5	\$0.0	\$7.2	(\$0.7)	\$7.6	(\$0.4)	\$8.3	(\$0.7)
Total Expenses	\$1,191.7	\$1,278.1	(\$86.4)	\$1,332.6	(\$54.5)	\$1,391.6	(\$59.0)	\$1,441.1	(\$49.4)
Baseline Net Surplus/(Deficit)	(\$655.5)	(\$731.1)	(\$75.6)	(\$774.5)	(\$43.4)	(\$820.1)	(\$45.5)	(\$855.2)	(\$35.2)
Post 2009 Agency Program to Eliminate the Gap	\$0.0	\$0.0	\$0.0	\$9.3	\$9.3	\$18.5	\$9.3	\$27.8	\$9.3
2009 Agency Program to Eliminate the Gap (PEGs)	0.0	9.2	9.2	9.3	0.0	9.3	0.0	9.3	0.0
Total PEGS	0.0	9.2	9.2	18.5	9.3	27.8	9.3	37.0	9.3
Net Surplus/(Deficit)	(\$655.5)	(\$721.9)	(\$66.4)	(\$756.0)	(\$34.1)	(\$792.3)	(\$36.3)	(\$818.2)	(\$25.9)

MTA METRO-NORTH RAILROAD
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
<u>Revenue</u>									
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	213.0	175.7	(37.3)	175.9	0.2	185.1	9.2	190.8	5.6
Total Revenue	\$213.0	\$175.7	(\$37.3)	\$175.9	\$0.2	\$185.1	\$9.2	\$190.8	\$5.6
<u>Expenses</u>									
Labor:									
Payroll	\$39.7	\$39.8	(\$0.2)	\$40.2	(\$0.3)	\$41.2	(\$1.1)	\$42.1	(\$0.8)
Overtime	13.8	13.9	(0.1)	14.0	(0.1)	14.3	(0.3)	14.6	(0.3)
Health and Welfare	8.9	10.0	(1.1)	10.8	(0.9)	11.9	(1.1)	13.0	(1.1)
OPEB Current Payment									
Pensions	4.8	4.9	(0.1)	5.0	(0.1)	5.3	(0.3)	5.5	(0.2)
Other Fringe Benefits	9.0	8.9	0.1	9.0	(0.1)	9.3	(0.3)	9.5	(0.2)
Reimbursable Overhead	39.9	41.0	(1.1)	41.4	(0.4)	42.2	(0.8)	43.0	(0.9)
Total Labor Expenses	\$116.0	\$118.5	(\$2.5)	\$120.4	(\$1.9)	\$124.2	(\$3.8)	\$127.8	(\$3.5)
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	4.4	4.5	(0.1)	4.6	(0.0)	4.7	(0.1)	4.8	(0.1)
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	20.0	15.1	4.8	14.2	0.9	15.7	(1.4)	16.0	(0.3)
Professional Service Contracts	37.0	4.1	32.9	4.1	(0.1)	4.2	(0.1)	4.3	(0.1)
Materials & Supplies	34.7	32.5	2.2	31.5	1.0	35.3	(3.7)	36.9	(1.6)
Other Business Expenses	1.0	1.0	0.0	1.0	(0.0)	1.0	(0.0)	1.0	(0.0)
Total Non-Labor Expenses	\$97.0	\$57.2	\$39.8	\$55.5	\$1.7	\$60.9	(\$5.4)	\$63.0	(\$2.1)
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	\$213.0	\$175.7	\$37.3	\$175.9	(\$0.2)	\$185.1	(\$9.2)	\$190.8	(\$5.6)
Depreciation	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses	\$213.0	\$175.7	\$37.3	\$175.9	(\$0.2)	\$185.1	(\$9.2)	\$190.8	(\$5.6)
Baseline Net Surplus/(Deficit)	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.0)	\$0.0	\$0.0	\$0.0	(\$0.0)
New Needs									
Post 2009 Agency Program to Eliminate the Gap	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
2009 Agency Program to Eliminate the Gap (PEGs)	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
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$504.0	\$510.7	\$6.7	\$521.5	\$10.8	\$533.7	\$12.2	\$546.0	\$12.4
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	32.2	36.3	4.1	36.6	0.3	37.9	1.3	39.9	1.9
Capital and Other Reimbursements	213.0	175.7	(37.3)	175.9	0.2	185.1	9.2	190.8	5.6
Total Revenue	\$749.3	\$722.7	(\$26.5)	\$734.0	\$11.3	\$756.7	\$22.7	\$776.7	\$19.9
Expenses									
Labor:									
Payroll	\$420.4	\$438.2	(\$17.8)	\$449.7	(\$11.6)	\$462.7	(\$13.0)	\$475.4	(\$12.7)
Overtime	66.9	69.7	(2.7)	71.2	(1.6)	72.9	(1.7)	74.6	(1.7)
Health and Welfare	76.6	85.3	(8.7)	92.7	(7.4)	100.6	(7.9)	108.8	(8.2)
OPEB Current Payment	9.4	10.5	(1.1)	11.4	(0.9)	12.3	(1.0)	13.4	(1.0)
Pensions	43.5	45.9	(2.5)	48.0	(2.0)	50.8	(2.9)	53.0	(2.2)
Other Fringe Benefits	85.6	89.0	(3.4)	91.4	(2.4)	94.6	(3.1)	97.3	(2.7)
Reimbursable Overhead	(2.1)	(1.1)	(1.0)	(1.1)	0.0	(0.5)	(0.6)	(0.5)	0.0
Total Labor Expenses	\$700.3	\$737.5	(\$37.2)	\$763.3	(\$25.8)	\$793.4	(\$30.1)	\$821.9	(\$28.5)
Non-Labor:									
Traction and Propulsion Power	\$65.5	\$74.2	(\$8.7)	\$87.9	(\$13.7)	\$97.2	(\$9.4)	\$102.2	(\$5.0)
Fuel for Buses and Trains	23.8	21.7	2.0	21.9	(0.1)	22.3	(0.5)	22.8	(0.5)
Insurance	16.7	17.7	(1.1)	19.0	(1.3)	20.6	(1.5)	25.8	(5.2)
Claims	12.6	12.0	0.6	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	115.0	121.6	(6.6)	120.5	1.0	124.7	(4.2)	123.2	1.5
Professional Service Contracts	58.6	28.6	30.0	29.4	(0.8)	29.8	(0.4)	30.3	(0.5)
Materials & Supplies	114.6	130.8	(16.2)	130.5	0.3	139.6	(9.1)	142.8	(3.2)
Other Business Expenses	14.2	14.1	0.1	16.1	(2.0)	17.2	(1.1)	18.3	(1.2)
Total Non-Labor Expenses	\$420.9	\$420.8	\$0.2	\$437.3	(\$16.5)	\$463.4	(\$26.1)	\$477.5	(\$14.0)
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	\$1,121.2	\$1,158.3	(\$37.1)	\$1,200.6	(\$42.3)	\$1,256.9	(\$56.3)	\$1,299.4	(\$42.5)
Depreciation	\$226.0	\$236.0	(\$10.0)	\$246.0	(\$10.0)	\$256.0	(\$10.0)	\$266.0	(\$10.0)
OPEB Obligation	\$51.0	\$53.0	(\$2.0)	\$54.7	(\$1.7)	\$56.3	(\$1.6)	\$58.2	(\$1.9)
Environmental Remediation	\$6.5	\$6.5	\$0.0	\$7.2	(\$0.7)	\$7.6	(\$0.4)	\$8.3	(\$0.7)
Total Expenses	\$1,404.7	\$1,453.8	(\$49.1)	\$1,508.5	(\$54.7)	\$1,576.8	(\$68.3)	\$1,631.9	(\$55.1)
Baseline Net Surplus/(Deficit)	(\$655.5)	(\$731.1)	(\$75.6)	(\$774.5)	(\$43.4)	(\$820.1)	(\$45.5)	(\$855.2)	(\$35.2)
Post 2009 Agency Program to Eliminate the Gap	\$0.0	\$0.0	\$0.0	\$9.3	\$9.3	\$18.5	\$9.3	\$27.8	\$9.3
2009 Agency Program to Eliminate the Gap (PEGs)	0.0	9.2	9.2	9.3	0.0	9.3	0.0	9.3	0.0
Total PEGS	\$0.0	\$9.2	\$9.2	\$18.5	\$9.3	\$27.8	\$9.3	\$37.0	\$9.3
Net Surplus/(Deficit)	(\$655.5)	(\$721.9)	(\$66.4)	(\$756.0)	(\$34.1)	(\$792.3)	(\$36.3)	(\$818.2)	(\$25.9)

MTA METRO-NORTH RAILROAD
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Cash Receipts & Expenditures									
<u>Receipts</u>									
Farebox Revenue	\$512.4	\$518.7	\$6.3	\$529.5	\$10.8	\$541.9	\$12.4	\$554.3	\$12.4
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	54.1	57.7	3.6	60.1	2.5	62.5	2.3	63.9	1.4
Capital and Other Reimbursements	223.1	176.7	(46.4)	175.7	(1.0)	184.8	9.1	190.4	5.6
Total Receipts	\$789.6	\$753.1	(\$36.5)	\$765.3	\$12.3	\$789.2	\$23.9	\$808.6	\$19.3
<u>Expenditures</u>									
Labor:									
Payroll	\$412.8	\$423.1	(\$10.3)	\$434.9	(\$11.8)	\$448.5	(\$13.6)	\$464.1	(\$15.6)
Overtime	68.3	69.9	(1.6)	71.4	(1.6)	73.5	(2.0)	75.8	(2.4)
Health and Welfare	94.3	105.1	(10.8)	114.3	(9.2)	123.9	(9.6)	134.0	(10.1)
OPEB Current Payment									
Pensions	31.2	57.9	(26.7)	60.3	(2.4)	63.5	(3.2)	66.0	(2.5)
Other Fringe Benefits	86.9	88.7	(1.8)	91.2	(2.6)	94.6	(3.4)	98.2	(3.5)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	\$693.6	\$744.7	(\$51.1)	\$772.3	(\$27.6)	\$804.1	(\$31.8)	\$838.1	(\$34.1)
Non-Labor:									
Traction and Propulsion Power	\$65.5	\$74.2	(\$8.7)	\$87.9	(\$13.7)	\$97.2	(\$9.4)	\$102.2	(\$5.0)
Fuel for Buses and Trains	23.8	21.7	2.0	21.9	(0.1)	22.3	(0.5)	22.8	(0.5)
Insurance	19.2	17.7	1.5	19.0	(1.3)	21.4	(2.4)	25.7	(4.3)
Claims	12.8	12.1	0.6	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	139.0	142.7	(3.7)	141.0	1.7	144.1	(3.1)	142.2	1.9
Professional Service Contracts	64.9	35.4	29.4	34.7	0.7	36.4	(1.7)	37.2	(0.9)
Materials & Supplies	119.8	132.8	(13.1)	133.5	(0.7)	144.2	(10.7)	147.3	(3.1)
Other Business Expenses	23.7	23.4	0.3	28.5	(5.1)	34.5	(6.0)	28.8	5.8
Total Non-Labor Expenditures	\$468.6	\$460.2	\$8.5	\$478.5	(\$18.4)	\$512.3	(\$33.7)	\$518.3	(\$6.0)
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	\$1,162.2	\$1,204.8	(\$42.6)	\$1,250.8	(\$46.0)	\$1,316.3	(\$65.6)	\$1,356.4	(\$40.1)
Baseline Net Cash Deficit	(\$372.6)	(\$451.7)	(\$79.1)	(\$485.4)	(\$33.7)	(\$527.1)	(\$41.7)	(\$547.8)	(\$20.7)
<u>Subsidies</u>									
MTA	(\$299.4)	(\$364.8)	(\$65.4)	(\$388.4)	(\$23.6)	(\$414.5)	(\$26.1)	(\$426.4)	(\$11.9)
CDOT	(73.2)	(86.9)	(13.7)	(97.0)	(10.1)	(112.6)	(15.6)	(121.4)	(8.8)
Total Subsidies	(\$372.6)	(\$451.7)	(\$79.1)	(\$485.4)	(\$33.7)	(\$527.1)	(\$41.7)	(\$547.8)	(\$20.7)
Post 2009 Agency Program to Eliminate the Gap	\$0.0	\$0.0	\$0.0	\$9.3	\$9.3	\$18.5	\$9.3	\$27.8	\$9.3
2009 Agency Program to Eliminate the Gap (PEGs)	0.0	9.2	9.2	9.3	0.0	9.3	0.0	9.3	0.0
Total PEGs	\$0.0	\$9.2	\$9.2	\$18.5	\$9.3	\$27.8	\$9.3	\$37.0	\$9.3
Net Cash Deficit	(\$372.6)	(\$442.5)	(\$69.9)	(\$466.9)	(\$24.4)	(\$499.4)	(\$32.4)	(\$510.8)	(\$11.5)
MTA share of PEGS	\$0.0	\$6.8	\$6.8	\$13.6	\$6.8	\$20.4	\$6.8	\$27.2	\$6.8
CDOT share of PEGS	0.0	2.4	2.4	4.9	2.5	7.4	2.5	9.8	2.5
Total PEGS	\$0.0	\$9.2	\$9.2	\$18.5	\$9.3	\$27.8	\$9.3	\$37.0	\$9.3
<u>Subsidies</u>									
MTA	(\$299.4)	(\$358.0)	(\$58.6)	(\$374.8)	(\$16.8)	(\$394.1)	(\$19.3)	(\$399.2)	(\$5.1)
CDOT	(73.2)	(84.5)	(11.3)	(92.1)	(7.6)	(105.2)	(13.1)	(111.6)	(6.4)
Total Subsidies	(\$372.6)	(\$442.5)	(\$69.9)	(\$466.9)	(\$24.4)	(\$499.4)	(\$32.4)	(\$510.8)	(\$11.5)

**MTA METRO-NORTH RAILROAD
2009 PRELIMINARY BUDGET
JULY FINANCIAL PLAN 2009-2012
SUMMARY OF MAJOR PLAN-TO-PLAN CHANGES**

Revisions to Metro-North's financial plan for the 2009-2012 period reflect adjustments resulting from evolving economic conditions, changing cost assumptions and resource allocations, as well as the impact of new needs identified for the period.

2008: JULY FINANCIAL PLAN VS. FEBRUARY FINANCIAL PLAN

The 2008 July Financial Plan subsidy requirements for non-reimbursable operations are \$22.4 million lower than in the February Financial Plan. The reduction reflects higher revenues of \$11.2 million, lower health and welfare costs, the net effect of higher employee vacancy levels and favorable impacts from capital project activity in the form of higher overhead cost recoveries and higher cash receipts due to the timing of payments. These favorable changes are offset by higher credit card fees associated with higher ridership and an increase in credit card usage (\$1.8 million), increasing material costs due to rising prices and maintenance needs (\$3.0 million) and higher fuel prices.

In addition to these cost trend adjustments, most of the programs to improve Customer Service have been maintained; however, in consideration of current financial constraints, service enhancements, regional ticketing initiatives and station communication programs have been eliminated. Safety and Security program funding has been maintained for the use of security services at outlying locations and new maintenance forces and support services for security monitoring systems have been rescheduled for deployment in 2009 due to timing changes in the installation of the new systems. To enhance Workforce Development, costs for a Learning Management System have been added to improve the delivery and management of training programs. To maintain Financial Stability, the Mid Year Forecast includes the general cost adjustments noted above, as well as several new programs to improve the tracking of labor costs (Kronos timekeeping) and vehicle deployment (GPS installation on trucks). In addition, office space renovation and concrete tie replacement have been cut back or rescheduled to reduce 2008 expenditure levels.

Reimbursable project costs (and receipts) are \$2.7 million lower than the February Plan and reflect multiple project cost refinements and minor scheduling changes.

2009: JULY FINANCIAL PLAN VS. FEBRUARY FINANCIAL PLAN

The 2009 July Financial Plan subsidy requirements are \$15.2 million higher than in the February Financial Plan. This increase reflects additional funds for equipment maintenance and overhaul programs, higher material usage and component prices, higher credit card fees and spiraling energy prices. Offsetting these increases are higher passenger fares associated with an increase in ridership, higher non-passenger revenues from commissary operations and lower health and welfare costs.

2009 Customer Service initiatives to increase service have been retained, as have efforts to increase parking and maintain connecting services at Metro-North stations. In addition, funding of new programs to expand the fiber optic information network, establish a five-year M7 life cycle maintenance program, and the phased increase in maintenance support staff for new M8 cars will ensure the continued reliability of equipment and service delivery. In consideration of current financial constraints, additional train service enhancements, regional ticketing initiatives and station communication programs have been eliminated. Safety and Security monitoring systems in New York State and Connecticut will be completed in 2009 requiring maintenance support. Workforce Development efforts will be strengthened by the addition of Training staff in recognition of anticipated changes in Metro-North's employee base. Project and Planning initiatives include the funding of improvements to Metro-North's information communication network via upgrades to outdated equipment, an increase in data capacity and the installation of additional security refinements. To maintain Financial Stability, expenditure reductions have been made for vehicle replacements, major maintenance projects in GCT, and the deferral of quality control positions and a new GCT Fire Brigade. In addition, non-passenger revenues are increasing in 2009 based on a full year of 2008 price increases for commissary services and newly instituted advertising in bar cars and GCT passageways.

Reimbursable project costs (and receipts) are \$2.9 million lower than the February Plan and essentially reflect a continuation of project levels similar to the 2008 Mid-Year Forecast.

2010 - 2012: JULY FINANCIAL PLAN VS. FEBRUARY FINANCIAL

The 2010 - 2012 July Financial Plan subsidy requirements are higher than the February Financial Plan by \$4.0 million in 2010, \$11.6 million in 2011, and \$16.6 million in 2012. This increase reflects additional funds for equipment maintenance and overhaul programs, higher material usage and component prices, higher credit card fees and rising energy prices. Offsetting these increases are higher passenger fares associated with an increase in ridership and lower health and welfare costs

2010-2012 expenditure projections will allow Metro-North to continue Customer Service initiatives that maintain existing train service levels, add new service on all lines, continue service reliability programs that maintain rolling stock, and establish a new TVM satellite facility at Bridgeport to better service New Haven Line customers. Financial Stability measures include the deferral of 2010 initiatives to supplement existing car cleaning and on-board service coverage, the continuation of reductions for vehicle replacements, and the rescheduling of concrete tie replacements and quality control personnel additions. Other contract service cost reductions over this period include reductions in office space renovation and the elimination of service enhancements (West of Hudson) and regional ticketing initiatives.

Reimbursable project costs (and receipts) are than the February Plan by \$2.3 million in 2010, \$1.6 million lower in 2011 and \$.7 million lower in 2012 reflecting a continuation of project levels similar to the 2008 Mid-Year Forecast.

MTA METRO-NORTH RAILROAD
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	(\$395.0)	(\$436.5)	(\$481.5)	(\$515.5)	(\$531.3)
Baseline Changes					
Revenue					
Farebox Revenue	\$10.7	\$4.1	\$2.5	\$2.3	\$4.2
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	0.6	0.8	1.9	2.5	(3.0)
Capital and Other Reimbursement	0.0	0.0	0.0	0.0	0.0
Total Revenue Changes	\$11.2	\$4.9	\$4.4	\$4.8	\$1.3
Expenses					
Labor:					
Payroll	\$6.0	\$4.2	\$10.3	\$8.3	\$6.5
Overtime	(1.9)	(2.4)	(2.3)	(2.1)	(2.2)
Health and Welfare	4.3	4.4	8.3	10.4	12.9
OPEB Current Payment	0.0	0.0	0.0	0.0	0.0
Pensions	0.1	(0.4)	0.1	0.3	0.3
Other Fringe Benefits	0.6	0.2	1.3	1.0	0.7
Reimbursable Overhead	1.7	0.7	1.7	1.6	1.7
Total Labor Expense Changes	\$10.9	\$6.7	\$19.3	\$19.5	\$19.9
Non-Labor:					
Traction and Propulsion Power	\$1.0	(\$3.0)	(\$6.7)	(\$12.9)	(\$13.9)
Fuel for Buses and Trains	(4.0)	(4.8)	(4.9)	(4.5)	(4.2)
Insurance	0.8	0.8	0.7	0.5	(3.2)
Claims	(0.6)	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	4.8	0.5	3.8	4.8	4.6
Professional Service Contracts	1.2	1.0	0.6	0.8	0.9
Materials & Supplies	(6.1)	(20.3)	(19.8)	(18.2)	(20.5)
Other Business Expenses	(1.9)	(0.2)	1.0	0.1	(0.8)
Total Non-Labor Expense Changes	(\$4.8)	(\$26.0)	(\$25.3)	(\$29.5)	(\$37.1)
Total Expenses before Depreciation and GASB Adjustments	\$6.0	(\$19.3)	(\$6.0)	(\$9.9)	(\$17.2)
Depreciation	(\$3.2)	(\$3.2)	(\$3.2)	(\$3.2)	(\$3.2)
OPEB Obligationn	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Environmental Remediation	(\$6.5)	(\$6.5)	(\$7.2)	(\$7.6)	(\$8.3)
Total Expense Changes	(\$3.7)	(\$29.1)	(\$16.4)	(\$20.8)	(\$28.7)
Cash Conversion Adjustment Changes					
Depreciation	\$3.2	\$3.2	\$3.2	\$3.2	\$3.2
Operating/Capital	0.4	3.8	0.5	1.3	1.0
Other Cash Adjustments	11.3	1.9	4.3	(0.1)	6.6
Total Cash Conversion Adjustments	\$14.9	\$8.9	\$8.0	\$4.4	\$10.9
Total Baseline Changes	\$22.4	(\$15.3)	(\$4.0)	(\$11.6)	(\$16.6)
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$372.6)	(\$451.7)	(\$485.4)	(\$527.1)	(\$547.8)

MTA METRO-NORTH RAILROAD
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	\$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	(2.7)	(2.9)	(2.3)	(1.6)	(0.7)
Total Revenue Changes	(\$2.7)	(\$2.9)	(\$2.3)	(\$1.6)	(\$0.7)
Expenses					
Labor:					
Payroll	\$1.7	\$1.8	\$1.7	\$1.8	\$1.8
Overtime	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Health and Welfare	0.8	0.4	0.4	0.4	0.5
OPEB Current Payment	0.0	0.0	0.0	0.0	0.0
Pensions	0.1	0.2	0.2	0.2	0.2
Other Fringe Benefits	0.2	0.3	0.3	0.3	0.3
Reimbursable Overhead	1.0	0.3	0.3	0.3	0.3
Total Labor Expense Changes	\$3.3	\$2.5	\$2.5	\$2.6	\$2.7
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	0.2	0.3	0.3	0.3	0.3
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	3.3	3.4	3.5	3.6	3.6
Professional Service Contracts	(1.6)	0.1	0.1	0.1	0.1
Materials & Supplies	(2.4)	(3.2)	(4.0)	(4.9)	(5.9)
Other Business Expenses	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Total Non-Labor Expense Changes	(\$0.6)	\$0.4	(\$0.2)	(\$1.0)	(\$2.0)
Total Expenses before Depreciation and GASB Adjustments	\$2.7	\$2.9	\$2.3	\$1.6	\$0.7
Depreciation	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
OPEB Obligations	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Environmental Remediation	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expense Changes	\$2.7	\$2.9	\$2.3	\$1.6	\$0.7
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 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)

MTA METRO-NORTH RAILROAD
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	(\$395.0)	(\$436.5)	(\$481.5)	(\$515.5)	(\$531.3)
Baseline Changes					
Revenue					
Farebox Revenue	\$10.7	\$4.1	\$2.5	\$2.3	\$4.2
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	0.6	0.8	1.9	2.5	(3.0)
Capital and Other Reimbursement	(2.7)	(2.9)	(2.3)	(1.6)	(0.7)
Total Revenue Changes	\$8.5	\$1.9	\$2.1	\$3.2	\$0.6
Expenses					
Labor:					
Payroll	\$7.7	\$6.0	\$12.0	\$10.1	\$8.3
Overtime	(2.2)	(2.8)	(2.7)	(2.5)	(2.6)
Health and Welfare	5.0	4.8	8.7	10.9	13.4
OPEB Current Payment	0.0	0.0	0.0	0.0	0.0
Pensions	0.2	(0.3)	0.3	0.4	0.5
Other Fringe Benefits	0.8	0.5	1.6	1.3	1.0
Reimbursable Overhead	2.7	1.0	2.0	2.0	2.0
Total Labor Expense Changes	\$14.2	\$9.2	\$21.8	\$22.1	\$22.6
Non-Labor:					
Traction and Propulsion Power	\$1.0	(\$3.0)	(\$6.7)	(\$12.9)	(\$13.9)
Fuel for Buses and Trains	(4.0)	(4.8)	(4.9)	(4.5)	(4.2)
Insurance	1.0	1.1	1.0	0.9	(2.9)
Claims	(0.6)	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	8.1	3.9	7.3	8.3	8.3
Professional Service Contracts	(0.4)	1.1	0.7	0.9	1.0
Materials & Supplies	(8.5)	(23.5)	(23.8)	(23.1)	(26.4)
Other Business Expenses	(2.0)	(0.4)	0.8	(0.0)	(0.9)
Total Non-Labor Expense Changes	(\$5.4)	(\$25.6)	(\$25.5)	(\$30.5)	(\$39.1)
Total Expenses before Depreciation and GASB Adjustments	\$8.8	(\$16.4)	(\$3.7)	(\$8.4)	(\$16.6)
Depreciation	(\$3.2)	(\$3.2)	(\$3.2)	(\$3.2)	(\$3.2)
OPEB Obligatinn	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Environmental Remediation	(\$6.5)	(\$6.5)	(\$7.2)	(\$7.6)	(\$8.3)
Total Expense Changes	(\$1.0)	(\$26.1)	(\$14.1)	(\$19.2)	(\$28.0)
Cash Conversion Adjustment Changes					
Depreciation	\$3.2	\$3.2	\$3.2	\$3.2	\$3.2
Operating/Capital	0.4	3.8	0.5	1.3	1.0
Other Cash Adjustments	11.3	1.9	4.3	(0.1)	6.6
Total Cash Conversion Adjustments	\$14.9	\$8.9	\$8.0	\$4.4	\$10.9
Total Baseline Changes	\$22.4	(\$15.3)	(\$4.0)	(\$11.6)	(\$16.6)
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$372.6)	(\$451.7)	(\$485.4)	(\$527.1)	(\$547.8)

MTA METRO-NORTH RAILROAD
July Financial Plan 2009 - 2012
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	(\$395.0)	(\$436.5)	(\$481.5)	(\$515.5)	(\$531.3)
Non-Reimbursable Major Changes					
Revenue					
Passenger Revenue - Ridership Growth	\$10.7	\$4.1	\$2.5	\$2.3	\$4.2
Non Passenger Revenue Changes	0.6	0.8	1.9	2.5	(3.0)
Sub-Total Non-Reimbursable Revenue Changes	\$11.2	\$4.9	\$4.4	\$4.8	\$1.3
Expenses					
Programmatic Changes					
Equip Strategy - W Of H Locomotive Overhaul	(\$1.7)	(\$1.6)	\$0.0	\$0.0	\$0.0
Quality Control & Analysis Staffing	0.0	0.0	1.8	1.8	1.8
Increase Coach Cleaner Head Count	0.0	0.0	1.5	1.5	1.5
GCT Fire Brigade	0.0	1.0	1.0	1.0	1.0
Regional Ticketing and Football Costs	0.0	3.0	3.5	3.4	3.6
Increase T&E Staffing For Service Coverage	0.0	0.0	1.6	1.6	1.6
Service Enhancemnets Program Eliminations	2.8	3.8	3.8	3.8	3.8
Equipment Replacement Plan - Disposal Costs	(0.2)	0.0	(0.8)	0.0	0.0
Base Level Adjustment For Material Usage	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)
Higher Overtime Requirements	(1.9)	(2.4)	(2.3)	(2.1)	(2.2)
Equip Strategy - Enhanced Maintenance For M3	0.0	0.1	(1.1)	0.0	0.0
Higher Agreement Vacancies	5.3	0.0	0.0	0.0	0.0
Equip Strategy - Genesis Locomotive Overhaul	1.3	1.3	0.0	0.0	(1.4)
W Of H Subsidy Change (Including Service Plan)	1.8	(0.8)	(0.5)	0.6	2.0
Training Department Headcount	0.0	(0.5)	(0.6)	(0.8)	(0.9)
Credit Card Fees From Increase Usage	(1.8)	(2.2)	(2.6)	(3.1)	(3.6)
Equipment Replacement Plan - H&H (Op. Costs)	0.0	(1.2)	(2.7)	(1.3)	(1.3)
Establish M7 5-Year Life Cycle Maintenance	0.0	(8.0)	(7.2)	(7.2)	(7.2)
Gear Box Overhaul	(3.0)	(2.5)	0.0	0.0	0.0
New Haven - Maintenance Facility Shop Complex	0.0	(0.4)	2.9	(0.6)	(2.3)
Expenditure Level Changes					
Labor Inflation Change	\$0.0	\$0.0	(\$3.9)	(\$3.7)	(\$4.0)
Fringe Changes	5.0	4.2	9.7	11.7	14.0
Energy increases	(3.0)	(7.8)	(11.6)	(17.4)	(18.1)
Insurance	0.8	0.8	0.7	0.5	(3.2)
Claims	(0.6)	0.0	0.0	0.0	0.0
Overhead Recovery Credit Changes	1.7	0.7	1.7	1.6	1.7
Environmental Remediation Accrual (GASB 49)	(6.5)	(6.5)	(7.2)	(7.6)	(8.3)
Depreciation	(3.2)	(3.2)	(3.2)	(3.2)	(3.2)
All Other expense Changes	2.6	(3.6)	2.2	1.7	(0.9)
Sub-Total Non-Reimbursable Expense Changes	(\$3.7)	(\$29.1)	(\$16.4)	(\$20.8)	(\$28.7)
Total Non-Reimbursable Major Changes	\$7.5	(\$24.2)	(\$12.0)	(\$15.9)	(\$27.4)
Reimbursable Major Changes					
Revenue					
Projections for 2008-2011 assume capital project activity levels similar to 2007 MYF	(\$2.7)	(\$2.9)	(\$2.3)	(\$1.6)	(\$0.7)
Sub-Total Reimbursable Revenue Changes	(\$2.7)	(\$2.9)	(\$2.3)	(\$1.6)	(\$0.7)
Expenses					
Projections for 2008-2011 assume capital project activity levels similar to 2007 MYF	\$2.7	\$2.9	\$2.3	\$1.6	\$0.7
Sub-Total Reimbursable Expense Changes	\$2.7	\$2.9	\$2.3	\$1.6	\$0.7
Total Reimbursable Major Changes	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Accrual Changes	\$7.5	(\$24.2)	(\$12.0)	(\$15.9)	(\$27.4)
Cash Adjustment Changes					
Operating Capital	\$0.4	\$3.8	\$0.5	\$1.3	\$1.0
Cash Adj - Timing Of Force Account Receipts	3.7	(0.2)	(0.1)	(0.1)	0.0
Lower Usage Of Advance Purchases Of Car Parts Inventory	(3.5)	(1.7)	0.0	0.0	0.0
Environmental Remediation Accrual (GASB 49)	6.5	6.5	7.2	7.6	8.3
Depreciation	3.2	3.2	3.2	3.2	3.2
All Other	4.5	(2.7)	(2.8)	(7.6)	(1.6)
Total Cash Adjustment Changes	\$14.9	\$8.9	\$8.0	\$4.4	\$10.9
Total Baseline Changes	\$22.4	(\$15.3)	(\$4.0)	(\$11.6)	(\$16.6)
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$372.6)	(\$451.7)	(\$485.4)	(\$527.1)	(\$547.8)

**MTA METRO-NORTH RAILROAD
2009 PRELIMINARY BUDGET
JULY FINANCIAL PLAN 2009-2012**

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 2008 July Mid Year Forecast reflects East of Hudson service ridership that is 3.7% higher than 2007 actual results. In 2009, 2010, 2011 and 2012, ridership is projected to grow 0.9%, 1.5%, 2.3% and 1.7% respectively and reflects current growth trends as well as Customer Service improvements that provide new service, as well as parking and connecting service initiatives. The lower growth rate in 2009 anticipates a downturn in the regional economy that is expected to temporarily slow down the attraction of new customers.

West of Hudson utilization reflects customer levels that are 9.0% higher than 2007 actual results. In 2009, 2010, 2011 and 2012, West of Hudson ridership is projected to grow 3.8%, 3.6%, 3.9% and 2.5%, respectively. The substantial growth rates during the 2008–2012 period reflects service expansions on the Pascack Valley line, made possible by the completion of right-of-way passing sidings that were completed in the fourth quarter of 2007, as well as service improvements on the Port Jervis line through the period.

**MTA Metro-North Railroad
July Financial Plan 2009 - 2012
Ridership (Utilization)
(in millions)**

	2007 Actual	2008 Mid Year Forecast	2009 Preliminary Budget	2010	2011	2012
<u>Farebox Revenue</u>						
Harlem Line	\$137.9	\$147.1	\$148.7	\$151.3	\$154.4	\$157.6
Hudson Line	99.6	108.0	110.2	113.4	117.2	120.4
New Haven Line	238.4	248.3	251.1	256.0	261.3	267.2
West of Hudson Mail & Ride	0.7	0.6	0.7	0.7	0.7	0.8
Baseline Total Farebox Revenue	\$476.6	\$504.0	\$510.7	\$521.5	\$533.7	\$546.0
<i>Impact of:</i>						
2009 Agency Program to Eliminate the Gap	\$0.0	\$0.0	\$8.5	\$9.1	\$9.1	\$9.1
Post-2009 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	\$8.5	\$9.1	\$9.1	\$9.2
Total Farebox Revenue	\$476.6	\$504.0	\$519.1	\$530.5	\$542.8	\$555.2
<u>Ridership</u>						
Harlem Line	26.4	27.4	27.5	28.0	28.6	29.1
Hudson Line	15.5	16.2	16.4	16.8	17.4	17.8
New Haven Line	36.4	37.8	38.2	38.9	39.7	40.6
Baseline Total Ridership	78.2	81.4	82.1	83.7	85.7	87.5
<i>Impact of:</i>						
2009 Agency Program to Eliminate the Gap	0.0	0.0	1.1	1.1	1.1	1.1
Post-2009 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	1.1	1.1	1.1	1.1
Total Ridership	78.2	81.4	83.2	84.8	86.8	88.7

MTA METRO-NORTH RAILROAD
Mid-year forecast for 2008
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2008		2009		2010		2011		2012	
		<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>
Customer Convenience/Amenities											
Equipment Strategy - M1 CSR Program		0	0.000	0	5.354	0	0.000	0	0.000	0	0.000
Sub-Total	Customer Convenience/Amenities	0	\$ 0.000	0	\$ 5.354	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000
Maintenance											
Harmon Shop Replacement - Master Plan		0	0.000	8	0.790	8	0.801	8	0.816	8	0.833
Sub-Total	Maintenance	0	\$ 0.000	8	\$ 0.790	8	\$ 0.801	8	\$ 0.816	8	\$ 0.833
Other											
Cost Reduction Measures to be Determined		0	0.000	0	0.000	0	4.984	0	5.097	0	5.135
Provision for Landmark Preservation Maintenance		0	0.000	0	0.518	0	0.526	0	0.535	0	0.545
Provision to Increase MTA Police Service Costs - NH		0	0.000	0	1.346	0	1.368	0	1.391	0	1.418
Security Plan - GCT Barrier Separations Maintenance		0	0.000	2	0.172	2	0.178	2	0.183	2	0.188
Sub-Total	Other	0	\$ 0.000	2	\$ 2.036	2	\$ 7.056	2	\$ 7.206	2	\$ 7.286
Revenue Enhancement											
Yankee Stadium Station -Impact of Additional Revenue		0	0.000	(62)	1.046	(62)	1.394	(62)	1.229	(62)	1.132
Sub-Total	Revenue Enhancement	0	\$ 0.000	(62)	\$ 1.046	(62)	\$ 1.394	(62)	\$ 1.229	(62)	\$ 1.132
Total Programs		0	\$ 0.000	(52)	\$ 9.226	(52)	\$ 9.251	(52)	\$ 9.251	(52)	\$ 9.251

MTA METRO-NORTH RAILROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Customer Convenience/Amenit	Savings Date	1/1/2009
PEG / New Need ID	0000000035	Current Budget Year	2008	Status	Open
Program:	Equipment Strategy - M1 CSR Program			Agency Status	Ready
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, therefore, the funds will no longer be required.				
Background Details	In the 2006 Financial Plan, 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 major CSR (Component System Replacement) Program. The 2007 and 2008 February Financial Plans included \$5.169 million in 2009 for this purpose.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MNRRD	0000000035	MYF08	\$ 0.000	\$ 5.354	\$ 0.000	\$ 0.000	\$ 0.000

MTA METRO-NORTH RAILROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000034	Current Budget Year	2008	Status	Open
Program:	Harmon Shop Replacement - Master Plan			Agency Status	Ready
Description and Implementation Pla	The February Plan included the addition of three Power maintainers and five storeroom personnel (2 management and 3 agreement) starting in January 2009. The current update delays the staff additions until 2013.				
Background Details	The replacement of the Harmon Shop complex will result in the establishment of new maintenance and support facilities and an increased track capacity for equipment storage and maneuvering. Consequently, additional staffing will be required to maintain or operate many of the new or expanded functions needed to support the shop complex. Specific staff increases already identified include personnel to support third rail power maintenance needs as well as additonal storeroom personnel for material distribution functions.				

				2008	2009	2010	2011	2012
Total Headcount	MNRRD	0000000034	MYF08	0	8	8	8	8
Financial Impact	MNRRD	0000000034	MYF08	\$ 0.000	\$ 0.790	\$ 0.801	\$ 0.816	\$ 0.833

MTA METRO-NORTH RAILROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2009
PEG / New Need ID	0000000041	Current Budget Year	2008	Status	Open
Program:	Cost Reduction Measures to be Determined			Agency Status	Ready
Description and Implementation Pla					
Background Details					

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MNRRD	0000000041	MYF08	\$ 0.000	\$ 0.000	\$ 4.984	\$ 5.097	\$ 5.135

MTA METRO-NORTH RAILROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2009
PEG / New Need ID	0000000036	Current Budget Year	2008	Status	Open
Program:	Provision for Landmark Preservation Maintenance			Agency Status	Ready
Description and Implementation Pla	Metro-North's 2008 February Financial Plan identified four new projects that should be funded through dedicated GCT Retail Revenue. Consequently, the placeholder will no longer be required.				
Background Details	The 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. Beyond 2008, only a small "placeholder" provision referenced above was included in the Plan. The "Landmark Renovations" in the Terminal were officially completed in 1998, ten years ago, and several large projects are waiting for funding and attention. In the 2007 July Financial Plan update Metro-North identified four new projects that should be funded through the dedicated GCT Retail Revenue.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MNRRD	0000000036	MYF08	\$ 0.000	\$ 0.518	\$ 0.526	\$ 0.535	\$ 0.545

MTA METRO-NORTH RAILROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2009
PEG / New Need ID	0000000037	Current Budget Year	2008	Status	Open
Program:	Provision to Increase MTA Police Service Costs - NHL			Agency Status	Ready
Description and Implementation Pla	The 2007 February Financial Plan contained the provision to increase NHL MTA Police Services effective 1/2009. The 2008 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 that MN thought MTA Police Services would bill back to MN. Over the last few years, the intercompany bills for the NHL Police Services grew at a lower rate than projected.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MNRRD	0000000037	MYF08	\$ 0.000	\$ 1.346	\$ 1.368	\$ 1.391	\$ 1.418

MTA METRO-NORTH RAILROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2009
PEG / New Need ID	0000000038	Current Budget Year	2008	Status	Open
Program:	Security Plan - GCT Barrier Separations Maintenance			Agency Status	Ready
Description and Implementation Pla	The July Financial Plan update removes the above requirement. The operating impact of the Security Plan with respect to physical hardening of GCT has been re-evaluated and is included under the new need, "Security Plan-IESS/3C Sys & Physical Hardening".				
Background Details	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.				

				2008	2009	2010	2011	2012
Total Headcount	MNRRD	0000000038	MYF08	0	2	2	2	2
Financial Impact	MNRRD	0000000038	MYF08	\$ 0.000	\$ 0.172	\$ 0.178	\$ 0.183	\$ 0.188

MTA METRO-NORTH RAILROAD
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Revenue Enhancement	Savings Date	7/1/2009
PEG / New Need ID	0000000040	Current Budget Year	2008	Status	Open
Program:	Yankee Stadium Station -Impact of Additional Revenue & Costs			Agency Status	Ready
Description and Implementation Pla	Metro-North plans to add a total of 62 positions, as follows: 50 T&E, 1 N/A Operations Svcs Mgr, 6 (OTE) Customer Service, 2 N/A Customer Service Mgrs, 2 M of E (OT&E), 1 N/A M of E Mgr, all effective on/before 1/2009.				
Background Details	In Spring 2006, the MTA Board approved the project to construct a new train station at Yankee Stadium. The pedestrian overpass, which will replace the existing overpass, will provide access from the stadium to the station, parking and ferry facilities and new parkland on the west side of the right-of-way. Metro-North will provide a combination of shuttle and through service to/from the station on the Harlem, Hudson and New Haven Lines and Manhattan for Yankee home games. Regular year-round Hudson Line service will also be provided to/from the station and other destinations to the north such as Tarrytown and Croton-Harmon and South to Harlem -125th Street and Grand Central Terminal. Also to be incurred are contractual services for stations cleaning & snow removal, occupancy costs and costs for customer counting. With the inauguration of this station, MN expects to generate approximately \$9.0 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 \$8.5 million.				

				2008	2009	2010	2011	2012
Total Headcount	MNRRD	0000000040	MYF08	0	(62)	(62)	(62)	(62)
Financial Impact	MNRRD	0000000040	MYF08	\$ 0.000	\$ 1.046	\$ 1.394	\$ 1.229	\$ 1.132

MTA METRO-NORTH RAILROAD
Mid-year forecast for 2008
Summary of Post 2009 PEGs
(\$ in millions)

		2008		2009		2010		2011		2012	
		<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>
Other											
Unspecified		0	0.000	0	0.000	0	9.251	0	18.502	0	27.753
Sub-Total	Other	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 9.251</u>	<u>0</u>	<u>\$ 18.502</u>	<u>0</u>	<u>\$ 27.753</u>
Total Programs		<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 9.251</u>	<u>0</u>	<u>\$ 18.502</u>	<u>0</u>	<u>\$ 27.753</u>

**MTA METRO-NORTH RAILROAD
2009 PRELIMINARY BUDGET
JULY FINANCIAL PLAN 2009-2012**

POSITION ASSUMPTIONS

NON-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 capital projects.

Annual non-reimbursable 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.

2008 reimbursable staffing levels reflect changes in project requirements. The 2009-2011 staffing levels assume a continuation of 2008 project activity levels.

YEAR-TO-YEAR CHANGES

2008 - 2009

The 2008 Adopted Budget for paid positions assumed 185 vacancies of which 52 are reimbursable. The 2008 Mid Year Forecast includes another 121 vacancies by year-end of which 31 are reimbursable. The higher vacancy rate is primarily attributed to timing differences in the implementation of new security control systems, an increase in the number of retirees, and a lower requirement for capital projects. These reductions are offset by the net addition of 22 non-reimbursable positions reflecting an increase of 30 T&E trainees in the fourth quarter, several administrative staff additions, and the elimination of 10 security-related positions that will be replaced by contracted security services.

The 2009 Preliminary Budget assumes the return of vacancies to their normal level and the addition of 34 non reimbursable positions which largely is comprised of 24 positions in support of new M8 car procurements and the M7 five-year life cycle maintenance program. The remaining position additions support maintenance of new security systems, new train service, Mid-Hudson Station Improvements, additional Training personnel, GCT maintenance, and Fleet Management.

2009 - 2010

The increase of 71 non-reimbursable paid positions reflects the addition of 50 maintenance positions to support the acquisition of new M8 cars and establishing a second-shift coach shop at Harmon, 17 T&E positions for new train service, 17 positions to support security improvements, and additional maintenance personnel to support completed right-of-way and facility improvements. These increases are offset by the reduction of 23 positions due to the completion of the M3 overhaul program.

2010 - 2011

The increase of 53 non-reimbursable paid positions reflects 28 staffing additions for the maintenance of new M8 cars, 17 T&E positions for the Service Plan, six positions in support of signal improvements on the Danbury Branch, and one additional position for each GCT Fire/Life Safety Emergency Generators program and Training.

2011 - 2012

The increase of 48 non-reimbursable paid positions reflects 30 staffing additions for the maintenance of new M8 cars, 14 T&E Service Plan additions, three positions to support H&H Power improvements, and one additional Training position.

MTA Metro-North Railroad
July Financial Plan 2009 - 2012
Total Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2007 Actual	2008 Mid Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
President	6	6	6	6	6	6
Labor Relations	10	13	13	13	13	13
Safety	15	19	20	28	28	28
Corporate Communications	15	17	17	17	17	17
Customer Service	236	255	257	257	257	257
Legal	15	17	17	17	17	17
Claims Services	17	20	22	22	22	22
Environmental Compliance & Serv	6	6	6	6	6	6
VP Human Resources	2	3	3	3	3	3
Human Resources & Diversity	44	49	49	49	49	49
Training	31	31	35	36	37	38
Employee Relations & Diversity	4	4	4	4	4	4
VP Planning Procurem't & Bus Dev Admin	3	3	3	3	3	3
Operations Planning & Analysis	18	21	21	21	21	21
Capital Planning & Programming	10	11	11	11	11	11
Business Development Facilities & Mktg	15	22	22	22	22	22
Marketing	3	-	-	-	-	-
Long Range Planning	9	10	10	10	10	10
VP Finance & Info Systems	10	1	1	1	1	1
Controller	117	118	118	118	118	118
Information Technology & Project Mgmt	111	126	138	138	138	138
Budget	13	16	16	16	16	16
Corporate *	-	(28)	(45)	(45)	(45)	(45)
Total Administration	710	740	744	753	754	755
Operations						
VP Operations	50	52	53	53	53	53
Operations Services	1,676	1,763	1,774	1,795	1,816	1,834
Metro-North West	29	28	28	28	28	28
Total Operations	1,755	1,843	1,855	1,876	1,897	1,915
Maintenance						
GCT	345	335	365	369	369	369
Maintenance of Equipment	1,257	1,288	1,332	1,340	1,364	1,390
Maintenance of Way	1,514	1,548	1,602	1,631	1,638	1,641
Procurement & Material Management	169	167	176	176	176	176
Total Maintenance	3,285	3,338	3,475	3,516	3,547	3,576
Engineering/Capital						
Project Budget	13	12	13	13	13	13
Construction Management	34	39	39	39	39	39
Engineering & Design	58	62	63	63	63	63
Total Engineering/Capital	105	113	115	115	115	115
Baseline Total Positions	5,855	6,034	6,189	6,260	6,313	6,361
<i>Non-Reimbursable</i>	5,386	5,418	5,542	5,613	5,666	5,714
<i>Reimbursable</i>	469	616	647	647	647	647
<i>Total Full-Time</i>	5,850	6,029	6,184	6,255	6,308	6,356
<i>Total Full-Time-Equivalents</i>	5	5	5	5	5	5
Impact of:						
2009 Program to Eliminate the Gap						
Post 2009 Program to Eliminate the Gap			52	52	52	52
Total Positions	5,855	6,034	6,241	6,312	6,365	6,413
<i>Non-Reimbursable</i>	5,386	5,418	5,594	5,665	5,718	5,766
<i>Reimbursable</i>	469	616	647	647	647	647
<i>Total Full-Time</i>	5,850	6,029	6,236	6,307	6,360	6,408
<i>Total Full-Time-Equivalents</i>	5	5	5	5	5	5
Business Service Center	-	(17)	(17)	(17)	(77)	(77)

* Reflects turnover vacancies in December not included in department totals.

MTA Metro-North Railroad
July Financial Plan 2009 - 2012
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	2007 Actual	2008 Mid Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
Managers/Supervisors	44	46	46	46	46	46
Professional, Technical, Clerical	638	667	669	678	679	680
Operational Hourlies	28	27	29	29	29	29
Total Administration	710	740	744	753	754	755
Operations						
Managers/Supervisors	26	27	27	27	27	27
Professional, Technical, Clerical	322	334	336	336	336	336
Operational Hourlies	1,407	1,482	1,492	1,513	1,534	1,552
Total Operations	1,755	1,843	1,855	1,876	1,897	1,915
Maintenance						
Managers/Supervisors	37	41	41	41	41	41
Professional, Technical, Clerical	1,015	1,059	1,069	1,071	1,071	1,071
Operational Hourlies	2,233	2,238	2,365	2,404	2,435	2,464
Total Maintenance	3,285	3,338	3,475	3,516	3,547	3,576
Engineering/Capital						
Managers/Supervisors	27	29	29	29	29	29
Professional, Technical, Clerical	78	84	86	86	86	86
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	105	113	115	115	115	115
Public Safety						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
MTA Metro-North Consolidated						
Managers/Supervisors	134	143	143	143	143	143
Professional, Technical, Clerical	2,053	2,144	2,160	2,171	2,172	2,173
Operational Hourlies	3,668	3,747	3,886	3,946	3,998	4,045
Total MTA Metro-North Consolidated	5,855	6,034	6,189	6,260	6,313	6,361

MTA Headquarters

**MTA Headquarters
2009 Preliminary Budget
July Financial Plan 2009 – 2012**

Mission Statement

The mission of Metropolitan Transportation Authority Headquarters is to maximize use of MTA Transportation services and facilities by its customers and to provide support to the operating agencies in budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services. In addition, MTA Headquarters' Department of Public Safety provides the highest level of policing and security for MTA's customers, employees and facilities.

Financial Overview

MTA Headquarters strives to be in the vanguard of adherence to MTA senior staff's priorities as it guides the MTA into the future. Mindful of the economic uncertainties that overshadow the MTA region and the MTA itself, MTA Headquarters has taken steps to continue its leadership in issues so important to the MTA commuting region. The Financial Plan enclosed contemplates funding only those programs for those issues deemed the highest priority by MTA management. These issues include environmental needs, of such high importance that a Blue Ribbon Commission on Sustainability was charged with expanding the MTA's contributions to regional and national sustainability, while reducing and managing the MTA's energy consumption, carbon emissions, waste, water use, and other elements of MTA's ecological footprint. MTA Headquarters has embraced the initiatives identified by the Blue Ribbon Commission on Sustainability by appointing a Director of Sustainability who will be responsible for initiating a process of both recording and verifying MTA's impact on the regional carbon footprint and computing possible carbon credits from it and analyzing the MTA's operations and expansion so as to reduce their carbon implications.

Because the training and retention of the MTA workforce is so important, the Blue Ribbon Panel on Workforce Development issued a report containing 61 recommendations aimed at, among others, promoting workforce development, succession planning, organizational culture, employees availability, and labor-management relations. These have been given top priority at MTA Headquarters and responsibility for implementation of programs designed for workforce development have been assigned to the Organizational Development and Training Division which now reports directly to the MTA Headquarters Chief of Staff.

Since 9/11, the security of MTA facilities, customers, and employees has been a major consideration. MTA Headquarters continues to expand security and many of its accomplishments will be the result of Directed Patrols to increase Police visibility and presence on board the Long Island Railroad, Metro North and SIRTOA, as well as

continued use and training of such forces as the K-9 unit and the Emergency Services Unit.

In order to ensure the MTA's financial stability MTA Headquarters has acted on the findings of two studies to determine the cost benefits of a shared services business service center (BSC). Under BSC, select administrative functions for all the MTA agencies are combined and use one Enterprise Resource Planning (ERP) Financial and Human Resources Payroll system along with other technologies to process administrative and back-office transactions. The MTA Board's decision in February 2008 to go forward with the BSC will result in substantial real savings to the MTA in the latter part of the plan period.

In addition, the MTA Defined Benefit Pension Plan currently is a complex multi-article pension plan with represented and non-represented participants in MNR, LIRR, LI Bus, MTA Bus, MTA PD and SIRTOA each with their own staffs to administer their own plans. In 2008 and 2009 these will be centralized in MTA Headquarters.

Finally, MTA Headquarters will create a Performance Reporting System, or "dashboard", modeled on a similar reporting environment implemented by the Department of Information Technology and Telecommunications for the City of New York that will monitor progress towards achieving MTA's as well as Agencies goals.

While the MTA has made significant strategic improvements in its operations it continues to seek opportunities to downsize and maximize efficiencies. Productivity initiatives undertaken over the past several years have enabled MTA Headquarters to identify those expenses that are no longer needed and can be eliminated. Combined savings from these "Programs to Eliminate the Gap" (PEG) have already begun and will reduce expenses by \$1.044 million in 2008, \$2.446 million in 2009, \$2.498 million in 2010, \$2.557 million in 2011 and \$2.609 million in 2012.

2008 Mid-Year Forecast

While MTA Headquarters begins to adopt the recommendations of several Blue Ribbon Commissions looking into priorities guiding the MTA's future it continues to hold the line on unnecessary expenditures. The MTA Headquarters Mid-Year Forecast projects a Baseline Deficit of \$351.623 million in 2008 before PEGs. This represents a favorable reduction of \$34.408 million from the 2008 Adopted Budget of \$386.031 million. This is primarily attributable to the removal of the all agency pension valuation provision and the reversal of an insurance payment accrued at year-end.

New Needs approvals have been kept to a minimum and primarily include only those New Needs required to implement those initiatives recommended by the Blue Ribbon commissions to support the seven priorities identified by the MTA's senior staff and board members regarding the MTA's future. Building on the steps taken prior to the 2009 Plan, New Needs of \$0.768 million have been approved. These include the appointment of a Director of Sustainability as recommended by the Blue Ribbon

Commission on Sustainability and a Deputy Director of Strategic Planning in order to bolster MTA-wide security; the hire of a Principal Executive Secretary to assist the Director of Government Affairs; and the hire of a Director of Market Research who will assist the MTA in realizing the maximum benefit from market research and all the new initiatives proposed for implementation. Other than these and some related other than personnel costs, only those New Needs that are self-funded have been approved.

Headcount of 1,465 positions in 2008 shows an increase of 11 positions over the 2008 Adopted Budget. Aside from the four positions mentioned above, additional headcount is included for the consolidation of the MTA Defined Benefit Pension Plan into MTA Headquarters where it will be centralized. The addition of 7 new positions will be reimbursable by the MTA Pension Trust and, thus, results in no additional expense for the MTA.

2009 Preliminary Budget- Baseline

MTA Headquarters projects a Baseline of \$359.518 million in the 2009 Preliminary Budget before PEGs. This is \$26.600 million below the February Plan of \$386.118 million. The reduction of MTA-wide pension reserve levels accounts for virtually the entire variance. In 2009 MTA Headquarters continues its program of doing more with less. Few New Needs were approved except for those that are reimbursable by an outside entity. Risk Management's License Monitor enhancements will dramatically reduce corporate insurance premiums and expenses are fully reimbursed by MTA's Captive. Similarly, with the growing number of participants in the Deferred Compensation plan as well as the increased value of the assets under management by the plan, Deferred Compensation workflow enhancements, resulting in an increase of three positions and approximately \$0.171 million additional costs. These costs will be fully reimbursable by the agent to be selected to administer the plan.

The baseline budget assumes headcount levels of 704 employees at MTA Headquarters and 766 employees in Public Safety, totaling 1,470 employees. The below-the-line 2009 PEGs and Post 2009 PEG actions are discussed in Gap closing measures.

2010-2012 Projections

A reduction in the MTA-wide pension reserve reduces the baseline Net Deficit for 2010 to \$365.929 million from the February 2008 Financial Plan of \$387.683 million. The baseline headcount, including strategic staff additions at MTA Headquarters, increases from the February Plan of 1,456 employees to 1,473 employees.

A reduction in the MTA-wide pension reserve reduces the baseline Net Deficit for 2011 to \$378.614 million from the February 2008 Financial Plan of \$394.945 million. The baseline headcount, including strategic staff additions at MTA Headquarters, increases from the February Plan of 1,456 employees to 1,475 employees.

A reduction in the MTA-wide pension reserve reduces the baseline Net Deficit for 2012 to \$387.375 million from the February 2008 Financial Plan of \$407.126 million. The baseline headcount, including strategic staff additions at MTA Headquarters, increases from the February Plan of 1,456 employees to 1,476 employees.

Gap Closing Measures

2009 PEG Actions

Throughout MTA Headquarters several departments have been able to achieve savings by targeted reductions in administrative expenses in both MTA Headquarters and the MTA Police. This has enabled MTA Headquarters to provide savings of \$1.044 million beginning in 2008, \$2.446 million in 2009, \$2.498 million in 2010, \$2.257 million in 2011 and \$2.609 million in 2012.

Post-2009 PEG Actions

Unspecified PEGs are scheduled to begin in 2010 and thereafter.

MTA HEADQUARTERS
July Financial Plan 2009-2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2007	2008	2009			
	Actuals	Mid Year Forecast	Preliminary Budget	2010	2011	2012
Operating Revenue						
Fare Revenue						
Vehicle Toll Revenue						
<u>Other Operating Revenue</u>						
Rental Income	\$46.513	\$47.495	\$48.252	\$49.241	\$50.197	\$51.221
Data Center Billings	-	-	-	-	-	-
Other	3.991	3.639	3.605	3.679	3.750	3.827
Total Other Operating Revenue	\$50.504	\$51.134	\$51.857	\$52.920	\$53.947	\$55.048
Capital and Other Reimbursements						
Total Revenue	\$50.504	\$51.134	\$51.857	\$52.920	\$53.947	\$55.048
Operating Expenses						
<u>Labor:</u>						
Payroll	\$114.940	\$122.764	\$125.349	\$129.260	\$132.641	\$135.353
Overtime	12.439	14.288	14.703	14.991	15.288	15.602
Health and Welfare	14.584	15.186	16.078	17.708	19.407	21.164
OPEB Current Payment	4.300	5.300	6.500	7.900	9.400	11.100
Pensions	15.851	16.852	16.956	18.681	20.324	21.806
Other Fringe Benefits	3.947	10.243	9.689	10.186	10.650	11.090
Reimbursable Overhead	(31.401)	(46.704)	(43.533)	(44.376)	(45.200)	(46.080)
Total Labor Expenses	\$134.660	\$137.929	\$145.743	\$154.349	\$162.510	\$170.035
<u>Non-Labor:</u>						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	10.213	(\$5.856)	\$3.495	\$3.834	\$4.227	\$4.649
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	22.844	28.420	30.298	30.916	31.515	32.158
Professional Service Contracts	46.174	47.639	44.815	45.956	47.620	48.557
Materials & Supplies	2.862	4.177	3.084	3.157	3.220	3.289
<u>Other Business Expenses</u>						
MTA Internal Subsidy	45.253	44.990	46.990	42.775	44.235	45.509
Other	36.391	54.220	41.680	42.553	43.446	44.227
Total Other Business Expenses	81.644	99.210	88.670	85.328	87.681	89.736
Total Non-Labor Expenses	\$163.737	\$173.590	\$170.361	\$169.190	\$174.263	\$178.388
<u>Other Expenses Adjustments:</u>						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$298.397	\$311.519	\$316.104	\$323.539	\$336.773	\$348.423
Depreciation	\$29.615	\$30.038	\$31.071	\$28.210	\$25.588	\$20.800
OPEB Obligation	58.300	61.200	64.200	67.100	70.200	73.200
Total Expenses	\$386.312	\$402.756	\$411.375	\$418.849	\$432.561	\$442.423
Baseline Surplus/(Deficit)	(\$335.808)	(\$351.623)	(\$359.518)	(\$365.929)	(\$378.614)	(\$387.376)
2009 Program to Eliminate the Gap (PEGs)	-	1.044	\$2.446	\$2.498	\$2.556	\$2.609
Post 2009 Program to Eliminate the Gap (PEGs)	-	-	-	2.162	4.431	6.707
Net Surplus/(Deficit)	(\$335.808)	(\$350.579)	(\$357.072)	(\$361.269)	(\$371.627)	(\$378.060)
Business Service Center - HQ Savings		-	1.458	1.501	10.130	10.809
Business Service Center Operating Expense		-	(16.811)	(19.817)	(57.636)	(43.409)

MTA HEADQUARTERS
July Financial Plan 2009-2012
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2007 Actuals	2008 Mid Year Forecast	2009 Preliminary Budget	2010	2011	2012
Revenue						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	35.891	54.092	52.845	54.755	55.919	57.129
Total Revenue	\$35.891	\$54.092	\$52.845	\$54.755	\$55.919	\$57.129
Expenses						
<u>Labor:</u>						
Payroll	\$1.620	\$2.765	\$3.539	\$3.673	\$3.840	\$3.961
Overtime	-	0.000	-	-	-	-
Health and Welfare	0.131	0.343	0.466	0.517	0.575	0.632
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	0.106	0.265	0.334	0.354	0.378	0.398
Other Fringe Benefits	0.381	0.201	0.263	0.291	0.310	0.326
Reimbursable Overhead	31.401	46.704	43.533	44.376	45.200	46.080
Total Labor Expenses	\$33.639	\$50.279	\$48.135	\$49.211	\$50.302	\$51.397
<u>Non-Labor:</u>						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	-	0.106	0.106	0.117	0.119	0.121
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	0.008	0.010	0.011	0.011
Professional Service Contracts	2.239	3.533	4.493	5.310	5.374	5.484
Materials & Supplies	0.006	0.088	0.046	0.049	0.053	0.054
<u>Other Business Expenses</u>	-	-	-	-	-	-
MTA Internal Subsidy	-	-	-	-	-	-
<u>Other</u>	0.006	0.087	0.056	0.059	0.061	0.062
Total Other Business Expenses	0.006	0.087	0.056	0.059	0.061	0.062
Total Non-Labor Expenses	\$2.251	\$3.813	\$4.709	\$5.544	\$5.617	\$5.732
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$35.891	\$54.092	\$52.844	\$54.755	\$55.919	\$57.129
Depreciation	-	-	-	-	-	-
OPEB Obligation	-	-	-	-	-	-
Total Expenses	\$35.891	\$54.092	\$52.844	\$54.755	\$55.919	\$57.129
Net Surplus/(Deficit)	\$0.000	\$0.000	(\$0.000)	(\$0.000)	\$0.000	(\$0.000)

MTA HEADQUARTERS
July Financial Plan 2009-2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2007	2008	2009			
	Actuals	Mid Year Forecast	Preliminary Budget	2010	2011	2012
Revenue						
Fare Revenue	-	-	-	-	-	-
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	46.513	47.495	48.252	49.241	50.197	51.221
Data Center Billings	-	-	-	-	-	-
Other	<u>3.991</u>	<u>3.639</u>	<u>3.605</u>	<u>3.679</u>	<u>3.750</u>	<u>3.827</u>
Total Other Operating Revenue	50.504	51.134	51.857	52.920	53.947	55.048
Capital and Other Reimbursements	35.891	54.092	52.845	54.755	55.919	57.129
Total Revenue	\$86.395	\$105.226	\$104.702	\$107.676	\$109.866	\$112.177
Expenses						
<u>Labor:</u>						
Payroll	\$116.560	\$125.529	\$128.888	\$132.933	\$136.481	\$139.314
Overtime	12.439	14.288	14.703	14.991	15.288	15.602
Health and Welfare	14.715	15.529	16.545	18.224	19.982	21.796
OPEB Current Payment	4.300	5.300	6.500	7.900	9.400	11.100
Pensions	15.957	17.117	17.290	19.036	20.702	22.204
Other Fringe Benefits	4.328	10.445	9.952	10.476	10.960	11.416
Reimbursable Overhead	-	-	-	-	-	-
Total Labor expenses	\$168.299	\$188.208	\$193.878	\$203.560	\$212.812	\$221.432
<u>Non-Labor:</u>						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	10.213	(5.750)	3.601	3.950	4.345	4.771
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	22.844	28.420	30.306	30.925	31.525	32.168
Professional Service Contracts	48.413	51.172	49.308	51.265	52.994	54.041
Materials & Supplies	2.868	4.265	3.130	3.207	3.273	3.342
<u>Other Business Expenses</u>						
MTA Internal Subsidy	45.253	44.990	46.990	42.775	44.235	45.509
Other Business Expenses	<u>36.397</u>	<u>54.306</u>	<u>41.736</u>	<u>42.612</u>	<u>43.507</u>	<u>44.289</u>
Total Other Business Expenses	81.650	99.296	88.726	85.387	87.742	89.798
Total Non-Labor expenses	\$165.988	\$177.403	\$175.071	\$174.735	\$179.880	\$184.120
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$334.287	\$365.611	\$368.948	\$378.294	\$392.692	\$405.552
Depreciation	\$29.615	\$30.038	\$31.071	\$28.210	\$25.588	\$20.800
OPEB Obligation	\$58.300	\$61.200	64.200	67.100	70.200	73.200
Total Expenses	\$422.202	\$456.848	\$464.219	\$473.604	\$488.480	\$499.552
Baseline Surplus/(Deficit)	(\$335.807)	(\$351.623)	(\$359.518)	(\$365.929)	(\$378.614)	(\$387.375)
2009 Program to Eliminate the Gap (PEGs)	-	1.044	2.446	2.498	2.556	2.609
Post 2000 Program to Eliminate the Gap (PEGs)	-	-	-	2.162	4.431	6.707
Net Surplus/(Deficit)	(\$335.807)	(\$350.579)	(\$357.072)	(\$361.269)	(\$371.627)	(\$378.059)
Business Service Center - HQ Savings	-	-	1.458	1.501	10.130	10.809
Business Service Center Operating Expense	-	-	(16.811)	(19.817)	(57.636)	(43.409)

MTA HEADQUARTERS
July Financial Plan 2009-2012
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2007	2008	2009			
	Actuals	Mid Year Forecast	Preliminary Budget	2010	2011	2012
Receipts						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	46.513	47.495	48.252	49.241	50.197	51.221
Data Center Billings	-	-	-	-	-	-
Other	5.208	7.226	7.263	7.412	7.556	7.710
Total Other Operating Revenue	51.721	54.721	55.516	56.654	57.753	58.931
Capital and Other Reimbursements	35.891	54.092	52.845	54.755	55.919	57.129
Total Receipts	\$87.612	\$108.813	\$108.360	\$111.409	\$113.672	\$116.060
Expenditures						
<u>Labor:</u>						
Payroll	\$115.028	\$128.183	\$125.648	\$129.626	\$133.110	\$135.874
Overtime	12.439	14.288	14.703	14.991	15.288	15.602
Health and Welfare	14.867	14.590	15.550	17.188	18.908	20.701
OPEB Current Payment	4.300	5.300	6.500	7.900	9.400	11.100
Pensions	20.637	14.854	16.962	18.740	20.436	21.965
Other Fringe Benefits	3.660	10.726	9.902	10.424	10.905	11.358
GASB Account	-	0.939	0.995	1.036	1.074	1.095
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$170.931	\$188.880	\$190.259	\$199.905	\$209.121	\$217.696
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	\$3.114	\$3.494	\$3.474	\$3.811	\$4.192	\$4.602
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	20.642	26.999	28.790	29.379	29.949	30.560
Professional Service Contracts	41.618	53.349	46.843	48.702	50.345	51.339
Materials & Supplies	2.607	4.143	2.974	3.046	3.109	3.175
<u>Other Business Expenses</u>						
MTA Internal Subsidy	45.349	44.990	46.990	42.775	44.235	45.509
Other Business Expenses	119.634	42.662	39.649	40.481	41.332	42.074
Total Other Business Expenses	164.983	87.652	86.639	83.256	85.567	87.583
Total Non-Labor Expenditures	\$232.964	\$175.637	\$168.720	\$168.195	\$173.162	\$177.260
<u>Other Expenditure Adjustments:</u>						
Capital	\$9.886	\$20.747	\$20.800	\$20.800	\$20.800	\$20.800
IESS	-	7.520	28.906	33.001	30.639	31.279
Business Service Center	-	(4.203)	-	-	-	-
Total Other Expenditure Adjustments	\$9.886	\$24.064	\$49.706	\$53.801	\$51.439	\$52.079
Total Expenditures	\$413.781	\$388.581	\$408.686	\$421.901	\$433.721	\$447.034
Baseline Cash Deficit	(\$326.169)	(\$279.768)	(\$300.325)	(\$310.492)	(\$320.050)	(\$330.974)
2009 Program to Eliminate the Gap (PEGs)	0.000	1.044	2.446	2.498	2.556	2.609
Post-2009 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	2.162	4.431	6.707
Net Cash Deficit	(\$326.169)	(\$278.724)	(\$297.879)	(\$305.832)	(\$313.063)	(\$321.658)
Business Service Center - HQ Savings	0.000	0.000	1.458	1.501	10.130	10.809
Business Service Center Operating Expense	0.000	0.000	(16.811)	(19.817)	(57.636)	(43.409)

MTA HEADQUARTERS
July Financial Plan 2009-2012
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2007	2008	2009			
	Actuals	Mid Year Forecast	Preliminary Budget	2010	2011	2012
Receipts						
Fare Revenue						
Vehicle Toll Revenue						
<u>Other Operating Revenue</u>						
Rental Income	0.000	0.000				
Data Center Billings	0.000	0.000	0.000	0.000	0.000	0.000
Other	1.217	3.587	3.658	3.733	3.806	3.883
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Receipts	\$1.217	\$3.587	\$3.658	\$3.733	\$3.806	\$3.883
Expenditures						
<u>Labor:</u>						
Payroll	\$1.532	(\$2.654)	\$3.240	\$3.306	\$3.371	\$3.439
Overtime						
Health and Welfare	(0.152)	0.939	0.995	1.036	1.074	1.095
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	(4.680)	2.264	0.329	0.296	0.266	0.239
Other Fringe Benefits	0.668	(0.281)	0.050	0.052	0.055	0.057
GASB Account	0.000	(0.939)	(0.995)	(1.036)	(1.074)	(1.095)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	(\$2.632)	(\$0.671)	\$3.618	\$3.654	\$3.691	\$3.736
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	7.099	(9.244)	0.127	0.139	0.153	0.168
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts	2.202	1.421	1.515	1.546	1.576	1.608
Professional Service Contracts	6.795	(2.177)	2.465	2.563	2.650	2.702
Materials & Supplies	0.261	0.122	0.157	0.160	0.164	0.167
<u>Other Business Expenses:</u>						
MTA Internal Subsidy	(0.096)	-	-	-	-	-
Other Business Expenses	(83.237)	11.644	2.087	2.131	2.175	2.214
Total Other Business Expenses	(83.333)	11.644	2.087	2.131	2.175	2.214
Total Non-Labor Expenditures	(\$66.976)	\$1.766	\$6.351	\$6.540	\$6.718	\$6.860
<u>Other Expenditure Adjustments:</u>						
Capital	(\$9.886)	(\$20.747)	(\$20.800)	(\$20.800)	(\$20.800)	(\$20.800)
IESS	-	(7.520)	(28.906)	(33.001)	(30.639)	(31.279)
Business Service Center	-	4.203	-	-	-	-
Total Other Expenditure Adjustments	(\$9.886)	(\$24.064)	(\$49.706)	(\$53.801)	(\$51.439)	(\$52.079)
Total Cash Conversion Adjustments before Depreciation	(\$78.277)	(\$19.382)	(\$36.079)	(\$39.874)	(\$37.224)	(\$37.599)
Depreciation Adjustment	29.615	30.038	31.071	28.210	25.588	20.800
OPEB Obligation	58.300	61.200	64.200	67.100	70.200	73.200
Baseline Total Cash Conversion Adjustments	\$9.638	\$71.855	\$59.192	\$55.436	\$58.564	\$56.401
2009 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Post 2009 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Total Cash Conversion Adjustments	\$9.638	\$71.855	\$59.192	\$55.436	\$58.564	\$56.401

MTA Headquarters
Summary Reconciliation to the February Plan
(\$ in millions)

	Favorable/(Unfavorable)			
	2008	2009	2010	2011
February Financial Plan Baseline Cash Deficit	(\$291.582)	(\$302.032)	(\$303.448)	(\$310.077)
New Needs	(\$0.768)	(\$0.772)	(\$0.789)	(\$0.805)
Service/Customer Service	0.000	0.000	0.000	0.000
Maintenance	0.000	0.000	0.000	0.000
Other (Administration)	(0.768)	(0.772)	(0.789)	(0.805)
Baseline Re-estimates	(\$0.255)	\$5.311	\$4.298	\$2.683
2009 PEG Program	<u>\$1.044</u>	<u>\$2.446</u>	<u>\$2.498</u>	<u>\$2.556</u>
Total Change before Other Adjustments and Uncontrollable Expenses	\$0.021	\$6.985	\$6.007	\$4.434
Other Adjustments	(\$7.520)	(\$28.906)	(\$33.001)	(\$30.639)
IESS	(7.520)	(28.906)	(33.001)	(30.639)
Total Changes before Uncontrollable Expenses	(\$7.499)	(\$21.921)	(\$26.994)	(\$26.205)
Uncontrollable Expenses				
Pensions**	21.274	25.196	21.275	17.223
Health & Welfare	(1.926)	(1.185)	(1.127)	(0.997)
Insurance	1.009	2.063	2.300	2.562
Total Uncontrollable Expenses	\$20.357	\$26.074	\$22.448	\$18.788
July Financial Plan including 2009 PEG Program*	(\$278.724)	(\$297.879)	(\$307.994)	(\$317.494)

*Excludes Post-2009 Unspecified PEGs

**Includes adjustments for MTA-wide Pension Reserve.

**MTA Headquarters
July Financial Plan 2009-2012
Year-to-Year Changes by Category
Accrual and Cash**

Baseline Assumptions:

The following explanations refer to the year-to-year variances in MTA Baseline assumptions for the July Financial Plan 2009-2012:

Receipts:

Rental Income, Data Center Billings, and Other

- The 2008 July Financial Plan reflects a re-estimate of charge backs to Agencies for work performed by MTA Headquarters on their behalf. Thereafter, 2009, 2010, 2011, 2012 are inflated by the CPI-Urban 1.99%, 2.05%, 1.94%, and 2.04%, respectively.

Expenditures:

Payroll

- Increases in the July Financial Plan from the February Financial Plan in 2008 primarily reflect the impact of retroactive pay from the MTA Police contract settlement coupled with headcount increases related to New Needs.
- A decrease in 2009 primarily reflects a small amount of vacancy savings as MTA Headquarters operates at a higher rate of staffing.
- Thereafter 2010, 2011, and 2012 reflect MTA Headquarters and MTA Police civilian salaries inflated at CPI-Urban rates of 2.05%, 1.94%, and 1.94%, respectively.
- MTA Police represented salaries are inflated according to prevailing patterned bargaining rates.

Overtime

- Expenses in 2008 and 2009 in the July Financial Plan are unchanged from the February Plan.
- Thereafter, 2009, 2010, and 2011 are inflated by prevailing pattern bargaining rates.

Health and Welfare

- Increases in the July Financial Plan for 2008 primarily result from non post-employment Health and Welfare costs in 2008 projected to increase at a rate of 5.4% over 2007, 9.8% in 2009 and 7.0% in each year thereafter.

Pensions

- The July Financial Plan is below the February Financial Plan for 2008 mainly due to the removal of the all-agency pension reserve back to the agencies as well as the effect of a prepayment made in 2007.
- Thereafter, increases in all years of the plan for 2009, 2010, 2011 and 2012 are inflated by the CPI-Urban: 1.99%, 2.05%, 1.94%, and 2.04%, respectively.

Other Fringe Benefits

- Increases in all years of the plan for 2009, 2010, 2011 and 2012 are inflated by the CPI-Urban: 1.99%, 2.05%, 1.94%, and 2.04%, respectively.

Insurance

- Decreases in the July Financial Plan reflect a favorable reversal of an accrual made at year-end 2007.
- Thereafter 2009, 2010, and 2011 are inflated at approximately 10% annually with some off-setting adjustments.

Maintenance and Other Operating Contracts

- The July Financial Plan primarily reflects transfers of expenses to other non-labor categories as well as adjustments in contracts that were renegotiated in 2008 for maintenance and repair work for MTA Headquarters facilities.
- Thereafter 2009, 2010, 2011 and 2012 are inflated by 1.99%, 2.05%, 1.94%, and 2.04%, respectively.

Professional Service Contracts

- Increases in the July Financial Plan reflect the inclusion of certain re-estimated services as well as one time expenses that were required in 2008.
- Thereafter 2009, 2010, 2011 and 2012 are inflated by 1.99%, 2.05%, 1.94%, and 2.04%, respectively, with adjustments made to reflect the conclusion of some currently contracted services.

Materials & Supplies

- Increases in the July Financial Plan in 2008 from the February Plan mainly reflect transfers of expenses from other non-labor categories.
- Thereafter 2009, 2010, 2011 and 2012 are inflated by 1.99%, 2.05%, 1.94%, and 2.04%, respectively.

MTA Internal Subsidy

- All years reflect MTA support requirements for SIRT OA and Long Island Bus and the Cross Bay Toll based on projected revenue and support shortfalls from state and local governments.

Other Business Expenses

- Other Business Expenses reflect increases from the February Plan mainly due to transfers of expenses from other non-labor categories, the addition of new needs.

and re-estimated expenses. Increases in all years of the plan for 2009, 2010, 2011, and 2012 are inflated by 1.99%, 2.05%, 1.94%, and 2.04%, respectively.

Other Expenditure Adjustments:

Capital Expenditures

- 2008 expenditures of \$20.747 million reflect favorable timing of spending from the February Plan.
- Capital expenditures in 2009 are \$20.800 million and remain constant at \$20.800 million for 2010-2012.

MTA HEADQUARTERS
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue									
Vehicle Toll Revenue									
Other Operating Revenue									
Rental Income	\$47.495	\$48.252	\$0.757	\$49.241	\$0.989	\$50.197	\$0.955	\$51.221	\$1.024
Data Center Billings	-	-	-	-	-	-	-	-	-
Other	3.639	3.605	(0.034)	3.679	0.074	3.750	0.071	3.827	0.077
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Total Revenue	\$51.134	\$51.857	\$0.723	\$52.920	\$1.063	\$53.947	\$1.027	\$55.048	\$1.101
Expenses									
Labor:									
Payroll	\$122.764	\$125.349	(\$2.585)	\$129.260	(\$3.911)	\$132.641	(\$3.381)	\$135.353	(\$2.712)
Overtime	14.288	14.703	(0.415)	14.991	(0.288)	15.288	(0.297)	15.602	(0.314)
Health and Welfare	15.186	16.078	(0.893)	17.708	(1.629)	19.407	(1.700)	21.164	(1.757)
OPEB Current Payment	5.300	6.500	(1.200)	7.900	(1.400)	9.400	(1.500)	11.100	(1.700)
Pensions	16.852	16.956	(0.103)	18.681	(1.726)	20.324	(1.643)	21.806	(1.482)
Other Fringe Benefits	10.243	9.689	0.554	10.186	(0.497)	10.650	(0.465)	11.090	(0.439)
Reimbursable Overhead	(46.704)	(43.533)	(3.172)	(44.376)	0.844	(45.200)	0.824	(46.080)	0.880
Total Labor Expenses	\$137.929	\$145.743	(\$7.813)	\$154.349	(\$8.606)	\$162.510	(\$8.161)	\$170.035	(\$7.525)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	(5.856)	3.495	(9.351)	3.834	(0.339)	4.227	(0.393)	4.649	(0.423)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	28.420	30.298	(1.878)	30.916	(0.618)	31.515	(0.599)	32.158	(0.643)
Professional Service Contracts	47.639	44.815	2.825	45.956	(1.141)	47.620	(1.665)	48.557	(0.937)
Materials & Supplies	4.177	3.084	1.093	3.157	(0.073)	3.220	(0.063)	3.289	(0.069)
MTA Internal Subsidy	44.990	46.990	(2.000)	42.775	4.215	44.235	(1.460)	45.509	(1.274)
Other Business Expenses	54.220	41.680	12.540	42.553	(0.873)	43.446	(0.893)	44.227	(0.781)
Total Non-Labor Expenses	\$173.590	\$170.361	\$3.228	\$169.190	\$1.171	\$174.263	(\$5.072)	\$178.388	(\$4.126)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$311.519	\$316.104	(\$4.585)	\$323.539	(\$7.435)	\$336.773	(\$13.234)	\$348.423	(\$11.650)
Depreciation	\$30.038	\$31.071	(\$1.033)	\$28.210	\$2.861	\$25.588	\$2.622	\$20.800	\$4.788
OPEB Obligation	\$61.200	64.200	(3.000)	67.100	(2.900)	70.200	(3.100)	73.200	(3.000)
Total Expenses	\$402.756	\$411.375	(\$8.619)	\$418.849	(\$7.474)	\$432.561	(\$13.712)	\$442.423	(\$9.862)
Baseline Net Surplus/(Deficit)	(\$351.623)	(\$359.518)	(\$7.895)	(\$365.929)	(\$6.411)	(\$378.614)	(\$12.685)	(\$387.376)	(\$8.762)
2009 Agency Program to Eliminate the Gap (PEGs)	1.044	2.446	1.402	2.498	0.052	2.556	0.058	2.609	0.053
Post 2009 Program to Eliminate the Gap	-	-	-	2.162	2.162	4.431	2.269	6.707	2.276
Net Surplus/(Deficit)	(\$350.579)	(\$357.072)	(\$6.493)	(\$361.269)	(\$4.197)	(\$371.627)	(\$10.358)	(\$378.060)	(\$6.433)
Business Service Center - HQ Savings	-	1.458	1.458	1.501	0.044	10.130	8.629	10.809	0.679
Business Service Center Operating Expense	-	(16.811)	(16.811)	(19.817)	(3.006)	(57.636)	(37.819)	(43.409)	14.227

MTA HEADQUARTERS
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
<u>Revenue</u>									
Farebox Revenue									
Vehicle Toll Revenue									
Other Operating Revenue									
Rental Income	-	-	-	-	-	-	-	-	-
Data Center Billings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	54.092	52.845	(1.247)	54.755	1.911	55.919	1.164	57.129	1.210
Total Revenue	\$54.092	\$52.845	(\$1.247)	\$54.755	\$1.911	\$55.919	\$1.164	\$57.129	\$1.210
<u>Expenses</u>									
Labor:									
Payroll	\$2.765	\$3.539	(\$0.774)	\$3.673	(\$0.134)	\$3.840	(\$0.167)	\$3.961	(\$0.122)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	0.343	0.466	(0.124)	0.517	(0.050)	0.575	(0.058)	0.632	(0.057)
OPEB Current Payment	-	-	-	-	-	-	-	-	-
Pensions	0.265	0.334	(0.070)	0.354	(0.020)	0.378	(0.023)	0.398	(0.020)
Other Fringe Benefits	0.201	0.263	(0.061)	0.291	(0.028)	0.310	(0.019)	0.326	(0.016)
Reimbursable Overhead	46.704	43.533	3.172	44.376	(0.844)	45.200	(0.824)	46.080	(0.880)
Total Labor Expenses	\$50.279	\$48.135	\$2.144	\$49.211	(\$1.076)	\$50.302	(\$1.091)	\$51.397	(\$1.095)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	0.106	0.106	-	0.117	(0.011)	0.119	(0.002)	0.121	(0.002)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	0.008	(0.008)	0.010	(0.002)	0.011	(0.001)	0.011	(0.000)
Professional Service Contracts	3.533	4.493	(0.961)	5.310	(0.816)	5.374	(0.064)	5.484	(0.110)
Materials & Supplies	0.088	0.046	0.042	0.049	(0.003)	0.053	(0.003)	0.054	(0.001)
MTA Internal Subsidy	-	-	-	-	-	-	-	-	-
Other Business Expenses	0.087	0.056	0.031	0.059	(0.003)	0.061	(0.002)	0.062	(0.001)
Total Non-Labor Expenses	\$3.813	\$4.709	(\$0.896)	\$5.544	(\$0.835)	\$5.617	(\$0.073)	\$5.732	(\$0.115)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$54.092	\$52.844	\$1.248	\$54.755	(\$1.911)	\$55.919	(\$1.164)	\$57.128	(\$1.209)
Depreciation	-	-	-	-	-	-	-	-	-
OPEB Obligation	-	-	-	-	-	-	-	-	-
Total Expenses	\$54.092	\$52.844	\$1.248	\$54.755	(\$1.911)	\$55.919	(\$1.164)	\$57.128	(\$1.209)
Baseline Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.000)	(\$0.001)	(\$0.000)	(\$0.000)
2009 Agency Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-	-	-	-
Post 2009 Program to Eliminate the Gap	-	-	-	-	-	-	-	-	-
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.001	\$0.000	\$0.000	(\$0.000)	(\$0.001)	(\$0.000)	(\$0.000)

MTA HEADQUARTERS
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue									
Vehicle Toll Revenue									
Other Operating Revenue									
Rental Income	\$47.495	\$48.252	\$0.757	\$49.241	\$0.989	\$50.197	\$0.955	\$51.221	\$1.024
Data Center Billings	-	-	-	-	-	-	-	-	-
Other	3.639	3.605	(0.034)	3.679	0.074	3.750	0.071	3.827	0.077
Capital and Other Reimbursements	54.092	52.845	(1.247)	54.755	1.911	55.919	1.164	57.129	1.210
Total Revenue	\$105.226	\$104.702	(\$0.524)	\$107.676	\$2.974	\$109.866	\$2.190	\$112.177	\$2.311
Expenses									
Labor:									
Payroll	\$125.529	\$128.888	(\$3.359)	\$132.933	(\$4.045)	\$136.481	(\$3.548)	\$139.314	(\$2.833)
Overtime	14.288	14.703	(0.415)	14.991	(0.288)	15.288	(0.297)	15.602	(0.314)
Health and Welfare	15.529	16.545	(1.016)	18.224	(1.679)	19.982	(1.758)	21.796	(1.814)
OPEB Current Payment	5.300	6.500	(1.200)	7.900	(1.400)	9.400	(1.500)	11.100	(1.700)
Pensions	17.117	17.290	(0.173)	19.036	(1.746)	20.702	(1.666)	22.204	(1.502)
Other Fringe Benefits	10.445	9.952	0.493	10.476	(0.524)	10.960	(0.484)	11.416	(0.456)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$188.208	\$193.878	(\$5.670)	\$203.560	(\$9.682)	\$212.812	(\$9.253)	\$221.432	(\$8.619)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	(5.750)	3.601	(9.351)	3.950	(0.349)	4.345	(0.395)	4.771	(0.425)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	28.420	30.306	(1.886)	30.925	(0.620)	31.525	(0.600)	32.168	(0.643)
Professional Service Contracts	51.172	49.308	1.864	51.265	(1.957)	52.994	(1.729)	54.041	(1.046)
Materials & Supplies	4.265	3.130	1.135	3.207	(0.076)	3.273	(0.066)	3.342	(0.070)
MTA Internal Subsidy	44.990	46.990	(2.000)	42.775	4.215	44.235	(1.460)	45.509	(1.274)
Other Business Expenses	54.306	41.736	12.570	42.612	(0.876)	43.507	(0.895)	44.289	(0.782)
Total Non-Labor Expenses	\$177.403	\$175.071	\$2.332	\$174.735	\$0.336	\$179.880	(\$5.145)	\$184.120	(\$4.240)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$365.611	\$368.948	(\$3.338)	\$378.294	(\$9.346)	\$392.692	(\$14.398)	\$405.552	(\$12.860)
Depreciation	\$30.038	\$31.071	(\$1.033)	\$28.210	\$2.861	\$25.588	\$2.622	\$20.800	\$4.788
OPEB Obligation	61.200	64.200	(3.000)	67.100	(2.900)	70.200	(3.100)	73.200	(3.000)
Total Expenses	\$456.848	\$464.219	(\$7.371)	\$473.604	(\$9.385)	\$488.480	(\$14.876)	\$499.552	(\$11.072)
Baseline Net Surplus/(Deficit)	(\$351.623)	(\$359.518)	(\$7.895)	(\$365.929)	(\$6.411)	(\$378.614)	(\$12.685)	(\$387.375)	(\$8.761)
2009 Agency Program to Eliminate the Gap (PEGs)	\$1.044	\$2.446	\$1.402	\$2.498	\$0.052	\$2.556	\$0.058	\$2.609	0.053
Post 2009 Program to Eliminate the Gap	-	-	-	2.162	2.162	4.431	2.269	6.707	2.276
Net Surplus/(Deficit)	(\$350.579)	(\$357.072)	(\$6.493)	(\$361.269)	(\$4.197)	(\$371.627)	(\$10.358)	(\$378.059)	(\$6.432)
Business Service Center - HQ Savings	-	1.458	1.458	1.501	0.044	10.130	8.629	10.809	0.679
Business Service Center Operating Expense	-	(16.811)	(16.811)	(19.817)	(3.006)	(57.636)	(37.819)	(43.409)	14.227

MTA HEADQUARTERS
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Receipts									
Farebox Revenue									
Vehicle Toll Revenue									
Other Operating Revenue									
Rental Income	\$47.495	\$48.252	\$0.757	\$49.241	\$0.989	\$50.197	\$0.955	\$51.221	\$1.024
Data Center Billings	-	-	-	-	-	-	-	-	-
Other	7.226	7.263	0.037	7.412	0.149	7.556	0.144	7.710	0.154
Capital and Other Reimbursements	54.092	52.845	(1.247)	54.755	1.911	55.919	1.164	57.129	1.210
Total Receipts	\$108.813	\$108.360	(\$0.453)	\$111.409	\$3.049	\$113.672	\$2.263	\$116.060	\$2.388
Expenditures									
Labor:									
Payroll	\$128.183	125.648	\$2.535	129.626	(\$3.978)	133.110	(\$3.484)	135.874	(\$2.764)
Overtime	14.288	14.703	(0.415)	14.991	(0.288)	15.288	(0.297)	15.602	(0.314)
Health and Welfare	14.590	15.550	(0.961)	17.188	(1.637)	18.908	(1.720)	20.701	(1.793)
OPEB Current Payment	5.300	6.500	(1.200)	7.900	(1.400)	9.400	(1.500)	11.100	(1.700)
Pensions	14.854	16.962	(2.108)	18.740	(1.778)	20.436	(1.696)	21.965	(1.529)
Other Fringe Benefits	10.726	9.902	0.824	10.424	(0.522)	10.905	(0.481)	11.358	(0.453)
GASB Account	0.939	0.995	(0.056)	1.036	(0.042)	1.074	(0.038)	1.095	(0.021)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenditures	\$188.880	\$190.259	(\$1.379)	\$199.905	(\$9.646)	\$209.121	(\$9.216)	\$217.696	(\$8.575)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	3.494	3.474	0.020	3.811	(0.337)	4.192	(0.381)	4.602	(0.410)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	26.999	28.790	(1.791)	29.379	(0.589)	29.949	(0.570)	30.560	(0.611)
Professional Service Contracts	53.349	46.843	6.506	48.702	(1.860)	50.345	(1.642)	51.339	(0.994)
Materials & Supplies	4.143	2.974	1.169	3.046	(0.072)	3.109	(0.063)	3.175	(0.066)
MTA Internal Subsidy	44.990	46.990	(2.000)	42.775	4.215	44.235	(1.460)	45.509	(1.274)
Other Business Expenses	42.662	39.649	3.013	40.481	(0.832)	41.332	(0.850)	42.074	(0.743)
Total Non-Labor Expenditures	\$175.637	\$168.720	\$6.916	\$168.195	\$0.525	\$173.162	(\$4.967)	\$177.260	(\$4.098)
Other Expenditure Adjustments:									
Other	\$20.747	\$20.800	(\$0.053)	\$20.800	\$0.000	\$20.800	\$0.000	\$20.800	\$0.000
IESS	7.520	28.906	(21.386)	33.001	(4.095)	30.639	2.362	31.279	(0.640)
Business Service Center	(4.203)	-	(4.203)	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$24.064	\$49.706	(\$25.642)	\$53.801	(\$4.095)	\$51.439	\$2.362	\$52.079	(\$0.640)
Total Expenditures	\$388.581	\$408.686	(\$20.105)	\$421.901	(\$13.215)	\$433.721	(\$11.820)	\$447.034	(\$13.313)
Baseline Net Cash Deficit	(\$279.768)	(\$300.325)	(\$20.558)	(\$310.492)	(\$10.167)	(\$320.050)	(\$9.558)	(\$330.974)	(\$10.924)
2009 Agency Program to Eliminate the Gap (PEGs)	\$1.044	\$2.446	\$1.402	\$2.498	\$0.052	\$2.556	\$0.058	\$2.609	\$0.053
Post 2009 Program to Eliminate the Gap	-	-	-	2.162	2.162	\$4.431	2.269	6.707	2.276
Net Cash Deficit	(\$278.724)	(\$297.879)	(\$19.156)	(\$305.832)	(\$7.953)	(\$313.063)	(\$7.230)	(\$321.658)	(\$8.596)
Business Service Center - HQ Savings	-	1.458	1.458	1.501	0.044	\$10.130	8.629	10.809	0.679
Business Service Center Operating Expense	-	(16.811)	(16.811)	(19.817)	(3.006)	(\$57.636)	(37.819)	(43.409)	14.227

**MTA Headquarters
July Financial Plan 2009-2012
Summary of Major Changes Between Financial Plans**

The following explanations summarize the total differences between the July Financial Plan and the February Financial Plan:

2008: July Financial Plan vs. February Financial Plan

The Baseline Cash Deficit in the July Financial Plan of \$279.768 million is an \$11.815 million decrease from the February Plan of \$291.582 million. The removal of the all-agency pension reserve back to the agencies is the major reason for the decrease offset, in part, by the transfer of funding for the Integrated Electronic Security Systems (IESS) initiative from February Plan Policy Actions into MTA Headquarters. This funding will be reallocated to the affected agencies in the November Plan.

2009: July Financial Plan vs. February Financial Plan

The Baseline Cash Deficit in the July Financial Plan of \$300.325 million is a \$1.707 million decrease from the February Plan of \$302.032 million. The removal of the all-agency pension reserve back to the agencies and reduced non-labor expenses, partly offset by transfer of funding for the IESS initiative from February Plan Policy Actions to MTA Headquarters is the major reason for the decrease.

2010, 2011, 2012: July Financial Plan vs. February Financial Plan

The Baseline Cash Deficit in the July Financial Plan of \$310.492 million in 2010 is a \$7.044 million increase from the February Plan of \$303.448 million. The Baseline Cash Deficit in the July Financial Plan of \$320.050 million in 2011 is a \$9.973 million increase from the February Plan of \$310.077 million. The Baseline Cash Deficit in the July Financial Plan of \$330.974 million for 2012 is a \$9.973 million increase from the February Plan of \$321.001 million. In each case the major reason for the increase is the transfer of funding for the IESS initiative from February Plan Policy Actions to MTA Headquarters, partly offset by the removal of the all-agency pension reserve back to the agencies.

MTA HEADQUARTERS
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	(\$291.582)	(\$302.032)	(\$303.448)	(\$310.077)	(\$321.001)
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income	(0.496)	(0.684)	(0.649)	(0.692)	(0.686)
Data Center Billings	-	-	-	-	-
Other	(0.744)	(0.864)	(0.878)	(0.897)	(0.914)
Capital and Other Reimbursement					
Total Revenue Changes	(\$1.240)	(\$1.549)	(\$1.527)	(\$1.589)	(\$1.600)
Expenses					
Labor:					
Payroll	(\$1.407)	(\$.423)	(\$1.880)	(\$2.719)	(\$2.820)
Overtime	(\$0.000)	\$0.000	\$0.000	\$0.000	(\$0.008)
Health and Welfare	\$3.374	\$5.371	\$6.789	\$8.426	\$10.415
OPEB Current Payment	(\$5.300)	(\$6.500)	(\$7.900)	(\$9.400)	(\$11.100)
Pensions	\$26.770	\$25.235	\$21.284	\$17.235	\$16.864
Other Fringe Benefits	(\$.791)	\$1.103	(\$1.183)	(\$.429)	(\$.644)
Reimbursable Overhead	\$3.634	\$1.574	\$1.549	\$1.414	\$1.395
Total Labor Expense Changes	\$26.279	\$25.360	\$19.659	\$14.527	\$14.102
Non-Labor:					
Traction and Propulsion Power	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-
Insurance	10.892	2.063	2.311	2.564	2.853
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	6.603	1.550	1.635	1.731	1.782
Professional Service Contracts	(0.083)	(0.331)	(0.485)	(1.100)	(1.037)
Materials & Supplies	(1.035)	(0.116)	(0.123)	(0.119)	0.124
MTA Internal Subsidy	0.303	0.017	0.702	0.744	0.996
Other Business Expenses	(7.329)	(0.534)	(0.417)	(0.428)	(0.257)
Total Non-Labor Expense Changes	\$9.352	\$2.650	\$3.622	\$3.392	\$4.460
Total Expense Changes	\$35.630	\$28.010	\$23.281	\$17.920	\$18.562
Depreciation	\$0.018	\$0.139	(\$0.000)	\$0.000	\$2.788
OPEB Obligation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes					
Revenue	(\$1.215)	(\$1.238)	(\$1.258)	(\$1.286)	(\$1.310)
Labor Expense	(11.642)	0.117	0.076	0.082	0.058
Non Labor Expense	(11.366)	5.273	5.384	5.539	5.595
Operating Capital	4.965	-	-	-	-
IESS	(7.520)	(28.906)	(33.001)	(30.639)	(31.279)
Business Service Center	4.203	-	-	-	-
Depreciation	(0.018)	(0.139)	0.000	(0.000)	(2.788)
OPEB	-	-	-	-	-
Total Cash Adjustment Changes	(\$22.594)	(\$24.893)	(\$28.798)	(\$26.304)	(\$29.724)
Total Baseline Changes	\$11.815	\$1.707	(\$7.044)	(\$9.973)	(\$9.973)
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$279.768)	(\$300.326)	(\$310.492)	(\$320.050)	(\$330.974)

MTA HEADQUARTERS
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income					
Data Center Billings					
Other					
Capital and Other Reimbursement	\$5.901	\$5.602	\$6.510	\$6.625	\$6.790
Total Revenue Changes	\$5.901	\$5.602	\$6.510	\$6.625	\$6.790
Expenses					
Labor:					
Payroll	(\$0.323)	(\$1.023)	(\$1.108)	(\$1.224)	(\$1.293)
Overtime	-	-	-	-	-
Health and Welfare	(0.055)	(0.145)	(0.162)	(0.183)	(0.199)
OPEB Current Payment	-	-	-	-	-
Pensions	(0.011)	(0.072)	(0.087)	(0.104)	(0.118)
Other Fringe Benefits	(0.017)	(0.073)	(0.097)	(0.112)	(0.124)
Reimbursable Overhead	(3.634)	(1.574)	(1.549)	(1.414)	(1.395)
Total Labor Expense Changes	(\$4.040)	(\$2.888)	(\$3.003)	(\$3.037)	(\$3.129)
Non-Labor:					
Traction and Propulsion Power	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-
Insurance	(0.106)	(0.106)	(0.117)	(0.119)	(0.121)
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	0.002	(0.006)	(0.007)	(0.008)	(0.009)
Professional Services	(1.691)	(2.611)	(3.388)	(3.463)	(3.533)
Materials & Supplies	(0.041)	0.002	0.000	(0.002)	(0.002)
MTA Internal Subsidy	-	-	-	-	-
Other Business Expenses	(0.025)	0.007	0.005	0.004	0.005
Total Non-Labor Expense Changes	(\$1.861)	(\$2.714)	(\$3.507)	(\$3.588)	(\$3.660)
Total Expense Changes	(\$5.901)	(\$5.602)	(\$6.510)	(\$6.625)	(\$6.790)
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	(\$0.000)	(\$0.000)
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	(\$0.000)	(\$0.000)

MTA HEADQUARTERS
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	(\$291.582)	(\$302.032)	(\$303.448)	(\$310.077)	(\$321.001)
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income	(0.496)	(0.684)	(0.649)	(0.692)	(0.686)
Data Center Billings	-	-	-	-	-
Other	(0.744)	(0.864)	(0.878)	(0.897)	(0.914)
Capital and Other Reimbursement	\$5.901	\$5.602	\$6.510	\$6.625	\$6.790
Total Revenue Changes	\$4.661	\$4.053	\$4.983	\$5.036	\$5.191
Expenses					
Labor:					
Payroll	(\$1.730)	(\$1.447)	(\$2.988)	(\$3.943)	(\$4.114)
Overtime	(0.000)	0.000	0.000	0.000	(0.008)
Health and Welfare	3.318	5.226	6.627	8.243	10.216
OPEB Current Payment	(5.300)	(6.500)	(7.900)	(9.400)	(11.100)
Pensions	26.759	25.162	21.197	17.131	16.746
Other Fringe Benefits	(0.808)	0.030	(0.280)	(0.541)	(0.768)
Reimbursable Overhead	-	-	-	-	-
Total Labor Expense Changes	\$22.239	\$22.472	\$16.656	\$11.490	\$10.973
Non-Labor:					
Traction and Propulsion Power	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-
Insurance	10.786	1.957	2.194	2.446	2.732
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	6.605	1.545	1.628	1.722	1.774
Professional Services	(1.774)	(2.942)	(3.873)	(4.564)	(4.570)
Materials & Supplies	(1.075)	(0.113)	(0.123)	(0.121)	0.122
MTA Internal Subsidy	0.303	0.017	0.702	0.744	0.996
Other Business Expenses	(7.355)	(0.528)	(0.412)	(0.423)	(0.253)
Total Non-Labor Expense Changes	\$7.490	(\$0.64)	\$1.15	(\$1.96)	\$0.800
Total Expense Changes	\$29.729	\$22.408	\$16.771	\$11.295	\$11.772
Depreciation	\$0.018	\$0.139	(\$0.000)	\$0.000	\$2.788
OPEB Obligation	-	-	-	-	-
Cash Adjustment Changes					
Revenue	(\$1.215)	(\$1.238)	(\$1.258)	(\$1.286)	(\$1.310)
Labor Expense	(11.642)	0.117	0.076	0.082	0.058
Non Labor Expense	(11.366)	5.273	5.384	5.539	5.595
Operating Capital	4.965	-	-	-	-
IESS	(7.520)	(28.906)	(33.001)	(30.639)	(31.279)
Business Service Center	4.203	-	-	-	-
Depreciation	(0.018)	(0.139)	0.000	(0.000)	(2.788)
OPEB	-	-	-	-	-
Total Cash Adjustment Changes	(\$22.594)	(\$24.893)	(\$28.798)	(\$26.304)	(\$29.724)
Total Baseline Changes	\$11.815	\$1.707	(\$7.044)	(\$9.973)	(\$9.973)
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$279.768)	(\$300.325)	(\$310.492)	(\$320.050)	(\$330.974)

MTA HEADQUARTERS
July Financial Plan 2009 - 2012
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	(\$291.582)	(\$302.032)	(\$303.448)	(\$310.077)	(\$321.001)
<i>Non-Reimbursable Major Changes</i>					
Revenue					
Lower Rental Income	(0.496)	(0.684)	(0.649)	(0.692)	(0.686)
Lower Transit Museum Revenue	(0.744)	(0.864)	(0.878)	(0.897)	(0.914)
 Sub-Total Non-Reimbursable Revenue Changes	 (\$1.240)	 (\$1.549)	 (\$1.527)	 (\$1.589)	 (\$1.600)
 Expenses					
Increase In Administrative expenses	(\$0.167)	(\$0.194)	(\$0.195)	(\$0.197)	(\$0.198)
Change in MTA-wide Pension Reserve Levels	22.800	20.200	16.900	13.400	13.400
Lower Pension Costs	3.970	5.035	4.384	3.835	3.464
Higher Health and Welfare expenses	(1.926)	(1.129)	(1.111)	(0.974)	(0.685)
Strategic Increase in MTA Staffing Levels	(0.489)	(0.378)	(0.390)	(0.401)	(0.413)
Change in Inflation Assumptions	0.000	0.237	0.431	0.407	0.537
Change in Depreciation	0.018	0.139	(0.000)	0.000	2.788
Change in Support for Subsidiaries	0.303	0.017	0.702	0.744	0.996
Insurance Expense re-estimate	10.786	1.957	2.194	2.446	2.732
Facility Maintenance Expense Re-estimate	0.200	0.200	0.204	0.208	0.212
Higher Payroll due to MTAPD Contract and MTAHQ Salary mix	(1.028)	(0.201)	(1.586)	(2.515)	(2.420)
All Other	1.181	2.266	1.748	0.966	0.937
 Sub-Total Non-Reimbursable Expense Changes	 \$35.648	 \$28.149	 \$23.281	 \$17.920	 \$21.350
Total Non-Reimbursable Major Changes	\$34.408	\$26.600	\$21.754	\$16.331	\$19.750
<i>Reimbursable Major Changes</i>					
Revenue					
Change in Expense Recovery Levels	5.901	5.602	6.510	6.625	6.790
 Sub-Total Reimbursable Revenue Changes	 \$5.901	 \$5.602	 \$6.510	 \$6.625	 \$6.790
 Expenses					
MTA Pension Function Consolidation	(0.983)	(2.113)	(2.982)	(3.140)	(3.271)
Increase in Deferred Compensation Unit	(0.186)	(0.191)	(0.197)	(0.203)	(0.209)
Increased Risk Management Expenses	(1.080)	(1.260)	(1.286)	(1.311)	(1.338)
Change in Reimbursable Overhead and Interagency Recoverable	(3.652)	(2.038)	(2.045)	(1.972)	(1.973)
Sub-Total Reimbursable Expense Changes	(5.901)	(5.602)	(6.510)	(6.625)	(6.790)
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	\$34.409	\$26.600	\$21.755	\$16.331	\$19.750
 Cash Adjustment Changes	 (\$22.594)	 (\$24.893)	 (\$28.798)	 (\$26.304)	 (\$29.724)
 Total Cash Adjustment Changes	 (\$22.594)	 (\$24.893)	 (\$28.798)	 (\$26.304)	 (\$29.724)
Total Baseline Changes	\$11.815	\$1.707	(\$7.044)	(\$9.973)	(\$9.974)
 Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	 (\$279.768)	 (\$300.325)	 (\$310.492)	 (\$320.049)	 (\$330.974)

MTA HEADQUARTERS
Mid-year forecast for 2008
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2008		2009		2010		2011		2012	
		<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											
Reduce Police Administrative Costs		0	0.200	0	0.455	0	0.464	0	0.473	0	0.483
Reduced Internal Administrative Expenses		0	0.152	0	0.484	0	0.481	0	0.490	0	0.499
Reduced Reliance on Outside Professional Service		0	0.692	0	0.868	0	0.884	0	0.899	0	0.915
Sub-Total	Administration	0	\$ 1.044	0	\$ 1.807	0	\$ 1.829	0	\$ 1.862	0	\$ 1.897
Security											
Reduced Police Directed Overtime		0	0.000	0	0.639	0	0.669	0	0.695	0	0.712
Sub-Total	Security	0	\$ 0.000	0	\$ 0.639	0	\$ 0.669	0	\$ 0.695	0	\$ 0.712
Total Programs		0	\$ 1.044	0	\$ 2.446	0	\$ 2.498	0	\$ 2.557	0	\$ 2.609

MTA HEADQUARTERS
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	PEG	Implementation Date	8/1/2008
Budget Reference	MYF08	Category	Administration	Savings Date	8/1/2008
PEG / New Need ID	0000000021	Current Budget Year	2008	Status	Open
Program:	Reduce Police Administrative Costs			Agency Status	Pending
Description and Implementation Pla	REDUCE POLICE ADMINISTRATIVE COSTS				
Background Details	MTA Police have been able to find areas where cost reductions can be taken. The PEG savings begin in 2008 with a one time lower than required equipment purchase for the Emergency Service Unit. Beginning in 2009, reductions have been taken in the PD's usage of professional service and required rental and maintenance fees.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTAHQ	0000000021	MYF08	\$ 0.200	\$ 0.455	\$ 0.464	\$ 0.473	\$ 0.483

MTA HEADQUARTERS
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	PEG	Implementation Date	8/1/2008
Budget Reference	MYF08	Category	Administration	Savings Date	8/1/2008
PEG / New Need ID	0000000023	Current Budget Year	2008	Status	Open
Program:	Reduced Internal Administrative Expenses			Agency Status	Pending
Description and Implementation Pla	REDUCED INTERNAL ADMINISTRATIVE EXPENSES				
Background Details	MTA Headquarters has found savings opportunities by reducing administrative expenses by finding efficiencies and removing redundant or unnecessary spending. These savings begin in 2009 primarily from delays in hiring to fill vacancies and reduced supply expenses. Beginning in 2009, employee related expenses, including meeting, seminar training and employee tuition re-reimbursement cost, along with lower maintenances expenses make up the majority of the continuing savings.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTAHQ	0000000023	MYF08	\$ 0.152	\$ 0.484	\$ 0.481	\$ 0.490	\$ 0.499

MTA HEADQUARTERS
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	PEG	Implementation Date	8/1/2008
Budget Reference	MYF08	Category	Administration	Savings Date	8/1/2008
PEG / New Need ID	0000000022	Current Budget Year	2008	Status	Open
Program:	Reduced Reliance on Outside Professional Service			Agency Status	Pending
Description and Implementation Pla	REDUCED RELIANCE ON OUTSIDE PROFESSIONAL SERVICE				
Background Details	MTA Headquarters has found savings opportunities by reducing reliance on the use of outside services. These savings begin in 2008, primarily from reduced expenses relating to the MTA's e-mail alert system project. Beginning in 2009, reduced usage of consulting, advertising, real estate services and audit services provide the bulk of the savings in the PEG. Additional savings come from reduced usage of engineering consultants, research studies and legal services.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTAHQ	0000000022	MYF08	\$ 0.692	\$ 0.868	\$ 0.884	\$ 0.899	\$ 0.915

MTA HEADQUARTERS
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Security	Savings Date	1/1/2009
PEG / New Need ID	0000000020	Current Budget Year	2008	Status	Open
Program:	Reduced Police Directed Overtime			Agency Status	Pending
Description and Implementation Pla	REDUCED POLICE DIRECTED OVERTIME				
Background Details	At the order of the MTA Executive Director, the MTA Police instituted an aggressive and highly visible program of patrol in March 2007. Within the past year, the MTA Police have been able to find efficiencies in deploying officers and will be able to reduce the amount of Overtime Salary and related fringe expenses.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTAHQ	0000000020	MYF08	\$ 0.000	\$ 0.639	\$ 0.669	\$ 0.695	\$ 0.712

MTA HEADQUARTERS
Mid-year forecast for 2008
Summary of Post 2009 PEGs
(\$ in millions)

		2008		2009		2010		2011		2012	
		<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>
Other											
Unspecified		0	0.000	0	0.000	0	2.162	0	4.431	0	6.707
Sub-Total	Other	0	\$ 0.000	0	\$ 0.000	0	\$ 2.162	0	\$ 4.431	0	\$ 6.707
Total Programs		0	\$ 0.000	0	\$ 0.000	0	\$ 2.162	0	\$ 4.431	0	\$ 6.707

MTA HEADQUARTERS
Mid-year forecast for 2008
Summary of Post PEGs Worksheet
(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	Post PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000024	Current Budget Year	2008	Status	Open
Program:	Unspecified			Agency Status	Pending
Description and Implementation Pla	Unspecified				
Background Details	Unspecified				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTAHQ	0000000024	MYF08	\$ 0.000	\$ 0.000	\$ 2.162	\$ 4.431	\$ 6.707

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**MTA Headquarters
July Financial Plan 2009 – 2012
Other Assumptions**

Position Table

A baseline headcount of 1,465 positions is forecasted for 2008, an increase of 11 positions from the February Financial Plan. The majority of the headcount increases are either reimbursable or recoverable from the benefiting agencies. The level of employees will increase to 1,470 in 2009 and 1,473 in 2010. Growth continues in the latter years of the Plan due to additional reimbursable positions for the Pension staff.

MTA HEADQUARTERS
July Financial Plan 2009-2012
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full-Time Equivalents

FUNCTION/DEPARTMENT	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
Executive	10	11	11	11	11	11
Administration	218	234	234	234	234	234
Audit	88	98	98	98	98	98
Chief Financial Officer	91	105	105	105	105	105
Corporate and Community Affairs	47	52	52	52	52	52
Policy and Media Relations	9	12	11	11	11	11
General Counsel	93	103	103	103	103	103
Chief of Staff/Senior Policy Advisor	36	52	58	61	63	64
Spec. Project Develop/Planning	9	10	10	10	10	10
Labor Relations	3	5	5	5	5	5
PCAC	4	5	5	5	5	5
Vending Fare Media	6	6	6	6	6	6
Corporate Account	2	6	6	6	6	6
Total Administration	616	699	704	707	709	710
Public Safety	731	766	766	766	766	766
Baseline Total Positions	1,347	1,465	1,470	1,473	1,475	1,476
<i>Non-Reimbursable</i>	1,324	1,422	1,423	1,423	1,423	1,423
<i>Reimbursable</i>	23	43	47	50	52	53
<i>Full-Time</i>	1,347	1,465	1,470	1,473	1,475	1,476
<i>Full-Time Equivalents</i>	-	-	-	-	-	-
<hr/>						
Impact of:						
2009 Program to Eliminate the Gap (PEGs)	0	0	0	0	0	0
Post-2009 Program to Eliminate the Gap (PEGs)	0	0	0	0	0	0
Total Positions	1,347	1,465	1,470	1,473	1,475	1,476
<i>Non-Reimbursable</i>	1,324	1,422	1,423	1,423	1,423	1,423
<i>Reimbursable</i>	23	43	47	50	52	53
<i>Total Full-Time</i>	1,347	1,465	1,470	1,473	1,475	1,476
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-
Business Service Center - HQ	0	(9)	(9)	(9)	(72)	(72)
Business Service Center	0	55	100	100	413	371

MTA HEADQUARTERS
July Financial Plan 2009-2012
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP		2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration							
	Managers/Supervisors	379	416	415	415	415	415
	Professional, Technical, Clerical	237	283	289	292	294	295
	Operational Hourlies	0					
	Total Administration	616	699	704	707	709	710
Operations							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Operations	-	-	-	-	-	-
Maintenance							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Maintenance	-	-	-	-	-	-
Engineering/Capital							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Engineering/Capital	-	-	-	-	-	-
Public Safety							
	Managers/Supervisors	34	35	35	35	35	35
	Professional, Technical, Clerical	52	63	63	63	63	63
	Operational Hourlies (Uniformed)	645	668	668	668	668	668
	Total Public Safety	731	766	766	766	766	766
Total Baseline Positions							
	Managers/Supervisors	413	451	450	450	450	450
	Professional, Technical, Clerical	289	346	352	355	357	358
	Operational Hourlies	645	668	668	668	668	668
	Total Baseline Positions	1,347	1,465	1,470	1,473	1,475	1,476

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**Inspector General
2009 Preliminary Budget
July Financial Plan 2009 - 2012**

MISSION STATEMENT

The Metropolitan Transportation Authority Office of the Inspector General is created by statute and has the power to investigate abuses, frauds, and service deficiencies related to the authority and its subsidiaries. Reviews may be initiated in order to identify where performance might be improved and funds used more effectively.

FINANCIAL OVERVIEW

The Office of Inspector General's budget is predominately driven by the wages and benefits necessary to support our investigative unit, including attorneys, investigators, and personnel with financial investigations expertise; our audit and analysis unit with staff that have qualitative and quantitative analytical skills; and an administrative and support function, including but not limited to personnel for purchasing, information systems, accounting and reception. These resources are used to investigate and audit matters of concern throughout the MTA and its subsidiaries.

2008 Mid-Year Forecast

The 2008 Mid-Year Forecast reflects the inclusion of the 2008 new needs for occupancy costs along with relocation and build-out expenditures related to a move to a new space.

2009 Preliminary Budget – Baseline

The 2009 Preliminary Budget maintains the new need for increased occupancy costs and provides growth in selected line items according to the guidelines and assumptions used by MTA Headquarters.

2010-2012 Projections

The budget for the Office of Inspector General for the years 2010-2012 maintains the base funding from the previous year and provides inflationary growth according to the guidelines and assumptions used by MTA Headquarters.

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CASH FLOW ADJUSTMENTS	
Depreciation and amortization	1,000
Provision for doubtful accounts	100
Change in accounts receivable	(200)
Change in accounts payable	100
Change in accrued liabilities	(50)
Change in prepaid expenses	(50)
Change in income taxes payable	100
Change in deferred income taxes	(100)
Change in other non-current assets and liabilities	(50)
Change in cash and cash equivalents	100
Total	1,000

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MTA Inspector General
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011-2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	17.341	13.809	(3.532)	14.174	0.365	14.540	0.366	14.932	0.392
Total Revenue	\$17.341	\$13.809	(\$3.532)	\$14.174	\$0.365	\$14.540	\$0.366	\$14.932	\$0.392
Expenses									
Labor:									
Payroll	\$7.472	\$7.696	(\$0.224)	\$7.854	(\$0.158)	\$8.006	(\$0.152)	\$8.170	(\$0.164)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	0.860	1.016	(0.156)	1.105	(0.089)	1.199	(0.094)	1.303	(0.104)
Pensions	0.671	0.728	(0.057)	0.758	(0.030)	0.788	(0.030)	0.820	(0.032)
Other Fringe Benefits	0.570	0.596	(0.026)	0.621	(0.025)	0.645	(0.024)	0.671	(0.026)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$9.573	\$10.036	(\$0.463)	\$10.338	(\$0.302)	\$10.638	(\$0.300)	\$10.964	(\$0.326)
Non-Labor:									
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	0.016	0.016	0.000	0.018	(0.002)	0.019	(0.001)	0.021	(0.002)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other									
Operating Contracts	4.091	0.297	3.794	0.302	(0.005)	0.309	(0.007)	0.315	(0.006)
Professional Service Contracts	0.266	0.012	0.254	0.012	0.000	0.013	(0.001)	0.013	0.000
Materials & Supplies	0.116	0.119	(0.003)	0.121	(0.002)	0.124	(0.003)	0.127	(0.003)
MTA Internal Subsidy	-	-	-	-	-	-	-	-	-
Other Business Expenses	2.691	2.741	(0.050)	2.795	(0.054)	2.849	(0.054)	2.904	(0.055)
Total Non-Labor Expenses	\$7.180	\$3.185	\$3.995	\$3.248	(\$0.063)	\$3.314	(\$0.066)	\$3.380	(\$0.066)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$16.753	\$13.221	\$3.532	\$13.586	(\$0.365)	\$13.952	(\$0.366)	\$14.344	(\$0.392)
Depreciation	0.588	0.588	0.000	0.588	0.000	0.588	0.000	0.588	0.000
Total Expenses	\$17.341	\$13.809	\$3.532	\$14.174	(\$0.365)	\$14.540	(\$0.366)	\$14.932	(\$0.392)
Baseline Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000
2009 Program to Eliminate the Gap	-	-	-	-	-	-	-	-	-
Post 2009 Program to Eliminate the Gap	-	-	-	-	-	-	-	-	-
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000

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MTA INSPECTOR GENERAL
July Financial Plan 2009 - 2012
Summary of Changes Between Financial Plans by Category
(\$ in millions)

REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Baseline Changes</i>					
Revenue:					
Capital and Other Reimbursements	0.068	(0.101)	(0.094)	(0.106)	(0.110)
Total Revenue Changes	\$ 0.068	\$ (0.101)	\$ (0.094)	\$ (0.106)	\$ (0.110)
Expenses:					
Payroll	0.000	0.000	(0.008)	(0.003)	(0.007)
Overtime	-	-	-	-	-
Health and Welfare	0.022	(0.032)	(0.020)	(0.000)	0.022
Pensions	0.106	0.074	0.061	0.049	0.035
Other Fringe Benefits	0.001	(0.015)	(0.028)	(0.039)	(0.052)
Reimbursable Overhead	-	-	-	-	-
Total Labor Expenses	0.129	0.026	0.006	0.007	(0.001)
Insurance	0.035	0.040	0.044	0.049	0.054
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other					
Operating Contracts	(0.050)	(0.051)	(0.051)	(0.052)	(0.053)
Professional Service Contracts	(0.204)	0.051	0.053	0.053	0.054
Materials & Supplies	(0.009)	(0.010)	(0.010)	(0.010)	(0.011)
Other Business Expenses	0.034	0.047	0.055	0.062	0.069
Total Non-Labor Expenses	(0.194)	0.078	0.091	0.102	0.114
Total Expense Changes	\$ (0.065)	\$ 0.104	\$ 0.096	\$ 0.109	\$ 0.113
Depreciation	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
Cash Adjustments:					
Sub-Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$0.000)	\$0.000	\$0.000	(\$0.000)	(\$0.000)
2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$0.000)	\$0.000	\$0.000	(\$0.000)	(\$0.000)

MTA OFFICE OF THE INSPECTOR GENERAL
July Financial Plan 2009 - 2012
Total Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
<i>Office of Inspector General</i>	75	91	91	91	91	91
<i>Total Administration</i>	75	91	91	91	91	91
<i>Baseline Total Positions</i>	75	91	91	91	91	91
<i>Non-Reimbursable</i>	-	-	-	-	-	-
<i>Reimbursable</i>	75	91	91	91	91	91
<i>Total Full-Time</i>	75	91	91	91	91	91
<i>Total Full-Time-Equivalents</i>	-	-	-	-	-	-
<hr/>						
Impact of:						
2009 Program to Eliminate	-	-	-	-	-	-
Post 2009 Program to Eliminate	-	-	-	-	-	-
<i>Total Positions</i>	75	91	91	91	91	91
<i>Non-Reimbursable</i>	-	-	-	-	-	-
<i>Reimbursable</i>	75	91	91	91	91	91
<i>Total Full-Time</i>	75	91	91	91	91	91
<i>Total Full-Time-Equivalents</i>	-	-	-	-	-	-

**First Mutual Transportation Assurance Co.
(FMTAC)**

MTA First Mutual Transportation Assurance Company
2009 Preliminary Budget
July Financial Plan 2009 - 2012

Mission Statement

The mission of the First Mutual Transportation Assurance Company (FMTAC) is to engage in the business of acting as a pure captive insurance company under Section 7005, Article 70 of the Insurance Law and Section 1266 subdivision 5 of the Public Authorities Law of the State of New York. FMTAC's mission is to continue, develop, and improve the insurance and risk management needs as required by the MTA. FMTAC was established to maximize the flexibility and effectiveness of the MTA's insurance program.

FINANCIAL OVERVIEW

FMTAC continues to utilize dedicated resources to efficiently address the challenges related to insurance and risk management for the MTA. It is the goal of FMTAC to maximize the efficiency and flexibility of the insurance programs while minimizing costs to the MTA and its subsidiaries. FMTAC continues to draw from the expertise and support services available in other MTA agencies and outside service providers to support risk management. This is reflected in the current budget proposal.

For all years, on a cash basis, FMTAC generates a net cash deficit of zero, which is the true cash impact of FMTAC on MTA cash balances. FMTAC cash reserves are separate and distinct from MTA and are necessary to maintain the appropriate capital and reserve levels pursuant to the State of New York Insurance guidelines.

Costs for FMTAC are comprised of insurance premiums (credit to Insurance expenses), Claims expenses, and Other Business Expenses. Insurance revenues result in an offset to expenses.

2008 Mid-Year Forecast

In the 2008 Mid-Year Forecast a total of \$17.492 million is projected in Net Surplus compared to \$18.037 million in the 2008 Adopted Budget. This consists of an increase of \$0.005 million in revenues as well as an increase in expenses of \$0.550 million. The unfavorable outcome is due primarily to unfavorable developments in expenses for Claims due to updated estimates from the actuary. Claims are based on actuarial analysis of claims activity on an estimated basis. Revenue, Insurance and Other Business Expenses are based on actual results through April 2008 on an annualized basis.

2009 Preliminary Budget - Baseline

In the 2009 Preliminary Budget a total of \$16.157 million is projected in Baseline Surplus compared to \$18.122 million in 2009 in the February Plan. This consists of a decrease of \$0.036 million in revenues as well as an increase in expenses of \$1.929 million. The unfavorable outcome is due to unfavorable developments in Claims expenses.

2009 - 2012 Projections

2009 - 2012 Projections are representative of 2008 projections with market increases. Investment Income and Other Operating Revenue are estimated to increase over 2008 projections at a rate equal to the CPI. Insurance is estimated to increase over 2008 estimates at a rate of 5% each year. Claims are based on actuarial analysis of projected claims activity and adjustments, whether favorable or unfavorable in required reserves. Other Business Expenses are estimated to increase over 2008 at a rate of 2% each year.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2009-2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2007	2008	2009			
	Actual	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
Operating Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	16.756	16.680	17.012	17.361	17.698	18.059
Investment Income	2.699	2.000	2.040	2.082	2.122	2.165
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$19.455	\$18.680	\$19.052	\$19.443	\$19.820	\$20.224
Operating Expenses						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	(48.043)	(47.340)	(49.707)	(52.192)	(54.802)	(57.542)
Claims	48.548	40.191	44.098	48.625	54.205	55.290
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	8.383	8.337	8.504	8.674	8.847	9.024
Total Non-Labor Expenses	\$8.888	\$1.188	\$2.895	\$5.107	\$8.250	\$6.772
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$8.888	\$1.188	\$2.895	\$5.107	\$8.250	\$6.772
Depreciation	-	-	-	-	-	-
Total Expenses	\$8.888	\$1.188	\$2.895	\$5.107	\$8.250	\$6.772
Baseline Surplus/(Deficit)	\$10.567	\$17.492	\$16.157	\$14.336	\$11.570	\$13.452

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2009-2012
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2007	2008	2009			
	Actual	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	16.756	16.680	17.012	17.361	17.698	18.059
Investment Income	2.699	2.000	2.040	2.082	2.122	2.165
Capital and Other Reimbursements	-	-	-	-	-	-
Total Receipts	\$19.455	\$18.680	\$19.052	\$19.443	\$19.820	\$20.224
Expenditures						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	(48.043)	(47.340)	(49.707)	(52.192)	(54.802)	(57.542)
Claims	48.548	38.277	41.998	46.309	51.624	52.657
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	8.383	8.337	8.504	8.674	8.847	9.024
Total Non-Labor Expenditures	\$8.888	(\$0.726)	\$0.795	\$2.791	\$5.669	\$4.139
<u>Other Expenditure Adjustments:</u>						
Other - Restricted Cash Adjustment	10.567	19.406	18.257	16.652	14.151	16.085
Total Other Expenditure Adjustments	\$10.567	\$19.406	\$18.257	\$16.652	\$14.151	\$16.085
Total Expenditures	\$19.455	\$18.680	\$19.052	\$19.443	\$19.820	\$20.224
Baseline Cash Deficit	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2009-2012
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2007	2008	2009			
	Actual	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	-	-	-	-	-	-
Total Receipts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	1.914	2.100	2.316	2.581	2.633
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
Total Non-Labor Expenditures	\$0.000	\$1.914	\$2.100	\$2.316	\$2.581	\$2.633
<u>Other Expenditures Adjustments:</u>						
Other	(\$10.567)	(\$19.406)	(\$18.257)	(\$16.652)	(\$14.151)	(\$16.085)
Total Other Expenditures Adjustments	(\$10.567)	(\$19.406)	(\$18.257)	(\$16.652)	(\$14.151)	(\$16.085)
Total Cash Conversion Adjustments before Depreciation	(\$10.567)	(\$17.492)	(\$16.157)	(\$14.336)	(\$11.570)	(\$13.452)
Depreciation Adjustment	-	-	-	-	-	-
Total Cash Conversion Adjustments	(\$10.567)	(\$17.492)	(\$16.157)	(\$14.336)	(\$11.570)	(\$13.452)

MTA First Mutual Transportation Assurance Company
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category

Revenue

Investment Income

- Investment income is derived through FMTAC based on the investments held with Dwight Asset Management.
- Investment income is projected based on the All Urban Consumer CPI inflation rates as provided in the Economic & Demographic Forecasts April 2008.

Expenses

Insurance

- Insurance (premiums) is based on increases in the market as well as increases in the claims expenses and reserve adjustments.
- Insurance Premiums are estimated to increase 5% each year for 2009 – 2012.

Claims

- Claims expenses are determined by actuarial projection for 2008 – 2012 of the actual claims expense paid and any adjustments either favorable or unfavorable to reserves.

Other Business Expenses

- Costs increase 2% for 2009 through 2012 and are representative of general increases for the services provided and expenses not directly related to claims.

First Mutual Transportation Assurance Company
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Investment Income	2.000	2.040	0.040	2.082	0.042	2.122	0.040	2.165	0.043
Other Operating Revenue	16.680	17.012	0.332	17.361	0.349	17.698	0.337	18.059	0.361
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Total Revenue	\$18.680	\$19.052	\$0.372	\$19.443	\$0.391	\$19.820	\$0.377	\$20.224	\$0.404
Expenses									
Labor:									
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:									
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	(47.340)	(49.707)	2.367	(52.192)	2.485	(54.802)	2.610	(57.542)	2.740
Claims	40.191	44.098	(3.907)	48.625	(4.527)	54.205	(5.580)	55.290	(1.085)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-	-	-	-
Other Business Expenses	8.337	8.504	(0.167)	8.674	(0.170)	8.847	(0.173)	9.024	(0.177)
Total Non-Labor Expenses	\$1.188	\$2.895	(\$1.707)	\$5.107	(\$2.212)	\$8.250	(\$3.143)	\$6.772	\$1.478
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$1.188	\$2.895	(\$1.707)	\$5.107	(\$2.212)	\$8.250	(\$3.143)	\$6.772	\$1.478
Depreciation	-	-	-	-	-	-	-	-	-
Total Expenses	\$1.188	\$2.895	(\$1.707)	\$5.107	(\$2.212)	\$8.250	(\$3.143)	\$6.772	\$1.478
Baseline Net Surplus/(Deficit)	\$17.492	\$16.157	(\$1.335)	\$14.336	(\$1.821)	\$11.570	(\$2.766)	\$13.452	\$1.882
2009 Agency Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-	-	-	-
Post - 2009 Agency Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-	-	-	-
Total PEGs	-	-	-	-	-	-	-	-	-
Net Surplus/(Deficit)	\$17.492	\$16.157	(\$1.335)	\$14.336	(\$1.821)	\$11.570	(\$2.766)	\$13.452	\$1.882

First Mutual Transportation Assurance Company
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
<u>Receipts</u>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Investment Income	2.000	2.040	0.040	2.082	0.042	2.122	0.040	2.165	0.043
Other Operating Revenue	16.680	17.012	0.332	17.361	0.349	17.698	0.337	18.059	0.361
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Total Receipts	\$18.680	\$19.052	\$0.372	\$19.443	\$0.391	\$19.820	\$0.377	\$20.224	\$0.404
<u>Expenditures</u>									
Labor:									
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:									
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	(47.340)	(49.707)	2.367	(52.192)	2.485	(54.802)	2.610	(57.542)	2.740
Claims	38.277	41.998	(3.721)	46.309	(4.311)	51.624	(5.315)	52.657	(1.033)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-	-	-	-
Other Business Expenses	8.337	8.504	(0.167)	8.674	(0.170)	8.847	(0.173)	9.024	(0.177)
Total Non-Labor Expenditures	(\$0.726)	\$0.795	(\$1.521)	\$2.791	(\$1.996)	\$5.669	(\$2.878)	\$4.139	\$1.530
Other Expenditure Adjustments:									
Other - Restricted Cash Adjustment	19.406	18.257	1.149	16.652	1.605	14.151	2.501	16.085	(1.934)
Total Other Expenditure Adjustments	\$19.406	\$18.257	\$1.149	\$16.652	\$1.605	\$14.151	\$2.501	\$16.085	(\$1.934)
Total Expenditures	\$18.680	\$19.052	(\$0.372)	\$19.443	(\$0.391)	\$19.820	(\$0.377)	\$20.224	(\$0.404)
Baseline Net Cash Deficit	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000
2009 Agency Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-	-	-	-
Post - 2009 Agency Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-	-	-	-
Total PEGs	-	-	-	-	-	-	-	-	-
Net Cash Deficit	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000

First Mutual Transportation Assurance Company
July Financial Plan 2009-2012
Summary of Changes Between Financial Plans by Category

2008-2012: July Financial Plan vs. February Financial Plan

Revenue

Revenue changes from the February Plan over the 2008 to 2012 period include:

- A stable baseline estimate for 2008 and decrease in baseline estimate for 2009 due to unfavorable developments in actual results through April 2008 for each year from the February Plan to the July Plan.

Expense

Expense changes from the February Plan over the 2008 to 2012 period include:

- An increase in Insurance due to changes in the baseline estimate for 2008 due to changes in actual results through April 2008. The inflation rate for Insurance is 5% per year to accurately reflect developments in premium costs.
- Claims expense resulted in unfavorable developments due to updated ultimate loss projections from actuarial projections.
- A decrease in Other Business Expense due to updated estimates based on actual results through April 2008. The inflation rate for Other Business Expense is adjusted to 2% per year to accurately reflect inflation rates.

First Mutual Transportation Assurance Company
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE	Favorable/(Unfavorable)				
	2008	2009	2010	2011	2012
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Investment Income	(0.000)	(0.004)	(0.005)	(0.009)	(0.011)
Other Operating Revenue	0.005	(0.032)	(0.038)	(0.072)	(0.082)
Capital and Other Reimbursement					
Total Revenue Changes	\$.005	(\$.036)	(\$.043)	(\$.081)	(\$.093)
Expenses					
Labor:					
Payroll					
Health and Welfare					
Pensions					
Other Fringe Benefits					
Reimbursable Overhead					
Total Labor Expense Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance	\$.008	\$.008	\$.008	\$.009	\$.009
Claims	(0.552)	(1.931)	(4.690)	(10.969)	(11.189)
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Materials & Supplies					
Other Business Expenses	(.006)	(.006)	(.006)	(.006)	(.006)
Total Non-Labor Expense Changes	(\$.550)	(\$ 1.929)	(\$ 4.688)	(\$ 10.966)	(\$ 11.186)
Total Expense Changes	(\$.550)	(\$ 1.929)	(\$ 4.688)	(\$ 10.966)	(\$ 11.186)
Cash Adjustment Changes					
Revenue:					
Investment Income	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
Expenses:					
Insurance	0.000	0.000	0.000	0.000	0.000
Claims	.027	.092	.224	.522	.533
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
Total Expense Changes	\$ 0.027	\$ 0.092	\$ 0.224	\$ 0.522	\$ 0.533
Restricted Cash Adjustment	0.518	1.873	4.507	10.525	10.746
Total Cash Adjustment Changes	\$ 0.545	\$ 1.965	\$ 4.731	\$ 11.047	\$ 11.279
Total Baseline Changes	(\$ 0.000)	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$ 0.000)	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000

First Mutual Transportation Assurance Company
July Financial Plan 2009 - 2012
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE	Favorable/(Unfavorable)				
	2008	2009	2010	2011	2012
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Reimbursable Major Changes</i>					
Revenue	\$.005	(\$.036)	(\$.043)	(\$.081)	(\$.093)
Sub-Total Non-Reimbursable Revenue Changes	\$.005	(\$.036)	(\$.043)	(\$.081)	(\$.093)
Expenses	(\$.550)	(\$ 1.929)	(\$ 4.688)	(\$ 10.966)	(\$ 11.186)
Sub-Total Non-Reimbursable Expense Changes	(\$.550)	(\$ 1.929)	(\$ 4.688)	(\$ 10.966)	(\$ 11.186)
<i>Total Non-Reimbursable Major Changes</i>	(\$.545)	(\$ 1.965)	(\$ 4.731)	(\$ 11.047)	(\$ 11.279)
<i>Reimbursable Major Changes</i>					
Revenue					
Sub-Total Reimbursable Revenue Changes					
Expenses					
Sub-Total Reimbursable Expense Changes					
<i>Total Reimbursable Major Changes</i>	\$.000	\$.000	\$.000	\$.000	\$.000
<i>Total Accrual Changes</i>	(\$ 0.545)	(\$ 1.965)	(\$ 4.731)	(\$ 11.047)	(\$ 11.279)
<i>Cash Adjustment Changes</i>					
Total Cash Adjustments	\$ 0.545	\$ 1.965	\$ 4.731	\$ 11.047	\$ 11.279
<i>Total Cash Adjustment Changes</i>	\$ 0.545	\$ 1.965	\$ 4.731	\$ 11.047	\$ 11.279
<i>Total Baseline Changes</i>	(\$ 0.000)	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$ 0.000)	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000

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New York City Transit

**MTA New York City Transit
2009 Preliminary Budget
July Financial Plan 2009 – 2012**

MISSION STATEMENT

The mission of MTA New York City Transit is to provide customers with safe, reliable and convenient public transportation in a cost effective manner.

FINANCIAL OVERVIEW

MTA NYC Transit carries out its mission by providing effective and cost-efficient transportation services through:

- a subway system operating approximately 6,500 subway cars on 26 routes over 233 route miles and 660 miles of mainline track, serving 468 stations located in four of New York City's (City) boroughs;
- a bus system of more than 4,400 buses operating approximately 101 million revenue vehicle miles per year on 208 local and 36 express routes in all five boroughs and
- Access-a-Ride, a paratransit service that operates throughout the City under private contractors to serve persons whose disabilities preclude their use of bus and subway services.

The 2009 Preliminary Budget and projections for the years 2010-2012 provide sufficient funding to maintain both a continuation of current service levels as well as MTA's commitment to safety and security. This is accomplished primarily through the implementation of organizational and operational efficiencies -- Programs to Eliminate the GAP (PEGs) -- that optimize the use of resources to achieve agency goals. Ongoing and extensive internal efforts are being made by MTA NYC Transit to reduce non-critical spending and improve operating efficiency.

Additional efforts are underway to establish and implement initiatives in order to meet key MTA priorities. The seven key MTA priorities, the NYCT goals established to meet these priorities and corresponding examples of initiatives are as follows:

MTA Priority-Customer Service

- **Goal-Improve Service Reliability**
 1. Subway SMS procedures on elevators and escalators
 2. Bus development of SMS for Hybrid bus fleet
- **Goal- Enhance the Customer Environment**
 1. Develop action plan to address Express Bus Rider Report Card concerns
- **Goal- Provide Transportation Services for Persons with Disabilities**
 1. Award multi-year paratransit contracts for Access-a-Ride service

MTA Priority-Financial Stability

- **Goal-Improve Efficiency of Administrative and Support Functions**
 1. Achieve economies in the purchase of light duty vehicles
- **Goal- Improve Productivity of Subway and Bus Operations**
 1. Meet reduction targets on various inventory/non inventory material consumables
 2. Develop and implement an effective fare evasion program including partnering with NYPD

MTA Priority-Institutional Transformation

- **Goal- Increase Integration Between NYCT and Other Agencies**
 1. Support MTA efforts to achieve a Regional Bus Company

MTA Priority-Projects/Planning

- **Goal- Implement New Services**
 1. Feasibility Study: Circulation Improvements at Grand Central
 2. Implement Select Bus Service (BRT)
- **Goal- Improve Service Management and Customer Information**
 1. Make determination on functionality of bus AVL (Automated Vehicle Locator) system

MTA Priority-Safety/Security

- **Goal- Reduce Customer Injuries**
 1. Reduce subway fires
 2. Develop bus plan to limit PTSB (Public Transportation Safety Board) fires on service vehicles
- **Goal-Reduce Employee Accidents**
 1. Conduct joint union/management safety audits
 2. Roll out injury-on-duty refresher training to all TWU represented employees
- **Goal-Improve Security**
 1. Complete installation of up to 400 bus cameras

MTA Priority-Sustainability

- **Goal- Improve Air Quality**
 1. Implement ECO Driving Program
- **Goal- Implement “Green” Design and Construction Principles**
 1. Rebuild Mother Clara Hale Depot
- **Goal- Reduce Energy Consumption**
 1. Expand recycling program
 2. Complete bio-diesel test at West Farms Depot

MTA Priority-Workforce Development

- **Goal- Improve Employee/Management Relations**
 1. Sponsor four bus operator action committee meetings
 2. Provide employee quality-of-life improvements at DOB work facilities
- **Goal- Enhance Employee Training and Development**
 1. Identify anticipated retirements within senior ranks and plan for succession

2008 Mid-Year Forecast-Baseline

MTA NYC Transit's 2008 Mid-Year Forecast includes total expenses before depreciation, other post-employment benefits and environmental remediation expenses of \$6,812.0 million, consisting of \$5,943.3 million of non-reimbursable expenses and \$868.6 million of reimbursable expenses. Total revenues are projected to be \$4,154.8 million, of which \$3,286.2 million are operating revenues and \$868.6 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 49,235 (43,633 non-reimbursable positions and 5,602 reimbursable positions).

The 2008 baseline net cash deficit is projected to increase by \$146.5 million from the 2008 Adopted Budget. Major unfavorable non-reimbursable cash changes include:

- Increased pension costs of \$135.8 million including additional 25/55 Plan member contribution refunds paid through June, 2008 and to be amortized over fifteen years and updated pension plan actuarial information.
- Projected higher energy costs of \$46.3 million based upon projected increased prices. Fuel is projected to increase by \$39.5 million and electric power by \$6.8 million.
- New needs of \$13.4 million including:
 1. Service adjustments of \$3.8 million (excluding farebox revenue) in July 2008 to bring subway loads within Board-approved loading guidelines, including: additions of six trips on the #1 and #6 lines on weekdays, one trip on the #3 and W lines weekdays, 10 trips on the #4 Line 42 Street Shuttle weekdays, and 14 trips on the #7 line on Saturdays/Sundays; Hours of Service adjustments expanding the hours of weekday evening service on the B and W routes and the M line to Manhattan; new overnight #3 line service between Times Square and Harlem – 148 Street and extended late evening hours #3 service on weekends to match weekdays. These adjustments, which were originally part of the canceled MTA Service Enhancement Fund, are funded internally by NYCT through identified savings included in PEGs presented later in this report.
 2. \$2.9 million of expenses are required to support the Staten Island Maintenance Action Plan to improve the reliability and appearance of Staten Island buses.
 3. A comprehensive Elevator and Escalator improvement plan costing \$2.2 million is funded to improve elevator and escalator reliability and availability.
 4. As part of NYCT's ongoing response to the deaths in 2007 of two employees on the subway right of way, \$1.9 million is provided for regular track safety refresher training for all appropriate personnel.
 5. \$1.8 million is required to support Bx12 Select Bus Service (Bus Rapid Transit) fare collection. Off-board fare collection is essential to achieving the improvement in service speed and quality expected from this pilot initiative.
- Increased property/liability insurance costs are projected at \$10.6 million including the unfavorable timing of payments of \$8.0 million.

- Paratransit expenses projected to increase by \$8.9 million primarily due to lower-than-anticipated productivity caused by the addition of new vendors beginning in 2007 to meet increased capacity requirements and increased trips.

Major favorable non-reimbursable cash changes include:

- \$40.8 million of favorable timing of revenue receipts/expenditures from 2007. The major component is the rescheduling of a \$38.7 million draw-down of accumulated Transit Adjudication Bureau Fees.
- The MTA Service Enhancement Fund representing several proposed bus and subway service initiatives was canceled by the MTA Board in June due to a down-turn in dedicated tax revenues, resulting in a savings of \$16.1 million (net of farebox revenue losses) in 2008.
- A re-estimate of health & welfare expenses resulting in a decrease of \$14.6 million. This expense reduction is due to lower premiums and more favorable rate experience than anticipated in the 2008 Adopted Budget.
- The implementation of Staten Island express bus study service recommendations and the takeover of X23/X24 express service from NYCDOT have been delayed, reducing expenses by \$4.1 million in 2008. The X23/X24 takeover delay was due to a shortage of depot capacity and is now scheduled for implementation effective January, 2010 when the Charleston depot will open. The express service changes have been delayed one year to July, 2009.

Reimbursable expenses are projected to increase in 2008 by \$7.1 million. This increase is offset by a corresponding reimbursement increase.

Total baseline positions are projected to decrease by 341, due mostly to a reduction of 427 from the elimination of the MTA Service Enhancement Fund, partly offset by an increase of 62 for the July 2008 subway service adjustments and 66 for other New Needs detailed above.

Programs to Eliminate the GAP (PEGs): 2008

The 2008 impact of 2009 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described later in the report, is a projected deficit reduction of \$9.9 million.

2009 Preliminary Budget-Baseline

MTA NYC Transit's 2009 Preliminary Budget includes total expenses before depreciation, other post-employment benefits and environmental remediation expenses of \$6,939.7 million, consisting of \$6,074.0 million of non-reimbursable expenses and \$865.8 million of reimbursable expenses. Total revenues are projected to be \$4,181.9 million, of which \$3,316.2 million are operating revenues and \$865.8 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 49,171, including 43,884 non-reimbursable positions and 5,287 reimbursable positions.

The 2009 baseline net cash deficit is projected to worsen by \$99.3 million from the February Financial Plan. Major non-favorable non-reimbursable cash variances include:

- Projected higher energy costs of \$86.3 million based upon projected increased prices. Fuel is projected to increase by \$71.9 million and electric power by \$14.4 million.
- Increased pension costs of \$43.0 million based primarily upon current actuarial information.
- New needs of \$36.4 million including:
 1. Service adjustments of \$9.1 million (excluding farebox revenue) in July 2008 to bring subway loads within Board-approved loading guidelines (see details in 2008 Mid-Year Forecast section above). These adjustments, which were originally part of the canceled MTA Service Enhancement Fund, are funded internally by NYCT through identified savings included in PEGs presented later in this report.
 2. As part of NYCT's ongoing response to the deaths in 2007 of two employees on the subway right of way, \$7.3 million is provided for regular track safety refresher training for all appropriate personnel.
 3. The current bus overhaul schedule will be revised from a 4-year to 3-year cycle at a cost of \$6.7 million, improving bus fleet reliability and providing better service to customers. The 3-year cycle will more closely align the schedule of overhauls with major component life expectancies.
 4. A comprehensive Elevator and Escalator improvement plan costing \$3.3 million is funded to improve elevator and escalator reliability and availability.
 5. \$2.5 million is required to support Bx12 Select Bus Service (Bus Rapid Transit) fare collection. Off-board fare collection is essential to achieving the improvement in service speed and quality expected from this pilot initiative.
 6. Workforce development investments of \$1.8 million to support employee development and improve management/union relations.
- A reduction in farebox revenue of \$23.9 million due mostly to more conservative employment/economic projections.
- A projected paratransit expense increase of \$9.2 million primarily due to lower-than-anticipated productivity caused by the addition of additional vendors beginning in 2007 to meet increased capacity requirements and increased trips.

Major favorable non-reimbursable cash changes include:

- The MTA Service Enhancement Fund representing several proposed bus and subway service initiatives was canceled by the MTA Board in June due to a downturn in dedicated tax revenue, resulting in a savings of \$46.0 million (net of farebox revenue losses).
- It has been determined that there will be a delay in receipt of material required to replace the R62 fleet group boxes (propulsion system), resulting in reduced expenses of \$27.7 million in 2009 which will be offset in 2011-2012.

- A re-estimate of health & welfare expenses results in a decrease of \$13.4 million. This expense reduction is due to lower premiums and a more favorable rate experience than anticipated in the 2008 Adopted Budget.

Reimbursable expenses are projected to increase in 2009 by \$11.0 million. This increase is offset by a corresponding reimbursement increase.

Total baseline positions are projected to decrease by 11. The elimination of the MTA Service Enhancement Fund results in a position reduction of 427. Offsetting this reduction are increases of: 62 for subway service adjustments beginning July 2008; 143 for other new needs detailed above; 88 reimbursable for additional Capital Program work; 37 for subway fleet scheduled maintenance requirements and 38 for labor contract Apprentice Program requirements.

Programs to Eliminate the GAP (PEGs): 2009

The 2009 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described later in the report, are projected to yield a deficit reduction of \$61.0 million in 2009.

2010-2012 Projections-Baseline

Baseline net cash deficits are projected to increase by \$117.2 million in 2010, \$120.0 million in 2011 and \$105.2 million in 2012 relative to the February Financial Plan. Major unfavorable non-reimbursable cash changes include:

- Projected higher energy costs of \$82.6 million in 2010, \$88.0 million in 2011 and \$96.0 million in 2012 due to higher prices.
- Increased pension costs of \$47.6 million in 2010, \$35.8 million in 2011 and \$28.3 million in 2012 based primarily on current actuarial information.
- New needs of \$39.8 million in 2010, \$39.0 million in 2011 and \$27.3 million in 2012 as detailed in the 2009 Preliminary Budget section above.
- It has been determined that there will be a delay in receipt of material required to replace the R62 fleet group boxes (propulsion system) from 2009, resulting in increases of \$14.3 million in 2011 and \$14.2 million in 2012.
- A reduction in farebox revenue of \$19.6 million in 2010, \$11.9 million in 2011 and \$4.4 million in 2012 due mostly to more conservative employment/economic projections.
- Projected paratransit expense increases of \$9.5 million in 2010, \$9.8 million in 2011 and \$10.1 million in 2012 due primarily to reduced productivity consistent with recent experience and increased trips.

Major favorable non-reimbursable cash changes include:

- The MTA Service Enhancement Fund representing several proposed bus and subway service initiatives was canceled by the MTA Board in June due to a

downturn in dedicated tax revenues, resulting in a savings of \$46.0 million (net of farebox revenue losses) for each year.

- A re-estimate of health & welfare expenses results in a decrease of \$17.3 million in 2010, \$22.4 million in 2011 and \$30.5 million in 2012. These expense reductions are due to lower premiums and more favorable rate experience.

Reimbursable expenses are projected to increase by \$7.9 million in 2009, and decrease by \$2.4 million in 2011 and \$3.0 million in 2012. These changes are offset by corresponding changes in reimbursements.

Total baseline positions are projected to decrease by 120 in 2010, 59 in 2011 and 238 in 2012. The elimination of the MTA Service Enhancement Fund results in a position reduction of 427 each year. Offsetting this reduction are increases of: 62 each year from subway service adjustments beginning July 2008: 179 in 2010, 177 in 2011 and 42 in 2012 for other New Needs detailed in the 2009 Preliminary Budget section above; 77 in 2010, 22 in 2011 and 23 in 2012 reimbursable from changes in capital program work; 33 in 2010 and 50 in 2011 for subways fleet scheduled maintenance requirements and 27 from labor contract Apprentice Program requirements each year.

Programs to Eliminate the GAP (PEGs): 2010-2012

The 2009 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables, are described below. PEGs are projected to yield deficit reductions of \$61.9 million in 2010, \$69.3 million in 2011 and \$59.1 million in 2012.

Major assumptions and reconciliations to the February Plan are addressed later in this section.

GAP CLOSING MEASURES

2009 Program to Eliminate the Gap (PEGs)

MTA NYC Transit has developed programs resulting in significant cost savings and position reductions. These reductions are largely achieved through administrative actions and operating efficiencies.

2008 Mid-Year Forecast

In 2008, PEG savings are projected at \$9.9 million, including 109 end-of-year position reductions. Major contributors include:

- Maintenance savings of \$6.7 million and 67 position reductions including: Subways savings of \$3.5 million and 67 position reductions (efficiencies in terminal car cleaning, station track cleaning, RTO and Car Equipment, SONET/ATM maintenance reductions); Buses savings of \$3.0 million (MCI and bus facility maintenance economies) and \$0.3 million of agency-wide non-revenue vehicle savings from adjusting the replacement cycle.

- Service support/other savings of \$1.4 million with 21 position reductions including: savings of revenue collection/processing efficiencies with savings of \$1.3 million and 20 position reductions and traffic checking efficiencies saving \$0.2 million and 1 position.
- Administrative savings of \$1.8 million and 15 position reductions including Subways (\$1.0 million savings, 13 position reductions) and administrative/support department savings of \$0.8 million and 2 position reductions.

2009 (Preliminary Budget)-2012

PEG savings and position reductions are projected as follows: 2009=\$61.0 million, 512; 2010=\$61.9 million, 543; 2011=\$69.3 million, 578 and 2012=\$59.1 million, 515. Major highlights include:

- Maintenance savings and position reductions are projected as follows: 2009=\$39.4 million, 328; 2010=\$36.5 million, 332; 2011=\$43.7 million, 367 and 2012=\$33.5 million, 304. Major highlights include:
 1. Based on updated projections of new bus deliveries, it has been determined that the number of Buses undergoing 12-year maintenance upgrades, which are used to extend the useful life of a bus, can be reduced, resulting in savings of \$9.1 million in 2009, \$5.6 million in 2010, \$12.8 million in 2011 and \$2.2 million in 2012.
 2. Bus general vehicle maintenance efficiencies, including changed maintenance practices, are projected to achieve savings of \$4.3 million in 2009 and \$7.8 million for each subsequent year.
 3. Subways increased productivity in maintenance and overhaul shops and general vehicle maintenance efficiencies are expected to result in savings in each year of \$6.0 million.
 4. Based on the results to date of an ongoing pilot program, it has been determined that resources currently provided to maintain scratch-free glass on the #1 and L lines can be reduced, resulting in savings of \$3.5 million each year.
 5. Similarly, modifications to a pilot to clean in-service subway cars at both terminals of the line (#7 and L lines) are expected to result in savings of \$1.8 million each year.
 6. A reduction in material consumption by Department of Buses is projected to save \$1.3 million each year.
 7. With the replacement of "B" division cars with R160 cars, track testing for these cars will no longer be required, resulting in savings of \$1.1 million each year.
 8. Bus facility maintenance economies are expected to achieve savings for each year of \$1.1 million.
 9. A reduction in MCI bus overhauls is projected to save \$1.5 million in 2009, \$0.8 million in 2010, \$1.0 million in 2011 and \$1.1 million in 2012.
 10. Increased Bus supervisory productivity is expected to save \$1.1 million each year.

- Service support/other savings and position reductions are projected as follows: 2009=\$12.1 million, 115; 2010=\$13.0 million, 117; and 2011/2012=\$13.2 million, 117. Major contributors include:
 1. Elimination of the Work Experience Program (WEP) is expected to result in \$2.6 million of savings each year.
 2. Better monitoring and management of the bus depot Extra List (relief workforce) will enable efficiency savings of \$2.1 million each year.
 3. Traffic checking efficiencies are projected to save \$0.7 million in 2009, \$1.7 million in 2010 and \$1.9 million for 2011-2012.
 4. Efficiencies in an RTO safety initiative that began in 2007 are expected to result in savings each year of \$1.6 million.
 5. Reductions in platform controllers are expected to achieve savings each year of \$1.0 million.

- Administration savings and position reductions are projected as follows: 2009=\$9.6 million, 58; and 2010-2012=\$12.4 million, 61. Major contributors include:
 1. A renegotiation of NYCT's prescription drug contract is projected to achieve savings of \$2.5 million in 2009 and \$5.0 million in subsequent years.
 2. Subways/EMD administrative savings are projected to be \$3.9 million for each year.
 3. Buses administrative savings are projected to be \$1.5 million for each year.
 4. Administrative/support departments administrative savings are planned to be \$1.7 million in 2009 and \$2.0 million for each subsequent year.

MTA New York City Transit
July Financial Plan 2009 - 2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2007	2008	2009			
	Actuals	Mid-Year	Preliminary	2010	2011	2012
		Forecast	Budget			
Revenue						
Farebox Revenue:						
Subway	\$2,030.0	\$2,144.1	\$2,153.1	\$2,171.3	\$2,194.8	\$2,213.2
Bus	772.3	796.4	799.7	809.5	818.1	825.0
Paratransit	9.5	11.4	13.1	15.1	17.3	19.9
Fare Media Liability	43.6	41.0	44.1	44.8	45.1	45.2
Total Farebox Revenue	2,855.4	2,992.9	3,010.0	3,040.6	3,075.3	3,103.4
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue:						
Fare Reimbursement	103.8	102.6	103.8	103.8	103.8	103.8
Paratransit Reimbursement	102.3	88.2	93.7	105.3	121.0	136.5
Other	97.9	102.5	108.8	114.0	119.4	124.1
Total Other Operating Revenue	303.9	293.3	306.2	323.1	344.1	364.3
Capital and Other Reimbursements	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	\$3,159.3	\$3,286.2	\$3,316.2	\$3,363.7	\$3,419.4	\$3,467.7
Expenses						
Labor:						
Payroll	\$2,628.7	\$2,764.1	\$2,822.1	\$2,902.1	\$2,955.9	\$2,992.6
Overtime	265.6	245.3	253.1	258.8	264.5	269.7
Total Salaries & Wages	2,894.3	3,009.4	3,075.2	3,160.9	3,220.4	3,262.3
Health and Welfare	404.3	453.2	498.6	546.6	594.5	643.0
OPEB Current Payment	204.6	240.1	265.3	287.3	313.8	342.6
Pensions	595.7	772.5	680.3	654.4	623.1	620.2
Other Fringe Benefits	241.5	213.9	219.8	229.9	236.9	239.9
Total Fringe Benefits	1,446.1	1,679.6	1,664.0	1,718.1	1,768.3	1,845.7
Reimbursable Overhead	(168.6)	(180.3)	(189.7)	(183.6)	(180.3)	(183.0)
Total Labor Expenses	\$4,171.8	\$4,508.7	\$4,549.5	\$4,695.4	\$4,808.4	\$4,925.0
Non-Labor:						
Traction and Propulsion Power	\$160.6	\$173.3	\$193.4	\$228.3	\$245.0	\$248.2
Fuel for Buses and Trains	124.4	181.0	186.0	188.4	192.7	199.9
Insurance	37.3	41.9	48.9	56.0	64.1	73.5
Claims	71.4	74.5	76.5	78.5	78.5	78.5
Paratransit Service Contracts	233.2	280.0	316.5	366.0	440.7	522.9
Mtce. and Other Operating Contracts	186.3	239.9	236.5	262.7	270.8	272.2
Professional Service Contracts	80.5	95.6	98.0	94.7	98.0	99.4
Materials & Supplies	291.5	305.7	324.2	358.6	370.4	353.8
Other Business Expenses	40.7	42.7	44.4	44.7	45.1	45.4
Total Non-Labor Expenses	\$1,225.7	\$1,434.6	\$1,524.5	\$1,677.8	\$1,805.2	\$1,893.8
Other Expense Adjustments:						
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before						
Depreciation, OPEB, ER	\$5,397.5	\$5,943.3	\$6,074.0	\$6,373.2	\$6,613.6	\$6,818.8
Depreciation	1,061.1	1,134.0	1,204.0	1,274.0	1,344.0	1,414.0
OPEB Obligation	991.3	1,009.5	1,055.4	1,098.9	1,144.8	1,191.6
Environmental Remediation	0.0	18.0	0.0	0.0	0.0	0.0
Total Expenses	\$7,449.9	\$8,104.8	\$8,333.4	\$8,746.1	\$9,102.4	\$9,424.4
Baseline Net Surplus/(Deficit)	(\$4,290.6)	(\$4,818.6)	(\$5,017.2)	(\$5,382.4)	(\$5,683.0)	(\$5,956.7)
2009 Program to Eliminate the Gap	0.0	9.9	61.0	61.9	69.3	59.1
Post-2009 Program to Eliminate the GAP	0.0	0.0	0.0	59.6	119.2	178.8
Net Surplus/(Deficit)	(\$4,290.6)	(\$4,808.7)	(\$4,956.2)	(\$5,260.9)	(\$5,494.5)	(\$5,718.7)
Business Service Center	\$0.0	\$0.0	\$0.0	\$0.0	\$10.8	\$35.9

REIMBURSABLE

REIMBURSABLE		2008	2009			
	2007 Actuals	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
Revenue						
Farebox Revenue	\$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
Other Operating Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Capital and Other Reimbursements	829.3	868.6	865.8	844.4	837.6	848.2
Total Revenue	\$829.3	\$868.6	\$865.8	\$844.4	\$837.6	\$848.2
Expenses						
Labor:						
Payroll	\$348.2	\$381.0	\$381.3	\$371.4	\$367.7	\$372.8
Overtime	71.1	63.1	63.6	64.1	64.8	66.2
Total Salaries & Wages	419.4	444.1	444.9	435.6	432.5	439.0
Health and Welfare	19.9	20.6	22.6	24.3	26.1	28.0
OPEB Current Payment	0.0	0.0	0.0	0.0	0.0	0.0
Pensions	15.3	17.3	17.4	17.2	17.0	17.0
Other Fringe Benefits	89.8	98.6	98.1	94.5	92.7	93.9
Total Fringe Benefits	125.0	136.5	138.0	136.0	135.8	138.9
Reimbursable Overhead	168.6	180.3	189.7	183.6	180.3	183.0
Total Labor Expenses	\$713.0	\$761.0	\$772.6	\$755.2	\$748.6	\$760.8
Non-Labor:						
Traction and Propulsion Power	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Fuel for Buses and Trains	0.1	0.0	0.0	0.0	0.0	0.0
Insurance	0.0	0.0	0.0	0.0	0.0	0.0
Claims	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
Mtce. and Other Operating Contracts	38.1	29.9	29.0	28.7	28.7	28.7
Professional Service Contracts	17.0	16.0	14.5	13.7	13.7	12.5
Materials & Supplies	61.2	61.5	49.3	46.5	46.3	45.8
Other Business Expenses	(0.1)	0.3	0.3	0.3	0.3	0.3
Total Non-Labor Expenses	\$116.2	\$107.7	\$93.1	\$89.2	\$89.0	\$87.3
Other Expense Adjustments:						
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation	\$829.3	\$868.6	\$865.8	\$844.4	\$837.6	\$848.2
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses	\$829.3	\$868.6	\$865.8	\$844.4	\$837.6	\$848.2
Baseline Net Surplus/(Deficit)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
2009 Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0
Post-2009 Program to Eliminate the GAP	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
Business Service Center	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

MTA New York City Transit
July Financial Plan 2009 - 2012
Accrual Statement of Operations by Category
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2007 Actuals	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Revenue						
Farebox Revenue:						
Subway	\$2,030.0	\$2,144.1	\$2,153.1	\$2,171.3	\$2,194.8	\$2,213.2
Bus	772.3	796.4	799.7	809.5	818.1	825.0
Paratransit	9.5	11.4	13.1	15.1	17.3	19.9
Fare Media Liability	43.6	41.0	44.1	44.8	45.1	45.2
Total Farebox Revenue	2,855.4	2,992.9	3,010.0	3,040.6	3,075.3	3,103.4
Vehicle Toll Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Revenue:						
Fare Reimbursement	103.8	102.6	103.8	103.8	103.8	103.8
Paratransit Reimbursement	102.3	88.2	93.7	105.3	121.0	136.5
Other	97.9	102.5	108.8	114.0	119.4	124.1
Total Other Operating Revenue	303.9	293.3	306.2	323.1	344.1	364.3
Capital and Other Reimbursements	829.3	868.6	865.8	844.4	837.6	848.2
Total Revenue	\$3,988.5	\$4,154.8	\$4,181.9	\$4,208.1	\$4,257.0	\$4,315.9
Expenses						
Labor:						
Payroll	\$2,977.0	\$3,145.1	\$3,203.4	\$3,273.5	\$3,323.6	\$3,365.5
Overtime	336.7	308.4	316.7	323.0	329.3	335.9
Total Salaries & Wages	3,313.7	3,453.5	3,520.1	3,596.5	3,652.9	3,701.3
Health and Welfare	424.2	473.8	521.2	570.9	620.5	671.0
OPEB Current Payment	204.6	240.1	265.3	287.3	313.8	342.6
Pensions	611.0	789.8	697.7	671.6	640.1	637.2
Other Fringe Benefits	331.3	312.5	317.9	324.3	329.6	333.7
Total Fringe Benefits	1,571.1	1,816.2	1,802.0	1,854.1	1,904.1	1,984.6
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenses	\$4,884.8	\$5,269.7	\$5,322.1	\$5,450.6	\$5,557.0	\$5,685.9
Non-Labor:						
Traction and Propulsion Power	\$160.6	\$173.3	\$193.4	\$228.3	\$245.0	\$248.2
Fuel for Buses and Trains	124.4	181.0	186.0	188.4	192.7	199.9
Insurance	37.3	41.9	48.9	56.0	64.1	73.5
Claims	71.4	74.5	76.5	78.5	78.5	78.5
Paratransit Service Contracts	233.2	280.0	316.5	366.0	440.7	522.9
Mtce. and Other Operating Contracts	224.4	269.8	265.5	291.4	299.5	300.9
Professional Service Contracts	97.6	111.6	112.5	108.4	111.7	112.0
Materials & Supplies	352.7	367.2	373.5	405.0	416.7	399.6
Other Business Expenses	40.6	43.0	44.7	45.0	45.4	45.7
Total Non-Labor Expenses	\$1,341.9	\$1,542.3	\$1,617.6	\$1,767.0	\$1,894.2	\$1,981.1
Other Expense Adjustments:						
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation, OPEB, ER	\$6,226.7	\$6,812.0	\$6,939.7	\$7,217.7	\$7,451.3	\$7,667.0
Depreciation	1,061.1	1,134.0	1,204.0	1,274.0	1,344.0	1,414.0
OPEB Obligation	991.3	1,009.5	1,055.4	1,098.9	1,144.8	1,191.6
Environmental Remediation	0.0	18.0	0.0	0.0	0.0	0.0
Total Expenses	\$8,279.2	\$8,973.5	\$9,199.1	\$9,590.6	\$9,940.1	\$10,272.6
Baseline Net Surplus/(Deficit)	(\$4,290.6)	(\$4,818.6)	(\$5,017.2)	(\$5,382.4)	(\$5,683.0)	(\$5,956.7)
2009 Program to Eliminate the Gap	0.0	9.9	61.0	61.9	69.3	59.1
Post-2009 Program to Eliminate the GAP	0.0	0.0	0.0	59.6	119.2	178.8
Net Surplus/(Deficit)	(\$4,290.6)	(\$4,808.7)	(\$4,956.2)	(\$5,260.9)	(\$5,494.5)	(\$5,718.7)
Business Service Center	\$0.0	\$0.0	\$0.0	\$0.0	\$10.8	\$35.9

MTA New York City Transit
July Financial Plan 2009 - 2012
Cash Receipts & Expenditures
(\$ in millions)

	2007	2008	2009			
	Actuals	Mid-Year	Preliminary	2010	2011	2012
		Forecast	Budget			
<u>Receipts</u>						
Farebox Revenue	\$2,868.8	\$3,003.1	\$3,014.7	\$3,042.6	\$3,077.3	\$3,105.3
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue:						
Fare Reimbursement	103.8	102.6	103.8	103.8	103.8	103.8
Paratransit Reimbursement	101.6	88.6	93.8	105.2	120.8	136.4
Other	106.7	146.8	111.0	116.3	121.6	126.2
Total Other Operating Revenue	312.1	338.1	308.5	325.3	346.2	366.4
Capital and Other Reimbursements	806.4	889.1	891.5	848.4	838.5	845.5
Total Receipts	\$3,987.3	\$4,230.2	\$4,214.6	\$4,216.2	\$4,262.0	\$4,317.2
<u>Expenditures</u>						
Labor:						
Payroll	\$2,957.5	\$3,135.2	\$3,186.6	\$3,250.1	\$3,299.3	\$3,331.2
Overtime	335.5	307.4	315.0	320.7	326.9	332.4
Total Salaries & Wages	3,293.0	3,442.7	3,501.6	3,570.7	3,626.3	3,663.6
Health and Welfare	417.3	478.2	517.9	567.3	616.7	666.9
OPEB Current Payment	204.6	240.1	265.3	287.3	313.8	342.6
Pensions	649.6	655.2	697.1	683.0	647.3	637.9
Other Fringe Benefits	294.5	303.6	308.5	314.3	319.6	322.9
Total Fringe Benefits	1,566.0	1,677.2	1,788.8	1,852.0	1,897.4	1,970.3
GASB Account	61.4	40.3	42.4	43.5	44.6	45.6
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	\$4,920.4	\$5,160.1	\$5,332.8	\$5,466.3	\$5,568.3	\$5,679.4
Non-Labor:						
Traction and Propulsion Power	\$165.5	\$173.3	\$193.4	\$228.3	\$245.0	\$248.2
Fuel for Buses and Trains	124.1	181.0	186.0	188.4	192.7	199.9
Insurance	34.3	38.5	49.0	56.5	66.9	74.3
Claims	59.4	61.7	59.4	60.9	62.4	64.0
Paratransit Service Contracts	231.3	281.0	311.5	361.0	435.7	517.9
Mtce. and Other Operating Contracts	230.9	278.8	276.2	302.1	310.2	311.6
Professional Service Contracts	96.2	106.6	107.5	103.4	106.7	107.0
Materials & Supplies	380.0	362.0	376.5	408.0	419.7	402.6
Other Business Expenditures	42.6	43.0	44.7	45.0	45.4	45.7
Total Non-Labor Expenditures	\$1,364.3	\$1,526.0	\$1,604.3	\$1,753.7	\$1,884.8	\$1,971.2
Other Expenditure Adjustments:						
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Other Expenditure Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenditures	\$6,284.7	\$6,686.2	\$6,937.1	\$7,219.9	\$7,453.0	\$7,650.6
Baseline Net Cash Deficit	(\$2,297.4)	(\$2,455.9)	(\$2,722.5)	(\$3,003.7)	(\$3,191.1)	(\$3,333.5)
2009 Program to Eliminate the Gap	0.0	9.9	61.0	61.9	69.3	59.1
Post-2009 Program to Eliminate the GAP (Unspecified)	0.0	0.0	0.0	59.6	119.2	178.8
Net Cash Deficit	(\$2,297.4)	(\$2,446.0)	(\$2,661.5)	(\$2,882.1)	(\$3,002.5)	(\$3,095.5)
Business Service Center	\$0.0	\$0.0	\$0.0	\$0.0	\$10.8	\$35.9

MTA New York City Transit
July Financial Plan 2009 - 2012
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2007	2008	2009			
	Actuals	Mid-Year	Preliminary	2010	2011	2012
		Forecast	Budget			
Receipts						
Farebox Revenue	13.4	10.2	4.7	1.9	1.9	1.9
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue:						
Fare Reimbursement	0.0	0.0	0.0	0.0	0.0	0.0
Paratransit Reimbursement	(0.7)	0.4	0.1	(0.1)	(0.2)	(0.1)
Other	8.8	44.4	2.2	2.3	2.3	2.2
Total Other Operating Revenue	8.2	44.8	2.3	2.2	2.1	2.0
Capital and Other Reimbursements	(22.8)	20.5	25.7	3.9	0.9	(2.7)
Total Receipt Adjustments	(1.2)	75.4	32.7	8.1	4.9	1.2
Expenditures						
Labor:						
Payroll	19.5	9.9	16.8	23.4	24.3	34.3
Overtime	1.2	1.0	1.7	2.3	2.4	3.4
Total Salaries & Wages	20.7	10.8	18.5	25.8	26.7	37.7
Health and Welfare	6.9	(4.4)	3.3	3.6	3.8	4.1
OPEB Current Payment	0.0	0.0	0.0	0.0	0.0	0.0
Pensions	(38.6)	134.6	0.5	(11.4)	(7.2)	(0.7)
Other Fringe Benefits	36.8	8.8	9.4	10.0	10.0	10.9
Total Fringe Benefits	5.1	139.0	13.3	2.1	6.6	14.3
GASB Account	(61.4)	(40.3)	(42.4)	(43.5)	(44.6)	(45.6)
Reimbursable Overhead						
Total Labor Expenditures	(35.6)	109.5	(10.7)	(15.6)	(11.3)	6.5
Non-Labor:						
Traction and Propulsion Power	(4.9)	0.0	0.0	0.0	0.0	0.0
Fuel for Buses and Trains	0.3	0.0	0.0	0.0	0.0	0.0
Insurance	3.0	3.4	(0.1)	(0.5)	(2.9)	(0.8)
Claims	12.0	12.8	17.1	17.6	16.1	14.5
Paratransit Service Contracts	1.9	(1.0)	5.0	5.0	5.0	5.0
Mtce. and Other Operating Contracts	(6.5)	(9.0)	(10.7)	(10.7)	(10.7)	(10.7)
Professional Service Contracts	1.4	5.0	5.0	5.0	5.0	5.0
Materials & Supplies	(27.3)	5.2	(3.0)	(3.0)	(3.0)	(3.0)
Other Business Expenditures	(2.0)	0.0	0.0	0.0	0.0	0.0
Total Non-Labor Expenditures	(22.4)	16.3	13.3	13.4	9.5	9.9
Other Expenditure Adjustments:						
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expenditure Adjustments	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenditure Adjustments	(57.9)	125.8	2.6	(2.2)	(1.8)	16.4
Total Cash Conversion Adjustments before Depreciation, OPEB, ER	(59.2)	201.2	35.3	5.9	3.2	17.6
Depreciation Adjustment	1,061.1	1,134.0	1,204.0	1,274.0	1,344.0	1,414.0
OPEB Obligation	991.3	1,009.5	1,055.4	1,098.9	1,144.8	1,191.6
Environmental Remediation	0.0	18.0	0.0	0.0	0.0	0.0
Baseline Total Cash Conversion Adj.	1,993.2	2,362.7	2,294.7	2,378.8	2,492.0	2,623.2
2009 Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0
Post-2009 Program to Eliminate the GAP (Unspecified)	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Conversion Adjustments	1,993.2	2,362.7	2,294.7	2,378.8	2,492.0	2,623.2
Business Service Center	0.0	0.0	0.0	0.0	0.0	0.0

MTA New York City Transit
Summary Reconciliation to the February Plan
(\$ in millions)

	Favorable/(Unfavorable)			
	2008	2009	2010	2011
February Financial Plan Baseline Cash Deficit	(\$2,309.478)	(\$2,623.170)	(\$2,886.419)	(\$3,071.035)
New Needs	(\$13.294)	(\$36.128)	(\$39.548)	(\$38.784)
Service/Customer Service	(6.255)	(12.386)	(14.040)	(15.197)
Maintenance	(4.255)	(14.586)	(16.222)	(14.301)
Other	(2.784)	(9.156)	(9.286)	(9.286)
Baseline Re-estimates	\$38.376	\$43.484	\$37.878	\$20.464
2009 PEG Program	<u>\$9.929</u>	<u>\$60.973</u>	<u>\$61.939</u>	<u>\$69.303</u>
Total Change before Other Adjustments and Uncontrollable Expenses	\$35.011	\$68.329	\$60.269	\$50.983
Other Adjustments	\$31.053	\$38.172	\$28.886	\$36.525
Passenger/Toll Revenue	10.904	(18.505)	(17.085)	(9.446)
Elimination of MTA Service Enhancements	16.052	45.971	45.971	45.971
Defer Staten Island Service	2.484	5.390	0.000	0.000
X23/X24 Service Transfer	1.613	5.316	0.000	0.000
Total Changes before Uncontrollable Expenses	\$66.064	\$106.501	\$89.155	\$87.508
Uncontrollable Expenses				
Energy	(46.333)	(86.252)	(82.641)	(88.007)
Paratransit	(8.937)	(9.205)	(9.481)	(9.765)
Paratransit Urban Tax Revenue	(7.244)	(7.205)	(8.548)	(10.225)
Pensions	(135.854)	(42.985)	(47.060)	(35.444)
Health & Welfare	6.371	6.362	10.717	16.033
Insurance	(10.594)	(5.545)	(7.451)	(10.814)
Total Uncontrollable Expenses	(\$202.591)	(\$144.830)	(\$144.464)	(\$138.222)
July Financial Plan including 2009 PEG Program	(\$2,446.005)	(\$2,661.499)	(\$2,941.728)	(\$3,121.749)

**MTA New York City Transit
2009 Preliminary Budget
July Financial Plan 2009-2012
Year-To-Year Major Changes by Category-Baseline Narrative**

TOTAL REVENUE/RECEIPTS

Farebox Revenue

- Annual improvements in subway/bus farebox revenue are based largely on forecasted growth in NYC employment.
- Annual improvements in paratransit farebox revenue are based on an assumed annual ridership growth rate of 15%, consistent with current ridership growth.
- Includes adjustments for expired MetroCards and the timing of cash receipts from counting and depositing, which can cause some fluctuations in cash received from year to year.

Other Operating Revenue

- Paratransit reimbursements include contractually-capped annual increases in NYC reimbursements that serve to partially fund the annual growth in paratransit expenses and urban tax revenue generated from Commercial Real Estate Market transactions. Urban tax projections have now been reduced due to a lower rate of receipts experienced during the first five months of 2008.
- Other revenues include annual increases mostly from advertising revenues based upon current contracts in place.
- 2008 includes non-recurring cash receipts of \$38.7 million representing a drawdown of prior years' accumulated Transit Adjudication Bureau funds originally scheduled for 2007.

Capital and Other Reimbursements

- Annual reimbursement levels fluctuate year-to-year based upon reimbursable expense levels driven mostly by capital project requirements.
- 2008 includes \$8.9 million of favorable timing of receipts originally anticipated to be received in 2007.
- Annual cash adjustments are included to recognize changes in the timing of receipts.

TOTAL EXPENSES/EXPENDITURES

Payroll

- 2009-2012 projections include primarily CPI-based rate increases as follows: 2009=1.99%, 2010=2.05%, 2011=1.94% and 2012=2.04%.
- 2008 includes \$5.2 million of unfavorable cash timing adjustments from 2007.

Overtime

- 2009-2012 payroll wage rate increase assumptions apply.

Health & Welfare

- Inflation assumptions (composite general inflators) are as follows: 2009=9.9% and 7.2% subsequent years (annual employee plans); 9.2% each year (hourly employee plans).
- 2008 includes \$7.4 million of unfavorable cash timing adjustments from 2007.

Pension

- Projections are consistent with current actuarial information.
- Favorable cash adjustments are included in 2008 which are mostly offset by prepayments made in 2007.

Other Fringe Benefits

- Projections are consistent with payroll rate increase assumptions.
- 2008 includes \$0.4 million of unfavorable cash timing adjustments from 2007.

Traction and Propulsion Power

- The financial plan reflects projected weighted average New York Power Authority/Con Edison energy rate increases as follows: 2009=11.4%, 2010=18.1%, 2011=7.3% and 2012=1.3%.

Fuel for Buses and Trains

- The 2008 forecasted average price per gallon of bus fuel is \$3.31, an increase of \$1.00 or 43.3% above the 2007 actual average price per gallon of \$2.31. Projected average prices per gallon are as follows: 2009=\$3.32, an increase of 0.3%; 2010=\$3.23, a decrease of 2.7%; and \$3.23 for both 2011 and 2012, unchanged from 2010.

Insurance

- Inflation assumptions were provided by the MTA.
- 2008 includes a \$13.2 million of favorable cash timing adjustments from 2007.

Claims

- The plan assumes an annual inflation rate of 2.5% for 2009 through 2012.
- 2008 includes a \$3.7 million of favorable cash timing adjustments from 2007.

Paratransit Service Contracts

- The primary driver of expense increases is projected annual ridership growth of 15%.
- Cost-per-trip inflation projections reflect carrier contracts, which provide for annual rate increases based on CPI.
- 2008 includes a \$6.0 million unfavorable cash timing adjustment from 2007.

Maintenance and Other Operating Contracts

- 2009-2012 inflation assumptions are based upon Global Insight's estimates as follows: 2009=1.59%, 2010=1.59%, 2011=1.67% and 2012=1.90%.
- Facility power inflation assumptions are based on projected weighted average New York Power Authority/Con Edison energy rate increases as follows: 2009=11.4%, 2010=18.1%, 2011=7.3% and 2012=1.3%.
- 2008 includes a \$3.2 million unfavorable cash timing adjustment from 2007.

Professional Service Contracts

- 2009-2012 inflation assumptions are based upon Global Insight's estimates as follows: 2009=1.59%, 2010=1.59%, 2011=1.67% and 2012=1.90%.
- 2008 includes a \$1.9 million unfavorable cash timing adjustment from 2007.

Materials and Supplies

- 2009-2012 inflation assumptions are based upon Global Insight's estimates as follows: 2009=3.97%, 2010=2.74%, 2011=2.10% and 2012=1.77%.
- 2008 includes a \$0.4 million favorable cash timing adjustment from 2007.
- Non-reimbursable expense levels fluctuate year-to-year, primarily due to the timing of subway and bus fleet maintenance programs.

Other Business Expenses

- 2009-2012 inflation assumptions are based upon Global Insight's estimates as follows: 2009=1.59%, 2010=1.59%, 2011=1.67% and 2012=1.90%.

Depreciation (non-cash)

- Annual expense increases are due to projections of additional capital assets reaching beneficial use. Examples of these assets include subway station rehabilitations, track & switches, new subway cars and buses.

MTA New York City Transit
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

NON-REIMBURSABLE	Favorable/(Unfavorable)								
	2008	2009	Change 2009-2008	2010	Change 2010-2009	2011	Change 2011-2010	2012	Change 2012-2011
Revenue									
Farebox Revenue:									
Subway	\$2,144.1	\$2,153.1	\$8.9	\$2,171.3	\$18.2	\$2,194.8	\$23.5	\$2,213.2	\$18.4
Bus	796.4	799.7	3.3	809.5	9.8	818.1	8.6	825.0	6.9
Paratransit	11.4	13.1	1.7	15.1	2.0	17.3	2.3	19.9	2.6
Fare Media Liability	41.0	44.1	3.1	44.8	0.7	45.1	0.3	45.2	0.1
Total Farebox Revenue	2,992.9	3,010.0	17.0	3,040.6	30.7	3,075.3	34.7	3,103.4	28.1
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue:									
Fare Reimbursement	102.6	103.8	1.2	103.8	0.0	103.8	0.0	103.8	0.0
Paratransit Reimbursement	88.2	93.7	5.5	105.3	11.6	121.0	15.7	136.5	15.5
Other	102.5	108.8	6.3	114.0	5.2	119.4	5.3	124.1	4.7
Total Other Operating Revenue	293.3	306.2	12.9	323.1	16.9	344.1	21.0	364.3	20.2
Capital and Other Reimbursements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	\$3,286.2	\$3,316.2	\$30.0	\$3,363.7	\$47.5	\$3,419.4	\$55.7	\$3,467.7	\$48.3
Expenses									
Labor:									
Payroll	\$2,764.1	\$2,822.1	(\$58.0)	\$2,902.1	(\$80.0)	\$2,955.9	(\$53.8)	\$2,992.6	(\$36.7)
Overtime	245.3	253.1	(7.8)	258.8	(5.7)	264.5	(5.7)	269.7	(5.2)
Total Salaries & Wages	3,009.4	3,075.2	(65.8)	3,160.9	(85.7)	3,220.4	(59.5)	3,262.3	(41.9)
Health and Welfare	453.2	498.6	(45.4)	546.6	(47.9)	594.5	(47.9)	643.0	(48.5)
OPEB Current Payment	240.1	265.3	(25.2)	287.3	(22.1)	313.8	(26.5)	342.6	(28.8)
Pensions	772.5	680.3	92.2	654.4	25.9	623.1	31.3	620.2	2.8
Other Fringe Benefits	213.9	219.8	(6.0)	229.9	(10.0)	236.9	(7.1)	239.9	(2.9)
Total Fringe Benefits	1,679.6	1,664.0	15.6	1,718.1	(54.1)	1,768.3	(50.1)	1,845.7	(77.5)
Reimbursable Overhead	(180.3)	(189.7)	9.4	(183.6)	(6.1)	(180.3)	(3.3)	(183.0)	2.7
Total Labor Expenses	\$4,508.7	\$4,549.5	(\$40.8)	\$4,695.4	(\$146.0)	\$4,808.4	(\$113.0)	\$4,925.0	(\$116.6)
Non-Labor:									
Traction and Propulsion Power	\$173.3	\$193.4	(\$20.1)	\$228.3	(\$34.9)	\$245.0	(\$16.6)	\$248.2	(\$3.2)
Fuel for Buses and Trains	181.0	186.0	(5.0)	188.4	(2.3)	192.7	(4.3)	199.9	(7.3)
Insurance	41.9	48.9	(7.0)	56.0	(7.1)	64.1	(8.1)	73.5	(9.4)
Claims	74.5	76.5	(2.0)	78.5	(2.0)	78.5	0.0	78.5	0.0
Paratransit Service Contracts	280.0	316.5	(36.4)	366.0	(49.5)	440.7	(74.7)	522.9	(82.1)
Mtce. and Other Operating Contracts	239.9	236.5	3.4	262.7	(26.2)	270.8	(8.1)	272.2	(1.4)
Professional Service Contracts	95.6	98.0	(2.4)	94.7	3.4	98.0	(3.3)	99.4	(1.4)
Materials & Supplies	305.7	324.2	(18.5)	358.6	(34.4)	370.4	(11.8)	353.8	16.6
Other Business Expenses	42.7	44.4	(1.7)	44.7	(0.3)	45.1	(0.4)	45.4	(0.3)
Total Non-Labor Expenses	\$1,434.6	\$1,524.5	(\$89.8)	\$1,677.8	(\$153.3)	\$1,805.2	(\$127.4)	\$1,893.8	(\$88.6)
Other Expense Adjustments:									
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation	\$5,943.3	\$6,074.0	(\$130.6)	\$6,373.2	(\$299.3)	\$6,613.6	(\$240.4)	\$6,818.8	(\$205.2)
Depreciation	1,134.0	1,204.0	(70.0)	1,274.0	(70.0)	1,344.0	(70.0)	1,414.0	(70.0)
OPEB Obligation	1,009.5	1,055.4	(45.9)	1,098.9	(43.5)	1,144.8	(45.9)	1,191.6	(46.8)
Environmental Remediation	18.0	0.0	18.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses	\$8,104.8	\$8,333.4	(\$228.5)	\$8,746.1	(\$412.8)	\$9,102.4	(\$356.3)	\$9,424.4	(\$322.0)
Baseline Net Surplus/(Deficit)	(\$4,818.6)	(\$5,017.2)	(\$198.6)	(\$5,382.4)	(\$365.2)	(\$5,683.0)	(\$300.6)	(\$5,956.7)	(\$273.7)
2009 Program to Eliminate the Gap	9.9	61.0	51.0	61.9	1.0	69.3	7.4	59.1	(10.2)
Post-2009 Program to Eliminate the GAP	0.0	0.0	0.0	59.6	59.6	119.2	59.6	178.8	59.6
Net Surplus/(Deficit)	(\$4,808.7)	(\$4,956.2)	(\$147.5)	(\$5,260.9)	(\$304.7)	(\$5,494.5)	(\$233.6)	(\$5,718.7)	(\$224.3)

REIMBURSABLE

[illegible]

MTA New York City Transit
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE	Favorable/(Unfavorable)								
	2008	2009	Change 2009-2008	2010	Change 2010-2009	2011	Change 2011-2010	2012	Change 2012-2011
Revenue									
Farebox Revenue:									
Subway	\$2,144.1	\$2,153.1	\$8.9	\$2,171.3	\$18.2	\$2,194.8	\$23.5	\$2,213.2	\$18.4
Bus	796.4	799.7	3.3	809.5	9.8	818.1	8.6	825.0	6.9
Paratransit	11.4	13.1	1.7	15.1	2.0	17.3	2.3	19.9	2.6
Fare Media Liability	41.0	44.1	3.1	44.8	0.7	45.1	0.3	45.2	0.1
Total Farebox Revenue	\$2,992.9	\$3,010.0	\$17.0	\$3,040.6	\$30.7	\$3,075.3	\$34.7	\$3,103.4	\$28.1
Vehicle Toll Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Revenue:									
Fare Reimbursement	102.6	103.8	1.2	103.8	0.0	103.8	0.0	103.8	0.0
Paratransit Reimbursement	88.2	93.7	5.5	105.3	11.6	121.0	15.7	136.5	15.5
Other	102.5	108.8	6.3	114.0	5.2	119.4	5.3	124.1	4.7
Total Other Operating Revenue	293.3	306.2	12.9	323.1	16.9	344.1	21.0	364.3	20.2
Capital and Other Reimbursements	868.6	865.8	(2.9)	844.4	(21.3)	837.6	(6.8)	848.2	10.6
Total Revenue	\$4,154.8	\$4,181.9	\$27.1	\$4,208.1	\$26.2	\$4,257.0	\$48.9	\$4,315.9	\$58.9
Expenses									
Labor:									
Payroll	3,145.1	3,203.4	(58.3)	3,273.5	(70.1)	3,323.6	(50.1)	3,365.5	(41.8)
Overtime	308.4	316.7	(8.3)	323.0	(6.3)	329.3	(6.4)	335.9	(6.5)
Total Salaries & Wages	3,453.5	3,520.1	(66.6)	3,596.5	(76.4)	3,652.9	(56.4)	3,701.3	(48.4)
Health and Welfare	473.8	521.2	(47.4)	570.9	(49.7)	620.5	(49.6)	671.0	(50.4)
Pensions	789.8	697.7	92.1	671.6	26.0	640.1	31.5	637.2	2.8
Other Fringe Benefits	312.5	317.9	(5.4)	324.3	(6.4)	329.6	(5.3)	333.7	(4.1)
Total Fringe Benefits	1,816.2	1,802.0	14.1	1,854.1	(52.1)	1,904.1	(49.9)	1,984.6	(80.5)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenses	\$5,269.7	\$5,322.1	(\$52.5)	\$5,450.6	(\$128.5)	\$5,557.0	(\$106.4)	\$5,685.9	(\$128.9)
Non-Labor:									
Traction and Propulsion Power	173.3	193.4	(20.1)	228.3	(34.9)	245.0	(16.6)	248.2	(3.2)
Fuel for Buses and Trains	181.0	186.0	(5.0)	188.4	(2.3)	192.7	(4.3)	199.9	(7.3)
Insurance	41.9	48.9	(7.0)	56.0	(7.1)	64.1	(8.1)	73.5	(9.4)
Claims	74.5	76.5	(2.0)	78.5	(2.0)	78.5	0.0	78.5	0.0
Paratransit Service Contracts	280.0	316.5	(36.4)	366.0	(49.5)	440.7	(74.7)	522.9	(82.1)
Mtce. and Other Operating Contracts	269.8	265.5	4.2	291.4	(25.9)	299.5	(8.1)	300.9	(1.4)
Professional Service Contracts	111.6	112.5	(0.9)	108.4	4.1	111.7	(3.3)	112.0	(0.3)
Materials & Supplies	367.2	373.5	(6.3)	405.0	(31.6)	416.7	(11.7)	399.6	17.1
Other Business Expenses	43.0	44.7	(1.7)	45.0	(0.3)	45.4	(0.4)	45.7	(0.3)
Total Non-Labor Expenses	\$1,542.3	\$1,617.6	(\$75.3)	\$1,767.0	(\$149.4)	\$1,894.2	(\$127.2)	\$1,981.1	(\$86.9)
Other Expense Adjustments:									
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation	\$6,812.0	\$6,939.7	(\$127.8)	\$7,217.7	(\$278.0)	\$7,451.3	(\$233.6)	\$7,667.0	(\$215.8)
Depreciation	1,134.0	1,204.0	(70.0)	1,274.0	(70.0)	1,344.0	(70.0)	1,414.0	(70.0)
OPEB Obligation	1,009.5	1,055.4	(45.9)	1,098.9	(43.5)	1,144.8	(45.9)	1,191.6	(46.8)
Environmental Remediation	18.0	0.0	18.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses	\$8,973.5	\$9,199.1	(\$225.7)	\$9,590.6	(\$391.5)	\$9,940.1	(\$349.5)	\$10,272.6	(\$332.6)
Baseline Net Surplus/(Deficit)	(\$4,818.6)	(\$5,017.2)	(\$198.6)	(\$5,382.4)	(\$365.2)	(\$5,683.0)	(\$300.6)	(\$5,956.7)	(\$273.7)
2009 Program to Eliminate the Gap	9.9	61.0	51.0	61.9	1.0	69.3	7.4	59.1	(10.2)
Post-2009 Program to Eliminate the GAP	0.0	0.0	0.0	59.6	59.6	119.2	59.6	178.8	59.6
Net Surplus/(Deficit)	(\$4,808.7)	(\$4,956.2)	(\$147.5)	(\$5,260.9)	(\$304.7)	(\$5,494.5)	(\$233.6)	(\$5,718.7)	(\$224.3)

MTA New York City Transit
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

	Favorable/(Unfavorable)								
	2008	2009	Change 2009-2008	2010	Change 2010-2009	2011	Change 2011-2010	2012	Change 2012-2011
<u>Receipts</u>									
Farebox Revenue	\$3,003.1	\$3,014.7	\$11.6	\$3,042.6	\$27.9	\$3,077.3	\$34.7	\$3,105.3	\$28.1
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue:									
Fare Reimbursement	102.6	103.8	1.2	103.8	0.0	103.8	0.0	103.8	0.0
Paratransit Reimbursement	88.6	93.8	5.2	105.2	11.5	120.8	15.6	136.4	15.6
Other	146.8	111.0	(35.9)	116.3	5.3	121.6	5.3	126.2	4.6
Total Other Operating Revenue	\$338.1	\$308.5	(\$29.6)	\$325.3	\$16.8	\$346.2	\$20.9	\$366.4	\$20.2
Capital and Other Reimbursements	889.1	891.5	2.4	848.4	(43.1)	838.5	(9.8)	845.5	6.9
Total Receipts	\$4,230.2	\$4,214.6	(\$15.6)	\$4,216.2	\$1.6	\$4,262.0	\$45.7	\$4,317.2	\$55.2
<u>Expenditures</u>									
Labor:									
Payroll	\$3,135.2	\$3,186.6	(\$51.4)	\$3,250.1	(\$63.5)	\$3,299.3	(\$49.2)	\$3,331.2	(\$31.8)
Overtime	307.4	315.0	(7.6)	320.7	(5.7)	326.9	(6.3)	332.4	(5.5)
Total Salaries & Wages	3,442.7	3,501.6	(59.0)	3,570.7	(69.1)	3,626.3	(55.5)	3,663.6	(37.3)
Health and Welfare	478.2	517.9	(39.7)	567.3	(49.4)	616.7	(49.4)	666.9	(50.2)
OPEB Current Payment	240.1	265.3	(25.2)	287.3	(22.1)	313.8	(26.5)	342.6	(28.8)
Pensions	655.2	697.1	(41.9)	683.0	14.2	647.3	35.7	637.9	9.4
Other Fringe Benefits	303.6	308.5	(4.8)	314.3	(5.9)	319.6	(5.3)	322.9	(3.3)
Total Fringe Benefits	1,677.2	1,788.8	(111.6)	1,852.0	(63.2)	1,897.4	(45.5)	1,970.3	(72.9)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	\$5,160.1	\$5,332.8	(\$172.6)	\$5,466.3	(\$133.5)	\$5,568.3	(\$102.0)	\$5,679.4	(\$111.2)
Non-Labor:									
Traction and Propulsion Power	\$173.3	\$193.4	(\$20.1)	\$228.3	(\$34.9)	\$245.0	(\$16.6)	\$248.2	(\$3.2)
Fuel for Buses and Trains	181.0	186.0	(5.0)	188.4	(2.3)	192.7	(4.3)	199.9	(7.3)
Insurance	38.5	49.0	(10.5)	56.5	(7.5)	66.9	(10.5)	74.3	(7.4)
Claims	61.7	59.4	2.4	60.9	(1.5)	62.4	(1.5)	64.0	(1.6)
Paratransit Service Contracts	281.0	311.5	(30.4)	361.0	(49.5)	435.7	(74.7)	517.9	(82.1)
Mtce. and Other Operating Contracts	278.8	276.2	2.5	302.1	(25.9)	310.2	(8.1)	311.6	(1.4)
Professional Service Contracts	106.6	107.5	(0.9)	103.4	4.1	106.7	(3.3)	107.0	(0.3)
Materials & Supplies	362.0	376.5	(14.4)	408.0	(31.6)	419.7	(11.7)	402.6	17.1
Other Business Expenditures	43.0	44.7	(1.7)	45.0	(0.3)	45.4	(0.4)	45.7	(0.3)
Total Non-Labor Expenditures	\$1,526.0	\$1,604.3	(\$78.3)	\$1,753.7	(\$149.3)	\$1,884.8	(\$131.1)	\$1,971.2	(\$86.4)
Other Expenditure Adjustments:									
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Other Expenditure Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenditures	\$6,686.2	\$6,937.1	(\$250.9)	\$7,219.9	(\$282.8)	\$7,453.0	(\$233.1)	\$7,650.6	(\$197.6)
Baseline Net Cash Deficit	(\$2,455.9)	(\$2,722.5)	(\$266.5)	(\$3,003.7)	(\$281.2)	(\$3,191.1)	(\$187.4)	(\$3,333.5)	(\$142.4)
2009 Program to Eliminate the Gap	9.9	61.0	51.0	61.9	1.0	69.3	7.4	59.1	(10.2)
Post-2009 Program to Eliminate the GAP	0.0	0.0	0.0	59.6	59.6	119.2	59.6	178.8	59.6
Net Cash Deficit	(\$2,446.0)	(\$2,661.5)	(\$215.5)	(\$2,882.1)	(\$220.6)	(\$3,002.5)	(\$120.4)	(\$3,095.5)	(\$93.0)

**MTA New York City Transit
2009 Preliminary Budget
July Financial Plan 2009-2012
Summary of Major Plan-to-Plan Changes**

2008: July Financial Plan vs. February Financial Plan

Revenue Changes

Revenue changes from the February Financial Plan resulted in an increase of \$7.8 million. Major changes include:

- A projected farebox revenue increase of \$9.0 million, primarily based upon recent ridership trends.
- A capital reimbursement increase of \$7.1 million consistent with a projected increase in reimbursable expenses.
- A projected reduction of \$7.2 million in Urban Tax revenue dedicated to paratransit operations based upon a weakening in the City commercial real estate market.

Expense Changes

Expense changes from the February Financial Plan result in an increase in expenses of \$213.8 million. Major unfavorable changes include:

- Increased pension costs of \$132.9 million including additional 25/55 Plan member contribution refunds paid through June, 2008 and to be amortized over fifteen years and updated pension plan actuarial information.
- Projected higher energy costs of \$46.3 million based upon projected increased prices. Fuel is projected to increase by \$39.5 million and electric power by \$6.8 million.
- New needs of \$13.4 million including:
 1. Service adjustments of \$3.8 million (excluding farebox revenue) in July 2008 to bring subway loads within Board-approved loading guidelines, including: additions of six trips on the #1 and #6 lines on weekdays, one trip on the #3 and W lines weekdays, 10 trips on the #4 Line 42 Street Shuttle weekdays, and 14 trips on the #7 line on Saturdays/Sundays; Hours of Service adjustments expanding the hours of weekday evening service on the B and W routes and the M line to Manhattan; new overnight #3 line service between Times Square and Harlem – 148 Street and extended late evening hours #3 service on weekends to match weekdays. These adjustments, which were originally part of the canceled MTA Service Enhancement Fund, are funded internally by NYCT through identified savings included in PEGs presented later in this report.
 2. \$2.9 million of expenses are required to support the Staten Island Maintenance Action Plan to improve the reliability and appearance of Staten Island buses.

3. A comprehensive Elevator and Escalator improvement plan costing \$2.2 million is funded to improve elevator and escalator reliability and availability.
 4. As part of NYCT's ongoing response to the deaths in 2007 of two employees on the subway right of way, \$1.9 million is provided for regular track safety refresher training for all appropriate personnel.
 5. \$1.8 million is required to support Bx12 Select Bus Service (Bus Rapid Transit) fare collection. Off-board fare collection is essential to achieving the improvement in service speed and quality expected from this pilot initiative.
- In 2008, the MTA adopted GASB #49 related to environmental remediation liability. Based upon its requirements, NYC Transit recorded expenses of \$18.0 million.
 - Paratransit expenses projected to increase by \$8.9 million primarily due to lower-than-anticipated productivity caused by the addition of new vendors beginning in 2007 to meet increased capacity requirements and increased trips.
 - The timing of 2007 expenses resulted in an expense increase of \$7.7 million in 2008.
 - Reimbursable expenses increased by \$7.1 million.

Major favorable changes include:

- The MTA Service Enhancement Fund representing several proposed bus and subway service initiatives was canceled by the MTA Board in June due to a down-turn in dedicated tax revenues, resulting in a savings of \$17.0 million.
- A re-estimate of health & welfare expenses resulting in a decrease of \$14.6 million. This expense reduction is due to lower premiums and more favorable rate experience than anticipated in the 2008 Adopted Budget.

Cash Adjustments

Cash adjustments were favorable by \$59.6 million. Major changes include:

- Favorable timing of \$48.4 million of transactions originally scheduled for 2007, including a \$38.7 million draw-down of accumulated Transit Adjudication Fees.
- A favorable cash offset of \$18.0 million to the GASB #49 environmental remediation provision recorded in expenses.
- An unfavorable \$8.0 million due to the timing of insurance payments.

2009-2012: July Financial Plan vs. February Financial Plan

Revenue Changes

Revenue changes from the February Financial Plan result in decreases of \$20.3 million in 2009, \$20.4 million in 2010, \$24.6 million in 2011, and \$17.4 million in 2012. Major changes include:

- Projected reductions in farebox revenue of \$23.9 million in 2009, \$19.6 million in 2010, \$11.9 million in 2011 and \$4.4 million in 2012 due mostly to more conservative employment/economic forecasts.
- Projected reductions in Urban Tax revenue dedicated to paratransit operations of \$7.3 million in 2009, \$8.7 million in 2010, \$10.2 million in 2011 and \$10.0 million in 2012 based upon a weakening in the City commercial real estate market.
- Capital reimbursement increases of \$11.0 million in 2009 and \$7.9 million in 2010, and decreases of \$2.4 million in 2011 and \$3.0 million in 2012, consistent with changes in reimbursable expense levels.

Expense Changes

Changes from the February Financial Plan result in expense increases of \$78.3 million in 2009, \$104.0 million in 2010, \$103.9 million in 2011 and \$100.4 million in 2012.

Major unfavorable changes include:

- Projected higher energy costs of \$86.3 million in 2009, \$82.6 million in 2010, \$88.0 million in 2011 and \$96.0 million in 2012 due to higher prices.
- Increased pension costs of \$46.9 million in 2009, \$51.0 million in 2010, \$39.2 million in 2011 and \$38.2 million in 2012 based primarily on current actuarial information.
- New needs of \$36.4 million in 2009, \$39.8 million in 2010, \$39.0 million in 2011 and \$27.3 million in 2012 as detailed in the 2008 Mid Year Forecast section above and the programmatic summary of changes between financial plans.
- It has been determined that there will be a delay in receipt of material required to replace the R62 fleet group boxes (propulsion system) from 2009, which includes a projected expense reduction of \$27.7 million, to be offset by increases of \$14.3 million in 2011 and \$14.2 million in 2012.
- Projected paratransit expense increases of \$9.2 million in 2009, \$9.5 million in 2010, \$9.8 million in 2011 and \$10.1 million in 2012 due primarily to reduced productivity consistent with recent experience and increased trips.

Major favorable changes include:

- The MTA Service Enhancement Fund representing several proposed bus and subway service initiatives was canceled by the MTA Board in June due to a downturn in dedicated tax revenues, resulting in a savings of \$48.7 million for each year.

A re-estimate of health & welfare expenses results in a decrease of \$13.4 million in 2009, \$17.3 million in 2010, \$22.4 million in 2011 and \$30.5 million in 2012.

These expense reductions are due to lower premiums and more favorable rate experience.

Cash Adjustments

Cash adjustments are projected to be unfavorable by \$0.7 million in 2009 and favorable by \$7.1 million in 2010, \$8.4 million in 2011 and \$12.5 million in 2012.

Major changes include:

- Favorable operating revenue/capital reimbursement cash adjustments of \$3.3 million in 2009, \$4.8 million in 2010, \$6.1 million in 2011 and \$4.1 million in 2012.
- Favorable timing of pension payments cash adjustments of \$3.9 million in 2009, \$3.4 million in 2010-2011, and \$9.9 million in 2012.
- Unfavorable salary & wage cash timing adjustment of \$6.7 million in 2009 related to the timing of labor contract settlements.

MTA New York City Transit
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE					
	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Cash Deficit	(\$2,327.7)	(\$2,649.7)	(\$2,889.7)	(\$3,069.8)	(\$3,225.4)
Baseline Changes					
Revenue					
Farebox Revenue	9.0	(23.9)	(19.6)	(11.9)	(4.4)
Other Operating Revenue	(8.4)	(7.3)	(8.7)	(10.2)	(10.0)
Capital and Other Reimbursement	0.0	0.0	0.0	0.0	0.0
Total Revenue Changes	\$0.6	(\$31.2)	(\$28.3)	(\$22.2)	(\$14.3)
Expenses					
<i>Labor:</i>					
Payroll	(1.5)	17.7	10.4	13.2	20.5
Overtime	0.2	1.6	0.4	0.5	0.9
Health and Welfare	255.0	279.0	305.0	336.5	373.5
OPEB Current Payment	(240.1)	(265.3)	(287.3)	(313.8)	(342.6)
Pensions	(132.9)	(46.9)	(51.0)	(39.2)	(38.2)
Other Fringe Benefits	0.3	2.4	1.5	0.4	1.3
Reimbursable Overhead	(3.9)	3.9	3.4	0.4	0.4
Total Labor Expense Changes	(122.9)	(7.6)	(17.5)	(2.1)	15.7
<i>Non-Labor:</i>					
Traction and Propulsion Power	(5.0)	(11.4)	(11.4)	(13.0)	(16.2)
Fuel for Buses and Trains	(37.0)	(54.2)	(54.4)	(58.3)	(62.6)
Insurance	(2.6)	(4.4)	(6.0)	(9.2)	(14.3)
Claims	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	(8.9)	(9.0)	(8.8)	(9.1)	(9.4)
Maintenance and Other Operating Contracts	(13.8)	(11.7)	(11.7)	(10.5)	(11.9)
Professional Service Contracts	(1.1)	(0.1)	6.7	5.8	6.4
Materials & Supplies	1.9	30.1	5.5	(12.0)	(13.8)
Other Business Expenses	0.6	0.8	1.4	2.1	2.7
Total Non-Labor Expense Changes	(65.8)	(59.7)	(78.6)	(104.2)	(119.1)
Depreciation	0.0	0.0	0.0	0.0	0.0
Total Expense Changes	(\$188.7)	(\$67.3)	(\$96.1)	(\$106.3)	(\$103.4)
Cash Adjustment Changes					
Revenue	43.7	4.1	4.1	4.0	4.0
Expense	(4.4)	(4.1)	2.3	2.3	8.4
Depreciation	0.0	0.0	0.0	0.0	0.0
Total Cash Adjustment Changes	\$39.3	\$0.1	\$6.5	\$6.2	\$12.4
Total Baseline Changes	(\$148.7)	(\$98.5)	(\$117.9)	(\$122.2)	(\$105.3)
Baseline 2008 July Financial Plan - Cash Deficit	(\$2,476.4)	(\$2,748.2)	(\$3,007.6)	(\$3,192.0)	(\$3,330.8)

MTA New York City Transit
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Cash Deficit	\$18.2	\$26.5	\$3.3	(\$1.2)	(\$2.8)
Baseline Changes					
Revenue					
Farebox Revenue	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	0.0	0.0	0.0	0.0	0.0
Capital and Other Reimbursement	7.1	11.0	7.9	(2.4)	(3.0)
Total Revenue Changes	\$7.1	\$11.0	\$7.9	(\$2.4)	(\$3.0)
Expenses					
Labor:					
Payroll	(3.6)	(4.8)	(4.2)	(0.3)	(0.4)
Overtime	0.6	(0.4)	(0.2)	0.4	0.4
Health and Welfare	0.4	0.8	1.2	1.8	2.5
Pensions	(0.6)	(0.6)	(0.6)	(0.6)	(0.7)
Other Fringe Benefits	(0.8)	(2.1)	(1.8)	(0.4)	(0.4)
Reimbursable Overhead	3.9	(3.9)	(3.4)	(0.4)	(0.4)
Total Labor Expense Changes	(0.1)	(10.9)	(9.0)	0.6	1.1
Non-Labor:					
Traction and Propulsion Power	0.0	0.0	0.0	0.0	0.0
Fuel for Buses and Trains	0.0	0.0	0.0	0.0	0.0
Insurance	0.0	0.0	0.0	0.0	0.0
Claims	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	(0.6)	(0.3)	0.0	0.0	0.0
Professional Service Contracts	0.0	1.0	1.8	1.8	1.9
Materials & Supplies	(6.5)	(0.7)	(0.7)	(0.0)	(0.0)
Other Business Expenses	0.0	0.0	0.0	0.0	0.0
Total Non-Labor Expense Changes	(7.1)	(0.1)	1.1	1.8	1.9
Total Expense Changes	(\$7.1)	(\$11.0)	(\$7.9)	\$2.4	\$3.0
Cash Adjustment Changes					
Capital Reimbursement Timing	2.3	(0.8)	0.6	2.1	0.1
Total Cash Adjustment Changes	\$2.3	(\$0.8)	\$0.6	\$2.1	\$0.1
Total Baseline Changes	\$2.3	(\$0.8)	\$0.6	\$2.1	\$0.1
Baseline 2008 July Financial Plan - Cash Deficit	\$20.5	\$25.7	\$3.9	\$0.9	(\$2.7)

MTA New York City Transit
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE					
	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Cash Deficit	(\$2,309.5)	(\$2,623.2)	(\$2,886.4)	(\$3,071.0)	(\$3,228.3)
Baseline Changes					
Revenue					
Farebox Revenue	9.0	(23.9)	(19.6)	(11.9)	(4.4)
Other Operating Revenue	(8.4)	(7.3)	(8.7)	(10.2)	(10.0)
Capital and Other Reimbursement	7.1	11.0	7.9	(2.4)	(3.0)
Total Revenue Changes	\$7.8	(\$20.3)	(\$20.4)	(\$24.6)	(\$17.4)
Expenses					
<i>Labor:</i>					
Payroll	(5.1)	12.9	6.2	12.9	20.1
Overtime	0.8	1.2	0.3	0.9	1.3
Health and Welfare	255.4	279.8	306.2	338.4	376.0
OPEB Current Payment	(240.1)	(265.3)	(287.3)	(313.8)	(342.6)
Pensions	(133.5)	(47.5)	(51.6)	(39.8)	(38.9)
Other Fringe Benefits	(0.5)	0.3	(0.3)	(0.0)	0.9
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0
Total Labor Expense Changes	(123.0)	(18.6)	(26.5)	(1.5)	16.8
<i>Non-Labor:</i>					
Traction and Propulsion Power	(5.0)	(11.4)	(11.4)	(13.0)	(16.2)
Fuel for Buses and Trains	(37.0)	(54.2)	(54.4)	(58.3)	(62.6)
Insurance	(2.6)	(4.4)	(6.0)	(9.2)	(14.3)
Claims	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	(8.9)	(9.0)	(8.8)	(9.1)	(9.4)
Maintenance and Other Operating Contracts	(14.3)	(12.0)	(11.7)	(10.5)	(11.9)
Professional Service Contracts	(1.1)	1.0	8.5	7.6	8.3
Materials & Supplies	(4.6)	29.4	4.8	(12.0)	(13.8)
Other Business Expenses	0.6	0.8	1.4	2.1	2.7
Total Non-Labor Expense Changes	(72.9)	(59.8)	(77.5)	(102.4)	(117.2)
Depreciation	0.0	0.0	0.0	0.0	0.0
Total Expense Changes	(\$195.8)	(\$78.3)	(\$104.0)	(\$103.9)	(\$100.4)
Cash Adjustment Changes					
Revenue	43.7	4.1	4.1	4.0	4.0
Expense	(4.4)	(4.1)	2.3	2.3	8.4
Capital Reimbursement Timing	2.3	(0.8)	0.6	2.1	0.1
Depreciation	0.0	0.0	0.0	0.0	0.0
Total Cash Adjustment Changes	\$41.6	(\$0.7)	\$7.1	\$8.4	\$12.5
Total Baseline Changes	(\$146.5)	(\$99.3)	(\$117.2)	(\$120.0)	(\$105.2)
Baseline 2008 July Financial Plan - Cash Deficit	(\$2,455.9)	(\$2,722.5)	(\$3,003.7)	(\$3,191.1)	(\$3,333.5)

MTA New York City Transit
July Financial Plan 2009 - 2012
Summary of Changes Between Financial Plans by Category
(\$ in millions)

TOTAL NON-REIMBURSABLE AND REIMBURSABLE

	2008	2009	2010	2011	2012
2008 February Financial Plan - Net Cash Deficit	(\$2,309.5)	(\$2,617.6)	(\$2,880.9)	(\$3,065.5)	(\$3,222.7)
Baseline Changes:					
Revenue					
Farebox Revenue Re-estimate	9.0	(23.9)	(19.6)	(11.9)	(4.4)
Paratransit Urban Tax Re-estimate	(7.2)	(7.3)	(8.7)	(10.2)	(10.0)
Capital Reimbursement Revision	7.1	11.0	7.9	(2.4)	(3.0)
Other Re-estimates	(1.2)	0.0	0.0	0.0	0.0
Sub-Total Revenue Changes	\$7.8	(\$20.3)	(\$20.4)	(\$24.6)	(\$17.4)
Expenses					
Expense Re-estimates:					
Pension	(132.9)	(46.9)	(51.0)	(39.2)	(38.2)
Fuel	(39.5)	(71.9)	(68.3)	(71.6)	(75.2)
Electric Power	(6.8)	(14.4)	(14.4)	(16.5)	(20.8)
Insurance	(2.6)	(4.4)	(6.0)	(9.2)	(14.3)
Health & Welfare	14.6	13.4	17.3	22.4	30.5
Paratransit Expense Reforecast	(8.9)	(9.2)	(9.5)	(9.8)	(10.1)
Elimination of MTA Service Enhancement Expenses	17.0	48.7	48.7	48.7	48.7
Subways R62 Group Box Delay	0.7	27.7	(0.0)	(14.3)	(14.2)
Environmental Remediation Provision (Non Cash-GASB #49)	(18.0)	0.0	0.0	0.0	0.0
Agency-Wide OTPS Inflation Over-Provision Adjustment	0.0	10.0	10.3	10.5	10.6
Timing of 2007 Expenses	(7.7)	0.0	0.0	0.0	0.0
Station Booth Expense Revisions	1.9	2.1	2.1	2.1	2.1
Vacation Cash-in	(7.3)	0.0	0.0	0.0	0.0
Reimbursable Expenses	(7.1)	(11.0)	(7.9)	2.4	3.0
Other Re-estimates	(3.8)	14.0	14.4	9.6	4.7
Sub-Total Expense Re-estimates	(\$200.4)	(\$41.9)	(\$64.2)	(\$64.8)	(\$73.0)
Programmatic New Needs:					
Subway Service Adjustments-Implementation Fall 2008	(3.8)	(9.1)	(9.1)	(9.1)	(9.1)
Bus Shop Plan- 4-Year to 3-Year Upgrade Cycle	2.3	(6.7)	(9.3)	(6.0)	4.9
Track Safety Refresher Training	(1.9)	(7.3)	(7.3)	(7.3)	(7.3)
Elevator & Escalator Improvement Plan	(2.2)	(3.3)	(2.6)	(2.6)	(2.6)
Increase Charleston to Full Depot	0.0	0.0	(1.3)	(2.5)	(2.5)
Select Bus Service (BRT) Fare Collection	(1.8)	(2.5)	(2.6)	(2.6)	(2.6)
Staten Island Maintenance Action Plan	(2.9)	0.0	0.0	0.0	0.0
Workforce Development Investments	(0.9)	(1.8)	(2.0)	(2.0)	(2.0)
Mets Express Service	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)
Other New Needs	(1.4)	(4.7)	(4.6)	(6.1)	(5.3)
Sub-Total Programmatic New Needs	(\$13.4)	(\$36.4)	(\$39.8)	(\$39.0)	(\$27.3)
Sub-Total Expense Changes	(\$213.8)	(\$78.3)	(\$104.0)	(\$103.9)	(\$100.4)
Cash Adjustments					
Revenue					
2007 Year-End Results: Timing of TAB Drawdown	38.7	0.0	0.0	0.0	0.0
2007 Year-End Results: Capital Reimbursement Timing	3.7	0.0	0.0	0.0	0.0
Operating Revenue/Capital Reimbursement Cash Adjustments	3.5	3.3	4.8	6.1	4.1
Expense					
2007 Year End Results: Expenditure Timing	6.0	0.0	0.0	0.0	0.0
Pension Reforecast-Payment Timing	(2.9)	3.9	3.4	3.4	9.9
Insurance Re-estimate-Payment Timing	(8.0)	(1.2)	(1.5)	(1.6)	(1.9)
Cash Offset to Environmental Remediation Provision-GASB #49	18.0	0.0	0.0	0.0	0.0
Salary & Wage Timing of Labor Contract Settlements	0.0	(6.7)	0.0	0.0	0.0
Other Cash Adjustments	0.5	(0.1)	0.4	0.5	0.4
Sub-Total Cash Adjustment Changes	\$59.6	(\$0.7)	\$7.1	\$8.4	\$12.5
Total Baseline Changes	(\$146.5)	(\$99.3)	(\$117.2)	(\$120.0)	(\$105.2)
Programs to Eliminate the GAP (PEGS)					
2009 Program	9.9	61.0	61.9	69.3	59.1
Post-2009 Program-Unspecified	0.0	0.0	59.6	119.2	178.8
Elimination of Post-2008 Program-February Financial Plan	0.0	(5.5)	(5.5)	(5.5)	(5.5)
2008 July Financial Plan - Net Cash Deficit	(\$2,446.0)	(\$2,661.5)	(\$2,882.1)	(\$3,002.5)	(\$3,095.5)

**MTA New York City Transit
2009 Preliminary Budget
July Financial Plan 2009-2012
Summary of Major Plan-to-Plan Changes**

Ridership (Utilization)

The July Financial Plan baseline ridership forecast assumes that the April 2008 year-to-date trend, which was positive (1.1% above budget) for subway; and slightly negative (0.2% below budget) for buses, will continue for the remainder of 2008. In 2009, non-student subway and bus ridership is expected to be flat due to the slowing economy. As a result of the new 2008 and 2009 base forecast, non-student ridership (excluding the impact of service enhancements) is approximately 15 million higher than the February Plan in 2008 and approximately 8 million lower in 2009. The lower 2009 forecast is due to the July Plan assumption of no subway and bus ridership growth in 2009 compared to subway and bus ridership growth of 1.09% assumed in the February Plan.

Working off the revised 2009 projection, annual 2010-2012 ridership growth forecasts are based on the Spring 2008 Global Insight NYC employment forecast, which was slightly higher than the Fall 2007 Global Insight forecast used in the February Plan. The new, higher employment forecast partially offsets the impact of the lower 2009 base in 2010 and 2011, and results in an increase in 2012. As a result, July Plan non-student ridership (excluding the impact of service enhancements) is expected to be 6.4 million lower than the February Plan in 2010, 0.7 million lower in 2011, and 4.9 million higher in 2012.

The February 2008 Plan assumed a ridership increase of approximately 1.5 million in 2008 and 3.9 million each year from 2009 to 2012 resulting from subway and bus service enhancements, as well as new Bus Rapid Transit (BRT) service and the takeover of X23/24 express service from Atlantic Express in 2008. The July Plan assumes no bus service enhancements, a slight reduction in subway service enhancements, and a delay in the X23/24 takeover from 2008 to 2010. As a result the ridership impact from New Service is lower in the July Plan by 1.1 million in 2008, 3.0 million in 2009, and 2.3 million annually from 2010 to 2012.

The July Plan student ridership forecast is based on April year-to-date results and an assumption of no annual growth from 2009 to 2012 (the February Plan also assumed no student growth). As a result of slightly higher April Year-to-date results, student ridership is expected to be 0.5 million higher than the February Plan each year from 2008 to 2012.

The resulting total subway and bus ridership forecast is higher than the February 2008 Plan by 14.3 million in 2008, then 10.1 million lower in 2008, 8.3 million lower in 2010, 2.6 million lower in 2011, and higher by 3.1 million in 2012.

MTA New York City Transit
July Financial Plan 2009 - 2012
Ridership/Traffic Volume (Utilization)
(in millions)

	2007 Actuals	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Subway	1,562.5	1,603.5	1,598.5	1,611.5	1,628.2	1,641.2
Bus	738.0	743.3	741.5	748.1	755.3	761.1
Paratransit	5.9	7.1	8.1	9.3	10.7	12.3
Baseline Total Ridership	2,306.4	2,353.8	2,348.1	2,368.9	2,394.2	2,414.7
Impact of: PEG Program						
Total Ridership	2,306.4	2,353.8	2,348.1	2,368.9	2,394.2	2,414.7

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2008		2009		2010		2011		2012	
		<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
Administration											
Administrative Efficiencies - AFC		0	0.000	2	0.207	2	0.207	2	0.207	2	0.207
Administrative Efficiencies - Buses		0	0.000	15	1.495	15	1.495	15	1.495	15	1.495
Administrative Efficiencies - Chief of Staff		4	0.421	12	1.348	12	1.348	12	1.348	12	1.348
Administrative Efficiencies - Corporate Communicatio		0	0.000	1	0.065	1	0.065	1	0.065	1	0.065
Administrative Efficiencies - EMD		0	0.000	13	1.672	13	1.672	13	1.672	13	1.672
Administrative Efficiencies - Law		1	0.058	(1)	0.266	0	0.565	0	0.548	0	0.548
Administrative Efficiencies - OMB		1	0.343	1	0.096	1	0.096	1	0.096	1	0.096
Administrative Efficiencies - RTO		0	0.000	2	0.214	2	0.214	2	0.214	2	0.214
Administrative Efficiencies - System Safety		0	0.000	1	0.071	1	0.071	1	0.071	1	0.071
Administrative Efficiencies - Technology and Informat		0	0.000	0	0.300	0	0.600	0	0.600	0	0.600
Administrative Efficiencies -Materiel		0	0.333	0	0.334	0	0.000	0	0.000	0	0.000
Administrative Efficiencies-Controller		0	0.000	3	0.334	5	0.447	5	0.447	5	0.447
Administrative Efficiencies-MOW (Maintenance of We		9	0.611	9	0.665	9	0.665	9	0.665	9	0.665
Prescription Drug Contract Re-bid		0	0.000	0	2.500	0	5.000	0	5.000	0	5.000
Sub-Total	Administration	15	\$ 1.766	58	\$ 9.567	61	\$ 12.445	61	\$ 12.428	61	\$ 12.428
Maintenance											
Bus Facility Maintenance Economies		0	1.148	0	1.148	0	1.148	0	1.148	0	1.148
Bus Shop Plan - 12 Year Upgrade Savings		0	0.000	69	9.125	34	5.620	73	12.796	9	2.229
Bus Shop Plan - MCI Economies		0	1.848	6	1.525	2	0.774	3	0.994	4	1.053
Bus Supervisory Productivity		0	0.000	8	1.060	8	1.060	8	1.060	8	1.060
Car Cleaning Economies		0	0.000	0	0.000	14	0.864	14	0.864	14	0.864
Car Quality Control Initiative Efficiencies		0	0.000	17	3.455	17	3.455	17	3.455	17	3.455
EMD Maintenance Efficiencies		0	0.000	4	0.730	4	0.530	4	0.530	4	0.530
Fare Control Maintenance Efficiencies		0	0.000	6	0.505	6	0.505	6	0.505	6	0.505
Fleet Maintenance Efficiencies - Buses		0	0.000	50	4.252	79	7.798	79	7.798	79	7.798
Maintenance Efficiencies - Car Equipment		12	0.476	59	5.971	59	5.971	59	5.971	59	5.971

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2008		2009		2010		2011		2012	
		<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
Maintenance Efficiencies - Electrical		0	0.000	4	0.301	4	0.301	4	0.301	4	0.301
Maintenance Efficiencies - Infrastructure		0	0.000	3	0.241	3	0.241	3	0.241	3	0.241
Maintenance Efficiencies - RTO		10	0.282	10	0.307	10	0.307	10	0.307	10	0.307
Maintenance Efficiencies - Track		0	0.000	5	0.484	5	0.484	0	0.000	0	0.000
Material Economies-Buses		0	0.000	0	1.276	0	1.276	0	1.276	0	1.276
Non-Revenue Vehicle Replacement Cycle		0	0.260	0	2.114	0	(0.216)	0	0.124	0	0.464
Rehabilitated Stations Maintenance Efficiencies		0	0.000	12	0.848	12	0.848	12	0.848	12	0.848
SONET/ATM Maintenance Reduction		0	1.000	0	0.500	0	0.000	0	0.000	0	0.000
Station Track Cleaning Initiative Efficiencies		8	0.558	8	0.607	8	0.607	8	0.607	8	0.607
Supply Logistics Efficiencies		0	0.000	13	0.993	13	0.985	13	0.964	13	0.943
Terminal Car Cleaning Initiative Efficiencies		29	0.843	29	1.833	29	1.833	29	1.833	29	1.833
Track Test Savings		8	0.305	13	1.078	13	1.078	13	1.078	13	1.078
Water Intrusion Remediation		0	0.000	12	0.998	12	0.998	12	0.998	12	0.998
Sub-Total	Maintenance	67	\$ 6.720	328	\$ 39.351	332	\$ 36.467	367	\$ 43.698	304	\$ 33.509
Other											
Security Post Reductions		0	0.000	13	0.916	13	0.916	13	0.916	13	0.916
Title Downgrades		0	0.000	0	0.836	0	0.836	0	0.836	0	0.836
Sub-Total	Other	0	\$ 0.000	13	\$ 1.752	13	\$ 1.752	13	\$ 1.752	13	\$ 1.752
Service Support											
Bus Shifter Economies		0	0.000	21	2.137	21	2.137	21	2.137	21	2.137
Eliminate Night Shift Revenue Processing		10	0.278	10	0.605	10	0.605	10	0.605	10	0.605
Eliminate WEP Program		0	0.000	19	2.563	19	2.563	19	2.563	19	2.563
Platform Controller Reduction		0	0.000	14	0.955	14	0.955	14	0.955	14	0.955
RTO Safety Initiative Efficiencies		0	0.000	17	1.575	17	1.575	17	1.575	17	1.575
Revenue Collection Efficiencies		10	0.953	10	0.691	10	0.691	10	0.691	10	0.691
Service Support Efficiencies - Buses		0	0.000	0	0.300	0	0.300	0	0.300	0	0.300
Service Support Efficiencies - Subways		0	0.000	9	0.734	9	0.734	9	0.734	9	0.734

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2008		2009		2010		2011		2012	
		<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>
Traffic Checking Efficiencies		1	0.212	2	0.743	4	1.715	4	1.865	4	1.865
Sub-Total	Service Support	21	\$ 1.443	102	\$ 10.303	104	\$ 11.275	104	\$ 11.425	104	\$ 11.425
Total Programs		103	\$ 9.929	501	\$ 60.973	510	\$ 61.939	545	\$ 69.303	482	\$ 59.114

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000214	Current Budget Year	2008	Status	Open
Program:	Administrative Efficiencies - AFC			Agency Status	Pending
Description and Implementation Pla	This proposal provides productivity savings through staffing efficiencies. Functions will be absorbed by existing staff.				
Background Details	This proposal eliminates 2 professional and technical positions from the Division of Automated Fare Control (AFC) Program Management and Sales in 2009.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000214	MYF08	0	2	2	2	2
Financial Impact	NYCTR	0000000214	MYF08	\$ 0.000	\$ 0.207	\$ 0.207	\$ 0.207	\$ 0.207

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000181	Current Budget Year	2008	Status	Open
Program:	Administrative Efficiencies - Buses			Agency Status	Pending
Description and Implementation Pla	Existing staff will absorb the workload.				
Background Details	Administrative efficiencies will reduce 15 positions from various divisions within the Department of Buses (12 Administrative and 3 Hourly) as follows: Facilities (1), Transportation (1), Training (1), Maintenance & Support Service (1), Maintenance Overhaul Facilities (1), Operations Support (3), Division Operations (4), 3 Hourly Road Control positions from Centralized Road Service (CRS).				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000181	MYF08	0	15	15	15	15
Financial Impact	NYCTR	0000000181	MYF08	\$ 0.000	\$ 1.495	\$ 1.495	\$ 1.495	\$ 1.495

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000182	Current Budget Year	2008	Status	Open
Program:	Administrative Efficiencies - Chief of Staff			Agency Status	Pending
Description and Implementation Pla	Due to the reorganization of the Dept. of Subways, the Office of the Chief of Staff was created. This new consolidated group now eliminates the redundancy of functions accross the various divisions in Subways.				
Background Details	Under this proposal the following positions will be eliminated: Chief of Operations-Rolling Stock and MOW, Chief of Operations for Service Delivery, 1 manager from the General Services Office, 6 PT&E's through DOS, 1 clerical in Employee Availability, and 2 Operating Supervisors from the Administration and Finance Groups. Also a reduction of \$60K in unscheduled overtime for PT&E's and Supervisors in MOW Administration will be achieved. 2008 savings achieved by eliminating vacant positions.				
	"				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000182	MYF08	4	12	12	12	12
Financial Impact	NYCTR	0000000182	MYF08	\$ 0.421	\$ 1.348	\$ 1.348	\$ 1.348	\$ 1.348

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000216	Current Budget Year	2008	Status	Open
Program:	Administrative Efficiencies - Corporate Communications			Agency Status	Pending
Description and Implementation Pla	In order to complete this enhancement, six Customer Service Specialists will be converted to four Analysts who will perform database analysis and interpretation. Temporary services will be increased to cover peak periods and availability issues.				
Background Details	Administrative efficiencies can be achieved through a number of initiatives. With the implementation of Trip Planner on the internet, Corporate Communications can enhance customer itineraries by factoring in service changes resulting from scheduled work.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000216	MYF08	0	1	1	1	1
Financial Impact	NYCTR	0000000216	MYF08	\$ 0.000	\$ 0.065	\$ 0.065	\$ 0.065	\$ 0.065

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000217	Current Budget Year	2008	Status	Open
Program:	Administrative Efficiencies - EMD			Agency Status	Pending
Description and Implementation Pla	EMD is undergoing a reorganization and anticipates that productivity and streamlining efficiencies will be achieved. Functions will be absorbed by existing staff.				
Background Details	Reduce administrative staff in the Electronics Maintenance Division (EMD), beginning 1/1/2009 with the reduction of twelve managerial positions and one clerical position.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000217	MYF08	0	13	13	13	13
Financial Impact	NYCTR	0000000217	MYF08	\$ 0.000	\$ 1.672	\$ 1.672	\$ 1.672	\$ 1.672

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Administration	Savings Date	7/1/2008
PEG / New Need ID	0000000218	Current Budget Year	2008	Status	Open
Program:	Administrative Efficiencies - Law			Agency Status	Pending
Description and Implementation Pla	Effective May 2008, an administrative clerical position will be eliminated; functions will be absorbed by existing staff. Effective January, 2009, the Law Dept. will increase staff to reduce Outside counsel costs.				
Background Details	Outside counsel costs will be reduced by using internal staff to both prepare the initial legal instruments in No-fault cases and to handle the annual arbitrations under the Uninsured Motorist Law. In addition, through the realignment of responsibilities, the Law Dept. will eliminate a clerical position beginning in 2008.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000218	MYF08	1	(1)	0	0	0
Financial Impact	NYCTR	0000000218	MYF08	\$ 0.058	\$ 0.266	\$ 0.565	\$ 0.548	\$ 0.548

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000169	Current Budget Year	2008	Status	Open
Program:	Administrative Efficiencies - OMB			Agency Status	Pending
Description and Implementation Pla	This proposal provides productivity savings through staffing efficiencies. Functions will be performed by existing staff.				
Background Details	Reduce administrative staff in the Office of Management and Budget, beginning 1/1/08 with the reduction of one managerial position In addition, 2008 includes one-time salary and wage savings due to vacancies.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000169	MYF08	1	1	1	1	1
Financial Impact	NYCTR	0000000169	MYF08	\$ 0.343	\$ 0.096	\$ 0.096	\$ 0.096	\$ 0.096

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000183	Current Budget Year	2008	Status	Open
Program:	Administrative Efficiencies - RTO			Agency Status	Pending
Description and Implementation Pla	This proposal eliminates one member of the Emergency Response Team on select tours starting January, 2009.				
Background Details	In 2008, 10 Emergency Response Teams each consisting of 1 Train Service Supervisor and 1 Superintendent were established in RTO to respond to emergencies and to act as liaison with the Mayor's Office of Emergency Management and other Federal, State or City emergency response units. In an emergency, the teams coordinate with the Rail Control Center in facilitating a response and/or changes to subway service.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000183	MYF08	0	2	2	2	2
Financial Impact	NYCTR	0000000183	MYF08	\$ 0.000	\$ 0.214	\$ 0.214	\$ 0.214	\$ 0.214

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000170	Current Budget Year	2008	Status	Open
Program:	Administrative Efficiencies - System Safety			Agency Status	Pending
Description and Implementation Pla	This proposal provides productivity savings through staffing efficiencies. Functions will be absorbed by existing staff.				
Background Details	Reduce administrative staff in the Office of System Safety, beginning 1/1/09 with the reduction of one clerical position.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000170	MYF08	0	1	1	1	1
Financial Impact	NYCTR	0000000170	MYF08	\$ 0.000	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000171	Current Budget Year	2008	Status	Open
Program:	Administrative Efficiencies - Technology and Information Services (TIS)			Agency Status	Pending
Description and Implementation Pla	Beginning in 2008, reduce mainframe budget to revised projections based on historical actuals.				
Background Details	NYCT outsources mainframe processing to an outside vendor (IBM). The IBM contract commenced in 2005, at which time the budget was established. However, mainframe usage has historically been lower than initially budgeted.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000171	MYF08	0	0	0	0	0
Financial Impact	NYCTR	0000000171	MYF08	\$ 0.000	\$ 0.300	\$ 0.600	\$ 0.600	\$ 0.600

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000219	Current Budget Year	2008	Status	Open
Program:	Administrative Efficiencies -Materiel			Agency Status	Pending
Description and Implementation Pla	This initiative will reduce operating costs for construction and demolition debris removal by charging this cost to the appropriate capital project.				
Background Details	NYC Transit disposes of construction/demolition debris (CD/DD) in an estimated range of 89,000 to 156,000 cubic yards annually via waste hauling contracts. Over the past ten years, approximately 49% of CD/DD has been related to reimbursable work along the right-of -way				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	NYCTR	0000000219	MYF08	\$ 0.333	\$ 0.334	\$ 0.000	\$ 0.000	\$ 0.000

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000215	Current Budget Year	2008	Status	Open
Program:	Administrative Efficiencies-Controller			Agency Status	Pending
Description and Implementation Pla	This proposal provides productivity savings through staffing efficiencies. Functions will be absorbed by existing staff.				
Background Details	Eliminate position vacancies within the Controllers Office and adjust cash/trade discounts on operating contracts to historical actuals.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000215	MYF08	0	3	5	5	5
Financial Impact	NYCTR	0000000215	MYF08	\$ 0.000	\$ 0.334	\$ 0.447	\$ 0.447	\$ 0.447

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2008
PEG / New Need ID	0000000220	Current Budget Year	2008	Status	Open
Program:	Administrative Efficiencies-MOW (Maintenance of Way)			Agency Status	Pending
Description and Implementation Pla	Under this proposal Infrastructure will eliminate 6 vacant positions and Track will eliminate 3 vacant positions effective January 2008.				
Background Details	Infrastructure will eliminate 6 vacant positions from it's administrative staff: 2 PT&E's from Infrastructure Capital Construction; 2 PT&E's from Structures & Facilities and 2 clericals from Electro-Mech. Track will eliminate 3 vacant clerical positions, 1 each from Track Construction, Subway Maintenance and System Maintenance.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000220	MYF08	9	9	9	9	9
Financial Impact	NYCTR	0000000220	MYF08	\$ 0.611	\$ 0.665	\$ 0.665	\$ 0.665	\$ 0.665

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	7/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	12/1/2009
PEG / New Need ID	0000000173	Current Budget Year	2008	Status	Open
Program:	Prescription Drug Contract Re-bid			Agency Status	Pending
Description and Implementation Pla	Increased discounts are expected for the average wholesale price of retail/generic prescriptions at least. 5% and 6%, respectively; reductions in dispensing fees/improved rebates are based on preliminary contract discussions.				
Background Details	Renegotiate NYC Transit's prescription drug contract which expires in July 2009 to achieve additional savings. It's anticipated that the renegotiated contract will yield the following benefits: savings from increased discounts on both retail brand and generic prescription drugs, reduction in retail dispensing fees and an improvement in the rebate for prescriptions processed at retail sites as well as through the mail. Cost reductions are expected to be greater once prospective bidders complete for NYCT's business.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	NYCTR	0000000173	MYF08	\$ 0.000	\$ 2.500	\$ 5.000	\$ 5.000	\$ 5.000

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Maintenance	Savings Date	7/1/2008
PEG / New Need ID	0000000185	Current Budget Year	2008	Status	Open
Program:	Bus Facility Maintenance Economies			Agency Status	Pending
Description and Implementation Pla	Savings will be primarily achieved through the introduction of a capital in-house workforce which will complete select construction projects in a more cost efficient and timely manner.				
Background Details	Operating contract expenditures will be reduced by minimizing maintenance repairs on upcoming facility-based capital work.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	NYCTR	0000000185	MYF08	\$ 1.148	\$ 1.148	\$ 1.148	\$ 1.148	\$ 1.148

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Maintenance	Savings Date	7/1/2008
PEG / New Need ID	0000000187	Current Budget Year	2008	Status	Open
Program:	Bus Shop Plan - 12 Year Upgrade Savings			Agency Status	Pending
Description and Implementation Pla	Currently buses are planned to be retired after 12 years. Buses undergo 12 year upgrades to further extend their useful life. This initiative assumes that current planned bus replacements will be timely and allow for the elimination of these upgrades.				
Background Details	Based on current service requirements and the schedule for bus replacements, the Department of Buses assumes a lower number of 12 Year Upgrades will be required during the financial plan period.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000187	MYF08	0	69	34	73	9
Financial Impact	NYCTR	0000000187	MYF08	\$ 0.000	\$ 9.125	\$ 5.620	\$ 12.796	\$ 2.229

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000188	Current Budget Year	2008	Status	Open
Program:	Bus Shop Plan - MCI Economies			Agency Status	Pending
Description and Implementation Pla	MCI bus engines and transmissions are projected to last longer than planned and will reduce in-chassis overhauls (ICO) by 75%. Combined with reduced transmission work on 40 MCI buses, this results in a need for fewer bus maintainers.				
Background Details	Based on historical performance data, the Department of Buses plans to decrease the magnitude of In-Chasis Overhauls (ICO) performed on MCI buses. The funding envelope for ICOs can be reduced by 75%. In addition, transmission work on MCI's can be reduced in 2009 due to better performance.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000188	MYF08	0	6	2	3	4
Financial Impact	NYCTR	0000000188	MYF08	\$ 1.848	\$ 1.525	\$ 0.774	\$ 0.994	\$ 1.053

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000189	Current Budget Year	2008	Status	Open
Program:	Bus Supervisory Productivity			Agency Status	Pending
Description and Implementation Pla	This program implements co-mingling of relief coverage by division allowing for more efficient assignment of relief. Inside dispatchers will be used to provide road relief. Maint. supervisor relief will be deployed centrally among depots/divisions.				
Background Details	The implementation of co-mingling relief coverage from division to division facilitates a reduction of: 6 Dispatchers, 2 Line Supervisors, and the overtime equivalent of 4 Line Supervisors from various Department of Buses locations.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000189	MYF08	0	8	8	8	8
Financial Impact	NYCTR	0000000189	MYF08	\$ 0.000	\$ 1.060	\$ 1.060	\$ 1.060	\$ 1.060

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2010
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2010
PEG / New Need ID	0000000190	Current Budget Year	2008	Status	Open
Program:	Car Cleaning Economies			Agency Status	Pending
Description and Implementation Pla	One cleaner will be eliminated from each maintenance shop (including Pelham diesel), which will result in a reduction of 14 cleaners starting in January 2010.				
Background Details	Car Equipment has cleaners dedicated to perform duties such as inspection cleaning, condenser/evaporator wash, and facility cleaning at each maintenance shop.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000190	MYF08	0	0	14	14	14
Financial Impact	NYCTR	0000000190	MYF08	\$ 0.000	\$ 0.000	\$ 0.864	\$ 0.864	\$ 0.864

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000191	Current Budget Year	2008	Status	Open
Program:	Car Quality Control Initiative Efficiencies			Agency Status	Pending
Description and Implementation Pla	Effective January 2009, 17 positions will be eliminated (15 car inspectors, 2 maintenance supervisors), and maintenance material funding will be reduced by \$2.0M.				
Background Details	Pilot programs for scratch free glass were implemented on the #1 line and the L line. The initial budget was based on an estimated number of scratch hits that is greater than actual experience. Based on the lower level of hits, resources provided for these pilots will be reduced by 50%.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000191	MYF08	0	17	17	17	17
Financial Impact	NYCTR	0000000191	MYF08	\$ 0.000	\$ 3.455	\$ 3.455	\$ 3.455	\$ 3.455

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000175	Current Budget Year	2008	Status	Open
Program:	EMD Maintenance Efficencies			Agency Status	Pending
Description and Implementation Pla	The above initiatives facilitate reduction of 4 hourly positions, effective 1/1/09.				
Background Details	Through a series of efficiencies, the Electronics Maintenance Division (EMD) will eliminate four positions. One Electronic Specialist will be eliminated from the Machine Shop through productivity savings. Three Telephone Maintainers will be eliminated by extending the subway security camera preventive maintenance cycle from bi-monthly to quarterly. Additionally, the maintenance contract budgets for Halon and EBCS (emergency booth communication system) in the booths will be reduced to historical actuals.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000175	MYF08	0	4	4	4	4
Financial Impact	NYCTR	0000000175	MYF08	\$ 0.000	\$ 0.730	\$ 0.530	\$ 0.530	\$ 0.530

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000176	Current Budget Year	2008	Status	Open
Program:	Fare Control Maintenance Efficiencies			Agency Status	Pending
Description and Implementation Pla	The above initiatives facilitate reduction of one Electronics Specialist and five Revenue Equipment Maintainers, effective 1/1/09.				
Background Details	<p>The Electronics Maintenance Division will reduce six positions in MVM and turnstile asset maintenance, beginning in 2009. By extending the MVM scheduled maintenance cycles for the dual ticket feeder and ticket processing unit from 12 months to 18 months, one hourly position will be eliminated. By extending turnstile assets preventive maintenance interval for turnstile assets from 90 to 120 days, five positions will be eliminated. Turnstile assets include AFC turnstiles, HEETs, AFAS gates, MVM, MEM, MCR and TBT systems.</p>				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000176	MYF08	0	6	6	6	6
Financial Impact	NYCTR	0000000176	MYF08	\$ 0.000	\$ 0.505	\$ 0.505	\$ 0.505	\$ 0.505

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000193	Current Budget Year	2008	Status	Open
Program:	Fleet Maintenance Efficiencies - Buses			Agency Status	Pending
Description and Implementation Pla	This program reduces 79 Maintainers (19 for general vehicle maint. efficiencies, 19 helpers for maint. changes, 43 for new clean fuel bus maint. and 2 Positions added for inhouse unit rebuilds.				
Background Details	This program reduces 19 Maintainers (1/depot), 19 helpers (1/depot) and 43 Maintainers reserved for incremental maint. cost of Clean Fuel (CF) buses. Reductions are based on general vehicle maintenance efficiencies, changed maint. practices (ie. new oil change machines, improved fuel line duty scheduling, reductions in greasing due to synthetic grease, etc.) and reductions in incremental maintenance costs for CF buses.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000193	MYF08	0	50	79	79	79
Financial Impact	NYCTR	0000000193	MYF08	\$ 0.000	\$ 4.252	\$ 7.798	\$ 7.798	\$ 7.798

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000194	Current Budget Year	2008	Status	Open
Program:	Maintenance Efficiencies - Car Equipment			Agency Status	Pending
Description and Implementation Pla	Implementing improved fleet maintenance practices and processes will permit maintenance resource savings in the maintenance shops, overhaul shops, and yards.				
Background Details	Productivity savings will be implemented as follows: Maintenance Shops-37 Car Inspectors and 2 MSI's; Overhaul Shops-8 Car Inspectors in Non-SMS functions; and Yards-12 Road Car Inspectors performing pre-service inspection and troubleshooting				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000194	MYF08	12	59	59	59	59
Financial Impact	NYCTR	0000000194	MYF08	\$ 0.476	\$ 5.971	\$ 5.971	\$ 5.971	\$ 5.971

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000195	Current Budget Year	2008	Status	Open
Program:	Maintenance Efficiencies - Electrical			Agency Status	Pending
Description and Implementation Pla	Under this proposal, these two crews will be eliminated consisting of a total of 4 personnel: 2 Power Electronic Maintainers and 2 Power Electronic Technicians. This function will be absorbed by the existing substation workforce crews.				
Background Details	The Sound Diagnostic crew uses decibel reading equipment to test whether NYCT's equipment is working within OSHA guidelines. This allows our substation personnel to take corrective action when sound levels exceed legal limits. The Thermal Diagnostic crew uses sophisticated thermal imaging equipment to scan equipment in Power Substations on a three year schedule (and on a requested basis) to detect abnormal heating issues on power equipment.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000195	MYF08	0	4	4	4	4
Financial Impact	NYCTR	0000000195	MYF08	\$ 0.000	\$ 0.301	\$ 0.301	\$ 0.301	\$ 0.301

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000197	Current Budget Year	2008	Status	Open
Program:	Maintenance Efficiencies - Infrastructure			Agency Status	Pending
Description and Implementation Pla	Proposal- reduce frequency of preventive maint. as follows:(1) Heat trace systems-from monthly to bi-monthly in cold weather months- (2) Air curtains-quarterly to semi-annually; (3) Fan coils-from bi-monthly to 3 times a year. 3 FTE's to be elim.				
Background Details	This PEG addresses the following: (1) Heat trace systems: to prevent freezing, 45 heat trace systems have been installed on underriver tube fire suppression systems and pump room discharge lines to insure that both water-based systems remain fully operational during periods of cold weather. These systems are inspected and maintained monthly for 6 months of the year by teams of 2 maintainers. (2) Air curtains: located adjacent to roll-up doors and blow hot air when the doors are open in cold weather. (3) Fan coils: ceiling units located in buildings, shops and barns that blow hot air in winter and cold air in summer. Air curtains and fan coils are inspected and maintained by teams of 2 HVAC maintainers.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000197	MYF08	0	3	3	3	3
Financial Impact	NYCTR	0000000197	MYF08	\$ 0.000	\$ 0.241	\$ 0.241	\$ 0.241	\$ 0.241

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000199	Current Budget Year	2008	Status	Open
Program:	Maintenance Efficiencies - RTO			Agency Status	Pending
Description and Implementation Pla	These 10 positions will be eliminated and the maintenance of the facilities will be done by existing RTO staff. RTO will also work with Stations to develop work programs that include the daily cleaning of these facilities, with existing station cleaners				
Background Details	There are 10 Cleaners performing heavy duty cleaning of crew rooms and RTO facilities in Subdivision A & B.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000199	MYF08	10	10	10	10	10
Financial Impact	NYCTR	0000000199	MYF08	\$ 0.282	\$ 0.307	\$ 0.307	\$ 0.307	\$ 0.307

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000200	Current Budget Year	2008	Status	Open
Program:	Maintenance Efficiencies - Track			Agency Status	Pending
Description and Implementation Pla	Under this proposal the entire additional workforce of 5 positions is eliminated returning us to the pre-2006 levels of installation.				
Background Details	In 2006, 5 positions were added to the budget to undertake a campaign to retrofit 50,000 rolled steel Pandrol plates installed in subway jointed rail areas with anti-abrasion pads. The pads fit between the base of the rail and the baseplate as a measure to reduce rail gall (worn spots). The initial proposal envisioned 2 gangs of 10 positions taking 5 years (through 2010) to complete the retrofit, though the initiative was budgeted at the 50% level. However, as finally approved, only 5 positions were added with the December 2010 completion date. While the anti-abrasion pads were installed by maintenance forces when the opportunity arose, a systematic retrofit program was never fully implemented.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000200	MYF08	0	5	5	0	0
Financial Impact	NYCTR	0000000200	MYF08	\$ 0.000	\$ 0.484	\$ 0.484	\$ 0.000	\$ 0.000

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000221	Current Budget Year	2008	Status	Open
Program:	Material Economies-Buses			Agency Status	Pending
Description and Implementation Pla	These savings come primarily as a result of increased longer service/change intervals, increased unit rebuild in-house work, and longer life expectancy on some parts.				
Background Details	This program reduces material consumption and/or costs in the following areas: Air condition air filters, air condition controller motors, Compressed Natural Gas (CNG) bus parts, fuel filters, CNG bus tune-ups, and wheel checks.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	NYCTR	0000000221	MYF08	\$ 0.000	\$ 1.276	\$ 1.276	\$ 1.276	\$ 1.276

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Maintenance	Savings Date	7/1/2008
PEG / New Need ID	0000000201	Current Budget Year	2008	Status	Open
Program:	Non-Revenue Vehicle Replacement Cycle			Agency Status	Pending
Description and Implementation Pla	Beginning in 2008, the current 8 year non-revenue replacement cycle will be revised to reflect a 10 year cycle. Savings will result from fewer vehicle purchases and lower maintenance costs due to the elimination of most costly repairs.				
Background Details	Vehicle replacement savings and maintenance economies result by extending the current 8 year non-revenue vehicle replacement plan to a 10 year plan, for light duty vehicles. The plan assumes: rotation of fleet to ensure 10k miles per vehicle per year; replacing vehicles every 10 years (previously 8 years); and replacing vehicles not yet 10 years old when repairs exceeds current book value.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	NYCTR	0000000201	MYF08	\$ 0.260	\$ 2.114	\$(0.216)	\$ 0.124	\$ 0.464

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000203	Current Budget Year	2008	Status	Open
Program:	Rehabilitated Stations Maintenance Efficiencies			Agency Status	Pending
Description and Implementation Pla	With no station rehabilitations expected to be completed in 2009, six cleaners and six maintainers can be eliminated.				
Background Details	Since 2001 and 2004, cleaning and maintenance resources respectively have been added for rehabilitated stations. This is a result of additional maintenance requirements for new finishes and fixtures installed as part of the capital project renovation (e.g. additional lighting, new facilities, stainless steel fixtures, and glass surfaces.) Consequently, 6 Cleaners and 6 Maintainers are incrementally added each year; this is renewed and annually revised based on the actual number of stations receiving beneficial use.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000203	MYF08	0	12	12	12	12
Financial Impact	NYCTR	0000000203	MYF08	\$ 0.000	\$ 0.848	\$ 0.848	\$ 0.848	\$ 0.848

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000179	Current Budget Year	2008	Status	Open
Program:	SONET/ATM Maintenance Reduction			Agency Status	Pending
Description and Implementation Pla	Revise SONET/ATM network vendor support contract to reflect current project status.				
Background Details	The SONET/ATM network was scheduled for beneficial use in January, 2008 and additional in-house resources and funds for a maintenance contracts with Siemens were added to the budget. The Siemens contracts will provide maintenance repair and return of defective equipment, technical assistance, software upgrades and support. Due to delays in final acceptance, not all contracts will be required in 2008, with the remainder being implemented in mid-2009.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	NYCTR	0000000179	MYF08	\$ 1.000	\$ 0.500	\$ 0.000	\$ 0.000	\$ 0.000

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2008
PEG / New Need ID	0000000222	Current Budget Year	2008	Status	Open
Program:	Station Track Cleaning Initiative Efficiencies			Agency Status	Pending
Description and Implementation Pla	Achievement of the entire goal with an equivalent effort would require 80.5 FTE, or 7.5 FTE less than current budget of 88 pos. Pilot cleaning goals not impacted by elim. of 1 cleaning gang.				
Background Details	The track Cleaning Pilot initiative included 92 operating positions. 11 gangs each consist of 1 Supervisor, 6 trackworkers and 1 PD Mtr. (total of 88 pos); and 4 relief supervisors, primarily to cover pre-existing gangs. From the Pilot's inception through May 3, Track's goal was to clean a total of 9,384 station tracks. Actual cleaned was 7,665. An average 65.8 supervisory/hourly FTE's were used-more efficient use of staff than originally projected.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000222	MYF08	8	8	8	8	8
Financial Impact	NYCTR	0000000222	MYF08	\$ 0.558	\$ 0.607	\$ 0.607	\$ 0.607	\$ 0.607

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000180	Current Budget Year	2008	Status	Open
Program:	Supply Logistics Efficiencies			Agency Status	Pending
Description and Implementation Pla	Supply Logistics Div. will reduce operating costs through work plan efficiencies, elim. 13 pos. involved with parts receipts & distribution for maint. activities in both Dept. of Subways and Buses.				
Background Details	Savings include reducing staff at the Central Warehouse facilities located in both Queens and the Bronx, elim. a position and the shipping support hub by transferring the East New York Yard Truck function to drivers located at the Maspeth site, reducing parts kitting support and the full or partial closure of a number of storerooms/shifts.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000180	MYF08	0	13	13	13	13
Financial Impact	NYCTR	0000000180	MYF08	\$ 0.000	\$ 0.993	\$ 0.985	\$ 0.964	\$ 0.943

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Maintenance	Savings Date	7/1/2008
PEG / New Need ID	0000000207	Current Budget Year	2008	Status	Open
Program:	Terminal Car Cleaning Initiative Efficiencies			Agency Status	Pending
Description and Implementation Pla	Effective July 2008, 29 positions will be eliminated (28 Cleaners, 1 Supervisor). This 20% reduction leaves 97 Cleaners and 17 Supervisors for this program.				
Background Details	Pilot Programs for terminal cleaning began in the fall of 2008 on the Flushing #7 Line and the Canarsie L line. These pilots included establishing terminal cleaning at both ends of the line, and determining the optimal number of cleaners at the terminal to improve car cleanliness. The current budget for these two pilots is 125 hourlies and 18 supervisors. A review of the pilot results indicates that the budgeted resources can be reduced by 20% with no impact on the pilot cleaning goals.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000207	MYF08	29	29	29	29	29
Financial Impact	NYCTR	0000000207	MYF08	\$ 0.843	\$ 1.833	\$ 1.833	\$ 1.833	\$ 1.833

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Maintenance	Savings Date	7/1/2008
PEG / New Need ID	0000000209	Current Budget Year	2008	Status	Open
Program:	Track Test Savings			Agency Status	Pending
Description and Implementation Pla	Starting in July 2008, 8 positions related to Track Testing on the "B" division will be eliminated. An additional five positions will be eliminated in 2009, for a total reduction of 13.				
Background Details	Cars with electronically regulated propulsion controllers (ie: R142, R142A, R143, R160) do not require the annual track test to ensure that the car's dynamic braking and propulsion systems are operating properly. With the replacement of 1,572 60-foot "B" Division cars with R160's, track testing will no longer be needed for these specific cars.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000209	MYF08	8	13	13	13	13
Financial Impact	NYCTR	0000000209	MYF08	\$ 0.305	\$ 1.078	\$ 1.078	\$ 1.078	\$ 1.078

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000211	Current Budget Year	2008	Status	Open
Program:	Water Intrusion Remediation			Agency Status	Pending
Description and Implementation Pla	Under this proposal the grouting workforce will be reduced by 20%, or 2 gangs consisting of 2 Supervisors and 10 hourlies. As a result, the new goal will be repairing 10,000 leaks per year.				
Background Details	The Water Intrusion Remediation program addresses water leaks by injecting grout into subway tunnel walls and ceilings. Expanded by 6 gangs in 2006, this program currently consists of 10 gangs with a goal of stopping 12,500 water leaks annually. Grouting is also completed through various Capital Program Projects: This work will continue at present levels.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000211	MYF08	0	12	12	12	12
Financial Impact	NYCTR	0000000211	MYF08	\$ 0.000	\$ 0.998	\$ 0.998	\$ 0.998	\$ 0.998

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2009
PEG / New Need ID	0000000178	Current Budget Year	2008	Status	Open
Program:	Security Post Reductions			Agency Status	Pending
Description and Implementation Pla	The Dept. of Security will implement these cost reductions: Elim. post coverage at employee parking lots-126th St. bus depot, Haven lot-East NY; post coverage-Kingsbridge depot tower,Cozine Iron Shop entrance,Maspeth rear dock,Westfarm roving patrol.				
Background Details	The Department of Security has identified several locations where current coverage can be reduced or eliminated without adversely affecting the safety and security of employees or NYC Transit property. Current coverage changes are the result of operational changes and/or use of alarm system/CCTV and motion detectors.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000178	MYF08	0	13	13	13	13
Financial Impact	NYCTR	0000000178	MYF08	\$ 0.000	\$ 0.916	\$ 0.916	\$ 0.916	\$ 0.916

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2009
PEG / New Need ID	0000000208	Current Budget Year	2008	Status	Open
Program:	Title Downgrades			Agency Status	Pending
Description and Implementation Pla	The Dept. of Subways will do title swaps to achieve savings. CES will convert 4 mgrl. pos. to operating suprvs., RTO will downgrade 2 train dispatchers to Ass't. Train Dispatchers, Stations will convert 28 vacant Station Suprv. pos. from level II to I				
Background Details	The Department of Subways will implement various title downgrades. In the Central Electronic Shop (CES) a new labor agreement with Surface Subway Supervisors Association (SSSA) will allow use of an Operating Supervisor title instead of a managerial title, facilitating promotional opportunities for hourly employees. In RTO Assistant Train Dispatchers will replace Train Dispatchers at the Whitehall Street station, and in Stations the Station Supervisor Level I and II incumbents will be re-aligned with the budget.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	NYCTR	0000000208	MYF08	\$ 0.000	\$ 0.836	\$ 0.836	\$ 0.836	\$ 0.836

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Service Support	Savings Date	1/1/2009
PEG / New Need ID	0000000186	Current Budget Year	2008	Status	Open
Program:	Bus Shifter Economies			Agency Status	Pending
Description and Implementation Pla	This program reduces 21 Shifters based on optimizing assignments and also reduces Extra List overtime by 18,570 hours due to better monitoring of Depot Extra List utilization.				
Background Details	Based on a review of Shifter utilization during pull-ins, fuel lane capacities and parking pool requirements, the Department of Buses (DOB) will be able to reduce 21 Shifters (Shifters are Bus Operators who move buses around the Depot). In addition, with the development of a more advanced reporting system, DOB is now able to better manage their Extra List and reduce 18,570 hours of Bus Operator overtime.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000186	MYF08	0	21	21	21	21
Financial Impact	NYCTR	0000000186	MYF08	\$ 0.000	\$ 2.137	\$ 2.137	\$ 2.137	\$ 2.137

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Service Support	Savings Date	7/1/2008
PEG / New Need ID	0000000174	Current Budget Year	2008	Status	Open
Program:	Eliminate Night Shift Revenue Processing			Agency Status	Pending
Description and Implementation Pla	Reduction of 5 Supervisor Associate Cashiers and 5 cashiers can be achieved, effective July 1, 2008.				
Background Details	As a result of broad-banding of the Associate Cashier and Supervisor Associate Cashier titles, Revenue Control will be able to eliminate the revenue processing night shift. Broadbanding will provide greater coverage flexibility within all revenue processing and MetroCard production operations. Currently, there are 2 levels of Associate Cashier titles and 2 levels of Supervisor Cashier, each with distinct functions. Broadbanding would combine the levels of both titles, allowing greater flexibility in scheduling.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000174	MYF08	10	10	10	10	10
Financial Impact	NYCTR	0000000174	MYF08	\$ 0.278	\$ 0.605	\$ 0.605	\$ 0.605	\$ 0.605

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	MYF08	Category	Service Support	Savings Date	1/1/2008
PEG / New Need ID	0000000192	Current Budget Year	2008	Status	Open
Program:	Eliminate WEP Program			Agency Status	Pending
Description and Implementation Pla	The WEP Program places public assistance recipients into supplementary cleaning assignments at NYCT. The WEP began in 1999 with the intent to augment subway car and station cleaning. WEP's are supervised by lead cleaners.				
Background Details	The Work Experience Program (WEP) will be eliminated. The impact will be miniimal due to the fact the lead cleaners will resume their original cleaning role, which has a larger scope of responsibilities than what WEP's can do. This proposal also reflects payroll savings from eliminating Lead Cleaner premiums (\$261K in DCE and \$262K in Stations) paid to the 150 lead cleaners (75 in DCE and 75 in Stations).				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000192	MYF08	0	19	19	19	19
Financial Impact	NYCTR	0000000192	MYF08	\$ 0.000	\$ 2.563	\$ 2.563	\$ 2.563	\$ 2.563

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Service Support	Savings Date	1/1/2009
PEG / New Need ID	0000000202	Current Budget Year	2008	Status	Open
Program:	Platform Controller Reduction			Agency Status	Pending
Description and Implementation Pla	As a result of an analysis of platform conductor utilization, RTO has taken a 14 position reduction in Platform Conductors starting in January 2009.				
Background Details	RTO has a total of 56 platform conductors in the work program in Subdivisions A & B. RTO will eliminate 7 positions in each Subdivision which translates to a total savings of 14 positions.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000202	MYF08	0	14	14	14	14
Financial Impact	NYCTR	0000000202	MYF08	\$ 0.000	\$ 0.955	\$ 0.955	\$ 0.955	\$ 0.955

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Service Support	Savings Date	1/1/2009
PEG / New Need ID	0000000223	Current Budget Year	2008	Status	Open
Program:	RTO Safety Initiative Efficiencies			Agency Status	Pending
Description and Implementation Pla	RTO will reorganize the implementation protocol for this initiative to achieve savings of 17 positions. Subdivision A will reduce by 9 ATD's, Subdivision B by 6 ATD's, and Subdivision C by 2 ATD's.				
Background Details	In 2008, a safety initiative was implemented in RTO with 35 Assisant Train Dispatchers (ATD) added. These ATD's were assigned to various RTO locations to brief the train crews reporting for duty of any significant events impacting their subway route and instructing the crews to adhere to all safety rules.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000223	MYF08	0	17	17	17	17
Financial Impact	NYCTR	0000000223	MYF08	\$ 0.000	\$ 1.575	\$ 1.575	\$ 1.575	\$ 1.575

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2008
Budget Reference	MYF08	Category	Service Support	Savings Date	1/1/2008
PEG / New Need ID	0000000204	Current Budget Year	2008	Status	Open
Program:	Revenue Collection Efficiencies			Agency Status	Pending
Description and Implementation Pla	Reduction of 10 Collecting Agent (TA) positions can be realized effective 1/1/08				
Background Details	Efficiencies in collection services can be achieved by co-mingling subways booth and MetroCard Vending Machine (MVM) collections on the same route. This will result in the elimination of two routes and ten Collecting Agents. Additionally, due to the delay in hiring Collecting Agents, increased savings can be achieved in 2008 only.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000204	MYF08	10	10	10	10	10
Financial Impact	NYCTR	0000000204	MYF08	\$ 0.953	\$ 0.691	\$ 0.691	\$ 0.691	\$ 0.691

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Service Support	Savings Date	1/1/2009
PEG / New Need ID	0000000212	Current Budget Year	2008	Status	Open
Program:	Service Support Efficiencies - Buses			Agency Status	Pending
Description and Implementation Pla	Currently buses are driven back to their home depot when not in use. The lot in LIC will provide closer proximity to parking spaces during down-time, resulting in savings by reducing vehicle miles/hour for 30 express buses saving fuel and maint. costs.				
Background Details	NYCT Department of Buses will share a swing space lot in Long Island City with MTA Bus, which will provide midday accommodations for 30 express bus service routes originating from the Queens Division. Dispatching and security requirements will be provided by the primary benefactor of this facility, MTA Bus.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	NYCTR	0000000212	MYF08	\$ 0.000	\$ 0.300	\$ 0.300	\$ 0.300	\$ 0.300

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Service Support	Savings Date	1/1/2009
PEG / New Need ID	0000000213	Current Budget Year	2008	Status	Open
Program:	Service Support Efficiencies - Subways			Agency Status	Pending
Description and Implementation Pla	Program components are: 1) Eliminate 3 Train Operator positions through scheduling efficiencies in shop transfers, 2) Eliminate 3 Train Operator positions through scheduled efficiencies and 3) convert 3 yard switching positions to reimbursable.				
Background Details	Service support efficiencies will be implemented in RTO through improved scheduling. This will reduce Train Operators assigned to moving trains to and from shops and work train operators supporting track maintenance. In addition, those positions assigned to switching capital work trains at the 38th Street Yard will be charged to the reimbursable job they are supporting.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000213	MYF08	0	9	9	9	9
Financial Impact	NYCTR	0000000213	MYF08	\$ 0.000	\$ 0.734	\$ 0.734	\$ 0.734	\$ 0.734

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Service Support	Savings Date	7/1/2008
PEG / New Need ID	0000000210	Current Budget Year	2008	Status	Open
Program:	Traffic Checking Efficiencies			Agency Status	Pending
Description and Implementation Pla	Savings in this initiative is derived from using various technologies to gain Traffic Checker efficiencies.				
Background Details	Measures include using service scheduling software to more efficiently schedule Traffic Checkers, use origin/destination data from MetroCard records as well as cameras already installed in M.J. Quill Depot buses to forego/limit traffic checker field work and eliminate Traffic Checker assignments in the Bus and Rail Planning Service Unit. This initiative also reflects a corresponding reduction in Traffic Checker supervision and analytical staff resulting from automated data gathering. NYCT currently uses Traffic Checkers (part time and full time) to collect information to support schedule changes, monitor on-time performance, estimate the number of riders on bus and subway routes, conduct passenger environmental surveys as well as monitor performance goals for the Cleaning Pilot Program enacted during 2007.				

				2008	2009	2010	2011	2012
Total Headcount	NYCTR	0000000210	MYF08	1	2	4	4	4
Financial Impact	NYCTR	0000000210	MYF08	\$ 0.212	\$ 0.743	\$ 1.715	\$ 1.865	\$ 1.865

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Post 2009 PEGs
(\$ in millions)

		2008		2009		2010		2011		2012	
		<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>
Other											
Unspecified		0	0.000	0	0.000	0	59.613	0	119.226	0	178.839
Sub-Total	Other	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 59.613</u>	<u>0</u>	<u>\$ 119.226</u>	<u>0</u>	<u>\$ 178.839</u>
Total Programs		<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 59.613</u>	<u>0</u>	<u>\$ 119.226</u>	<u>0</u>	<u>\$ 178.839</u>

MTA NEW YORK CITY TRANSIT
Mid-year forecast for 2008
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	NYCTR	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000224	Current Budget Year	2008	Status	Open
Program:	Unspecified			Agency Status	Pending
Description and Implementation Pla	Unspecified				
Background Details	Unspecified				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	NYCTR	0000000224	MYF08	\$ 0.000	\$ 0.000	\$ 59.613	\$ 119.226	\$ 178.839

**MTA New York City Transit
2009 Preliminary Budget
July Financial Plan 2009-2012
Summary of Major Plan-to-Plan Changes**

Total Non-reimbursable and Reimbursable Baseline Positions

2008: July Financial Plan vs. February Financial Plan

Total baseline positions are projected to decrease by 341, due mostly to a reduction of 427 from the elimination of the MTA Service Enhancement Fund, partly offset by an increase of 62 for the July 2008 subway service adjustments and 66 for other New Needs detailed above.

2009: July Financial Plan vs. February Financial Plan

Total baseline positions are projected to decrease by 11. The elimination of the MTA Service Enhancement Fund results in a position reduction of 427. Offsetting this reduction are increases of: 62 for subway service adjustments beginning July 2008; 143 for other new needs detailed above; 88 reimbursable for additional Capital Program work; 37 for subway fleet scheduled maintenance requirements and 38 for labor contract Apprentice Program requirements.

2010-2012: July Financial Plan vs. February Financial Plan

Total baseline positions are projected to decrease by 120 in 2010, 59 in 2011 and 238 in 2012. The elimination of the MTA Service Enhancement Fund results in a position reduction of 427 each year. Offsetting this reduction are increases of: 62 each year from subway service adjustments beginning July 2008; 179 in 2010, 177 in 2011 and 42 in 2012 for other New Needs detailed in the 2009 Preliminary Budget section above; 77 in 2010, 22 in 2011 and 23 in 2012 reimbursable from changes in capital program work; 33 in 2010 and 50 in 2011 for subways fleet scheduled maintenance requirements and 27 from labor contract Apprentice Program requirements each year.

MTA New York City Transit
July Financial Plan 2009-2012
Total Full-Time Positions and Full-Time Equivalents by Function and Department
Non-Reimbursable and Reimbursable

	2007	2008	2009			
	Actuals	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
Administration						
Office of the EVP	28	31	31	29	28	28
Administration	651	639	647	647	647	647
Office of Management and Budget	32	40	40	40	40	40
Technology & Information Services	553	584	601	594	594	594
Materiel	284	272	272	270	268	267
Controller	234	234	234	234	234	234
Office of the President	4	14	14	14	14	14
Law	291	315	315	315	315	315
Corporate Communications	288	290	278	278	278	278
Non-Departmental	75	-	-	-	-	-
AFC Program Management & Sales	65	69	69	69	69	69
Capital Planning & Budget	35	35	35	35	35	35
Total Administration	2,540	2,523	2,536	2,525	2,522	2,521
Operations						
Subways Service Delivery	11,248	11,249	11,165	11,045	11,040	11,033
Subways Chief of Staff	229	212	212	212	212	212
Buses	10,679	10,701	10,726	10,783	10,783	10,783
Paratransit	132	148	147	147	147	147
Operations Planning	432	422	424	424	424	424
Revenue Control	451	449	449	449	449	449
Total Operations	23,171	23,181	23,123	23,060	23,055	23,048
Maintenance						
Subways Senior VP	20	15	15	15	15	15
Subways Service Delivery	2,900	2,940	2,891	2,903	2,921	2,918
Subways Chief of Staff	1,629	1,622	1,563	1,508	1,501	1,501
Maintenance of Way & Rolling Stock	11,870	12,108	12,171	12,150	12,062	11,648
Buses	4,066	4,078	4,141	4,158	4,196	4,132
Revenue Control	133	137	137	137	137	137
Supply Logistics	575	567	567	567	567	567
System Safety	91	97	97	97	97	97
Total Maintenance	21,284	21,564	21,582	21,535	21,496	21,015
Engineering/Capital						
Capital Program Management	1,431	1,468	1,436	1,436	1,436	1,436
Total Engineering/Capital	1,431	1,468	1,436	1,436	1,436	1,436
Public Safety						
Security	484	499	494	493	493	493
Total Public Safety	484	499	494	493	493	493
Baseline Total Positions	48,910	49,235	49,171	49,049	49,002	48,513
Non-Reimbursable	44,025	43,633	43,884	43,975	44,088	43,611
Reimbursable	4,885	5,602	5,287	5,074	4,914	4,902
Total Full-Time	48,630	49,040	48,984	48,862	48,815	48,326
Total Full-Time Equivalents	280	195	187	187	187	187
Impact of:						
Program to Eliminate the Gap ¹	-	(109)	(512)	(543)	(578)	(515)
Total Positions	48,910	49,126	48,659	48,506	48,424	47,998
Non-Reimbursable	44,025	43,524	43,372	43,432	43,510	43,096
Reimbursable	4,885	5,602	5,287	5,074	4,914	4,902
Total Full-Time	48,630	48,937	48,483	48,352	48,270	47,844
Total Full-Time Equivalents	280	189	176	154	154	154
Business Service Center	0	0	0	0	(81)	(309)

¹ PEG tables include full-time positions only.

MTA New York City Transit
July Financial Plan 2009-2012
Total Full-Time Positions and Full-Time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	2007 Actuals	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
Managers/Supervisors	868	892	887	882	880	879
Professional, Technical, Clerical	1,572	1,588	1,609	1,603	1,602	1,602
Operational Hourlies	100	43	40	40	40	40
Total Administration	2,540	2,523	2,536	2,525	2,522	2,521
Operations						
Managers/Supervisors	2,547	2,623	2,564	2,541	2,536	2,534
Professional, Technical, Clerical	413	410	411	410	410	410
Operational Hourlies	20,211	20,148	20,148	20,109	20,109	20,104
Total Operations	23,171	23,181	23,123	23,060	23,055	23,048
Maintenance						
Managers/Supervisors	3,857	3,903	3,911	3,897	3,880	3,826
Professional, Technical, Clerical	1,191	1,258	1,213	1,183	1,164	1,156
Operational Hourlies	16,236	16,403	16,458	16,455	16,452	16,033
Total Maintenance	21,284	21,564	21,582	21,535	21,496	21,015
Engineering/Capital						
Managers/Supervisors	304	330	324	324	324	324
Professional, Technical, Clerical	1,125	1,136	1,110	1,110	1,110	1,110
Operational Hourlies	2	2	2	2	2	2
Total Engineering/Capital	1,431	1,468	1,436	1,436	1,436	1,436
Public Safety						
Managers/Supervisors	70	89	88	88	88	88
Professional, Technical, Clerical	20	24	25	25	25	25
Operational Hourlies	394	386	381	380	380	380
Total Public Safety	484	499	494	493	493	493
Total Baseline Positions						
Managers/Supervisors	7,646	7,837	7,774	7,732	7,708	7,651
Professional, Technical, Clerical	4,321	4,416	4,368	4,331	4,311	4,303
Operational Hourlies	36,943	36,982	37,029	36,986	36,983	36,559
Total Baseline Positions	48,910	49,235	49,171	49,049	49,002	48,513
Non-Reimbursable	44,025	43,633	43,884	43,975	44,088	43,611
Reimbursable	4,885	5,602	5,287	5,074	4,914	4,902
Total Full-Time	48,630	49,040	48,984	48,862	48,815	48,326
Total Full-Time Equivalents	280	195	187	187	187	187
Impact of:						
Program to Eliminate the Gap ¹		(109)	(512)	(543)	(578)	(515)
Total Positions	48,910	49,126	48,659	48,506	48,424	47,998
Non-Reimbursable	44,025	43,524	43,372	43,432	43,510	43,096
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Total Full-Time	48,630	48,937	48,483	48,352	48,270	47,844
Total Full-Time Equivalents	280	189	176	154	154	154

¹ PEG tables include full-time positions only.

MTA Bus Company

**MTA Bus Company
2009 Preliminary Budget
July Financial Plan 2009-2012**

Mission Statement and Highlights of Operations

The MTA Bus Company (MTABC) is committed to providing a safe, reliable, convenient and efficient bus service throughout the boroughs of Queens, Bronx, Brooklyn and Manhattan, and parts of Yonkers and Western Nassau County. In September 2004, the MTA created the MTA Bus Company as a subsidiary of the Authority in order to effectuate an agreement with the City of New York to consolidate the operations of seven private bus companies. The agreement was implemented as a result of the mutual desire of the MTA and the City of New York to improve the quality and efficiency of bus service formerly provided by private bus operators pursuant to franchises granted by the City. The agreement, as approved by the MTA Board, stipulated that the City will pay MTABC the difference between the actual cost of route service operations and all revenues and subsidies received by MTABC. Thus, the current costs of MTABC operations are 100% reimbursable by the City.

The transition of service of the seven private bus companies into MTABC began on January 3, 2005 with the transfer of operations of the former Liberty Lines Express, Inc. The transition was completed on February 20, 2006 as Triboro Coach Corporation became the seventh and final private bus company to join the operations of the MTABC. MTABC now operates over 1,350 buses serving approximately 400,000 riders daily, and has experienced the fastest ridership growth in the MTA family.

The MTA Bus Company team is instrumental in progressing towards a key MTA goal of institutional transformation as we partner with Long Island Bus and New York City Transit's Department of Buses to provide better overall regional bus service delivery. MTA Bus will be able to leverage the resources of the older, more established bus agencies best practices under the regional arrangement.

Between 2005 and 2007, MTABC introduced 475 new over-the-road express buses into service, and 284 new hybrid electric buses for local service. With the new bus deliveries completed, a total of 759 new buses or almost 60% of the fleet has been replaced. An option for an additional 105 new hybrid electric buses was exercised and deliveries will commence in early 2009.

The infusion of new buses into the MTABC fleet, in conjunction with the introduction of comprehensive maintenance programs has significantly improved the reliability of the fleet and customer comfort. This has allowed MTABC the opportunity to address a number of other critical areas that tie into the overall

Agency goals. All future fleet, facility and equipment purchases, designs and upgrades will have a sustainability blueprint as a core aspect of its specifications. MTABC will aggressively seek additional security funding to upgrade the safety of its fleet and facilities, and utilize existing Capital Program funding to harden its facilities based on threat and vulnerability assessments.

As we partner with the other bus companies to achieve the institutional transformation objective, joint workforce development initiatives are being developed that will encompass all title groups within MTABC. The completion of contract negotiations with the three unions is the key component in advancing workforce development initiatives within MTABC. Added focus is also being directed towards providing consistent and enhanced service delivery from all MTABC depots. To improve customer service, MTABC entered into an agreement with NYCT to greatly expand the window of time customers can access travel and route information via a central phone number.

With identified and projected capital funding, MTA Bus will prioritize and systematically address the short, medium and long-term infrastructure and maintenance needs of its depot facilities and equipment. This is in support of the goal to maximizing operational efficiency and providing safe and comfortable work environments.

With the 2008 implementation of new PeopleSoft financial application modules, MTA Bus is now better able to identify key expense drivers and perform more in-depth analysis of expenditures, as a key component of achieving financial stability. Additional systems implementations for fleet and facility maintenance are on-going to further support financial stability efforts.

Financial Overview

MTA Bus has experienced double digit ridership growth in response to service initiatives implemented over the past three plus years. Year-to-date 2008 ridership continues its positive trend and is 11.3% over same period 2007. This positive trend influenced the decision to increase ridership projections by 5.8 million and farebox revenue of \$7.2 in the July Plan. Net increases in other revenue sources also contributed \$10.1 million to the overall increase in projected revenue.

Labor expense line items were adjusted to reflect operational needs as related to vacancies and changes in guideline CPI's. There were no new labor contract agreements included in this Plan. Lower Health and Welfare inflators provided an offset to increases in other labor items.

The unit price volatility being experienced in fuel and utility rates is negatively impacting non-labor expense categories. This is most evident in the Fuel budget

category that shows a May year-to-date overrun of \$7.2 million. Energy expense projections for 2008 were adjusted to reflect current rates. Other non-labor categories reflect changes due mainly to guideline CPI adjustments. There was no significant impact on the 2008 baseline due to programmatic changes.

Transitioning seven private companies with different collective bargaining agreements, bus models, facility conditions and workforce skill sets into a single, new public sector agency, continues to provide unique challenges as we balance the financial constraints against service requirements and achieving productivity and cost efficiencies.

2008 Mid-Year Forecast

The baseline revenue in the July plan is projected to be \$177.4 million, of which \$151.4 million is expected from farebox receipts. Year to date, farebox revenue is trending \$8.3 higher than adopted budget levels. Other operating revenue was positively affected by the implementation of a new MTA-wide advertising contract.

MTA Bus Company's 2008 Mid-Year Forecast reflects total non-reimbursable expenses of \$426.4 million before depreciation and GASB adjustments. The accrual deficit before OPEB provisions and depreciation, increased by \$3.8 million from the February Plan.

The 2008 baseline budget items were adjusted to reflect new rate guidelines and April year to date results. In the revenue category an increase in actual and forecasted farebox revenue added \$7.2 million for the full year, while increases in advertising contract revenue and other revenues added \$10.1 million to the July Plan forecast.

The net increase in the labor category is \$15.8 million of which \$14.3 million is due to employee benefit re-estimates. The payroll/overtime mix continues to represent an over-reliance on overtime in lieu of filling maintenance and professional title vacancies. Pension costs were revised upward due to updated plan data analysis.

A net increase in the non-labor category of \$5.3 million is due mainly to an \$8.1 million projected 2008 increase in fuel costs. Smaller increases in Maintenance and Other Operating Contracts and Other Business Expenses were partially offset by lower forecasted usage in the other non-labor line items.

There were no changes to headcount.

The level of Capital expenditures has been adversely affected by delays in the grant funding approval process, and the legal aspect of the procurement process,

since five of the eight MTABC depots are leased and additional steps are required to perform extensive facility work at those locations.

2009 Preliminary Budget-Baseline

Total 2009 revenue is projected to be \$213.6 million, of which \$181.3 million is generated from operating revenues while \$32.4 million represents capital reimbursements. Projected increases in farebox revenue contributed \$6.4 million to the revised operating revenue forecast.

MTA Bus Company's 2009 Preliminary Budget reflects total expenses before depreciation of \$472.8 million of which \$32.4 is reimbursable. The 2009 estimates were mainly derived from the application of guideline CPI's on the adjusted 2008 baseline line items.

Revised pension valuation assumptions account for a line item increase of \$7.2 million. Reduced reliance on outside maintenance contracts positively impacted the non-labor category.

Total full-time positions are 3,511 of which 3,495 are non-reimbursable and 16 reimbursable.

2010-2012 Projections

MTA Bus Company's 2010 Budget reflects total expenses before depreciation of \$474.7 million while revenues are projected to be \$ 209.1 million. In 2011 Budget expenses are projected at \$485.2 million and revenue is projected at \$212.3 million. The 2012 Budget expense figure is \$499.3 million with revenue of \$216.8 million. Full-time positions are projected to remain steady through the 2010 - 2012 time-frame.

2009 PEG Actions

Programs consistent with reducing the 2009 deficit by \$6.5 million were identified. Reductions are anticipated based on estimates of material needs relative to the scheduled receipt of new buses and the performance of new buses currently in service. Additional expense reductions were identified from the change in workers compensation claims processing from a guaranteed program to in-house staff handling.

In addition to the on-going 2009 PEG actions, expense reductions associated with the retirement of legacy payroll systems inherited from the private bus

companies to the implementation of a unified shared services payroll system are included in the 2011-2012 period.

MTA BUS COMPANY
July Financial Plan 2009 - 2012
Accrual Statement of Operations by Category
(\$ in millions)

Non-Reimbursable		2007	2008	2009		
		Actual	Mid-Year Forecast	Preliminary Budget	2010	2011
Operating Revenue						
Farebox Revenue		\$139.823	\$151.439	\$154.753	\$158.160	\$161.632
Toll Revenue		0.000	0.000	0.000	0.000	0.000
Other Operating Revenue		21.867	26.009	26.527	27.070	27.596
Capital and Other Reimbursements			-			28.158
Total Revenue		\$161.690	\$177.448	\$181.279	\$185.230	\$189.227
Operating Expenses						
<u>Labor:</u>						
Payroll		\$185.662	\$192.024	\$213.338	\$217.712	\$221.935
Overtime		37.997	36.038	20.407	20.825	21.229
Health and Welfare		29.659	39.251	37.238	39.844	42.634
OPEB Current Payment		10.725	12.000	12.600	13.230	13.892
Pensions		13.531	14.169	16.596	16.936	17.265
Other Fringe Benefits		20.096	17.467	17.531	17.890	18.237
Reimbursable Overhead			(0.923)	(0.943)	(0.963)	(0.984)
Total Labor Expenses		\$297.670	\$310.026	\$316.766	\$325.475	\$334.208
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains		\$25.429	\$37.687	\$37.253	\$35.839	\$35.713
Insurance		14.371	12.586	14.037	15.432	16.966
Claims		14.804	3.216	4.778	6.496	8.386
Paratransit Service Contracts			-	-	-	-
Maintenance and Other Operating Contracts		31.813	31.339	25.156	24.765	24.271
Professional Service Contracts		3.656	4.696	8.567	8.058	7.474
Materials & Supplies		27.270	20.832	29.743	30.331	30.881
Other Business Expenses		2.509	5.986	4.094	4.150	4.250
Total Non-Labor Expenses		\$119.852	\$116.342	\$123.629	\$125.072	\$127.941
<u>Other Expenses Adjustments:</u>						
Other						
Total Other Expense Adjustments		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.		\$417.522	\$426.368	\$440.395	\$450.546	\$462.150
Depreciation		29.955	34.694	37.110	40.185	42.235
OPEB Obligation		45.675	49.000	51.700	53.600	55.500
Environmental Remediation						
Total Expenses		\$493.152	\$510.062	\$529.205	\$544.331	\$559.885
Baseline Surplus/(Deficit)		(\$331.462)	(\$332.614)	(\$347.926)	(\$359.101)	(\$370.657)
2009 Program to Eliminate the Gap			2.563	6.555	6.291	7.307
Post-2009 Program to Eliminate the GAP			0.000	0.000	4.965	9.930
Net Surplus/(Deficit)		(\$331.462)	(\$330.051)	(\$341.371)	(\$347.845)	(\$353.420)
Business Service Center			0.153	0.945	0.973	3.433

3.450

MTA BUS COMPANY
July Financial Plan 2009 - 2012
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements		\$24.238	\$32.360	\$23.855	\$23.031	\$23.513
Total Revenue	\$0.000	\$24.238	\$32.360	\$23.855	\$23.031	\$23.513
Expenses						
<u>Labor:</u>						
Payroll		\$0.849	\$1.346	\$1.389	\$1.430	\$1.460
Overtime						
Health and Welfare						
OPEB Current Payment						
Pensions		\$0.084	\$0.087	\$0.089	\$0.092	\$0.094
Other Fringe Benefits		\$0.389	\$0.401	\$0.413	\$0.425	\$0.434
Reimbursable Overhead		\$0.923	\$0.943	\$0.963	\$0.984	\$1.004
Total Labor Expenses	\$0.000	\$2.245	\$2.777	\$2.855	\$2.931	\$2.992
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance						
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts		\$15.793	\$25.883	\$17.300	\$17.100	\$17.457
Professional Service Contracts		\$4.000	\$1.500	\$1.500	\$0.800	\$0.817
Materials & Supplies		\$2.200	\$2.200	\$2.200	\$2.200	\$2.246
Other Business Expenses		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Non-Labor Expenses	\$0.000	\$21.993	\$29.583	\$21.000	\$20.100	\$20.520
<u>Other Expenses Adjustments:</u>						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$0.000	\$24.238	\$32.360	\$23.855	\$23.031	\$23.513
Depreciation						
Total Expenses	\$0.000	\$24.238	\$32.360	\$23.855	\$23.031	\$23.513
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Business Service Center		0.000	0.000	0.000	0.000	0.000

MTA BUS COMPANY
July Financial Plan 2009 - 2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Revenue						
Farebox Revenue	\$139.823	\$151.439	\$154.753	\$158.160	\$161.632	\$165.170
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	21.867	26.009	26.527	27.070	27.596	28.158
Capital and Other Reimbursements	-	24.238	32.360	23.855	23.031	23.513
Total Revenue	\$161.690	\$201.686	\$213.639	\$209.085	\$212.258	\$216.841
Expenses						
<u>Labor:</u>						
Payroll	\$185.662	\$192.873	\$214.684	\$219.101	\$223.365	\$227.923
Overtime	37.997	36.038	20.407	20.825	21.229	21.662
Health and Welfare	29.659	39.251	37.238	39.844	42.634	45.618
OPEB Current Payment	10.725	12.000	12.600	13.230	13.892	14.586
Pensions	13.531	14.253	16.683	17.026	17.357	17.711
Other Fringe Benefits	20.096	17.856	17.931	18.304	18.663	19.044
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$297.670	\$312.270	\$319.543	\$328.330	\$337.139	\$346.544
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	25.429	37.687	37.253	35.839	35.713	36.442
Insurance	14.371	12.586	14.037	15.432	16.966	18.663
Claims	14.804	3.216	4.778	6.496	8.386	10.465
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	31.813	47.132	51.039	42.065	41.371	41.249
Professional Service Contracts	3.656	8.696	10.067	9.558	8.274	7.686
Materials & Supplies	27.270	23.032	31.943	32.531	33.081	33.957
Other Business Expenses	2.509	5.986	4.094	4.150	4.250	4.342
Total Non-Labor Expenses	\$119.852	\$138.335	\$153.212	\$146.072	\$148.041	\$152.804
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$417.522	\$450.605	\$472.755	\$474.401	\$485.181	\$499.348
Depreciation	29.955	34.694	37.110	40.185	42.235	42.235
OPEB Obligation	45.675	49.000	51.700	53.600	55.500	57.800
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$493.152	\$534.299	\$561.565	\$568.186	\$582.916	\$599.383
Baseline Surplus/(Deficit)	(\$331.462)	(\$332.614)	(\$347.926)	(\$359.101)	(\$370.657)	(\$382.542)
2009 Program to Eliminate the Gap	0.000	2.563	6.555	6.291	7.307	7.964
Post-2009 Program to Eliminate the GAP	-	-	-	4.965	9.930	14.895
Net Surplus/(Deficit)	(\$331.462)	(\$330.051)	(\$341.371)	(\$347.845)	(\$353.420)	(\$359.683)
Business Service Center		0.153	0.945	0.973	3.433	3.450

MTA BUS COMPANY
July Financial Plan 2009 - 2012
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Receipts						
Farebox Revenue	\$139.308	\$151.439	\$154.753	\$158.160	\$161.632	\$165.170
Vehicle Toll Revenue		0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	20.965	26.009	26.527	27.070	27.596	28.158
Capital and Other Reimbursements		24.238	32.360	23.855	23.031	23.513
Total Receipts	\$160.273	\$201.686	\$213.639	\$209.085	\$212.258	\$216.841
Expenditures						
<u>Labor:</u>						
Payroll	\$168.172	\$192.873	\$214.684	\$219.101	\$223.365	\$227.923
Overtime	37.997	36.038	20.407	20.825	21.229	21.662
Health and Welfare	29.659	39.251	37.238	39.844	42.634	45.618
OPEB Current Payment	10.725	12.000	12.600	13.230	13.892	14.586
Pensions	17.760	14.253	16.683	17.026	17.357	17.711
Other Fringe Benefits	17.666	17.856	17.931	18.304	18.663	19.044
Pattern Labor Provision		0.000	0.000	0.000	0.000	0.000
GASB Account		2.967	3.305	3.579	3.948	4.317
Reimbursable Overhead						
Total Labor Expenditures	\$281.979	\$315.237	\$322.848	\$331.908	\$341.087	\$350.860
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains	\$25.429	\$37.687	\$37.253	\$35.839	\$35.713	\$36.442
Insurance	15.380	12.586	14.037	15.432	16.966	18.663
Claims	2.695	3.216	4.778	6.496	8.386	10.465
Paratransit Service Contracts		0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	41.560	47.132	51.039	42.065	41.371	41.249
Professional Service Contracts	3.656	8.696	10.067	9.558	8.274	7.686
Materials & Supplies	29.369	23.032	31.943	32.531	33.081	33.957
Other Business Expenses	2.536	5.986	4.094	4.150	4.250	4.342
Total Non-Labor Expenditures	\$120.625	\$138.335	\$153.212	\$146.072	\$148.041	\$152.804
<u>Other Expenditure Adjustments:</u>						
Other						
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$402.604	\$453.572	\$476.060	\$477.980	\$489.129	\$503.665
Baseline Cash Deficit	(\$242.331)	(\$251.886)	(\$262.421)	(\$268.895)	(\$276.870)	(\$286.824)
2009 Program to Eliminate the Gap		2.563	6.555	6.291	7.307	7.964
Post-2009 Program to Eliminate the GAP		0.000	0.000	4.965	9.930	14.895
Net Cash Deficit	(\$242.331)	(\$249.323)	(\$255.866)	(\$257.639)	(\$259.633)	(\$263.965)
Business Service Center		0.153	0.945	0.973	3.433	3.450

MTA BUS COMPANY
July Financial Plan 2009 - 2012
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS

	2007	2008	2009			
	Actual	Mid-Year	Preliminary	2010	2011	2012
		Forecast	Budget			
Receipts						
Farebox Revenue	(\$0.515)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	(0.902)	-	-	-	-	-
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Receipts	(\$1.417)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
Payroll	\$17.490	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
OPEB Current Payment	-	-	-	-	-	-
Pensions	(4.229)	-	-	-	-	-
Other Fringe Benefits	2.430	-	-	-	-	-
GASB Account	-	(2.967)	(3.305)	(3.579)	(3.948)	(4.317)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$15.691	(\$2.967)	(\$3.305)	(\$3.579)	(\$3.948)	(\$4.317)
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	(1.009)	-	-	-	-	-
Claims	12.109	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(9.747)	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	(2.099)	-	-	-	-	-
Other Business Expenditures	(0.027)	-	-	-	-	-
Total Non-Labor Expenditures	(\$0.773)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expenditures Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expenditures Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	\$13.501	(\$2.967)	(\$3.305)	(\$3.579)	(\$3.948)	(\$4.317)
Depreciation Adjustment	29.955	34.694	37.110	40.185	42.235	42.235
OPEB Obligation	45.675	49.000	51.700	53.600	55.500	57.800
Environmental Remediation	-	-	-	-	-	-
Baseline Total Cash Conversion Adjustments	\$89.131	\$80.727	\$85.505	\$90.206	\$93.787	\$95.718
2009 Program to Eliminate the Gap	-	-	-	-	-	-
Post-2009 Program to Eliminate the GAP	-	-	-	-	-	-
Total Cash Conversion Adjustments	\$89.131	\$80.727	\$85.505	\$90.206	\$93.787	\$95.718
Business Service Center		0.000	0.000	0.000	0.000	0.000

MTA Bus Company
Summary Reconciliation to the February Plan
(\$ in millions)

	Favorable/(Unfavorable)			
	2008	2009	2010	2011
February Financial Plan Baseline Cash Deficit	(\$248.122)	(\$256.625)	(\$265.096)	(\$274.556)
New Needs	(\$1.009)	(\$2.959)	(\$3.044)	(\$3.105)
Service/Customer Service	(0.158)	(0.327)	(0.337)	(0.344)
Maintenance	0.000	0.000	0.000	0.000
Other	(0.851)	(2.632)	(2.707)	(2.761)
Baseline Re-estimates	\$0.226	(\$3.069)	(\$3.175)	(\$2.662)
2009 PEG Program	\$2.563	\$6.555	\$6.291	\$7.307
Total Changes before Other Adjustments and Uncontrollable Expenses	\$1.780	\$0.527	\$0.072	\$1.540
Other Adjustments				
Passenger/Toll Revenue	16.494	15.844	16.293	16.410
Total Changes before Uncontrollable Expenses	\$18.274	\$16.371	\$16.365	\$17.950
Uncontrollable Expenses				
Energy (All Categories)	(8.135)	(7.392)	(6.755)	(7.159)
Paratransit		0.000	0.000	0.000
Pensions	(4.940)	(7.163)	(7.307)	(7.430)
Health & Welfare	(7.678)	(2.256)	(1.115)	0.214
Insurance	<u>1.278</u>	<u>1.199</u>	<u>1.304</u>	<u>1.418</u>
Total Uncontrollable Expenses	(\$19.475)	(\$15.612)	(\$13.873)	(\$12.957)
July Financial Plan including 2009 PEG Program	(\$249.323)	(\$255.866)	(\$262.604)	(\$269.563)

**MTA Bus Company
2009 Preliminary Budget
July Financial Plan 2009 - 2012
Year-to-Year Summary of Changes**

Accrual and Cash

The phased introduction of new rolling stock, improved on-time performance, service frequency and reliability, resulted in substantial increases in ridership and associated revenue over the past three years. This trend forms the basis for the annual forecast and causal farebox revenue variances included in this plan.

Overall 2009 revenue is projected to increase by 2.2% over the adjusted 2008 base forecast. Farebox revenue represents \$3.3 million of the \$3.8 million increase. This adjusted baseline number formed the basis for annual increases and variances shown in each plan year. Changes in annual farebox revenue are forecasted at 2.2% through 2012.

Additional advertising revenue mirrors the contract provision increases.

Annual changes in the combined payroll and overtime categories are correlated to the guideline CPI's used and headcount needed to meet service requirements. Re-estimates of health and welfare rates, pension contributions and OPEB liabilities impacted the 2008 base number to which the future plan years CPI's were applied.

Guideline CPI's governing energy related line items were applied to the 2008 July base and each subsequent annual forecast. Guideline rates beyond 2009 anticipate the lowering of unit costs thereby lowering energy related fuel forecasts.

Lower insurance premiums explain the listed expense reduction in all the plan years.

A new traffic checking contract is the main "new need" item that impacts the 2009 versus 2008 variance in the Professional Services contract category.

All other non-labor items show annual variances relative to the guideline CPI's applied. For the 2010-2012 period, projected CPI increases of 2.05% (2010), 1.94% (2011) and 2.04% (2012) were included. Headcount levels remain constant in the 2010-2012 period.

Annual changes in cash were consistent with cash flow targets and adjustments made in accruals.

MTA BUS COMPANY
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$151.439	\$154.753	\$3.314	\$158.160	\$3.407	\$161.632	\$3.472	\$165.170	\$3.538
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	26.009	26.527	0.518	27.070	0.544	27.596	0.525	28.158	0.563
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Total Revenue	\$177.448	\$181.279	\$3.831	\$185.230	\$3.951	\$189.227	\$3.997	\$193.328	\$4.101
Expenses									
Labor:									
Payroll	\$192.024	\$213.338	(\$21.314)	\$217.712	(\$4.373)	\$221.935	(\$4.224)	\$226.463	(\$4.527)
Overtime	36.038	20.407	\$15.631	20.825	(\$0.418)	21.229	(\$0.404)	21.662	(\$0.433)
Health and Welfare	39.251	37.238	\$2.013	39.844	(\$2.607)	42.634	(\$2.789)	45.618	(\$2.984)
OPEB Current Payment	12.000	12.600	(\$0.600)	13.230	(\$0.630)	13.892	(\$0.662)	14.586	(\$0.695)
Pensions	14.169	16.596	(\$2.427)	16.936	(\$0.340)	17.265	(\$0.329)	17.617	(\$0.352)
Other Fringe Benefits	17.467	17.531	(\$0.064)	17.890	(\$0.359)	18.237	(\$0.347)	18.609	(\$0.372)
Reimbursable Overhead	(0.923)	(0.943)	\$0.020	(0.963)	\$0.020	(0.984)	\$0.021	(1.004)	\$0.021
Total Labor Expenses	\$310.026	\$316.766	(\$6.741)	\$325.475	(\$8.708)	\$334.208	(\$8.733)	\$343.551	(\$9.343)
Non-Labor:									
Traction and Propulsion Power									
Fuel for Buses and Trains	\$37.687	\$37.253	\$0.434	\$35.839	\$1.414	\$35.713	\$0.126	\$36.442	(\$0.729)
Insurance	12.586	14.037	(\$1.451)	15.432	(\$1.395)	16.966	(\$1.534)	18.663	(\$1.697)
Claims	3.216	4.778	(\$1.562)	6.496	(\$1.718)	8.386	(\$1.890)	10.465	(\$2.079)
Paratransit Service Contracts	-	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Maintenance and Other Operating Contracts	31.339	25.156	\$6.183	24.765	\$0.391	24.271	\$0.494	23.792	\$0.480
Professional Service Contracts	4.696	8.567	(\$3.871)	8.058	\$0.509	7.474	\$0.584	6.870	\$0.604
Materials & Supplies	20.832	29.743	(\$8.911)	30.331	(\$0.588)	30.881	(\$0.550)	31.711	(\$0.830)
Other Business Expenses	5.986	4.094	\$1.892	4.150	(\$0.056)	4.250	(\$0.100)	4.342	(\$0.093)
Total Non-Labor Expenses	\$116.342	\$123.629	(\$7.287)	\$125.072	(\$1.443)	\$127.941	(\$2.870)	\$132.284	(\$4.343)
Other Expenses Adjustments:									
Other			-		-		-		-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$426.368	\$440.395	(\$14.027)	\$450.546	(\$10.151)	\$462.150	(\$11.603)	\$475.835	(\$13.686)
Depreciation	34.694	37.110	(\$2.416)	40.185	(\$3.075)	42.235	(\$2.050)	42.235	\$0.000
OPEB Obligation	49.000	51.700	(\$2.700)	53.600	(\$1.900)	55.500	(\$1.900)	57.800	(\$2.300)
Environmental Remediation	-	-	-	-	-	-	-	-	-
Total Expenses	\$510.062	\$529.205	(\$19.143)	\$544.331	(\$15.126)	\$559.885	(\$15.553)	\$575.870	(\$15.986)
Baseline Net Surplus/(Deficit)	(\$332.614)	(\$347.926)	(\$15.312)	(\$359.101)	(\$11.176)	(\$370.657)	(\$11.556)	(\$382.542)	(\$11.885)
2009 Program to Eliminate the Gap (PEGs)	2.563	6.555	3.992	6.291	(0.264)	7.307	1.016	7.964	0.657
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	4.965	4.965	9.930	4.965	14.895	4.965
Total PEGs	2.563	6.555	3.992	11.256	4.701	17.237	5.981	22.859	5.622
Net Surplus/(Deficit)	(\$330.051)	(\$341.371)	(\$11.320)	(\$347.845)	(\$6.475)	(\$353.420)	(\$5.575)	(\$359.683)	(\$6.263)

REIMBURSABLE

[illegible]

MTA BUS COMPANY
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2010	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Receipts									
Farebox Revenue	\$151.439	\$154.753	\$3.314	\$158.160	\$3.407	\$161.632	\$3.472	\$165.170	\$3.538
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	26.009	26.527	0.518	27.070	0.544	27.596	0.525	28.158	0.563
Capital and Other Reimbursements	24.238	32.360	8.122	23.855	(8.505)	23.031	(0.824)	23.513	0.481
Total Receipts	\$201.686	\$213.639	\$11.953	\$209.085	(\$4.554)	\$212.258	\$3.173	\$216.841	\$4.582
Expenditures									
Labor:									
Payroll	\$192.873	\$214.684	(\$21.811)	\$219.101	(\$4.417)	\$223.365	(\$4.264)	\$227.923	(\$4.557)
Overtime	36.038	20.407	\$15.631	20.825	(\$0.418)	21.229	(\$0.404)	21.662	(\$0.433)
Health and Welfare	39.251	37.238	\$2.013	39.844	(\$2.607)	42.634	(\$2.789)	45.618	(\$2.984)
OPEB Current Payment	12.000	12.600	(\$0.600)	13.230	(\$0.630)	13.892	(\$0.662)	14.586	(\$0.695)
Pensions	14.253	16.683	(\$2.430)	17.026	(\$0.343)	17.357	(\$0.331)	17.711	(\$0.354)
Other Fringe Benefits	17.856	17.931	(\$0.076)	18.304	(\$0.372)	18.663	(\$0.359)	19.044	(\$0.381)
GASB Account	2.967	3.305	(\$0.338)	3.579	(\$0.274)	3.948	(\$0.369)	4.317	(\$0.369)
Reimbursable Overhead	-	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Total Labor Expenditures	\$315.237	\$322.848	(\$7.611)	\$331.908	(\$9.060)	\$341.087	(\$9.179)	\$350.860	(\$9.773)
Non-Labor:									
Traction and Propulsion Power			\$0.000		\$0.000		\$0.000		\$0.000
Fuel for Buses and Trains	\$37.687	\$37.253	\$0.434	\$35.839	\$1.414	\$35.713	\$0.126	\$36.442	(\$0.729)
Insurance	12.586	14.037	(\$1.451)	15.432	(\$1.395)	16.966	(\$1.534)	18.663	(\$1.697)
Claims	3.216	4.778	(\$1.562)	6.496	(\$1.718)	8.386	(\$1.890)	10.465	(\$2.079)
Paratransit Service Contracts	-	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Maintenance and Other Operating Contracts	47.132	51.039	(\$3.907)	42.065	\$8.974	41.371	\$0.694	41.249	\$0.123
Professional Service Contracts	8.696	10.067	(\$1.371)	9.558	\$0.509	8.274	\$1.284	7.686	\$0.588
Materials & Supplies	23.032	31.943	(\$8.911)	32.531	(\$0.588)	33.081	(\$0.550)	33.957	(\$0.876)
Other Business Expenses	5.986	4.094	\$1.892	4.150	(\$0.056)	4.250	(\$0.100)	4.342	(\$0.093)
Total Non-Labor Expenditures	\$138.335	\$153.212	(\$14.877)	\$146.072	\$7.140	\$148.041	(\$1.970)	\$152.804	(\$4.763)
Other Expenditure Adjustments:									
Other - Restricted Cash Adjustment									
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$453.572	\$476.060	(\$22.488)	\$477.980	(\$1.920)	\$489.129	(\$11.149)	\$503.665	(\$14.536)
Baseline Net Cash Deficit	(\$251.886)	(\$262.421)	(\$10.534)	(\$268.895)	(\$6.474)	(\$276.870)	(\$7.975)	(\$286.824)	(\$9.954)
200 Program to Eliminate the Gap (PEGs)	2.563	6.555	3.992	6.291	(0.264)	7.307	1.016	7.964	0.657
Post-2009 Program to Eliminate the Gap (PEGs)				4.965	4.965	9.930	4.965	14.895	4.965
Total PEGs	2.563	6.555	3.992	11.256	4.701	17.237	5.981	22.859	5.622
Net Cash Deficit	(\$249.323)	(\$255.866)	(\$6.542)	(\$257.639)	(\$1.773)	(\$259.633)	(\$1.994)	(\$263.965)	(\$4.332)

**MTA Bus Company
2009 Preliminary Budget
July Financial Plan 2009 - 2012
Summary of Major Plan-to-Plan Changes**

Accrual

With the advantage of having four months of actual 2008 data, revenue and expenses were analyzed to create a more realistic 2008 forecast. Adjustments to revenue were based on positive ridership trends and increased advertising revenue. The base 2008 farebox revenue was increased by \$7.2 million thereby affecting the forecast in all the plan years. Final contract terms for advertising were reached and were the primary driver behind the \$10.1 million that was added to the other operating revenue estimate. Net change in revenue to the February Plan is 17.4 million.

Adjustments to payroll and overtime were made to address the difficulties in hiring the required maintenance and professional support staff. The net increase between these two categories is \$1.5 million. All other data reflect current labor contracts or July Plan CPI's.

As MTABC's management gather and analyze data pertinent to the various pension and benefits plans, adjustments were made to fund such programs. This is evident in the variances caused in the pension and fringe budget line items, showing a net \$6.6 million increase.

Energy expenses were adjusted in the July Plan to reflect current guidance. This caused an \$8.1 million change to the fuel line and smaller incremental amounts to the other energy related line items interspersed within other non-labor budget groupings. Applied CPI factors in the 2010 – 2012 plan periods are reflected in the changes between plans.

Lower insurance premiums contributed \$1.3 million to the 2008 expense reductions, with similar savings also shown in the outer plan years.

Expense re-estimates and favorable CPI rates lowered the 2008 projected expenses by \$9.5 million in the material and supplies and professional service contracts grouping. Less favorable impacts is seen in the other plan years.

Maintenance and Other Operating contract additions and renewals caused a \$5.1 million increase in this category. This was a "one time" occurrence as is evidenced by the favorable variances achieved in the other plan years. Program re-estimates in the other business category also generated small increases in each plan year. Net non-labor change was an increase \$5.3 million in 2008.

Depreciation forecasts are adjusted relative to actuarial schedules and the addition or removal of rolling stock and equipment. This coupled with changes in OPEB obligations, generated expense reduction in each of the plan years.

Cash

Changes in cash mirrored the changes made in accrual.

MTA BUS COMPANY
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE					
	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating	(\$248.122)	(\$256.625)	(\$265.096)	(\$274.556)	(\$283.949)
Baseline Changes					
Revenue					
Farebox Revenue	\$7.202	\$6.411	\$6.643	\$6.617	\$5.287
Vehicle Toll Revenue	-	-	-	-	-
Other Operating Revenue	10.143	10.310	10.516	10.689	10.898
Capital and Other Reimbursement	-	-	-	-	-
Total Revenue Changes	\$17.344	\$16.721	\$17.159	\$17.306	\$16.185
Expenses					
<i>Labor:</i>					
Payroll	\$14.745	(\$1.999)	(\$1.977)	(\$1.606)	(\$1.528)
Overtime	(16.225)	(0.157)	(0.154)	(0.117)	(0.109)
Health and Welfare	4.322	10.344	12.115	14.106	16.341
OPEB Current Payment	(12.000)	(12.600)	(13.230)	(13.892)	(14.586)
Pensions	(4.940)	(7.163)	(7.307)	(7.430)	(7.577)
Other Fringe Benefits	(1.695)	(1.410)	(1.435)	(1.431)	(1.452)
Reimbursable Overhead	-	-	-	-	-
Total Labor Expense Changes	(\$15.793)	(\$12.986)	(\$11.988)	(\$10.370)	(\$8.911)
<i>Non-Labor:</i>					
Traction and Propulsion Power					
Fuel for Buses and Trains	(\$8.135)	(\$7.392)	(\$6.755)	(\$7.159)	(\$8.021)
Insurance	1.278	1.199	1.304	1.418	1.541
Claims	0.000	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	(5.105)	0.054	0.007	0.045	0.012
Professional Service Contracts	1.848	(2.580)	(2.669)	(2.715)	(2.778)
Materials & Supplies	7.637	0.064	0.009	0.058	0.016
Other Business Expenses	(2.839)	(0.877)	(0.866)	(0.896)	(0.918)
Total Non-Labor Expense Changes	(\$5.316)	(\$9.531)	(\$8.971)	(\$9.250)	(\$10.149)
Total Expenses before Depreciation and GASB Adj.					
Depreciation	-	-	-	-	-
OPEB Obligation	-	-	-	-	-
Environmental Remediation					
Total Expense Changes	(\$21.109)	(\$22.517)	(\$20.958)	(\$19.620)	(\$19.060)
Cash Adjustment Changes					
<i>Revenue:</i>					
Other Operating Revenue	0	0	0	0	0
<i>Expenses:</i>					
Claims					
Other Business Expenses					
Total Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Restricted Cash Adjustment					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$3.765)	(\$5.796)	(\$3.799)	(\$2.314)	(\$2.875)
Baseline 2008 July Financial Plan - Operating Cash	(\$251.887)	(\$262.421)	(\$268.895)	(\$276.870)	(\$286.824)

MTA BUS COMPANY
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Capital and Other Reimbursement	-	-	-	-	-
Total Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenses					
<i>Labor:</i>					
Payroll	-	-	-	-	-
Health and Welfare					
OPEB Current Payment					
Pensions	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Labor:</i>					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts	-	-	-	-	-
Materials & Supplies	-	-	-	-	-
Other Business Expenses	-	-	-	-	-
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation					
Depreciation					
Total Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2008 July Financial Plan - Operating Cash	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BUS COMPANY
July Financial Plan 2009 - 2012
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	(\$248.122)	(\$256.625)	(\$265.096)	(\$274.556)	(\$283.949)
Baseline Changes:					
Revenue					
Farebox Revenue Re-estimate	\$7.202	\$6.411	\$6.643	\$6.617	\$5.287
Other Operating Revenue Re-estimates	\$10.143	\$10.310	\$10.516	\$10.689	\$10.898
Sub-Total Non-Reimbursable Revenue Re-estimates	\$17.345	\$16.721	\$17.159	\$17.306	\$16.185
Expenses					
Expense Re-estimates					
Pension	(\$4.940)	(\$7.163)	(\$7.307)	(\$7.430)	(\$7.577)
Fuel	(\$8.135)	(\$7.392)	(\$6.755)	(\$7.159)	(\$8.021)
Insurance	\$1.278	\$1.199	\$1.304	\$1.418	\$1.541
Health & Welfare	\$4.322	\$10.344	\$12.115	\$14.106	\$16.341
OPEB Current Payment	(\$12.000)	(\$12.600)	(\$13.230)	(\$13.892)	(\$14.586)
Other Re-estimates	(\$.625)	(\$3.946)	(\$4.041)	(\$3.558)	(\$3.590)
Sub-Total Expense Re-estimates	(\$20.100)	(\$19.558)	(\$17.914)	(\$16.515)	(\$15.892)
Programmatic New Needs:					
Transfer Customer Communication Travel Information	(\$.158)	(\$.327)	(\$.337)	(\$.344)	(\$.351)
Traffic Checking	(\$.851)	(\$2.632)	(\$2.707)	(\$2.761)	(\$2.817)
Sub-Total Programmatic New Needs	(\$1.009)	(\$2.959)	(\$3.044)	(\$3.105)	(\$3.168)
Sub-Total Non-Reimbursable Expense Changes	(\$21.109)	(\$22.517)	(\$20.958)	(\$19.620)	(\$19.060)
Total Non-Reimbursable Major Changes	(\$3.764)	(\$5.796)	(\$3.799)	(\$2.314)	(\$2.875)
Reimbursable Major Changes					
Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Sub-Total Reimbursable Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Sub-Total Reimbursable Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$3.764)	(\$5.796)	(\$3.799)	(\$2.314)	(\$2.875)
Cash Adjustment Changes					
Total Cash Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$3.764)	(\$5.796)	(\$3.799)	(\$2.314)	(\$2.875)
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$251.886)	(\$262.421)	(\$268.895)	(\$276.870)	(\$286.824)

**MTA Bus Company
2009 Preliminary Budget
July Financial Plan 2009-2012
Summary of Major Plan-to-Plan Changes**

Ridership / Utilization

Fixed Route Ridership:

MTA Bus Company experienced strong levels of ridership growth in 2006 and 2007. This positive trend has continued in 2008, and the July Plan was adjusted to reflect the projected increase over the adopted Budget. An additional 5.761 million riders are projected, bringing the full year 2008 total to 116.5 million passengers.

Annual increases are projected at 3% over the 2009-2012 period.

Revenue:

Farebox revenues are 8.3% above Adopted Budget levels for year to date May 2008. Based on this positive trend, the July Plan increases farebox revenue by \$7.202 million in anticipation of continued strong ridership demand.

The projected revenue in the 2009-2012 period reflects a 2% annual growth in conjunction with the projected 3% increase in riders.

MTA Bus Company
July Financial Plan 2009 - 2012
Ridership/Traffic Volume (Utilization)
(in millions)

	2007 Actuals	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Baseline Total Ridership	109.744	116.469	119.963	123.562	127.269	131.087
<i>Impact of:</i>						
2009 PEG Program						
Post-2009 PEG Program						
Total Ridership	109.744	116.469	119.963	123.562	127.269	131.087

MTA BUS COMPANY
Mid-year forecast for 2008
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2008		2009		2010		2011		2012	
		<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											
CNG Fuel Tax Rebate		0	1.851	0	0.800	0	0.000	0	0.000	0	0.000
Eliminate Use of Legacy Computer System		0	0.000	0	0.000	0	0.000	0	0.424	0	0.432
Worker's Compensation Management		0	0.000	(6)	2.698	(6)	3.009	(6)	3.360	(6)	3.746
Sub-Total	Administration	0	\$ 1.851	(6)	\$ 3.498	(6)	\$ 3.009	(6)	\$ 3.784	(6)	\$ 4.178
Maintenance											
Maintenance Material Reduction		0	0.712	0	2.579	0	2.632	0	2.684	0	2.739
Sub-Total	Maintenance	0	\$ 0.712	0	\$ 2.579	0	\$ 2.632	0	\$ 2.684	0	\$ 2.739
Safety											
Claims Reduction		0	0.000	0	0.478	0	0.650	0	0.839	0	1.047
Sub-Total	Safety	0	\$ 0.000	0	\$ 0.478	0	\$ 0.650	0	\$ 0.839	0	\$ 1.047
Total Programs		0	\$ 2.563	(6)	\$ 6.555	(6)	\$ 6.291	(6)	\$ 7.307	(6)	\$ 7.964

MTA BUS COMPANY
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTBUS	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Administration	Savings Date	9/30/2008
PEG / New Need ID	0000000011	Current Budget Year	2008	Status	Open
Program:	CNG Fuel Tax Rebate			Agency Status	Pending
Description and Implementation Pla	Federal tax rebates for CNG usage. Appropriate rebate forms have been filed for calendar year 2007 usage.				
Background Details					

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTBUS	0000000011	MYF08	\$ 1.851	\$ 0.800	\$ 0.000	\$ 0.000	\$ 0.000

MTA BUS COMPANY
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTBUS	Financial Plan Category	PEG	Implementation Date	1/1/2011
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2011
PEG / New Need ID	0000000012	Current Budget Year	2008	Status	Open
Program:	Eliminate Use of Legacy Computer System			Agency Status	Pending
Description and Implementation Pla	Eliminate Legacy stand alone system and migrate to integrated multi-agency payroll system.				
Background Details					

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTBUS	0000000012	MYF08	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.424	\$ 0.432

MTA BUS COMPANY
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTBUS	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000013	Current Budget Year	2008	Status	Open
Program:	Worker's Compensation Management			Agency Status	Pending
Description and Implementation Pla	Restructure management of MTA Bus Worker's Compensation program. Add additional staff to manage certain program aspects and reduce reliance on outside contracts.				
Background Details					

				2008	2009	2010	2011	2012
Total Headcount	MTBUS	0000000013	MYF08	0	(6)	(6)	(6)	(6)
Financial Impact	MTBUS	0000000013	MYF08	\$ 0.000	\$ 2.698	\$ 3.009	\$ 3.360	\$ 3.746

MTA BUS COMPANY
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTBUS	Financial Plan Category	PEG	Implementation Date	7/31/2008
Budget Reference	MYF08	Category	Maintenance	Savings Date	9/30/2008
PEG / New Need ID	0000000014	Current Budget Year	2008	Status	Open
Program:	Maintenance Material Reduction			Agency Status	Pending
Description and Implementation Pla	Review of current shop program work scopes will result in reduced material consumption.				
Background Details					

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTBUS	0000000014	MYF08	\$ 0.712	\$ 2.579	\$ 2.632	\$ 2.684	\$ 2.739

MTA BUS COMPANY
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	MTBUS	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Safety	Savings Date	6/1/2009
PEG / New Need ID	0000000015	Current Budget Year	2008	Status	Open
Program:	Claims Reduction			Agency Status	Pending
Description and Implementation Pla	Initiation of numerous safe operation initiatives will result in annual savings in claims activity.				
Background Details					

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTBUS	0000000015	MYF08	\$ 0.000	\$ 0.478	\$ 0.650	\$ 0.839	\$ 1.047

MTA BUS COMPANY
Mid-year forecast for 2008
Summary of Post 2009 PEGs
(\$ in millions)

		2008		2009		2010		2011		2012	
		<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>
Other											
Unspecified		0	0.000	0	0.000	0	4.965	0	9.930	0	14.895
Sub-Total	Other	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 4.965</u>	<u>0</u>	<u>\$ 9.930</u>	<u>0</u>	<u>\$ 14.895</u>
Total Programs		<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 4.965</u>	<u>0</u>	<u>\$ 9.930</u>	<u>0</u>	<u>\$ 14.895</u>

MTA BUS COMPANY
Mid-year forecast for 2008
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	MTBUS	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000016	Current Budget Year	2008	Status	Open
Program:	Unspecified			Agency Status	Pending

Description and Implementation Pla

Background Details

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTBUS	0000000016	MYF08	\$ 0.000	\$ 0.000	\$ 4.965	\$ 9.930	\$ 14.895

**MTA Bus Company
2009 Preliminary Budget
July Financial Plan 2009-2012
Summary of Major Plan-to-Plan Changes**

POSITIONS

Total Non-Reimbursable and Reimbursable Baseline Positions

2008: July Financial Plan vs. February Financial Plan

2008 Operating positions remain the same as the February Plan.

2009-2012: July Financial Plan vs. February Financial Plan

Year-end positions remain unchanged through the plan period.

MTA BUS COMPANY
July Financial Plan 2009 - 2012
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
Office of the EVP	2	2	2	2	2	2
Human Resources	7	7	7	7	7	7
Office of Management and Budget	1	8	8	8	8	8
Technology & Information Services	10	12	12	12	12	12
Materiel	13	22	22	22	22	22
Controller	34	47	47	47	47	47
Office of the President	3	3	3	3	3	3
System Safety Administration	1	3	3	3	3	3
Law	14	17	17	17	17	17
Corporate Communications	9	5	5	5	5	5
Labor Relations	1	2	2	2	2	2
Total Administration	95	161	161	161	161	161
Operations						
Buses						
Operations Planning	2,343	2,280	2,280	2,280	2,280	2,280
Revenue Control	10	15	15	15	15	15
Total Operations	9	7	7	7	7	7
	2,362	2,302	2,302	2,302	2,302	2,302
Maintenance						
Buses						
Supply Logistics	792	951	951	951	951	951
Total Maintenance	31	64	64	64	64	64
	823	1,015	1,015	1,015	1,015	1,015
Engineering/Capital						
Capital Program Management	11	23	23	23	23	23
Public Safety						
Office of the Senior Vice President	10	10	10	10	10	10
Total Positions	3,301	3,511	3,511	3,511	3,511	3,511
Non-Reimbursable	3,301	3,495	3,495	3,495	3,495	3,495
Reimbursable	0	16	16	16	16	16
Total Full-Time	3,301	3,511	3,511	3,511	3,511	3,511
Total Full-Time Equivalents						
Impact of:						
2009 Program to Eliminate the Gap	0	0	(6)	(6)	(6)	(6)
Post 2009 Program to Eliminate the Gap	-	-	-	-	-	-
Total Positions	3,301	3,511	3,517	3,517	3,517	3,517
Non-Reimbursable	3,301	3,495	3,501	3,501	3,501	3,501
Reimbursable	0	16	16	16	16	16
Total Full-Time	3,301	3,511	3,517	3,517	3,517	3,517
Total Full-Time Equivalents	0	0	0	0	0	0
Business Service Center		(7)	(7)	(7)	(40)	(40)

MTA BUS COMPANY
July Financial Plan 2009 - 2012
Total Full-Time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP		2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration							
	Managers/Supervisors	22	53	53	53	53	53
	Professional, Technical, Clerical	73	108	108	108	108	108
	Operational Hourlies	-	-	-	-	-	-
	Total Administration	95	161	161	161	161	161
Operations							
	Managers/Supervisors	233	271	271	271	271	271
	Professional, Technical, Clerical	35	55	55	55	55	55
	Operational Hourlies	2,094	1,976	1,976	1,976	1,976	1,976
	Total Operations	2,362	2,302	2,302	2,302	2,302	2,302
Maintenance							
	Managers/Supervisors	128	150	150	150	150	150
	Professional, Technical, Clerical	9	18	18	18	18	18
	Operational Hourlies	686	847	847	847	847	847
	Total Maintenance	823	1,015	1,015	1,015	1,015	1,015
Engineering/Capital							
	Managers/Supervisors	8	14	14	14	14	14
	Professional, Technical, Clerical	3	9	9	9	9	9
	Operational Hourlies	-	-	-	-	-	-
	Total Engineering/Capital	11	23	23	23	23	23
Public Safety							
	Managers/Supervisors	4	4	4	4	4	4
	Professional, Technical, Clerical	2	2	2	2	2	2
	Operational Hourlies	4	4	4	4	4	4
	Total Public Safety	10	10	10	10	10	10
Total Positions							
	Managers/Supervisors	395	492	492	492	492	492
	Professional, Technical, Clerical	122	192	192	192	192	192
	Operational Hourlies	2,784	2,827	2,827	2,827	2,827	2,827
	Total Baseline Positions	3,301	3,511	3,511	3,511	3,511	3,511

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Staten Island Railway

**MTA Staten Island Railway
2009 Preliminary Budget
July Financial Plan 2009 - 2012**

MISSION STATEMENT

The mission of MTA Staten Island Railway is to provide customers with safe, reliable, and convenient public transportation in a cost-effective manner.

FINANCIAL OVERVIEW

MTA Staten Island Railway carries out its mission by providing effective and cost-efficient transportation services through a heavy rail system operating 64 subway cars over 14.3 route miles and 28.6 miles of mainline track, serving 22 stations located primarily on the south shore of Staten Island.

The 2009 Preliminary Budget and projections for the years 2010-2012 provide sufficient funding to maintain current service levels as well as to maintain MTA's commitment to safety and security. This is accomplished primarily through implementation of operational efficiencies that optimize the utilization of resources to achieve agency goals. Performance indicators including mean distance between failures and on-time performance remain within targeted levels. Additionally, in concert with MTA New York City Transit, efforts are underway to establish initiatives in order to meet key MTA priorities including workforce development, customer service, financial stability, safety and security and sustainability.

2008 Mid-Year Forecast-Baseline

MTA Staten Island Railway's 2008 Mid-Year Forecast reflects total expenses before depreciation and other post-employment benefits (OPEB) of \$41.720 million, including \$40.298 million of non-reimbursable expenses and \$1.422 million of reimbursable expenses. Total revenues are projected to be \$7.890 million, of which \$6.468 million are operating revenues and \$1.422 million represent capital reimbursements. Total full-time positions are 278, including 275 non-reimbursable positions and 3 reimbursable positions.

The July forecast operating cash deficit improved by \$0.376 million. Favorable changes include:

- Increased farebox revenues of \$0.465 million based on projected higher ridership
- Updated inflation projections which reduce expenses by \$0.154 million.

Unfavorable changes include:

- Service investments costing \$0.126 million to support an increase in ridership
- A net timing of expenses offset in other years of \$0.122 million.

2008 savings as part of the 2009 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described below, are projected to yield a deficit reduction of \$0.225 million and a position reduction of 1.

2009 Preliminary Budget - Baseline

MTA Staten Island Railway's 2009 Preliminary Budget reflects total expenses before depreciation and OPEB of \$41.018 million, including \$39.531 million of non-reimbursable expenses and \$1.487 million of reimbursable expenses. Total revenues are projected to be \$8.345 million, of which \$6.858 million are operating revenues and \$1.487 million represent capital reimbursements. Total full-time positions are 277, including 274 non-reimbursable positions and 3 reimbursable positions.

The 2009 Preliminary Budget operating cash deficit has worsened slightly by \$0.060 million. Unfavorable changes include:

- A one-time \$0.300 million expense required to correct a High Tension Switchgear safety-related deficiency in three power sub-stations
- A six month delay until 7/1/09 in the implementation of fare collection at the Tompkinsville Station, resulting in an estimated net loss of \$0.210 million of farebox revenue. This delay was due to additional time requirements for facility and equipment installations.
- Service investments costing \$0.126 million to support an increase in ridership
- Timing of expenses offset in 2008 of \$0.100 million.
- Other expense re-estimates of \$0.093 million.

Favorable changes include:

- Increased farebox revenues (excluding Tompkinsville) of \$0.442 million based on projected higher ridership
- Updated inflation projections which reduce expenses by \$0.327 million.

The 2009 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described below, are projected to yield a deficit reduction of \$0.743 million and a position reduction of 4 in 2009.

2010-2012 Projections-Baseline

The operating cash deficits have improved by \$0.739 in 2010, \$0.842 million in 2011 and \$0.706 million in 2012. Favorable changes include:

- Increased farebox revenues (excluding Tompkinsville) of \$0.448 million in 2010, \$0.452 million in 2011 and \$0.477 million in 2012 based on projected higher ridership
- Updated inflation projections which reduce expenses by \$0.310 million in 2010, \$0.325 million in 2011, and \$0.367 million in 2012

- Projected additional farebox revenue of \$0.116 million for each year resulting from the implementation of fare collection at the Tompkinsville Station.

Unfavorable changes include:

- Service investments costing \$0.126 million each year to support an increase in ridership

The 2009 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described below, are projected to yield deficit reductions of \$0.428 million and 4 position reductions for each year 2010, 2011 and 2012.

Major assumptions and reconciliations are discussed later in this section.

GAP CLOSING MEASURES

2009 Programs to Eliminate the Gap (PEGs)

These programs in total project deficit reductions of \$0.225 million in 2008, \$0.743 million in 2009 and \$0.428 million for each projection year 2010-2012. Position reductions are projected at 1 by the end of 2008 and at 4 by the end of each projection year 2009-2012. Major programs are summarized as follows:

- Administrative/organizational efficiencies are projected to result in savings of \$0.085 million and 1 position in 2008 and \$0.321 million and 3 positions for each year 2009-2012.
- Establishment of a medical assessment facility on Staten Island is projected to result in improved employee availability and savings of \$0.030 million for each year 2009-2012.
- Delays in filling vacant positions are projected to result in vacancy savings of \$0.140 million in 2008 and \$0.315 million in 2009.
- Implementation of a pc-based interlocking control system is expected to allow for automatic dispatching and routing of train movement at two terminals resulting in savings of \$0.077 million and one position for each year 2009-2012.

Post-2009 Programs to Eliminate the GAP

- Post-2009 Programs to Eliminate the GAP of \$0.420 in each projection year 2010-2012 are currently unspecified.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2009- 2012
Accrual Statement of Operations by Category
(\$ in millions)

Non-Reimbursable						
	2007	2008	2009			
	Actual	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
Operating Revenue						
Farebox Revenue	\$ 3.938	\$ 4.381	\$ 4.771	\$ 5.132	\$ 5.182	\$ 5.216
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	2.050	2.087	2.087	2.087	2.087	2.087
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$5.988	\$6.468	\$6.858	\$7.219	\$7.269	\$7.303
Operating Expenses						
Labor:						
Payroll	\$ 14.810	\$ 15.328	\$ 15.785	\$ 16.108	\$ 16.418	\$ 16.753
Overtime	1.061	0.750	0.772	0.788	0.803	0.837
Health and Welfare	3.099	2.834	3.113	3.339	3.582	3.842
OPEB Current Payment	-	0.462	0.508	0.545	0.585	0.628
Pensions	3.604	4.748	5.010	5.449	5.689	6.138
Other Fringe Benefits	1.302	1.209	1.245	1.271	1.295	1.352
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$23.876	\$25.331	\$26.433	\$27.500	\$28.372	\$29.550
Non-Labor:						
Traction and Propulsion Power	\$ 2.211	\$ 2.539	\$ 2.818	\$ 3.362	\$ 3.598	\$ 3.609
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.307	0.335	0.269	0.294	0.418	0.353
Claims	1.104	2.760	0.265	0.270	0.276	0.279
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	1.790	7.940	8.357	2.608	2.693	2.694
Professional Service Contracts	0.331	0.389	0.346	0.353	0.360	0.374
Materials & Supplies	0.981	0.999	1.038	1.064	1.086	1.117
Other Business Expenses	0.001	0.005	0.005	0.005	0.005	0.006
Total Non-Labor Expenses	\$6.725	\$14.967	\$13.098	\$7.956	\$8.436	\$8.432
Other Expenses Adjustments:						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$30.601	\$40.298	\$39.531	\$35.456	\$36.808	\$37.982
Depreciation	7.103	10.337	10.337	10.337	10.337	10.337
OPEB Obligation	2.432	2.600	2.700	2.800	2.800	3.000
Environmental Remediation	-	-	-	-	-	-
Total Expenses	\$40.136	\$53.235	\$52.568	\$48.593	\$49.945	\$51.319
Baseline Surplus/(Deficit)	(\$34.148)	(\$46.767)	(\$45.710)	(\$41.374)	(\$42.676)	(\$44.016)
2009 Program to Eliminate the Gap (PEGs)	-	0.225	0.743	0.428	0.428	0.428
Post 2009 Program to Eliminate the Gap (PEGs)	-	-	-	0.420	0.840	1.260
Net Surplus/(Deficit)	(\$34.148)	(\$46.542)	(\$44.967)	(\$40.526)	(\$41.408)	(\$42.328)
Business Service Center	\$0.000	\$0.000	\$0.000	\$0.000	\$0.131	\$0.132

MTA STATEN ISLAND RAILWAY
July Financial Plan 2009- 2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2007	2008	2009			
	Actual	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
Revenue						
Farebox Revenue	\$ 3.938	\$ 4.381	\$ 4.771	\$ 5.132	\$ 5.182	\$ 5.216
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	2.050	2.087	2.087	2.087	2.087	2.087
Capital and Other Reimbursements	0.306	1.422	1.487	1.545	1.605	1.672
Total Revenue	\$6.294	\$7.890	\$8.345	\$8.764	\$8.874	\$8.975
Expenses						
<u>Labor:</u>						
Payroll	\$ 14.897	\$ 15.605	\$ 16.056	\$ 16.385	\$ 16.700	\$ 17.041
Overtime	1.178	1.381	1.436	1.465	1.493	1.541
Health and Welfare	3.166	3.192	3.504	3.766	4.048	4.351
OPEB Current Payment	-	0.462	0.508	0.545	0.585	0.628
Pensions	3.624	4.835	5.099	5.539	5.781	6.232
Other Fringe Benefits	1.317	1.278	1.317	1.345	1.370	1.429
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$24.182	\$26.753	\$27.920	\$29.045	\$29.977	\$31.222
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$ 2.211	\$ 2.539	\$ 2.818	\$ 3.362	\$ 3.598	\$ 3.609
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.307	0.335	0.269	0.294	0.418	0.353
Claims	1.104	2.760	0.265	0.270	0.276	0.279
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	1.790	7.940	8.357	2.608	2.693	2.694
Professional Service Contracts	0.331	0.389	0.346	0.353	0.360	0.374
Materials & Supplies	0.981	0.999	1.038	1.064	1.086	1.117
Other Business Expenses	0.001	0.005	0.005	0.005	0.005	0.006
Total Non-Labor Expenses	\$6.725	\$14.967	\$13.098	\$7.956	\$8.436	\$8.432
<u>Other Expenses Adjustments:</u>						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$30.907	\$41.720	\$41.018	\$37.001	\$38.413	\$39.654
Depreciation	7.103	10.337	10.337	10.337	10.337	10.337
OPEB Obligation	2.432	2.600	2.700	2.800	2.800	3.000
Environmental Remediation	-	-	-	-	-	-
Total Expenses	\$40.442	\$54.657	\$54.055	\$50.138	\$51.550	\$52.991
Baseline Surplus/(Deficit)	(\$34.148)	(\$46.767)	(\$45.710)	(\$41.374)	(\$42.676)	(\$44.016)
2009 Program to Eliminate the Gap (PEGs)	0.000	0.225	0.743	0.428	0.428	0.428
Post 2009 Program to Eliminate the Gap (PEGs)	-	-	-	0.420	0.840	1.260
Net Surplus/(Deficit)	(\$34.148)	(\$46.542)	(\$44.967)	(\$40.526)	(\$41.408)	(\$42.328)
Business Service Center	\$0.000	\$0.000	\$0.000	\$0.000	\$0.131	\$0.132

MTA STATEN ISLAND RAILWAY
July Financial Plan 2009- 2012
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2007	2008	2009			
	Actual	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
Receipts						
Farebox Revenue	\$ 3.931	\$ 4.381	\$ 4.771	\$ 5.132	\$ 5.182	\$ 5.216
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	2.060	2.087	2.087	2.087	2.087	2.087
Capital and Other Reimbursements	0.301	1.422	1.487	1.545	1.605	1.672
Total Receipts	\$6.292	\$7.890	\$8.345	\$8.764	\$8.874	\$8.975
Expenditures						
<u>Labor:</u>						
Payroll	\$ 14.992	\$ 15.869	\$ 16.056	\$ 16.385	\$ 16.700	\$ 17.041
Overtime	1.178	1.381	1.436	1.465	1.493	1.541
Health and Welfare	3.313	3.192	3.504	3.766	4.048	4.351
OPEB Current Payment	-	0.462	0.508	0.545	0.585	0.628
Pensions	4.463	1.912	5.099	5.539	5.781	6.232
Other Fringe Benefits	1.522	1.278	1.317	1.345	1.370	1.429
GASB Account	0.212	0.230	0.265	0.290	0.317	0.347
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$25.680	\$24.324	\$28.185	\$29.335	\$30.294	\$31.569
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$ 2.211	\$ 2.539	\$ 2.818	\$ 3.362	\$ 3.598	\$ 3.609
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.385	0.335	0.269	0.294	0.418	0.353
Claims	0.235	2.760	0.265	0.270	0.276	0.279
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	1.623	7.940	8.357	2.608	2.693	2.694
Professional Service Contracts	0.308	0.389	0.346	0.353	0.360	0.374
Materials & Supplies	1.039	0.999	1.038	1.064	1.086	1.117
Other Business Expenses	0.001	0.005	0.005	0.005	0.005	0.006
Total Non-Labor Expenditures	\$5.802	\$14.967	\$13.098	\$7.956	\$8.436	\$8.432
<u>Other Expenditure Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$31.482	\$39.291	\$41.283	\$37.291	\$38.730	\$40.001
Baseline Cash Deficit	(\$25.190)	(\$31.401)	(\$32.938)	(\$28.527)	(\$29.856)	(\$31.026)
2009 Program to Eliminate the Gap (PEGs)	-	0.225	0.743	0.428	0.428	0.428
Post 2009 Program to Eliminate the Gap (PEGs)	-	-	-	0.420	0.840	1.260
Net Cash Deficit	(\$25.190)	(\$31.176)	(\$32.195)	(\$27.679)	(\$28.588)	(\$29.338)
Business Service Center	\$0.000	\$0.000	\$0.000	\$0.000	\$0.131	\$0.132

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**MTA Staten Island Railway
Summary Reconciliation to the February Plan
(\$ in millions)**

	Favorable/(Unfavorable)			
	2008	2009	2010	2011
February Financial Plan Baseline Cash Deficit	(\$31.777)	(\$32.878)	(\$29.266)	(\$30.698)
New Needs	(\$0.126)	(\$0.426)	(\$0.126)	(\$0.126)
Service/Customer Service	(0.126)	(0.126)	(0.126)	(0.126)
Maintenance	0.000	0.000	0.000	0.000
Other	0.000	(0.300)	0.000	0.000
Baseline Re-estimates	\$0.032	\$0.017	\$0.426	\$0.441
2009 PEG Program	\$0.225	\$0.743	\$0.428	\$0.428
Total Changes before Other Adjustments and Uncontrollable Expenses	\$0.131	\$0.334	\$0.728	\$0.743
Other Adjustments				
Passenger/Toll Revenue	0.465	0.442	0.448	0.452
Total Changes before Uncontrollable Expenses	\$0.596	\$0.776	\$1.176	\$1.195
Uncontrollable Expenses				
Energy (All Categories)	0.000	(0.077)	(0.058)	(0.050)
Paratransit	0.000	0.000	0.000	0.000
Pensions	0.000	0.000	0.000	0.000
Health & Welfare	(0.084)	(0.117)	(0.061)	0.004
Insurance	<u>0.089</u>	<u>0.101</u>	<u>0.110</u>	<u>0.121</u>
Total Uncontrollable Expenses	\$0.005	(\$0.093)	(\$0.009)	\$0.075
July Financial Plan including 2009 PEG Program	(\$31.176)	(\$32.195)	(\$28.099)	(\$29.428)

**MTA Staten Island Railway
2009 Preliminary Budget
July Financial Plan 2009-2012
Year-Over-Year Changes by Category-Baseline Narrative**

TOTAL REVENUES/RECEIPTS

Farebox Revenue

- Farebox revenue improvements of: 2009=\$0.390 million (8.9%), 2010=\$0.361 million (7.6%), 2011=\$0.050 million (1.0%), and 2012=\$0.034 million (0.7%) are due to projected increases in ridership, which are based primarily upon current economic assumptions. The increase in 2010 over 2009 includes a six month delay in the implementation of fare collection at the Tompkinsville Station.

Other Operating Revenue

- No changes.

Capital and Other Reimbursements

- Annual increases are projected from 2009 through 2012 to provide for reimbursement consistent with projected inflationary increases.

TOTAL EXPENSES/EXPENDITURES

Payroll

- Includes projected rate increases as follows: 2009=3.00%, 2010=2.05%, 2011=1.94% and 2012=2.04%.

Overtime

- 2009-2012 payroll wage rate increase assumptions apply.

Health & Welfare

- Increases represent projected rate increases as follows: 2008=9.48%, 2009=9.90%, 2010=7.30%, 2011=7.30%, and 2012=7.30%.

Pension

- Increases are determined by current actuarial information.

Other Fringe Benefits

- Inflation assumptions are consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- 2009-2012 reflects projected New York Power Authority (NYPA) increases consistent with the Global Insight inflation forecast.

Insurance

- 2009-2012 assumptions provided by MTA.

Claims

- 2009-2012 inflation assumptions are based upon Global Insight's estimates as follows: 2009=1.99%, 2010=2.05%, 2011=1.94%, and 2012=2.04%.

Maintenance and Other Operating Contracts

- 2009-2012 inflation assumptions are based upon Global Insight's estimates as follows: 2009=1.99%, 2010=2.05%, 2011=1.94%, and 2012=2.04%.
- 2009-2012 reflects projected New York Power Authority (NYPA) increases consistent with the Global Insight inflation forecast.
- 2008/2009 includes an estimated \$11.0 million of one-time fleet maintenance expenses to maintain the safety and reliability of the 64-car fleet until anticipated replacement in 2014.
- 2008 includes \$0.172 million of expenses delayed from 2007.

Professional Service Contracts

- 2009-2012 inflation assumptions are based upon Global Insight's estimates as follows: 2009=1.99%, 2010=2.05%, 2011=1.94%, and 2012=2.04%.
- 2008 includes \$0.050 million of expenses delayed from 2007.

Materials and Supplies

- 2009-2012 inflation assumptions are based upon Global Insight's estimates as follows: 2009=3.97%, 2010=2.74%, 2011=2.10%, and 2012=1.77%.

Other Business Expenses

- 2009-2012 inflation assumptions are based upon Global Insight's estimates as follows: 2009=3.97%, 2010=2.74%, 2011=2.10%, and 2012=1.77%.

Depreciation

- Annual expenses do not increase during the Financial Plan period, as no additional capital assets are projected to reach beneficial use.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$4.381	\$4.771	\$0.390	\$5.132	\$0.361	\$5.182	\$0.050	\$5.216	\$0.034
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.087	2.087	0.000	2.087	0.000	2.087	0.000	2.087	0.000
Capital and Other Reimbursements	0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000
Total Revenue	\$6.468	\$6.858	\$0.390	\$7.219	\$0.361	\$7.269	\$0.050	\$7.303	\$0.034
Expenses									
Labor:									
Payroll	15.328	15.785	(0.457)	16.108	(0.323)	16.418	(0.310)	16.753	(0.335)
Overtime	0.750	0.772	(0.022)	0.788	(0.016)	0.803	(0.015)	0.837	(0.034)
Health and Welfare	2.834	3.113	(0.279)	3.339	(0.226)	3.582	(0.243)	3.842	(0.260)
OPEB Current Payment	0.462	0.508	(0.046)	0.545	(0.037)	0.585	(0.040)	0.628	(0.043)
Pensions	4.748	5.010	(0.262)	5.449	(0.439)	5.689	(0.240)	6.138	(0.449)
Other Fringe Benefits	1.209	1.245	(0.036)	1.271	(0.026)	1.295	(0.024)	1.352	(0.057)
Reimbursable Overhead			0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$25.331	\$26.433	(\$1.102)	\$27.500	(\$1.067)	\$28.372	(\$0.872)	\$29.550	(\$1.178)
Non-Labor:									
Traction and Propulsion Power	2.539	2.818	(0.279)	3.362	(0.544)	3.598	(0.236)	3.609	(0.011)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.335	0.269	0.066	0.294	(0.025)	0.418	(0.124)	0.353	0.065
Claims	2.760	0.265	2.495	0.270	(0.005)	0.276	(0.006)	0.279	(0.003)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other									
Operating Contracts	7.940	8.357	(0.417)	2.608	5.749	2.693	(0.085)	2.694	(0.001)
Professional Service Contracts	0.389	0.346	0.043	0.353	(0.007)	0.360	(0.007)	0.374	(0.014)
Materials & Supplies	0.999	1.038	(0.039)	1.064	(0.026)	1.086	(0.022)	1.117	(0.031)
Other Business Expenses	0.005	0.005	0.000	0.005	0.000	0.005	0.000	0.006	(0.001)
Total Non-Labor Expenses	\$14.967	\$13.098	\$1.869	\$7.956	\$5.142	\$8.436	(\$0.480)	\$8.432	\$0.004
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense	\$0.000	0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Adjustments	\$0.000	0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$40.298	\$39.531	\$0.767	\$35.456	\$4.075	\$36.808	(\$1.352)	\$37.982	(\$1.174)
Depreciation	10.337	10.337	0.000	10.337	0.000	10.337	0.000	10.337	0.000
OPEB Current Payment	2.600	2.700	(0.100)	2.800	(0.100)	2.800	0.000	3.000	(0.200)
OPEB Obligation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$53.235	\$52.568	\$0.667	\$48.593	\$3.975	\$49.945	(\$1.352)	\$51.319	(\$1.374)
Baseline Net Surplus/(Deficit)	(\$46.767)	(\$45.710)	\$1.057	(\$41.374)	\$4.336	(\$42.676)	(\$1.302)	(\$44.016)	(\$1.340)
2009 Agency Prog. to Elim. the GAP	0.225	0.743	0.518	0.428	(0.315)	0.428	0.000	0.428	0.000
Post-2009 Agency Prog. to Elim. The Gap	0.000	0.000	0.000	0.420	0.420	0.840	0.420	1.260	0.420
Net Surplus/(Deficit)	(\$46.542)	(\$44.967)	\$1.575	(\$40.526)	\$4.441	(\$41.408)	(\$0.882)	(\$42.328)	(\$0.920)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	1.422	1.487	\$0.065	1.545	\$0.058	1.605	\$0.060	1.672	\$0.067
Total Revenue	\$1.422	\$1.487	\$0.065	\$1.545	\$0.058	\$1.605	\$0.060	\$1.672	\$0.067
Expenses									
Labor:									
Payroll	0.277	0.271	0.006	0.277	(0.006)	0.282	(0.005)	0.288	(0.006)
Overtime	0.631	0.664	(0.033)	0.677	(0.013)	0.690	(0.013)	0.704	(0.014)
Health and Welfare	0.358	0.391	(0.033)	0.427	(0.036)	0.466	(0.039)	0.509	(0.043)
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	0.087	0.089	(0.002)	0.090	(0.001)	0.092	(0.002)	0.094	(0.002)
Other Fringe Benefits	0.069	0.072	(0.003)	0.074	(0.002)	0.075	(0.001)	0.077	(0.002)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$1.422	\$1.487	(\$0.065)	\$1.545	(\$0.058)	\$1.605	(\$0.060)	\$1.672	(\$0.067)
Non-Labor:									
Traction and Propulsion Power	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Operating Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$1.422	\$1.487	(\$0.065)	\$1.545	(\$0.058)	\$1.605	(\$0.060)	\$1.672	(\$0.067)
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$1.422	\$1.487	(\$0.065)	\$1.545	(\$0.058)	\$1.605	(\$0.060)	\$1.672	(\$0.067)
Baseline Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
2009 Agency Prog. to Elim. the GAP	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Post-2009 Agency Prog. to Elim. The Gap	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA STATEN ISLAND RAILWAY
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Cash Receipts and Expenditures
(\$ in millions)

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
<u>Receipts</u>									
Farebox Revenue	\$4.381	\$4.771	\$0.390	\$5.132	\$0.361	\$5.182	\$0.050	\$5.216	\$0.034
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.087	2.087	0.000	2.087	0.000	2.087	0.000	2.087	0.000
Capital and Other Reimbursements	1.422	1.487	0.065	1.545	0.058	1.605	0.060	1.672	0.067
Total Receipts	\$7.890	\$8.345	\$0.455	\$8.764	\$0.419	\$8.874	\$0.110	\$8.975	\$0.101
<u>Expenditures</u>									
Labor:									
Payroll	15.869	16.056	(0.187)	16.385	(0.329)	16.700	(0.315)	17.041	(0.341)
Overtime	1.381	1.436	(0.055)	1.465	(0.029)	1.493	(0.028)	1.541	(0.048)
Health and Welfare	3.192	3.504	(0.312)	3.766	(0.262)	4.048	(0.282)	4.351	(0.303)
OPEB Current Payment	0.462	0.508	(0.046)	0.545	(0.037)	0.585	(0.040)	0.628	(0.043)
Pensions	1.912	5.099	(3.187)	5.539	(0.440)	5.781	(0.242)	6.232	(0.451)
Other Fringe Benefits	1.278	1.317	(0.039)	1.345	(0.028)	1.370	(0.025)	1.429	(0.059)
Reimbursable Overhead	0.230	0.265	(0.035)	0.290	(0.025)	0.317	(0.027)	0.347	(0.030)
Total Labor Expenditures	\$24.324	\$28.185	(\$3.861)	\$29.335	(\$1.150)	\$30.294	(\$0.959)	\$31.569	(\$1.275)
Non-Labor:									
Traction and Propulsion Power	2.539	2.818	(0.279)	3.362	(0.544)	3.598	(0.236)	3.609	(0.011)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.335	0.269	0.066	0.294	(0.025)	0.418	(0.124)	0.353	0.065
Claims	2.760	0.265	2.495	0.270	(0.005)	0.276	(0.006)	0.279	(0.003)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	7.940	8.357	(0.417)	2.608	5.749	2.693	(0.085)	2.694	(0.001)
Professional Service Contracts	0.389	0.346	0.043	0.353	(0.007)	0.360	(0.007)	0.374	(0.014)
Materials & Supplies	0.999	1.038	(0.039)	1.064	(0.026)	1.086	(0.022)	1.117	(0.031)
Other Business Expenses	0.005	0.005	0.000	0.005	0.000	0.005	0.000	0.006	(0.001)
Total Non-Labor Expenditures	\$14.967	\$13.098	\$1.869	\$7.956	\$5.142	\$8.436	(\$0.480)	\$8.432	\$0.004
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$39.291	\$41.283	(\$1.992)	\$37.291	\$3.992	\$38.730	(\$1.439)	\$40.001	(\$1.271)
Baseline Net Cash Deficit	(31.401)	(32.938)	(1.537)	(28.527)	4.411	(29.856)	(1.329)	(31.026)	(1.170)
2009 Agency Prog. to Elim. the GAP	0.225	0.743	0.518	0.428	(0.315)	0.428	0.000	0.428	0.000
Post-2009 Agency Prog. to Elim. The Gap	0.000	0.000	0.000	0.420	0.420	0.840	0.420	1.260	0.420
Net Cash Deficit	(\$31.176)	(\$32.195)	(\$1.019)	(\$27.679)	\$4.516	(\$28.588)	(\$0.909)	(\$29.338)	(\$0.750)

**MTA Staten Island Railway
2009 Preliminary Budget
July Financial Plan 2009-2012
Summary of Plan to Plan Changes-Baseline Narrative**

2008: July Financial Plan vs. February Financial Plan

Revenue Re-estimates

- Increased farebox revenues of \$0.465 million based on projected higher ridership.

Expense Re-estimates

- Service investments costing \$0.126 million to support an increase in ridership.
- Updated inflation projections which reduce expenses by \$0.154 million.
- A net unfavorable timing of expenses offset in other years of \$0.122 million.

2009-2012: July Financial Plan vs. February Financial Plan

Revenue Re-estimates

- Increased farebox revenues (excluding Tompkinsville) of \$0.442 million in 2009, \$0.448 million in 2010, \$0.452 million in 2011 and \$0.477 million in 2012 based on projected higher ridership
- A six month delay until 7/1/09 in the implementation of fare collection at the Tompkinsville Station, resulting in an estimated net loss of \$0.210 million of farebox revenue in 2009. This delay was due to additional time requirements for facility and equipment installations. Projected additional farebox revenue of \$0.116 million for each subsequent year resulting from the implementation of fare collection at the Tompkinsville Station.

Expense Re-estimates

- A one-time \$0.300 million expense required in 2009 to correct a High Tension Switchgear safety-related deficiency in three power sub-stations.
- Service investments costing \$0.126 million each year to support an increase in ridership.
- Updated inflation projections which reduce expenses by \$0.327 million in 2009, \$0.310 million in 2010, \$0.325 million in 2011 and \$0.367 million in 2012.
- Unfavorable timing of expenses from 2008 to 2009 of \$0.100 million.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	(\$31.777)	(\$32.878)	(\$29.266)	(\$30.698)	(\$31.732)
Baseline Changes					
Revenue					
Farebox Revenue	0.465	0.232	0.564	0.568	0.593
Other Operating Revenue					
Capital and Other Reimbursement					
Total Revenue Changes	\$0.465	\$0.232	\$0.564	\$0.568	\$0.593
Expenses					
Labor:					
Payroll	0.065	0.331	0.329	0.355	0.345
Health and Welfare	0.364	0.377	0.470	0.575	0.695
OPEB Current Payment	(0.462)	(0.508)	(0.545)	(0.585)	(0.628)
Pensions	(0.015)	(0.015)	(0.015)	(0.015)	(0.314)
Other Fringe Benefits	0.005	0.018	0.020	0.025	(0.002)
Reimbursable Overhead					
Total Labor Expense Changes	(\$0.043)	\$0.203	\$0.259	\$0.355	\$0.096
Non-Labor:					
Traction and Propulsion Power	0.000	(0.083)	(0.099)	(0.107)	(0.045)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	0.089	0.101	0.110	0.121	0.134
Claims	(0.008)	(0.007)	(0.007)	(0.007)	(0.005)
Paratransit Service Contracts					
Maintenance and Other Operating Contracts	(0.076)	(0.508)	(0.090)	(0.086)	(0.041)
Professional Service Contracts	(0.051)	(0.001)	(0.001)	0.000	(0.007)
Materials & Supplies	0.000	0.003	0.003	(0.002)	(0.019)
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	(\$0.046)	(\$0.495)	(\$0.084)	(\$0.081)	\$0.017
Total Expense Changes before Depreciation & GASB Adjs.	(\$0.089)	(\$0.292)	\$0.175	\$0.274	\$0.113
Depreciation					
OPEB Current Payment					
OPEB Obligation					
Environmental Remediation					
Total Depreciation and GASB Adjs. Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.376	(\$0.060)	\$0.739	\$0.842	\$0.706
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$31.401)	(\$32.938)	(\$28.527)	(\$29.856)	(\$31.026)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Other Operating Revenue					
Capital and Other Reimbursement					0.067
Total Revenue Changes	\$.000	\$.000	\$.000	\$.000	\$.067
Expenses					
Labor:					
Payroll					(0.020)
Health and Welfare					(0.043)
OPEB Current Payment					
Pensions					(0.002)
Other Fringe Benefits					(0.002)
Reimbursable Overhead					
Total Labor Expense Changes	\$.000	\$.000	\$.000	\$.000	\$ (.067)
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Materials & Supplies					
Other Business Expenses					
Total Non-Labor Expense Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Total Expense Changes	\$.000	\$.000	\$.000	\$.000	\$ (.067)
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA Staten Island Railway
July Financial Plan 2009-2012
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	(\$31.777)	(\$32.878)	(\$29.266)	(\$30.698)	(\$31.732)
<i>Non-Reimbursable Major Changes</i>					
Revenue					
Farebox Revenue Re-estimate	0.465	0.442	0.448	0.452	0.477
Tompkinsville Fare Collection Implementation Delay	0.000	(0.210)	0.116	0.116	0.116
Sub-Total Non-Reimbursable Revenue Changes	\$.465	\$.232	\$.564	\$.568	\$.593
Expenses					
High Tension Switchgear Modification	0.000	(0.300)	0.000	0.000	0.000
Additional Service	(0.126)	(0.126)	(0.126)	(0.126)	(0.126)
Impact of Revised Inflaters	0.154	0.327	0.310	0.325	0.367
Timing of Expenses-Year End 2007 Results	(0.222)	0.000	0.000	0.000	0.000
Timing of Expenses-Other	0.100	(0.100)	0.000	0.000	0.000
Other Expense Changes	0.005	(0.093)	(0.009)	0.075	(0.128)
Sub-Total Non-Reimbursable Expense Changes	(\$.089)	(\$.292)	\$.175	\$.274	\$.113
<i>Total Non-Reimbursable Major Changes</i>	\$.376	(\$.060)	\$.739	\$.842	\$.706
<i>Reimbursable Major Changes</i>					
Revenue					0.067
Sub-Total Reimbursable Revenue Changes	0	0	0	0	0.067
Expenses					
Inflation					(0.067)
Sub-Total Reimbursable Expense Changes	0	0	0	0	(0.067)
<i>Total Reimbursable Major Changes</i>	\$.000	\$.000	\$.000	\$.000	\$.000
<i>Total Accrual Changes</i>	\$0.376	(\$0.060)	\$0.739	\$0.842	\$0.706
<i>Cash Adjustment Changes</i>					
<i>Total Cash Adjustment Changes</i>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Baseline Changes</i>	\$0.376	(\$0.060)	\$0.739	\$0.842	\$0.706
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$31.401)	(\$32.938)	(\$28.527)	(\$29.856)	(\$31.026)

**MTA Staten Island Railway
2009 Preliminary Budget
July Financial Plan 2009-2012
Summary of Plan to Plan Changes-Baseline Narrative**

Ridership (Utilization)

- Re-estimates of non-student/student ridership is projected to increase above the February Financial Plan ridership by 0.381 million in 2008, 0.145 million in 2009, 0.397 million in 2010, 0.400 million in 2011 and 0.421 million in 2012.
- Additionally, in 2009, ridership versus the February Financial Plan includes a reduction of 0.248 million due to a six month delay in implementation of fare collection at the Tompkinsville Station.

MTA Staten Island Railway
July Financial Plan 2009- 2012
Ridership/Traffic Volume (Utilization)
(in millions)

	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Total Ridership	4.129	4.422	4.657	4.934	4.975	5.004

MTA STATEN ISLAND RAILWAY
Mid-year forecast for 2008
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2008		2009		2010		2011		2012	
		<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
Administration											
Administrative Efficiencies		1	0.085	2	0.244	2	0.244	2	0.244	2	0.244
Hiring Delay/Vacancy Savings		0	0.140	0	0.315	0	0.000	0	0.000	0	0.000
Operational Reorganization		0	0.000	1	0.077	1	0.077	1	0.077	1	0.077
S.I. Medical Assessment Facility		0	0.000	0	0.030	0	0.030	0	0.030	0	0.030
Sub-Total	Administration	1	\$ 0.225	3	\$ 0.666	3	\$ 0.351	3	\$ 0.351	3	\$ 0.351
Service											
PC Based Interlocking Control		0	0.000	1	0.077	1	0.077	1	0.077	1	0.077
Sub-Total	Service	0	\$ 0.000	1	\$ 0.077	1	\$ 0.077	1	\$ 0.077	1	\$ 0.077
Total Programs		1	\$ 0.225	4	\$ 0.743	4	\$ 0.428	4	\$ 0.428	4	\$ 0.428

MTA STATEN ISLAND RAILWAY
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	SIRTA	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000016	Current Budget Year	2008	Status	Open
Program:	Administrative Efficiencies			Agency Status	Pending
Description and Implementation Pla	THE MANPOWER REQUIRED TO SUPPORT ADMINISTRATIVE OPERATIONS AT SIR ARE CONTINUALLY MONITORED TO IDENTIFY POTENTIAL EFFICIENCIES FROM RELATED FUNCTIONS AND ACTIVITIES THAT WILL LIKELY RESULT IN A REDUCTION IN ADMINISTRATIVE POSITIONS.				
Background Details	Based on a review of the SIR administrative functions in the area of Human Resources and Procurement, a total of two (2) administrative positions were identified for possible elimination through attrition. One position was attritted beginning in the 2nd Qtr. 2008 and a second is anticipated in 2009.				

				2008	2009	2010	2011	2012
Total Headcount	SIRTA	0000000016	MYF08	1	2	2	2	2
Financial Impact	SIRTA	0000000016	MYF08	\$ 0.085	\$ 0.244	\$ 0.244	\$ 0.244	\$ 0.244

MTA STATEN ISLAND RAILWAY
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	SIRTA	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Administration	Savings Date	7/1/2008
PEG / New Need ID	0000000021	Current Budget Year	2008	Status	Open
Program:	Hiring Delay/Vacancy Savings			Agency Status	Ready
Description and Implementation Pla	NORMAL EMPLOYEE TURNOVER THROUGH RESIGNATION, RETIREMENT, CREATES VACANCIES FILLED THROUGH INTERNAL PROMOTION OR RECRUITMENT. DURING THIS PROCESS SMALL INCREMENTAL SAVINGS FOR NON-OPERATING TITLES WHILE OPERATING POSITIONS MAY BE OFFST BY OVERTIM				
Background Details	Beginning July 1, 2008 SIR will implement a self-imposed hiring delay of six (6) months on all vacancies deemed not to impact on current service need. Based on turnover history it is expected that on average, eight (8) vacancies in 2008 and nine (9) vacancies in 2009 can remain unfilled for up to six months.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	SIRTA	0000000021	MYF08	\$ 0.140	\$ 0.315	\$ 0.000	\$ 0.000	\$ 0.000

MTA STATEN ISLAND RAILWAY
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	SIRTA	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000015	Current Budget Year	2008	Status	Open
Program:	Operational Reorganization			Agency Status	Pending
Description and Implementation Pla	MTA STATEN ISLAND RAILWAY IS IMPLEMENTING A REORGANIZATION OF ITS OPERATIONS DIVISION DESIGNED TO IMPROVE BOTH SUPERVISION AND OVERALL PRODUCTIVITY. THE CONSOLIDATION OF THE TRANSPORTATION AND CLEANING SERVICES DEPARTMENTS WILL RESULT IN EFFICIENCIES.				
Background Details	The consolidation of Transportation and Cleaning Services will result in savings of two positions; one Superintendent and one Train Dispatcher. At the same time, MTA Staten Island Railway is deficient in terms of field supervision. The reorganization includes a reinvestment of one Deputy Superintendent to provide improved Transportation rule compliance and field supervision of cleaning and maintenance of way activities.				

				2008	2009	2010	2011	2012
Total Headcount	SIRTA	0000000015	MYF08	0	1	1	1	1
Financial Impact	SIRTA	0000000015	MYF08	\$ 0.000	\$ 0.077	\$ 0.077	\$ 0.077	\$ 0.077

MTA STATEN ISLAND RAILWAY
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	SIRTA	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000017	Current Budget Year	2008	Status	Open
Program:	S.I. Medical Assessment Facility			Agency Status	Pending
Description and Implementation Pla	NYCT SUPPORTS SIR FOR ALL MEDICAL ASSESSMENTS INCLUDING PRE-EMPLOYMENT, RETURN TO WORK, PERIODIC, RE-CHECKS AND MANDATED RANDOM TESTING. CURRENTLY, EMPLOYEES ARE DISPATCHED TO 180 LIVINGSTON FOR THESE TESTS RESULTING IN AN AVERAGE LOSS OF FOUR (4) HOURS				
Background Details	In cooperation with the NYCT Department of Buses and Human Resources, a satellite Medical Assessment Center will be established on SIR property at the 735 Bay St. Maintenance facility to provide all business day medical assessment related services currently provided at 180 Livingston St. Productivity savings associated with this initiative is projected to be \$30K annually.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	SIRTA	0000000017	MYF08	\$ 0.000	\$ 0.030	\$ 0.030	\$ 0.030	\$ 0.030

MTA STATEN ISLAND RAILWAY
Mid-year forecast for 2008
Summary of Program to Eliminate the Gap(PEGs) Worksheet
(\$ in millions)

Business Unit	SIRTA	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Service	Savings Date	1/1/2009
PEG / New Need ID	0000000018	Current Budget Year	2008	Status	Open
Program:	PC Based Interlocking Control			Agency Status	Ready
Description and Implementation Pla	THE INTRODUCTION OF PC-BASED INTERLOCKING CONTROL OF STATEN ISLAND RAILWAY'S TWO TERMINALS AT ST. GEORGE AND TOTTEVILLE AS WELL AS HOLLY/FERN AND WOLF/POND INTERLOCKINGS WILL ALLOW FOR AUTOMATIC DISPATCHING AND ROUTING OF SCHEDULED TRAIN MOVEMENT.				
Background Details	Operating impacts are considered to be minimal as most train movement at terminals is routine and can be programmed and controlled by a PC-based system. However, as the system is currently under in-house development, achievement of this PEG is contingent upon successful completion of the project.				

				2008	2009	2010	2011	2012
Total Headcount	SIRTA	0000000018	MYF08	0	1	1	1	1
Financial Impact	SIRTA	0000000018	MYF08	\$ 0.000	\$ 0.077	\$ 0.077	\$ 0.077	\$ 0.077

MTA STATEN ISLAND RAILWAY
Mid-year forecast for 2008
Summary of Post 2009 PEGs
(\$ in millions)

		2008		2009		2010		2011		2012	
		<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>
Other											
Unspecified		0	0.000	0	0.000	0	0.420	0	0.840	0	1.260
Sub-Total	Other	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.420</u>	<u>0</u>	<u>\$ 0.840</u>	<u>0</u>	<u>\$ 1.260</u>
Total Programs		<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.420</u>	<u>0</u>	<u>\$ 0.840</u>	<u>0</u>	<u>\$ 1.260</u>

MTA STATEN ISLAND RAILWAY
Mid-year forecast for 2008
Summary of Post PEGs Worksheet
(\$ in millions)

Business Unit	SIRTA	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000022	Current Budget Year	2008	Status	Open
Program:	Unspecified			Agency Status	Pending
Description and Implementation Pla	Unspecified				
Background Details	Unspecified				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	SIRTA	0000000022	MYF08	\$ 0.000	\$ 0.000	\$ 0.420	\$ 0.840	\$ 1.260

**MTA Staten Island Railway
2009 Preliminary Budget
July Financial Plan 2009-2012
Summary of Plan to Plan Changes-Baseline Narrative**

Positions

- Full-time baseline positions have increased by two (2) from the February Financial Plan for each year as part of an increase in service investments to support an increase in ridership.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2009- 2012
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
Executive	9	11	11	11	11	11
General Office	11	11	11	11	11	11
Purchasing/Stores	7	7	7	7	7	7
Total Administration	27	29	29	29	29	29
Operations						
Transportation	91	94	94	94	94	94
Maintenance						
Mechanical	34	36	36	36	36	36
Car and Station Cleaning	18	19	18	18	18	18
Power/Signals	25	28	28	28	28	28
Maintenance of Way	49	49	49	49	49	49
Bridge and Buildings	22	21	21	21	21	21
Material Handling	2	2	2	2	2	2
Total Maintenance	150	155	154	154	154	154
Engineering/Capital						
None	-	-	-	-	-	-
Public Safety						
Police	-	-	-	-	-	-
Baseline Total Positions	268	278	277	277	277	277
Non-Reimbursable	265	275	274	274	274	274
Reimbursable	3	3	3	3	3	3
Total Full-Time	268	278	277	277	277	277
Total Full-Time Equivalents	-	-	-	-	-	-
Impact of:						
2009 Program to Eliminate the Gap	-	1	4	4	4	4
Post 2009 Program to Eliminate the Gap	-	-	-	-	-	-
Total Positions	268	277	273	273	273	273
Non-Reimbursable	-	274	270	270	270	270
Reimbursable	-	3	3	3	3	3
Total Full-Time	268	277	273	273	273	273
Total Full-Time Equivalents	-	-	-	-	-	-
Business Service Center	0	0	0	0	(2)	(2)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2009- 2012
Total Full-Time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
Managers/Supervisors	12	14	14	14	14	14
Professional, Technical, Clerical	15	15	15	15	15	15
Operational Hourlies	-	-	-	-	-	-
Total Administration	27	29	29	29	29	29
Operations						
Managers/Supervisors	7	7	7	7	7	7
Professional, Technical, Clerical	4	4	4	4	4	4
Operational Hourlies	80	83	83	83	83	83
Total Operations	91	94	94	94	94	94
Maintenance						
Managers/Supervisors	8	11	11	11	11	11
Professional, Technical, Clerical	3	3	3	3	3	3
Operational Hourlies	139	141	140	140	140	140
Total Maintenance	150	155	154	154	154	154
Engineering/Capital						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Engineering/Capital	-	-	-	-	-	-
Public Safety						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Public Safety	-	-	-	-	-	-
Total Baseline Positions						
Managers/Supervisors	27	32	32	32	32	32
Professional, Technical, Clerical	22	22	22	22	22	22
Operational Hourlies	219	224	223	223	223	223
Total Baseline Positions	268	278	277	277	277	277

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