

Staff Summary

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Subject MTA Consolidated 2010 Operating Budget
Department Chief Financial Officer
Department Head Name Gary J. Dellaverson
Department Head Signature
Project Manager/Division Head Douglas F. Johnson/ Gary M. Lanigan

Date December 13, 2009
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	12/14	X		
2	Board	12/16	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Chief Financial Officer
		2	Legal
			Administration
	Procurement		Other

Purpose:

(1) To secure MTA Board adoption of MTA's Consolidated and Agencies' 2009 Final Estimate, the 2010 Final Proposed Budget, and the Four-Year Financial Plan for 2010-2013 (December Plan). This includes the approval of Policy Actions, Gap Closing Programs, and Cash Management Actions.

(2) To obtain Board authorization for staff, under the direction of the Chairman, to proceed with steps necessary for MTA to notice and conduct public hearings to elicit public comment, prior to any final Board action with respect to major service reductions and phase-out of school fare discounts, and for staff, as directed by the Chairman, to take other needed administrative actions consistent with the 2010 Final Proposed Budget following its adoption.

Discussion:

This document summarizes the Financial Plan presented to the Board in November ("November Plan") and describes recent developments that have adversely impacted the November Plan and which require the Board's consideration of additional budgetary measures to be incorporated into the 2010 Final Proposed Budget and Four Year Financial Plan.

The November Financial Plan

The Chief Financial Officer submitted a final proposed budget for 2010 to the Board in November which, while similar in many respect to the July Plan, identified new developments and risks, many of which were the result of the continuing economic downturn.

The July Plan assumed a significant reduction in passenger and toll revenue as a result of reduced economic activity, especially employment, in the region. These job losses have taken a toll on MTA utilization levels; however, the situation is slightly less dire than forecasted in July. MTA consolidated ridership in 2009 is expected to better the Mid-Year Forecast by 0.5%, and B&T traffic forecasts have been increased by 1.2% over the Mid-Year Forecast. The net impact on fare and toll revenue, as captured in the November Plan, was a combined favorable \$36 million in 2009, \$32 million in 2010, \$46 million in 2011, \$69 million in 2012 and \$80 million in 2013.

Offsetting those favorable results was a reduction in real estate tax revenues. The regional and global recessions, coupled with the freeze of the financial credit markets, have continued to adversely impact real estate tax revenues, which have dropped further and quicker than forecasts anticipated. Receipts for the real estate transaction taxes have fallen short of the Mid-Year Forecast, which already anticipated a continuing weak real estate market. The Mid-Year Forecast projected 2009 real estate receipts to be 52% lower than 2008 receipts, falling to its lowest level since 2000. Since June, however, real estate tax receipts have been \$21 million less than anticipated, a 13% short-fall from July through October, primarily in Urban Tax receipts. The November Plan recognized the continued falloff in Urban Tax revenue, and reduced projections of real estate tax receipts for 2009 by an additional \$56 million, with a further reduction of \$188 million in total from 2010 to 2013 as compared with the July Financial Plan.

The November Plan also recognized certain risks including the potential for lower revenues from ridership if assumptions on an economic recovery are not realized and the possibility of reductions in appropriated funds to the MTA in 2009 (at the time of the November Plan such reductions had been proposed by the Governor to address the State's deficit but it was not then known what gap closing measures would in fact be adopted by the State Legislature). Moreover, the Plan identified financial risks associated with the levels of receipts of new legislated taxes, since we did not have any history that would allow us to predict with certainty the level or timing of these new revenues.

The litigation over the TWU Impasse Award also added additional uncertainty regarding labor costs. An arbitration award covering the TWU was issued in August 2009, which would result in significantly higher costs than those anticipated in the July Financial Plan. The July Plan assumed a 2009 wage increase of 1.47%, followed by CPI-U increases of 1.87% in 2010 and 2.23% in 2011. The arbitration panel award was significantly higher, resulting in wage increases that approximate 4% in 2009, 4% in 2010, and 3% in 2011. The arbitration award also granted a reduction in the amount of the employee health benefit contribution, raising the total value of the award to approximately 11.5% over three years. While the timing of the increases would result in minimal budget impact in 2009, preliminary estimates indicate that this award would cost the MTA approximately \$90 million in 2010, \$200 million in 2011 and \$250 million in 2012 and beyond above the amounts already included in the July Financial Plan. The MTA moved in September to vacate the decision as legally flawed and the wage assumptions remained unchanged in the November Plan from the July Plan.

These risks to revenues and labor costs caused the MTA to make recommendations regarding the establishment of additional reserves. While the November Plan included the traditional \$75 million General Reserve in 2010 and beyond, it also retained the \$38 million reserve for 2009 and added an additional 2009 reserve of \$85 million. The November Plan projected a net cash surplus of \$28 million in 2009 and \$5 million in 2010, while projecting cash deficits of \$34 million, \$319 million and \$58 million for 2011, 2012 and 2013, respectively.

New Developments

Subsequent to presenting the November Financial Plan, the MTA has experienced several significant unfavorable developments. First, as part of the State's deficit reduction plan, the State Legislature reduced its prior appropriation to the MTA for 2009 by \$143 million. This is the first time that an existing appropriation to MTA has been reduced under circumstances in which the money was derived from a 'dedicated' MTA tax and had already been collected by the State. Because of the way funds flow from the State to the MTA, this entire reduction will occur in December of 2009. We further understand that the State is now projecting reduced MMTOA collections of \$49 million in 2010 and \$74 million in future years.

Second, receipts from the recently enacted mobility tax now are significantly under-running projections. The State is projecting an estimated reduction of \$229 million for calendar year 2009. This is surprising both because of the magnitude of the under-run (over 20%) and the late date of its discovery. State DOB advises that it believes that a significant portion of the shortfall (\$179 million) is the result of timing and is expected to be made up in 2010. However, State DOB also projected lower PMT receipts of \$50 million a year starting in 2010.

Over the 2009-2010 period, these combined losses are approximately \$300 million, with most coming in 2009.

Third, on December 11, 2009, an unfavorable ruling was issued in the legal proceeding in which MTA challenged the August arbitration award. The Court denied the petition to vacate the August award and granted the TWU Local 100 petition for award confirmation. MTA is considering whether to take an appeal from this judgment. As noted above, if this award is implemented, it would cost the MTA significant sums beyond the amounts that were included in the July Financial Plan, although the November Plan contained a one-time contingency of \$85 million to partially offset this and other financial risks.

Partially mitigating these losses in the short term are lower estimated debt service costs (\$56 million) and the favorable timing of Agency expenses. Cash expenditures are projected to be lower than Plan by \$106 million. However, much of that is timing, including the delay of TWU award. The net impact of 2009 Agency results is expected to be \$35 million when compared with the November Plan.

Through cash management actions, including delaying pension payments and the above-mentioned timing variances, the MTA will satisfy its 2009 cash obligations but will roll this problem into 2010. The December Plan identifies significant additional cost-cutting measures beginning in 2010 to solve the larger long-term problem. As a result of these actions and MTA re-estimates, the December Plan assumes that 2009 will end with a \$31 million cash balance. The 2010 Proposed Budget includes service reductions and other reductions to balance the Budget and end the year with a \$2 million cash

balance. The out-years of the Plan project a cash balance of \$1 million in 2011, a deficit of \$188 million in 2012, and a cash balance of \$65 million in 2013.

Policy Actions

This Financial Plan includes a number of Policy Actions, for which approval is requested in this staff summary:

Special Labor Reserve – the MTA is proposing the establishment of reserves in 2010 to mitigate significant financial risks from labor costs. Given the court ruling noted above that issued on December 11, 2009, it is appropriate for the 2010 budget and the Four Year Plan to reserve funds against the wage amounts set forth in the Award (see description of TWU Impasse Award above). The reserve will be used to supplement funding already provided in the agency budgets and be distributed as settlements are reached. The reserve will be established at \$91 million in 2010, \$173 million in 2011, \$190 million in 2012 and \$196 million in 2013. Please note that the \$85 million Economic Volatility Reserve and the remaining \$28 million 2009 general reserve have been removed from this plan. The remaining reserve in the November Plan was \$38 million; however, real estate taxes are now projected to decrease \$10 million by year end.

Pay-As-You-Go Capital - The Final Proposed Budget continues to assume that a portion of the new tax revenues will be contributed to the capital program in the form of “pay-as-you-go capital”. These payments are planned at \$50 million in 2010. In 2011 and beyond these payments will ramp up in \$50 million increments until the annual contribution achieves \$450 million in 2018. This level of contribution will be necessary to support the first two years of necessary local funding of the next capital program, including support for “mega” projects like East Side Access and the Second Avenue Subway.

B&T Holdback - The Plan proposes that a portion of the 7.5% toll increases for 2011 and 2013 (equivalent to 2.5% in each year) will be used to fund new B&T capital projects through pay-as-you-go funding and additional debt service.]

Gap Closing/Cash Management Actions

This Financial Plan includes a number of Gap Closing/Cash Management Actions, for which approval is requested in this staff summary:

Gap Closing/Cash Management Measures included in the November Plan

2010 Agency Program to Eliminate the Gap - The 2010 Program to Eliminate the Gap (PEG) consists of savings of \$23 million and 118 positions in 2009, \$72 million and 375 positions in 2010, \$71 million and 356 positions in 2011, \$72 million and 347 positions in 2012, and \$75 million and 390 positions in 2013.

Post-2010 Agency Program to Eliminate the Gap – Agencies will identify PEGs beginning in 2011 during next year's budget cycle. The value of these “unspecified” PEGs is \$90 million in 2011, \$188 million in 2012, and \$280 million in 2013.

Non-Represented Wage Freeze in 2009 – Non-represented employees did not receive a cost of living raise in 2009.

Federal Legislative Actions - The MTA is proposing changes in federal legislation that would eliminate certain federal mandates for commuter rail employees without impacting employee benefits. This Plan delays the assumed initiation of these changes until the third quarter of 2010.

2011 Increased Fare and Toll Yields – The Plan proposes a 7.5% increase in MTA consolidated farebox and toll revenue yields beginning January 1, 2011. Consolidated fare and toll revenues, excluding MTA Bus revenues, are expected to increase by \$408 million in 2011, \$425 million in 2012 and \$ 429 million in 2013. MTA Bus revenue is expected to increase by \$12 million in 2011 and by \$13 million in 2012 and 2013. These additional MTA Bus revenues will be used to hold down the NYC subsidy used to cover the costs associated with MTA Bus operations.

The July Financial Plan also assumed a 7.5% increase in MTA consolidated farebox and toll revenue yields starting on January 1, 2011 as a post-2010 gap closing action. The projections from this action are slightly improved from the estimates prepared for the July Plan due to higher baseline farebox and toll revenue forecasts.

2013 Increased Fare and Toll Yields – A 7.5% consolidated farebox and toll revenue yield increase is also proposed for implementation on January 1, 2013, and is estimated to yield an additional \$449 million in 2013, excluding yield increases for MTA Bus. The 7.5% farebox yield increase at MTA Bus is expected to generate additional revenue of \$14 million in 2013, and will be used to hold down the NYC subsidy to MTA Bus.

Forward Energy Contracts – The Plan continues to assume that an energy hedging strategy or similar mechanism will be used to lock in fuel prices for 2010. The Plan assumes that the MTA will set-aside \$73 million in 2009 to be used to lock in pricing for approximately one-third of its fuel budget for 2010. It also assumes that in 2010, the MTA will set-aside \$82 million to lock in one-third of its expected 2011 fuel requirement.

Additional Gap Closing/Cash Management Measures

It is recommended that the Board adopt additional actions described below and included in this Financial Plan:

Additional Actions for Budget Balance – When the New York State Legislature approved the regional mobility taxes in May of 2009, the MTA was able to lower the budgeted fare/toll increase and eliminate those Additional Actions for Budget Balance (AABBs) that directly impacted scheduled service to the public. Recent negative financial developments, however, have altered the MTA's financial picture, and the MTA must now make some choices that it was able to avoid in 2009. Attachment D captures these Additional Actions for Budget Balance (AABB), including most of the items that were restored last May. Major service changes included in Attachment D will be noticed for public hearing. Many of the AABB items are adjustments to scheduled service to better match demand. These reductions have been re-evaluated since May and cost savings have been modified and are now valued at \$62 million in 2010 and \$129 million each year thereafter. In addition to these AABB service items, the AABB Gap Closing actions include the elimination of the Rockaway/Broad Channel residents' rebate program.

Administrative Savings – The MTA will take additional administrative savings beyond those taken in PEGs, AABB or BSC savings projections. Efforts are underway at the direction of the Chairman to uncover permanent savings in various administrative areas including purchases, professional services and labor. These savings programs are expected to yield \$49 million in 2010 and \$65 million each year thereafter. If necessary, furloughs and an increase in the length of the pay-lag for non-represented employees may be used to augment savings, so that these savings targets will be achieved.

Student Fare – Prior to 1994, New York City and New York State paid the entire costs of the program to fund free or half-price student fares. In 1995, an agreement was made between NYC, NYS and the MTA to divide these costs equally. Over time, MTA costs increased but reimbursements from NYS and NYC did not. In November of 2009, NYS dramatically reduced its school fare reimbursement from \$25 million to only \$6 million. The MTA can no longer afford to subsidize this free service and, therefore, is proposing a roll back of the discount for school transportation. This proposal assumes that one half of the current discount will be eliminated in September of 2010 and the remaining half discount will be discontinued in September of 2011. This is expected to save \$31 million in 2010 and \$62 million in 2011, with savings annualizing to \$170 million in 2012 and beyond.

Paratransit Savings – Paratransit costs at the MTA are rising at an extraordinary rate and the level of contribution from our funding partners has not come close to keeping up. The MTA is looking at ways that it can save costs without jeopardizing our ability to deliver these necessary services consistent with legal requirements. It is anticipated that savings of \$40 million can be achieved in 2010 with annual savings of \$80 million each year thereafter. Sources of savings that are anticipated include: improvements in scheduling efficiency, an increase in the use of vouchers and taxis, better coordination of feeder service with accessible fixed route service, improved eligibility screening, and the elimination of the most expensive carriers.

Delay 2009 Pension Payment – To assist short-term cash flow, the MTA will delay the scheduled payment of \$100 million in pension payments from 2009 to 2010.

Recommendation:

It is recommended that the Board:

- Adopt the 2010 Budget and Financial Plan as summarized in the attached MTA Consolidated Statement of Operations and described above. This includes approving the 2009 Final Estimate, the general reserve, the

additional reserves, as well as all Policy, Gap Closing and Cash Management actions that include Additional Actions for Budget Balance, the phase-out of student fare discounts and the adjustment of some paratransit service.

- Authorize staff, under the direction of the Chair/CEO, to proceed with steps necessary to notice and conduct public hearings to elicit public comment, prior to any final Board action with respect to proposed major service reductions and the phase-out of student fare discounts, and for staff, as directed by the Chair/ CEO, to take other needed administrative actions consistent with the 2010 Final Proposed Budget following its adoption.
- Adopt Agency 2010 Budgets, including approving the 2009 Final Estimate, and any applicable gap closing actions included in the consolidated Budget. Separate actions on the phase-out of the school fare discount and major service reductions included in the AABs will also be brought to the Board in 2010 subsequent to the conclusion of the public hearing process.
- Authorize technical adjustments to Agency Budgets and forecasts of a non-material nature in the February Financial Plan.
- Authorize adjustment of Agency 2010 Budgets and forecasts to reflect labor settlements approved from time to time by the Board.
- Authorize staff, under the direction of the Chair/CEO, to take actions consistent with the energy hedging strategy set forth in the 2010 Final Proposed Budget.
- Approve additional budget and cash management actions, as has been done in past budget adoptions, below:

General Reserve

The Board should authorize the Chairman to allocate these reserves in order to cover contingencies as may become necessary in order to ensure the continued operations of MTA Headquarters and the operating agencies. Such expenditures shall be funded from the MTA Corporate Account (MRT-2), and/or Regional Mobility Taxes, and/or other new taxes legislated in 2009.

Advance of Bridges and Tunnels Operating Surplus

As has been done on previous occasions, the Board should authorize Bridges and Tunnels to advance to MTA and NYC Transit, to the extent funds are available, all or a part of the estimated operating surplus for the year 2010, when and as directed by the Chairman or his designee.

Inter-Agency Loans

The Board is requested to authorize the Chairman or his designee, acting under Section 1266 (6-a) of the Public Authorities Law, to enter into inter-agency loan agreements among the Metropolitan Transportation Authority and its affiliates and subsidiaries. This authorization would allow the temporary movement of funds among agencies to meet cash flow requirements for operating or capital purposes resulting from a mismatch between the receipt of subsidies and other monies and cash flow needs. The statute requires that any such inter-agency loans be repaid no later than the end of the next succeeding calendar year.

Advance of MTA (Mortgage Recording Tax #2) Corporate Account Monies

Unlike many other forms of intergovernmental aid, these subsidy moneys, by statute, can be allocated at the Board's discretion. It is recommended that the Board authorize that these funds be used to support the MTA Police, the All-Agency Security Pool (see above), other MTA Headquarters operations, the funding of MTA reserves, MTA Bus capital projects as described below, and to temporarily help stabilize cash-flow requirements. As in the past, except as described below in the case of MTA Bus capital projects, the advance of such funds to the MTA and its affiliates and subsidiaries to stabilize cash-flow requirements may be made, provided that such advances are repaid prior to the end of the fiscal year in which made.

Use of All-Agency Security Pool

The 2009 MTA Headquarters (MTAHQ) Operating Budget authorizes the use of up to \$10 million and the 2010 MTAHQ Budget authorizes the use of up to \$10 million for certain MTA-wide security-related projects. This funding level is assumed in every year of the Plan. Actual payments for these projects may occur in the fiscal year subsequent to the

year of authorization. In order to implement this program, and to provide for these cross-fiscal-year expenses, the Board hereby authorizes the deposit in the Mortgage Recording Tax #2 (MRT-2) Corporate Purposes Account of such amounts from MRT-2 receipts (moneys that by statute are allocable at the Board's discretion); and the payment, subject to the approval of the Chairman or his designee, from such MRT-2 Corporate Account, of reimbursements of Agency expenses (including MTAHQ expenses) for the security-related projects contemplated in this Financial Plan for such purposes.

MRT-2 Corporate Payments to MTA Bus Company

The MTA has agreed to pay the capital costs of the MTABC 2005-2009 capital program to the extent not otherwise paid from Federal grants assigned by the City to the MTA, together with the City's matching funds relating thereto, and other funding sources specifically dedicated to MTABC capital projects. This will require the MTA to (1) reimburse those funds expended prior to November 2006 on MTABC capital projects from other available sources, and (2) pay debt service for bonds and commercial paper expended after November 2006 on MTABC capital projects. The MTA is required to make such reimbursement and debt service payments until such amounts are paid in full. The amounts budgeted for such purposes to be transferred during the 2009 through 2010 period from MRT-2 to the MTA Bus Company are \$23 million for 2009 and \$25 million for 2010. The amounts budgeted for such purposes to be transferred from MRT-2 to the MTA Bus Company during the MTA Financial Plan period are \$23 million for 2009 and \$25 million for each year beginning in 2010 through 2013. These funds are to be administered by the MTA Treasurer and used only for the purpose of funding the 2005-2009 capital program debt service requirements and repayment of the non-MTABC capital funds expended for the MTABC.

In addition to the foregoing, for the MTA Plan period, the NYCT will reimburse the MTABC approximately \$11.5 million per year for debt service, which reflects the fact that the Federal grants and matching City moneys originally intended for use by the City franchise buses taken over by MTABC could not be used by MTABC, so they were assigned to NYCTA for use in its capital projects. MTA bond proceeds (which otherwise would have been used to finance the NYCTA projects) were used to finance certain MTABC projects, with the Federal grants and City matching moneys transferred from New York City to the NYCT. Consequently, to hold MTABC and NYCT harmless for this transfer, NYCT will pay the debt service on an equal amount of bonds and commercial paper. The MTA Treasurer is hereby authorized and directed to use NYCTA funds to pay debt service on bonds and commercial paper issued for the MTABC projects. Both the MRT-2 funds and the NYCT reimbursement funds, plus any earnings on the funds, will be held by the MTA Treasurer in an account called MTABC Stabilization Fund and used only for paying for the MTABC 2005-2009 capital program costs.

Advance of Regional Mobility Taxes and Other New Taxes

On May 7, 2009, legislation was enacted in New York State (the May Legislation) providing additional sources of revenues in the form of taxes, fees and surcharges within the MTA Commuter Transportation District to address the financial needs of the MTA. The new law (Chapter 25 of the Laws of 2009) imposed a payroll mobility tax of 0.34 percent on payroll expenses and net earnings from self-employment (effective as of March 1, 2009, except school districts, effective September 1, 2009). In addition, it imposed fees on learner's permits and driver's licenses, registration and renewals of registrants of motor vehicles, taxicab rides originating in New York City, and automobile rentals.

The revenues from the Regional Mobility Tax (the Regional Mobility Tax Revenues) can be: (i) pledged by MTA to secure and be applied to the payment of bonds to be issued in the future, to fund capital projects of MTA, its subsidiaries, and MTA New York City Transit and its subsidiary and (ii) used by MTA to pay capital costs, including debt service of MTA, its subsidiaries and MTA New York City Transit and its subsidiary. Subject to the provisions of any such pledge, or in the event there is no such pledge, the Regional Mobility Tax Revenues can be used by MTA to pay for costs, including operating costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary. It is recommended that the Board authorize the Chairman or his designee to release these funds as needed in any of the areas described above.

Use of Stabilization Reserve: Provision for Prompt Payment of Contractual Obligations

In 1996, the Board approved the establishment of a Stabilization Reserve, to be held by the MTA Treasurer (the "Treasurer"), to stabilize MTA Agencies' cash flow requirements. The fund consists of two accounts, the MTA New York City Transit Account (the "Transit Account") and the MTA Commuter Railroad Account (the "Commuter Railroad Account"). The Board should authorize the use of any balances in such accounts, plus any amounts authorized below to be transferred to such accounts, to meet the cash flow requirements of MTA New York City Transit and the MTA Commuter Railroads. MTA New York City Transit is hereby authorized to pay to the Treasurer for deposit in the Transit Account such amounts as it deems necessary to accomplish the purpose thereof, consistent with this Financial Plan; and the Treasurer, subject to the approval of the Chairman or his designee, is hereby authorized to pay into the Commuter Railroad Account, such amounts as are deemed necessary to accomplish the purpose thereof, consistent with this Financial Plan. The Treasurer, upon request of MTA New York City Transit, shall pay to NYCT such amounts as are

necessary to meet cash flow requirements of NYCT and as authorized by the Chairman or his designee, shall transfer from the Commuter Railroad Account such amounts as are necessary to meet the cash flow requirements of MTA Commuter Railroads. The Treasurer shall also use such funds as from time to time may be necessary or convenient to timely make debt service payments on MTA bonds.

Government Accounting Standards Board (GASB) Contributions

In June 2008, the MTA approved the establishment of the "MTA Retiree Welfare Benefits Trust" to govern the administration and investment of the OPEB trust assets. Pending transfer to the "Trust" the Treasurer will continue to hold the 2006 through 2009 funds set aside in discrete sub-accounts that comprise the GASB Account. Moreover, agencies will make contributions of \$62 million as set forth in the 2010 Budget to the GASB Account in 2010 (with additional contributions in the outer years of the Plan). The Treasurer is authorized to use the GASB accounts to fund intra-agency loans as well as inter-agency loans. If an agency uses its own "GASB" funds to meet 2010 cash flow needs, the amounts withdrawn in 2010 must be paid back by December 31, 2012. If the GASB funds are used as inter-agency loans in 2010, they would be subject to repayment no later than December 31, 2011, consistent with the Inter-Agency Loan provision described above.

METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2010 - 2013
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line No.						
7	Non-Reimbursable					
8		2008	2009	2010		
9		Actual	Final Estimate	Final Proposed Budget	2011	2012
10	Operating Revenue				2011	2012
11	Farebox Revenue	\$4,241	\$4,357	\$4,529	\$4,621	\$4,707
12	Toll Revenue	1,274	1,331	1,402	1,411	1,419
13	Other Revenue	449	464	513	543	568
14	Total Operating Revenue	\$5,964	\$6,152	\$6,443	\$6,575	\$6,694
15						
16	Operating Expense					
17	Labor Expenses:					
18	Payroll	\$4,087	\$4,177	\$4,269	\$4,366	\$4,456
19	Overtime	472	483	474	483	494
20	Health & Welfare	685	711	774	836	905
21	OPEB Current Payment	319	340	373	407	444
22	Pensions	897	1,004	1,039	1,103	1,181
23	Other-Fringe Benefits	503	460	462	478	490
24	Reimbursable Overhead	(311)	(330)	(347)	(327)	(330)
25	Sub-total Labor Expenses	\$6,652	\$6,846	\$7,044	\$7,346	\$7,640
26						
27	Non-Labor Expenses:					
28	Traction and Propulsion Power	307	334	382	430	480
29	Fuel for Buses and Trains	287	185	217	242	256
30	Insurance	29	43	42	44	48
31	Claims	152	176	186	194	202
32	Paratransit Service Contracts	299	375	423	474	547
33	Maintenance and Other Operating Contracts	594	617	668	693	722
34	Professional Service Contracts	197	216	225	222	228
35	Materials & Supplies	533	558	617	605	634
36	Other Business Expenses	155	200	215	219	225
37	Sub-total Non-Labor Expenses	\$2,553	\$2,705	\$2,977	\$3,124	\$3,342
38						
39	Other Expense Adjustments:					
40	Other	(\$14)	(\$19)	(\$27)	(\$26)	(\$28)
41	General Reserve	0	38	75	75	75
42	Sub-total Other Expense Adjustments	(\$14)	\$18	\$48	\$49	\$45
43						
44	Total Operating Expense before Non-Cash Liability Adjs.	\$9,191	\$9,569	\$10,069	\$10,519	\$11,029
45						
46	Depreciation	\$1,791	\$1,964	\$2,034	\$2,120	\$2,196
47	OPEB Obligation	1,349	1,414	1,470	1,529	1,591
48	Environmental Remediation	42	10	10	10	11
49						
50	Total Operating Expense	\$12,373	\$12,957	\$13,582	\$14,178	\$14,827
51						
52	Net Operating Deficit Before Subsidies and Debt Service	(\$6,410)	(\$6,805)	(\$7,139)	(\$7,603)	(\$8,745)
53						
54	Dedicated Taxes and State/Local Subsidies	\$4,078	\$4,563	\$5,349	\$5,548	\$5,845
55	Debt Service (excludes Service Contract Bonds)	(1,516)	(1,469)	(1,914)	(2,078)	(2,230)
56						
57	Net Deficit After Subsidies and Debt Service	(\$3,848)	(\$3,712)	(\$3,703)	(\$4,132)	(\$5,022)
58						
59	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$3,182	\$3,388	\$3,513	\$3,659	\$3,798
60	Conversion to Cash Basis: GASB Account	(56)	(60)	(62)	(65)	(71)
61	Conversion to Cash Basis: All Other	490	211	132	(143)	(165)
62						
63	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$232)	(\$173)	(\$120)	(\$681)	(\$953)
64	POLICY ACTIONS	0	(85)	(50)	(154)	(256)
65	GAP CLOSING PROGRAMS	0	96	156	712	828
66	CASH MANAGEMENT ACTION	0	(73)	(9)	84	0
67	PRIOR-YEAR CARRY-OVER	495	263	28	5	0
68	NET CASH BALANCE	\$263	\$28	\$5	(\$34)	(\$58)

METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2010 - 2013
Re-estimates, Gap Closing, Cash Management and Policy Actions
(\$ in millions)

Line No.		2009 Final Estimate	2010 Final Proposed Budget	2011	2012	2013
11	November Cash Balance Before Prior-Year Carry-Over	(\$173)	(\$120)	(\$681)	(\$953)	(\$1,180)
13	<u>POLICY ACTIONS:</u>					
14	Economic Volatility/State Actions/Labor Reserve	(85)	0	0	0	0
15	B&T Holdback	0	0	(54)	(44)	(56)
16	Pay-As-You-Go Capital	0	(50)	(100)	(150)	(200)
17	<i>Sub-Total</i>	<i>(85)</i>	<i>(50)</i>	<i>(154)</i>	<i>(194)</i>	<i>(256)</i>
18	<u>GAP CLOSING PROGRAMS:</u>					
19	Internal Actions:					
20	2010 Agency Program to Eliminate the Gap	23	72	71	72	75
21	Post-2010 Agency Program to Eliminate the Gap	0	0	90	188	279
22	New Contracts Labor Contribution	60	65	77	77	79
23	Non-Represented Wage Freeze in 2009	13	3	3	3	3
24	<i>Sub-Total</i>	<i>96</i>	<i>141</i>	<i>242</i>	<i>340</i>	<i>435</i>
25	External Actions:					
26	Federal Legislative Actions	0	15	62	63	66
27						
28	Fare/Toll:					
29	Fare/Toll Yields on 1/1/11: 7.5%	0	0	408	425	429
30	Fare/Toll Yields on 1/1/13: 7.5%	0	0	0	0	449
31	<i>Sub-Total</i>	<i>0</i>	<i>0</i>	<i>408</i>	<i>425</i>	<i>878</i>
32	<u>CASH MANAGEMENT ACTION:</u>					
33	Forward Energy Contracts	(73)	(9)	84	0	0
34						
35	TOTAL ADJUSTMENTS	(62)	97	642	635	1,122
36						
37	<i>Prior-Year Carry-Over</i>	<i>263</i>	<i>28</i>	<i>5</i>	<i>0</i>	<i>0</i>
38						
39	Net Cash Surplus/(Deficit)	\$28	\$5	(\$34)	(\$319)	(\$58)
40						
41	Changes to November Plan:					
42						
43	<u>State Tax Subsidies:</u>					
44	Deficit Reduction Program (DRP)	(143)	-	-	-	-
45	Re-estimate of New State Taxes	(229)	129	(50)	(50)	(50)
46	Re-estimate of MMTA Receipts	-	(49)	(74)	(74)	(74)
47	<i>Sub-Total</i>	<i>(372)</i>	<i>80</i>	<i>(124)</i>	<i>(124)</i>	<i>(124)</i>
48						
49	<u>MTA Re-estimates:</u>					
50	Agencies Baseline	106	(71)	-	-	-
51	Debt Service	56	-	-	-	-
52	Remaining 2009 General Reserve	28	-	-	-	-
53	<i>Sub-Total</i>	<i>190</i>	<i>(71)</i>	<i>-</i>	<i>-</i>	<i>-</i>
54						
55	<u>POLICY ACTIONS:</u>					
56	Labor Reserve	-	(91)	(173)	(190)	(196)
57	Eliminate Economic Volatility/State Actions/Labor Reserve	85	-	-	-	-
58	Reinstate AAB's (exclude fare actions; include Rockaways)	-	62	129	129	129
59	Furlough (April 1, 2010)	-	49	-	-	-
60	Administrative Savings	-	-	65	65	65
61	Student Fare (restore 1/2 fare in 9/10; full fare in 9/11)	-	31	62	170	170
62	Paratransit Savings	-	40	80	80	80
63	<i>Sub-Total</i>	<i>85</i>	<i>91</i>	<i>163</i>	<i>253</i>	<i>247</i>
64						
65	<u>CASH MANAGEMENT ACTION:</u>					
66	Delay 2009 Pension Payment	100	(106)	-	-	-
67						
68	TOTAL ADJUSTMENTS	3	(6)	39	129	123
69						
70	<i>Prior-year Carryover</i>	<i>0</i>	<i>3</i>	<i>(4)</i>	<i>1</i>	<i>0</i>
71						
72	December Cash Surplus/(Deficit)	\$31	\$2	\$1	(\$188)	\$65

METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2010-2013
Consolidated Positions Including Impact of Gap Closing Program

ATTACHMENT B

Category	2008 Actual	2009 November Forecast	2010 Final Proposed Budget	2011	2012	2013
Baseline Non-Reimbursable	63,329	62,934	63,008	62,603	62,427	62,754
NYC Transit	44,166	43,129	42,893	42,762	42,512	42,628
Long Island Rail Road	6,050	6,226	6,297	5,858	5,874	6,011
Metro-North Railroad	5,306	5,396	5,611	5,624	5,692	5,774
Bridges & Tunnels	1,723	1,774	1,769	1,768	1,743	1,743
Headquarters	1,394	1,517	1,517	1,729	1,742	1,726
Long Island Bus	1,104	1,135	1,134	1,119	1,119	1,119
Staten Island Railway	264	274	274	271	271	271
Capital Construction Company	-	-	-	-	-	-
Bus Company	3,322	3,483	3,513	3,472	3,474	3,482
Gap Closing Program						
2010 Agency Program to Eliminate the Gap	-	(95)	(357)	(338)	(329)	(372)
NYC Transit ¹	-	(78)	(291)	(283)	(274)	(317)
Long Island Rail Road	-	-	(4)	(4)	(4)	(4)
Metro-North Railroad	-	(12)	(56)	(44)	(44)	(44)
Bridges & Tunnels	-	(3)	(3)	(3)	(3)	(3)
Headquarters	-	-	-	-	-	-
Long Island Bus	-	-	-	-	-	-
Staten Island Railway	-	(2)	(3)	(4)	(4)	(4)
Capital Construction Company	-	-	-	-	-	-
Bus Company	-	-	-	-	-	-
Post-2010 Agency Program to Eliminate the Gap	-	-	-	-	-	-
Total Non-Reimbursable	63,329	62,839	62,651	62,265	62,098	62,382
NYC Transit	44,166	43,051	42,602	42,479	42,238	42,311
Long Island Rail Road	6,050	6,226	6,293	5,854	5,870	6,007
Metro-North Railroad	5,306	5,384	5,555	5,580	5,648	5,730
Bridges & Tunnels	1,723	1,771	1,766	1,765	1,740	1,740
Headquarters	1,394	1,517	1,517	1,729	1,742	1,726
Long Island Bus	1,104	1,135	1,134	1,119	1,119	1,119
Staten Island Railway	264	272	271	267	267	267
Capital Construction Company	-	-	-	-	-	-
Bus Company	3,322	3,483	3,513	3,472	3,474	3,482
Reimbursable	6,427	7,107	6,754	6,838	6,753	6,691
NYC Transit	4,843	5,537	5,299	5,018	4,937	4,875
Long Island Rail Road	756	675	532	898	893	893
Metro-North Railroad	611	601	612	612	612	612
Bridges & Tunnels	52	45	53	53	53	53
Headquarters	20	48	51	53	54	54
Long Island Bus	13	15	15	15	15	15
Staten Island Railway	3	3	3	3	3	3
Capital Construction Company	129	150	150	147	147	147
Bus Company	-	33	39	39	39	39
Total Full-Time	69,405	69,665	69,148	68,847	68,594	68,816
NYC Transit	48,760	48,415	47,752	47,348	47,026	47,037
Long Island Rail Road	6,806	6,901	6,825	6,753	6,763	6,900
Metro-North Railroad	5,912	5,982	6,164	6,189	6,257	6,339
Bridges & Tunnels	1,775	1,816	1,819	1,818	1,793	1,793
Headquarters	1,414	1,565	1,568	1,782	1,796	1,780
Long Island Bus	1,020	1,045	1,044	1,029	1,029	1,029
Staten Island Railway	267	275	274	270	270	270
Capital Construction Company	129	150	150	147	147	147
Bus Company	3,322	3,516	3,552	3,511	3,513	3,521
Total Full-Time-Equivalents	351	281	257	257	257	257
NYC Transit	249	173	149	149	149	149
Long Island Rail Road	-	-	-	-	-	-
Metro-North Railroad	5	3	3	3	3	3
Bridges & Tunnels	-	-	-	-	-	-
Headquarters	-	-	-	-	-	-
Long Island Bus	97	105	105	105	105	105
Staten Island Railway	-	-	-	-	-	-
Capital Construction Company	-	-	-	-	-	-
Bus Company	-	-	-	-	-	-
Total Positions	69,756	69,946	69,405	69,104	68,851	69,073
NYC Transit	49,009	48,588	47,901	47,497	47,175	47,186
Long Island Rail Road	6,806	6,901	6,825	6,753	6,763	6,900
Metro-North Railroad	5,917	5,985	6,167	6,192	6,260	6,342
Bridges & Tunnels	1,775	1,816	1,819	1,818	1,793	1,793
Headquarters	1,414	1,565	1,568	1,782	1,796	1,780
Long Island Bus	1,117	1,150	1,149	1,134	1,134	1,134
Staten Island Railway	267	275	274	270	270	270
Capital Construction Company	129	150	150	147	147	147
Bus Company	3,322	3,516	3,552	3,511	3,513	3,521

¹NYCT PEGs include Full-Time positions only.

METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2010-2013
Summary of 2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

	2009		2010		2011		2012		2013	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
MTA-Wide										
NYC Transit	101	\$16.219	309	\$51.718	301	\$54.499	292	\$54.907	335	\$57.674
Long Island Rail Road	0	1.500	4	4.265	4	0.376	4	0.388	4	0.399
Metro-North Railroad	12	0.725	56	9.673	44	9.350	44	9.393	44	9.453
Bridges & Tunnels	3	0.063	3	0.607	3	0.621	3	0.634	3	0.647
MTA Headquarters	0	4.179	0	4.277	0	4.376	0	4.478	0	4.583
Long Island Bus	0	0.000	0	1.400	0	1.419	0	1.450	0	1.483
Staten Island Railway	2	0.090	3	0.330	4	0.420	4	0.420	4	0.420
Capital Construction Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Bus Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Total MTA-Wide By Category	118	\$22.776	375	\$72.270	356	\$71.061	347	\$71.670	390	\$74.659
MTA-Wide by Category										
Administration:	9	\$7.374	29	\$7.027	29	\$7.909	29	\$7.618	29	\$7.300
Customer Convenience & Amenities:	1	0.035	14	1.183	14	1.196	14	1.218	14	1.241
Service:	0	0.000	9	5.378	9	6.110	9	6.105	9	6.109
Maintenance:	73	8.223	244	37.601	224	37.287	215	38.022	258	41.140
Revenue Enhancements:	0	0.000	0	3.000	0	0.000	0	0.000	0	0.000
Other :	4	1.055	31	11.387	36	11.673	36	11.701	36	11.740
Service Support:	31	1.910	36	1.172	36	1.646	36	1.646	36	1.646
Safety:	0	0.000	12	1.245	8	0.864	8	0.882	8	0.900
Security:	0	4.179	0	4.277	0	4.376	0	4.478	0	4.583
Total MTA-Wide by Category	118	\$22.776	375	\$72.270	356	\$71.061	347	\$71.670	390	\$74.659

¹ Reflects the impact of amendments on full-time year-end positions.

METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2010-2013
Summary of 2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

	2009		2010		2011		2012		2013	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
LIST of AGENCY PROGRAMS										
Administration:										
NYC Transit	0	\$5.369	14	\$5.209	14	\$6.179	14	\$5.851	14	\$5.498
Long Island Rail Road	0	1.500	4	0.490	4	0.376	4	0.388	4	0.399
Metro-North Railroad	8	0.450	10	1.170	10	1.192	10	1.217	10	1.241
Bridges & Tunnels	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
MTA Headquarters	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Long Island Bus	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Staten Island Railway	1	0.055	1	0.158	1	0.162	1	0.162	1	0.162
Capital Construction Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Bus Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Sub-Total Administration	9	\$7.374	29	\$7.027	29	\$7.909	29	\$7.618	29	\$7.300
Customer Convenience & Amenities:										
NYC Transit	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Long Island Rail Road	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Metro-North Railroad	0	0.000	13	1.097	13	1.110	13	1.132	13	1.155
Bridges & Tunnels	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
MTA Headquarters	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Long Island Bus	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Staten Island Railway	1	0.035	1	0.086	1	0.086	1	0.086	1	0.086
Capital Construction Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Bus Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Sub-Total Customer Convenience & Amenities	1	\$0.035	14	\$1.183	14	\$1.196	14	\$1.218	14	\$1.241
Service:										
NYC Transit	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Long Island Rail Road	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Metro-North Railroad	0	0.000	9	3.978	9	4.691	9	4.655	9	4.626
Bridges & Tunnels	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
MTA Headquarters	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Long Island Bus	0	0.000	0	1.400	0	1.419	0	1.450	0	1.483
Staten Island Railway	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Capital Construction Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Bus Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Sub-Total Service	0	\$0.000	9	\$5.378	9	\$6.110	9	\$6.105	9	\$6.109

METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2010-2013
Summary of 2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

	2009		2010		2011		2012		2013	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
LIST of AGENCY PROGRAMS										
Maintenance:										
NYC Transit	70	\$8.160	232	\$36.199	219	\$36.524	210	\$37.260	253	\$40.380
Long Island Rail Road	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Metro-North Railroad	0	0.000	8	0.709	0	(0.030)	0	(0.044)	0	(0.059)
Bridges & Tunnels	3	0.063	3	0.607	3	0.621	3	0.634	3	0.647
MTA Headquarters	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Long Island Bus	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Staten Island Railway	0	0.000	1	0.086	2	0.172	2	0.172	2	0.172
Capital Construction Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Bus Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Sub-Total Maintenance	73	\$8.223	244	\$37.601	224	\$37.287	215	\$38.022	258	\$41.140
Revenue Enhancements:										
NYC Transit	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Long Island Rail Road	0	0.000	0	3.000	0	0.000	0	0.000	0	0.000
Metro-North Railroad	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Bridges & Tunnels	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
MTA Headquarters	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Long Island Bus	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Staten Island Railway	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Capital Construction Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Bus Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Sub-Total Revenue Enhancements	0	\$0.000	0	\$3.000	0	\$0.000	0	\$0.000	0	\$0.000
Other :										
NYC Transit	0	\$0.780	27	\$9.138	32	\$10.150	32	\$10.150	32	\$10.150
Long Island Rail Road	0	0.000	0	0.775	0	0.000	0	0.000	0	0.000
Metro-North Railroad	4	0.275	4	1.474	4	1.523	4	1.551	4	1.590
Bridges & Tunnels	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
MTA Headquarters	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Long Island Bus	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Staten Island Railway	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Capital Construction Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Bus Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Sub-Total Other	4	\$1.055	31	\$11.387	36	\$11.673	36	\$11.701	36	\$11.740

METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2010-2013
Summary of 2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

	2009		2010		2011		2012		2013	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
LIST of AGENCY PROGRAMS										
Service Support:										
NYC Transit	31	\$1.910	36	\$1.172	36	\$1.646	36	\$1.646	36	\$1.646
Long Island Rail Road	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Metro-North Railroad	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Bridges & Tunnels	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
MTA Headquarters	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Long Island Bus	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Staten Island Railway	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Capital Construction Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Bus Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Sub-Total Service Support	31	\$1.910	36	\$1.172	36	\$1.646	36	\$1.646	36	\$1.646
Safety										
NYC Transit	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Long Island Rail Road	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Metro-North Railroad	0	0.000	12	1.245	8	0.864	8	0.882	8	0.900
Bridges & Tunnels	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
MTA Headquarters	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Long Island Bus	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Staten Island Railway	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Capital Construction Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Bus Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Sub-Total Safety	0	\$0.000	12	\$1.245	8	\$0.864	8	\$0.882	8	\$0.900
Security										
NYC Transit	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Long Island Rail Road	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Metro-North Railroad	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Bridges & Tunnels	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
MTA Headquarters	0	4.179	0	4.277	0	4.376	0	4.478	0	4.583
Long Island Bus	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Staten Island Railway	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Capital Construction Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Bus Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Sub-Total Security	0	\$4.179	0	\$4.277	0	\$4.376	0	\$4.478	0	\$4.583
Total Agency PEGs	118	\$22.776	375	\$72.270	356	\$71.061	347	\$71.670	390	\$74.659

¹ Reflects the impact of amendments on full-time year-end positions.

METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2010-2013
Summary of Post-2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

	2009		2010		2011		2012		2013	
	Positions¹	Dollars	Positions¹	Dollars	Positions¹	Dollars	Positions¹	Dollars	Positions¹	Dollars
MTA-Wide										
NYC Transit	0	\$0.000	0	\$0.000	0	\$61.700	0	\$123.300	0	\$185.000
Long Island Rail Road	0	0.000	0	0.000	0	12.300	0	24.500	0	36.800
Metro-North Railroad	0	0.000	0	0.000	0	14.500	0	33.045	0	34.400
Bridges & Tunnels	0	0.000	0	0.000	0	0.000	0	3.776	0	18.251
MTA Headquarters	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Long Island Bus	0	0.000	0	0.000	0	1.481	0	2.962	0	4.442
Staten Island Railway	0	0.000	0	0.000	0	0.350	0	0.700	0	1.050
Capital Construction Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Bus Company	0	0.000	0	0.000	0	5.369	0	10.738	0	16.107
Total MTA-Wide By Category	0	\$0.000	0	\$0.000	0	\$95.700	0	\$199.021	0	\$296.050
MTA-Wide by Category										
Administration:	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Customer Convenience & Amenities:	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Service:	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Maintenance:	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Revenue Enhancements:	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Other :	0	0.000	0	0.000	0	95.700	0	199.021	0	296.050
Service Support:	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Safety:	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Security:	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Total MTA-Wide by Category	0	\$0.000	0	\$0.000	0	\$95.700	0	\$199.021	0	\$296.050

¹ Reflects the impact of amendments on full-time year-end positions.

METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2010-2013
Additional Actions for Budget Balance - IMPLEMENT
(\$ in millions)

	2010 ¹		2011 ²	
	<u>Pos</u>	<u>Dollars</u>	<u>Pos</u>	<u>Dollars</u>
New York City Transit/Staten Island Railway				
Administration				
Managerial 5% Reduction - Bus Service Streamlining	12	0.9	12	1.7
Customer Convenience/Amenities				
Reduce Station Staffing	450	13.2	330	20.7
Service-Subway				
Shorten G to Court Square All Times	8	0.1	8	1.4
Increase B Subdiv Headway on Weekends to 10 Minutes	20	1.3	20	2.5
Revise Midday & Evening Guidelines to 125% Seated Load	11	0.4	11	4.2
Increase Headways During 2-5am to 30 Minutes	-	0.3	-	3.6
Eliminate W and Extend Q to Astoria	9	0.3	9	3.0
Operate M to Broad St Rush Hrs; Eliminate Z, Add J Local Svce	26	0.2	26	2.4
Service-Buses				
Express Bus Service Adjustments to Reflect Demand	2	0.1	2	0.3
Eliminate Low Performing Weekend Express Bus Svc	8	0.5	8	0.9
Discontinue Overnight Service on Low Performing Routes	19	1.0	19	2.0
Discontinue Bus to Baretto Park Pool & SIR Baseball Special	-	0.1	-	0.1
Reduce Service Span on Low Performing Routes	16	0.8	16	1.6
Restructure Local Bus Routes to Elim Underutilized Segments	51	2.2	51	4.4
Discontinue Weekend Service on Low Performing Routes	131	6.4	131	12.8
Elim or Restruc Local Bus Routes that Duplicate Subway	56	2.9	56	5.8
Discontinue Low Performing Local Routes w/ Alts Available	315	16.3	315	32.6
Bus Maint & Cleaning Positions Assoc with Actions Above	98	0.0	98	0.0
New York City Transit Implement	1,232	\$46.7	1,111	\$100.0
Long Island Rail Road				
Service Reductions	85	6	65	11
Total Long Island Rail Road Implement	85	6	65	11
Metro North Railroad				
Reduce car consist and increase loading standards for East of Hudson	-	2.0	-	4.1
Reduce car consist and increase loading standards for West of Hudson	-	0.1	-	0.2
Reduce service for East of Hudson, net of revenues	12	0.8	12	1.5
Reduce service for West of Hudson, net of revenues	-	0.3	-	0.5
Total Metro North Railroad Implement	12	\$3.2	12	\$6.3
Bridges & Tunnels				
Truck Weight Enforcement	-	0.5	-	1.0
B&T Facility Security Assignments	14	0.8	14	1.5
Manual Toll Lane Scheduling	-	0.4	-	0.8
Total Bridges & Tunnels Implement	14	\$1.7	14	\$3.3
MTA Headquarters				
Rockaway Resident - Cross Bay Toll Rebate Program	-	2.1	-	4.1
Total MTA Headquarters Implement	-	\$2.1	-	\$4.1
MTA Bus				
Adjust peak period express bus to meet loading guidelines	18	1.1	18	2.2
Discontinue underused express and local routes	7	0.2	7	0.5
Total MTA Bus Implement	25	\$1.3	25	\$2.7
Long Island Bus				
Service Reductions	15	0.6	15	1.3
Total Long Island Bus Implement	15	\$0.6	15	\$1.3
Total MTA-Wide Implement	1,383	\$61.9	1,242	\$128.7

1 - Assumes July 1, 2010 implementation date

2- Fully annualized value