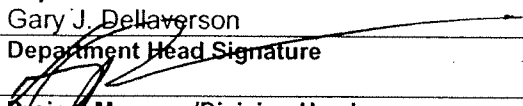
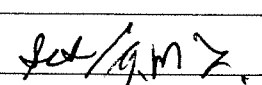


VII. Appendix

Staff Summary

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Subject MTA Consolidated 2009 Operating Budget
Department Chief Financial Officer
Department Head Name Gary J. Dellaverson
Department Head Signature 
Project Manager/Division Head Sharon C. Lubitz/ Gary M. Lanigan 

Date December 12, 2008
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	12/15	X		
2	Board	12/17	X		

Internal Approvals			
Order	Approval	Order	Approval
3	Executive Director	1	Chief Financial Officer
	Chief of Staff	2	Legal
	Chief Operating Officer		Administration
	Procurement		Other

Purpose:

To secure MTA Board adoption of MTA's Consolidated and Agencies' 2008 November Forecast and 2009 Final Proposed Budget (November Plan), pursuant to the Board approved budget process. This includes approval of various Gap Closing Actions, including the assumption that fares and tolls could be raised in 2009 to generate up to an estimated 23% increase in fare/toll revenues. This action does not approve the assumed fare/toll increase, which will be brought separately to the Board after the conclusion of the public hearing process during the first quarter of 2009. In addition, for those gap-closing actions that require a public hearing or for those that may be subject to an environmental review, the public hearing and/or environmental review process must be completed prior to any implementation. For those actions that do not require a public hearing or environmental review, agencies would begin taking steps for implementation in 2009. The MTA Consolidated Financial Plan and proposed headcount are contained in Attachments A and B, respectively. Approval is sought for Agencies' 2009 Program to Eliminate the Gap (PEGs) (Attachment C) and the measures for "Additional Actions for Budget Balance" (Attachment D). The proposed increases to fares and toll revenue yields as reflected in the November Plan are set forth in Attachment E.

Discussion:

In accordance with Board policy, the Executive Director submitted a final proposed budget for 2009 to the Board in November. This plan included updated forecasts of real-estate-related and state dedicated taxes, as well as an anticipated fall-off in ridership and increased debt service and pension costs, which have significantly worsened since the July Plan reflecting the continued contraction of the economy. Since July, including the updated forecasts, MTA's Baseline deficit in 2008 has increased by \$38 million to \$383 million and in 2009 by \$298 million to \$1,441 million. The Baseline deficits in the outyears of the Plan have also increased significantly to \$2,394 million in 2010, \$2,647 million in 2011 and \$2,972 million in 2012. The November Plan proposes gap-closing measures that are for the most part implementable at the discretion of the MTA Board. The Plan assumes that 2008 will end with a \$268 million cash balance, which will be used to partially fund 2009. The 2009 Final Proposed Budget includes significant fare/toll increases and major cuts to services to balance the budget and end the year with a \$65 million cash balance. The outyears of the Plan have gaps of \$266 million, \$454 million, and \$608 million, respectively, in 2010-2012; these gaps assume implementation of gap closing measures beginning in 2009.

The July Plan anticipated gap-closing contributions from the State and City; however, the impacts of a contracting economy on these entities have made those assumptions unrealistic and were deleted from the November Plan. On December 4, the Ravitch Commission released its report to the Governor, which included several recommendations to address the MTA's fiscal needs for both operating and capital and included new sources of revenue -- a mobility tax on employer payrolls, tolls on the City "free" bridges -- as well as creation of a new Regional Bus Authority, a Capital Finance Authority, and other valuable recommendations. A copy of the Report of the Ravitch Commission was previously distributed. While the Ravitch recommendations would eliminate the MTA's structural deficit, provide long-term fiscal stability, fund the next capital program and preserve and expand the region's transportation network, thus ensuring the economic health of the region and the State, the plan will require a number of implementing steps outside the control of the MTA, including enactment of State legislation.

The Board is required to adopt a budget for 2009 by December 31, 2008 that includes reasonable assumptions for budget balance. While the Ravitch Commission recommendations would share the burdens for closing MTA's budget on all those who use or benefit from the region's transportation system, and eliminate the need for dramatic reductions in service, the form and timing of potential action by the State Legislature precludes the MTA Board from assuming passage will occur in time to close the anticipated 2009 Budget deficit of \$1.4 billion. To that end, it is recommended that the Board approve the 2008 November Forecast and the 2009 Final Proposed Budget which assumes the gap-closing measures, discussed below. This would meet the mandate for the board to adopt a balanced budget based on reasonable assumptions before commencement of the 2009 fiscal year. In the event that external actions, such as implementation of the Ravitch Recommendations, in whole or material part, significantly affect the revenue projections contained herein, the Board will be presented with a modification to the adopted budget for its consideration. As noted, separate action on fare/toll increases and service reductions that are subject to the public hearing/environmental review would be brought to the Board subsequent to the conclusion of the public hearing/environmental process during the first quarter of 2009.

Gap Closing Actions

As set forth in the November Financial Plan, the 2008 estimate and the 2009 proposed budget includes a number of gap-closing items, for which approval is requested in this staff summary.

- MTA Internal Actions Proposed in July – The gap-closing internal actions anticipated in July remain in place. These include the Agency PEG programs which reflect cost reductions without cutting service over the plan period, continuing the 1.5% annual reduction begun last year. The budget also includes administrative reductions in hiring, travel, food and telecommunications in 2008 and 2009 at all agencies. It is also assumed that employees will make a modest contribution through negotiation of new contracts; savings are projected at \$53 million in 2009. Also, the new Business Service Center will incur expenses in 2008 – 2011 in order to consolidate back-office operations and provide savings by 2012. Modest savings of \$1 million in 2009 and \$3 million annually thereafter are also assumed from other reorganization initiatives that are within MTA's control.

MTA has also proposed reducing its subsidy support to LI Bus by \$4 million annually beginning in 2009. Moreover, in order to achieve budget balance for LI Bus in the absence of additional support from Nassau County or the State, LI Bus has proposed additional fare increases, which are 20% higher than MTA's proposed fare increases (discussed below).

MTA used a portion of the 2006 and 2007 surpluses to fund Capital Security and other non-recurring expenses. It is recommended that \$120 million of the funds in these accounts which have yet to be committed will be transferred back to the operating budget in 2008 to be used for future gap-closing. Funding for most of the Capital Security projects is expected to be part of the MTA's Capital Plan. Since the July Plan, it was determined that \$40 million should be budgeted in 2009 for those security projects that may need to be started earlier than the 2010-2014 Capital Program.

The November Plan includes an increase in revenues of \$10 million annually from charging official city, state and county vehicles for Bridge and Tunnel crossings. The MTA Board approved this in October 2008. Billings are expected to generate \$1 million in 2008 and \$10 million annually thereafter.

The MTA is proposing to borrow through inter-agency loans \$270 million in 2009 and 2010 (\$135 million each year) and to pay these loans back in 2011 and 2012. It is proposed that the Board authorize use of agency operating fund Accounts, Subsidy Stabilization Accounts, Mortgage Recording Tax Accounts and GASB Accounts to fund these loans.

- External Actions – It is proposed that the MTA will seek changes in federal legislation that would eliminate certain federal mandates for commuter rail employees without impacting employee benefits. For 2009, only \$15 million is assumed to be realized in the last quarter of the MTA calendar year which is commensurate with the Federal FY 2010 which begins October 1, 2009; savings of approximately \$62 million annually thereafter are assumed beginning in 2010. As part of the State executive budget process, MTA assumes adoption by the legislature of changes to tax statutes that enable MTA to generate \$50 million annually of additional revenue earmarked for

MTA. If these federal and state legislative actions are not enacted before year-end 2009, it is probable that the 2009 budget will still be balanced.

- Additional Actions for Budget Balance – In order to balance the budget as required by law, significant additional agency reductions are proposed. Each agency has identified actions to reduce its budget by an additional 4.7%. To meet the target, each agency identified additional administrative cuts that could be taken over and above the normal, recurring 1.5% reduction program proposed in July. For the additional reductions, each agency was required to meet an independent target of no less than 5% of its managerial expenses. Since administration is a small component of the overall budgets of MTA operating agencies, these additional administrative savings are not sufficient to meet the target. Reductions in service will be required to balance the budget under the November Plan. The proposed reductions are detailed in Attachment D and reflect 2008/2009 savings of \$279 million and 2010 savings of \$401 million. These projected savings exclude MTA Bus savings of \$16 million in 2009 and \$23 million in 2010; these savings are commensurate with the 4.7 % target noted above and will be used to reduce City Subsidy savings over the plan period. Note that some of these actions will require public hearings before implementation; the hearings were authorized by the Board in November, 2008 and are anticipated to take place by February 2009.

In addition, the MTA is conducting an analysis of the potential environmental impacts of the proposed actions in accordance with the New York State Environmental Quality Review Act (SEQRA). This review will cover all proposed service related actions and is targeted for completion in February 2009. The service reduction proposals are considered pending until completion of the environmental review. If the review determines that the proposed actions would not result in significant adverse impacts on the environment, no further action would be required from the Board. If significant environmental impacts are identified, the proposals, including the environmental impacts, will be resubmitted to the Board before implementation.

- Fare/Toll Increases – The November Plan assumes that the remaining deficit will be closed with a 23% increase in MTA consolidated farebox and toll revenue yield beginning June 1, 2009. The Board authorized hearings for this on November 20, 2008. As shown on Attachment E, the increase is expected to yield \$670 million in 2009 and \$1,147 million in 2010. The July Plan had anticipated an 8% yield increase beginning July 1, 2009, which was estimated to generate \$201 million in 2009, and \$404 million in 2010; the Ravitch Commission has recommended the 8% yield increase that was proposed in July.
- Downsizing Account – 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. In late 2007 as part of the 2008 adoption process, the plan anticipated that these funds would not be needed until 2009. The baseline budget assumes that \$40.5 million of Mortgage Recording Tax-2 Corporate Account (MRT-2) would be set aside in 2009 to fund the costs of layoffs and other measures needed to produce cost reductions as adopted in the 2009 budget. The baseline for 2010 assumes an additional \$40.5 million for a total downsizing fund of \$81 million through 2010.

General Reserve – The Consolidated Plan provides for a \$75 million General Reserve annually beginning in 2009, consistent with recent Financial Plans. The 2008 November Plan assumes that the 2008 general reserve will not be needed this year.

Recommendation:

It is recommended that the Board:

- Adopt the 2009 Budget as summarized in the attached MTA Consolidated Statement of Operations by Category, including approving the 2008 November Plan projections, and 2008 and 2009 gap closing actions.
- Adopt Agency 2009 Budgets, including approving the 2008 November Plan projections, and 2008 and 2009 gap closing actions. As noted above, separate action on fare/toll increases and service reductions that are subject to the public hearing/environmental review would be brought to the Board subsequent to the conclusion of the public hearing/environmental process during the first quarter of 2009. It is assumed that additional revenues or savings for MTA Bus will result in a commensurate decrease in City Subsidy for MTA Bus.

- Authorize the transfer to agency stabilization accounts of unused monies totaling \$120 million, including associated interest earnings, set aside in 2006 and 2007 to fund capital security and other short-term projects. The funds would be returned to the stabilization accounts from which the monies originated by December 31, 2008. Moreover, authorize the Executive Director or his designee to assign up to \$40 million of these funds in 2009 to fund short-term capital security projects that can not be deferred until the next 5-year capital program.
- Authorize the MTA Treasurer to open the "Downsizing Account" in 2009 utilizing Mortgage Recording Tax-2 Corporate Account funds totaling \$40.5 million. These funds would be used to cover downsizing costs associated with the gap-closing measures contained in the November Plan.
- Authorize technical adjustments to Agency Budgets of a non-material nature in the February Financial Plan.
- Authorize adjustment of Agency 2009 budgets to reflect labor settlements approved from time to time by the Board.
- Approve budget and cash management actions, as has been done in past budget adoptions, below:

Use of All-Agency Security Pool

The 2008 MTA Headquarters (MTAHQ) Operating Budget authorizes the use of up to \$17 million and the 2009 MTAHQ Budget authorizes the use of up to \$17 million for certain MTA-wide security-related projects. 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 Executive Director or his designee, from such MRT-2 Corporate Account, of reimbursements of Agency expenses (including MTAHQ expenses) for the security-related projects contemplated in the 2008 and 2009 budget lines for such purposes.

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 therefor, all or a part of the estimated operating surplus for the year 2009, when and as directed by the Executive Director or his designee.

General Reserve

The 2009 budget's expenditures include an MTA-wide \$75 million General Reserve, which is not allocated among the MTA Agencies. The Executive Director should be authorized to allocate the General Reserve in order to cover contingencies as may become necessary. This will assure the continued operations of MTA Headquarters and the operating agencies. Such expenditures shall be funded from MTA Corporate Account (MRT-2) monies.

Inter-Agency Loans

The Board should authorize the Executive Director 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 all 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 and 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. The Treasurer is authorized to establish a "Downsizing Account" in 2009 using \$40.5 million of Mortgage Recording Tax #2 Corporate Account Monies.

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 the 2008 November Plan and the 2009 budget; and the Treasurer, subject to the approval of the Executive Director 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 the 2008 November Plan and the 2009 budget. 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 MTA Executive Director 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.

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 2008 through 2010 period from MRT-2 to the MTA Bus Company are \$24.7 million for 2008 and \$23.2 million for 2009. 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, 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.

Government Accounting Standards Board (GASB) Contributions

In 2006 and 2007, funds were set aside from three sources -- agency contributions based on health and welfare costs, net savings from NYCERS pension costs in City FY2007 and \$80 million of 2006 surplus funds -- to help fund Other than Pension Employment (OPEB) liabilities as well as fund anticipated NYCERS and MaBSTOA pension refunds per current labor agreements. The November Plan reflects \$19 million that was paid to MaBSTOA for refunds in the Fall of 2008. As part of NYCT's 2008 November Forecast, it is now assumed that the funds set aside by NYCT for pension refunds to NYCERS will be used to cover the cost of amortizing NYCERS payments over several years and the remainder of the NYCT pension designated GASB Account will be used for budget balance in 2009. 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 2008 funds set aside in discrete sub-accounts that comprise the GASB Account. Moreover, agencies will continue making contributions as set forth in the 2009 budget to the GASB Account in 2009. 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 2009 cash flow needs, the amounts withdrawn in 2009 must be paid back by December 31, 2011. If the GASB funds are used as inter-agency loans in 2009, they would be subject to repayment no later than December 31, 2010, consistent with the Inter-Agency Loan provision described above.

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METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2009 - 2012
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line No.		2007	2008	2009			
		Actual	Final Estimate	Final Proposed Budget	2010	2011	2012
7	Non-Reimbursable						
10	Operating Revenue						
11	Farebox Revenue	\$3,995	\$4,246	\$4,229	\$4,252	\$4,319	\$4,390
12	Toll Revenue	1,251	1,273	1,264	1,264	1,268	1,275
13	Other Revenue	480	460	479	500	526	556
14	Capital and Other Reimbursements	0	0	0	0	0	0
15	Total Operating Revenue	\$5,726	\$5,979	\$5,971	\$6,016	\$6,113	\$6,221
17	Operating Expense						
18	Labor Expenses:						
19	Payroll	\$3,861	\$4,093	\$4,250	\$4,362	\$4,462	\$4,544
20	Overtime	482	490	471	478	489	499
21	Health & Welfare	617	686	752	819	886	958
22	OPEB Current Payment	270	327	356	387	423	463
23	Pensions	851	889	913	896	871	876
24	Other-Fringe Benefits	445	477	488	502	519	530
25	Reimbursable Overhead	(274)	(310)	(322)	(315)	(311)	(316)
26	Sub-total Labor Expenses	\$6,252	\$6,653	\$6,908	\$7,128	\$7,339	\$7,552
28	Non-Labor Expenses:						
29	Traction and Propulsion Power	294	314	348	398	425	455
30	Fuel for Buses and Trains	193	321	334	307	300	321
31	Insurance	54	33	51	62	73	85
32	Claims	164	175	157	165	173	176
33	Paratransit Service Contracts	233	284	366	423	481	561
34	Maintenance and Other Operating Contracts	533	632	688	701	705	727
35	Professional Service Contracts	181	195	236	224	223	228
36	Materials & Supplies	516	542	602	635	661	645
37	Other Business Expenses	152	181	188	184	186	191
38	Sub-total Non-Labor Expenses	\$2,320	\$2,676	\$2,971	\$3,099	\$3,228	\$3,391
40	Other Expense Adjustments:						
41	Other	(\$18)	(\$11)	(\$11)	(\$5)	(\$5)	(\$6)
42	General Reserve	0	0	75	75	75	75
43	Sub-total Other Expense Adjustments	(\$18)	(\$11)	\$64	\$70	\$70	\$69
45	Total Operating Expense before Non-Cash Liability Adjs.	\$8,554	\$9,319	\$9,943	\$10,297	\$10,637	\$11,012
47	Depreciation	\$1,687	\$1,755	\$1,905	\$2,015	\$2,082	\$2,144
48	OPEB Obligation	1,291	1,313	1,379	1,436	1,495	1,556
49	Environmental Remediation	0	38	8	8	8	9
51	Total Operating Expense	\$11,533	\$12,424	\$13,235	\$13,756	\$14,223	\$14,721
53	Net Operating Deficit Before Subsidies and Debt Service	(\$5,807)	(\$6,445)	(\$7,263)	(\$7,739)	(\$8,110)	(\$8,500)
55	Dedicated Taxes and State/Local Subsidies	\$4,559	\$4,289	\$4,095	\$4,102	\$4,205	\$4,335
56	Debt Service (excludes Service Contract Bonds)	(1,712)	(1,504)	(1,474)	(1,912)	(2,050)	(2,266)
58	Net Deficit After Subsidies and Debt Service	(\$2,959)	(\$3,660)	(\$4,641)	(\$5,549)	(\$5,955)	(\$6,431)
60	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$2,978	\$3,105	\$3,292	\$3,458	\$3,585	\$3,709
61	Conversion to Cash Basis: GASB Account	(71)	(57)	(60)	(63)	(66)	(69)
62	Conversion to Cash Basis: All Other	(389)	314	213	(4)	65	69
64	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$442)	(\$297)	(\$1,197)	(\$2,157)	(\$2,370)	(\$2,722)
65	UPDATED FORECAST	0	(86)	(243)	(237)	(277)	(250)
66	MTA GAP CLOSING PROGRAMS	0	155	1,238	2,063	2,193	2,364
67	PRIOR-YEAR CARRY-OVER	937	495	268	65	0	0
68	NET CASH BALANCE	\$495	\$268	\$65	(\$266)	(\$454)	(\$608)

METROPOLITAN TRANSPORTATION AUTHORITY

Financial Plan 2009 - 2012

Updated Forecast and Gap Closing Programs

(\$ in millions)

Line No.		2008 Final Estimate	2009 Final Proposed Budget	2010	2011	2012
11	November Cash Balance Before Prior-Year Carry-Over	(\$297)	(\$1,197)	(\$2,157)	(\$2,370)	(\$2,722)
13	Updated Forecast					
15	Real Estate Related Taxes	(76)	(66)	(80)	(72)	(29)
16	State Dedicated Taxes	(15)	(175)	(133)	(133)	(123)
17	Pension Valuations	-	(35)	(70)	(105)	(140)
18	Fuel	6	31	45	32	39
19	Other	(1)	1	1	1	4
20	Sub-Total	(86)	(243)	(237)	(277)	(250)
22	GAP CLOSING					
24	Internal Actions:					
25	2009 Agency Program to Eliminate the Gap	16	82	81	88	78
26	Post-2009 Agency Program to Eliminate the Gap	-	0	97	175	276
27	Business Service Center	-	(8)	(10)	(15)	29
28	New Contracts Labor Contribution	-	53	82	85	86
29	MTA Reorganization	-	1	3	3	3
30	Reduce Subsidy to LIB	-	4	4	4	4
31	LIB Deficit Reduction	-	5	3	2	2
32	2006 Surplus Recovery	120	(40)	0	0	0
33	Eliminate E-Z Pass Forgiveness	1	10	10	10	10
34	Inter-Agency Loan	-	135	135	(135)	(135)
35	Sub-Total	137	242	404	217	354
37	External Actions:					
38	Federal Legislative Actions	-	15	62	63	66
39	State Legislative Actions - Tax Statute Revisions	-	50	50	50	50
40	Sub-Total	-	65	112	113	116
42	Additional Actions for Budget Balance:					
43	New York City Transit / Staten Island Railway	13	154	280	280	280
44	Bridges and Tunnels	-	17	24	7	11
45	Long Island Rail Road	-	36	53	53	54
46	Metro-North Railroad	-	35	35	35	35
47	MTA Headquarters	-	9	9	9	9
48	Long Island Bus	-	5	6	6	6
49	Other Administrative Reductions	5	10	0	0	0
50	Reimbursement Offset	-	(6)	(6)	(6)	(6)
51	Sub-Total	18	261	401	384	389
53	Fare/Toll:					
54	Fare/Toll Yields on 6/1/09: 23.0%	-	670	1,147	1,172	1,188
55	Fare/Toll Yields on 1/1/11: 5.0%	-	-	-	307	319
56	Sub-Total	-	670	1,147	1,479	1,507
58	UPDATED FORECAST	(86)	(243)	(237)	(277)	(250)
59	TOTAL GAP CLOSING	155	1,238	2,063	2,193	2,364
61	Prior-Year Carry-Over	495	268	65	0	0
63	Net Cash Surplus/(Deficit)	\$268	\$65	(\$266)	(\$454)	(\$608)

METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2009 - 2012
Consolidated Positions Including Impact of Gap Closing Program

Category	2008 Final Estimate	2009 Final Proposed	2010	2011	2012
Baseline Non-Reimbursable	63,372	63,959	64,196	64,336	63,984
NYC Transit	43,637	44,113	44,242	44,335	43,941
Long Island Rail Road	6,136	6,134	6,181	6,169	6,163
Metro-North Railroad	5,466	5,511	5,580	5,633	5,681
Bridges & Tunnels	1,779	1,787	1,779	1,786	1,786
Headquarters	1,445	1,446	1,446	1,446	1,446
Long Island Bus	1,139	1,139	1,139	1,139	1,139
Staten Island Railway	275	280	280	279	279
Capital Construction Company	-	-	-	-	-
Bus Company	3,495	3,549	3,549	3,549	3,549
Gap Closing Program					
<i>Internal Actions:</i>					
<i>2009 Agency Program to Eliminate the Gap</i>	115	467	476	511	448
NYC Transit	103	501	510	545	482
Long Island Rail Road	11	15	15	15	15
Metro-North Railroad	-	(52)	(52)	(52)	(52)
Bridges & Tunnels	-	3	3	3	3
Headquarters	-	-	-	-	-
Long Island Bus	-	2	2	2	2
Staten Island Railway	1	4	4	4	4
Capital Construction Company	-	-	-	-	-
Bus Company	-	(6)	(6)	(6)	(6)
<i>Post-2009 Agency Program to Eliminate the Gap</i>	-	-	10	10	10
NYC Transit	-	-	-	-	-
Long Island Rail Road	-	-	10	10	10
Metro-North Railroad	-	-	-	-	-
Bridges & Tunnels	-	-	-	-	-
Headquarters	-	-	-	-	-
Long Island Bus	-	-	-	-	-
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	-	-	-	-	-
<i>Additional Actions for Budget Balance (AABB)</i>	-	2,775	2,940	2,915	2,915
NYC Transit/Staten Island Railway	-	2,262	2,272	2,272	2,272
Long Island Rail Road	-	165	320	295	295
Metro-North Railroad	-	88	88	88	88
Bridges & Tunnels	-	28	28	28	28
Headquarters	-	21	21	21	21
Long Island Bus	-	21	21	21	21
Capital Construction Company	-	-	-	-	-
Bus Company	-	190	190	190	190
Business Service Center	(22)	(67)	(67)	(46)	249
NYC Transit	-	-	-	81	309
Long Island Rail Road	-	-	-	61	61
Metro-North Railroad	24	24	24	84	84
Bridges & Tunnels	-	-	-	16	41
Headquarters	(46)	(91)	(91)	(341)	(299)
Long Island Bus	-	-	-	15	15
Staten Island Railway	-	-	-	2	2
Capital Construction Company	-	-	-	3	3
Bus Company	-	-	-	33	33

METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2009-2012
Consolidated Positions Including Impact of Gap Closing Program

Category	2008 Final Estimate	2009 Final Proposed	2010	2011	2012
Total Non-Reimbursable	63,279	60,784	60,837	60,949	60,365
NYC Transit/Staten Island Railway	43,808	41,626	41,736	41,710	41,151
Long Island Rail Road	6,125	5,954	5,836	5,788	5,782
Metro-North Railroad	5,442	5,451	5,520	5,513	5,561
Bridges & Tunnels	1,779	1,756	1,748	1,739	1,714
Headquarters	1,491	1,516	1,516	1,766	1,724
Long Island Bus	1,139	1,116	1,116	1,101	1,101
Capital Construction Company	-	-	-	-	-
Bus Company	3,495	3,365	3,365	3,332	3,332
Total Reimbursable	7,346	7,112	7,032	6,797	6,754
NYC Transit/Staten Island Railway	5,656	5,434	5,157	4,934	4,890
Long Island Rail Road	825	776	962	951	951
Metro-North Railroad	588	629	629	629	629
Bridges & Tunnels	53	45	53	53	53
Headquarters	44	48	51	53	54
Long Island Bus	14	14	14	14	14
Capital Construction Company	150	150	150	147	147
Bus Company	16	16	16	16	16
Total Positions	70,625	67,896	67,869	67,746	67,119
NYC Transit/Staten Island Railway	49,464	47,060	46,893	46,644	46,041
Long Island Rail Road	6,950	6,730	6,798	6,739	6,733
Metro-North Railroad	6,030	6,080	6,149	6,142	6,190
Bridges & Tunnels	1,832	1,801	1,801	1,792	1,767
Headquarters	1,535	1,564	1,567	1,819	1,778
Long Island Bus	1,153	1,130	1,130	1,115	1,115
Capital Construction Company	150	150	150	147	147
Bus Company	3,511	3,381	3,381	3,348	3,348
Total Full-Time	70,301	67,590	67,563	67,440	66,813
NYC Transit/Staten Island Railway	49,254	46,868	46,701	46,452	45,849
Long Island Rail Road	6,950	6,730	6,798	6,739	6,733
Metro-North Railroad	6,025	6,075	6,144	6,137	6,185
Bridges & Tunnels	1,832	1,801	1,801	1,792	1,767
Headquarters	1,535	1,564	1,567	1,819	1,778
Long Island Bus	1,044	1,021	1,021	1,006	1,006
Capital Construction Company	150	150	150	147	147
Bus Company	3,511	3,381	3,381	3,348	3,348
Total Full-Time-Equivalents	324	306	306	306	306
NYC Transit/Staten Island Railway	210	192	192	192	192
Long Island Rail Road	-	-	-	-	-
Metro-North Railroad	5	5	5	5	5
Bridges & Tunnels	-	-	-	-	-
Headquarters	-	-	-	-	-
Long Island Bus	109	109	109	109	109
Capital Construction Company	-	-	-	-	-
Bus Company	-	-	-	-	-

NOTE: It is assumed Program to Eliminate the Gap, Business Service Center and Additional Actions to Balance the Budget positions are Non-Reimbursable and Full-Time, although a small portion are Reimbursable and Full-Time Equivalents. The Capital Construction Company is the only exception, since the Agency is 100% Reimbursable.

ATTACHMENT C

METROPOLITAN TRANSPORTATION AUTHORITY November Plan 2009 - 2012 Summary of 2009 Program to Eliminate the Gap(PEGs) (\$ in millions)

	2008		2009		2010		2011		2012	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
MTA-Wide										
MTA BRIDGES AND TUNNELS	0	0.000	3	0.264	3	0.313	3	0.323	3	0.334
MTA METRO-NORTH RAILROAD	0	0.000	(52)	9.226	(52)	9.251	(52)	9.251	(52)	9.251
MTA LONG ISLAND RAIL ROAD	11	5.094	15	7.891	15	6.145	15	5.731	15	5.820
MTA STATEN ISLAND RAILWAY	1	0.225	4	0.743	4	0.428	4	0.428	4	0.428
MTA BUS COMPANY	0	2.563	(6)	6.555	(6)	6.291	(6)	7.307	(6)	7.964
MTA LONG ISLAND BUS	0	0.000	2	0.640	2	0.540	2	0.400	2	0.340
MTA HEADQUARTERS	0	1.044	0	2.446	0	2.498	0	2.557	0	2.609
MTA NEW YORK CITY TRANSIT	103	9.929	501	60.973	510	61.939	545	69.303	482	59.114
Total MTA-Wide	115	\$ 18.855	467	\$ 88.738	476	\$ 87.405	511	\$ 95.300	448	\$ 85.860
MTA-Wide by Category										
Administration	16	5.386	59	17.883	62	19.030	62	19.834	62	20.278
Customer Convenience/Amenities	0	0.000	0	5.354	0	0.000	0	0.000	0	0.000
Maintenance	78	12.026	351	47.134	355	41.433	390	48.148	327	38.020
Other	0	0.000	15	4.708	15	10.378	15	10.478	15	10.518
Revenue Enhancement	0	0.000	(62)	1.157	(62)	1.508	(62)	1.346	(62)	1.253
Safety	0	0.000	0	0.478	0	0.850	0	0.839	0	1.047
Security	0	0.000	0	0.639	0	0.869	0	0.895	0	0.712
Service	0	0.000	1	1.002	1	2.380	1	2.450	1	2.520
Service Support	21	1.443	103	10.383	105	11.357	105	11.510	105	11.512
Total MTA-Wide by Category	115	\$ 18.855	467	\$ 88.738	476	\$ 87.405	511	\$ 95.300	448	\$ 85.860

METROPOLITAN TRANSPORTATION AUTHORITY
November Plan 2009 - 2012
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

	2008		2009		2010		2011		2012	
LIST OF AGENCY PROGRAMS	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
Administration										
MTA BRIDGES AND TUNNELS	0	0.000	3	0.264	3	0.313	3	0.323	3	0.334
MTA HEADQUARTERS	0	1.044	0	1.807	0	1.829	0	1.882	0	1.897
MTA BUS COMPANY	0	1.851	(6)	3.498	(6)	3.009	(6)	3.784	(6)	4.178
MTA NEW YORK CITY TRANSIT	15	1.766	58	9.567	61	12.445	61	12.428	61	12.428
MTA STATEN ISLAND RAILWAY	1	0.225	3	0.666	3	0.351	3	0.351	3	0.351
MTA LONG ISLAND RAIL ROAD	0	0.500	1	2.081	1	1.083	1	1.086	1	1.090
Sub-Total: Administration	16	\$ 5.386	59	\$ 17.883	62	\$ 19.030	62	\$ 19.834	62	\$ 20.278
Customer Convenience/Amenities										
MTA METRO-NORTH RAILROAD	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										
MTA BUS COMPANY	0	0.712	0	2.579	0	2.632	0	2.684	0	2.739
MTA LONG ISLAND BUS	0	0.000	2	0.370	2	0.270	2	0.180	2	0.180
MTA METRO-NORTH RAILROAD	0	0.000	8	0.790	8	0.801	8	0.816	8	0.833
MTA LONG ISLAND RAIL ROAD	11	4.594	13	4.044	13	1.263	13	0.770	13	0.779
MTA NEW YORK CITY TRANSIT	67	5.720	328	39.351	332	36.467	367	43.898	304	33.509
Sub-Total: Maintenance	78	\$ 12.026	351	\$ 47.134	355	\$ 41.433	390	\$ 48.148	327	\$ 38.020
Other										
MTA LONG ISLAND BUS	0	0.000	0	0.270	0	0.270	0	0.220	0	0.180
MTA METRO-NORTH RAILROAD	0	0.000	2	2.036	2	7.056	2	7.206	2	7.286
MTA LONG ISLAND RAIL ROAD	0	0.000	0	0.650	0	1.300	0	1.300	0	1.300
MTA NEW YORK CITY TRANSIT	0	0.000	13	1.752	13	1.752	13	1.752	13	1.752
Sub-Total: Other	0	\$ 0.000	15	\$ 4.708	15	\$ 10.378	15	\$ 10.478	15	\$ 10.518
Revenue Enhancement										
MTA LONG ISLAND RAIL ROAD	0	0.000	0	0.111	0	0.114	0	0.117	0	0.121

METROPOLITAN TRANSPORTATION AUTHORITY
November Plan 2009 - 2012
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

	2008		2009		2010		2011		2012	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
LIST of AGENCY PROGRAMS										
MTA METRO-NORTH RAILROAD	0	0.000	(62)	1,046	(62)	1,394	(62)	1,229	(62)	1,132
Sub-Total: Revenue Enhancement	0	\$ 0.000	(62)	\$ 1,157	(62)	\$ 1,508	(62)	\$ 1,346	(62)	\$ 1,253
Safety										
MTA BUS COMPANY	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
Security										
MTA HEADQUARTERS	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
Service										
MTA STATEN ISLAND RAILWAY	0	0.000	1	0.077	1	0.077	1	0.077	1	0.077
MTA LONG ISLAND RAIL ROAD	0	0.000	0	0.925	0	2,303	0	2,373	0	2,443
Sub-Total: Service	0	\$ 0.000	1	\$ 1,002	1	\$ 2,380	1	\$ 2,450	1	\$ 2,520
Service Support										
MTA LONG ISLAND RAIL ROAD	0	0.000	1	0.080	1	0.082	1	0.085	1	0.087
MTA NEW YORK CITY TRANSIT	21	1,443	102	10,303	104	11,275	104	11,425	104	11,425
Sub-Total: Service Support	21	\$ 1,443	103	\$ 10,383	105	\$ 11,357	105	\$ 11,510	105	\$ 11,512
Total Agency PEGs	115	\$ 18,855	467	\$ 88,738	476	\$ 87,405	511	\$ 95,300	448	\$ 85,860

METROPOLITAN TRANSPORTATION AUTHORITY

November Plan 2009 - 2012

Summary of Post 2009 PEGs

(\$ in millions)

	2008		2009		2010		2011		2012	
MTA-Wide	<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>
MTA BUS COMPANY	0	0.000	0	0.000	0	4.965	0	9.930	0	14.895
MTA LONG ISLAND RAIL ROAD	0	0.000	0	0.000	10	21.973	10	18.247	10	40.271
MTA LONG ISLAND BUS	0	0.000	0	0.000	0	1.481	0	2.982	0	4.473
MTA BRIDGES AND TUNNELS	0	0.000	0	0.000	0	2.010	0	11.308	0	16.962
MTA METRO-NORTH RAILROAD	0	0.000	0	0.000	0	9.251	0	18.502	0	27.753
MTA NEW YORK CITY TRANSIT	0	0.000	0	0.000	0	59.813	0	119.226	0	178.839
MTA HEADQUARTERS	0	0.000	0	0.000	0	2.162	0	4.431	0	6.707
MTA STATEN ISLAND RAILWAY	0	0.000	0	0.000	0	0.420	0	0.840	0	1.260
Total MTA-Wide	0	\$ 0.000	0	\$ 0.000	10	\$ 101.885	10	\$ 185.466	10	\$ 291.160
MTA-Wide by Category										
Administration	0	0.000	0	0.000	4	0.400	4	0.412	4	0.424
Other	0	0.000	0	0.000	5	101.403	5	184.969	5	290.649
Service Support	0	0.000	0	0.000	1	0.082	1	0.085	1	0.087
Total MTA-Wide by Category	0	\$ 0.000	0	\$ 0.000	10	\$ 101.885	10	\$ 185.466	10	\$ 291.160

METROPOLITAN TRANSPORTATION AUTHORITY

November Plan 2009 - 2012

Summary of Post 2009 PEGs

(\$ in millions)

	2008		2009		2010		2011		2012	
LIST of AGENCY PROGRAMS	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
Administration										
MTA LONG ISLAND RAIL ROAD	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										
MTA BRIDGES AND TUNNELS	0	0.000	0	0.000	0	2.010	0	11.308	0	16.962
MTA METRO-NORTH RAILROAD	0	0.000	0	0.000	0	9.251	0	18.502	0	27.753
MTA HEADQUARTERS	0	0.000	0	0.000	0	2.162	0	4.431	0	6.707
MTA STATEN ISLAND RAILWAY	0	0.000	0	0.000	0	0.420	0	0.840	0	1.260
MTA BUS COMPANY	0	0.000	0	0.000	0	4.965	0	9.930	0	14.895
MTA NEW YORK CITY TRANSIT	0	0.000	0	0.000	0	59.613	0	119.228	0	176.839
MTA LONG ISLAND RAIL ROAD	0	0.000	0	0.000	5	21.491	5	17.750	5	39.760
MTA LONG ISLAND BUS	0	0.000	0	0.000	0	1.491	0	2.982	0	4.473
Sub-Total: Other	0	\$ 0.000	0	\$ 0.000	5	\$ 101.403	5	\$ 184.969	5	\$ 290.649
Service Support										
MTA LONG ISLAND RAIL ROAD	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 Agency PEGs	0	\$ 0.000	0	\$ 0.000	10	\$ 101.885	10	\$ 185.466	10	\$ 291.160

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Metropolitan Transportation Authority
Financial Plan 2009-2012
Additional Actions for Budget Balance by Agency
(\$ in millions)

	2008		2009		2010		2011		2012	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
New York City Transit/Staten Island Railway	0	\$12.7	2,262	\$154.5	2,272	\$279.8	2,272	\$279.8	2,272	\$279.8
Bridges & Tunnels	0	0	28	17.1	28	24.2	28	7.4	28	10.7
Long Island Rail Road	0	0	165	36.2	320	52.8	295	52.6	295	54.0
Metro North Railroad	0	0	88	35.0	88	35.0	88	35.0	88	35.0
MTA Headquarters	0	0	21	8.6	21	8.7	21	8.9	21	9.1
Long Island Bus	0	0	21	5.4	21	5.9	21	5.9	21	5.9
Other Administrative Reductions	0	5.0	0	10.0	0	0	0	0	0	0
Reimbursement Offset	0	0	0	(5.8)	0	(5.8)	0	(5.8)	0	(5.8)
Total MTA-Wide	0	\$17.7	2,585	\$261.1	2,750	\$400.5	2,725	\$383.9	2,725	\$388.8
MTA Bus			190	\$16.2	190	\$22.8	190	\$21.3	190	\$22.1

Note: MTA Bus impact from Additional Actions for Budget Balance will be used to reduce NYC subsidy. MTACC is contributing an administrative reduction of 5% (\$1.1M). There are no position reductions.

Metropolitan Transportation Authority
Financial Plan 2009-2012
Additional Actions for Budget Balance by Agency Programs
(\$ in millions)

	2008		2009		2010		2011		2012	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
Administration										
New York City Transit/Staten Island Railway		0.3	340	31.1	319	37.0	319	37.2	319	37.2
Bridges & Tunnels			14	4.8	14	3.0	14	3.0	14	3.0
Long Island Rail Road			27	4.7	32	4.8	32	5.1	32	5.2
Metro North Railroad			18	13.8	18	18.9	18	18.9	18	18.9
MTA Headquarters			21	8.6	21	8.7	21	8.9	21	9.1
Long Island Bus			6	1.7	6	1.6	6	1.7	6	1.7
Sub-Total: Administration	0	\$0.3	426	\$64.7	410	\$74.0	410	\$74.8	410	\$75.2
Customer Convenience & Amenities										
New York City Transit/Staten Island Railway			808	25.1	808	52.0	808	52.0	808	52.0
Bridges & Tunnels				0.7		0.9		0.9		0.9
Long Island Rail Road			12	2.5	43	4.5	43	4.6	43	4.7
Metro North Railroad			34	3.4	34	3.2	34	3.2	34	3.2
Sub-Total: Customer Convenience & Amenities	0	\$0.0	854	\$31.7	885	\$60.5	885	\$60.6	885	\$60.8
Maintenance										
New York City Transit/ Staten Island Railway			153	14.7	153	20.8	153	20.5	153	20.5
Bridges & Tunnels				6.1		13.1		(3.7)		(0.4)
Long Island Rail Road			56	12.1	105	21.0	100	21.9	100	22.4
Metro North Railroad			10	9.2	10	4.2	10	4.2	10	4.2
Sub-Total: Maintenance	0	\$0.0	219	\$42.1	268	\$59.1	263	\$42.9	263	\$46.7
Service										
New York City Transit/Staten Island Railway			981	56.3	992	113.6	992	113.6	992	113.6
Bridges & Tunnels				0.6		0.8		0.8		0.8
Long Island Rail Road			49	6.7	94	14.8	74	13.2	74	13.6
Metro North Railroad			16	7.6	16	7.7	16	7.7	16	7.7
Long Island Bus			15	1.3	15	1.8	15	1.8	15	1.8
Sub-Total: Service	0	\$0.0	1,041	\$72.4	1,117	\$138.6	1,097	\$137.1	1,097	\$137.6
Service Support										
Bridges & Tunnels				0.3		0.3		0.3		0.3
Long Island Rail Road			19	2.5	42	4.5	42	4.6	42	4.7
Sub-Total: Service Support	0	\$0.0	19	\$2.7	42	\$4.7	42	\$4.8	42	\$6.0

	2008		2009		2010		2011		2012	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
Safety/Security										
Long Island Rail Road			2	6.2	4	0.2	4	0.2	4	0.2
Metro North Railroad			10	1.0	10	1.0	10	1.0	10	1.0
Sub-Total: Safety/Security	0	\$0.0	12	\$7.2	14	\$1.2	14	\$1.2	14	\$1.2
Revenue										
New York City Transit/Staten Island Railway		2.4								
Bridges & Tunnels				2.2		3.6		3.6		3.6
Long Island Rail Road				1.5		3.0		3.0		3.0
Sub-Total: Revenue	0	\$2.4	0	\$3.7	0	\$6.6	0	\$6.6	0	\$6.6
Paratransit										
New York City Transit/Staten Island Railway				27.3	0	56.5	0	56.5	0	56.5
Sub-Total: Paratransit	0	\$0.0	0	\$27.3	0	\$56.5	0	\$56.5	0	\$56.5
Other										
New York City Transit/Staten Island Railway		10.0	14	2.5	14	2.5	14	2.5	14	2.5
Bridges & Tunnels				2.4		2.5		2.4		2.4
Long Island Bus										
Sub-Total: Other	0	\$10.0	14	\$4.9	14	\$5.0	14	\$4.9	14	\$4.9
Other Administrative Reductions	0	\$5.0	0	\$10.0						
Reimbursement Offset				(\$5.8)		(\$5.8)		(\$5.8)		(\$5.8)
Total MTA-Wide by Category	0	\$17.7	2,585	\$261.1	2,750	\$400.5	2,725	\$383.9	2,725	\$388.8
MTA Bus										
Administration			18	2.4	18	2.4	18	2.5	18	2.6
Maintenance			22	2.1	22	1.5	22	1.6	22	1.6
Service			150	10.0	150	17.1	150	17.3	150	17.9
Other				1.7		1.7		0.0		0.0
Total MTA Bus	0	\$0.0	190	\$16.2	190	\$22.8	190	\$21.3	190	\$22.1

Note: MTA Bus impact from Additional Actions for Budget Balance will be used to reduce NYC subsidy. MTACC is contributing an administrative reduction of 5% (\$1.1M). There are no position reductions.

Metropolitan Transportation Authority
November Financial Plan 2009-2012
Additional Actions for Budget Balance Which Require Public Hearings (Service Related)
Amounts Better/(Worse) in millions

Agency	Proposal	2008		2009		2010		2011		2012		Public Hearing Required Y=Yes	
		EOY	Amount	EOY	Amount	EOY	Amount	EOY	Amount	EOY	Amount		
NYCT/SIR													
Customer Convenience/Amenities													
Reduce Staffing at Stations with >1 Full-Time Booth				212	9.1	212	13.6	212	13.6	212	13.6	Y	
Subtotal Customer Convenience/Amenities				0	\$0.0	212	\$9.1	212	\$13.6	212	\$13.6		
Service - Subways													
Shorten G to Court Square All Times				10	0.2	10	1.9	10	1.9	10	1.9	Y	
Operate N via Manhattan Bridge Late Nights				6	0.3	6	0.4	6	0.4	6	0.4	Y	
Eliminate W and Extend Q to Astoria				9	0.3	9	3.0	9	3.0	9	3.0	Y	
Operate M to Broad St Rush Hrs; Eliminate Z, Add J Local Svce				26	0.2	26	2.4	26	2.4	26	2.4	Y	
Subtotal Service - Subways				0	\$0.0	51	\$0.9	51	\$7.7	51	\$7.7		
Service - Buses													
Eliminate Low Performing Weekend Express Bus Svc				8	0.6	8	0.9	8	0.9	8	0.9	Y	
Discontinue Overnight Service on Low Performing Routes				19	1.3	19	2.0	19	2.0	19	2.0	Y	
Discontinue Bus to Baretto Park Pool & SIR Baseball Special				-	0.1	-	0.1	-	0.1	-	0.1	Y	
Reduce Service Span on Low Performing Routes				16	1.1	16	1.6	16	1.6	16	1.6	Y	
Restructure Local Bus Routes to Elim Underutilized Segments				56	4.2	56	6.3	56	6.3	56	6.3	Y	
Discontinue Weekend Service on Low Performing Routes				145	10.1	145	15.1	145	15.1	145	15.1	Y	
Elim or Restruc Local Bus Routes that Duplicate Subway				62	3.9	62	5.9	62	5.9	62	5.9	Y	
Discontinue Low Performing Local Routes w/ Alts Available				350	19.6	350	36.2	350	36.2	350	36.2	Y	
Subtotal Service - Buses				0	\$0.0	658	\$40.9	658	\$68.1	658	\$68.1		
TOTAL NYCT				0	\$0.0	921	\$50.8	921	\$89.4	921	\$89.4		
LIRR													
Service													
Eliminate Belmont Service except for Belmont Stakes				-	0.3	-	0.7	-	0.7	-	0.7	Y	
Eliminate West Hempstead Weekend Service				3	0.2	3	0.4	3	0.4	3	0.4	Y	
Reduce weekday off-peak and weekend service on the Port Washington branch from half-hourly to hourly service				6	0.6	6	1.2	6	1.2	6	1.3	Y	
TOTAL LIRR				0	\$0.0	9	\$1.1	9	\$2.3	9	\$2.3	\$2.4	
MTA Bus													
Service													
Discontinue underused express and local routes				29	1.0	29	2.0	29	2.0	29	2.1	Y	
TOTAL MTA Bus				0	\$0.0	29	\$1.0	29	\$2.0	29	\$2.0	\$2.1	
LI Bus													
Service													
Eliminate All Service on N51, N53, N65, N66, N67, N80, N87, N93				15	1.0	15	1.3	15	1.3	15	1.3	Y	
Route Streamlining ¹				-	0.4	-	0.5	-	0.5	-	0.5	Y	
TOTAL LI Bus				0	\$0.0	15	\$1.3	15	\$1.8	15	\$1.8	\$1.8	
B&T													
None													
MNR													
None													
MTAHQ													
None													
MTACC													
None													
TOTAL MTA AABBS SERVICE REQUIRING PUBLIC HEARINGS				0	\$0.0	974	\$54.2	974	\$95.4	974	\$95.5	974	\$95.7

1- Of this action only route N2 requires a public hearing.

**New York City Transit/Staten Island Railway
November Financial Plan 2009-2012
Additional Actions for Budget Balance**

OVERVIEW

In response to the extremely weak economic environment and the resulting severe budget gap we are facing, MTA New York City Transit has developed several additional actions to achieve budget balance.

The proposed additional actions project significant savings primarily in the areas of subway/bus service, paratransit, customer convenience and administration.

Total savings (net of revenue losses) of \$167.2 million are proposed for 2008/2009 and \$279.8 million of savings are proposed for each year 2010 through 2012. End-of-year position reductions of 2,269 are proposed for 2009 and 2,279 for each year 2010 through 2012.

In evaluating proposed service reduction actions, every effort was made to identify those actions that would achieve savings while minimizing the impact to our customers.

Descriptions of the proposed additional actions are as follows:

SUBWAY SERVICE - SAVINGS \$5.5 MILLION 2009, \$25.2 MILLION ANNUALLY 2010-2012, POSITION REDUCTIONS 113

Shorten G to Court Square All Times

Currently the G operates from Smith/9th Streets in Brooklyn to Court Square in Queens during rush hours and middays, and is extended to 71st Ave/Forest Hills evenings, nights, and weekends. However, on most weekends, construction work requires the G to terminate at Court Square. This service change would have the G operate at all times to Court Square, requiring G customers traveling to/from the Queens Boulevard line to transfer between the G and the EV at Court Square/23rd St-Ely Ave. Scheduling service to 71st Ave/Forest Hills and then not operating that service is inefficient and confusing to riders. In addition, the travel market between Brooklyn and the areas of Queens east of Court Square is relatively small.

Increase Subdivision B Headway on Weekends to 10 Minutes

Currently, most Subdivision B lines operate on eight-minute headways on weekends. This proposal increases the headway from eight minutes to ten minutes on the ADEFGJMNQR on Saturdays and the ADEFGNQR on Sundays. Increasing headways to ten minutes will result in most trains operating over guidelines. However, weekend construction work often necessitates ten-minute headways for Subdivision B lines, and ten minute headways are actually smoother operationally.

Revise Midday & Evening Guidelines to 125% Seated Load

Currently, weekday midday and evening guidelines are for 100% seated load, which requires trains to be scheduled so that, on average, there are seats available for all customers. This proposal revises the guideline to 125% of a seated load, which is equivalent to 10-18 standees per car (depending on car type) at the maximum load point. Increasing this guideline to 125% will result in an increase in crowding as well as an increase in headways. Most affected customers will experience an average of 1-2 minutes of additional wait time. The 147AEFL lines are affected middays; the 1567ABEFNQR lines are affected evenings. After implementation of the Subdivision B 10-minute weekend headways (see above), most lines will already be at 125% seated load or greater on weekends.

Increase Headways From 2am-5am to 30 Minutes

Currently, headways are 20 minutes on all operating lines between 2:00AM and 5:00AM. This proposal will increase headways from 20 to 30 minutes late nights when subway ridership is lowest. All subway lines that operate during this overnight period are affected. Average waiting time for most late night customers will increase from 10 minutes to 15 minutes (less in corridors where multiple services operate during late nights).

Operate N via Manhattan Bridge Late Nights

Currently, the N operates via the Manhattan Bridge at all times except late nights, when it operates via the Montague Tunnel (replacing the R, which does not operate in Manhattan during late nights). Operating the N via the Manhattan Bridge late nights will result in no N service at five stations (two in Downtown Brooklyn and three in Lower Manhattan). Three of these stations will be closed entirely during late nights, while the other two are part of station complexes where service will still operate on other lines. Customers currently using these stations will be required to use the parallel 4 line, which serves stations within 200 feet of all of the N stations that will close; transfers between the N and the 4 are also available at both ends of the tunnel route segment to be closed. N customers traveling between Brooklyn and Manhattan will experience reduced travel time.

Eliminate W and Extend Q to Astoria

Currently, the W operates weekdays only between Astoria and Whitehall Street, supplementing N service in Queens and R service in Manhattan. This proposal would eliminate the W entirely. The Q would be extended from its current terminal at 57th St/7th Ave in Midtown to Astoria on weekdays, replacing the W. The N would replace the W in Manhattan north of Canal Street by operating local at all times. South of Canal Street, the R would continue to serve current W stations. As a result of this service change, some customers along the Broadway line south of Canal Street in Manhattan will experience longer wait times, some current N customers will experience slightly longer travel times, and Astoria customers will need to transfer to access Lower Manhattan. In addition, the extension of the Q and the N operating

local in Manhattan requires the N and Q to share the Astoria terminal and merge multiple times, potentially reducing reliability.

Operate M to Broad St. Rush Hours; Eliminate Z, Add J Local Service

Currently, the M operates during weekday rush hours between Metropolitan Avenue in Queens and Bay Parkway in Brooklyn. This proposal would shorten M service to only operate between Metropolitan Avenue in Queens and Broad Street in Manhattan. M service in southern Brooklyn supplements the D and R and is the most lightly-used rush-hour service. Current M riders would take the D or R instead, and may experience extra transfers, additional wait time, and/or additional walking time at the Manhattan end of their trips. In addition, JZ skip-stop service would be eliminated and the J would make all stops, requiring some partially offsetting increases in J service. Due to operational constraints at Broad Street, some rush-hour J trains would need to terminate at Chambers Street. As a result, some current JZ riders will have longer travel times, while others will have reduced waiting times.

BUS SERVICE - SAVINGS \$50.8 MILLION 2009, \$88.4 MILLION ANNUALLY 2010-2012, POSITION REDUCTIONS 848 For 2009, 879 For 2010-2012

Revised Platform Budget Forecast

Throughout the year, the service budget for the following year – known formally as the Platform Budget – is revised as new information is available and as specific schedules are developed. This item reflects changes that further reduce costs in the 2009 Platform Budget since it was last revised in September.

Cancel X23/X24 Takeover

Currently, Atlantic Express operates the X23 and X24 express bus routes from the south shore of Staten Island to Midtown Manhattan under contract with NYCDOT. When the Charleston Depot is opened on Staten Island in 2010, NYCT is scheduled to take over the operation of the service at a net cost. This proposal requires that New York City maintain its financial responsibility for X23/X24 service.

Express Bus Adjustments to Reflect Demand

In conjunction with the general fare increase, the express bus fare would be increased from \$5 to \$6.25; over time, it is anticipated that express bus service would be reduced to meet lower demand, with some partially offsetting service increases on adjacent local bus services. Service would be reduced on all express bus routes based on projected ridership declines. In addition, the X25 and X32 would be eliminated because the projected ridership would not be enough to operate a single express bus trip.

Eliminate Low Performing Weekend Express Bus Service

This proposal eliminates X27 and X28 weekend express bus service between southern Brooklyn and Manhattan, which are very lightly used. Both routes operate

near subway services; customers can walk or take local buses to reach the subway as an alternative.

Discontinue Overnight Service on Low Performing Routes

Ridership on all overnight local bus service was analyzed using MetroCard data. A guideline-based threshold of 15-20 passengers per hour was applied for the overnight period; routes that did not meet this ridership threshold for at least three consecutive hours during each day of service were initially identified for overnight elimination. Because of the high availability of alternatives in Manhattan, additional Manhattan routes were identified for overnight elimination.

Overnight service would be eliminated on 25 routes:

- B7, B14, B31, B45, B48, B57, B64, B65, B67, and B77 in Brooklyn
- Bx10 in The Bronx
- M1, M2, M16, M22, M23, M42, M50, M66, M79, M96, M102, M103, and M104 in Manhattan
- Q30 in Queens

Overnight service would continue to operate on 71 routes as well as the entire subway system.

Discontinue Bus to Baretto Park Pool & SIR Baseball Special

This proposal eliminates two seasonal special services with low ridership. In the Bronx, NYCT inaugurated shuttle service in the summer of 2008 between the subway and the pool at Barretto Point Park. In Staten Island, the Staten Island Railway operates a special train to the Stadium station at the Richmond County Ballpark on game days only.

Reduce Service Span on Low Performing Routes

Ridership during the first two and last two hours of service for all local bus routes that do not operate 24 hours was analyzed and compared to system averages. Routes falling below two-thirds of the system average in terms of passengers per trip during the beginning or end of service were identified for span reductions. Because these reductions eliminate just a handful of trips at either end of the service span of a route (while the majority of service on affected routes is retained), the customer impact is low.

The proposed span reductions are as follows:

- Weekday morning service would begin later on the B16, B69, B70, B71, Bx33, M11, M20, M21, S57, and S66
- Weekday evening service would end earlier on the B2, B4, B9, B11, B13, B16, B69, M21, Q42, Q79, S54, and S60
- On Saturdays, service would begin later on the M20, M100, and M116, while service would end earlier on the B9 and M20
- On Sundays, service would begin later on the M20 and end earlier on the B9 and Q48

Restructure Local Bus Routes to Eliminate Underutilized or Duplicative Segments

This proposal includes both route truncation and route restructuring. Two Manhattan routes that significantly overlap other bus services are proposed for truncation; the M104 would be shortened seven days a week while the M1 would be shortened on weekends only. In addition, to reduce duplication and to shorten travel times, the restructuring of numerous routes in the Lower East Side area of Manhattan (affecting the M9, M15, M20, and M21) and the Co-op City area of The Bronx (affecting the Bx26, Bx28, and Bx30) is proposed.

Discontinue Weekend Service on Low Performing Routes

This proposal would eliminate weekend service on local bus routes with low ridership and farebox recovery. Initially, routes with less than 2/3 of the system average ridership and farebox recovery on weekends were identified for weekend elimination. Additional routes were identified based on ridership trends and service duplication.

37 local bus routes are proposed for weekend elimination:

- B2, B4, B7, B16, B23, B24, B37, B39, B48, B57, B65, B69, B71, and B75 in Brooklyn
- Bx8 (Sun only), Bx14, Bx18, Bx20, Bx33, and Bx34 in The Bronx
- M6, M8, M18, M21, M22, M27, and M50 in Manhattan
- Q14, Q31, Q76, Q79, and Q84 in Queens
- S42, S54, S57, S60, and S76 in Staten Island

Eliminate or Restructure Local Bus Routes that Duplicate the Subway

The local bus network was analyzed for duplication with the subway network. Initial candidate routes had more than 50% of their length within 0.2 miles of a subway line; ridership and alternative services were then analyzed. This proposal would eliminate weekend service on four routes that operate above, below, or adjacent to one or more subway lines for their entire length (the B25, Bx4, M10, and Q56). Although these routes do carry significant numbers of customers, the subway provides direct alternative service. In addition, segments of the B13 and the Q24 that are underutilized and that duplicate the subway are also proposed for elimination.

Discontinue Low Performing Local Routes with Alternatives Available

Initially, local bus routes were identified for weekday elimination based on ridership, farebox recovery, and service duplication. Routes with less than 2/3 of the system average weekday ridership and farebox recovery and routes that primarily duplicate other bus or subway services were considered for weekday elimination. These routes were then analyzed based on the availability of practical alternatives (such as the availability of a parallel bus route within ½ mile). The routes proposed for weekday elimination have practical bus and/or subway alternatives for customers along the entire length of the route. While customers may experience additional walking or waiting time and may need to make an additional transfer, they will still be able to complete their trips.

The routes proposed for weekday elimination are:

- B23, B25, B37, B39, B51, and B75 in Brooklyn
- Bx4, Bx14, Bx20, and Bx34 in The Bronx
- M6, M8, M10, M18, M27, and M30 in Manhattan
- Q26, Q56, Q74, Q75, and Q84 in Queens

Maintenance and Cleaning Headcount

The proposed service changes reduce bus cleaning and maintenance requirements. The dollar value of this change is calculated automatically using standard cost factors and included as part of the savings shown for each service change. This change represents the position adjustment associated with this dollar savings in maintenance and cleaning.

PARATRANSIT - SAVINGS \$27.3 MILLION 2009, \$56.5 MILLION 2010-2012

Raise Fare to Twice the Regular Base Fare

This initiative will increase the Paratransit fare to double the regular base fare. Under the current fare structure, the increase would be from \$2 to \$4. ADA guidelines allow the Paratransit fare to be up to two times that of the non-discount base transit fare, and other cities/counties currently do this including SEPTA (Philadelphia), Atlanta, Miami-Dade, and Denver. To implement this change, New York City concurrence will be required to modify the current Memorandum of Understanding under which NYCT provides Paratransit service. The annual savings estimate reflects \$9.3 million in increased revenue from the fare change and \$26.7 million in operating savings from decreased ridership.

Tighten Customer Cancellation/No-Show Policy

Current Paratransit policy requires suspension of service if 40% of trips are late cancellation/no-shows in a month, provided 7 or more trips have been reserved during that month. This proposal tightens the policy, in line with that of Long Island Bus, and temporarily suspends service if there are 8 late cancellations/no-shows in a six-month period. It requires negotiation with the FTA.

Increase Taxi/Voucher Trips by 5%

Shift trips from primary carriers to lower cost taxi and black car services. This will require a major effort to expand the taxi/black car vendor base willing to provide paratransit services.

Paratransit Rate Reduction Initiative

This initiative will maximize use of in-house services and redistribute Paratransit service to lower priced carriers to reduce costs associated with higher priced contractors.

CUSTOMER CONVENIENCE - SAVINGS \$25.1 MILLION 2009, \$52.0 MILLION 2010-2012, POSITION REDUCTIONS 808

Eliminate Station Customer Assistant (SCA) Tours

SCA's are deployed at station entrances where all fare sales are handled by MetroCard vending machines. A recent internal study by NYCT found relatively low rates of SCA utilization/interaction with customers, even at high-registration control areas. Eliminating this function results in staffing reductions of 570 SCA's and 26 Station Supervisors.

Reduce Staffing at Stations with More Than One Full-Time Booth

Several stations and station complexes have more than one full-time booth – a total of 78 booths at 36 stations/complexes. It is proposed to eliminate 29 of these staffed booths. An additional 13 booths at major stations, such as Times Square and Penn Station, will have staffing reduced from full-time to part-time. All stations/complexes will retain one full-time booth.

ADMINISTRATION - SAVINGS \$31.2 MILLION 2008/2009, \$36.8 MILLION 2010, \$37.0 MILLION 2011-2012, POSITION REDUCTIONS 338 For 2009, 317 For 2010-2012

Managerial 5% Reduction - Bus Service Streamlining

In developing these proposed additional actions, an internal target was established to achieve a 5 percent reduction in managerial expenses. Towards that target, the bus service changes described above will allow the Department of Buses to reduce 14 superintendent positions: 8 from reclassification of depots downsized from mega-depot status; and 2 each from Training, the Bus Command Center, and the Shop.

Managerial 5% Reduction - Station Automation

Nine Superintendent positions can be eliminated in concert with booth closures, SCA eliminations and tour reductions noted above.

Managerial 5% Reduction - Subways Reorganization

The ongoing line management-based reorganization of the Department of Subways will streamline reporting relationships and eliminate existing organizational silos, resulting in a net savings of 68 positions. This includes 24 managers, 1 professional employee, 1 clerical position, 39 supervisors, and 3 hourly positions.

Managerial 5% Reduction - All Other

To achieve the overall target savings equivalent to 5 percent of managerial positions, departments were asked to identify reductions in administrative and support functions. In combination with the savings achieved by the Bus Service Streamlining, Station Automation and Subways Reorganization initiatives, this will result in saving the cost of 5 percent of NYCT's managerial workforce.

Additional Administrative Reductions

The 5 percent managerial reduction noted above was expanded to increase savings from managerial positions and include a similar reduction in professional, technical,

engineering (PTE) and clerical positions. Resultant savings will be approximately equivalent to the cost of 7.5 percent of NYCT's managerial, PTE and clerical positions.

TIS Contract Reforecast

A reforecast of projected contract costs/renewals results in changes in the timing of expenses over several years.

OTPS Reductions

Savings will be achieved through reductions in maintenance, operating, and professional service contracts based on reductions in usage and anticipated under spending.

MAINTENANCE - SAVINGS \$14.7 MILLION 2009, \$20.8 MILLION 2010, \$20.5 MILLION 2011-2012, POSITION REDUCTIONS 153

Track Cleaning Reduction

Resources were added for track cleaning in station areas during the fall of 2007 as part of the Safety and Customer Satisfaction Pilot Programs to increase the frequency of cleaning from weekly or bi-weekly to twice a week. Eight of the original 94 positions were reduced in 2008 due to productivity improvements. Because of budget constraints, the remaining 86 positions are now being eliminated and the track cleaning cycle at the pilot stations will revert back to its original schedule.

Eliminate Depot Bus Quality Control Program

Resources were added for a bus quality control program during the fall of 2007 as part of the Safety and Customer Satisfaction Pilot Programs to maintain buses in 'like new condition' based on strict internal and external appearance standards and a zero tolerance policy regarding graffiti, scratchiti and body damage. Initial funding was sufficient to enroll buses delivered in 2006 or overhauled in 2007. Shop work for this program was reduced by \$2.5 million in the 2009 Budget. Because of budget constraints, the total amount for depot inspections and maintenance associated with this initiative is being eliminated.

R62 Converter – Actual Bid Savings

The converters on the 315-car R62 fleet have deteriorated significantly and are being replaced as part of a fleet improvement project in conjunction with SMS on this car class. NYCT has now received a bid price that is significantly lower than budget which will result in savings to this project.

OTHER - SAVINGS \$10.0 MILLION 2008

Defer NYCERS 55/25 AMC Refund Forecast

The July Financial Plan assumed that the funding of the 55/25 additional member contribution refund would include a lump sum payment in 2008 reflecting the actual

cash refund to members as of June 2008. A deferral of \$75 million of the lump sum payment is included in the November financial Plan baseline, which means that this cost will be amortized through the normal cost funding mechanism. A re-estimate has resulted in an additional deferral of \$10.0 million.

REVENUE - INCREASE OF \$2.4 MILLION 2008

Revised Farebox Revenue Forecast

It is now estimated that an additional \$2.4 million of farebox revenue above the baseline estimate will be realized in 2008.

MTA New York City Transit/Statens Island Railway November Financial Plan 2009-2012 Additional Actions for Budget Balance-Proposed Savings Amounts Better/(Worse) in millions												
Proposal	2008		2009		2010		2011		2012		Proposal Rqmt	
	EOY	Amount	EOY	Amount	EOY	Amount	EOY	Amount	EOY	Amount	Hearing	Env Rv TBD
Administration												
Managerial 5% - Bus Service Streamlining			14	19	14	19	14	19	14	19		
Managerial 5% - Station Automation			9	06	9	12	9	12	9	12		
Managerial 5% - Subways Reorganization			68	72	68	72	68	72	68	72		
Managerial 5% - Other			15	33	15	33	15	33	15	33		
Additional Administrative Reductions (7.5% Mgrl/PTE/Clerical)			211	107	211	219	211	219	211	219		
TIS Contract Reforecast		0.3	21	36		(33)		(0.1)		(0.4)		
OTPS Reductions				36		46		17		19		
Subtotal Administration	0	0.3	338	309	317	368	317	370	317	370		
Customer Convenience/Amenities												
Eliminate Station Customer Assistant (SCA) Tours			596	160	596	384	596	384	596	384		
Reduce Staffing at Stations with >1 Full-Time Booth			212	91	212	136	212	136	212	136	Y	
Subtotal Customer Convenience/Amenities	0	0.0	808	251	808	520	808	520	808	520		
Maintenance												
Track Cleaning Reduction			86	74	86	74	86	74	86	74		
Eliminate Depot Bus Quality Control Program			67	22	67	131	67	131	67	131		
R62 Converter - Actual Bid Savings				52		0.3		0.0				
Subtotal Maintenance	0	0.0	153	147	153	208	153	205	153	205		
Paratransit												
Raise Fare to Twice the Regular Base Fare				18.0		36.0		36.0		36.0	Y	
Tighten Late Cancellation/Customer No-Show Policy				2.4		2.4		2.4		2.4		
Increase Taxi/Voucher Trips by 5%				0.9		1.8		1.8		1.8		
Paratransit Rate Reduction Initiative				6.0		16.3		16.3		16.3		
Subtotal Paratransit		0.0		27.3		56.5		56.5		56.5		
Service - Subways												
Shorten G to Court Square All Times			10	0.2	10	1.9	10	1.9	10	1.9	Y	
Increase B Subdiv Headway on Weekends to 10 Minutes			40	2.9	40	5.0	40	5.0	40	5.0		
Reduce Normal Business Adjustments			12	0.8	12	1.4	12	1.4	12	1.4		
Revise Midday & Evening Guidelines to 125% Seated Load			10	0.6	10	7.0	10	7.0	10	7.0		
Revise Midday & Evening Guidelines to 125% Seated Load			22	1.4	22	8.4	22	8.4	22	8.4		
Increase Headways During 2-5am to 30 Minutes				0.3		4.1		4.1		4.1		
Operate N via Manhattan Bridge Late Nights			6	0.3	6	0.4	6	0.4	6	0.4	Y	

MTA New York City Transit/Statens Island Railway											
November Financial Plan 2009-2012											
Additional Actions for Budget Balance-Proposed Savings											
Amounts Better/(Worse) in millions											
Proposal	2008		2009		2010		2011		2012		Proposal Rqmt Hearing Env Rv
	EOY	Amount	EOY	Amount	EOY	Amount	EOY	Amount	EOY	Amount	
Eliminate W and Extend Q to Astoria			9	0.3	9	3.0	9	3.0	9	3.0	Y
Operate M to Broad St Rush Hrs; Eliminate Z; Add J Local Svce			26	0.2	26	2.4	26	2.4	26	2.4	Y
Subtotal Service - Subways	0	0.0	113	5.5	113	25.2	113	25.2	113	25.2	
Service - Buses											
Revised Platform Budget Forecast			30	2.6	30	4.1	30	4.1	30	4.1	
Cancel X23/X24 Takeover			0	0.0	30	5.3	30	5.3	30	5.3	
Express Bus Service Adjustments to Reflect Demand			52	7.3	52	10.9	52	10.9	52	10.9	
Eliminate Low Performing Weekend Express Bus Svc			8	0.6	8	0.9	8	0.9	8	0.9	Y
Discontinue Overnight Service on Low Performing Routes			19	1.3	19	2.0	19	2.0	19	2.0	Y
Discontinue Bus to Barretto Park Pool & SIR Baseball Special			0	0.1	0	0.1	0	0.1	0	0.1	Y
Reduce Service Span on Low Performing Routes			16	1.1	16	1.6	16	1.6	16	1.6	Y
Restructure Local Bus Routes to Elim Underutilized Segments			56	4.2	56	6.3	56	6.3	56	6.3	Y
Discontinue Weekend Service on Low Performing Routes			145	10.1	145	15.1	145	15.1	145	15.1	Y
Elim or Restruc Local Bus Routes that Duplicate Subway			62	3.9	62	5.9	62	5.9	62	5.9	Y
Discontinue Low Performing Local Routes w/ Alts Available			350	19.6	350	36.2	350	36.2	350	36.2	Y
Bus Maint & Cleaning Positions Assoc with Actions Above			109		109		109		109		Y
Subtotal Service - Buses	0	0.0	848	50.8	879	88.4	879	88.4	879	88.4	
Other											
Defer NYCERS 55/25 AMC Refund Payment						0.0		0.0		0.0	
Revised Farebox Revenue Forecast		10.0				0.0		0.0		0.0	
SIR 5% Managerial Reduction		2.4				0.0		0.0		0.0	
			2	0.2	2,000	0.2	2	0.2	2	0.2	
TOTAL	0	12.7	2,262	154.5	2,272	279.8	2,272	279.8	2,272	279.8	

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MTA BRIDGES AND TUNNELS
November Financial Plan 2009-2012
Additional Actions for Budget Balance

In developing the additional actions for budget balance, B&T has followed the guidance of the MTA and put forth reductions that will not compromise the safety of the public or its employees. With that said, however, many of the actions proposed by B&T and accepted by the MTA will be difficult for employees and/or customers. A total of \$59.4 million in changes are being proposed over the 2009-2012 period with approximately 25 percent of the potential savings classified as administrative. A total of 14 non-represented positions would be reduced through these actions.

Administration

Reduction in Non-Represented Employees \$6.0 million

There will be a reduction of 14 non-represented positions. These reductions will affect several departments requiring them to reorganize and re-engineer processes. Productivity is likely to be affected. If employees cannot be assigned to other vacancies, the elimination of these positions may require some involuntary separations.

Receipt of Lower-Than-Budgeted Bids \$7.3 million

Several different procurements or purchases are currently underway within the Agency. In some cases, lower-than-anticipated bids or prices have been received enabling B&T to reduce projected contracted expenses.

Guard Service Coverage at B&T 2 Broadway Offices \$0.5 million

B&T will reduce spending on private guard services by reprioritizing security coverage at its 2 Broadway offices.

Customer Convenience/Amenities

E-ZPass Paper Statements \$1.9 million

B&T E-ZPass customers can either receive free monthly e-mail statements or free bi-monthly paper statements mailed to their address of record. (55% of all B&T's E-ZPass accountholders receive the bi-monthly paper statements.) To reduce costs, B&T is proposing to move from free bi-monthly to free quarterly paper statements, thereby reducing operating costs by \$500,000 per year. While account balances can still be checked on line or by calling the E-ZPass Customer Service Center's toll free number, this change will likely result in additional in-lane interventions caused by negative E-ZPass accounts.

MTA BRIDGES AND TUNNELS
November Financial Plan 2009-2012
Additional Actions for Budget Balance

E-ZPass Bad Debt \$1.5 million

B&T will tighten controls over replenishment payments for E-ZPass accounts paying by check and cash. These accounts will always be required to carry positive balances in order to have an account in good standing. This change will result in less Bad Debt and fewer E-ZPass accounts going to collections. This change will also result in an increase in plaza interventions for bridge and tunnel staff when accounts are turned off, causing some traffic delays in the E-ZPass lanes. Calls by customers to the E-ZPass Customer Service Center are likely to increase as a result of this action.

Maintenance

Timing of Bridge Painting \$15.0 million

For efficiency purposes, attempts are made to coordinate large painting jobs with capital projects. This causes painting expenditures to vary by year. Due to rescheduling of capital construction, two major painting jobs originally expected to be carried out in 2009 and 2010 will be carried out later during the 2010 to 2014 capital program. In addition, B&T has been benefiting from some favorable recent bids on contracts, further reducing projected future expenses. The structural integrity of the facilities will not be compromised by this action.

Revenue

Rockaway Resident - Cross Bay Bridge Rebate Program \$13.0 million

This action would eliminate the rebate received by registered Rockaway residents using E-ZPass to travel over the Cross Bay Bridge. While B&T's net revenue will not change through this action, the elimination of this program, which was adopted by the MTA Board in 1998, will return to the MTA \$3.6 million per year in Mortgage Recording Tax funds, which are used to provide revenue to B&T that is equivalent to the rebate.

Service

Manual Toll Lane Scheduling \$3.0 million

Work schedule and staffing will be better aligned to meet the seasonally changing needs of B&T manual/cash toll collection. This will result in the closing of some manual/cash lanes in the periods of lower traffic demand and may result in slightly longer cash queues during these periods.

MTA BRIDGES AND TUNNELS
November Financial Plan 2009-2012
Additional Actions for Budget Balance

Service Support

Toll Collection Software Maintenance \$1.0 million

The maintenance contract for the toll collection in-lane system is being reduced by \$250,000 per year to eliminate contingency funding for potential future software changes. The funding that remains will cover the remaining portions of the contract, which has averaged about \$6.4 million annually over the last three years.

Other

B&T Facility Security Assignments \$6.0 million

In coordination with MTA Security, facility security assignments will be reprioritized, resulting in a reduction of 14 facility staff. These changes will not compromise the safety of customers and security of the facilities.

Truck Weight Enforcement \$4.1 million

B&T funded dedicated weight enforcement personnel and overtime in 2007 to enforce B&T rules and regulations in regard to trucks traveling on its bridges. The program was created to protect the key structural elements of the facilities by reducing or eliminating the number of overweight trucks. This program will continue, but at a reduced level.

MTA BRIDGES & TUNNELS
November Financial Plan 2009-2012
Additional Actions for Budget Balance
(\$ in millions)

		Favorable/(Unfavorable)					Total
	Positions	2009	2010	2011	2012	2009-2012	
Administration							
Reduction in Non-Represented Employees	14	1.5	1.5	1.5	1.5	6.0	
Receipt of Lower-than-Budgeted Bids	-	3.2	1.4	1.4	1.4	7.3	
Guard Service Coverage at 2 Bxwy Offices	-	0.1	0.1	0.1	0.1	0.5	
Subtotal Administration	14	4.8	3.0	3.0	3.0	13.8	
% of Total Proposed		28.1%	12.4%	40.8%	28.0%	23.3%	
Customer Convenience/Amenities							
E-ZPass Paper Statements	-	0.4	0.5	0.5	0.5	1.9	
Reduce E-ZPass Bad Debt	-	0.3	0.4	0.4	0.4	1.5	
Subtotal Customer Convenience/Amenities	-	0.7	0.9	0.9	0.9	3.4	
% of Total Proposed		4.1%	3.7%	12.2%	8.4%	5.7%	
Maintenance							
Timing of Bridge Painting	-	8.1	13.1	(3.7)	(0.4)	15.0	
Subtotal Maintenance	-	6.1	13.1	(3.7)	(0.4)	15.0	
% of Total Proposed		35.4%	54.0%	-50.4%	-3.4%	25.3%	
Revenue							
Rockaway Resident - Cross Bay Bridge Rebate Program	-	2.2	3.6	3.6	3.6	13.0	
Subtotal Revenue Enhancement	-	2.2	3.6	3.6	3.6	13.0	
% of Total Proposed		12.9%	15.0%	48.8%	33.6%	21.9%	
Safety							
None	-	0.0	0.0	0.0	0.0	0.0	
Subtotal Safety	-	0.0	0.0	0.0	0.0	0.0	
% of Total Proposed		0.0%	0.0%	0.0%	0.0%	0.0%	
Security							
None	-	0.0	0.0	0.0	0.0	0.0	
Subtotal Security	-	0.0	0.0	0.0	0.0	0.0	
% of Total Proposed		0.0%	0.0%	0.0%	0.0%	0.0%	
Service							
Manual Toll Lane Scheduling	-	0.8	0.8	0.8	0.8	3.0	
Subtotal Service	-	0.6	0.8	0.8	0.8	3.0	
% of Total Proposed		3.2%	3.3%	10.9%	7.5%	5.0%	
Service Support							
Toll Collection Software Maintenance	-	0.3	0.3	0.3	0.3	1.0	
Subtotal Service Support	-	0.3	0.3	0.3	0.3	1.0	
% of Total Proposed		1.5%	1.0%	3.4%	2.3%	1.7%	
Other							
B&T Facility Security Assignments	14	1.5	1.5	1.5	1.5	6.0	
Truck Weight Enforcement	-	1.0	1.0	1.0	1.0	4.1	
Subtotal Other	14	2.5	2.5	2.5	2.5	10.1	
% of Total Proposed		14.8%	10.3%	34.4%	23.6%	17.1%	
Total Proposed	28	\$17.1	\$24.2	\$7.4	\$10.7	\$59.4	

**MTA Long Island Rail Road
November Financial Plan 2009-2012
Additional Actions for Budget Balance**

Given the downturn in the economy and its impact on the financial plan, the MTA recently asked its agencies to develop additional actions to achieve budget balance, part of which would be achieved through a 5% cut in administrative/managerial costs.

The Long Island Rail Road's effort to meet its \$54 million annualized reduction target was difficult. The first priority was to identify as many actions as possible that would produce administrative savings and efficiencies but not impact mission critical services to customers. Consequently, approximately 64% of the full-year value of the LIRR's contingency plan package is achieved in this manner. Unfortunately, it is not possible to achieve a budget reduction of this magnitude without affecting service, and the remaining 36% of the package would result in reduced train service and/or customer amenities. That having been said, the actions in the plan were selected because they would have the lowest impact on the fewest number of riders.

The actions would place pressure on the LIRR to maintain service standards and sustain recent improvements in operating performance, because the size of the workforce would drop by 320 positions by the end of 2010 if the full plan were put into effect. It is anticipated that eliminating selected vacant positions and accomplishing the remainder through natural attrition could achieve this reduction. The LIRR is confident in the dedicated men and women of the LIRR to continue their record of accomplishment.

The list below summarizes the individual proposals:

ADMINISTRATION

Administrative Headcount Reductions

The LIRR would reduce its administrative staffing level by 18 positions by the end of 2010. Departments would balance the workload among remaining staff. Five of these positions are currently vacant. The rest would be eliminated through attrition.

Engineering Administrative & Support Headcount Reductions

The LIRR would eliminate five vacant positions in the Engineering Department that have administrative and support responsibilities.

Maintenance of Equipment Administrative Headcount Reductions

The LIRR would reduce staffing of the crew board that monitors staff utilization and manpower allocation. Two vacant positions would be eliminated.

Miscellaneous Non-Payroll reductions

Advertising, consulting and other non-payroll spending would be reduced.

Re-Estimate of Leave Balance Payments

Based on prior year trends, the LIRR believes it can reduce its budget provision for Leave Balance lump sum payments.

Eliminate Vacant Maintenance of Equipment Management Support Positions

The LIRR would eliminate five vacant management positions, including one Master Mechanic, two Supervisors of Equipment, one Software Configuration Manager and one Mechanical Engineer, Operations Engineering.

Reduction to Administrative Support Staffing and Non-Payroll in Transportation

The LIRR would reduce the size of its Special Duty Conductor team by one position through redeployment. This team monitors train crew fare collection practices. The Rail Road also would eliminate one vacant Transportation Supervisory position, which assists the Rail Road in recruiting for Transportation Manager positions by expanding the pool of eligible candidates. Finally, this reduction initiative will delay non-FRA required training.

CUSTOMER CONVENIENCE/AMENITIES

Close Ticket Windows/Reduce Ticket Selling Positions

The LIRR would close ticket offices at its 20 lowest utilized stations, reduce overnight ticket selling tours at Penn Station, Jamaica and Flatbush, and reduce the ticket clerk extra list and overtime. This would leave 30 stations with open ticket offices. Additional staffing for ticket vending machine maintenance would partially offset the impact of these reductions.

Delay/Cancel Maintenance Upgrades to M3 Toilets and Interiors

The LIRR would reduce the size of its mobile toilet gang, which is responsible for the maintenance and repair of toilets on the fleet. It would also cancel the scheduled overhaul of M3 toilets and the 6-year program to replace seats, windows, wainscot and lighting on the M3s.

Cancel the Elevator/Escalator Remote Sensor Pilot

The Engineering Department's budget contains funding to install elevator/escalator remote sensing system at selected sites as a pilot initiative. The sensors would enable the Rail Road to report the operating status of elevators and escalators in real time on the web site. The reduction would eliminate the funding for this pilot initiative.

Reduce Graffiti Removal and Station Maintenance

The dedicated Graffiti Removal Team would be eliminated and its two staff redeployed. Existing staff will address graffiti removal requests as workload permits.

Reduce Travel Information Office Staffing

The Travel Information Center staffing will be reduced by 11% through attrition. The travel information center handles customer calls for travel related information.

MAINTENANCE

Arch Street Maintenance Facility

The November Financial Plan adds new positions to the Maintenance of Equipment Department in 2010, when it would assume operational responsibility for the Arch Street Maintenance Facility. This proposal would forego the new positions and require the Maintenance of Equipment Department to shift existing budgeted work to the Arch Street Maintenance Facility.

Electrician Apprentice Program

The LIRR would cancel the start-up of a two year Electrician Apprentice Program within the Maintenance of Equipment Department. This would eliminate 15 vacant positions.

Eliminate Operating Funds for Bridge Painting

The LIRR would eliminate all bridge painting funded in the operating budget. Beginning in 2009, only capitally funded projects would take place.

Engineering Overtime Reductions

The Engineering Department will reduce its non-reimbursable overtime budget by 12%. This will be achieved by only performing critical repair needs on overtime. All other work will be conducted on straight time.

Extend Life Cycle Maintenance (LCM) Program.

Due to the better than anticipated performance of the M7 fleet, the LIRR would immediately re-balance the five-year LCM program from 90 pairs per year to 84 pairs per year. In order to achieve the full \$6.5 million in annual savings from this proposal, the Rail Road would need to secure an FRA waiver to extend the 5-year replacement requirement of air brakes to six years. Meetings with the FRA already have occurred.

Extend Vehicle Replacement Cycle – Reduce Annual Purchase Requirement

The LIRR would extend the replacement cycle by one year for most vehicle types, thereby reducing the number of work vehicles and passenger cars purchased, saving \$700,000 annually.

Improve Inventory Management

The LIRR believes that by implementing new oversight and accountability measures, it can reduce its materials purchases. The savings are net of adding two additional positions required to achieve these savings.

Re-Estimate of Material and Consultant Costs in Maintenance of Equipment

Based on prior year spending trends, the LIRR will reduce non-payroll funding for material and consultants to a level more in line with prior year actual costs.

Re-Estimate Life Cycle Maintenance Contingency Budget

The Maintenance of Equipment Life Cycle Maintenance budget reflects the rebuild and reuse of rolling stock components. The annual work level includes an assumption for rebuilding spare material. The spare LCM inventory rebuilt by the support shops would be reduced by 50% to reflect actual experience.

Reduce Right of Way Maintenance

The LIRR would generate \$2.4 million in savings by reducing its right of way and tree trimming efforts by 25%.

Reduce Staffing for Maintenance & Repair of Power and Communication Systems

The LIRR would reduce its staffing dedicated to communication, third-rail, lighting system, and substation maintenance by 11% through attrition. Remaining staff would absorb the workload.

Reduction in Station Maintenance

The LIRR would reduce its staffing dedicated to station and facility maintenance by 8% through attrition. In addition, the proposal would result in an 80% reduction to third party station painting. Requests for assistance from branch line managers and the public would be addressed as manpower becomes available.

REVENUE

Exterior Train Car Advertisement Pilot Project

The LIRR will pursue the placement of advertisements on the exterior of its M7 fleet. Based on placing advertisement on 100 cars, it is estimated that the LIRR would generate \$3 million annually.

SAFETY & SECURITY

Modify Gap Mitigation

The LIRR will pursue new FRA capital funds of approximately \$6 million to support a portion of the 5'7" platform gap mitigation work in 2008. Further, this proposal would eliminate via attrition two of the four special platform conductors that were funded per the Gap Safety Initiative.

Re-Estimate of Environmental Maintenance Costs

Based on prior experience, the LIRR believes it can reduce funding for Environmental Maintenance by 20%.

SERVICE

Reduce Spare Ratio - Place M3 Cars in Reserve

The LIRR would place 10 M3 cars into a non-revenue service reserve status. They would not be available for service.

Service Reductions

The LIRR would eliminate train service in a manner that impacts the least number of riders and would still leave them with viable alternative transportation options. Proposed service reduction would include: elimination of Port Washington off-peak half hourly service, elimination of non-Stakes Belmont service (visitors would have the option to utilize bus service from the nearby Queens Village Station), eliminate weekend West Hempstead service (riders would be able to utilize train service from the nearby Babylon and Hempstead branches). In addition, selected trains would be cancelled and combined in a manner that increases capacity utilization, bringing ridership levels close to the maximum permitted under the Service Guidelines. Specific proposals include merging two AM peak and two PM Babylon Branch trains, canceling one PM peak Long Beach train and canceling one Ronkonkoma PM peak train. These savings will also result in corresponding fleet support reductions.

SERVICE SUPPORT

Train Crew Staffing Reductions

Various crews would be combined to generate headcount savings through attrition. Further, additional Collector positions that supplement the base crew for fare collection on crowded trains would be reduced by 50% through attrition.

MTA Long Island Rail Road
November Financial Plan 2009-2012
Additional Actions for Budget Balance

MTA CATEGORY	DESCRIPTION	2009		2010		2011		2012	
		Pos YE	\$ millions	POS	\$ millions	POS	\$ millions	POS	\$ millions
Administration or Management	Administrative Headcount Reductions	13	\$1.2	18	\$1.6	18	\$1.8	18	\$1.9
Administration or Management	Engineering administrative & support headcount reductions	5	\$0.5	5	\$0.5	5	\$0.5	5	\$0.5
Administration or Management	Maintenance of Equipment administrative headcount reductions	2	\$0.2	2	\$0.2	2	\$0.2	2	\$0.2
Administration or Management	Miscellaneous Non-payroll reductions	-	\$1.8	-	\$1.7	-	\$1.7	-	\$1.7
Administration or Management	Re-estimate of leave balance payments	-	\$0.2	-	\$0.1	-	\$0.1	-	\$0.1
Administration or Management	Eliminate vacant Maintenance of Equipment management support positions	5	\$0.5	5	\$0.5	5	\$0.5	5	\$0.5
Administration or Management	Reduction to administrative support staffing and non-payroll in Transportation	2	\$0.4	2	\$0.3	2	\$0.3	2	\$0.3
		27	\$4.7	32	\$4.8	32	\$5.1	32	\$5.2
Customer Convenience & Amenities	Close ticket windows/reduce ticket selling positions	-	\$0.0	26	\$2.2	26	\$2.3	26	\$2.3
Customer Convenience & Amenities	Delay/cancel maintenance upgrades to M3 toilets & interiors	10	\$1.8	13	\$1.9	13	\$2.0	13	\$2.0
Customer Convenience & Amenities	Cancel the elevator/escalator remote sensor pilot	-	\$0.5	-	\$0.0	-	\$0.0	-	\$0.0
Customer Convenience & Amenities	Reduce graffiti removal and station maintenance	-	\$0.0	2	\$0.2	2	\$0.2	2	\$0.2
Customer Convenience & Amenities	Reduce Travel Information Office Staffing	2	\$0.2	2	\$0.2	2	\$0.2	2	\$0.2
		12	\$2.5	43	\$4.5	43	\$4.6	43	\$4.7
Maintenance	Arch Street Maintenance Facility	-	\$0.0	21	\$2.0	21	\$2.1	21	\$2.1
Maintenance	Electrician Apprentice Program	15	\$1.0	15	\$1.0	15	\$1.1	15	\$1.1
Maintenance	Eliminate operating funds for bridge painting	-	\$3.0	-	\$0.5	-	\$0.5	-	\$0.5

MTA Long Island Rail Road
November Financial Plan 2009-2012
Additional Actions for Budget Balance

MTA CATEGORY	DESCRIPTION	2009		2010		2011		2012	
		Pos YE	\$ millions	POS	\$ millions	POS	\$ millions	POS	\$ millions
Maintenance	Engineering overtime reductions	-	\$1.1	-	\$1.2	-	\$1.2	-	\$1.3
Maintenance	Extend Life Cycle Maintenance program	24	\$2.3	24	\$6.5	24	\$6.7	24	\$6.9
Maintenance	Extend vehicle replacement cycle - reduce annual purchase requirement	-	\$0.7	-	\$0.7	-	\$0.7	-	\$0.7
Maintenance	Improve Inventory Management	(2)	(\$0.3)	(2)	\$1.7	(2)	\$2.7	(2)	\$2.7
Maintenance	Re-estimate material and consultant costs in Maintenance of Equipment	-	\$0.3	-	\$0.3	-	\$0.3	-	\$0.3
Maintenance	Re-estimate Life Cycle Maintenance contingency budget	5	\$1.5	5	\$1.5	5	\$1.6	5	\$1.6
Maintenance	Reduce maintenance of right of way	-	\$0.6	15	\$2.4	15	\$2.3	15	\$2.4
Maintenance	Reduce staffing for maintenance & repair of Power and Communication systems	11	\$1.0	16	\$1.6	17	\$1.7	17	\$1.8
Maintenance	Reduction to station maintenance	3	\$0.9	11	\$1.6	5	\$1.1	5	\$1.1
Revenue	Exterior train car advertisement	56	\$12.1	105	\$21.0	100	\$21.9	100	\$22.4
		-	\$1.5	-	\$3.0	-	\$3.0	-	\$3.0
Safety & Security	Modify gap mitigation schedule	-	\$1.5	-	\$3.0	-	\$3.0	-	\$3.0
Safety & Security	Re-estimate of environmental maintenance costs	2	\$6.2	4	\$0.2	4	\$0.2	4	\$0.2
		-	\$0.0	-	\$0.0	-	\$0.0	-	\$0.0
Service	Reduce Spare Ratio - place M3 cars in reserve	2	\$6.2	4	\$0.2	4	\$0.3	4	\$0.3
Service	Service Reductions	9	\$2.1	9	\$2.2	9	\$2.3	9	\$2.3
Service Support	Train crew staffing reductions	40	\$4.5	85	\$12.6	65	\$11.0	65	\$11.3
		49	\$6.7	94	\$14.8	74	\$13.2	74	\$13.6
		19	\$2.5	42	\$4.5	42	\$4.6	42	\$4.7
		19	\$2.5	42	\$4.5	42	\$4.6	42	\$4.7
		165	\$36.2	320	\$52.8	295	\$52.6	295	\$54.0

**MTA Metro-North Railroad
November Financial Plan 2009 to 2012
Additional Actions for Budget Balance**

In identifying \$35 million in additional actions to achieve budget balance, Metro-North Railroad used certain guiding principles. 1) None of the reductions would impact customer or employee safety. 2) Impacts to customers and existing employees would be minimized to the extent possible. 3) Opportunities to keep and grow revenue would be maintained.

Administrative reductions in the amount of \$13.8 million have been identified, including the elimination of 18 administrative positions. Ultimately, the overall reduction target could not be accomplished without affecting the quantity and quality of service for rail lines East and West of the Hudson River as well as impacting the workforce that provides those services.

ADMINISTRATION:

Administrative Position Reductions

Eighteen administrative positions will be identified for elimination; thirteen non-represented and five represented. Metro-North is attempting to achieve this goal by identifying vacant jobs. The reduction will result in deferral of select corporate priorities.

Reduce Operating Capital Funded Management Initiatives

A substantial number of Operating/Capital initiatives affecting IT and Operations would be eliminated or deferred. Several of these items will impact customers (purchasing additional buses for the Hudson Rail Link service and improving lighting at New Haven Line stations) as well as items that are required to maintain Metro-North infrastructure (a third rail gauge measurement system, a replacement wrecking crane and non-revenue vehicle replacements). Information Technology initiatives that are required to improve the railroad's network infrastructure for better communication and to effect efficiency investments will also be eliminated or deferred.

Reduce miscellaneous non-payroll expenditures budgeted for Maintenance and Other Operations Contracts, Professional Services & Business Expenditures.

Provisions for miscellaneous contracts and contracts for services will be reduced.

Reduce Advertising

This reflects a 69% reduction in advertising.

Eliminate expansion of handheld units to automate field reporting and provide for retrieval of data for C&S and Track & Structures Department

Reductions include the deferral of a project to adopt the new technology developed for the onboard ticket issuing machines to automate and better manage operations in the field.

Reduce non-capital vehicle replacements

Provision budgeted to replace electric and other specialty maintenance vehicles that do not meet capitalization criteria will be eliminated.

Reduce expenditures for special/employee recognition events

Provisions for miscellaneous expenditures budgeted for special/employee recognition events will be reduced.

CUSTOMER CONVENIENCE & AMENITIES:**CUSTOMER FEES****Eliminate toll free 1-800 Customer Information Center number**

Metro-North will eliminate the toll-free telephone number for its Customer Information Center; some customers would incur long-distance telephone charges.

Add CPI to 2009 Commissary

Metro-North will add a consumer price index increase mid-year to commissary items (including alcoholic beverages) purchased by customers.

GRAND CENTRAL TERMINAL ENVIRONMENT & SERVICES**Reduce GCT cleaning**

GCT cleaning would be reduced and six positions eliminated. Reductions would occur in two specific areas. The overnight cleaning crew in Grand Central would be reduced. This crew is tasked with cleaning the Terminal in a span of 3-1/2 hours and cleaning up after storms - rain and snow. This reduction will impact Metro-North's ability to clean the building in normal conditions, but will inhibit special event support (much of which takes place during the hours that the terminal is closed) and emergency response. Platforms will also be cleaned of paper and debris with less frequency. The frequency of power washing the tactile warning strips will also be reduced, resulting in increased dirtiness and continued deterioration.

Close GCT North Station Master's Office

The Station Master's Office (SMO) in Grand Central North will close. The SMO North Office provides a location for commuters and visitors to obtain assistance and directions on that side of the terminal.

Reduce GCT ticket sellers at the ticket windows

Two ticket seller positions will be eliminated. The amount of time that some customers will have to wait on line to purchase a ticket will increase.

CUSTOMER SERVICES

Reduce car cleaning

Eleven car cleaning positions in the Car Appearance Department will be eliminated. The proposed reduction of eleven positions would change the extraordinary car cleaning program from the current 60-day cycle to a 90-day cycle. It is anticipated that this will have a direct effect on the cleanliness and appearance of the fleet – inside and out.

Reduce station cleaning

Two cleaning positions will be eliminated: one from the New Haven Line and one from the Harlem Line. As a result, extraordinary cleaning work at stations will only be performed Monday through Friday.

Reduce the number of Customer Information Center phone service representatives

Four Telephone Representative positions will be eliminated in the Customer Information Center. This reduction will result in increased customer wait times for information during service disruptions and special events.

Close Ticket Offices

Ticket offices at Crestwood, Harrison and New Canaan stations will close. Ticket machines are available at those locations.

Reduce ticket window hours at 4 New Haven Line stations

Ticket window hours would also be reduced at 4 New Haven Line stations, Port Chester, Greenwich, Westport and Fairfield. Ticket machines are available at these locations.

Defer credit/debit rollout for On-Board Ticket Selling Machines

Defer the roll-out of credit/debit function for hand-held ticket machines. Although a much-desired customer amenity, activating this feature of the hand-helds will ultimately be deferred.

SERVICE:

Reduce car consist and increase loading standards for East of Hudson

East of Hudson, Metro-North currently has peak loading standards of not allowing occupancy to exceed 95% on any train ("the ceiling") and not reducing any consist if it will result in train occupancy above 87% ("the floor"). Under this proposal, Metro-North will increase the minimum to 95% and reduce peak consists to come as close to 95% occupancy as possible. Similarly in the off-peak, the minimum standards will be increased from 75% to 85% and reduce consists to maximize occupancies according to the new higher standard. On weekends, Metro-North will raise both the maximum (currently 75%) and the minimum (now 65%) to 80% and reduce consists wherever possible to ensure the highest occupancy according to the new higher standards.

Customers on all lines east of the Hudson will notice crowding and see standees on certain days.

Reduce car consist and increase loading standards for West of Hudson

West of Hudson, Metro-North will not change the existing 92% maximum peak loading standard, but will reduce consists wherever possible to maximize occupancies within that limit. West of Hudson, 3,600 of weekday customers will be affected; there is no impact to weekend service under this scenario. Savings will be realized through a reduction in propulsion costs.

Reduce service for east of Hudson, net of revenues

Eliminate nine East of Hudson trains (three Hudson Line; two Harlem Line; four New Haven Line). The reduction includes, one pm-peak train, seven off-peak weekday trains and one weekend train. Six of the nine trains will be combined with other trains, thereby increasing travel time. The remaining three trains will be eliminated, reducing train frequency. Over 2,000 customers will experience a reduction in train frequency from 30 up to 75 minutes and approximately 3,500 customers will experience an increase in travel time up to 19 minutes. Twelve engineer/conductor positions will be eliminated.

Reduce service for West of Hudson, net of revenues

West of Hudson, Port Jervis Line express trains will make local stops in New Jersey, adding 10-20 minutes of travel time. The weekend service on the Pascack Valley Line, which was just instituted a year ago, will be reduced.

Retire 30 M-1 cars

Metro-North has retained 30 M1 cars which now will be retired from service and prepared for disposal. This would further exacerbate the potential of not meeting consist compliance numbers, worsen crowding conditions, eliminate ability to have replacement vehicles for emergencies and not have a dedicated fleet for Yankee Stadium shuttle service.

MAINTENANCE:

Defer West of Hudson F-40 locomotive overhaul program

The overhaul of 2 F-40 locomotives will be deferred until 2010.

Reduce Maintenance of Equipment shop materials usage

The Equipment Department will implement an overall reduction in material usage; minor reduction in support shop pool levels, and a reduction in discretionary part change-outs.

Defer portion of M3 interior overhaul program

The overhaul of M3 car interiors will be reduced from 48 to 32 cars. Work will begin in 2009 but extend until the end of 2011.

Defer portion of regular cyclical seat change out program for all fleets

Reduce provision for cyclical seat replacement programs.

Reduce Maintenance of Equipment agreement personnel

Ten agreement positions will be eliminated in the Maintenance of Equipment department affecting all shops. Service could be negatively affected as it may take longer to return trains to service once they require unscheduled maintenance. In turn, fewer cars - and therefore fewer seats - would be available for customers.

Reduce overtime for Maintenance of Equipment, Maintenance of Way and Operating Services Departments

Metro-North will have fewer financial resources for emergency repairs and to quickly respond to service disruptions

Defer funding for repairs of accident damaged cars

The repair of two heavily-damaged coaches will be deferred.

Reduce purchase of shop tools

Provision to purchase and/or maintain shop equipment and tools will be reduced.

Reduce GCT restoration efforts

During the past 15 years, significant progress had been made in restoring and maintaining the Terminal to a high standard. This landmarked facility consistently receives almost perfect scores on Metro-North's customer surveys. The restoration work that began in Grand Central Terminal in the late 1990s is not complete and areas that continue to need attention such as fixing decayed entrance doors or water infiltration of the metal canopy will be partially deferred.

SAFETY/SECURITY:**Reduce Maintenance of Way agreement personnel**

Ten radio maintainer agreement positions that would have been dedicated to Security System coverage will be eliminated. Originally, there was to be a dedicated staff available to maintain this system 24 hour 7 days a week. Under this reduction plan, coverage to make straight time repair and maintenance will only be available during two tours of duty, Monday to Friday only.

MTA Metro-North Railroad
November Financial Plan 2009 - 2012
Additional Actions for Budget Balance
(\$ in millions)

	2009		2010		2011		2012	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
List of Programs								
Administration:								
Administrative position reductions	18	\$2.1	18	\$2.1	18	\$2.1	18	\$2.1
Reduce operating capital funded management initiatives	-	6.6	-	11.6	-	11.6	-	11.6
Reduce other nonpayroll expenditures for material, maintenance, other operating and professional service contracts and other business expenses.	-	2.8	-	2.9	-	2.9	-	2.9
Reduce advertising	-	1.5	-	1.5	-	1.5	-	1.5
Eliminate handheld expansion to automate field reporting and provide for retrieval of data for C&S and Track & Structures Dept.	-	0.4	-	0.4	-	0.4	-	0.4
Reduce non-capital vehicle replacements	-	0.2	-	0.2	-	0.2	-	0.2
Reduce expenditures spent on special/employee recognition events	-	0.2	-	0.2	-	0.2	-	0.2
Sub Total Administration	18	\$13.8	18	\$18.9	18	\$18.9	18	\$18.9
Customer Convenience & Amenities:								
Customer Fees								
Eliminate toll free 1-800 Customer Information Center number	-	\$0.2	-	\$0.2	-	\$0.2	-	\$0.2
Add CPI to 2009 Commissary	-	0.1	-	0.1	-	0.1	-	0.1
GCT								
Reduce GCT cleaning	6	0.6	6	0.6	6	0.6	6	0.6
Close GCT North Station Master's Office	2	0.2	2	0.2	2	0.2	2	0.2
Reduce GCT ticket sellers at the ticket windows	2	0.2	2	0.2	2	0.2	2	0.2

MTA Metro-North Railroad
November Financial Plan 2009 - 2012
Additional Actions for Budget Balance
(\$ in millions)

	2009		2010		2011		2012	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
Customer Services								
Reduce car cleaning	11	0.7	11	0.7	11	0.7	11	0.7
Reduce station cleaning	2	0.2	2	0.2	2	0.2	2	0.2
Reduce the number of Customer Information Center phone service representatives	4	0.4	4	0.4	4	0.4	4	0.4
Close Crestwood Station, Harrison and New Canaan ticket offices	3	0.3	3	0.3	3	0.3	3	0.3
Reduce ticket window hours at 4 New Haven line stations - Port Chester, Greenwich, Westport, Fairfield.	4	0.2	4	0.2	4	0.2	4	0.2
Defer credit/debit rollout for On-Board Ticket Selling Machines	-	0.3	-	0.0	-	0.0	-	0.0
Sub Total Customer Convenience & Amenities	34	\$3.4	34	\$3.2	34	\$3.2	34	\$3.2
Service:								
Reduce car consist and increase loading standards for East of Hudson	-	\$4.0	-	\$4.1	-	\$4.1	-	\$4.1
Reduce car consist and increase loading standards for West of Hudson	-	0.2	-	0.2	-	0.2	-	0.2
Reduce service for East of Hudson, net of revenues	12	1.5	12	1.5	12	1.5	12	1.5
Reduce service for West of Hudson, net of revenues	-	0.5	-	0.5	-	0.5	-	0.5
Retire 30 M-1 cars	4	1.4	4	1.4	4	1.4	4	1.4
Sub Total Service	16	\$7.6	16	\$7.7	16	\$7.7	16	\$7.7

MTA Metro-North Railroad
November Financial Plan 2009 - 2012
Additional Actions for Budget Balance
(\$ in millions)

	2009		2010		2011		2012	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
Maintenance:								
Defer West of Hudson F-40 locomotive overhaul program	-	\$3.2	-	\$0.0	-	\$0.0	-	\$0.0
Reduce Maintenance of Equipment shop material usage	-	1.2	-	1.2	-	1.2	-	1.2
Defer portion of M3 interior overhaul program	-	0.8	-	0.0	-	0.0	-	0.0
Defer portion of regular cyclical seat change out program for all fleets	-	0.2	-	0.0	-	0.0	-	0.0
Reduce Maintenance of Equipment agreement personnel	10	1.0	10	1.0	10	1.0	10	1.0
Reduce overtime for Maintenance of Equipment, Maintenance of Way and Operations Services Departments	-	1.0	-	1.0	-	1.0	-	1.0
Defer funding for repairs to heavily damaged equipment	-	0.7	-	0.0	-	0.0	-	0.0
Reduce purchases of shop tools	-	0.3	-	0.1	-	0.1	-	0.1
Reduce GCT restoration efforts	-	0.8	-	0.8	-	0.8	-	0.8
Sub Total Maintenance	10	\$9.2	10	\$4.2	10	\$4.2	10	\$4.2
Safety/Security:								
Reduce Maintenance of Way agreement personnel	10	\$1.0	10	\$1.0	10	\$1.0	10	\$1.0
Sub Total Safety/Security	10	\$1.0	10	\$1.0	10	\$1.0	10	\$1.0
Other:								
Sub Total Other	0	0.0	0	0.0	0	0.0	0	0.0
Total 2009 Add'l Actions for Budget Balance	88	35.0	88	35.0	88	35.0	88	35.0

**MTA Headquarters
November Financial Plan 2009-2012
Additional Actions for Budget Balance**

MTA Headquarters' additional actions for budget balance in 2009 total \$8.6 million. These reductions include the attrition of 21 managerial and staff positions, and other managerial expenses (\$3.560 million); reduced advertising expenditures (\$0.697 million); and other than personnel expense reductions (\$4.343 million). The details are as follows:

5% Managerial Expense Reduction (\$3.560 million, 21 positions)

This proposal calls for the reduction of 10 managerial positions, 9 non-managerial support staff positions, and 2 MTA Police civilian managerial positions totaling \$2.395 million. It is expected that the reductions can be achieved primarily through attrition.

Other than personnel services managerial expense reductions related to position reductions of \$1.165 million are primarily for outside audit services, promotions and marketing, and professional services.

Advertising Reductions (\$0.727 million)

A reduction of \$0.697 million represents a budget reduction of 26% and leaves approximately \$1.6 million for management discretion for future programs or MTA-wide advertising campaigns. Also included is the elimination of contingency fees related to advertising for RFPs, public hearings, etc.

Other Than Personnel Reductions (\$4.313 million)

Maintenance and Utility Costs \$0.925 million

Maintenance and utility costs will be reduced due to general efficiencies in maintenance practices for all the MTA headquarters buildings.

Professional Services \$0.657 million

Through more efficient use of consulting services, savings can be achieved for Human Resources, the IT Data Center, and Treasury.

Non-Represented Personnel Costs \$0.592 million

Lower personnel costs are due to the hiring of vacant non-represented positions at lower compensation levels.

Legal and Claims Expenses \$0.584 million

Legal and claims expenses can be reduced due to the elimination of contingencies for claims previously settled and projected to be completed.

Information Technology Expenses \$0.400 million

Expenses can be reduced due to lower consulting needs as MTA Headquarters personnel become more efficient at solving problems in IT applications coordinating Headquarters personnel with Business Service Center staff.

Equipment and Supplies \$0.396 million

Reductions can be made in equipment and supplies needs through greater oversight and efficiencies.

Travel Expenses \$0.318 million

Additional travel reductions have been identified and eliminated; however, this reduction will impact MTA Headquarters visibility in the various Transit conferences related to issues for the New York region regarding Mass Transit.

Audit Expenses \$0.292 million

Reduced Audit fees are made possible by the decision to use one external audit company.

Police Academy Fees \$0.148 million

Reduced Police Academy fees reflect attrition and hiring projections.

MTA Headquarters
November Financial Plan 2009-2012
Additional Actions for Budget Balance

<u>Additional Actions</u>	Savings Category	Net Savings			
		2009	2010	2011	2012
5% Management Expense Reductions	Administrative	\$3.6	\$3.5	\$3.6	\$3.8
Reduction in Headcount		21	21	21	21
Salary		1.8	1.8	1.8	1.9
Fringe		0.6	0.6	0.6	0.6
Professional Services		0.4	0.4	0.4	0.4
Outside Audit Services		0.1	0.1	0.1	0.1
Outside Promo Marketing		0.2	0.2	0.2	0.2
Various		0.5	0.5	0.5	0.5
Advertising Reductions	Administrative	\$0.7	\$0.7	\$0.8	\$0.8
Other than Personnel Reductions	Administrative	\$4.3	\$4.4	\$4.5	\$4.6
Lower Maintenance and Utility Reserves		0.9	0.9	1.0	1.0
Lower Personnel Costs		0.6	0.6	0.6	0.6
Reduced Legal and Claims Expenses		0.6	0.6	0.6	0.6
Reduced Contractual Needs		0.7	0.7	0.7	0.7
Reduced Consulting Expenses		0.4	0.4	0.4	0.4
Lower Equipment and Supplies		0.4	0.4	0.4	0.4
Reduced Travel Expenses		0.3	0.3	0.3	0.3
Reduced Audit Fees		0.3	0.3	0.3	0.3
Reduced Police Academy Fees		0.1	0.2	0.2	0.2
Total Additional Actions for Budget Balance		\$8.6	\$8.7	\$8.9	\$9.1

MTA Long Island Bus

November Financial Plan 2009-2012

Additional Actions for Budget Balance

Overview

In response to the extremely weak economic environment and the resulting severe budget gap, Long Island Bus has developed several additional action proposals that may be required to help meet our legal requirement of a balanced operating budget on a cash basis.

These proposed additional actions project significant savings primarily in bus service and administration. Total savings (net of revenue losses) are:

Programs	EOY Positions	Savings (\$'s in millions)				Total
		2009	2010	2011	2012	
Total of Proposals	21	\$ 5.4	\$ 5.9	\$ 5.9	\$ 5.9	\$ 23.2

In evaluating proposed service reduction actions, every effort was made to identify those actions that would achieve savings while minimizing the impact to our customers.

Descriptions of the proposed additional actions and their 2010 annual impact are as follows:

Service Delivery

Programs	EOY Positions	Savings (\$'s in millions)				Total
		2009	2010	2011	2012	
Service Delivery	15	\$ 1.3	\$ 1.8	\$ 1.8	\$ 1.8	\$ 6.7

1. Discontinue Underused Local Bus Routes. \$1.3 million, 15 positions

Several bus routes perform well-below the system-wide average. This reduction is based on eliminating the least-utilized routes within the system. Specifically, the N51, N53, N80, N93, N65, N66, N67 and N87 routes have been identified.

2. Streamline Select Routes. \$0.5 million, 0 positions

Several routes have minor variations from their primary path which can be revised to more efficiently serve their respective communities. Specifically, the N1, N2, N15, N20, N24, N27, N73, N81 routes have been identified for these improvements.

Administration

Programs	EOY Positions	Savings (\$'s in millions)				
		2009	2010	2011	2012	Total
Administration	6	\$ 1.7	\$ 1.6	\$ 1.7	\$ 1.7	\$ 6.7

1. Reduce Managerial Workforce by up to 10%.

\$0.8 million, 6 positions

Consolidation of senior management positions across the three companies has already begun, and this restructured leadership team will drive the effort to maximize efficiencies in all areas of bus operations and maintenance. Instead of having three separate executives, Joseph Smith is now Senior Vice President of NYCT DOB, President of MTA Bus Company, and President of LI Bus. As a result of this initiative, we can eliminate the following positions: President, Senior Vice President and a Senior Director and 3 Superintendents (Transportation).

2. Reduction in Operating and Professional Contracts.

\$0.5 million, 0 positions

Operating and service contracts were reviewed and where economies were possible, either through the use of internal workforce or lower service levels, the listed savings were realized. Every attempt was made to maintain reliability and safety while considering these reductions.

3. Increased Health & Welfare Employee Contributions Due to New Long Island Bus Lifetime Health Policy

\$0.3 million, 0 positions

Based on lifetime health approval for non-represented employees, employee contribution will increase from 1% of base to 18%/10% of health premium thereby reducing the cost to Long Island Bus net of premium for retirees.

Other

Programs	EOY Positions	Savings (\$'s in millions)				
		2009	2010	2011	2012	Total
Other	0	\$ 2.4	\$ 2.5	\$ 2.4	\$ 2.4	\$ 9.7

1. Realize Savings Driven from Reductions in CNG prices.

\$1.0 million, 0 positions

Current prices on CNG fuel fall substantially below the assumed prices in the November baseline. Savings of \$1.0 million in 2009 are achievable if these prices remain stable.

2. Explore Savings Available by Purchasing Natural Gas from an ESCO.

\$1.5 million, 0 positions

Energy Service Companies compete to provide energy and energy savings solutions to the end users. Long Island Bus will explore economies associated with purchasing natural gas from such a supplier in an effort to take advantage of lower prices offered by competition.

Long Island Bus

November Financial Plan 2009-2012
2009 Additional Actions for 2008 Budget Balance
(\$ in millions)

	Positions	2009	2010	2011	2012	Total
Administration						
10% Managerial Savings	6	\$ 0.800	\$ 0.824	\$ 0.839	\$ 0.858	\$ 3.320
Reduction in Operating & Professional Contracts	-	0.500	0.515	0.524	0.536	2.075
Increased Health & Welfare Employee Contributions due to new LIG	-	-	-	-	-	-
Lifetime Health Policy	-	0.300	0.309	0.315	0.322	1.245
Other	-	0.100	-	-	-	0.100
Subtotal Administration	6	1.700	1.647	1.678	1.715	6.740
% of Total Proposed		31.3%	27.9%	28.3%	28.8%	29.0%
Customer Convenience/Amenities						
None	-	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Customer Convenience/Amenities						
% of Total Proposed		0.0%	0.0%	0.0%	0.0%	0.0%
Maintenance						
None	-	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Maintenance						
% of Total Proposed		0.0%	0.0%	0.0%	0.0%	0.0%
Revenue Enhancement						
None	-	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Revenue Enhancement						
% of Total Proposed		0.0%	0.0%	0.0%	0.0%	0.0%
Safety						
None	-	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Safety						
% of Total Proposed		0.0%	0.0%	0.0%	0.0%	0.0%
Security						
None	-	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Security						
% of Total Proposed		0.0%	0.0%	0.0%	0.0%	0.0%
Service						
N83 N53 N51/80	10	\$ 0.672	\$ 0.897	\$ 0.913	\$ 0.934	\$ 3.416
N65/66/67 (Academic)	\$	0.236	0.314	0.320	0.327	1.196
N87 Jones Beach	-	0.052	0.052	0.053	0.055	0.213
Route Streamlining	-	0.375	0.500	0.509	0.521	1.905
Subtotal Service	15	1.336	1.764	1.797	1.837	6.733
% of Total Proposed		24.6%	29.9%	30.3%	30.9%	29.0%
Service Support						
None	-	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Service Support						
% of Total Proposed		0.0%	0.0%	0.0%	0.0%	0.0%
Other						
Reduce CNG Prices - Savings Assumed 10/31	-	1.000	1.040	1.019	0.999	4.058
CNG ESCO (April 2009 Implementation)	-	1.400	1.456	1.427	1.398	5.681
Subtotal Other	-	2.400	2.496	2.446	2.397	9.739
% of Total Proposed		44.2%	42.3%	41.3%	40.3%	42.0%
Total Proposed	22	16.561	21.343	18.884	18.953	75.741
Revised Total Proposed	21	5.436	5.907	5.920	5.949	23.212

**MTA Bus Company
November Financial Plan 2009-2012
Additional Actions for Budget Balance**

Overview

In response to the extremely weak economic environment and the resulting severe budget gap, MTA Bus Company has developed several additional proposals that may be required to achieve savings.

These proposed additional actions project significant savings primarily in bus service delivery, administration and maintenance. Total savings (net of revenue losses) are:

Program	EOY Positions	Savings (\$'s in millions)				Total
		2009	2010	2011	2012	
Total of Proposals	190	\$ 16.2	\$ 22.8	\$ 21.3	\$ 22.1	\$ 82.4

In evaluating proposed service reduction actions, every effort was made to identify those actions that would achieve savings while minimizing the impact to our customers.

Descriptions of the proposed additional actions and their 2010 annual impact are as follows:

Service Delivery

Program	EOY Positions	Savings (\$'s in millions)				Total
		2009	2010	2011	2012	
Service Delivery	150	\$ 10.0	\$ 17.1	\$ 17.3	\$ 17.9	\$ 62.3

- 1. Realign Peak Period Express Bus Service to MTA – NYCT Loading Guidelines.**
\$6.7 million, 61 positions

Currently, MTA Bus does not use loading guidelines. However, with the evolution of the MTA Bus organization and the accurate reporting of necessary ridership data on an on-going basis, the application of loading guidelines identical to that employed by NYCT's Operations Planning Division can now be achieved. Routes affected by this change include: BM1, BM2, BM3, BM4, BM5, BxM1, BxM2, BxM3, BxM4A/4B, BxM6, BxM7, BxM7A, BxM9, BxM10, BxM11, BxM18, QM1/1A, QM2, QM2A, QM4, QM10, QM11, QM12, QM21, QM24.

- 2. Discontinue Underused Express and Local Bus Routes.**
\$2.0 million, 29 positions

Several bus routes perform well-below the system-wide average. This reduction is based on eliminating the least-utilized routes within the system. Specifically, the QM22, QM23, BxM7B routes have been identified.

- 3. Utilize NYCT – Department of Buses Facilities for Mid-day Layovers.**
\$0.8 million, 2 positions

MTA Bus can save fuel and maintenance costs associated with mileage that can be eliminated by introducing mid-day layovers at DOB's Michael J. Quill, 100th Street and 126th Street Depots. This reduction represents those savings.

4. Streamline Select Routes.

\$0.8 million, 0 positions

Several routes have minor variations from their primary path which can be revised to more efficiently serve their respective communities. Specifically, the Q18, Q38, Q41, Q67, Q110, B103, BM2, BM3, QM21, BxM1 and BxM2 routes have been identified for these improvements.

5. Increase Express Bus Fare to \$6.25.

\$6.8 million, 57 positions

The express bus network currently achieves an average farebox recovery of slightly more than half that of the local bus network. This proposal improves express farebox recovery to match local. To achieve this improvement, the express bus fare would be increased from \$5 to \$6.25; over time, it is anticipated that express bus service would be reduced to meet lower demand, with some partially offsetting service increases on adjacent local bus services. All express routes would see weekday service reductions based on projected ridership decline. The \$6.8M represents the net savings of: Revenue increase resulting from the fare increase and service reductions, offset by revenue losses due to the anticipated loss of ridership and revenue resulting from fare increases.

Administration

Program	EOY Positions	Savings (\$'s in millions)					Total
		2009	2010	2011	2012		
Administration	18	\$ 2.4	\$ 2.4	\$ 2.5	\$ 2.6		\$ 9.9

1. Reduce Managerial Workforce by up to 10%.

\$2.4 million, 18 positions

Consolidation of senior management positions across the three companies has already begun, and this restructured leadership team will drive the effort to maximize efficiencies in all areas of bus operations and maintenance. Instead of having three separate executives, Joseph Smith is now Senior Vice President of NYCT DOB, President of MTA Bus Company, and President of LI Bus. As a result of this initiative, we can eliminate the following positions: President, Senior Vice President, Chief Maintenance Officer, Chief Transportation Officer, Chief Facilities Officer, General Counsel, Chief Officer Non-Revenue and two Superintendents (Maintenance) and nine Superintendents (Transportation).

Maintenance

Program	EOY Positions	Savings (\$'s in millions)					Total
		2009	2010	2011	2012		
Maintenance	22	\$ 2.1	\$ 1.5	\$ 1.6	\$ 1.6		\$ 6.8

1. Reduce facility contract expenditures.

\$1.0 million, 0 positions

Savings will be primarily achieved through the introduction of an in-house workforce which will complete select construction projects currently planned for completion by outside contracts in a more cost-efficient and timely manner.

- 2. Implement new allocation formulas for maintenance hourly positions.**
\$0.5 million, 14 positions (\$1.1 million, 22 positions in 2009)

MTA Bus will implement the budget and allocations models identified as a best practice by the Regional Bus Merger Team. The models, which will be applied to all MTA Bus operations and service requirements, use zero-based formulas and ratios to determine the proper level of fixed, unique, scheduled operation and variable/unscheduled requirements for maintenance and non-revenue hourly positions necessary to keep buses in a state of good repair.

Other

Programs	EOY Positions	Savings (\$'s in millions)				Total
		2009	2010	2011	2012	
Other	0	\$ 1.7	\$ 1.7	\$ -	\$ -	\$ 3.4

- 1. Extend savings provided by the Alternative Fuel Excise Tax Credit.**
\$1.7 million, 0 positions

An excise tax credit is available for alternative fuel that is sold for use or used as a fuel to operate a motor vehicle. The credit is \$0.50 per gasoline gallon equivalent (GGE) of compressed natural gas. The credit is currently available until December 31, 2009, but is expected to be extended. The savings proposed reflect savings through 2010.

MTA Bus Company

2009 Alternative Options for 2009 Budget Balance
Revised on November 12, 2008
(\$ in millions)

	Positions	2009	2010	2011	2012
Administration					
Reduce managerial workforce by 5%	9	\$ 1,200	\$ 1,222	\$ 1,250	\$ 1,277
Additional managerial, professional and admin. reductions	9	1,200	1,222	1,250	1,277
Subtotal Administration	18	2,400	2,445	2,499	2,554
% of Total Proposed		14.9%	10.7%	11.7%	11.6%
Customer Convenience/Amenities					
None	-	\$ -	\$ -	\$ -	\$ -
Subtotal Customer Convenience/Amenities			0.0%	0.0%	0.0%
% of Total Proposed					
Maintenance					
Reduce facility contract expenditures	-	\$ 1,000	\$ 1,019	\$ 1,041	\$ 1,064
Reimbursement for third party non-revenue maintainer work	8	0,600	-	-	-
Implement new allocation formulas for maintenance hourly positions	14	0,500	0,509	0,521	0,532
Subtotal Maintenance	22	2,100	1,528	1,562	1,596
% of Total Proposed		13.0%	6.7%	7.3%	7.2%
Revenue Enhancement					
Express Bus Fare Increase (\$5.25 effective 07/01/2009)	57	3,400	6,799	6,905	7,231
Subtotal Revenue Enhancement	57	3,400	6,799	6,905	7,231
% of Total Proposed		21.1%	29.8%	32.3%	32.7%
Safety					
None	-	\$ -	\$ -	\$ -	\$ -
Subtotal Safety			0.0%	0.0%	0.0%
% of Total Proposed					
Security					
None	-	\$ -	\$ -	\$ -	\$ -
Subtotal Security			0.0%	0.0%	0.0%
% of Total Proposed					
Service					
Adjust peak period express bus to meet loading guidelines	61	\$ 4,323	\$ 6,734	\$ 6,763	\$ 6,954
Discontinue underused express and local routes	29	0,987	2,005	2,006	2,085
Use NYCT DOB Facilities for layover	2	0,769	0,756	0,761	0,793
Streamlining of routes	1	0,273	0,440	0,442	0,457
Additional streamlining of routes	-	0,200	0,403	0,408	0,420
Subtotal Service	93	6,551	10,338	10,380	10,709
% of Total Proposed		40.6%	45.3%	48.6%	48.5%
Service Support					
None	-	\$ -	\$ -	\$ -	\$ -
Subtotal Service Support			0.0%	0.0%	0.0%
% of Total Proposed					
Other					
Extend savings provided by Alternate Fuel Excise Tax Credit	-	\$ 1,700	\$ 1,700	\$ -	\$ -
Subtotal Other		1,700	1,700	-	-
% of Total Proposed		10.5%	7.5%	0.0%	0.0%
Total Proposed	190	\$ 16,151	\$ 22,809	\$ 21,346	\$ 22,091

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MTA Consolidated Utilization

MTA Agency Fare and Toll Revenue Projections, in millions
Including the Impact of PEGs and Fare/Toll Yields in 2009 & 2011

		2008	2009			
		Final	Final			
		Estimate	Proposed Budget	2010	2011	2012
Fare Revenue						
Long Island Bus ¹	- November Baseline	\$41.002	\$40.735	\$40.858	\$40.939	\$41.062
	- 6/1/09 Fare Yield	0.000	5.484	9.397	9.416	9.444
	- 1/1/11 Fare Yield	0.000	0.000	0.000	2.518	2.525
		\$41.002	\$46.219	\$50.255	\$52.873	\$53.032
Long Island Rail Road	- November Baseline	\$508.486	\$506.816	\$505.850	\$510.389	\$514.976
	- 6/1/09 Fare Yield	0.000	70.034	116.346	117.389	118.445
	- 1/1/11 Fare Yield	0.000	0.000	0.000	31.389	31.671
	- PEGs	0.000	0.400	0.800	0.800	0.800
		\$508.486	\$577.250	\$622.996	\$659.967	\$665.892
Metro-North Railroad ²	- November Baseline	\$507.229	\$512.005	\$519.188	\$533.717	\$549.503
	- 6/1/09 Fare Yield	0.000	41.882	70.920	73.206	75.571
	- 1/1/11 Fare Yield	0.000	0.000	0.000	18.036	18.624
	- PEGs	0.000	8.478	9.050	9.101	9.101
		\$507.229	\$562.365	\$599.158	\$634.060	\$652.798
MTA Bus Company	- November Baseline	\$153.812	\$153.043	\$153.655	\$155.038	\$156.588
	- 6/1/09 Fare Yield ³	0.000	14.588	24.700	24.923	25.172
	- 1/1/11 Fare Yield ³	0.000	0.000	0.000	9.535	9.630
		\$153.812	\$167.631	\$178.355	\$189.495	\$191.390
New York City Transit ¹	- November Baseline	\$2,974.848	\$2,949.781	\$2,963.662	\$3,006.537	\$3,052.846
	- 6/1/09 Fare Yield	0.000	395.744	670.002	679.699	690.174
	- 1/1/11 Fare Yield	0.000	0.000	0.000	184.312	187.151
		\$2,974.848	\$3,345.525	\$3,633.664	\$3,870.548	\$3,930.171
Staten Island Railway	- November Baseline	\$4.402	\$4.707	\$5.047	\$5.112	\$5.176
	- 6/1/09 Fare Yield	0.000	0.644	1.161	1.176	1.190
	- 1/1/11 Fare Yield	0.000	0.000	0.000	0.314	0.318
		\$4.402	\$5.351	\$6.208	\$6.602	\$6.685
Total Farebox Revenue						
	- November Baseline	\$4,189.779	\$4,167.087	\$4,188.260	\$4,251.731	\$4,320.151
	- 6/1/09 Fare Yield	0.000	528.376	892.526	905.809	919.995
	- 1/1/11 Fare Yield	0.000	0.000	0.000	246.104	249.919
	- PEGs	0.000	8.878	9.850	9.901	9.901
		\$4,189.779	\$4,704.341	\$5,090.635	\$5,413.545	\$5,499.967
Toll Revenue						
Bridges & Tunnels	- November Baseline	\$1,273.180	\$1,263.730	\$1,263.592	\$1,267.946	\$1,275.080
	- 6/1/09 Toll Yield	0.000	156.129	278.911	291.527	293.104
	- 1/1/11 Toll Yield	0.000	0.000	0.000	70.181	78.374
		\$1,273.180	\$1,419.859	\$1,542.503	\$1,629.654	\$1,646.558
TOTAL FARE & TOLL REVENUE ³						
	- November Baseline	\$5,462.959	\$5,430.817	\$5,451.852	\$5,519.677	\$5,595.231
	- 6/1/09 Fare/Toll Yield	0.000	684.505	1,171.437	1,197.337	1,213.100
	- 1/1/11 Fare/Toll Yield	0.000	0.000	0.000	316.285	328.293
	- PEGs	0.000	8.878	9.850	9.901	9.901
		\$5,462.959	\$6,124.200	\$6,633.139	\$7,043.199	\$7,146.525

¹ Excludes Paratransit Operations.

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

³ MTA Bus revenue from Fare Yield will be used to reduce NYC subsidy to MTA Bus.

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**Certification of the Executive Director
of the
Metropolitan Transportation Authority
in accordance with Section 202.3(l)
of the
State Comptroller's Regulations**

I, Elliot G. Sander, Executive Director of the Metropolitan Transportation Authority ("MTA"), hereby certify, to the best of my knowledge and belief after reasonable inquiry, including certifications from senior management at the MTA agencies, that the attached budget and financial plan is based on reasonable assumptions and methods of estimation and that the requirements of Section 202.3 and 202.4 of the Regulations referenced above have been satisfied.

Metropolitan Transportation Authority

By: 

Elliot G. Sander
Executive Director

Dated: February 13, 2009

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